



## **Meeting of the Transportation District Commission of Hampton Roads**

Thursday, June 25, 2020 • 1:00 p.m. Via Zoom

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A meeting of the Transportation District Commission of Hampton Roads will be held on Thursday, June 25, 2020 at 1:00 p.m. via ZOOM

The agenda and supporting materials are included in this package for your review.



# Meeting of the Transportation District Commission of Hampton Roads

Thursday, June 25, 2020 • 1:00 p.m. Zoom Meeting

**Revised Agenda**

1. Call to Order & Roll Call
2. Approval of May 28, 2020, Telephonic Meeting Minutes
3. President's Monthly Report - William Harrell
  - A. Board Updates
4. Committee Reports
  - A. Audit & Budget Review Committee - Commissioner Gray/  
Conner Burns, Chief Financial Officer
    - May 2020 Financial Report
  - B. Management/Financial Advisory Committee – Commissioner Cipriano/  
Conner Burns, Chief Financial Officer
  - C. Operations & Oversight Committee - Commissioner Rowe/  
Sonya Luther, Director of Procurement
    - No Procurement items for consideration
  - D. Planning/New Starts Development Committee – Commissioner Ross-Hammond/  
Ray Amoruso, Chief Planning & Development Officer
  - E. External/Legislative Advisory Committee - Commissioner Kanoyton/  
Joe Dillard, Government Relations Liaison
  - F. Smart Cities & Innovation Committee – Commissioner McClellan/  
Michael Price, Chief Information/Technology Officer
  - G. Paratransit Advisory Subcommittee – Chair Paul Atkinson Jr./Keith  
Johnson, Manager of Paratransit

H. Transit Ridership Advisory Sub-Committee – Ms. Denise Johnson, Chair  
Rodney Davis, Director of Customer Relations

5. Old and New Business

- a. Resolution 01 – 2020 Appreciation for Senator Louise Lucas and Delegate Alex Askew
- b. Resolution 02 – Transit Strategic Plan (FY2021 – 2030)
- c. Resolution 03 - 2020 Title VI Program
- d. Public Transportation Agency Safety Plan (PTASP) – Motion to Approve
- e. Nominating Committee – Commisisoner Rowe, Chair
- f. William E. Harrell, President & CEO – Performance Evaluation

6. Comments by Commission Members

7. Closed Session (as necessary)

8. Adjournment

**The next meeting will be held on Thursday, July 23, 2020 at 1:00 p.m.  
location to be determined.**



# Meeting Minutes of the Transportation District Commission of Hampton Roads

Regular Telephonic Meeting - Thursday, May 22, 2020 • 1:00 p.m.

## **Call to order**

A quorum was attained, and Chairman Gray called the meeting to order at 1:00 p.m.

## **Commissioners in attendance via Phone:**

Commissioner Gray, Hampton  
Commissioner Fuller, Chesapeake  
Commissioner Hamel, Chesapeake  
Commissioner Pittard, VDRPT  
Commissioner Kanoyton, Hampton  
Commissioner Woodbury, Newport News  
Commissioner McClellan, Norfolk  
Commissioner Rowe, Portsmouth  
Commissioner Rouse, Virginia Beach  
Commissioner Ross-Hammond, Virginia Beach

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

Ray Amoruso, Chief Planning and Development Officer  
Debbie Ball, Director of Finance  
Amy Braziel, Manager of Operations Administration  
Conner Burns, Chief Financial Officer  
David Burton, General Counsel, Williams Mullen  
Gene Cavazos, Director of Marketing & Communications  
Brian Smith, Chief of Staff  
Angela Glass, Director of Budget  
William Harrell, President and CEO  
Keith Johnson, Paratransit Services Contract Administrator  
Sibyl Pappas, Chief Engineering & Facilities Officer  
Jim Price, Chief of Bus Operations  
Michael Price, Chief Technology & Information Officer  
Luis Ramos, Sr. Executive Assistant/Commission Secretary  
Benjamin Simms, Director of Transportation & Security  
Robert Travers, Corporate Counsel  
Kim Wolcott, Chief of Human Resources

## **Others in attendance via phone:**

Alt. Commissioner Lisa Cipriano, City of Newport News  
Alt. Commissioner Brian DeProfio, City of Hampton  
Alt. Commissioner Inman, City of Norfolk

Alt. Commissioner Jackson, City of Portsmouth  
Alt. Commissioner DeBruhl, DRPT

The TDCHR meeting package was distributed electronically to all Commissioners in advance of the meeting. The meeting package consisted of:

- Agenda
- Meeting Minutes
- President's Report Presentation
- Social Media Analytics
- Financial Reports
- Committee Reports
- Transit Strategic Plan Presentation

A moment of silence for the victims of the Virginia Beach shooting tragedy was held.

### **Public Comments**

Ms. Judith Brown submitted public comments as attached to these minutes.

### **Approval of April 2020 Meeting Minutes**

A motion to approve the April 2020 meeting minutes was made by Commissioner Rowe and properly seconded by Commissioner Ross-Hammond. A roll call vote resulted as follows:

Ayes: Commissioners Gray, Fuller, Hamel, Kanoyton, Woodbury, McClellan, Rowe, and Ross-Hammond

Nays: None

Abstain: Rouse

### **President's Monthly Report**

Mr. William Harrell welcomed everyone to the meeting.

Mr. Harrell stated that the draft of the complete Transit Strategic Plan (TSP) would be sent to the commissioners via an electronic link due to the size of the file. The TSP will be presented at a later date for adoption.

There was discussion regarding hazard pay and masks for in-house staff.

### **Audit & Budget Review/Management and Financial Advisory Committee Combined**

Mr. Conner Burns gave the financial report as enclosed in the meeting package.

Mr. Burns presented the FY2021 Budget Summary attached to the meeting package.

A motion to approve the FY2021 Operating Budget was made on the recommendation of the Audit and Budget Committee and properly seconded by Commissioner Rowe.

There was discussion regarding the use/incorporation of the CARES Act funding in the budget.

There was discussion regarding the Line of Credit and the repayment of same to avoid interest.

A roll call vote resulted as follows:

Ayes: Commissioners Gray, Fuller, Hamel, Pittard, Kanoyton, Woodbury, McClellan, Rowe, Ross-Hammond, and Rouse

Nays: None

Abstain: None

Ms. Lisa Cipriano provided a history and background regarding the resolution being presented for adoption.

A motion to approve the Resolution to amend the Cost Allocation Agreement between the Cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Virginia Beach and the Transportation District Commission of Hampton Roads was made by Commissioner Rowe and properly seconded by Commissioner Ross-Hammond.

A roll call vote resulted as follows:

Ayes: Commissioners Gray, Fuller, Hamel, Pittard, Kanoyton, Woodbury, McClellan, Rowe, Ross-Hammond, and Rouse

Nays: None

Abstain: None

### **Operations and Oversight Committee**

Ms. Sonya Luther presented the following contract for approval:

- Contract No: 19-00057, System Safety Support Services was recommended for Commission approval to award of a contract to ADS System Safety Consulting, LLC to provide technical safety support services. The cumulative amount of all TOs issued under this contract will not exceed \$450,000 over the three-year period.

A motion to approve Contract No: 19-00057, System Safety Support Services, was made on the recommendation of the Operations and Oversight Committee and properly seconded by Commissioner Fuller. A roll call roll resulted as follows:

Ayes: Commissioners Gray, Fuller, Hamel, Kanoyton, Woodbury, McClellan, Rowe, Ross-Hammond, and Rouse

Nays: None

Abstain: Pittard

Commissioner Pittard recused from the vote.

Ms. Sonya Luther presented the following contracts for approval:

- **Purchase Order No: PO0001501, Automatic Electronic Air Sanitizers** was recommended for Commission approval to award of a Purchase Order to Climate Comfort Technologies to provide automatic electronic air sanitizers to HRT in the total amount of \$336,600.
- **Contract No: 19-00050R, Elizabeth River Ferry III Welding Repair Services** was recommended for Commission approval to award of a contract to Fairlead Boatworks, Inc. to provide welding repair services for the Elizabeth River Ferry III in the not-to-exceed amount of \$130,255.43.
- **Purchase Order No: PO0001208, Emergency Laptop Purchase** was recommended for Commission approval to award of a Purchase Order to CDW-g to provide seventy-five (75) laptops to HRT in the not-to-exceed amount of \$108,705.
- **Contract No: 19-00059, General Planning Consultant** was recommended for Commission approval to award of a contract to Foursquare Integrated Transportation Planning, to provide general planning services. The cumulative amount of all TOs issued under this contract will not exceed \$1,600,000 over the three-year period.
- **Contract No: 20-00070, Hybrid Bus Allison Transmission Diagnostic and Repair Services** was recommended for Commission approval to award of a sole source contract to Western Branch Diesel to provide hybrid bus and Allison transmission diagnostic and repair services in the amount of \$319,860 for three (3) years.
- **Contract No: 20-00064, Light Rail Track Work** was recommended for Commission approval to award of a contract to H & B Railroad Company, Inc. to perform track work associated with the Norfolk Light Rail Transit. The cumulative amount of all Task Orders issued under this Contract will not exceed \$300,000.
- **Purchase Order: PO0001555, Light Rail Vehicle Brake Caliper Overhaul** was recommending for Commission approval to award of a purchase order to Knorr Brake Company to provide brake caliper overhaul services for the State of Good Repair maintenance of HRT's LRVs in the total amount of \$128,000.
- **Contract No: 19-00054R – Passenger Amenities Pressure Washing and Condition Assessment Services** was recommended for Commission approval to award of a contract to to ETI Environmental, Inc. to perform passenger amenities pressure washing and condition assessment services in the amount of \$127,137 over a three-year period.

- **Contract No: 20-00068, Seven (7) 35' Low Floor Diesel Buses** was recommended for Commission approval to award of a contract to Gillig to procure seven (7) heavy duty 35' low floor diesel buses in the total amount of \$3,533,579.
- **Contract No: 20-00067, Thirteen (13) 40' Low Floor Diesel Buses** was recommended for Commission approval an award of a contract to Gillig to procure thirteen (13) heavy duty 40' low floor diesel buses in the total amount of \$6,698,406.
- **Contract No: 20-00069, Thirty (30) 29' Low Floor Diesel Buses** was recommended for Commission approval to award of a contract to Gillig to procure thirty (30) heavy duty 29' low floor diesel buses in the total amount of \$14,727,570
- **Contract No: 20-00063 – Vehicle Wash Equipment Maintenance**, Inspections and Repair Services was Recommended for Commission approval to award of a contract to Dubois Chemicals, Inc. to perform vehicle wash equipment maintenance, inspections and repair services in the amount of \$132,643.50 over a five-year period.

A motion to approve all purchase orders and contracts as presented was made on the recommendation of the Operations and Oversight Committee and properly seconded by Commissioner Woodbury. A roll call roll resulted as follows:

Ayes: Commissioners Gray, Fuller, Hamel, Pittard, Kanoyton, Woodbury, McClellan, Rowe, Ross-Hammond, and Rouse

Nays: None

Abstain: None

### **Planning and New Starts Committee**

It was stated that the committee did not meet, and no report was given.

### **External/Legislative Advisory Committee**

Commissioner Kanoyton stated that no meeting was held but that the Committee supports the HEROs Act.

### **Smart Cities and Innovation Committee**

Commissioner McClellan stated that the Committee met virtually and had presentations from two micro-transit companies, and they are being considered for future service.

### **Paratransit Advisory Sub-Committee**

Mr. Paul Atkinson stated that the Committee is on hiatus and has a meeting scheduled for June 10<sup>th</sup>.

### **Transit Ridership Advisory Sub-Committee**



Mr. Rodney Davis stated that the meeting was held on March 4, 2020, and that the full report will be attached to the meeting minutes.

**Old and New Business**

Mr. David Burton performed a second reading of the amendment to Article II, Meetings, of the Transportation District Commission of Hampton Roads By-Laws.

A motion to approve the amendment to Article II, Meetings, of the TDCHR By-Laws as presented was made by Commissioner Rowe and properly seconded by Commissioner Ross-Hammond. A roll call vote resulted as follows:

Ayes: Commissioners Gray, Fuller, Hamel, Pittard, Kanoyton, McClellan, Rowe, Ross-Hammond, and Rouse

Nays: Woodbury

Abstain: None

Dr. Brian Smith and Mr. Ray Amoruso presented that Transit Strategic Plan as attached to these meeting minutes.

HRT staff presented a COVID Recovery Plan for TDCHR as attached to these minutes. A motion to approve the COVID Recovery Plan was made by Commissioner Rowe and properly seconded by Commissioner Fuller. A roll call vote resulted as follows:

Ayes: Commissioners Gray, Fuller, Hamel, Pittard, Kanoyton, Woodbury, McClellan, Rowe, Ross-Hammond, and Rouse

Nays: None

Abstain: None

**Adjournment**

The meeting adjourned at 2:38 p.m.

**TRANSPORTATION DISTRICT COMMISSION  
OF HAMPTON ROADS**

**ATTEST:**

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**Brad Hunter**  
**Chair**

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**Luis Ramos**  
**Commission Secretary**  
**June 23, 2020**

**Public Comment from Judith E. Brown, Norfolk**

HRT customers thank you for continuing services and for the “no-fare” policy during the 2020 Covid-19 epidemic.

I request the TDCHR to

--Study the environmental benefits being recorded during the epidemic from cars staying at home

--Study again all the costs involved in collecting fares from HRT riders

-- Study the financial and ridership factors that are leading other transit companies to implement permanent no-fare policies

-- Then please consider a permanent no-fare policy for Hampton Roads Transit

Respectfully submitted,  
Judith E. Brown  
Norfolk  
757-289-7149



HAMPTON ROADS  
TRANSIT

# TDCHR Board Meeting

May 28, 2020

[gohrt.com](http://gohrt.com)

# President's Report

- Attendance Premium pay for front-line employees
- Face covering required
- Return to full service June 14th
- Fare collection begins July 1st





HAMPTON ROADS  
TRANSIT

# TDCHR Board Meeting

May 28, 2020

[gohrt.com](http://gohrt.com)



HAMPTON ROADS  
TRANSIT

COVID-19 Recovery Plan  
**Keeping HRT Operational**  
Operations & Oversight Committee  
May 14, 2020

[gohrt.com](http://gohrt.com)

# HRT's Approach to Utilizing COVID Emergency Funding

HRT will deploy a multi-year, strategic approach in 3 phases:

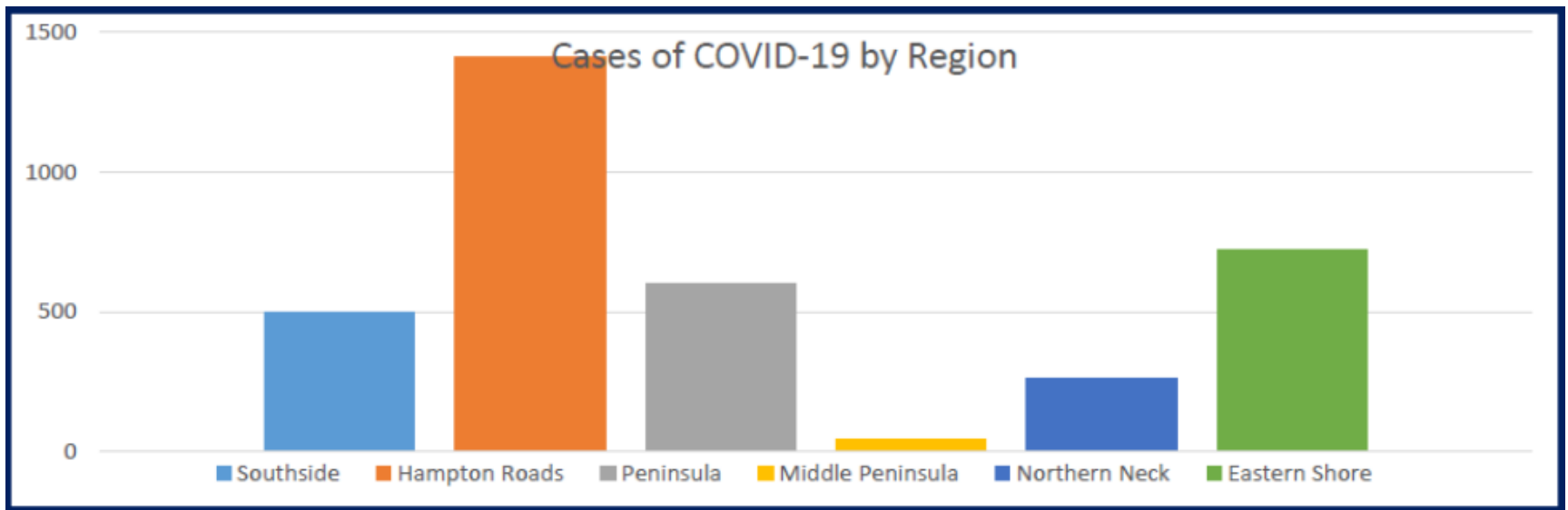
**1. Immediate Response**

**2. Initial Recovery**

**3. Ongoing Recovery**

# Situation Report: An Ongoing Public Health Crisis

- 25,800 confirmed cases statewide
- Weekly case trend **+27.4%**
- Region 5 total cases = 3,534 (+62) incl. 119 (+1) deaths



Source: VDEM Region 5, Situation Report #48, 05/13/20



# Situation Report: An Ongoing Public Health Crisis

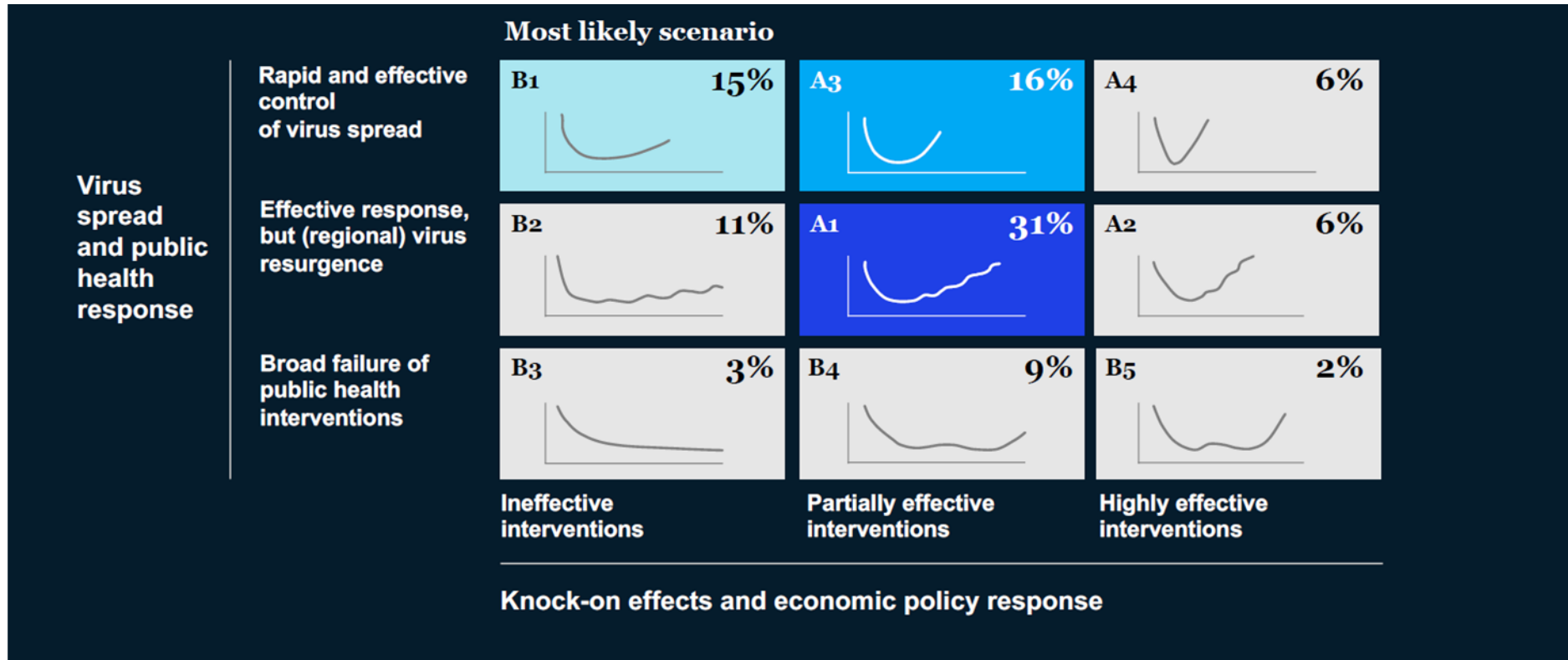
## Cases in HRT cities:

City	Cases	Deaths
Chesapeake	354	9
Hampton	148	3
Newport News	171	10
Norfolk	327	5
Portsmouth	213	9
Virginia Beach	519	18

Source: VDEM Region 5, Situation Report #48, 05/13/20

# Outlook: Expect long-term impacts and recovery

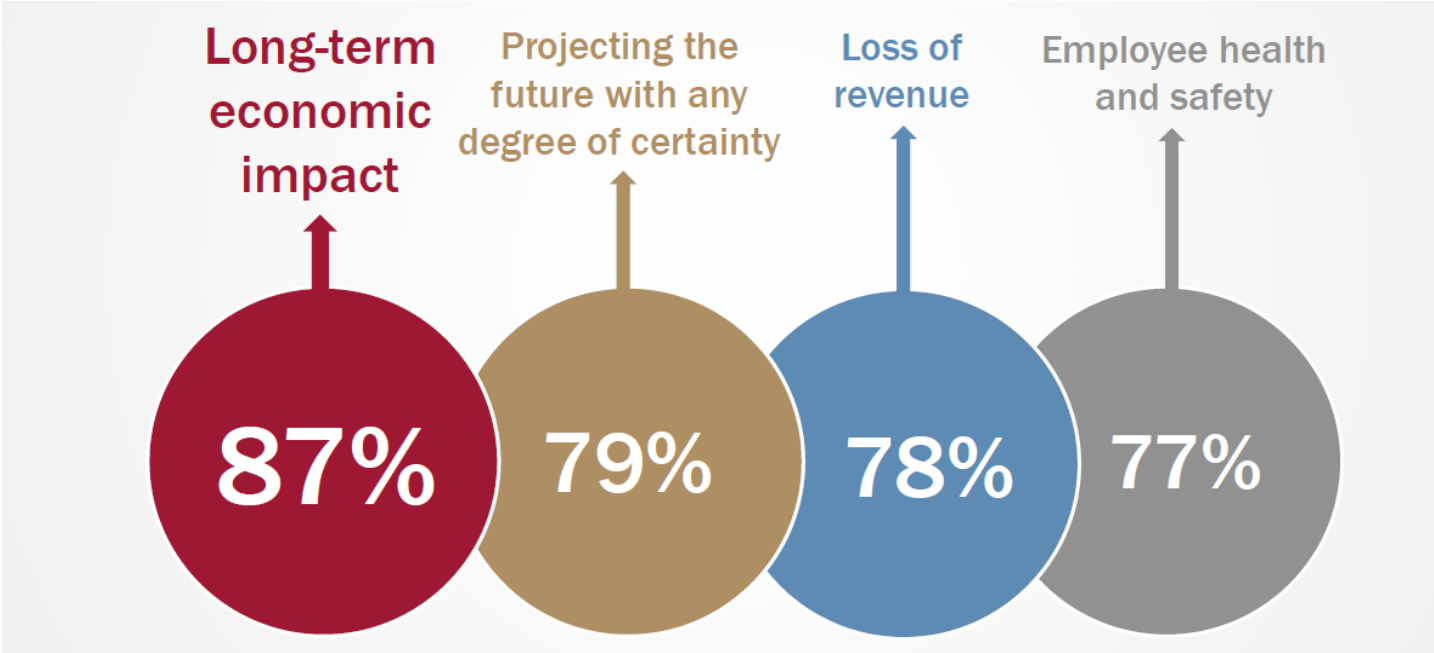
Most of executives surveyed by McKinsey expect “**slow long-term growth**”



Source: “In the tunnel: Executive expectations about the shape of the coronavirus crisis.” McKinsey & Company survey of global executives (N = 2,079), April 2-10, 2020.

# Outlook: Expect long-term impacts and recovery

“**Long-term economic impact**” and “**Projecting the future with any degree of certainty**” are top 2 concerns reported by Hampton Roads business leaders.



Source: “757 COVID-19 Business Leaders Survey Report – Wave 2”, May 5, 2020, Southeastern Institute of Research, commissioned by Hampton Roads Alliance, HRCC, VPCC, Relinvent Hampton Roads, HR Workforce Council, Greater Peninsula Workforce Council, ODU, Raymond Mason School of Business, William & Mary.

