



Management / Financial Advisory Committee Hampton Roads Transit

Monday, August 20, 2018 • 1:30 p.m.

2nd Floor Board Room • 509 East 18th Street, Norfolk, VA 23504

MEETING MINUTES

Committee members in attendance:

Lauren DiEugenio, City of Norfolk
Jessica Dennis, City of Norfolk
Amy Inman, City of Norfolk
Brian Solis, City of Virginia Beach
Alex Gottschalk, City of Virginia Beach
Constantinos Velissarios, City of Newport News
Michael Hayes, City of Hampton
Miryam Woodson, City of Virginia Beach
Carl Jackson, City of Portsmouth

Hampton Roads Transit Staff in attendance:

Debbie Ball, Assistant Director of Finance
Sylvia Shanahan, Director of Finance
Brenda Green, Accounting Coordinator
Ashely Johnson, Budget Analyst III (recorder)
Margaret Denoncourt, Internal Auditor
Conner Burns, Chief Financial Officer
Brandon Singleton, Assistant Director of Budget and Financial Analysis
Angela Glass, Director of Budget and Financial Analysis
Gene Cavasos, Director of Marketing and Communications
Brian Smith, Chief of Staff
Ray Amoruso, Chief Planning and Development Officer
Jim Price, Chief Transit Operations Officer
Robert Travers, Attorney
Sibyl Pappas, Chief Engineering and Facilities Officer
Sonya Luther, Director of Procurement
William Harrell, President and CEO
Kim Ackerman, Chief Human Resources Officer
Amy Braziel, Senior Executive Assistant
Joe Dillard, Government Relations Liaison
Jamie Jackson, Director of Transit Development
Sheri Dixon, Manager of Revenue Services



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Others in attendance:

Steve Bond, City of Hampton
Angela Hopkins, City of Newport News

Call to order

In the absence of the MFAC Chair, Brian Deprofio, City of Hampton, Brian Solis, City of Virginia Beach, chaired and called the meeting to order at 1:31 pm.

The August 2018 Management/Financial Advisory Committee (MFAC) package was distributed electronically to committee members in advance of the meeting. The meeting package consisted of:

- Agenda
- July 2018 MFAC Meeting Minutes
- June 2018 Financial Statement
- July 2018 Financial Statement
- Route Ridership FY14 – FY18 for all Routes

Welcome

Mr. Solis welcomed everyone to the meeting.

Miryam Woodson, City of Virginia Beach, asked a question regarding the meeting minutes from the July 23rd meeting. It was noted in the minutes that the State FMO audit was emailed to committee members, however she had not received it. Mr. Solis stated that it was emailed to Commissioners and he will resend to the committee members. Ms. Woodson also asked if the Federal FMO audit could be shared. Conner Burns, Chief Financial Officer, stated it has not been received to date and will report to the committee once it has been received.

The July 23rd meeting minutes were approved.

July 2018 Financial Report



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Mr. Burns welcomed everyone to the meeting.

Mr. Burns had a few highlights to report:

- Farebox recovery projections were met in each city for the month of July. The overall agency-wide farebox recovery budget is 16.2%. The actual recovery for the month of July was 20%.
- The income statement is currently being reviewed to determine the best method of presenting the financial reports.

Mr. Burns stated that there are items from the agenda that will need to be tabled until the meeting next month:

- The additional State Operating Assistance and how it will be recognized in the cost allocation.
- Discussion/review of the State FMO Review due to the absence of committee members.

Mr. Burns presented the July 2018 draft Financial Report.

There was discussion surrounding a question posed by Ms. Woodson regarding how the Federal and State funds are allocated. Ms. Woodson also asked what was included in the Other Transportation Revenue category. Ms. Angela Glass, Director of Budget and Financial Analysis, responded Elizabeth River Crossing (ERC) contract revenue is included in Other Transportation Revenue. There was additional discussion about ERC and Metro Area Express (MAX) routes revenue.

Alex Gottschalk, City of Virginia Beach, asked if the KPI's will be included each month. Mr. Burns stated that the KPI's will be included. There was additional discussion on how the financial information will be presented each month on the reconciliation slides for each city.

There was some discussion on the State of Good Repair and when/how capital funds are appropriated into the operating budget.

Draft June 2018 Financial Report

Mr. Burns presented the draft June 2018 Financial report.

There was discussion on the true-up balances and the anticipated timeline for finalizing the financial statements for FY2018.



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Ms. Woodson asked for clarification on the contributing factors that resulted in a savings in the Contract Services, Materials and Supplies, and Other Miscellaneous Expenses categories.

Action Item: A request was made for HRT staff to research and email the details on the savings to the committee.

There was discussion regarding the potential move of Greyhound's daily operations to Downtown Norfolk Transit Center (DNTC). William Harrell, President and CEO, spoke on the current costs and potential costs to maintain DNTC with the increased pedestrian and vehicular traffic. He stated that HRT would need assistance from the City of Norfolk to secure the necessary resources to offset the additional costs. Ms. Inman stated that she believes Greyhound is willing to provide some level of financial assistance. Mr. Harrell stated that HRT has provided information on the costs to maintain DNTC to the City of Norfolk, however HRT has not received a response. Ms. Inman noted that the City of Norfolk is reviewing the matter.

There was some discussion about the evaluation, exercising of option years, and renewal processes for current contracts.

Other Business

There was discussion about the upcoming Transportation Service Plan (TSP) development and timelines.

Action Item: Ms. Inman asked what is included in the cost per hour. The detail will be provided at the next meeting.

There was some discussion on the additional \$554,515 of State Operating Assistance from DRPT and what were the contributing factors on why HRT was awarded the additional funds.

Mr. Burns informed the committee that Margaret Denoncourt, Internal Auditor, presented the Internal Audit of the Money Room Operations to the Operations and Oversight Committee. Mr. Burns mentioned there were no policy violations found. There was some additional discussion on the Internal Audit of the Money Room Operations.



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Review of Action Items:

Brian Solis will email the DRPT FMO review to the committee members.

HRT Accounting Staff will email the details on the preliminary FY18 budgetary savings in the following categories:

- Materials and Supplies
- Contract Services
- Other Miscellaneous Expenses

Provide the detail on the cost per hour calculation.

Adjournment

The meeting was adjourned at 2:59 p.m.