



## Management / Financial Advisory Committee Hampton Roads Transit

Tuesday, January 22, 2019 • 1:30 p.m.  
3400 Victoria Blvd., Board Room, Hampton, VA 23661

### MEETING MINUTES

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

Brian DeProfio, City of Hampton-Chair  
Lauren DiEugenio, City of Norfolk  
Amy Inman, City of Norfolk  
Earl Sorey, City of Chesapeake  
Jessica Dennis, City of Norfolk  
Sheila McAllister, City of Newport News  
Constantinos Velissarios, City of Newport News  
Lisa Cipriano, City of Newport News  
Angela Hopkins, City of Newport News  
Carl Jackson, City of Portsmouth  
Cheryl Spivey, City of Portsmouth  
Steven Jenkins, City of Chesapeake  
Miryam Woodson, City of Virginia Beach  
Alex Gottschalk, City of Virginia Beach  
Tara Reel, City of Virginia Beach

#### **Hampton Roads Transit Staff in attendance:**

Debbie Ball, Interim Director of Finance  
Brenda Green, Accounting Coordinator  
Ashely Johnson, Budget Analyst II (recorder)  
Keisha Branch, Grants Administration and DBE Officer  
Margaret Denoncourt, Internal Auditor  
Conner Burns, Chief Financial Officer  
Michael Perez, Operations Project and Contract Administrator  
Angela Glass, Director of Budget and Financial Analysis  
Gene Cavasos, Director of Marketing and Communications  
Robert Travers, Attorney  
Alesia Cain, Chief Information Officer/Chief Technology Officer  
Sheri Dixon, Manager of Revenue Services  
William Harrell, President and Chief Executive Officer  
Ray Amoruso, Chief Planning and Development Officer  
Kim Ackerman, Chief Human Resources Officer  
Sibyl Pappas, Chief Engineering and Facilities Officer  
Margaret Denoncourt, Internal Auditor  
Shanti Mullen, Auditor I  
Brian Smith, Chief of Staff



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Vincent Jackson, Director of Service Planning and Scheduling

### **Others in attendance:**

### **Call to order**

Lisa Cipriano, City of Newport News, called the meeting to order at 1:38 pm.

The January 2019 Management/Financial Advisory Committee (MFAC) package was distributed electronically to committee members in advance of the meeting. The meeting package consisted of:

- Agenda
- December 2018 MFAC Meeting Minutes
- November 18 FY 19 Financial Report
- December 18 FY 19 Financial Report
- Route Ridership FY14-FY18

### **Welcome**

Ms. Cipriano welcomed everyone to the meeting.

The December meeting minutes were approved.

### **November/December 2018 Financial Report**

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

Mr. Burns presented a brief overview of the November financials. He then presented the December financial statements in detail.

**ACTION ITEM:** Amy Inman, requested that meeting materials be available on the HRT website prior to meetings going forward.

**ACTION ITEM:** Lisa Cipriano, requested that fuel expenses be presented separately from the material and supplies expense category.

There was some discussion on vacancies throughout HRT and the savings from the vacancies and VRS. Vacancies are currently in operators, mechanics, and some non-union positions.



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There was some discussion on non-transportation revenue.

Mr. Burns reviewed the locality crosswalk and the different funding sources. The year to date locality reconciliation slides for each locality were also reviewed.

Mr. Burns also presented the projections for FY19. Angela Glass, Director of Budget and Financial Analysis, explained that Portsmouth's FY19 projections have a negative variance as a result of preventive maintenance expenses for the ferry that have not occurred.

There was some discussion on how federal aid is applied to the ferry and light rail modes.

**ACTION ITEM:** Amy Inman asked for a detailed explanation on how Federal aid is applied to Ferry and Light Rail.

There was some discussion on the Ferry cost per hour.

**ACTION ITEM:** Brian DeProfio asked the Agency to provide expenditure projections to match the revenue projections. Mr. Burns stated that next month, projections will display expenditure projections by category.

Mr. Burns presented projections utilizing the extra state funding, as well as, the return of approximately half of the funding to the localities. After discussion, the Committee recommended that half of the additional state funding be returned to the localities. Mr. Burns reminded the Committee that those funds will not necessarily be exactly half. The Agency will return the localities portion as noted in the July 2018 President's report, if approved by the Commission.

### **FY20 Preliminary Budget:**

Mr. Harrell gave a summary on the FY20 budget presentation and the recommendations from the meetings with each of the cities. It had been requested that HRT prepare a budget to include a three percent increase to the overall budget from FY19.

There was some discussion on whether there should be a three percent increase to the overall HRT budget, or a three percent increase based on the localities FY19 contribution. The City of Portsmouth stated that they would like their contribution to remain the same as FY19.



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**ACTION ITEM:** The committee requested that HRT provide a budget with a three percent increase over the current FY19 locality payments. HRT will also provide answers to the questions raised from the locality meetings to include the cost drivers for the increase in the FY20 budget request. A timeline for any service hour reductions also needs to be provided.

There was some discussion on the DRPT State application and what budget will be submitted for the State application.

**ACTION ITEM:** The February 11, 2019 deadline for HRT to deliver the preliminary FY20 budget still stands. HRT will get a revised budget to include the three percent parameters and transmit to the MFAC committee.

There was some discussion on poor performing routes and the impact on State funding.

MFAC will have a follow-up meeting on February 4, 2019 at 1:30 to review the revised HRT FY20 Preliminary Budget. This meeting will be held at the Norfolk boardroom.

Mr. Burns provided an answer to the Action Item from the previous meeting regarding the level of service HRT provides for the \$2 million revenue from ERC and the cost of the MAX route.

There was some discussion on the allocation of the MAX routes and the fare allocation for those routes.

### **State Operating Assistance follow-up:**

Brian Smith gave a follow-up presentation to the potential changes to the State Operating Assistance.

There was some discussion on the potential changes to the State Operating Assistance and the factors used to calculate the assistance.

### **Other Business**

### **Adjournment**

The meeting was adjourned at 3:45 p.m.