# Outlook: Phased and Deliberate Action

**Forward Virginia Blueprint** anticipates a deliberate and cautious approach in which easing limitations and returning to pre-COVID behaviors is to be linked to “no evidence of rebound for a sustained period of time.”

Effects TBD from ongoing direct and indirect impacts:

- Slow and staggered re-opening of businesses
- Lower gas prices
- Increased teleworking
- Employment impacts
- Reduced transit ridership

# Outlook: Incident Objectives of Virginia's Emergency Support Team

1. **TESTING:** Develop community testing and point prevalence surveillance strategies in accordance with the Governor's priorities.
2. **CONTACT TRACING:** Develop a contact strategy to keep the rate of spread within the capability of existing healthcare capacity.
3. **MEDICAL SURGE:** Continue to support and refine hospital system medical surge plans and planning and logistics requirements for alternate care facilities.
4. **EQUITY AND ETHICAL CONSIDERATIONS:** Ensure all operations are actively centered on and consider impacts to the most under resourced individuals and communities. Integrate, prioritize, measure, and validate equitable and ethical practices for all response and recovery decisions, actions, and resource allocation.
5. **SUPPLY CHAIN MANAGEMENT:** Maintain and adapt strategies to ensure supplies of goods and materials can meet an evolving demand environment.
6. **FEDERAL AID AND RECOVERY PROGRAMS:** Begin working with local governments and other eligible applicants for federal aid.
7. **SUSTAINMENT:** Prepare to maintain operations for the remainder of the year and respond to any secondary outbreaks and other emergencies.

# HRT's Approach to Utilizing COVID Emergency Funding

HRT will deploy a multi-year, strategic approach in 3 phases:

- 1. Immediate Response**
- 2. Initial Recovery**
- 3. Ongoing Recovery**

# Types and Eligibility of COVID Funding



# Types of Funding Sources

FFY2020 CARES  
Act Funding  
\$61,731,853

5337 - \$9,093,246

5307 \$52,628,607

FY2020 State  
Emergency  
Funding  
\$2,351,308





# FFY 2020 CARES Act Eligibility (1 of 2)

Beginning January 20, 2020, all activities normally eligible under the Urbanized Area (49 USC 5307) and Rural Area (49 USC 5311) formula programs are eligible for CARES Act funding, including:

- ✓ Planning
- ✓ Capital (preventive maintenance, rolling stock, equipment, etc.)
- ✓ Operating

Operating expenses for all recipients, including large urbanized areas, are eligible beginning January 20, 2020

- ✓ Includes paying administrative leave of operations personnel due to reductions in service or quarantine
- ✓ There is no limit on the amount of funds that may be used for operating expense
- ✓ There is no limit on the amount of funds that may be used for paratransit service

# FFY 2020 CARES Act Eligibility (2 of 2)

1. Expressed goal of keeping transit systems operational
2. Funding provided at 100% federal share, with no local match required
3. All COVID-19 related operating and capital costs are eligible
4. Operating expenses incurred beginning on 1/20/2020 are eligible
5. Operating expenses to maintain transit services and administrative leave due to reduced operations during an emergency are eligible
6. Funds are available until expended
  - ✓ No lapse date
  - ✓ Recipients are encouraged to use funds judiciously

# Utilization of COVID Funding



# Immediate Response

## **Immediate Response (FY20) - \$15.7M**

HRT is offsetting the locality farebox losses anticipated to be \$2.8M with state emergency funds

Net Expense Model:

FY20 COVID related expenses beginning January 20<sup>th</sup> through June 30<sup>th</sup>.

- ✓ \$13.3M in net operating expense includes \$1M COVID expense
- ✓ \$2.8M in estimated lost farebox revenue
- ✓ Recovery of reduced farebox, lost revenues by covering operational expenses that would otherwise have been covered by the localities

# Recovery Period and Ongoing Recovery

## **Initial Recovery (FY21 & FY22) - \$32.5M**

Recovery of reduced farebox and other lost revenues by covering net operational expenses

Scaling service to meet customer and partner needs

Full 12 months of COVID expenses

## **Ongoing Recovery (FY23) – \$15.1M**

Maintain viable and sustainable transit service

Recovery of lost revenues calculated through net operational expense model



# Web Site Analytics

Gohrt.com • May 2019 & May 2020

## GOHRT.COM - May 2019

### OVERVIEW

Sessions	146,213
Users	227,148
Pageviews	367,483

### DEVICE USAGE:

mobile	84.62%
desktop	13.29%
tablet	2.09%

### TRAFFIC SOURCE PER SESSION

Organic Search	76.39%
Direct	17.99%
Referral	4.23%
Email	0.48%
(Other)	0.66%
Social	0.25%

### PAGEVIEWS BY PAGE (TOP 10)

/index.html	11.590%
/routes/norfolk/index.html	5.579%
/route/20/index.html	4.542%
/routes/virginia-beach/index.html	3.601%
/route/1/index.html	2.893%
/routes/index.html	2.872%
/routes/newport-news/index.html	2.833%
/route/3/index.html	2.431%
/route/15/index.html	2.037%
/fares/index.html	1.995%

## GOHRT.COM - May 2020

### OVERVIEW

Sessions	83,983
Users	125,245
Pageviews	198,576

### DEVICE USAGE:

mobile	83.63%
desktop	15.33%
tablet	1.04%

### TRAFFIC SOURCE PER SESSION

Organic Search	74.11%
Direct	21.97%
Referral	2.66%
Email	0.25%
(Other)	0.74%
Social	0.05%
Display	0.22%

### PAGEVIEWS BY PAGE (TOP 10)

/index.html	11.697%
/routes/norfolk/index.html	7.452%
/route/20/index.html	5.676%
/routes/newport-news/index.html	3.904%
/routes/virginia-beach/index.html	3.213%
/routes/index.html	2.921%
/route/1/index.html	2.905%
/route/3/index.html	2.557%
/route/21/index.html	2.444%
/route/15/index.html	2.157%



## FY20 ACCOMPLISHMENTS

*A new fiscal year is upon us and it brings the best news we have seen in HRT's history. After lengthy efforts, HRT finally has achieved dedicated funding with the work of the Virginia General Assembly.*

*This major milestone in the agency's brief 20-year history means that for the first time it can plan, deploy and operate a core network of buses operating regionally on a consistent schedule outside of the municipally-driven budget cycles that have for so long limited efforts to build true regional transit services. It is thrilling to report it, but we have a great deal of work to do preparing for the new services.*

*I cannot present the FY20 accomplishments without also remarking on the excellent response staff provided to the COVID-19 crisis. Early in March when the pandemic was taking hold in New York, staff stepped up with initiatives that provided reduced service to reflect stay-at-home orders from Commonwealth authorities, and the distribution of personal protective equipment as soon as it became available to all front-line personnel.*

*The challenges of the pandemic will remain through this fiscal year, but I remain confident that we have a great year ahead of us. Throughout the year, we will continue to invest in our core business to make quality transit services possible.*

*Let's take a moment to reflect on where we've come over the past 12 months. Here's a snapshot of just a few successes:*

### Strategic Direction & Innovation

- Achieved a historic first: new dedicated funding, estimated at over \$30 million annually, to implement better regional transit services. Engaged thousands of customers and stakeholders regionally for the Transit Transformation Project, providing the foundation for successful legislation in the 2020 General Assembly and shaping HRT's inaugural Transit Strategic Plan.
- The success triggered a new challenge: to help city partners offset their pending loss of state recordation tax assistance. By providing collaborative leadership, helped city managers and the Commission identify a funding solution embraced by each city council to offset pending losses of state recordation proceeds in FY21.
- Completed first Transit Asset Management Plan to inventory and rate condition of assets, set State of Good Repair performance targets, and prioritize investments to improve asset quality.
- Advanced an industry-leading new business model for paratransit operations, partnering with a new vendor to better leverage technologies that allow dynamic scheduling, route optimization, and more efficient use of assets.
- Updated HRT's Vision, Mission, Values, Goals and Objectives, with input from employees, customers, HT's governing board, and stakeholders through surveys, focus groups, strategic retreats and other special meetings.
- Led HRT workforce to effectively adapt to COVID-19 pandemic impacts, deploying an Essential Service Plan and implementing a comprehensive program to protect employee and public health to include daily system-wide cleaning of property and vehicles, distribution of personal protective equipment and hand sanitizer to front-line employees.
- Achieved another successful FTA Triennial Review, demonstrating effective management and agency responsiveness.
- Developed solid FY21-FY26 Capital Improvement Plan (CIP) to effectively prioritize capital needs and optimize the use of available resources.
- Partnered with Proterra and successfully won competitive federal grant funding as well as VW Environmental Mitigation Trust and leveraging of DRPT state funding, for HRT to deploy six full-sized, all-electric buses in a first-of-its-kind project in Virginia.
- Engaged external stakeholders in a variety of efforts, including hosting Virginia Organizing for briefings and tours. Supported Regional Advisory Panel, co-chaired by Peninsula and Southside mayors, to collaborate with regional leaders on evaluating regional transit services, funding models, and supporting improved services with long term operational sustainability.
- Served as board member of HRTPO; Rail-Volution; Hampton Roads Chamber of Commerce; Virginia Transit Association, including Executive Committee and service as Treasurer.
- Ensured full support of all TDCHR committees, including special work efforts by Management and Finance Advisory Committee.

## **Operational & Technology Improvements**

- Advanced mission-critical procurements for 73 buses as part of ongoing bus replacement program. In total, led HRT to successfully encumber federal and state grants to advance mission-critical capital projects.
- Completed upgrades of core technology hardware and software systems, including CAD/AVL, Hastus and Paratransit map system upgrades, Fleetwatch software upgrade, and upgraded mobile software on buses to bolster GPS and real-time data.
- Deployed a range of new technology tools to increase productivity, including a staff developed bus stop app to enable real-time, street-level inventory, reporting, and responsiveness to maintenance concerns.
- Achieved FTA certification of Automated Passenger Counters on light rail.
- Deployed new route schedule highlighting feature on gohrt.com to provide customers advanced notice on delayed and cancelled trips and continued technical refinements to the Call Center's Interactive Voice Response system to improve customer experience.
- Continued enhancements to new agency website with mobile-friendly agile configurations, including performance tracking and reporting through new online Accountability Center.
- Completed phase 2 of mobile ticketing pilot program, with electronic pass validators installed and operating on The Wave during the 2019 season with over 12,800 mobile tickets sold.
- Installed new pin pads on all 31 Ticket Vending Machine (TVMs), replacing units that were non-compliant with security standards, had high failure rates, and no longer had vendor support.

## **Facilities & Engineering**

- Fully reconstructed ferry docks to achieve improved ADA-compliant access and provide better amenities.
- Completed Phase II renovations at 3400 Victoria Boulevard in Hampton, focused on state of good repair and efficiency and achieving significant modernization of the facility, representing a \$4.5 million investment.
- Installed 100 new bus stops and repaired or replaced bus stop signs at 350 locations.
- Installed 12 new bus shelters, new solar lighting at 15 bus stops, and new benches and trash cans at 10 locations.
- Repainted all light rail stations and park-and-rides.
- Submitted annually required facility condition assessment on over 5,000 HRT facility assets. This data was recorded for MAP-21 State of Good Repair compliance, maintenance prioritization and future data-based capital planning of facility assets.
- Opened Liberty Street bus transfer station in the City of Chesapeake.
- Began Facility Enterprise Asset Management (EAM) System used for capturing and maintaining facility asset data, managing facility work orders, and reporting to NTD under new MAP- 21 SGR requirements.
- Received HRSD Platinum Award for 6 consecutive years of perfect environmental compliance for Norfolk Tide Facility.
- Completed The Tide light rail aerial structural replacement of all deficient or missing bolt assemblies to maintain a state of good repair on all five bridges on the system. The bi-annual inspection on these structures was also completed.
- Coordinated with the City of Norfolk to remove the existing pedestrian bridge over The Tide tracks in conjunction with the demolition of the City's parking garage south of Civic Plaza Station; completed critical repairs to bridges on The Tide light rail, in accordance with NBIS requirements; and coordinated with the VDOT to minimize impact to The Tide tracks as part of the I-64/I-264 Interchange Project.
- Completed enhanced ADA bus stop project in Hampton near Langley Air Force Base, with reconstructed parking lot area at West Gate providing significantly better pedestrian accessibility, included approximately 500' of new sidewalk, fixing of three deficient sidewalk ramps, a new handicap unloading pad, benches, and wayfinding solar bollard lighting. Fully reconstructed ferry docks to achieve improved ADA-compliant access and provide better amenities.

## **Administration & Human Resources**

- Successfully negotiated health insurance renewal, maintaining competitive employee coverages with only a 2 percent increase in premium (provider's originally planned increase was 7.7%).
- Mitigated critical staffing shortages through a variety of strategies and tactics, achieving a 20% increase in Bus Operator hires within a tight labor market and pandemic, a 45% decrease in voluntary separations, resulting in a 7% increase in the total number of operators and trainees at year end.
- Successfully expanded the DriveNow training program, with 2 classes of graduates this year and a third class scheduled in Norfolk, an inaugural class starting in Hampton, and a pending MOU with the City of Newport News.
- Achieved a 7% reduction in turnover. Filled mission-critical positions, including in technology with a new Chief Information Officer/ Chief Technology Officer, PS Financial Data Conversion Developer, Microsoft Dynamics Developer, and ERP Support Specialist, and operational support including four Transportation Supervisors, Safety Manager, Sr. Manager of Bus Transportation.
- Conducted 11 HRT-directed hiring events and participated in more than 15 external events, resulting in a 25% increase in hiring. Deployed a cloud-based Applicant Tracking System (ATS) to significantly increase the talent pool and recruitment of qualified candidates and enhance the quality of each new employee hiring.



## Strategic Transit Planning

- Kicked-off the Naval Station Norfolk Transit Corridor Project, which will run through mid-2021 and aims to establish high-capacity transit on the east side of the City of Norfolk between the existing Tide Light Rail system and Naval Station Norfolk.
- Collaborated with Hampton and Newport News to document a Categorical Exclusion (NEPA document) that will enable future fast-tracking for a Peninsula Bus Rapid Transit project.
- Implemented new Route 24 with direct connections between Virginia Beach and Chesapeake; adjusted schedules to match shift changes at NN Shipyard; provided special vanpools to Virginia Beach city employees relocated due to the mass shooting incident.
- Updated HRT's Title VI Program.
- Helped reduce 2.1 million Vehicle Miles Traveled through TRAFFIX programs, administered 88 vanpools, and added subscribers for a total of 14,356 users of the TRAFFIX app. Held of 250 outreach events and meetings with employers to promote and expand use of TDM strategies.

## Marketing and Communications

- HRT's "How to Ride" travel training campaign was named Outstanding Community Program for 2019-2020 by the Virginia Transit Association. This campaign included videos, pamphlets, a children's activity book, and information cards to help residents and businesses learn about and ride HRT services.
- Public Relations Society of America's 2019 Pinnacle Award winner from the "Park Less. Text More" campaign.
- Regularly engaged employees at all levels to advance agency mission and goals in day-to-day operations, using tactics like Townhall meetings, video messaging, and small groups. Utilize the "Presidents Corner" in the monthly employee newsletter and other internal communications to promote mission accomplishment and deliver important messages to the workforce.
- Achieved new milestones in non-traditional communications and marketing, growing social media to nearly 12,500 Facebook followers (more than 600 year-over-year increase), 5,816 Twitter followers, and 1,170 Instagram followers.
- Consistently provided communications to Commission on key topics including advance communications in cases of pending TV/news media coverage on key issues.

## Safety and Security

- Established Security as a stand-alone department.
- Increased fare checks and lowered evasion rate on light rail through deployment of Fare Enforcement Aides, Developed Security plan for DNTC to address the increasing number of criminal issues being reported at this location, and worked with Fleet Support with all new camera installs, camera repair, and adjustment
- Continued high performance track record on light rail, with OTP exceeding 98%, with no cancelled trips due to manpower, no train versus car or train versus pedestrian fatalities.
- Completed agency's first Public Transportation Agency Safety Plan per federal mandates. Proactive safety activities included 46 facility inspections.
- Enhanced cybersecurity activities, including deployment of a Security Awareness Email system that has reduced potential for damaging "phishing" attacks from 16% to 4% (industry standard).
- Deployed enhanced physical security access control and camera systems at Hampton and Norfolk Tide Facility gate.

## Financial Sustainability & Mission Impact

- Implemented new financial system with Microsoft Dynamics 365.
- Enacted diligent operational and financial management to achieve a fourth consecutive year of budget surpluses.
- Significant collaboration with MFAC on a number of key issues including the early delivery of operating budget projections, and creative options to address the loss of recordation tax revenues to member cities.

*This has been a successful year and I want to thank all HRT employees for a job well done as we prepare to implement a new regional program to achieve, 1) better reliability, 2) faster commutes with enhanced technology and customer amenities, and 3) new connections which reflect regional growth.*

Sincerely,



William Harrell  
President and CEO  
Hampton Roads Transit



HAMPTON ROADS  
TRANSIT

Draft Financial Statement

MAY 2020  
FISCAL YEAR 2020  
FINANCIAL REPORT

[gohrt.com](http://gohrt.com)

# OPERATING FINANCIAL STATEMENTS

## May 2020

### FISCAL YEAR 2020

Dollars in Thousands

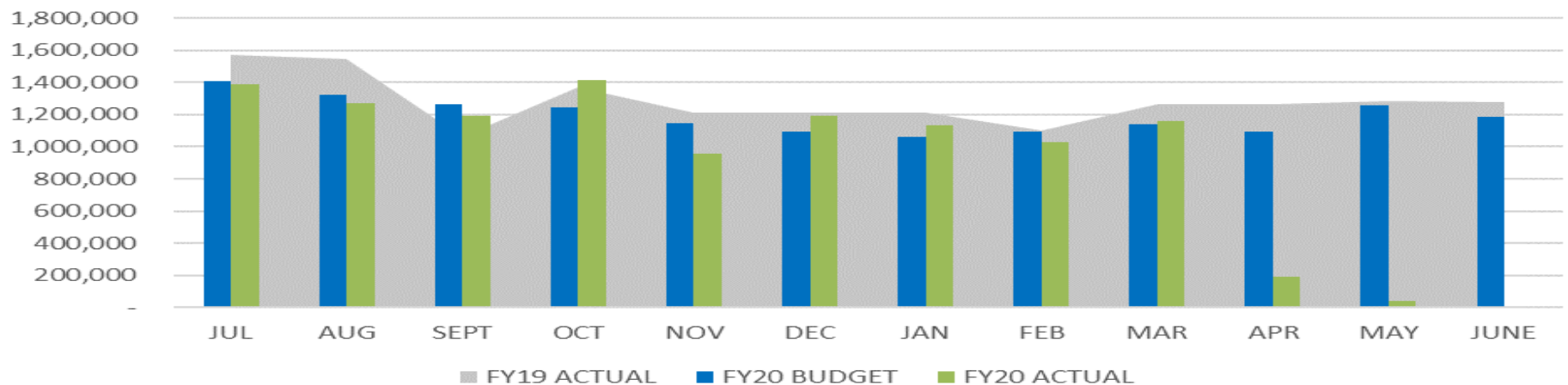
	Annual		Month to Date			Year to Date			
	Budget	Budget	Actual	Variance		Budget	Actual	Variance	
<b>Operating Revenue</b>									
Passenger Revenue	\$ 14,312.0	\$ 1,255.7	\$ 41.3	\$ (1,214.4)	(96.7) %	\$ 13,123.9	\$ 10,778.9	\$ (2,345.0)	(17.9) %
Advertising Revenue	1,075.0	89.6	81.8	(7.8)	(8.7) %	985.4	970.5	(14.9)	(1.5) %
Other Transportation Revenue	2,088.6	174.0	193.4	19.4	11.1 %	1,914.5	2,110.3	195.7	10.2 %
Non-Transportation Revenue	60.0	5.0	(10.1)	(15.1)	(301.3) %	55.0	216.4	161.4	293.5 %
<b>Total Operating Revenue</b>	<b>17,535.5</b>	<b>1,524.4</b>	<b>306.5</b>	<b>(1,217.9)</b>	<b>(79.9) %</b>	<b>16,078.9</b>	<b>14,076.0</b>	<b>(2,002.8)</b>	<b>(12.5) %</b>
<b>Non-Operating Revenue</b>									
Federal Funding <sup>(1)</sup>	18,316.9	1,388.4	1,259.2	(129.2)	(9.3) %	16,743.2	14,769.0	(1,974.3)	(11.8) %
State Funding <sup>(2)</sup>	19,969.8	1,664.2	2,863.8	1,199.7	72.1 %	18,305.7	20,657.0	2,351.3	12.8 %
Local Funding	44,696.1	3,724.7	3,724.7	-	- %	40,971.4	40,971.4	(0.0)	(0.0) %
<b>Total Non-Operating Revenue</b>	<b>82,982.8</b>	<b>6,777.3</b>	<b>7,847.7</b>	<b>1,070.5</b>	<b>15.8 %</b>	<b>76,020.4</b>	<b>76,397.4</b>	<b>377.0</b>	<b>0.5 %</b>
<b>TOTAL REVENUE</b>	<b>\$ 100,518.4</b>	<b>\$ 8,301.6</b>	<b>\$ 8,154.2</b>	<b>\$ (147.4)</b>		<b>\$ 92,099.2</b>	<b>\$ 90,473.4</b>	<b>\$ (1,625.8)</b>	
<b>Expenses</b>									
Personnel Services	\$ 63,579.9	\$ 5,215.5	\$ 5,117.8	\$ 97.7	1.9 %	\$ 58,224.1	\$ 57,371.3	\$ 852.8	1.5 %
Contract Services	9,655.4	715.5	485.0	230.5	32.2 %	8,868.4	7,419.1	1,449.3	16.3 %
Materials & Supplies	5,048.2	414.7	418.5	(3.8)	(0.9) %	4,627.2	4,738.4	(111.2)	(2.4) %
Gas & Diesel	4,680.5	405.1	242.2	162.9	40.2 %	4,275.4	4,135.0	140.5	3.3 %
Contractor's Fuel Usage	807.3	67.3	63.4	3.9	5.8 %	740.0	905.3	(165.3)	(22.3) %
Utilities	1,162.8	105.4	60.1	45.2	42.9 %	1,060.3	998.3	62.0	5.8 %
Casualties & Liabilities	4,024.0	335.3	340.9	(5.6)	(1.7) %	3,688.6	3,713.6	(25.0)	(0.7) %
Purchased Transportation	9,394.3	756.1	539.5	216.6	28.7 %	8,574.5	7,323.8	1,250.7	14.6 %
Other Miscellaneous Expenses	2,166.0	286.8	249.9	36.9	12.9 %	2,040.6	1,721.5	319.1	15.6 %
<b>TOTAL EXPENSE</b>	<b>\$ 100,518.4</b>	<b>\$ 8,301.6</b>	<b>\$ 7,517.3</b>	<b>\$ 784.4</b>		<b>\$ 92,099.2</b>	<b>\$ 88,326.4</b>	<b>\$ 3,772.9</b>	
<b>SURPLUS (DEFICIT)</b>			<b>636.9</b>				<b>2,147.0</b>		

1. Federal Funding: Federal fixed guideway & PM funding variance to budget \$(1.3M). Federal funding includes \$6.632M of CARES Act relief.
2. State Funding: includes emergency relief of \$2.4M.

