



Management / Financial Advisory Committee

Monday, December 7, 2020 • 1:30 p.m.
3400 Victoria Blvd., Hampton VA
Zoom Teleconference

MEETING MINUTES

Call to order

Amy Inman, Chair – City of Norfolk, welcomed everyone and called the meeting to order at 1:33 pm.

Attendance was taken via teleconference.

Commissioner in attendance via Zoom:

Commissioner Gray, City of Hampton

Committee members in attendance via Zoom:

Amy Inman, Chair – City of Norfolk
Lisa Cipriano, City of Newport News
Jessica Dennis, City of Norfolk
Seth Parker, City of Norfolk
Cole Fisher, City of Virginia Beach
Alex Gottschalk, City of Virginia Beach
Earl Sorey, City of Chesapeake
Carl Jackson, City of Portsmouth
Genevieve Thomas, City of Hampton
Brian DeProfio, City of Hampton
James Burke, City of Portsmouth
Brian Solis, City of Virginia Beach
Angela Hopkins, City of Newport News
Steve Pittard, DPRT
Ann Doyle, City of Norfolk

Hampton Roads Transit Staff in attendance:

Brenda Green, Accounting Coordinator
Adrian Tate, Finance Manager
Debbie Ball, Director of Finance
Larry Kirk, Assistant Director of Finance
Conner Burns, Chief Financial Officer
Angela Glass, Director of Budget and Financial Analysis
John Powell, Telecommunications Specialist
Ashely Johnson, Capital Improvement Plan Analyst III



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Sheri Dixon, Director of Revenue
Keshia Branch, Director of Office of Program & Project Excellence
Michael Price, Chief Information Officer/Chief Technology Officer
Ray Amoruso, Chief Planning and Development Officer
Erin Glen, Director of Enterprise Technology Solutions
Juanita Davis, Budget Analyst III
Kim Wolcott, Chief Human Resources Officer
Dawn Sciortino, Chief Safety Officer
Shanti Mullen, Internal Auditor
William Harrell, President and Chief Executive Officer
Gene Cavasos, Director of Marketing and Communications
Robert Travers, Attorney
Brian Smith, Deputy Chief Executive Officer
Sonya Luther, Director of Procurement
Sibyl Pappas, Chief Engineering and Facilities Officer
Jim Price, Chief Transit Operations Officer
Vincent Jackson, Director of Service Planning and Scheduling
Scott Demharter, Director of Facilities

Others in attendance via Phone:

Jeff Raliski, Hampton Roads Transportations Planning Organization (HRTPO)
Andrew Zalewski, Foursquare, ITP

The December 2020 Management/Financial Advisory Committee (MFAC) package was distributed electronically to Committee Members in advance of the meeting. The meeting package consisted of:

- Agenda
- November 9, 2020 Meeting Minutes
- October 2020 FY21 Financial Report
- Route Ridership FY17-FY21 – ALL ROUTES
- FY 2022 Draft Operation Budget
- FY 2021-2031 Capital Improvement Plan (CIP)
- Updated – Regional Transit Program
- HRT Bus Stop Cleanliness Plan

The financials were uploaded to the Agency's website prior to the meeting.



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Approval of the November 2020 Minutes

A motion to approve the November 2020 Meeting Minutes was made and properly seconded.

The November 2020 Minutes were approved by unanimous vote.

October 2020 Fiscal Year 2021 Financial Report

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

Mr. Burns presented the Financial Statement for the period ended October 31, 2020. The October financials including the operating financial statement, non-operating COVID revenue/expenses, farebox revenue/expenses, locality crosswalk and locality reconciliation, were presented in detail.

HRT has extended the “attendance premium” through December 31, 2020.

There were discussion concerning HRT’s expectation of ridership trends and expected behavior after the pandemic. HRT is reporting a very slow growth in ridership however, the Agency has not seen a downward trend in ridership since, April 2020.

ACTION ITEM: HRT was asked to present a graph expounding on the strategy the agency will be using to stay a head of the FTA traditional funding after the COVID funding sunset.

FY2022 Draft Operating Budget

Mr. Burns stated that today’s presentation will include the traditional budget build and a budget where that HRT has the ability to strategically allocate federal and state funding. Strategic allocation will enable the Agency to keep the localities funding level flat. The Draft FY 2022 Operating Budget does reflect an increase in expenses however, this increase is being addressed with Regional Funding.

Angela Glass, Director of Budget and Financial Analysis, presented the FY 2022 Draft Operating Budget and TSP presentation to the MFAC Members and attendees. Ms. Glass reviewed the FY 2022 Budget Calendar reminding the member of the January 11, 2021 Special MFAC Meeting. Ms. Glass gave an overview of the local share contributions, the method of strategically allocating federal and state dollars to allow for budget certainty for each locality. The agency’s methodology and the use of strategically allocating funds will enable the localities to land on a “net zero” variance year-over-year.



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The traditional method using the Cost Allocation Agreement (CAA) was also presented. The localities will still land on a “net zero” however, resulting in a year-to-year variance uncertainty. Continuing with the method of strategical allocation state and federal funds. Ms. Glass summarized the FY 2022 Draft TSP which includes the TSP changes, the City of Norfolk’s Redesign Plan, and the Regional Transit Service (RTS) plan.

There were discussing concerning the “Cost of Living Adjustment” (COLA) increase given in the FY2021 and being implemented in FY2022 budget.

