



## Management / Financial Advisory Committee Hampton Roads Transit

Monday, June 25, 2018 • 1:30 p.m.

2nd Floor Board Room • 509 East 18<sup>th</sup> Street, Norfolk, VA 23510

### MEETING MINUTES

#### **Committee members in attendance:**

Steven Jenkins, Chair, City of Chesapeake  
Brian DeProfio, City of Hampton  
Lauren Kesselring, City of Norfolk  
Miryam Woodson, City of Virginia Beach  
Brian Solis, City of Virginia Beach  
Brian Casey, City of Portsmouth  
Alex Gottschalk, City of Virginia Beach  
Carl Jackson, City of Portsmouth  
Jeffrey Raliski, City of Norfolk  
Lisa Cipriano, City of Newport News  
Constantinos Velissarios, City of Newport News  
Michael Hayes, City of Hampton  
Karl Daughtrey, City of Hampton

#### **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)  
Jamie Jackson, Director of Transit Development  
Alesia Cain, Chief Information Officer/Chief Technology Officer  
Margaret Denoncourt, Internal Auditor  
Conner Burns, Chief Financial Officer  
Brandon Singleton, Assistant Director of Budget and Financial Analysis  
Gene Cavazos, Director of Marketing and Communications  
Brian Smith, Chief of Staff  
Sheri Dixon, Manager of Revenue Services  
Joe Dillard, External Affairs Liaison  
Ray Amoruso, Chief Planning and Development Officer  
Keisha Branch, Capital Programs and Grants Administration Officer  
Jim Price, Chief Transit Operations Officer



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### **Call to order**

Steven Jenkins, Chair, City of Chesapeake, called the meeting to order at 1:30 pm.

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

- Agenda
- May 2018 MFAC Meeting Minutes
- May 2018 Financial Statement
- Route Ridership FY14-FY18 – All Routes

### **Welcome**

Mr. Jenkins welcomed everyone to the meeting.

There were two corrections to the May 2018 MFAC minutes. On page 1, the name spelling of Constantinos Velissarios was corrected. On page 4, paragraph four “on” was struck from the minutes.

The amended May 2018 MFAC minutes were approved by a unanimous vote.

### **May 2018 Financial Report**

Mr. Conner Burns, Chief Financial Officer, welcomed everyone to the meeting.

Mr. Burns briefed the committee on some of his objectives and changes that have taken place since the last meeting.

HRT will conduct its monthly closeout process by the 12<sup>th</sup> of the month for the purpose of producing financial statements. The MFAC meeting package will continue to be transmitted to committee members for review on the Thursday prior to the meeting.

The suggestion to have brackets on any negative value in the presentations has been implemented. Additionally, the request to add subtotals for the Operating and Subsidy Revenues has also been implemented.



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The field work for the Financial Management Oversight (FMO) review has been completed. A draft report is anticipated by next month. The agency will have 30 days to provide a response to any comments or findings.

The internal audit department's audit of budgetary practices is nearing completion. A matrix was created to track the progress in reviewing each of the audit items. The matrix outlines recommendations and time lines for completion.

A review of agency contracts was completed. There currently is a total of 168 contracts with seven (7) of those contracts having minor issues.

Mr. Burns stated that he and other members of HRT staff met with Jeffery Raliski, Lauren Kesselring, and Greg Patrick with the City of Norfolk. The discussion evolved around state of good repair funding and the plan to utilize that funding moving forward. That plan was discussed and outlined by Mr. Burns.

HRT staff planned to add the Capital Projects List to the financial report starting in July. However, the Capital Improvement Plan (CIP) process will begin in July, therefore the Capital Projects List will be added to the financial report starting in August 2018.

Mr. Burns mentioned that he will email committee members to discuss the development of a sub-committee to research historical information and explore opportunities to maximize the provisions within the Cost Allocation Agreement (CAA). Carl Jackson, from the City of Portsmouth, volunteered to be on the sub-committee.

There was some discussion regarding a question from last month's meeting about the frequency of the MFAC meetings. It was determined that the committee will continue to meet monthly.

There was discussion regarding outstanding issues/questions that have not been addressed since the development of the committee. Lisa Cipriano, Newport News, and Brian DeProfio, Hampton, will provide a list of those issues/questions to Mr. Burns.

Mr. Burns presented the May 2018 Financial Report.

There was some discussion on the plans for projected \$2.5 million surplus.

There was a question on what was driving the unfavorable variance on the Contract Services line item. Mr. Burns indicated the unfavorable variance was due to a contract for Technology that has been in negotiations for nearly seven (7) months.



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There was some discussion regarding the additional state operating assistance HRT received from DRPT. Mr. Burns requested to speak with William Harrell, President and CEO and other senior HRT staff to determine the best approach to the situation and address it formally. Mr. Amoruso advised the committee to table the discussion until Mr. Burns has had an opportunity to speak with Mr. Harrell and other senior staff. He additionally stated that this committee is an advisory committee and can only provide recommendations to the full board for their consideration.

There was some discussion regarding the projected true-up balances due to/due from the localities and how the balances have fluctuated from month to month.

There was some discussion on how many members from each city can attend the MFAC meetings. It was determined that, within reason, a member city could send the necessary amount of city staff to properly represent their city's interest, however only one (1) vote per city will be considered on matters that require a vote.

### **Other Business**

Mr. DeProfio introduced Michael Hayes from the City of Hampton Planning and Zoning Administration.

Ms. Cipriano thanked Mr. Jenkins for his year of leadership as the chair of MFAC

### **Action Items:**

Mr. Burns will email committee members to discuss the development of a sub-committee to research historical information and explore opportunities to maximize the provisions within the CAA.

Ms. Cipriano and Mr. DeProfio will provide a list of outstanding issues/questions to Mr. Burns for review and response by HRT staff.

### **Adjournment**

The meeting was adjourned at 2:31 p.m.