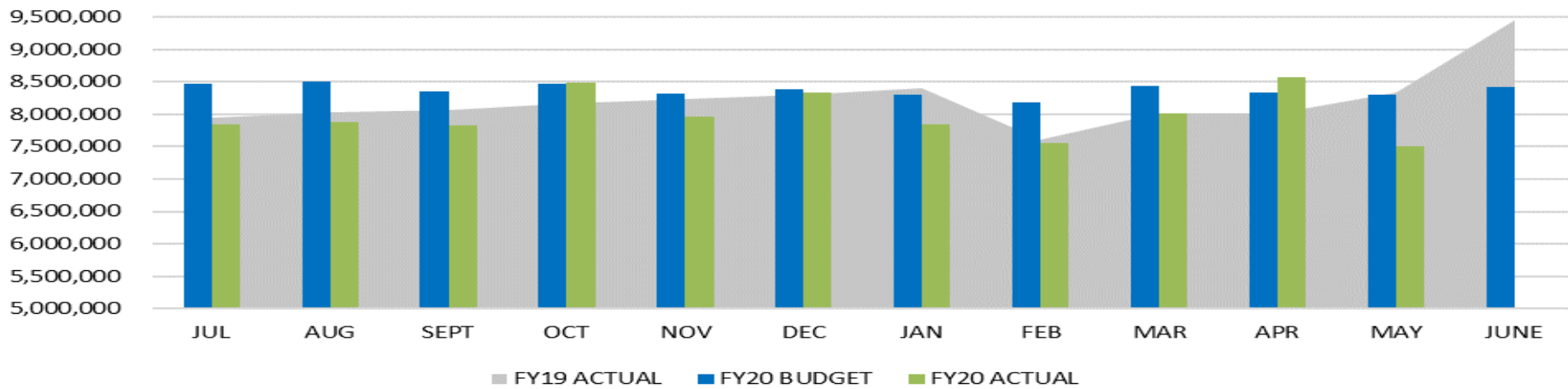


# OPERATING FINANCIAL STATEMENTS May 2020

## Farebox Revenue



## Total Expenses



Draft Financial Statement

# LOCALITY CROSSWALK

May 2020

YEAR TO DATE - MAY 31, 2020

	YTD Budget	Locality	Non-Locality	Consolidated	Variance + / (-)
<b>REVENUE</b>					
Passenger Revenue	\$ 13,123.9	\$ 10,123.5	\$ 655.4	\$ 10,778.9	\$ (2,345.0)
Advertising Revenue	\$ 985.4	\$ 916.0	\$ 54.4	\$ 970.4	\$ (15.0)
Other Transportation Revenue	\$ 1,914.5	\$ -	\$ 2,110.3	\$ 2,110.3	\$ 195.8
Non-Transportation Revenue	\$ 55.0	\$ 69.0	\$ 147.4	\$ 216.4	\$ 161.4
Federal Funding (PM 5307 & 5337)	\$ 15,322.1	\$ 12,253.8	\$ 1,768.3	\$ 14,022.1	\$ (1,300.0)
Project Salary Reimbursement	\$ 1,421.2	\$ 705.0	\$ 41.9	\$ 746.9	\$ (674.3)
State Funding	\$ 18,305.7	\$ 19,520.9	\$ 1,136.1	\$ 20,657.0	\$ 2,351.3
Local Funding	\$ 40,971.4	\$ 40,971.4	\$ -	\$ 40,971.4	\$ -
<b>TOTAL REVENUE:</b>	<b>\$ 92,099.2</b>	<b>\$ 84,559.6</b>	<b>\$ 5,913.8</b>	<b>\$ 90,473.4</b>	<b>\$ (1,625.8)</b>
<b>EXPENSE</b>					
Personnel Services	\$ 58,224.1	\$ 53,931.1	\$ 3,440.2	\$ 57,371.3	\$ 852.8
Services	\$ 8,868.4	\$ 6,974.2	\$ 444.9	\$ 7,419.1	\$ 1,449.3
Materials & Supplies	\$ 9,642.7	\$ 9,192.3	\$ 586.4	\$ 9,778.7	\$ (136.0)
Utilities	\$ 1,060.3	\$ 938.4	\$ 59.9	\$ 998.3	\$ 62.0
Casualties & Liabilities	\$ 3,688.6	\$ 3,491.0	\$ 222.7	\$ 3,713.7	\$ (25.1)
Purchased Transportation	\$ 8,574.5	\$ 6,884.6	\$ 439.2	\$ 7,323.8	\$ 1,250.7
Other Miscellaneous Expenses	\$ 2,040.6	\$ 1,618.3	\$ 103.2	\$ 1,721.5	\$ 319.1
<b>TOTAL EXPENSES:</b>	<b>\$ 92,099.2</b>	<b>\$ 83,029.9</b>	<b>\$ 5,296.5</b>	<b>\$ 88,326.4</b>	<b>\$ 3,772.8</b>
<b>BUDGET STATUS TO DATE:</b>	<b>\$ -</b>	<b>\$ 1,529.7</b>	<b>\$ 617.3</b>	<b>\$ 2,147.0</b>	<b>\$ 2,147.0</b>



# LOCALITY CROSSWALK

# Projection FY2020

	PROJECTED FISCAL YEAR END 2020				
	Annual Budget	Locality	Non-Locality	Consolidated	Variance + / (-)
<b>REVENUE</b>					
Passenger Revenue	\$ 14,312.0	\$ 10,123.5	\$ 655.4	\$ 10,778.9	\$ (3,533.1)
Advertising Revenue	\$ 1,075.0	\$ 1,014.9	\$ 60.1	\$ 1,075.0	\$ -
Other Transportation Revenue	\$ 2,088.6	\$ -	\$ 2,295.8	\$ 2,295.8	\$ 207.2
Non-Transportation Revenue	\$ 60.0	\$ 75.3	\$ 160.8	\$ 236.1	\$ 176.1
Federal Funding (PM 5307 & 5337) <sup>1</sup>	\$ 16,766.5	\$ 21,376.8	\$ 2,269.3	\$ 23,646.1	\$ 6,879.6
Project Salary Reimbursement	\$ 1,550.4	\$ 705.1	\$ 41.8	\$ 746.9	\$ (803.5)
State Funding <sup>2</sup>	\$ 19,969.8	\$ 21,128.3	\$ 1,192.8	\$ 22,321.1	\$ 2,351.3
Local Funding	\$ 44,696.1	\$ 44,696.1	\$ -	\$ 44,696.1	\$ -
<b>TOTAL REVENUE:</b>	<b>\$ 100,518.4</b>	<b>\$ 99,120.0</b>	<b>\$ 6,676.0</b>	<b>\$ 105,796.0</b>	<b>\$ 5,277.6</b>
<b>EXPENSE</b>					
Personnel Services	\$ 63,579.9	\$ 61,969.2	\$ 3,941.5	\$ 65,910.7	\$ (2,330.8)
Services	\$ 9,655.4	\$ 9,205.2	\$ 585.5	\$ 9,790.7	\$ (135.3)
Materials & Supplies	\$ 10,536.0	\$ 10,662.2	\$ 678.2	\$ 11,340.4	\$ (804.4)
Utilities	\$ 1,162.8	\$ 1,045.4	\$ 66.5	\$ 1,111.9	\$ 50.9
Casualties & Liabilities	\$ 4,024.0	\$ 3,806.8	\$ 242.1	\$ 4,048.9	\$ (24.9)
Purchased Transportation	\$ 9,394.3	\$ 7,413.3	\$ 471.5	\$ 7,884.8	\$ 1,509.5
Other Miscellaneous Expenses	\$ 2,166.0	\$ 1,853.9	\$ 117.9	\$ 1,971.8	\$ 194.2
<b>TOTAL EXPENSE:</b>	<b>\$ 100,518.4</b>	<b>\$ 95,956.0</b>	<b>\$ 6,103.2</b>	<b>\$ 102,059.2</b>	<b>\$ (1,540.8)</b>
<b>TOTAL PROJECTED SURPLUS/(DEFICIT):</b>	<b>\$ -</b>	<b>\$ 3,164.0</b>	<b>\$ 572.8</b>	<b>\$ 3,736.8</b>	<b>\$ 3,736.8</b>

1. Federal funding includes an estimated \$13M of CARES Act relief

2. State funding includes emergency relief of \$2.4M

# LOCALITY RECONCILIATION

May 2020

FISCAL YEAR 2020 (Dollars in Thousands)	Total Local			
	Annual Budget	YTD MAY 2020		
		Budget	Actual	Variance
Locality Operating Share	\$ 44,696.1	\$ 40,971.4	\$ 40,971.4	\$ -
Plus: Local Farebox	\$ 13,431.7	\$ 12,316.7	\$ 10,123.5	\$ (2,193.2)
Locality Share - Sub-Total	\$ 58,127.8	\$ 53,288.1	\$ 51,094.9	\$ (2,193.2)
Plus: Federal Aid	\$ 14,948.4	\$ 13,659.5	\$ 12,253.8	\$ (1,405.7)
State Aid	\$ 18,777.0	\$ 17,212.2	\$ 19,520.9	\$ 2,308.7
Total Revenue Contribution	\$ 91,853.2	\$ 84,159.8	\$ 82,869.6	\$ (1,290.2)
Operating Expenses	\$ 91,853.2	\$ 84,159.8	\$ 81,339.9	\$ (2,819.9)
<b>Budget Status to Date:</b>	<b>\$ 1,529.7</b>			

KPI's			
Farebox Recovery:	14.6%	12.4%	
Farebox % of Budgeted Expense:		12.0%	

PROJECTED FISCAL YEAR 2020 (Dollars in Thousands)	Total Local		
	PROJECTED FY2020		
	Budget	Actual	Variance
Locality Operating Share	\$ 44,696.1	\$ 44,696.1	\$ -
Plus: Local Farebox	\$ 13,431.7	\$ 10,123.5	\$ (3,308.2)
Locality Share - Sub-Total	\$ 58,127.8	\$ 54,819.6	\$ (3,308.2)
Plus: Federal Aid	\$ 14,948.4	\$ 17,997.2	\$ 3,048.8
Federal Aid-Strategic Allocation	\$ -	\$ 3,379.6	\$ 3,379.6
State Aid	\$ 18,777.0	\$ 21,128.3	\$ 2,351.3
Total Revenue Contribution	\$ 91,853.2	\$ 97,324.7	\$ 5,471.5
Operating Expenses	\$ 91,853.2	\$ 94,160.7	\$ 2,307.5
<b>Hold Harmless Projection<sup>1</sup>:</b>	<b>\$ 3,164.0</b>		

1. Hold harmless projection is contingent upon unanimous adoption of pending resolution by all localities.

# LOCALITY RECONCILIATION

May 2020

FISCAL YEAR 2020 (Dollars in Thousands)	Chesapeake			
	Annual Budget	YTD MAY 2020		
		Budget	Actual	Variance
Locality Operating Share	\$ 2,691.4	\$ 2,467.1	\$ 2,467.1	\$ -
Plus: Local Farebox	\$ 723.5	\$ 663.4	\$ 517.4	\$ (146.0)
Locality Share - Sub-Total	\$ 3,414.9	\$ 3,130.5	\$ 2,984.5	\$ (146.0)
Plus: Federal Aid	\$ 913.5	\$ 835.0	\$ 783.1	\$ (51.9)
State Aid	\$ 1,079.8	\$ 989.7	\$ 1,146.2	\$ 156.5
Total Revenue Contribution	\$ 5,408.2	\$ 4,955.2	\$ 4,913.8	\$ (41.4)
Operating Expenses	\$ 5,408.2	\$ 4,955.2	\$ 4,885.3	\$ (69.9)
<b>Budget Status to Date:</b>	<b>\$ 28.5</b>			
<b>KPI's</b>				
Farebox Recovery:		13.4%	10.6%	
Farebox % of Budgeted Expense:			10.4%	

PROJECTED FISCAL YEAR 2020 (Dollars in Thousands)	Chesapeake		
	PROJECTED FY2020		
	Budget	Actual	Variance
Locality Operating Share	\$ 2,691.4	\$ 2,691.4	\$ -
Plus: Local Farebox	\$ 723.5	\$ 517.3	\$ (206.2)
Locality Share - Sub-Total	\$ 3,414.9	\$ 3,208.7	\$ (206.2)
Plus: Federal Aid	\$ 913.5	\$ 1,153.2	\$ 239.7
Federal Aid-Strategic Allocation	\$ -	\$ 905.0	\$ 905.0
State Aid	\$ 1,079.8	\$ 1,246.4	\$ 166.6
Total Revenue Contribution	\$ 5,408.2	\$ 6,513.3	\$ 1,105.1
Operating Expenses	\$ 5,408.2	\$ 5,673.2	\$ 265.0
<b>Hold Harmless Projection:</b>	<b>\$ 840.1</b>		



# LOCALITY RECONCILIATION

May 2020

FISCAL YEAR 2020 (Dollars in Thousands)	Newport News			
	Annual Budget	YTD MAY 2020		
		Budget	Actual	Variance
Locality Operating Share	\$ 7,373.8	\$ 6,759.3	\$ 6,759.3	\$ -
Plus: Local Farebox	\$ 2,244.9	\$ 2,058.5	\$ 1,830.3	\$ (228.2)
Locality Share - Sub-Total	\$ 9,618.7	\$ 8,817.8	\$ 8,589.6	\$ (228.2)
Plus: Federal Aid	\$ 2,709.0	\$ 2,476.0	\$ 2,306.2	\$ (169.8)
State Aid	\$ 3,168.2	\$ 2,904.2	\$ 3,376.1	\$ 471.9
Total Revenue Contribution	\$ 15,495.9	\$ 14,198.0	\$ 14,271.9	\$ 73.9
Operating Expenses	\$ 15,495.9	\$ 14,198.0	\$ 14,061.3	\$ (136.7)
<b>Budget Status to Date:</b>	<b>\$ 210.6</b>			
<b>KPI's</b>				
Farebox Recovery:	14.5%	13.0%		
Farebox % of Budgeted Expense:		12.9%		

PROJECTED FISCAL YEAR 2020 (Dollars in Thousands)	Newport News		
	PROJECTED FY2020		
	Budget	Actual	Variance
Locality Operating Share	\$ 7,373.8	\$ 7,373.8	\$ -
Plus: Local Farebox	\$ 2,244.9	\$ 1,830.3	\$ (414.6)
Locality Share - Sub-Total	\$ 9,618.7	\$ 9,204.1	\$ (414.6)
Plus: Federal Aid	\$ 2,709.0	\$ 3,450.3	\$ 741.3
Federal Aid-Strategic Allocation	\$ -	\$ 205.2	\$ 205.2
State Aid	\$ 3,168.2	\$ 3,664.9	\$ 496.7
Total Revenue Contribution	\$ 15,495.9	\$ 16,524.5	\$ 1,028.6
Operating Expenses	\$ 15,495.9	\$ 16,325.4	\$ 829.5
<b>Hold Harmless Projection:</b>	<b>\$ 199.1</b>		



Draft Financial Statement

HAMPTON ROADS TRANSIT

# LOCALITY RECONCILIATION

May 2020

FISCAL YEAR 2020 (Dollars in Thousands)	Hampton			
	Annual Budget	YTD MAY 2020		
		Budget	Actual	Variance
Locality Operating Share	\$ 4,657.6	\$ 4,269.5	\$ 4,269.5	\$ -
Plus: Local Farebox	\$ 1,255.4	\$ 1,151.2	\$ 1,008.4	\$ (142.8)
Locality Share - Sub-Total	\$ 5,913.0	\$ 5,420.7	\$ 5,277.9	\$ (142.8)
Plus: Federal Aid	\$ 1,628.0	\$ 1,487.9	\$ 1,425.0	\$ (62.9)
State Aid	\$ 1,918.6	\$ 1,758.7	\$ 2,085.7	\$ 327.0
Total Revenue Contribution	\$ 9,459.6	\$ 8,667.3	\$ 8,788.6	\$ 121.3
Operating Expenses	\$ 9,459.6	\$ 8,667.3	\$ 8,751.3	\$ 84.0
<b>Budget Status to Date:</b>	<b>\$ 37.3</b>			
<b>KPI's</b>				
Farebox Recovery:		13.3%	11.5%	
Farebox % of Budgeted Expense:			11.6%	

PROJECTED FISCAL YEAR 2020 (Dollars in Thousands)	Hampton		
	PROJECTED FY2020		
	Budget	Actual	Variance
Locality Operating Share	\$ 4,657.6	\$ 4,657.6	\$ -
Plus: Local Farebox	\$ 1,255.4	\$ 1,008.5	\$ (246.9)
Locality Share - Sub-Total	\$ 5,913.0	\$ 5,666.1	\$ (246.9)
Plus: Federal Aid	\$ 1,628.0	\$ 2,071.6	\$ 443.6
Federal Aid-Strategic Allocation	\$ -	\$ 243.2	\$ 243.2
State Aid	\$ 1,918.6	\$ 2,234.7	\$ 316.1
Total Revenue Contribution	\$ 9,459.6	\$ 10,215.6	\$ 756.0
Operating Expenses	\$ 9,459.6	\$ 10,026.2	\$ 566.6
<b>Hold Harmless Projection:</b>	<b>\$ 189.4</b>		

# LOCALITY RECONCILIATION

May 2020

FISCAL YEAR 2020 (Dollars in Thousands)	Norfolk			
	Annual Budget	YTD MAY 2020		
		Budget	Actual	Variance
Locality Operating Share	\$ 19,386.5	\$ 17,771.0	\$ 17,771.0	\$ -
Plus: Local Farebox	\$ 6,343.1	\$ 5,816.6	\$ 4,649.3	\$ (1,167.3)
Locality Share - Sub-Total	\$ 25,729.6	\$ 23,587.6	\$ 22,420.3	\$ (1,167.3)
Plus: Federal Aid	\$ 5,768.9	\$ 5,269.2	\$ 4,422.9	\$ (846.3)
State Aid	\$ 8,173.2	\$ 7,492.1	\$ 8,326.2	\$ 834.1
Total Revenue Contribution	\$ 39,671.7	\$ 36,348.9	\$ 35,169.4	\$ (1,179.5)
Operating Expenses	\$ 39,671.7	\$ 36,348.9	\$ 34,431.2	\$ (1,917.7)
<b>Budget Status to Date:</b>	<b>\$ 738.2</b>			
<b>KPI's</b>				
Farebox Recovery:	16.0%	13.5%		
Farebox % of Budgeted Expense:		12.8%		

PROJECTED FISCAL YEAR 2020 (Dollars in Thousands)	Norfolk		
	PROJECTED FY2020		
	Budget	Actual	Variance
Locality Operating Share	\$ 19,386.5	\$ 19,386.5	\$ -
Plus: Local Farebox	\$ 6,343.1	\$ 4,649.3	\$ (1,693.8)
Locality Share - Sub-Total	\$ 25,729.6	\$ 24,035.8	\$ (1,693.8)
Plus: Federal Aid	\$ 5,768.9	\$ 6,556.5	\$ 787.6
Federal Aid-Strategic Allocation	\$ -	\$ 741.3	\$ 741.3
State Aid	\$ 8,173.2	\$ 9,071.6	\$ 898.4
Total Revenue Contribution	\$ 39,671.7	\$ 40,405.2	\$ 733.5
Operating Expenses	\$ 39,671.7	\$ 40,139.6	\$ 467.9
<b>Hold Harmless Projection:</b>	<b>\$ 265.6</b>		

Draft Financial Statement



# LOCALITY RECONCILIATION

May 2020

FISCAL YEAR 2020 (Dollars in Thousands)	Portsmouth			
	Annual Budget	YTD MAY 2020		
		Budget	Actual	Variance
Locality Operating Share	\$ 2,837.3	\$ 2,600.8	\$ 2,600.8	\$ -
Plus: Local Farebox	\$ 850.4	\$ 779.8	\$ 633.2	\$ (146.6)
Locality Share - Sub-Total	\$ 3,687.7	\$ 3,380.6	\$ 3,234.0	\$ (146.6)
Plus: Federal Aid	\$ 1,204.6	\$ 1,101.4	\$ 1,094.1	\$ (7.3)
State Aid	\$ 1,227.0	\$ 1,124.8	\$ 1,333.5	\$ 208.7
Total Revenue Contribution	\$ 6,119.3	\$ 5,606.8	\$ 5,661.6	\$ 54.8
Operating Expenses	\$ 6,119.3	\$ 5,606.8	\$ 5,655.7	\$ 48.9
<b>Budget Status to Date:</b>				<b>\$ 5.9</b>
<b>KPI's</b>				
Farebox Recovery:	13.9%	11.2%		
Farebox % of Budgeted Expense:		11.3%		

PROJECTED FISCAL YEAR 2020 (Dollars in Thousands)	Portsmouth		
	PROJECTED FY2020		
	Budget	Actual	Variance
Locality Operating Share	\$ 2,837.3	\$ 2,837.3	\$ -
Plus: Local Farebox	\$ 850.4	\$ 633.2	\$ (217.2)
Locality Share - Sub-Total	\$ 3,687.7	\$ 3,470.5	\$ (217.2)
Plus: Federal Aid	\$ 1,204.6	\$ 1,562.7	\$ 358.1
Federal Aid-Strategic Allocation	\$ -	\$ 238.0	\$ 238.0
State Aid	\$ 1,227.0	\$ 1,455.4	\$ 228.4
Total Revenue Contribution	\$ 6,119.3	\$ 6,726.6	\$ 607.3
Operating Expenses	\$ 6,119.3	\$ 6,593.7	\$ 474.4
<b>Hold Harmless Projection:</b>			<b>\$ 132.9</b>



Draft Financial Statement

HAMPTON ROADS TRANSIT

# LOCALITY RECONCILIATION

May 2020

FISCAL YEAR 2020 (Dollars in Thousands)	Virginia Beach			
	Annual Budget	YTD MAY 2020		
		Budget	Actual	Variance
Locality Operating Share	\$ 7,749.5	\$ 7,103.7	\$ 7,103.7	\$ -
Plus: Local Farebox	\$ 2,014.4	\$ 1,847.2	\$ 1,484.9	\$ (362.3)
Locality Share - Sub-Total	\$ 9,763.9	\$ 8,950.9	\$ 8,588.6	\$ (362.3)
Plus: Federal Aid	\$ 2,724.4	\$ 2,490.0	\$ 2,222.5	\$ (267.5)
State Aid	\$ 3,210.2	\$ 2,942.7	\$ 3,253.2	\$ 310.5
Total Revenue Contribution	\$ 15,698.5	\$ 14,383.6	\$ 14,064.3	\$ (319.3)
Operating Expenses	\$ 15,698.5	\$ 14,383.6	\$ 13,555.1	\$ (828.5)
<b>Budget Status to Date:</b>	<b>\$ 509.2</b>			
<b>KPI's</b>				
Farebox Recovery:		12.8%	11.0%	
Farebox % of Budgeted Expense:			10.3%	

PROJECTED FISCAL YEAR 2020 (Dollars in Thousands)	Virginia Beach		
	PROJECTED FY2020		
	Budget	Actual	Variance
Locality Operating Share	\$ 7,749.5	\$ 7,749.5	\$ -
Plus: Local Farebox	\$ 2,014.4	\$ 1,484.9	\$ (529.5)
Locality Share - Sub-Total	\$ 9,763.9	\$ 9,234.4	\$ (529.5)
Plus: Federal Aid	\$ 2,724.4	\$ 3,202.9	\$ 478.5
Federal Aid-Strategic Allocation	\$ -	\$ 1,046.9	\$ 1,046.9
State Aid	\$ 3,210.2	\$ 3,455.3	\$ 245.1
Total Revenue Contribution	\$ 15,698.5	\$ 16,939.5	\$ 1,241.0
Operating Expenses	\$ 15,698.5	\$ 15,402.6	\$ (295.9)
<b>Hold Harmless Projection:</b>	<b>\$ 1,536.9</b>		

**TRANSPORTATION DISTRICT COMMISSION  
OF HAMPTON ROADS**

**ANNUAL FINANCIAL REPORT**

*As of and for the Years Ended June 30, 2019 and 2018*

*And Report of Independent Auditor*

# TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS

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JUNE 30, 2019 AND 2018

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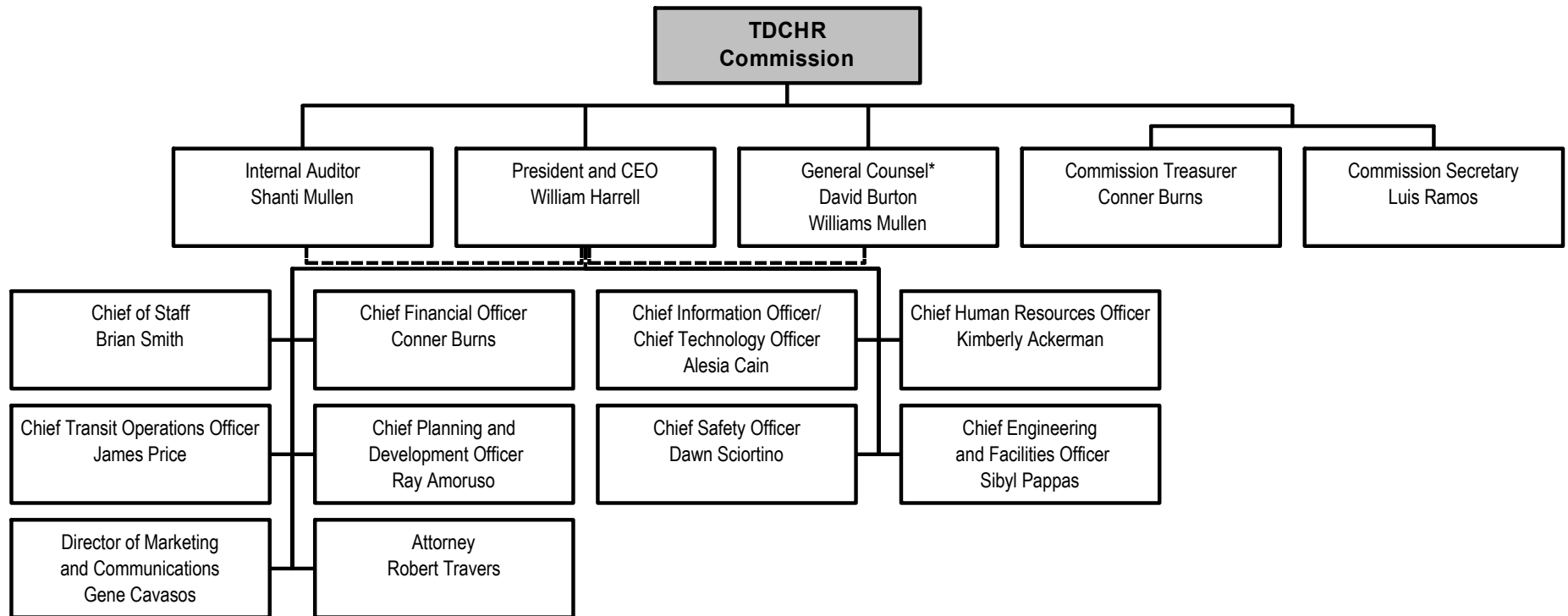
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## **INTRODUCTORY SECTION**



**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**ORGANIZATIONAL CHART**  
**JUNE 30, 2019**

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**Note:**

The General Counsel and Internal Auditor report to the President/CEO on daily business matters; but they serve at the pleasure of the Commission and have direct access to the Commission as required.