There were discussing concerning HRT’s (3) three opened administrative positions and the “cost driver” needs.

There were discussions concerning the bus stop amenities and the additional cost of maintaining a higher standard of cleanliness being funded by the RTS.

Michael Price, Chief Information Officer/Chief Technology Officer, expounded of the technology “cost drivers” as it relates to the FY 2022 Draft Operating Budget.

Brian Smith, Deputy Chief Executive Officer, stated that the Grants Program Analyst is critical to the Agency. This position provides support all the core functions for the full lifecycle for grant administration from the upfront work, programing, compliance to closeout.

Ms. Glass reviewed the methodology applied for the local share’s variance with the traditional allocation method using both the CAA and strategically allocations of \$750,000 of CARES funds.

ACTION ITEM: It was requested that HRT provided a break-down of the \$750,000 CARES Act funding applied for each locality allowing them the ability to “land on zero” as it relates to the FY 2022 budget.

William Harrell, Chief Executive Officer and President, stated that based on the current Resolution approved by each city, HRT is strategically allocating federal funds enabling the localities the ability to land on “zero” for FY 2021. However, the ability to have this budget certainty in future years will require another resolution adopted by all the Cities.

The FY 2022 Draft Operating Budget reflects a 2% percent annual, cost-of-living adjustment (COLA) and 1% merit increase, based on performance for the non-union staff. The TDCHR board was notified of the FY 2022 COLA, November 2, 2020. Lisa Cipriano, City of Newport News, confirmed that an email was sent out, November 13, 2020 to the TDCHR board notifying the Members of the COLA for non-union employees.



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Regional Transit Service Program

Mr. Smith presented the Hampton Roads Regional Transit System (RTS) program update. He gave a brief overview of the background of the RTS which included the RTS work to date, funding scenarios, program components, allocation of resources, operating and maintenance (O&M) cost, staffing/functional areas, startup capital needs and the next steps needed to successfully implement the RTS program.

ACTION ITEM: HRT was asked to provide a breakdown of itemization the technology O&M needs as it relates to the FY2021-FY2022 RTS.

There was some discussion of future RTS funding being allocated for operating cost and to the possibility of the RTS programs being discontinued. The General Assembly (GA) authorized the RTS funding and it can only be removed by GA. The GA meeting once a year, January/February/March during this time if a bill is passed to change the RTS funding, HRT will have enough advance notice to address the funding. The new bill would take effect the following, July. If the GA does make these changes the cost of the RTS will fall on the localities or the service will be removed.

Ms. Glass stated that the RTS operating cost are not included in the FY 2022 Draft Operating Budget except for funds requested to cover the Peninsula Commuter Service (PCS) route, the Metro Area Express (MAX) route and the 15-minute increments. These services are billed on a cost per hour basis. Mr. Smith stated that the plan is for FY 2022 and any on-going cost associated with the RTS program be 100% covered with the regional funding. The regional funding for RTS plan has no direct connection to the annual operating budget.

Mr. Burns stated that HRT can incorporate the RTS program into an operating budget. However, today's presentation was a request of MFAC. The first is an operating budget which reflects regional funds needed for FY 2022 in terms of revenue and expenses. Capital and operating were presented last month. Secondly, HRT was asked to show the community how we are going to account for the regional "back bone" service.

The FY 2022 Draft Operating Budget anticipates \$5.6 million regional dollars for the MAX, PSC and, the 15-minute increment for the RTS.

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HRT confirmed that the Agency will present an update FY 2021 Draft Operating Budget that reflects the RTS and allocation of regional funding at the February 2021 MFAC meeting.

Communication with HRTAC – HRT Memorandum of Understanding (MOU)

Mr. Harrell stated that he presented the initial capital request, Group A RTS the 3-routes on the Peninsula, in a meeting with the Mayors. HRT is currently working through the RTS operational issues, as well as some additional capital item needs. The Committee of Mayors unanimously approved the request for consideration of the RTS for their upcoming December 10, 2020 meeting.

HRT is still working with Hampton Roads Transportation Accountability Commission (HRTAC) outlining the terms of the MOU. All funding request will be properly reporting to O&O, MAFC and TDCHR boards.

Final Capital Improvement Plan

Mr. Smith stated that the final CIP documents include the feedback and changes received from the Committee Members and Commissioners. The Final CIP will be on the December 10, 2020, TDCHR meeting agenda for the Board's adoption.

Human Services Program

There were discussion concerning the homeless and their increasing difficulty accessing goods and services since the start of pandemic. Ms. Inman ask HRT to consider a pilot program which would provide the homeless free fare until the end of the fiscal year. Ms. Inman stated that this is a regional concern in the Hampton Road area whereby homeless patrons must travel further to access services and the ability to use public transportation at “no cost” is crucial and needs to be considered. It was suggested that HRT fund this program by using CARES act monies. As part of HRT's current fare policy, the agency provides bulk ticket purchases to the human services, located in all the cites. These services distribute fare tickets to the homeless clints who participate in their programs. HRT suggested that the “free fare” for the homeless be subsidized by the participating cites.

New Business

Due to time restraints the following presentations were tabled until the next MFAC meeting.



HAMPTON ROADS
TRANSIT

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- Bus Stop Cleanliness
- Human Services Program (Continuation)

Adjournment

The meeting was adjourned at 4:23 p.m.