\*Additional support provided by Attorney.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**MEMBERS OF THE COMMISSION**  
**JUNE 30, 2019**

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**CHAIRMAN**

Douglas W. Fuller  
City of Chesapeake

**VICE – CHAIRMAN**

Charles B. Hunter  
City of Portsmouth

**COMMISSIONERS**

Robert Coleman  
City of Newport News

Jimmy Gray  
City of Hampton

Matthew Hamel  
City of Chesapeake

Gaylene Kanoyton  
City of Hampton

Andria McClellan  
City of Norfolk

Jennifer Mitchell  
Virginia Department of Rail and Public Transportation

William J. Moffett  
City of Hampton

Keith Parnell  
City of Norfolk

Amelia Ross-Hammond  
City of Virginia Beach

Aaron Rouse  
City of Virginia Beach

John L. Rowe  
City of Portsmouth

Patricia P. Woodbury  
City of Newport News

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**EXECUTIVE LEADERSHIP TEAM AND FINANCE STAFF**  
**JUNE 30, 2019**

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**EXECUTIVE LEADERSHIP TEAM**

President and Chief Executive Officer	William E. Harrell
Chief Financial Officer	Conner Burns
Chief Human Resources Officer	Kimberly Ackerman
Chief Planning and Development Officer	Raymond Amoruso
Chief Information Officer/Chief Technology Officer	Alesia Cain
Chief Safety and Security Officer	Dawn Sciortino
Chief Environmental and Facilities Officer	Sibyl Pappas
Chief Transit Operations Officer	James E. Price, Jr.
Chief of Staff	Brian Smith
Director of Marketing and Communications	Gene Cavasos
Attorney	Robert Travers

**FINANCE STAFF**

Director of Finance	Debbie Ball
Assistant Director of Finance	Larry Kirk
Director of Budget and Financial Analysis	Angela Glass
Director of Procurement	Sonya Luther
Director of Treasury	Sheri Dixon

## **FINANCIAL SECTION**

## Report of Independent Auditor

To the Commissioners  
Transportation District Commission of Hampton Roads  
Hampton, Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Transportation District Commission of Hampton Roads (the "Commission"), as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Specification for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission, as of June 30, 2019 and 2018, and the respective changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and OPEB information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements. The Introductory Section, Other Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Other Supplementary Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2020, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



Virginia Beach, Virginia  
May 26, 2020

# TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS MANAGEMENT'S DISCUSSION AND ANALYSIS

*JUNE 30, 2019 AND 2018*

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The following Management Discussion and Analysis ("MD&A") of the Transportation District Commission of Hampton Roads' ("Commission") activities and financial performance provides the reader with an introduction and overview to the basic financial statements for the years ended June 30, 2019 and June 30, 2018. Following this MD&A are the basic financial statements of the Commission together with the notes thereto which are essential to a full understanding of the data contained in the basic financial statements. We encourage readers to read the information presented in conjunction with additional information that we have furnished in the Commission's basic financial statements, which follow this narrative.

## **Financial Operations Highlights**

Below are highlights of the Commission's activities for fiscal year 2019 and 2018.

- The Commission capitalized \$18,746,247 on asset additions during FY19. The majority of the increase was \$11,317,360 for buses and \$6,417,590 for renovation of the Hampton facility.
- The Commission spent \$9.7 million on asset additions during FY18. The majority of the increase was \$4.6 million on facility renovations and \$1.5 million for a new ferryboat.
- The Commission's net position decreased by \$13,467,561 in FY19 to \$257,979,403. This decrease is mainly due to depreciation expense.
- The Commission's net position decreased by \$15.1 million in FY18 to \$271.5 million. This decrease is mainly due to depreciation expense.
- At the end of the fiscal year, unrestricted net deficit was \$5,275,632, a decrease of \$1,441,764. The restricted net position consists of reserves for self-insurance.
- During FY18 the Commission had a \$4.5 million increase in the proceeds from capital grants. This increase was largely due to funds utilized for bus purchase, ferryboat and facility renovations.

## **Overview of the Financial Statements**

The Commission's basic financial statements, the statement of net position, statement of revenue, expenses, and changes in net position, and statement of cash flows, are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") promulgated by the Governmental Accounting Standards Board ("GASB"). The Commission is structured as a single enterprise fund with revenue recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and, except land and construction in progress, are depreciated over their useful lives. Certain amounts are restricted for debt service and, where applicable, for construction activities. See the notes to basic financial statements for a summary of the Commission's significant accounting policies.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

*JUNE 30, 2019 AND 2018*

**Financial Position Summary**

Net position may serve over time as a useful indicator of the Commission's financial position. The Commission's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$257,979,403 at June 30, 2019. A condensed summary of the Commission's net position is shown below:

	<b>Year Ended June 30, 2019</b>	<b>Year Ended June 30, 2018</b>	<b>*As Restated Year Ended June 30, 2017</b>
<b>Assets:</b>			
Current assets	\$ 43,740,392	\$ 45,731,621	\$ 34,407,971
Capital assets, net	262,198,417	277,093,262	296,457,111
Other assets	2,914,002	2,352,200	156,474
Total Assets	<u>308,852,811</u>	<u>325,177,083</u>	<u>331,021,556</u>
Deferred Outflows of Resources	<u>8,773,584</u>	<u>5,669,024</u>	<u>9,606,166</u>
<b>Liabilities:</b>			
Current liabilities	36,265,534	39,436,371	36,857,252
Long-term liabilities	19,911,406	15,873,949	16,276,867
Total Liabilities	<u>56,176,940</u>	<u>55,310,320</u>	<u>53,134,119</u>
Deferred Inflows of Resources	<u>3,470,052</u>	<u>4,088,823</u>	<u>919,035</u>
<b>Net Position:</b>			
Net investment in capital assets	260,947,348	275,449,210	292,493,576
Restricted	2,307,687	2,715,150	3,697,854
Unrestricted	(5,275,632)	(6,717,396)	(9,616,862)
Total Net Position	<u>\$ 257,979,403</u>	<u>\$ 271,446,964</u>	<u>\$ 286,574,568</u>

\*Restated for GASB75 implementation.

The largest portion of the Commission's net position each period represents its net investment in capital assets (e.g., land, buildings, improvements, and equipment). The Commission uses these capital assets to provide services to its passengers. Consequently, these assets are not available for future spending.



**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

*JUNE 30, 2019 AND 2018*

**Summary of Operations and Changes in Net Position**

	<b>Year Ended June 30, 2019</b>	<b>Year Ended June 30, 2018</b>	<b>*As Restated Year Ended June 30, 2017</b>
Operating revenues	\$ 18,827,777	\$ 18,786,826	\$ 19,027,226
Operating expenses	124,875,187	125,585,295	129,846,411
Operating loss before subsidies and grants	(106,047,410)	(106,798,469)	(110,819,185)
Subsidies and grants	78,456,438	79,828,501	80,224,573
Operating loss before other expenses	(27,590,972)	(26,969,968)	(30,594,612)
Other expenses, net	(10,439,714)	(7,919,184)	(10,062,214)
Loss before proceeds from capital grants	(38,030,686)	(34,889,152)	(40,656,826)
Proceeds from capital grants	24,563,125	19,761,548	15,272,596
Cumulative effect of change in accounting standard	-	-	(1,558,000)
Change in net position	(13,467,561)	(15,127,604)	(26,942,230)
Net position, beginning of year	271,446,964	286,574,568	313,516,798
Net position, end of year	<u>\$ 257,979,403</u>	<u>\$ 271,446,964</u>	<u>\$ 286,574,568</u>

**Revenue**

A summary of revenue is as follows:

	<b>2019 Amount</b>	<b>Percent of Total</b>	<b>2018 Amount</b>	<b>Percent of Total</b>	<b>*As Restated 2017 Amount</b>	<b>Percent of Total</b>
Operating:						
Passenger fares	\$ 15,319,483	81.3%	\$ 15,619,873	82.2%	\$ 15,671,061	87.4%
Charges and contracts	2,261,886	12.0%	2,215,994	11.7%	2,149,290	12.0%
Auxiliary	1,138,852	6.0%	844,716	4.4%	1,124,275	6.3%
Nontransportation	107,556	0.6%	106,243	0.6%	82,600	0.5%
Total Operating	<u>18,827,777</u>	<u>99.9%</u>	<u>18,786,826</u>	<u>98.9%</u>	<u>19,027,226</u>	<u>106.2%</u>
Nonoperating:						
Gain (loss) on sale of capital assets	21,710	0.1%	162,623	0.9%	(303,634)	-1.7%
Interest income	-	0.0%	49,675	0.3%	17,940	0.1%
Total Nonoperating	<u>21,710</u>	<u>0.1%</u>	<u>212,298</u>	<u>1.1%</u>	<u>(285,694)</u>	<u>-6.2%</u>
Total Revenues	<u>\$ 18,849,487</u>	<u>100.0%</u>	<u>\$ 18,999,124</u>	<u>100.0%</u>	<u>\$ 18,741,532</u>	<u>100.0%</u>

\*Restated for GASB75 implementation.

# TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019 AND 2018

## Expenses

A summary of expenses is as follows:

	<b>2019</b>	<b>Percent</b>	<b>2018</b>	<b>Percent</b>	<b>*As Restated</b>	<b>Percent</b>
	<b>Amount</b>	<b>of Total</b>	<b>Amount</b>	<b>of Total</b>	<b>2017</b>	<b>of Total</b>
					<b>Amount</b>	
Operating:						
Labor	\$ 48,417,080	36.2%	\$ 48,466,557	36.2%	\$ 48,420,295	35.5%
Fringe benefits	14,218,004	10.6%	15,812,947	11.8%	15,916,751	11.1%
Depreciation and amortization	29,053,413	21.7%	29,247,649	21.9%	30,433,974	22.3%
Materials and supplies	11,726,745	8.8%	9,980,402	7.5%	11,101,816	8.1%
Purchase of transportation services	7,891,394	5.9%	8,549,457	6.4%	8,321,926	6.1%
Contractual services	7,864,266	5.9%	8,187,924	6.1%	8,252,631	6.0%
Insurance, net of ordinary recoveries	3,144,338	2.4%	3,166,124	2.4%	4,220,619	3.1%
Utilities	1,160,013	0.9%	1,205,506	0.9%	1,307,840	1.0%
Other	1,399,934	1.0%	968,729	0.7%	1,870,559	1.4%
<b>Total Operating</b>	<b>124,875,187</b>	<b>93.4%</b>	<b>125,585,295</b>	<b>93.9%</b>	<b>129,846,411</b>	<b>94.6%</b>
Nonoperating:						
Interest expense	342,716	0.3%	256,016	0.2%	471,920	0.3%
Noncapitalized grant expenditures	10,264,625	7.7%	7,875,466	5.9%	9,304,600	5.1%
<b>Total Nonoperating</b>	<b>10,607,341</b>	<b>7.9%</b>	<b>8,131,482</b>	<b>6.1%</b>	<b>9,776,520</b>	<b>5.4%</b>
<b>Total Expenses</b>	<b>\$ 135,482,528</b>	<b>101.3%</b>	<b>\$ 133,716,777</b>	<b>100.0%</b>	<b>\$ 139,622,931</b>	<b>100.0%</b>

\*Restated for GASB75 implementation.

## Capital Assets

During the year ended June 30, 2019, the Commission capitalized \$18,746,247 on capital activities from grant and operating funds. This amount included \$6,417,590 for facility renovations, \$11,317,360 for buses, and \$1,011,297 for other capital items.

During the year ended June 30, 2018, the Commission expended \$9.7 million on capital activities from grant and operating funds. This amount included \$4.6 million for facility renovations, \$1.5 million for a ferryboat, and \$80,000 for other capital items.

Capital asset acquisitions and improvements exceeding \$5,000 are capitalized at cost. Acquisitions are funded using a variety of financing techniques, including Federal grants with matching State grants and local funds. Additional information about Hampton Roads Transit's capital assets can be found in Note 6 to the financial statements.

## Debt

At June 30, 2019, the Commission owed \$16,605,091 against its \$17,000,000 revolving line of credit, primarily due to the timing of government receivables.

At June 30, 2018, the Commission owed \$15,500,000 against its \$17,000,000 revolving line of credit, primarily due to the timing of government receivables.

# TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS MANAGEMENT'S DISCUSSION AND ANALYSIS

*JUNE 30, 2019 AND 2018*

---

## **Industry Outlook**

During the 1st quarter of 2020, the world has been faced with the Coronavirus (COVID-19) pandemic which has spread to the United States, including the Hampton Roads Region. The Commission has been working in close coordination with its federal partners at the Federal Transit Administration ("FTA") and state and local governments related to COVID-19 activities. With numerous business closings, lower passenger counts, and free fare assistance provided by the Commission, the long-term financial implications to the Commission are difficult to assess.

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act of 2020 totaling \$2 trillion was signed into law in March 2020, which provided relief for the economy including \$25 billion specifically for the FTA, which has allocated \$25 billion to recipients of urbanized area and rural area formula funds in proportion to the FY2020 program apportionments. The \$25 billion in funding is provided at 100% federal share with no local match requirements and are eligible for reimbursement of all COVID-19 related operating and capital costs, as well as, all net operating expenses incurred beginning on January 20, 2020. Operating expenses to maintain transit services and costs of administrative leave due to reduced operations during an emergency are also eligible. Based on current allocations, the Commission is scheduled to receive approximately \$61,731,853 from the CARES FTA allocation for urbanized and rural area formula funds.

The Commission is working closely with its state and local partners, financial advisors, and financial institutions, regarding the economic impact to the transportation industry. The Commission's ability to meet current obligations remains the same; however, the outlook for the transportation industry has been lowered from "Stable" to "Negative" for the foreseeable future. In response, the Commission has reduced operating costs where possible and will continue to work with its partners to assess the situation as it evolves. While the economic impact to the transportation industry may be significant in the short-term, the Commission's liquidity and the CARES Act Grant will provide a stable financial position during this difficult time.

## **Request for Information**

This financial report is designed to provide a general overview of the Commission's finances for all those interested. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to the Chief Financial Officer, Hampton Roads Transit, 3400 Victoria Boulevard, Hampton, VA 23661.

## **FINANCIAL STATEMENTS**

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**STATEMENTS OF NET POSITION**

*JUNE 30, 2019 AND 2018*

<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>2019</b>	<b>2018</b>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 12,030,111	\$ 15,080,277
Due from governments	22,097,920	22,266,740
Accounts receivable	468,782	398,139
Inventories	7,159,783	6,565,123
Prepaid expenses	1,983,796	1,421,342
<b>Total Current Assets</b>	<b>43,740,392</b>	<b>45,731,621</b>
<b>Noncurrent Assets:</b>		
Capital assets, net	262,198,417	277,093,262
Intangible assets, net	53,418	55,645
Net pension asset	2,860,584	2,296,555
<b>Total Noncurrent Assets</b>	<b>265,112,419</b>	<b>279,445,462</b>
<b>Total Assets</b>	<b>308,852,811</b>	<b>325,177,083</b>
<b>Deferred Outflows of Resources:</b>		
Deferred outflows of resources - pension	8,571,042	5,548,309
Deferred outflows of resources - OPEB group life insurance	157,044	89,584
Deferred outflows of resources - OPEB disability program	45,498	31,131
<b>Total Deferred Outflows of Resources</b>	<b>8,773,584</b>	<b>5,669,024</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 317,626,395</b>	<b>\$ 330,846,107</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
<b>Current Liabilities:</b>		
Notes payable - bank	\$ 16,605,091	\$ 15,500,000
Current portion of long-term capital lease	408,544	395,210
Accounts payable	4,579,337	8,975,556
Accrued expenses	4,062,894	4,301,762
Self-insurance liability	3,307,687	3,715,150
Advanced capital contributions	7,301,981	6,548,693
<b>Total Current Liabilities</b>	<b>36,265,534</b>	<b>39,436,371</b>
<b>Other Liabilities:</b>		
Long-term capital lease	895,943	1,304,487
Unearned revenues	5,183,598	5,090,281
Net pension liability	12,438,865	8,046,181
Net OPEB liability - group life insurance	1,377,000	1,421,000
Net OPEB liability - disability program	16,000	12,000
<b>Total Other Liabilities</b>	<b>19,911,406</b>	<b>15,873,949</b>
<b>Total Liabilities</b>	<b>56,176,940</b>	<b>55,310,320</b>
<b>Deferred Inflows of Resources:</b>		
Deferred inflows of resources - pension	3,287,052	3,928,823
Deferred inflows of resources - OPEB group life insurance	179,000	158,000
Deferred inflows of resources - OPEB disability program	4,000	2,000
<b>Total Deferred Inflows of Resources</b>	<b>3,470,052</b>	<b>4,088,823</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>59,646,992</b>	<b>59,399,143</b>
<b>Net Position:</b>		
Net investment in capital assets	260,947,348	275,449,210
Restricted	2,307,687	2,715,150
Unrestricted (deficit)	(5,275,632)	(6,717,396)
<b>Total Net Position</b>	<b>257,979,403</b>	<b>271,446,964</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 317,626,395</b>	<b>\$ 330,846,107</b>

See accompanying notes to the financial statements.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues:		
Passenger fares	\$ 15,319,483	\$ 15,619,873
Charters and contracts	2,261,886	2,215,994
Auxiliary	1,138,852	844,716
Nontransportation	107,556	106,243
Total Operating Revenues	<u>18,827,777</u>	<u>18,786,826</u>
Operating Expenses:		
Labor	48,417,080	48,466,557
Fringe benefits	14,218,004	15,812,947
Depreciation and amortization	29,053,413	29,247,649
Materials and supplies	11,726,745	9,980,402
Purchase of transportation services	7,891,394	8,549,457
Contractual services	7,864,266	8,187,924
Insurance, net of ordinary recoveries	3,144,338	3,166,124
Utilities	1,160,013	1,205,506
Other	1,399,934	968,729
Total Operating Expenses	<u>124,875,187</u>	<u>125,585,295</u>
Operating loss before subsidies and grants	(106,047,410)	(106,798,469)
Subsidies and grants	<u>78,456,438</u>	<u>79,828,501</u>
Operating loss before other income (expenses)	<u>(27,590,972)</u>	<u>(26,969,968)</u>
Other Income (Expenses):		
Interest income	145,917	49,675
Interest expense	(342,716)	(256,016)
Gain on sale of capital assets	21,710	162,623
Noncapitalized grant expenditures	(10,264,625)	(7,875,466)
Total Other Expenses, net	<u>(10,439,714)</u>	<u>(7,919,184)</u>
Loss before proceeds from capital grants	(38,030,686)	(34,889,152)
Proceeds from capital grants	<u>24,563,125</u>	<u>19,761,548</u>
Change in net position	(13,467,561)	(15,127,604)
Net position, beginning of year, as restated (note 18)	<u>271,446,964</u>	<u>286,574,568</u>
Net position, end of year	<u>\$ 257,979,403</u>	<u>\$ 271,446,964</u>

See accompanying notes to the financial statements.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**STATEMENTS OF CASH FLOWS**

YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers and users	\$ 18,757,134	\$ 18,810,573
Payments to suppliers for goods and services	(39,147,486)	(27,222,383)
Payments to employees	(62,808,628)	(64,511,152)
Net cash used in operating activities	<u>(83,198,980)</u>	<u>(72,922,962)</u>
<b>Cash flows from noncapital financing activities:</b>		
Operating subsidies and grants received	78,549,755	84,918,782
Net increase / (decrease) in note payable - bank	1,105,091	(1,500,000)
Net cash provided by noncapital financing activities	<u>79,654,846</u>	<u>83,418,782</u>
<b>Cash flows from capital and related financing activities:</b>		
Increase in advanced capital contributions	753,288	1,374,804
Interest expense	(342,716)	(256,016)
Acquisition of capital assets and intangible assets	(14,298,499)	(9,790,971)
Noncapitalized grant expenditures	(10,264,625)	(7,875,466)
Proceeds from disposition of capital assets	163,868	162,623
Proceeds from capital grants	24,731,945	16,131,271
Payments on long-term capital lease	(395,210)	(382,312)
Payments on long-term debt	-	(2,030,000)
Net cash provided by (used in) capital and related financing activities	<u>348,051</u>	<u>(2,666,067)</u>
<b>Cash flows from investing activities:</b>		
Interest income	<u>145,917</u>	<u>49,675</u>
Net change in cash and cash equivalents	(3,050,166)	7,879,428
Cash and cash equivalents, beginning of year	15,080,277	7,200,849
Cash and cash equivalents, end of year	<u>\$ 12,030,111</u>	<u>\$ 15,080,277</u>
<b>Reconciliation of operating loss before subsidies and grants to net cash from operating activities:</b>		
Operating loss before subsidies and grants	\$ (106,047,410)	\$ (106,798,469)
Adjustments to reconcile operating loss before subsidies and grants to net cash used in operating activities:		
Depreciation and amortization	29,053,413	29,247,649
Change in:		
Accounts receivable	(70,643)	23,747
Inventories	(594,660)	(398,790)
Prepaid expenses	(562,454)	561,098
Accounts payable	(4,396,219)	5,656,155
Accrued expenses	(238,868)	47,966
Net pension/OPEB liability	65,324	(279,614)
Self-insurance liability	(407,463)	(982,704)
Net cash used in operating activities	<u>\$ (83,198,980)</u>	<u>\$ (72,922,962)</u>

See accompanying notes to the financial statements.

# TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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### Note 1—Organization and nature of business

The Transportation District Commission of Hampton Roads (the “Commission”) was formed on June 29, 1999, to effect the merger of the Peninsula Transportation District Commission (“PTDC”) and the Tidewater Transportation District Commission (“TTDC”), effective October 1, 1999. The Commission was established in accordance with Chapter 45 of Title 15.2 of the Code of Virginia (1950), as amended, referred to as the Transportation District Act of 1964 and by ordinances as adopted by the governing bodies of its component governments. The Commission provides public transportation facilities and services within the Cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, and Virginia Beach, Virginia. Oversight responsibility is exercised by all of the participating localities through their designated representatives (“Commissioners”). Responsibility for the day-to-day operations of the Commission rests with management.

### Note 2—Summary of significant accounting policies

*Reporting Entity* – Transit Management Company (“Subsidiary”) is a wholly owned subsidiary of the Commission. The Subsidiary is considered a component unit of the Commission for reporting purposes. The Subsidiary pays all payroll related expenses for union employees and operates on a break-even basis by having the Commission reimburse the Subsidiary’s expenses. Accounts of the Subsidiary are included in the basic financial statements. All intercompany accounts and transactions have been eliminated.

*Basis of Accounting and Financial Statement Presentation* – The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

*Cash and Cash Equivalents* – Cash and cash equivalents include cash on hand, bank deposits, and short-term highly liquid investments with an original purchased maturity of three months or less.

*Investments* – Investments are stated at fair value, with the exception of investments in the Virginia Local Government Investment Pool (“LGIP”), an external 2a7-like investment pool which is presented at share price. All fair market valuations are based on quoted market prices. LGIP shares are based on amortized cost of the LGIP’s underlying portfolio.

*Accounts Receivable* – The Commission evaluates its accounts receivable individually. A charge to income to absorb possible credit losses is provided when, in the opinion of management, it is appropriate. The effect of using this method approximates that of the allowance method.

*Inventories* – Parts inventories are stated at the lower of cost or market using the average cost method. The cost of fuel and oil inventories is determined using the consumption method. Inventories are used for operations and are not for resale.

*Capital Assets* – Capital assets, which include infrastructure, equipment, property (e.g., buses, ferries and docks, trolleys, and light rail vehicles), and intangible assets (e.g., computer software) are reported at cost and depreciated using the straight-line method based on estimated useful lives of 3 to 50 years. Capital assets other than equipment, property, and infrastructure assets are defined by Hampton Roads Transit (“HRT”) as an asset with initial individual cost of \$5,000 or more with a useful life greater than one year. Donated assets are valued at their estimated acquisition value on the date donated. The cost of repairs and maintenance that do not add value or extend an asset’s life are not capitalized. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is recognized. Most property and equipment is acquired with grant proceeds so the method and use of proceeds from disposition of property and equipment is restricted by the grant requirements.



# TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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### Note 2—Summary of significant accounting policies (continued)

Capital assets are depreciated using the straight-line method with estimated useful lives:

Buildings and improvements	10-50 years
Light rail vehicles and infrastructure	10-30 years
Ferries and docks	10-20 years
Buses	7-12 years
Equipment and other	3-13 years
Vehicles	3-4 years
Intangibles	3-5 years

*Deferred Outflows/Inflows of Resources* – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an expense until that time. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as revenue until that time.

*Pensions* – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Transportation District Commission of Hampton Roads' Retirement Plan and the additions to/deductions from the Transportation District Commission of Hampton Roads' net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System ("VRS"). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Group Life Insurance* – VRS Group Life Insurance ("GLI") Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program other postemployment benefit ("OPEB") liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI program OPEB and the additions to/deductions from the VRS GLI Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Disability Program* – The Virginia Retirement System (VRS) Political Subdivision Employee Virginia Local Disability Program ("VLDP") is a multiple-employer, cost-sharing plan. For purposes of measuring the net Political Subdivision Employee VLDP OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Employee VLDP OPEB, and the Political Subdivision Employee VLDP OPEB expense, information about the fiduciary net position of the VRS Political Subdivision Employee VLDP; and the additions to/deductions from the VRS Political Subdivision Employee VLDP's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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### **Note 2—Summary of significant accounting policies (continued)**

*Unearned Revenues* – Federal funds originally designated for the extension of light rail to the City of Virginia Beach is currently being held for the purchase of buses.

*Revenues* – Revenues are recognized when services are provided. Operating grant subsidies and expense reimbursements are recognized in accordance with the grant document or reimbursement agreement. Generally, these agreements provide for reimbursement to the Commission for operating expenses incurred. Operating subsidies from the municipalities provide for reimbursement to the Commission based on services provided within the various jurisdictions.

*Net Position* – Net position represents the residual interest in the Commission's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consist of three sections: net investment in capital assets; restricted for self-insurance; and unrestricted. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt attributable to capital expenditures. The Commissions' restricted amounts for self-insurance are expendable and relate to amounts restricted for the self-insurance liability. Unrestricted amounts may be designated for specific purposes by action of management or the board of commissioners.

*Budgets and Budgetary Accounting* – The Commission's annual budget for transit activities is a management tool that assists users in analyzing financial activity for its fiscal year ending June 30<sup>th</sup>. The Commission's primary funding sources are federal and state grants and local subsidies, which have periods that may or may not coincide with the Commission's fiscal year. These grants and subsidies are normally for a twelve-month period; however, they may be awarded for periods shorter or longer than twelve months.

Because of the Commission's dependency on federal, state, and local budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. The Commission's annual budget differs from that of a local government due to the uncertain nature of grant awards from other entities.

The resultant annual budget is subject to constant change within the fiscal year due to:

- Increases/decreases in actual grant awards from those estimated;
- Unanticipated grant awards not included in the budget, and
- Expected grant awards that fail to materialize.

The Commissioners formally approve the annual budget but greater emphasis is placed on complying with the grant budget, whose terms and conditions are on a grant-by-grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances.

*Estimates* – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and deferred inflows and outflows of resources, and disclosure of contingent assets and liabilities for the reported period. Actual results could differ from those estimates and assumptions.

# TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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### Note 2—Summary of significant accounting policies (continued)

#### Cash and cash equivalents

*Deposits* – At June 30, 2019 and 2018, the carrying value of the Commission's deposits with banks was \$9,221,639 and \$11,836,126, respectively, and the bank balances were \$9,909,141 and \$14,860,308, respectively. All of the bank balance was insured by the Federal Deposit Insurance Corporation (“FDIC”) or collateralized in accordance with the Virginia Security for Public Deposits Act (“Act”). Under the Act, banks holding public deposits in excess of the amounts insured by the FDIC must pledge collateral in the amount of 50% of such excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans.

At June 30, 2019 and 2018, the Commission had \$2,808,472 and \$2,822,263, respectively, invested in money market funds valued at fair value. These cash equivalents are not insured by FDIC or the Act and are, therefore, subject to investment risk.

#### Investments

*Investment Policy* – In accordance with the Code of Virginia and other applicable laws, including regulations, the Commission's investment policy (“Policy”) permits investments in U.S. government obligations, obligations of the Commonwealth of Virginia (the “Commonwealth”) or political subdivisions thereof, prime quality commercial paper, and certain corporate notes, bankers acceptances, repurchase agreements, negotiable certificates of deposit, bank deposit notes, mutual funds that invest exclusively in securities specifically permitted under the Policy, and the State Treasurer's LGIP. Pursuant to the Code of Virginia, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The LGIP values portfolio securities by the amortized cost method and on a monthly basis this valuation is compared to current market to monitor any variance. The LGIP is in compliance with the requirements of generally accepted accounting principles in the United States of America (“U.S. GAAP”) and elects to measure its investments at amortized cost for financial reporting. Therefore, participants in LGIP should also measure their investments in the LGIP at amortized cost for financial reporting. The Policy establishes an investment committee consisting of the Chief Financial Officer, the President and Chief Executive Officer. The members of this committee meet quarterly to determine general investment strategies and to monitor results. The investment committee includes in its deliberations such topics as: economic outlook, portfolio diversification and maturity structure, potential risks to Commission funds, authorized depositories and dealers, and the target rate of return on the investment portfolio.

*Credit Risk* – As required by the Commonwealth's statute, the Policy requires that commercial paper have a short-term debt rating of not less than “A-1” (or its equivalent) from at least two of the following: Moody's Investors Service, Standard & Poor's, and Fitch Investor's Service. Corporate notes, negotiable certificates of deposit, and bank deposit notes maturing in less than one year must have a short-term debt rating of at least “A-1” by Standard & Poor's and “P-1” by Moody's Investor Service. Notes having a maturity of greater than one year must be rated “AA” by Standard & Poor's and “Aa” by Moody's Investor Service.

At June 30, 2019 and 2018, 100% of the Commission's cash equivalents were invested in money market funds and the LGIP.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2019 AND 2018*

**Note 3—Cash and cash equivalents and investments**

*Concentration of Credit Risk* – The Commission’s main depository is selected through a formal procurement process at least once every five years. The Chief Financial Officer selects dealers, brokers, and other depositories after a competitive evaluation process. In selecting depositories or dealers, the creditworthiness of the institutions, financial stability, credit characteristics, financial history, and interest rates offered are considered.

Dealers and financial institutions seeking to establish eligibility for the Commission’s competitive certificate of deposit purchase programs for amounts not covered under FDIC or Federal Savings and Loan Insurance Corporation (“FSLIC”) insurance submits information as required, which shall be reviewed by the investment committee.

Before accepting funds or engaging in investment transactions with the Commission, the supervising officer at each depository submits a certification evidencing that he or she has reviewed the investment policies and objectives and agrees to disclose potential conflicts or risks to public funds that might arise out of business transactions between the depository and the Commission. All financial institutions shall agree to exercise due diligence in monitoring the activities of other officers and subordinate staff members engaged in transactions with this entity.

Employees of any firm or financial institution offering securities or investment to the Commission are trained in the precautions appropriate to public sector investments and are required to familiarize themselves with the Commission’s investment objectives and constraints.

*Interest Rate Risk* – As a means of limiting exposure to fair value losses arising from rising interest rates, the Commission’s Policy limits the investment of operating funds to investments with a stated maturity of no more than five years from the date of purchase.

*Fair Value* – The Commission categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy base on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Commission’s investments in other money market funds are considered to be Level 1.

*Custodial Credit Risk* – The assets of the Commission shall be secured through third party custody and safekeeping procedures. Bearer instruments shall be held only through third party institutions. Investment officials shall be bonded to protect against possible embezzlement and malfeasance. Unless prevailing practices or economic circumstances dictate otherwise, ownership shall be protected through third-party custodial safekeeping.

**Note 4—Due from governments**

Government receivables (payable) consisted of the following:

	<u>2019</u>	<u>2018</u>
Federal Transit Administration	\$ 19,417,681	\$ 17,647,139
Commonwealth of Virginia	1,634,459	4,952,768
Local governments	1,045,780	(333,167)
	<u>\$ 22,097,920</u>	<u>\$ 22,266,740</u>

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2019 AND 2018*

**Note 5—Inventories**

Inventories consisted of the following:

	<u>2019</u>	<u>2018</u>
Bus and service vehicle parts	\$ 4,469,991	\$ 3,982,284
Light rail parts	2,467,730	2,375,971
Fuel and oil	222,062	206,868
	<u>\$ 7,159,783</u>	<u>\$ 6,565,123</u>

**Note 6—Capital and intangible assets**

A summary of changes in capital assets is as follows:

	<u>Balance June 30, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
Capital assets not being depreciated:				
Land	\$ 8,900,798	\$ -	\$ -	\$ 8,900,798
Construction in process:				
Buildings and improvements	3,276,104	9,988	3,276,104	9,988
Other	7,472,024	4,885,584	6,067,216	6,290,392
Total capital assets not being depreciated	<u>19,648,926</u>	<u>4,895,572</u>	<u>9,343,320</u>	<u>15,201,178</u>
Capital assets being depreciated:				
Buses	111,057,234	11,317,360	7,634,635	114,739,959
Buildings and improvements	90,081,795	6,417,590	-	96,499,385
Equipment	25,164,478	24,415	76,895	25,111,998
Ferries and docks	8,992,772	138,657	1,924,035	7,207,394
Other	9,441,861	836,442	539,254	9,739,049
Vehicles	7,575,929	-	-	7,575,929
Intangibles	4,497,664	-	-	4,497,664
Light rail	256,096,446	11,783	-	256,108,229
Total capital assets being depreciated	<u>512,908,179</u>	<u>18,746,247</u>	<u>10,174,819</u>	<u>521,479,607</u>
Less accumulated depreciation and amortization for:				
Buses	78,403,199	10,173,685	7,634,366	80,942,518
Buildings and improvements	36,403,306	3,957,807	-	40,361,113
Equipment	23,372,943	437,564	76,895	23,733,612
Ferries and docks	4,960,074	223,058	1,782,146	3,400,986
Other	6,842,478	1,107,209	539,254	7,410,433
Vehicles	7,531,737	21,436	-	7,553,173
Intangibles	4,442,019	2,227	-	4,444,246
Light rail	93,452,442	13,130,427	-	106,582,869
Total accumulated depreciation and amortization	<u>255,408,198</u>	<u>29,053,413</u>	<u>10,032,661</u>	<u>274,428,950</u>
Total capital assets being depreciated - net	<u>257,499,981</u>	<u>(10,307,166)</u>	<u>142,158</u>	<u>247,050,657</u>
Total capital assets - net	<u>\$ 277,148,907</u>	<u>\$ (5,411,594)</u>	<u>\$ 9,485,478</u>	<u>\$ 262,251,835</u>

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 6—Capital and intangible assets (continued)**

	<u>Balance</u> <u>June 30, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital assets not being depreciated:				
Land	\$ 8,900,798	\$ -	\$ -	\$ 8,900,798
Construction in process:				
Buildings and improvements	5,778,920	2,530,900	5,033,716	3,276,104
Other	2,058,415	7,207,166	1,793,557	7,472,024
Total capital assets not being depreciated	<u>16,738,133</u>	<u>9,738,066</u>	<u>6,827,273</u>	<u>19,648,926</u>
Capital assets being depreciated:				
Buses	117,221,819	447,086	6,611,671	111,057,234
Buildings and improvements	85,508,650	4,573,145	-	90,081,795
Equipment	25,429,997	29,900	295,419	25,164,478
Ferries and docks	7,501,631	1,497,142	6,001	8,992,772
Other	9,114,679	395,324	68,142	9,441,861
Vehicles	8,203,413	-	627,484	7,575,929
Intangibles	4,557,792	-	60,128	4,497,664
Light rail	256,096,446	-	-	256,096,446
Total capital assets being depreciated	<u>513,634,427</u>	<u>6,942,597</u>	<u>7,668,845</u>	<u>512,908,179</u>
Less accumulated depreciation and amortization for:				
Buses	77,151,727	7,862,871	6,611,399	78,403,199
Buildings and improvements	32,446,839	3,956,467	-	36,403,306
Equipment	22,934,524	733,617	295,198	23,372,943
Ferries and docks	4,567,715	396,562	4,203	4,960,074
Other	6,208,543	702,076	68,141	6,842,478
Vehicles	7,458,317	700,905	627,485	7,531,737
Intangibles	4,409,317	32,702	-	4,442,019
Light rail	78,589,993	14,862,449	-	93,452,442
Total accumulated depreciation and amortization	<u>233,766,975</u>	<u>29,247,649</u>	<u>7,606,426</u>	<u>255,408,198</u>
Total capital assets being depreciated - net	<u>279,867,452</u>	<u>(22,305,052)</u>	<u>62,419</u>	<u>257,499,981</u>
Total capital assets - net	<u>\$ 296,605,585</u>	<u>\$ (12,566,986)</u>	<u>\$ 6,889,692</u>	<u>\$ 277,148,907</u>

# TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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### Note 7—Unearned reimbursements – net

Amounts advanced (owed) by participating municipalities to various operating subsidy and/or grant agreements are as follows:

	<u>2019</u>	<u>2018</u>
City of Chesapeake	\$ 82,598	\$ 16,810
City of Hampton	71,325	(65,865)
City of Newport News	170,930	(73,509)
City of Norfolk	73,542	219,277
City of Portsmouth	(84,838)	87,166
City of Virginia Beach	(84,516)	278,979
	<u>\$ 229,041</u>	<u>\$ 462,858</u>

For 2019 and 2018, the amounts owed by (due to) participating municipalities are included in due from governments in the statement of net position.

### Note 8—Notes payable – bank

The Commission has a revolving line of credit of \$17,000,000, which matures January 31, 2024. Advances on the line of credit were collateralized by the pledging of all revenue, federal grants, and nonfederal operating subsidies of the Commission. Interest on advances is payable monthly at a fluctuating rate per annum equal to 83% of the London Interbank Offered Rate (LIBOR) plus 140 basis points with a floor of 3%.

At June 30, 2019 and 2018, the Commission owed \$16,605,091 and \$15,500,000 against the line of credit, respectively. At June 30, 2019 and 2018, the Commission had \$394,909 and \$1,500,000, respectively, available under the line of credit agreement. The agreement provides for certain actions to be taken in events of default including acceleration of payment of the line of credit balance, termination of the lender's commitment to make further advances, foreclosure against collateral pledged under the provisions of the agreement, and increasing the interest rate in effect by the 3% default rate until paid in full.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2019 AND 2018*

**Note 9—Long-term debt**

Following is a summary of debt transactions of the Commission:

	<b>2018</b>	<b>Additions</b>	<b>Reductions</b>	<b>2019</b>	<b>Due Within One Year</b>
Self-insurance	3,715,150	822,940	1,230,403	3,307,687	3,307,687
Compensated absences	1,273,430	2,359,905	2,276,963	1,356,372	1,356,372
Revenue bonds	-	-	-	-	-
Capital lease	1,699,697	-	395,210	1,304,487	408,544
Net OPEB liability	1,433,000	6,000	46,000	1,393,000	-
Net pension liability, net of pension assets	5,749,626	15,062,967	11,234,312	9,578,281	-
	<u>\$ 13,870,903</u>	<u>\$ 18,251,812</u>	<u>\$ 15,182,888</u>	<u>\$ 16,939,827</u>	<u>\$ 5,072,603</u>

	<b>2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>2018</b>	<b>Due Within One Year</b>
Self-insurance	4,697,854	809,239	1,791,943	3,715,150	3,715,150
Compensated absences	1,328,072	728,264	782,906	1,273,430	1,273,430
Revenue bonds	2,030,000	-	2,030,000	-	-
Capital lease	2,082,009	-	382,312	1,699,697	395,210
Net OPEB liability	1,666,000	34,000	267,000	1,433,000	-
Net pension liability, net of pension assets	13,011,170	3,278,146	10,539,690	5,749,626	-
	<u>\$ 24,815,105</u>	<u>\$ 4,849,649</u>	<u>\$ 15,793,851</u>	<u>\$ 13,870,903</u>	<u>\$ 5,383,790</u>

*Revenue Bonds* – On June 1, 2006, the Commission entered into a financing arrangement with the Virginia Resources Authority (“VRA”), whereby VRA provided \$12,770,000 of proceeds from the VRA’s issuance of Infrastructure Revenue Bonds, Series 2006A. The debt requires the Commission to pay interest at variable rates ranging from 3.5838% to 4.2416%. Interest was payable semi-annually each April 1<sup>st</sup> and October 1<sup>st</sup>. Annual principal payments of varying amounts began October 1, 2007, through the termination date of October 1, 2017, at which time it was paid off. Proceeds from the debt were used to establish a fund for the acquisition of buses and related equipment during fiscal year 2007.

On June 1, 2007, the Commission entered into a second financing arrangement with the VRA providing \$4,975,000 of proceeds from the VRA’s issuance of Infrastructure Revenue Bonds, Series 2007A. The debt requires the Commission to pay interest at variable rates ranging from 4.10% to 4.595%. Interest was payable semi-annually each April 1<sup>st</sup> and October 1<sup>st</sup>. Annual principal payments of varying amounts began October 1, 2008, through the termination date of October 1, 2017. Proceeds from the debt were used to establish a fund for the acquisition of buses and related equipment during fiscal year 2008.

During the term of financing, title to the buses will remain with the Commission. To secure its obligations, VRA created a security interest in all property and equipment purchased with the proceeds. The Commission also agreed to maintain the equipment free of any liens, pledges and/or encumbrances of any kind.



**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 10—Lease transactions**

*Operating Leases* – In 2008, the Commission entered into agreements to lease warehouse and storage facilities expiring in various years through February 2020. For 2019 and 2018, lease expense was \$99,069 and \$96,494, respectively. Future minimum lease payments under this lease are approximately \$100,000 for the fiscal year ending June 30, 2020.

*Capital Leases* – In 2015, the Commission entered into a capital lease to purchase seven 40-foot buses to add to their fleet. The buses were capitalized at a cost of \$3,127,291. Depreciation expense of \$260,575, on the assets under lease, is included in depreciation expense on the statement of revenue, expenses, and changes in net position for each of the years ended June 30, 2019 and 2018, respectively. This resulted in accumulated depreciation of \$1,302,875 and \$1,042,300 as of June 30, 2019 and 2018, respectively.

Future minimum lease payments under this lease as of June 30, 2019 are as follows:

**Fiscal Years Ending June 30:**

2020	\$ 445,704
2021	445,704
2022	445,704
Thereafter	<u>37,143</u>
Total future minimum lease payments	1,374,255
Less amounts representing interest	<u>(69,768)</u>
Total principal due under capital lease obligation	1,304,487
Less current portion	<u>(408,544)</u>
Long-term portion of capital lease obligation	<u><u>\$ 895,943</u></u>

**Note 11—Compensated absences**

All full-time administrative employees not covered under collective bargaining agreements earn vacation in accordance with Commission policy as follows:

<u>Length of Service</u>	<u>Days Earned Per Year</u>
0 - 5 years	10 days
6 - 10 years	15 days
11 or more years	20 days

All nonunion employees may accumulate and roll-over annual leave from year to year with no limits, and up to a maximum of 320 hours may be paid upon separation. All union employees under collective bargaining agreements earn vacation on a pay-as-you-take-it policy and vacation balances do not carry over into the next calendar year. At June 30, 2019 and 2018, the Commission has accrued \$1,356,372 and \$1,273,430, respectively, for compensated absences. Compensated absences are included in accrued expenses on the statements of net position.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 12—Self-Insurance**

*General Liability Self-Insurance* – The Commission is self-insured with a retention amount of \$1,000,000 of each occurrence. The Commission purchases excess insurance above the retention.

The Commission is a defendant in various lawsuits incidental to its business relating primarily to bodily injury claims for which it self-insures. Management has reviewed the various lawsuits and accrued an amount for the estimated financial exposure resulting from these lawsuits. Management believes any potential additional liability from these lawsuits will not have a material adverse effect on the Commission's financial condition.

*Workers' Compensation Self-Insurance* – The Commission is also self-insured for workers' compensation. To minimize the potential for excessive claims, the Commission obtained excess workers' compensation insurance. The Commission is self-insured with a retention amount of \$600,000 of each occurrence. The Commission purchases excess insurance above the retention.

Following is a summary of changes in self-insurance claims payable for the last three fiscal years ended June 30:

	<u>Beginning Balance</u>	<u>Claims and Reserves</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2019	\$ 3,715,150	\$ 822,940	\$ 1,230,403	\$ 3,307,687
2018	4,697,854	809,239	1,791,943	3,715,150
2017	4,373,999	1,768,464	1,444,609	4,697,854

**Note 13—Subsidies and grants**

Subsidies and grants for operating purposes were as follows:

	<u>2019</u>	<u>2018</u>
Federal	\$ 15,655,534	\$ 16,520,546
State	20,062,372	19,505,598
Local	42,738,532	43,802,357
	<u>\$ 78,456,438</u>	<u>\$ 79,828,501</u>

**Note 14—Advanced capital contributions**

Advanced capital contributions result from local government contributions received in excess of the local government share on capital grants. At June 30, 2019 and 2018, contributions received from local governments exceeded amounts expended by \$7,301,981 and \$6,548,693, respectively.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan**

HRT participates in an agent, multiple employer defined benefit pension plan administered by the Virginia Retirement System (“VRS” or “System”). HRT also administers a single employer defined pension plan for its collectively bargained employees.

**Virginia Retirement Plan**

*Plan Description* – All full-time, salaried permanent employees of the Commission are automatically covered by the VRS Retirement Plan (“Plan”) upon employment. This Plan is administered by the Virginia Retirement System along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the following table.

<b>RETIREMENT PLAN PROVISIONS</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>About Plan 1</b>            Plan 1 is a defined benefit plan. The retirement benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula.</p>	<p><b>About Plan 2</b>            Plan 2 is a defined benefit plan. The retirement benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula.</p>	<p><b>About Hybrid Retirement Plan</b>            The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

<b>RETIREMENT PLAN PROVISIONS</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p><b>*Non-Eligible Members</b>            Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees</li> </ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select</p>
<p><b>Retirement Contributions</b>            Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p><b>Retirement Contributions</b>            Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction.</p>	<p><b>Retirement Contributions</b>            A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

<b>RETIREMENT PLAN PROVISIONS</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Creditable Service</b>            Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p><b>Creditable Service</b>            Same as Plan 1.</p>	<p><b>Creditable Service</b>  <u><b>Defined Benefit Component:</b></u>            Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>
		<p><u><b>Defined Contribution Component:</b></u>            Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>
<p><b>Vesting</b>            Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.             Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b>            Same as Plan 1.</p>	<p><b>Vesting</b>  <u><b>Defined Benefit Component:</b></u>            Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service.             Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p>

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

<b>RETIREMENT PLAN PROVISIONS</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
		<p><b><u>Defined Contributions Component:</u></b>                      Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distribution is not required by law until age 70½.</p>
<p><b>Calculating the Benefit</b>                      The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier, and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p> <p>An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p><b>Calculating the Benefit</b>                      See definition under Plan 1.</p>	<p><b>Calculating the Benefit</b>  <b><u>Defined Benefit Component:</u></b>                      See definition under Plan 1.</p> <p><b><u>Defined Contribution Component:</u></b>                      The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions</p>

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

<b>RETIREMENT PLAN PROVISIONS</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Average Final Compensation</b>  A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b>  A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b>  Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b>Service Retirement Multiplier</b>  <b>VRS:</b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p>	<p><b>Service Retirement Multiplier</b>  <b>VRS:</b> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p>	<p><b>Service Retirement Multiplier</b>  <b>Defined Benefit Component:</b>  <b>VRS:</b> The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p>
<p><b>Normal Retirement Age</b>  <b>VRS:</b> Age 65.</p>	<p><b>Normal Retirement Age</b>  <b>VRS:</b> Normal Social Security retirement age.</p>	<p><b>Normal Retirement Age</b>  <b>Defined Benefit Component:</b>  <b>VRS:</b> Same as Plan 2.</p> <p><b>Defined Contribution Component:</b>  Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Unreduced Retirement Eligibility</b>  <b>VRS:</b> Age 65 with at least five years (60 months) of creditable service or age 50 with at least 30 years of creditable service.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b>  <b>VRS:</b> Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b>  <b>Defined Benefit Component:</b>  <b>VRS:</b> Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p><b>Defined Contribution Component:</b>  Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

<b>RETIREMENT PLAN PROVISIONS</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Earliest Reduced Retirement Eligibility</b>  <b>VRS:</b> Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p>	<p><b>Earliest Reduced Retirement Eligibility</b>  <b>VRS:</b> Age 60 with at least five years (60 months) of creditable service.</p>	<p><b>Earliest Reduced Retirement Eligibility</b>  <b>Defined Benefit Component:</b>  <b>VRS:</b> Age 60 with at least five years (60 months) of creditable service.  <b>Defined Contribution Component:</b>                      Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>                      The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>                      The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  <b>Defined Benefit Component:</b>                      Same as Plan 2.  <b>Defined Contribution Component:</b>                      Not applicable.</p>
<p><b>Eligibility:</b>                      For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from retirement date.                      For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p><b>Eligibility:</b>                      Same as Plan 1.</p>	<p><b>Eligibility:</b>                      Same as Plan 1 and Plan 2.</p>



**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2019 AND 2018*

**Note 15—Defined benefit pension plan (continued)**

<b>RETIREMENT PLAN PROVISIONS</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Exceptions to COLA Effective Dates:</b>                      The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member’s survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.</li> </ul>	<p><b>Exceptions to COLA Effective Dates:</b>                      Same as Plan 1.</p>	<p><b>Exceptions to COLA Effective Dates:</b>                      Same as Plan 1 and Plan 2.</p>
<p><b>Disability Coverage</b>                      Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b>                      Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b>                      Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the VLDP unless their local governing body provides and employer-paid comparable program for its members.                       Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Purchase of Prior Service</b>  Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p><b>Purchase of Prior Service</b>  Same as Plan 1.</p>	<p><b>Purchase of Prior Service</b>  <u><b>Defined Benefit Component:</b></u>  Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> <li>• Hybrid Retirement Plan members are ineligible for ported service.</li> </ul> <p><u><b>Defined Contribution Component:</b></u>  Not applicable.</p>

*Employees Covered by Benefit Terms* – As of the June 30, 2018 and 2017 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>2018</u>	<u>2017</u>
Inactive members or their beneficiaries currently receiving benefits	98	92
Inactive Members:		
Vested	50	44
Nonvested	138	131
Active elsewhere in VRS	50	48
Total Inactive Members	<u>238</u>	<u>223</u>
Active members	290	292
Total	<u>626</u>	<u>607</u>

*Contributions* – The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5.00% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The Commission’s contractually required contribution rate was 5.99% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

# TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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### Note 15—Defined benefit pension plan (continued)

Contributions to the pension plan from the Commission were \$610,144 and \$943,032 for the year ended June 30, 2019 and 2018, respectively.

*Net Pension Liability (Asset)* – The Commission’s net pension liability (asset) reported for the fiscal year ended June 30, 2019 was measured as of June 30, 2018. The Total Pension Liability (“TPL”) used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2017, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

The Commission’s net pension liability reported for fiscal year ended June 30, 2018 was measured as of June 30, 2017. The Total Pension Liability (“TPL”) used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2016, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

*Actuarial Assumptions* – The TPL for General Employees in the Commission’s Retirement Plan was based on an actuarial valuation as of June 30, 2017 and June 30, 2016, respectively, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018 and June 30, 2017.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	7.0%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for U.S. GAAP purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

### Largest 10 - Non-Hazardous Duty:

Mortality rates: 20% of deaths are assumed to be service related.

#### Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

#### Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

#### Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

**All Others (Non 10 Largest) – Non-Hazardous Duty:**

Mortality rates: 15% of deaths are assumed to be service related.

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

*Long-Term Expected Rate of Return* – The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	<u>100.00%</u>		<u>4.80%</u>
	Inflation		<u>2.50%</u>
	* Expected arithmetic nominal return		<u>7.30%</u>

\*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

*Discount Rate* – The discount rate used to measure the TPL was 7.00%. The projection of cash flows, used to determine the discount rate, assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions: political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2018, the alternate rate was the employer contribution rate used in FY2012 or 90% of the actuarially determined employer contribution rate from the June 30, 2015 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2018, the rate contributed by the employer for the Political Subdivision Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the TPL.

**Changes in Net Pension Liability (Asset)**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balances at June 30, 2017	\$ 37,535,599	\$ 39,832,154	\$ (2,296,555)
Changes for the year:			
Service cost	1,549,494	-	1,549,494
Interest	2,572,874	-	2,572,874
Difference between expected and actual	12,952	-	12,952
Contributions - employer	-	943,256	(943,256)
Contributions - employee	-	820,005	(820,005)
Net investment income	-	2,963,678	(2,963,678)
Benefit payments, including refunds of employee contributions	(1,560,504)	(1,560,504)	-
Administrative expense	-	(24,923)	24,923
Other	-	(2,667)	2,667
Net changes	2,574,816	3,138,845	(564,029)
Balances at June 30, 2018	\$ 40,110,415	\$ 42,970,999	\$ (2,860,584)

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

**Changes in Net Pension Liability (Asset) (continued)**

	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Liability (Asset) (a) - (b)</b>
Balances at June 30, 2016	\$ 35,789,182	\$ 34,965,484	\$ 823,698
Changes for the year:			
Service cost	1,722,982	-	1,722,982
Interest	2,458,439	-	2,458,439
Changes of assumptions	(608,159)	-	(608,159)
Difference between expected and actual	(489,591)	-	(489,591)
Contributions - employer	-	979,749	(979,749)
Contributions - employee	-	919,527	(919,527)
Net investment income	-	4,332,554	(4,332,554)
Benefit payments, including refunds of employee contributions	(1,337,254)	(1,337,254)	-
Administrative expense	-	(24,013)	24,013
Other	-	(3,893)	3,893
Net changes	<u>1,746,417</u>	<u>4,866,670</u>	<u>(3,120,253)</u>
Balances at June 30, 2017	<u>\$ 37,535,599</u>	<u>\$ 39,832,154</u>	<u>\$ (2,296,555)</u>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* – The following represents the net pension liability (asset) calculated using the stated discount rate, as well as what the net position liability (asset) would be if it were calculated using a stated discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	<b>6.00%</b>	<b>Rate 7.00%</b>	<b>8.00%</b>
June 30, 2018 Plan's net pension liability (asset)	\$ 2,433,723	\$ (2,860,584)	\$ (7,261,758)
June 30, 2017 Plan's net pension liability (asset)	\$ 2,747,420	\$ (2,296,555)	\$ (6,483,757)

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2019 AND 2018*

**Note 15—Defined benefit pension plan (continued)**

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions –* For the years ended June 30, 2019 and 2018, the Commission recognized pension (benefit) expense of \$(265,554) and \$52,677, respectively. At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Employer contributions made subsequent to measurement date	\$ 610,144	\$ -
Differences between expected and actual experience	9,374	310,821
Changes of assumptions	-	286,381
Net difference between projected and actual earnings on plan investments	-	396,349
	<u>\$ 619,518</u>	<u>\$ 993,551</u>

\$610,144 reported as deferred outflows of resources related to pensions resulting from the commissions contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year end June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions as of June 30, 2019 will be recognized in pension expense as follows:

2020	\$ (260,842)
2021	(284,578)
2022	(404,897)
2023	(33,860)
2024	-
	<u>\$ (984,177)</u>

At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Employer contributions made subsequent to measurement date	\$ 943,032	\$ -
Difference between expected and actual experience	-	571,388
Changes of assumptions	-	447,270
Net difference between projected and actual earnings on plan investments	-	610,300
	<u>\$ 943,032</u>	<u>\$ 1,628,958</u>

\$943,032 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in fiscal year end June 30, 2019.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

**Retirement Plan of the Transportation District Commission of Hampton Roads**

*Plan Description* – Effective January 1, 2012, the Transit Employees of Tidewater Disability and Retirement Allowance Plan and Retirement Plan of Hampton Roads Transportation District Commission merged to become Retirement Plan of the Transportation District Commission of Hampton Roads (“Plan”). The Plan represents Transit Management Company, a wholly owned subsidiary of the Commission, which covers principally those employees subject to the Commission’s union bargaining agreement between the Commission and the Local Union 1177 (“Union”), Norfolk, Virginia, of the Amalgamated Transit Union, dated July 1, 2010. The Plan is a single employer defined benefit plan administered by the Transportation District Commission of Hampton Roads. The Plan provides pensions for all collectively bargained employees of HRT.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported to the Commission. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

*Employees Covered by Benefit Terms* – As of the December 31, 2018 and 2017 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>2018</u>	<u>2017</u>
Inactive members or their beneficiaries currently receiving benefits	325	302
Inactive members entitled to but not yet receiving benefits	43	102
Active members	<u>580</u>	<u>618</u>
Total	<u>948</u>	<u>1,022</u>

*Benefits Provided* – All collectively bargained employees are eligible to participate in the Plan upon completion of 60 consecutive days of service. Benefits vest after completing ten years of service. Employees who retire after age 65 with 10 years of service, age 61 where the sum of age and years of service is greater than or equal to 85, or any age with at least 25 years of service are entitled to a retirement benefit. The monthly benefit is determined using a formula of 1.6% of Final Average Monthly Compensation (the employees’ highest five-year average monthly compensation, plus any accumulated and unused sick leave at retirement) times years of service. Compensation is limited to \$270,000 per year, per IRC Section 401(a)(17).

*Contributions* – The Plan is subject to minimum funding standards set out in the collective bargaining agreement. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees contribute 3% of compensation to fund the plan with a minimum contribution of \$10. The Commission is required to contribute the remainder of the actuarially determined rate, unless that rate falls outside of the predefined corridor of 7.5% to 9.5% of total compensation with a minimum contribution of \$40. To the extent the value of unused sick leave is included in the compensation used to determine retirement benefits, the employer contributes an amount equal to the combined employer and employee contribution rate on that value to the Plan. For the fiscal year ended June 30, 2018, the actuarially determined total rate was 10.50% of annual pay. For the fiscal year ended June 30, 2019, there were no changes in plan provisions from the previous measurement date. Contributions to the pension plan from the Commission were \$943,256 and \$979,749 for the years ended June 30, 2019 and 2018, respectively.



**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

*Discount Rate* – The discount rate used to measure the Total Pension Liability (TPL) was 7.00% as of December 31, 2018 and December 31, 2017. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are included. Projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Net Pension Liability* – The Commission's net pension liability was measured as of December 31, 2018. The TPL used to calculate the net pension liability was determined by an actuarial valuation performed as of January 1, 2019, using updated actuarial assumptions.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* – The following represents the Net Pension Liability ("NPL") of the Plan as of December 31, 2018 using the discount rate of 7.00%, as well as what the Plan's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>6.00%</b>	<b>Rate 7.00%</b>	<b>8.00%</b>
December 31, 2018 Plan's net pension liability (asset)	\$ 20,496,380	\$ 12,438,865	\$ 5,617,652
December 31, 2017 Plan's net pension liability (asset)	\$ 16,395,243	\$ 8,046,181	\$ 1,000,470

*Actuarial Assumptions* – The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Aggregate payroll increases	3.50%
Individual salary increases	7.75% for the first five years after date of hire, 3.75% thereafter
Investment rate of return	7.00%, net of pension plan investment expense

Pre-retirement mortality rates were based on the RP-2014 Blue Collar Employee Mortality Table, set forward two years and projected generationally using Scale MP2016 from 2014. Mortality rates for nondisabled pensioners were based on the RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years and projected generationally using Scale MP2016 from 2014. Mortality rates for disabled pensioners were based on RP-2014 Disabled Retiree Mortality Table, set forward two years and projected generationally using Scale MP2016 from 2014.

The underlying tables with generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to anticipate mortality improvement between the measurement date and those years.

The mortality rates were based on historical and current demographic data, estimated future experience, and professional judgment. As part of the analysis, a comparison was made between the actual number of deaths and the projected number of deaths based on the prior years' assumption over the most recent five years.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<b>Target Asset Allocation</b>	<b>Long-Term Real Rate of Return</b>
Domestic equity	35.00%	6.70%
International developed markets equity	8.00%	7.20%
Emerging markets equity	2.00%	10.10%
Core fixed income	30.00%	2.20%
Emerging market debt	10.00%	4.40%
Alternative investments	10.00%	4.10%
Real estate	5.00%	5.00%
	100%	

**Changes in Net Pension Liability**

<u>Asset Class</u>	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Long-Term Net Position Liability (a) - (b)</b>
Balances at December 31, 2017	\$ 75,113,541	\$ 67,067,360	\$ 8,046,181
Changes for the year:			
Service cost	2,170,056	-	2,170,056
Interest	5,256,473	-	5,256,473
Contributions - employer	-	2,243,867	(2,243,867)
Contributions - employee	-	860,429	(860,429)
Difference between expected and actual experience	(3,400,081)	-	(3,400,081)
Net investment income	-	(3,342,739)	3,342,739
Benefit payments, net of refunds	(4,382,248)	(4,382,248)	-
Administrative expense	-	(130,789)	130,789
Other changes	-	2,996	(2,996)
Net changes	(355,800)	(4,748,484)	4,392,684
Balances at December 31, 2018	\$ 74,757,741	\$ 62,318,876	\$ 12,438,865

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 15—Defined benefit pension plan (continued)**

<u>Asset Class</u>	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Long-Term Net Position Liability (a) - (b)</u>
Balances at December 31, 2016	\$ 72,048,214	\$ 59,860,743	\$ 12,187,471
Changes for the year:			
Service cost	2,096,672	-	2,096,672
Interest	5,047,386	-	5,047,386
Contributions - employer	-	2,333,012	(2,333,012)
Contributions - employee	-	877,097	(877,097)
Net investment income	-	8,188,123	(8,188,123)
Benefit payments, net of refunds	(4,078,731)	(4,078,731)	-
Administrative expense	-	(112,884)	112,884
Net changes	<u>3,065,327</u>	<u>7,206,617</u>	<u>(4,141,290)</u>
Balances at December 31, 2017	<u>\$ 75,113,541</u>	<u>\$ 67,067,360</u>	<u>\$ 8,046,181</u>

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions –* For the years ended June 30, 2019 and 2018, the Commission recognized pension expense of \$3,445,955 and \$2,774,444, respectively. At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 282,016	\$ 2,689,850
Employer contributions made subsequent to measurement date	2,293,699	-
Change in assumptions	1,205,236	-
Net difference between projected and actual earnings on plan investments	<u>4,566,922</u>	<u>-</u>
	<u>\$ 8,347,873</u>	<u>\$ 2,689,850</u>

\$2,293,699 reported as deferred outflows of resources related to pensions resulting from the Commissions contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2019 will be recognized in pension expense as follows:

2020	\$ 1,769,687
2021	312,322
2022	82,465
2023	<u>1,199,850</u>
	<u>\$ 3,364,324</u>

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2019 AND 2018*

**Note 15—Defined benefit pension plan (continued)**

At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 415,674	\$ 308,505
Employer contributions made subsequent to measurement date	2,131,684	-
Change in assumptions	2,057,919	-
Net difference between projected and actual earnings on plan investments	-	1,991,360
	<u>\$ 4,605,277</u>	<u>\$ 2,299,865</u>

\$2,131,684 reported as deferred outflows of resources related to pensions resulting from the Commissions contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in fiscal year ended June 30, 2019.

**Note 16—Other postemployment benefit programs**

**Group Life Insurance**

*Plan Description* – All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This plan is administered by VRS, along with pensions and other OBEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the Optional Group Life Insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members’ paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

The specific information for GLI Program OPEB, including eligibility, coverage and benefits is set out in the table below:

<p><b>Eligible Employees</b></p> <p>The GLI Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"> <li>• City of Richmond</li> <li>• City of Portsmouth</li> <li>• City of Roanoke</li> <li>• City of Norfolk</li> <li>• Roanoke City Schools Board</li> </ul> <p>Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p>
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# TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

### Benefit Amounts

The benefits payable under the GLI Program have several components.

- **Natural Death Benefit** – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- **Accidental Death Benefit** – The accidental death benefit is double the natural death benefit.
- **Other Benefit Provisions** – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
  - Accidental dismemberment benefit
  - Safety belt benefit
  - Repatriation benefit
  - Felonious assault benefit
  - Accelerated death benefit option

### Reduction in Benefit Amounts

The benefit amounts provided to members covered under the GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

### Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,111.

*Contributions* – The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2018 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program from the Commission were \$90,044 and \$89,584 for the year ended June 30, 2019 and 2018, respectively.

*GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB* – At June 30, 2019 and 2018, the Commission reported a liability of \$1,377,000 and \$1,421,000, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2018 and 2017 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2018 and 2017. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the years ended June 30, 2018 and 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018 and 2017, the Commission's proportion was .09071% and .09465%, respectively.

For the year ended June 30, 2019 and 2018, the Commission recognized GLI OPEB expense of \$-0- and \$13,000, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2019 AND 2018*

**Note 16—Other postemployment benefit programs (continued)**

At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<b>2019</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 67,000	\$ 25,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	45,000
Change in assumptions	-	57,000
Changes in proportion	-	52,000
Employer contributions subsequent to the measurement date	90,044	-
Total	<u>\$ 157,044</u>	<u>\$ 179,000</u>

\$90,044 reported as deferred outflows of resources related to the GLI OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows for years ended:

FY 2020	\$ (30,000)
FY 2021	(30,000)
FY 2022	(30,000)
FY 2023	(18,000)
FY 2021	(6,000)
Thereafter	2,000
	<u>\$ (112,000)</u>

At June 30, 2018, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<b>2018</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 32,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	53,000
Change in assumptions	-	73,000
Employer contributions subsequent to the measurement date	89,584	-
Total	<u>\$ 89,584</u>	<u>\$ 158,000</u>

\$89,584 reported as deferred outflows of resources related to the GLI OPEB resulting from the Commission's contributions subsequent to the measurement date was recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ended June 30, 2019.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 16—Other postemployment benefit programs (continued)**

**Disability program**

*Plan Description* – All full-time, salaried general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision Employee VLDP. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. Political subdivisions are required by Title 51.1 of the Code of Virginia, as amended to provide short-term and long-term disability benefits for their Hybrid employees either through a local plan or through the VLDP.

The specific information for each plan and the eligibility for covered groups within each plan are described in the table below:

<b>POLITICAL SUBDIVISION EMPLOYEE VLDP PLAN PROVISIONS</b>	
<b>Eligible Employees</b>	<p>The Political Subdivision Employee VLDP was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with Hybrid retirement benefits</p> <p>Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include:</p> <ul style="list-style-type: none"> <li>• Full-time general employees; including local law enforcement officers, firefighters, or emergency medical technicians who do not have enhanced hazardous duty benefits; of public political subdivisions covered under VRS.</li> </ul>
<b>Benefit Amounts</b>	<p>The Political Subdivision Employee VLDP provides the following benefits for eligible employees:</p> <p><b><u>Short-Term Disability</u></b> –</p> <ul style="list-style-type: none"> <li>• The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer.</li> <li>• During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related of work-related disability.</li> <li>• Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.</li> </ul> <p><b><u>Long-Term Disability</u></b> –</p> <ul style="list-style-type: none"> <li>• The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week.</li> <li>• Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.</li> </ul>

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 16—Other postemployment benefit programs (continued)**

**VLDP Notes:**

- Members approved for short-term or long-term disability at age 60 or older will be eligible for benefit, provided they remain medically eligible.
- VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long term care services.

*Contributions* – The contribution requirement for active Hybrid employees is governed by §51.1-1178(C) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Each political subdivision’s contractually required employer contribution rate for the year ended June 30, 2019 was 0.72% of covered employee compensation for employees in the VLDP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Commission to the VLDP were \$45,498 and \$31,131 for the years ended June 30, 2019 and June 30, 2018, respectively.

*VLDP OPEB Liabilities, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP OPEB* – At June 30, 2019 and 2018, the Commission reported a liability of \$16,000 and \$12,000, respectively, for its proportionate share of the VLDP Net OPEB Liability. The Net VLDP OPEB Liability was measured as of June 30, 2018 and 2017, and the total VLDP OPEB liability used to calculate the Net VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2017. The Commission’s proportion of the Net VLDP OPEB Liability was based on the Commission’s actuarially determined employer contributions to the VLDP OPEB plan for the year ended June 30, 2018 and 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018 and 2017, the Commission’s proportion of the VRS Political Subdivision Employee VLDP was 2.14917% and 2.21134%, respectively.

For the year ended June 30, 2019 and 2018, the Commission recognized VRS Political Subdivision Employee VLDP OPEB expense of \$37,000 and \$21,000, respectively.

At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to the VRS Political Subdivision Employee VLDP OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Change in assumptions	\$ -	\$ 2,000
Differences between expected and actual experience	-	2,000
Employer contributions subsequent to the measurement date	45,498	-
Total	<u>\$ 45,498</u>	<u>\$ 4,000</u>



**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 16—Other postemployment benefit programs (continued)**

\$45,498 reported as deferred outflows of resources related to the VLDP OPEB resulting from the Commission’s contributions subsequent to the measurement date will be recognized as a reduction of the VLDP OPEB Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to the VLDP OPEB will also be recognized in the VLDP OPEB expense in future reporting periods as follows for years ending:

FY 2020	\$ (1,000)
FY 2021	(1,000)
FY 2022	-
FY 2023	(1,000)
FY 2024	(1,000)
Thereafter	-
	<u>\$ (4,000)</u>

At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to the VRS Political Subdivision Employee VLDP OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in assumptions	\$ -	\$ 2,000
Employer contributions subsequent to the measurement date	31,131	-
Total	<u>\$ 31,131</u>	<u>\$ 2,000</u>

\$31,131 reported as deferred outflows of resources related to the VLDP OPEB resulting from the Commission’s contributions subsequent to the measurement date were recognized as a reduction of the VLDP OPEB Liability in the fiscal year ended June 30, 2019.

**Actuarial Assumptions for Other Postemployment Benefits:**

The total OPEB liability was based on an actuarial valuation as of June 30, 2017 and June 30, 2016, respectively, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018 and June 30, 2017.

- Inflation 2.5%
- Salary increases, including inflation –
  - Locality – General employees 3.5% – 5.35%
- Investment rate of return 7.0%, net of investment expenses, including inflation\*

\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for U.S. GAAP purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of the OPEB liabilities.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2019 AND 2018*

**Note 16—Other postemployment benefit programs (continued)**

Mortality rates – Largest Ten Locality Employers - General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates

*Net OPEB Liability* – The net OPEB liability (NOL) represents the program’s total OPEB liability determined in accordance with U.S. GAAP, less the associated fiduciary net position. As of June 30, 2018 and June 30, 2017, NOL amounts were as follows (amounts expressed in thousands):

	<u>2019</u>	<u>2018</u>
	<b>Group Life Insurance OPEB Program</b>	<b>Group Life Insurance OPEB Program</b>
Total GLI OPEB Liability	\$ 3,113,508	\$ 2,942,426
Plan Fiduciary Net Position	1,594,773	1,437,586
Employers’ Net GLI OPEB Liability	<u>\$ 1,518,735</u>	<u>\$ 1,504,840</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	51.22%	48.86%
	<u>2019</u>	<u>2018</u>
	<b>Virginia Local Disability OPEB Program</b>	<b>Virginia Local Disability OPEB Program</b>
Total VLDP OPEB Liability	\$ 1,588	\$ 914
Plan Fiduciary Net Position	816	351
Employers’ Net VLDP OPEB Liability	<u>\$ 563</u>	<u>\$ 563</u>
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	51.39%	38.40%

The total OPEB liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net OPEB liability is disclosed in accordance with the requirements of U.S. GAAP in the System’s notes to financial statements and required supplementary information.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 16—Other postemployment benefit programs (continued)**

*Long-Term Expected Rate of Return* –The long-term expected rate of return on the System’s investments was determined using a lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System’s investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	40.00 %	4.54 %	1.82 %
Fixed Income	15.00 %	0.69 %	0.10 %
Credit Strategies	15.00 %	3.69 %	0.59 %
Real Assets	15.00 %	5.76 %	0.86 %
Private Equity	15.00 %	9.53 %	1.43 %
	<u>100.00 %</u>		<u>4.80 %</u>
	Inflation		<u>2.50 %</u>
	Expected arithmetic nominal return		<u>7.30 %</u>

\*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

*Discount Rate* – The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2018, the rate contributed by the entity for the OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 forward, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2019 AND 2018

**Note 16—Other postemployment benefit programs (continued)**

*Sensitivity of the Political Subdivision’s Proportionate Share Net OPEB Liability to Changes in the Discount Rate* – The following presents the Commission’s proportionate share of the OPEB liability using the discount rate of 7.00%, as well as what the Commission’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate:

<b>Group Life Insurance</b>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
June 30, 2018 employer’s proportionate share of the GLI Program Net OPEB Liability	\$ 1,800,000	\$ 1,377,000	\$ 1,034,000
June 30, 2017 employer’s proportionate share of the GLI Program Net OPEB Liability	\$ 1,838,000	\$ 1,421,000	\$ 1,083,000
<b>VRS Political Subdivision VLDP</b>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
June 30, 2018 employer’s proportionate share of the VLDP OPEB Liability	\$ 14,000	\$ 16,000	\$ 11,000
June 30, 2017 employer’s proportionate share of the VLDP OPEB Liability	\$ 19,000	\$ 12,000	\$ 14,000

*Fiduciary Net Positions* – Detailed information about the various VRS pension and OPEB programs’ Fiduciary Net Positions are available in the separately issued VRS 2018 CAFR. A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Hampton Roads Transit Group Life Insurance HRT**

*Plan Description* – Employees within the group “grandfathered retired Northside employees” are covered by a term life insurance plan administered by Minnesota Life Insurance and Ochs, Inc. (“Minnesota Life”). The basic life insurance amount is the amount in force on the date of employment. Benefit payments are made directly from Minnesota Life. The Commission paid Minnesota Life \$167 and \$329 for this benefit for years ended June 30, 2019 and 2018, respectively.

**Note 17—Contingencies**

*Federally Assisted Grant Programs* – The Commission participates in a number of federally assisted grant programs. Although the Commission has been audited in accordance with the provisions of Uniform Guidance, these programs remain subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Commission believes such disallowances, if any, will not be significant.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2019 AND 2018*

**Note 18—Retrospective application of a change in accounting principle and restatement of prior period net position**

For fiscal year 2018, the Commission has adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. As a result, the beginning net position was restated as follows:

	<b>(As Previously Reported) June 30, 2017</b>	<b>Effects of GASB 75</b>	<b>(As Adjusted) June 30, 2017</b>
Total assets	\$ 331,013,556	\$ -	\$ 331,013,556
Total deferred outflows	9,606,166	108,000	9,714,166
Total liabilities	51,568,119	1,666,000	53,234,119
Total deferred inflows	919,035	-	919,035
Net position:			
Net investment in capital assets	292,493,576	-	292,493,576
Restricted	3,697,854	-	3,697,854
Unrestricted	<u>(8,058,862)</u>	<u>(1,558,000)</u>	<u>(9,616,862)</u>
Total net position	<u>\$ 288,132,568</u>	<u>\$ (1,558,000)</u>	<u>\$ 286,574,568</u>

**Note 19—Subsequent events**

During the first quarter of 2020, the world faced the Coronavirus (COVID-19) pandemic which spread to the United States, including the Hampton Roads region. The Commission has been working in close coordination with its federal partners at the Federal Transit Administration (“FTA”) and state and local governments related to COVID-19 activities. With numerous business closings, lower passenger counts, and free fare assistance provided by the Commission, the long-term financial implications to the Commission are difficult to assess.

The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act of 2020 totaling \$2 trillion was signed into law in March 2020, which provided relief for the economy including \$25 billion specifically for the FTA, which has allocated \$25 billion to recipients of urbanized area and rural area formula funds in proportion to the FY2020 program apportionments. The \$25 billion in funding is provided at 100% federal share with no local match requirements and are eligible for reimbursement of all COVID-19 related operating and capital costs, as well as, all net operating expenses incurred beginning on January 20, 2020. Operating expenses to maintain transit services and costs of administrative leave due to reduced operations during an emergency are also eligible. Based on current allocations, the Commission is scheduled to receive approximately \$61,731,853 from the CARES FTA allocation for urbanized and rural area formula funds.

The Commission is working closely with its state and local partners, financial advisors, and financial institutions, regarding the economic impact to the transportation industry. The Commission’s ability to meet current obligations remains the same; however, the outlook for the transportation industry has been lowered from “Stable” to “Negative” for the foreseeable future. In response, the Commission has reduced operating costs where possible and will continue to work with its partners to assess the situation as it evolves. While the economic impact to the transportation industry may be significant in the short-term, the Commission’s liquidity and the CARES Act Grant will provide a stable financial position during this difficult time.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

YEARS ENDED JUNE 30,

**Virginia Retirement System**

	<u>* 2019</u>	<u>* 2018</u>	<u>* 2017</u>	<u>* 2016</u>
Total pension liability:				
Service cost	\$ 1,549,494	\$ 1,722,982	\$ 1,666,613	\$ 1,645,945
Interest	2,572,874	2,458,439	2,292,254	2,132,196
Changes of assumptions	-	(608,159)	-	-
Differences between expected and actual experience	12,952	(489,591)	(273,907)	(264,067)
Benefit payments, including refunds of employee contributions	(1,560,504)	(1,337,254)	(1,284,530)	(1,170,235)
Net change in total pension liability	<u>2,574,816</u>	<u>1,746,417</u>	<u>2,400,430</u>	<u>2,343,839</u>
Total pension liability, beginning of year	<u>37,535,599</u>	<u>35,789,182</u>	<u>33,388,752</u>	<u>31,044,923</u>
Total pension liability, end of year	<u>40,110,415</u>	<u>37,535,599</u>	<u>35,789,182</u>	<u>33,388,762</u>
Plan fiduciary net position:				
Contributions - employer	943,256	979,749	977,368	934,294
Contributions - employee	820,005	919,527	881,024	789,916
Net investment income	2,963,678	4,332,554	617,701	1,483,386
Benefit payments, including refunds of employee contributions	(1,560,504)	(1,337,254)	(1,284,530)	(1,170,235)
Administrative expense	(24,923)	(24,013)	(20,514)	(19,456)
Other	(2,667)	(3,893)	(256)	(316)
Net change in plan fiduciary net position	<u>3,138,845</u>	<u>4,866,670</u>	<u>1,170,793</u>	<u>2,017,589</u>
Plan fiduciary net position, beginning of year	<u>39,832,154</u>	<u>34,965,484</u>	<u>33,794,691</u>	<u>31,777,102</u>
Plan fiduciary net position, end of year	<u>42,970,999</u>	<u>39,832,154</u>	<u>34,965,484</u>	<u>33,794,691</u>
Net pension liability (asset), end of year	<u>\$ (2,860,584)</u>	<u>\$ (2,296,555)</u>	<u>\$ 823,698</u>	<u>\$ (405,929)</u>
Plan fiduciary net position as a percentage of the total pension liability	107%	106%	98%	101%
Covered payroll	\$ 17,227,619	\$ 17,401,786	\$ 16,989,819	\$ 15,945,689
Net pension liability (asset) as a percentage of covered payroll	-17%	-13%	5%	-3%

**Note:** Information prior to 2015 is not readily available

\* The measurement date is one year prior.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

YEARS ENDED JUNE 30,

**Retirement Plan of the Transportation District Commission of Hampton Roads**

	<u>* 2019</u>	<u>* 2018</u>	<u>* 2017</u>	<u>* 2016</u>
Total pension liability:				
Service cost	\$ 2,170,056	\$ 2,096,672	\$ 1,942,521	\$ 1,937,014
Interest	5,256,473	5,047,386	4,716,744	4,465,478
Differences between expected and actual experience	(3,400,081)	-	682,990	(104,384)
Changes in assumptions	-	-	1,260,323	3,109,006
Benefit payments, including refunds of employee contributions	(4,382,248)	(4,078,731)	(3,681,036)	(3,574,555)
Net change in total pension liability	(355,800)	3,065,327	4,921,542	5,832,559
Total pension liability, beginning of year	75,113,541	72,048,214	67,126,672	61,294,113
Total pension liability, end of year	<u>74,757,741</u>	<u>75,113,541</u>	<u>72,048,214</u>	<u>67,126,672</u>
Plan fiduciary net position:				
Contributions - employer	2,243,867	2,333,012	2,184,142	2,019,707
Contributions - employee	860,429	877,097	894,542	803,688
Net investment income	(3,342,739)	8,188,123	4,817,005	(674,158)
Benefit payments, including refunds of employee contributions	(4,382,248)	(4,078,731)	(3,681,036)	(3,574,555)
Administrative expense	(130,789)	(112,884)	(128,321)	(146,392)
Other	2,996	-	(329,075)	-
Net change in plan fiduciary net position	(4,748,484)	7,206,617	3,757,257	(1,571,710)
Plan fiduciary net position, beginning of year	67,067,360	59,860,743	56,103,486	57,675,196
Plan fiduciary net position, end of year	<u>62,318,876</u>	<u>67,067,360</u>	<u>59,860,743</u>	<u>56,103,486</u>
Net pension liability, end of year	<u>\$ 12,438,865</u>	<u>\$ 8,046,181</u>	<u>\$ 12,187,471</u>	<u>\$ 11,023,186</u>
Plan fiduciary net position as a percentage of the total pension liability	83%	89%	83%	84%
Covered payroll	\$ 29,517,820	\$ 28,172,411	\$ 25,916,719	\$ 27,075,414
Net pension liability as a percentage of covered payroll	42%	29%	47%	41%

**Note:** Information prior to 2015 is not readily available

\* The measurement date is one year prior.



**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

YEARS ENDED JUNE 30,

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
<b>Virginia Retirement System</b>					
2019	\$ 610,144	\$ 610,144	\$ -	\$ 17,270,832	3.53%
2018	\$ 943,032	\$ 943,032	\$ -	\$ 17,227,619	5.47%
2017	\$ 974,399	\$ 974,399	\$ -	\$ 17,401,786	5.60%
2016	\$ 977,271	\$ 977,271	\$ -	\$ 16,989,819	5.75%
2015	\$ 1,029,823	\$ 1,029,823	\$ -	\$ 15,945,689	6.46%

\*The schedule is intended to show information for 10 years. Information prior to 2015 is not readily available. Additional years will be included as they become available.

<b>Retirement Plan of Transportation District Commission</b>					
2019	\$ 2,293,699	\$ 2,293,699	\$ -	\$ 29,193,068	7.86%
2018	\$ 2,131,684	\$ 2,131,684	\$ -	\$ 29,517,820	7.22%
2017	\$ 2,333,012	\$ 2,333,012	\$ -	\$ 28,172,411	8.28%
2016	\$ 2,078,056	\$ 2,078,056	\$ -	\$ 25,916,719	8.02%
2015	\$ 1,950,314	\$ 1,950,314	\$ -	\$ 27,075,414	7.20%

\*The schedule is intended to show information for 10 years. Information prior to 2015 is not readily available. Additional years will be included as they become available.

<b>Group Life Insurance Program</b>					
2019	\$ 90,044	\$ 90,044	\$ -	\$ 17,316,059	0.52%
2018	\$ 89,584	\$ 89,584	\$ -	\$ 17,227,619	0.52%
2017	\$ 90,599	\$ 90,599	\$ -	\$ 17,422,839	0.52%
2016	\$ 81,644	\$ 81,644	\$ -	\$ 17,009,149	0.48%
2015	\$ 76,653	\$ 76,653	\$ -	\$ 15,969,374	0.48%
2014	\$ 74,219	\$ 74,219	\$ -	\$ 15,462,239	0.48%
2013	\$ 75,274	\$ 75,274	\$ -	\$ 15,682,072	0.48%
2012	\$ 40,916	\$ 40,916	\$ -	\$ 14,612,726	0.28%
2011	\$ 33,175	\$ 33,175	\$ -	\$ 11,848,173	0.28%
2010	\$ 22,466	\$ 22,466	\$ -	\$ 8,320,702	0.27%

<b>Virginia Local Disability Program</b>					
2019	\$ 45,498	\$ 45,498	\$ -	\$ 6,319,235	0.72%
2018	\$ 31,131	\$ 31,131	\$ -	\$ 5,188,540	0.60%
2017	\$ 24,364	\$ 24,364	\$ -	\$ 4,060,662	0.60%
2016	\$ 19,233	\$ 19,233	\$ -	\$ 3,205,499	0.60%
2015	\$ 11,719	\$ 11,719	\$ -	\$ 1,953,239	0.60%
2014	\$ 1,355	\$ 1,355	\$ -	\$ 225,819	0.60%

\*The schedule is intended to show information for 10 years. Information prior to 2014 is not readily available. Additional years will be included as they become available.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY**

YEARS ENDED JUNE 30,

<u>Date</u>	<u>Employer's Proportion of Net GLI OPEB Liability</u>	<u>Employer's Proportionate Share of Net GLI OPEB Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of Net GLI OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability</u>
<b>Group Life Insurance Program</b>					
2019	0.09071%	\$ 1,377,000	\$ 17,227,619	0.080%	51.22%
2018	0.09446%	\$ 1,421,000	\$ 17,422,839	0.082%	48.86%
2017	0.09465%	\$ 1,656,000	\$ 17,009,149	0.095%	41.18%
<b>Virginia Local Disability Program</b>					
2019	2.14917%	\$ 16,000	\$ 5,188,540	0.0025%	51.39%
2018	2.21134%	\$ 12,000	\$ 4,060,662	0.0023%	38.40%
2017	2.59536%	\$ 10,000	\$ 3,205,499	0.0025%	0.00%

\*The schedule is intended to show information for 10 years. Information prior to 2017 is not readily available. Additional years will be included as they become available.

\*\*Per GAAP, net OPEB liability is reported using the measurement date, which is one year prior to the reporting date.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2019 AND 2018

**Virginia Retirement Plan**

*Changes of Benefit Terms* – There have been no actuarially significant changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this was a new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2018 and 2017 are not material.

*Changes of Assumptions* – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

**Largest 10 – Non-Hazardous Duty:**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

**All Others (Non 10 Largest) – Non-Hazardous Duty:**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

**Largest 10 – Hazardous Duty:**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

*YEARS ENDED JUNE 30, 2019 AND 2018*

**Virginia Retirement Plan (continued)**

**All Others (Non 10 Largest) – Hazardous Duty:**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2019 AND 2018

**Retirement Plan of the Transportation District Commission of Hampton Roads**

Valuation date	Actuarially determined contribution rates are calculated as of January 1 <sup>st</sup> 18 months prior to the beginning of the fiscal year in which contributions are reported.
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Open level dollar for remaining unfunded liability without benefit improvements
Remaining amortization period	30 years, with benefit improvements over 5 years closed
Asset valuation method	The market value of assets less unrecognized returns in each of the last four years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a four-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.

Actuarial assumptions:

Investment rate of return 7.00%, net of pension plan investment expense, including inflation.  
 The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the Plan's target asset allocation.

Aggregate payroll increases 3.50%

Individual salary increases 7.75% for the first five years after date of hire, 3.75% thereafter

Retirement rates	<u>Age</u>	<u>Retirement Probability</u>
	50-55	7%
	56-59	4%
	60	10%
	61	15%
	62-63	40%
	64	30%
	65 & older	100%

Mortality rates RP-2014 Blue Collar Employee Mortality Table with sex-distinct rates, set forward two years and projected generationally with Scale MP2016 from 2014 for pre-retirement lives.

RP-2014 Blue Collar Healthy Annuitant Mortality Table with sex-distinct rates, set forward two years and projected generationally with Scale MP2016 from 2014 for nondisabled pensioner lives.

RP-2014 Disabled Retiree Mortality Table with sex-distinct rates, set forward two years and projected generationally with Scale MP2016 from 2014 for disabled pensioner lives.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2019 AND 2018

**Group Life Insurance**

*Changes of Benefit Terms* – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

*Changes of Assumptions* – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

**Largest Ten Locality Employers - General Employees**

Mortality Rates (Pre-retirement, postretirement healthy, and disabled)	Updated to a more current mortality table – RP2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (Pre-retirement, postretirement healthy, and disabled)	Updated to a more current mortality table – RP2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2019 AND 2018

**Virginia Local Disability Program**

*Changes of Benefit Terms* – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

*Changes of Assumptions* – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ended June 30, 2016:

**Largest Ten Locality Employers - General and Non-Hazardous Duty Employees**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each year age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

**Non-Largest Ten Locality Employers - General and Non-Hazardous Duty Employees**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
Withdrawal Rates	Adjusted termination rates to better fit experience at each year age and service
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14 to 15%

## **OTHER SUPPLEMENTARY INFORMATION**



**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**ENTERPRISE FUND - TRANSIT ACTIVITY**  
**SCHEDULE OF REVENUES - ACTUAL AND BUDGETED**

*YEAR ENDED JUNE 30, 2019*

	<u>Actual</u>	<u>Budgeted</u>	<u>Actual Over (Under) Budget</u>
Revenues:			
Passenger fares	\$ 15,319,483	\$ 15,160,400	\$ 159,083
Charters and contracts	2,261,886	2,046,700	215,186
Auxiliary	1,138,852	800,000	338,852
Nontransportation	107,556	60,000	47,556
Total Revenues	<u>18,827,777</u>	<u>18,067,100</u>	<u>760,677</u>
Subsidies and Grants:			
Municipal subsidies	42,738,532	43,288,900	(550,368)
State operating subsidies	20,062,372	19,507,900	554,472
Federal operating grants	15,655,534	18,024,700	(2,369,166)
Total Subsidies and Grants	<u>78,456,438</u>	<u>80,821,500</u>	<u>(2,365,062)</u>
Total Revenues, Subsidies, and Grants	<u>\$ 97,284,215</u>	<u>\$ 98,888,600</u>	<u>\$ (1,604,385)</u>

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**ENTERPRISE FUND - TRANSIT ACTIVITY**  
**SCHEDULE OF EXPENSES - ACTUAL AND BUDGETED**

YEAR ENDED JUNE 30, 2019

	<u>Actual</u>	<u>Budgeted</u>	<u>Actual Over (Under) Budget</u>
Transit Activity Expenses:			
Labor and fringe benefits	\$ 62,635,084	\$ 64,055,800	\$ (1,420,716)
Materials and supplies	11,726,745	10,287,100	1,439,645
Insurance, net of ordinary recoveries	2,736,875	4,200,900	(1,464,025)
Purchase of transportation services	7,891,394	9,006,800	(1,115,406)
Contractual services	7,864,266	8,212,100	(347,834)
Utilities	1,160,013	1,212,200	(52,187)
Other	1,399,934	1,913,700	(513,766)
Total Transit Activity Expenses before Depreciation and Amortization	<u>\$ 95,414,311</u>	<u>\$ 98,888,600</u>	<u>\$ (3,474,289)</u>

Reconciliation to expenses shown in the consolidated Statement of Revenues, Expenses, and Changes in Net Position is as follows:

Total transit activity expenses before depreciation	\$ 95,414,311
Depreciation and amortization	29,053,413
Self-insurance net increase in net position	407,463
	<u>\$ 124,875,187</u>

## **STATISTICAL SECTION**

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**CHANGES IN NET POSITION**

**Table I**

*LAST TEN FISCAL YEARS*

	2019	2018	As Restated 2017	2016	2015	As Restated 2014	2013	2012	2011	2010
<b>Operating Revenues:</b>										
Passenger fares	\$ 15,319,483	\$ 15,619,873	\$ 15,671,061	\$ 16,516,616	\$ 17,058,634	\$ 16,847,734	\$ 15,059,102	\$ 16,563,517	\$ 15,329,690	\$ 14,751,980
Charters and contracts	2,261,886	2,215,994	2,149,290	2,148,932	2,790,843	175,422	18	13,742	19,200	76,800
Vanpool rentals	-	-	-	-	99,010	128,864	177,911	170,138	174,831	177,058
Auxiliary	1,138,852	844,716	1,124,275	916,238	1,166,888	914,629	1,005,820	731,827	291,817	269,226
Nontransportation	107,556	106,243	82,600	71,677	189,307	197,249	184,424	189,229	338,116	266,398
<b>Total Operating Revenues</b>	<b>18,827,777</b>	<b>18,786,826</b>	<b>19,027,226</b>	<b>19,653,463</b>	<b>21,304,682</b>	<b>18,263,898</b>	<b>16,427,275</b>	<b>17,668,453</b>	<b>16,153,654</b>	<b>15,541,462</b>
<b>Operating Expenses:</b>										
Labor	48,417,080	48,466,557	48,420,295	47,684,198	39,565,925	38,365,599	37,029,933	36,459,948	31,358,906	30,574,713
Fringe benefits	14,218,004	15,812,947	15,916,751	14,011,406	18,679,778	17,881,389	15,935,969	15,919,415	14,841,910	14,947,924
Depreciation and amortization	29,053,413	29,247,649	30,433,974	29,807,263	28,913,830	28,280,028	30,582,193	23,535,796	10,561,359	11,956,938
Materials and supplies	11,726,745	9,980,402	11,101,816	14,377,178	15,355,599	14,419,137	14,079,082	14,309,506	12,123,871	11,370,908
Purchase of transportation services	7,891,394	8,549,457	8,321,926	8,236,318	8,364,927	8,664,786	8,320,274	8,084,487	8,229,824	7,317,820
Contractual services	7,864,266	8,187,924	8,252,631	7,176,841	7,212,163	6,328,661	5,765,101	5,665,506	4,997,821	4,485,524
Insurance - net of ordinary recoveries	3,144,338	3,166,124	4,220,619	4,227,990	4,860,863	3,469,574	4,308,865	7,196,743	3,274,247	3,765,591
Utilities	1,160,013	1,205,506	1,307,840	1,209,725	1,242,038	1,402,569	1,361,074	1,312,737	736,784	678,685
Other	1,399,934	968,729	1,870,559	1,773,808	2,315,819	1,001,624	1,285,981	1,083,639	960,543	669,995
<b>Total Operating Expenses</b>	<b>124,875,187</b>	<b>125,585,295</b>	<b>129,846,411</b>	<b>128,504,727</b>	<b>126,510,942</b>	<b>119,813,367</b>	<b>118,668,472</b>	<b>113,567,777</b>	<b>87,085,265</b>	<b>85,768,098</b>
Operating loss before subsidies and grants	(106,047,410)	(106,798,469)	(110,819,185)	(108,851,264)	(105,206,260)	(101,549,469)	(102,241,197)	(95,899,324)	(70,931,611)	(70,226,636)
Subsidies and grants	78,456,438	79,828,501	80,224,573	79,900,451	80,140,500	74,907,981	71,304,102	71,066,933	60,555,809	58,020,430
(expenses)	(27,590,972)	(26,969,968)	(30,594,612)	(28,950,813)	(25,065,760)	(26,641,488)	(30,937,095)	(24,832,391)	(10,375,802)	(12,206,206)
<b>Other Income (Expenses):</b>										
Interest income	145,917	49,675	17,940	12,536	2,840	2,079	4,760	3,109	11,460	13,535
Interest expense	(342,716)	(256,016)	(471,920)	(516,644)	(538,750)	(539,967)	(631,645)	(702,559)	(725,536)	(911,415)
Pension benefit	-	-	-	(96,529)	1,180,335	-	-	-	-	-
Group life insurance	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	21,710	162,623	(303,634)	1,497,602	(56,954)	(8,313)	25,093	84,969	165,079	78,881
VA local disability program	-	-	-	-	-	-	-	-	-	-
Noncapitalized grant expenditures	(10,264,625)	(7,875,466)	(9,304,600)	(15,976,572)	(7,747,825)	(10,201,366)	(7,802,976)	(11,313,086)	(11,680,362)	(7,210,393)
<b>Total Other Expenses, Net</b>	<b>(10,439,714)</b>	<b>(7,919,184)</b>	<b>(10,062,214)</b>	<b>(15,079,607)</b>	<b>(7,160,354)</b>	<b>(10,747,567)</b>	<b>(8,404,768)</b>	<b>(11,927,567)</b>	<b>(12,229,359)</b>	<b>(8,029,392)</b>
Loss before proceeds from capital grants	(38,030,686)	(34,889,152)	(40,656,826)	(44,030,420)	(32,226,114)	(37,389,055)	(39,341,863)	(36,759,958)	(22,605,161)	(20,235,598)
Proceeds from capital grants	24,563,125	19,761,548	15,272,596	45,398,865	19,936,757	17,805,078	15,764,870	44,962,979	111,771,158	115,595,814
Change in net position	(13,467,561)	(15,127,604)	(25,384,230)	1,368,445	(12,289,357)	(19,583,977)	(23,576,993)	8,203,021	89,165,997	95,360,216
Prior period adjustment	-	-	(1,558,000)	-	-	(4,588,220)	-	-	-	-
Net position, beginning of year	271,446,964	286,574,568	313,516,798	312,148,353	324,437,710	348,609,907	372,186,900	363,983,879	274,817,882	179,457,666
Net position, end of year	\$ 257,979,403	\$ 271,446,964	\$ 286,574,568	\$ 313,516,798	\$ 312,148,353	\$ 324,437,710	\$ 348,609,907	\$ 372,186,900	\$ 363,983,879	\$ 274,817,882

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**DEMOGRAPHIC AND OPERATING STATISTICS <sup>1</sup>**

**Table II**

*LAST TEN FISCAL YEARS*

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Cities served <sup>1</sup>	6	6	6	6	6	6	6	6	7	7
Square miles <sup>1</sup>	432	432	428	431	421	421	515	515	515	369
Number of employees <sup>2</sup> :										
Administrative FT	266	280	281	286	284	263	270	261	235	211
Administrative PT	59	77	80	85	90	85	76	81	36	27
Bargaining Unit FT	585	611	638	629	597	575	573	613	605	562
Bargaining Unit PT	24	28	24	55	59	79	103	99	134	72
	<b>934</b>	<b>996</b>	<b>1,023</b>	<b>1,055</b>	<b>1,030</b>	<b>1,002</b>	<b>1,022</b>	<b>1,054</b>	<b>1,010</b>	<b>872</b>
Maintenance facilities <sup>1</sup>	6	6	6	6	6	6	6	6	6	5
Gallons of diesel fuel <sup>1</sup>	2,353,294	2,407,893	2,448,638	2,503,943	2,530,231	2,616,249	2,535,071	2,698,447	2,811,773	2,874,687
Gallons of gasoline <sup>1</sup>	564,771	554,583	582,744	569,396	579,115	557,185	587,615	453,533	545,282	528,579
Kilowatt hours of propulsion <sup>1,3</sup>	3,494,750	3,621,825	3,520,125	3,678,500	3,432,625	4,368,975	3,387,625	2,950,078	N/A	N/A

<sup>1</sup> Source - National Transit Database

<sup>2</sup> Source - Transportation District Commission of Hampton Roads Human Resources Department

<sup>3</sup> Light Rail started operation in FY12

N/A No information available

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**OPERATING INDICATORS<sup>1</sup>**

**Table III**

*LAST TEN FISCAL YEARS*

<b>Fiscal Year</b>	<b>Vehicle Operated in Maximum Service</b>	<b>Annual Vehicle Revenue Miles</b>	<b>Annual Vehicle Revenue Hours</b>	<b>Annual Unlinked Passenger Trips</b>	<b>Passenger Miles Traveled</b>
<b>2010:</b>					
Bus	227	11,003,538	808,594	14,955,012	98,160,468
Vanpool	55	823,994	26,398	171,703	6,025,451
Demand Response	74	3,273,196	204,380	307,034	3,444,866
Ferryboat	2	12,491	6,218	317,322	160,289
Total	358	15,113,219	1,045,590	15,751,071	107,791,074
<b>2011:</b>					
Bus	221	10,832,392	799,657	15,815,418	100,436,425
Vanpool	52	901,364	24,375	180,000	6,702,708
Demand Response	80	3,438,711	218,711	347,499	3,919,622
Ferryboat	2	12,552	5,969	295,877	149,529
Total	355	15,185,019	1,048,712	16,638,794	111,208,284
<b>2012:</b>					
Bus	240	10,494,200	799,786	16,166,441	99,459,300
Light Rail	7	323,239	25,478	1,359,915	5,648,374
Vanpool	52	945,663	24,641	194,623	7,077,317
Demand Response	84	2,692,602	176,932	293,002	2,547,951
Demand Taxi	75	778,913	44,023	64,571	885,535
Ferryboat	2	13,479	6,407	382,394	195,216
Total	460	15,248,096	1,077,267	18,460,946	115,813,693
<b>2013:</b>					
Bus	234	9,975,729	794,369	16,217,920	91,880,790
Light Rail	7	376,007	30,345	1,762,284	7,004,670
Vanpool	54	943,950	24,474	188,780	6,933,420
Demand Response	82	3,451,692	221,875	303,925	2,649,310
Ferryboat	2	16,995	6,118	337,210	184,794
Total	379	14,764,373	1,077,181	18,810,119	108,652,984
<b>2014:</b>					
Bus	233	9,975,085	740,586	15,024,190	75,683,206
Light Rail	6	372,032	29,810	1,587,929	6,296,325
Vanpool	47	828,572	21,149	159,642	5,343,342
Demand Response	86	2,821,403	184,814	311,789	2,487,677
Ferryboat	3	15,208	6,375	332,378	236,720
Total	375	14,012,300	982,734	17,415,928	90,047,270

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**OPERATING INDICATORS <sup>1</sup>**

**Table III**  
(continued)

LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Vehicle Operated in Maximum Service</b>	<b>Annual Vehicle Revenue Miles</b>	<b>Annual Vehicle Revenue Hours</b>	<b>Annual Unlinked Passenger Trips</b>	<b>Passenger Miles Traveled</b>
<b>2015:</b>					
Bus	236	10,218,494	796,645	14,218,168	65,849,308
Light Rail	6	376,456	29,966	1,551,553	5,716,308
Vanpool	33	609,793	14,835	97,859	3,594,392
Demand Response	90	3,370,172	213,638	324,510	2,696,590
Ferryboat	3	18,955	6,597	294,625	209,583
Total	368	14,593,870	1,061,681	16,486,715	78,066,181
<b>2016:</b>					
Bus	236	10,616,777	817,866	13,241,512	64,203,470
Light Rail	6	393,524	29,955	1,369,483	5,178,799
Vanpool	26	445,988	10,845	74,079	2,818,601
Demand Response	98	3,788,225	237,016	351,654	2,948,453
Ferryboat	3	19,163	6,658	247,013	181,405
Total	369	15,263,677	1,102,340	15,283,741	75,330,728
<b>2017:</b>					
Bus	227	10,624,169	827,021	12,586,719	69,866,663
Light Rail	6	392,768	29,868	1,405,330	5,005,506
Vanpool	36	501,855	13,384	98,621	3,270,223
Demand Response	103	3,804,596	239,679	365,610	3,115,549
Ferryboat	3	18,972	6,612	295,983	213,395
Total	375	15,342,360	1,116,564	14,752,263	81,471,336
<b>2018:</b>					
Bus	242	10,397,860	812,325	11,644,377	61,264,189
Light Rail	6	387,609	29,656	1,417,350	4,932,543
Vanpool	44	627,442	18,778	122,273	3,867,691
Demand Response	92	3,464,857	225,397	355,089	3,438,583
Demand Taxi	10	223,264	13,782	17,197	155,385
Ferryboat	3	18,846	6,550	327,661	235,176
Total	397	15,119,878	1,106,488	13,883,947	73,893,567
<b>2019*:</b>					
Bus	243	10,479,429	816,548	11,102,350	59,926,216
Light Rail	6	385,469	29,388	1,428,956	4,798,117
Vanpool	48	693,712	20,598	126,761	4,140,665
Demand Response	88	3,135,592	203,642	326,443	3,228,117
Demand Taxi	20	583,678	32,802	46,933	479,077
Ferryboat	2	18,734	6,516	301,321	214,237
Total	407	15,296,614	1,109,494	13,332,764	72,786,429

1 Source: National Transit Database

\* Preliminary Data

## **COMPLIANCE SECTION**



**Report of Independent Auditor on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Commissioners  
Transportation District Commission of Hampton Roads  
Hampton, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the Transportation District Commission of Hampton Roads (“Commission”), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements and have issued our report thereon dated May 26, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or *Specifications for Audits of Authorities, Boards, and Commissions*.

**Transportation District Commission of Hampton Roads’ Response to the Finding**

The Commission’s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Commission’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cheryl Bekart LLP

Virginia Beach, Virginia  
May 26, 2020

## **Report of Independent Auditor on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

Commissioners  
Transportation District Commission of Hampton Roads  
Hampton, Virginia

### **Report on Compliance for the Major Federal Program**

We have audited the Transportation District Commission of Hampton Roads' ("Commission") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Commission's major federal program for the year ended June 30, 2019. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Commission's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on the Commission's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Virginia Beach, Virginia  
May 26, 2020

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED JUNE 30, 2019

Federal Granting Agency/Recipient State Agency/Grant Program/Grant Number	Year	Federal Catalogue Number	Total Expenditures
<b>Department of Transportation</b>			
Direct Payments			
Federal Transit Administration Capital Improvement Grants:			
VA-04-0050	2011	20.500	\$ 5,667
VA-04-0058	2014	20.500	363,671
Total Federal Transit Administration Capital Improvement Grants			<u>369,338</u>
Federal Transit Administration Formula Grants:			
VA-90-X410	2014	20.507	56,780
VA-90-X430	2015	20.507	1,649,138
VA-90-X533	2017	20.507	1,091,115
VA-95-X118	2014	20.507	8,051
VA-95-X119	2015	20.507	1,196
VA-95-X141	2015	20.507	1,109,580
VA-95-X167	2016	20.507	107,434
VA-95-X178	2017	20.507	1,781,993
VA-90-X550	2019	20.507	1,023,366
VA-05-0049	2015	20.507	26,751
VA-95-X192	2019	20.507	597,727
VA-90-X533	2017	20.507	736,641
VA-90-X546	2018	20.507	480,249
VA-90-X569	2019	20.507	13,637,573
Total Federal Transit Administration Formula Grants			<u>22,307,594</u>
<b>Passed through from Department of Rail and Public Transportation</b>			
72514-04	2015	20.507	161,297
72516-01	2016	20.507	3,736
Total Department of Rail and Public Transportation			<u>165,033</u>
State of Good Repair Grants Program:			
VA-54-0006	2019	20.525	5,926
VA-54-X001	2018	20.525	407,303
Total State of Good Repair Grants Program			<u>413,229</u>
Bus Facilities Formula Program:			
VA-34-0011	2017	20.526	1,633,187
Total Bus Facilities Formula Program			<u>1,633,187</u>
Federal Transit Administration Job Access and Reverse Commute Program:			
VA-37-X014	2011	20.516	36,094
VA-37-X022	2014	20.516	32,875
Total Federal Transit Administration Job Access and Reverse Commute Program			<u>68,969</u>
Federal Transit Administration New Freedom Program:			
VA-57-X001	2011	20.521	32,668
VA-57-X004	2014	20.521	21,370
Total Federal Transit Administration New Freedom Program			<u>54,038</u>
Subtotal - Transit Services Program Cluster			<u>123,007</u>
Total Department of Transportation			<u>\$ 25,011,388</u>

\* The total for Federal Transit Administration Formula Grants Federal Catalogue Number 20.507 is \$22,472,627 for the fiscal year ended June 30, 2019.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*YEAR ENDED JUNE 30, 2019*

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**Note 1—General**

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of the Transportation District Commission of Hampton Roads.

**Note 2—Basis of accounting**

The accompanying schedule of expenditures of federal awards is presented using the accrual method of accounting.

**Note 3—Indirect cost rate**

The Commission does not elect to use a 10% de minimis indirect cost rate allowed under Section 2 CFR 200.331(a)(4).

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2019

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**A. Summary of Auditor's Results**

1. The type of report issued on the basic financial statements: **Unmodified opinion**
2. Significant deficiencies in internal control disclosed by the audit of the financial statements: **Yes, finding 2019-001**
3. Material weaknesses in internal control disclosed by the audit of the financial statements: **No**
4. Noncompliance, which is material to the financial statements: **No**
5. Significant deficiencies in internal control over major programs: **None reported**
6. Material weaknesses in internal control over major programs: **No**
7. The type of report issued on compliance for major programs: **Unmodified opinion**
8. Any audit findings which are required to be reported under Uniform Grant Guidance: **No**
9. The programs tested as major programs were:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.500-CL	Federal Transit Cluster

10. Dollar threshold used to distinguish between type A and type B programs: **\$750,342**
11. Transportation District Commission of Hampton Roads qualified as a low-risk auditee under Uniform Grant Guidance: **No**

**B. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:**

**Finding:** 2019-001

**Type of Finding:** Significant deficiency over financial reporting

**Criteria:**

Journal entries should be reviewed for completeness and accuracy before posting.

**Condition:**

During our testing of journal entries relating to other postemployment benefits and combining grant fund entries, we noted errors that were not detected by management's review of journal entries.

**Cause:**

During fiscal year 2019, the Commission's Finance Department incurred employee turnover resulting in the department being understaffed. The Finance Department staff did not have adequate resources to perform sufficient detailed review of journal entries.

**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*YEAR ENDED JUNE 30, 2019*

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**Effect:**

The Commission's other postemployment benefit balances and grant fund balances required adjustments to be properly reported at June 30, 2019.

**Auditor's Recommendation:**

We recommend the Commission dedicate the necessary resources to the Finance Department in order to ensure all journal entries are reviewed in sufficient detail to detect errors prior to being posted.

**Management's Response:**

The Commission reviewed all journal entries prior to posting. The Commission agrees that more experienced staff are needed to thoroughly review complex journal entries.

**C. Findings and Questioned Costs Relating to Federal Awards:**

None reported.

**D. Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia Laws, Regulations, Contracts, and Grants:**

None reported.



**TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

*YEAR ENDED JUNE 30, 2019*

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<u>Comment Description and Number</u>	<u>Corrected Yes/No</u>	<u>In Process of Correcting</u>	<u>Valid Yes/No</u>	<u>Amount of Questioned Cost</u>	<u>Description of Action Taken by Commission</u>
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There were no prior year audit findings.



**RESOLUTION 01 – 2020**  
**IN APPRECIATION FOR SENATOR LOUISE LUCAS AND DELEGATE ALEX ASKEW**

**Whereas**, the Transportation District of Hampton Roads was formed in 1999 through a merger of the Peninsula Transportation District Commission (PENTRAN) and Tidewater Regional Transit Authority (TRT), creating the largest single public transit bus network in the Commonwealth of Virginia;

**Whereas**, funding models that rely heavily on local general funds have remained unchanged since that merger and have prevented the agency from developing a true regional bus network;

**Whereas**, Senate Bill 1038 and House Bill 1726, introduced by Senator L. Louise Lucas and Delegate Alex Askew respectively create the Hampton Roads Regional Transit Program which establishes a new model to support priority regional public transit projects in Hampton Roads by providing a dedicated funding source for this effort;

**Whereas**, the Hampton Roads Regional Transit Program will lead to a true regional transit network connecting citizens to employment, healthcare, education, shopping and recreation destinations through a modern, safe, and highly efficient core network of high frequency transit services across the Hampton Roads region;

**Whereas**, Senate Bill 1038 and House Bill 1726 passed the General Assembly with broad support and have now been enacted into law;

**Whereas**, the 2020 Session of the Virginia General Assembly of Virginia Session was transformational for the advancement of public transportation in Hampton Roads;

**Now therefore be it resolved**, that the Transportation District Commission of Hampton Roads does hereby express its sincere gratitude to the honorable Senator and President Pro Temp L. Louis Lucas and the honorable Delegate Alex Q. Askew for their service and leadership in articulating a vision for regional public transit in Hampton Roads and providing the tools necessary to make that vision a reality.

**APPROVED and ADOPTED** by the Transportation District Commission of Hampton Roads at its meeting on the 25<sup>th</sup> day of June 2020.

**TRANSPORTATION DISTRICT COMMISSION  
OF HAMPTON ROADS**

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Brad Hunter  
Chair

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Luis R. Ramos  
Commission Secretary  
Dated: June 25, 2020



## RESOLUTION 02– 2020

### APPROVING THE TRANSIT STRATEGIC PLAN (FY2021-2030)

**Whereas**, the Virginia General Assembly passed legislation in 2018 that requires Hampton Roads Transit, and other agencies operating in urbanized areas across Virginia, to develop a Transit Strategic Plan (or TSP) to ensure public transportation is planned and implemented in ways that meet the mobility needs of its communities; and

**Whereas**, the TSP replaces the previously required Transit Development Plan and its main goal is to create a strategic blueprint outlining desired changes that will improve the provision of transit services throughout the HRT service area; and

**Whereas**, thousands of customers, stakeholders, employees, and local partners from across the region were involved in the planning process to examine needs and identify improvements for more efficient and effective public transportation to be included in the TSP; and

**Whereas**, the resulting TSP is firmly grounded in guiding principles endorsed by the Transportation District Commission of Hampton Roads in December 2019, which include: 1) implementing new regional standards to achieve a more effective bus network; 2) prioritizing high-frequency services on a regional backbone system; 3) balancing resources between peak hour and all-day services; 4) prioritizing connections across jurisdictions; 5) providing sufficient transit coverage throughout the region; and 6) leveraging a data-driven approach and factoring of funding and operational constraints to prioritize and phase implementation of service changes over a 10-year planning horizon, as required by state guidelines; and

**Whereas**, the Virginia General Assembly passed legislation in 2020 emphasizing the importance of having effective multimodal transportation, which is essential for Hampton Roads' economic growth, vitality, and competitiveness and, to this end, required that HRT's Transit Strategic Plan also document the Hampton Roads Regional Transit Program to achieve the development and operation of a core regional network of transit routes and related infrastructure, rolling stock, and support facilities, with the express goal of achieving a modern, safe, and efficient core network of transit services across the Hampton Roads region; and

**Whereas**, HRT's inaugural TSP covers the period of FY2021 through FY2030 and includes the elements necessary to meet requirements prescribed by state legislation and related guidelines, and this TSP shall furthermore be a "living document" that is updated annually and undergoes a major update every five years as HRT continues to collaborate with local, regional, state and federal partners to fulfill HRT's mission of connecting Hampton Roads with transportation solutions that are reliable, safe, efficient, and sustainable, and achieving HRT's vision of being a progressive mobility agency that promotes prosperity across Hampton Roads through collaboration and teamwork;

**Now therefore be it resolved**, that the Transportation District Commission of Hampton Roads does hereby approve the Transit Strategic Plan for FY2021 through FY2030 and authorizes the President and CEO: to engage with the Hampton Roads Transportation Accountability Commission for the utilization of regional transit funding to implement the Hampton Roads Regional Transit Program of the TSP; to work with the Hampton Roads Transportation Planning Organization, Suffolk Transit, and Williamsburg Area

Transit Authority on regional planning processes; and, as prescribed in guidelines issued by the Virginia Department of Rail and Public Transportation and approved by the Commonwealth Transportation Board, to transmit copy of this adopting resolution along with the submittal of the complete Transit Strategic Plan to the Virginia Department of Rail and Public Transportation.

***APPROVED and ADOPTED*** by the Transportation District Commission of Hampton Roads at its meeting on the 25<sup>th</sup> day of June 2020.

**TRANSPORTATION DISTRICT COMMISSION  
OF HAMPTON ROADS**

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Brad Hunter

Chair

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Luis R. Ramos

Commission Secretary

June 25, 2020



# TDCHR Board Meeting

May 28, 2020

[gohrt.com](http://gohrt.com)

# President's Report

- Attendance Premium pay for front-line employees
- Face covering required
- Return to full service June 14th
- Fare collection begins July 1st





**TDCHR Board Meeting**  
**May 28, 2020**  
**Transit Strategic Plan**

**[gohrt.com](http://gohrt.com)**



# Regional Community Involvement has shaped the TSP



**Small Group Workshops** with over 50 organizations represented, including civic groups, chambers of commerce, major employers, military and federal facilities, housing and human services, healthcare, and economic development.



**21 “Pop-Up” Events** at transit hubs, involving 1,200 current system users.



**12 Public Meetings** in Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, and Virginia Beach.

2,731 respondents to **Regional Survey** questions.

**Regional Advisory Panel (RAP)** of business and civic leaders from private, public, and non-profit sectors.



# Overview

- Mandated by General Assembly.
- 10-year planning horizon.
- A “living document” updated annually and Major Update every 5 years.





# Regional Community Involvement has shaped the TSP

## Commission endorsed TSP Guiding Principles (Dec '19)

- ✓ Follow standards to achieve a more effective bus network
- ✓ Prioritize high-frequency services on a regional backbone system
- ✓ Balance resources between peak hour and all-day
- ✓ Prioritize connections across jurisdictions
- ✓ Provide sufficient transit coverage throughout the region
- ✓ Leverage a data-driven approach and factoring of funding and operational constraints to prioritize and phase implementation



# New Regional Classifications and Service Standards



## Regional Backbone Routes

*15 minute service routes*



## Local Priority Routes

*30 minute service routes*



## Coverage Routes

*60 minute service routes*



## Limited or Express Routes



## On-Demand Service



**Service Times will start and end the same**



**Span of Service**



**Frequency of Service**



# TSP Chapters Overview

CHAPTER 1

**System Overview and  
Strategic Vision**

CHAPTER 2

**System Performance and  
Operations Analysis**

CHAPTER 3

**Planned Improvements  
and Modifications**

CHAPTER 4

**Implementation Plan**

CHAPTER 5

**Financial Plan**

CHAPTER 6

**Hampton Roads Regional  
Transit Program**



# TSP Appendixes Overview

APPENDIX A

**Agency Profile and  
System Overview**

APPENDIX B

**Phased System Maps  
for Chapter 3 Cost  
Constrained Plan**

APPENDIX C

**Estimated Ridership  
Methodology and Results**

APPENDIX D

**On-Demand (Microtransit)  
Service**

CHAPTER 3

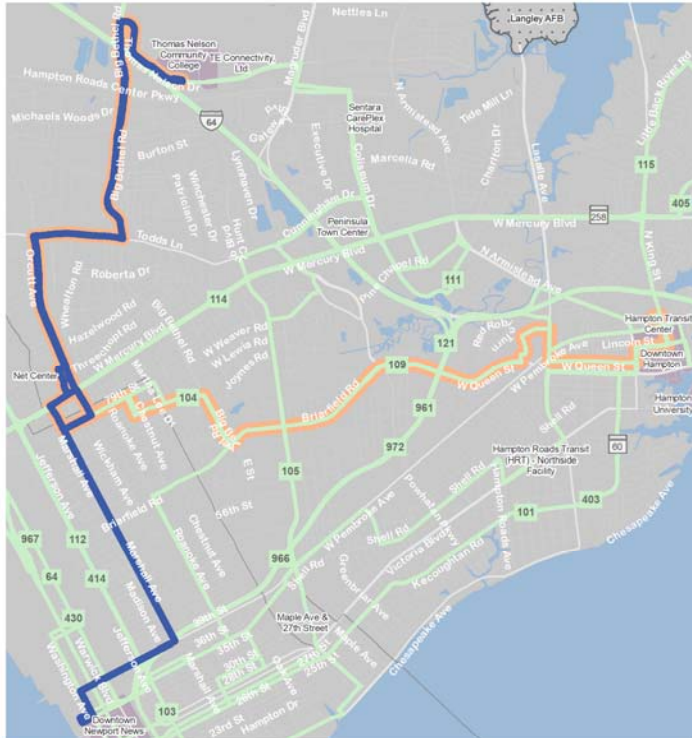
# Planned Improvements and Modifications



# Chapter 3 Overview

- Contains phased improvements and modifications to existing services over 10-year horizon.
- Financially constrained to existing funding sources and service priorities identified through extensive discussions with City leaders and staff.
- Does not factor in new regional transit funding per Senate Bill 1038 / House Bill 1726 and related service upgrades.

# Sample of Chapter 3 Content



## Route 110

### Focus Route

- █ Planned Alignment
- █ Existing Alignment
- █ Planned System
- █ Light Rail
- Ferry
- Military Bases
- City Boundary
- Activity Centers

## Service Changes

- Route 110 will provide a new direct connection between Thomas Nelson Community College, Net Center, and Newport News Transit Center. It will operate on Marshall Avenue, replacing existing Marshall Avenue service provided by Routes 104 and 105.
- The existing Route 110 alignment from Net Center to Hampton Transit Center will be covered by the realigned Route 109.
- Weekday service will be offered between 5:00 AM and 11:00 PM, which offers one earlier hour of service when compared to the current route. Saturday service will be offered hourly between 7:00 AM and 11:00 PM. Sunday service will be increased to match Saturday service, which will provide an additional hour of service in the morning and three hours of additional service in the evening when compared to the current Route 110.

## Justification

- Route 110 performs around or below average on the six Key Performance Indicators (KPI). The alignment changes to Route 110 were developed in concert with service changes to Route 104 and Route 105 in an effort to improve route directness and on-time performance, and to create routes that are simpler to understand.



CHAPTER 4

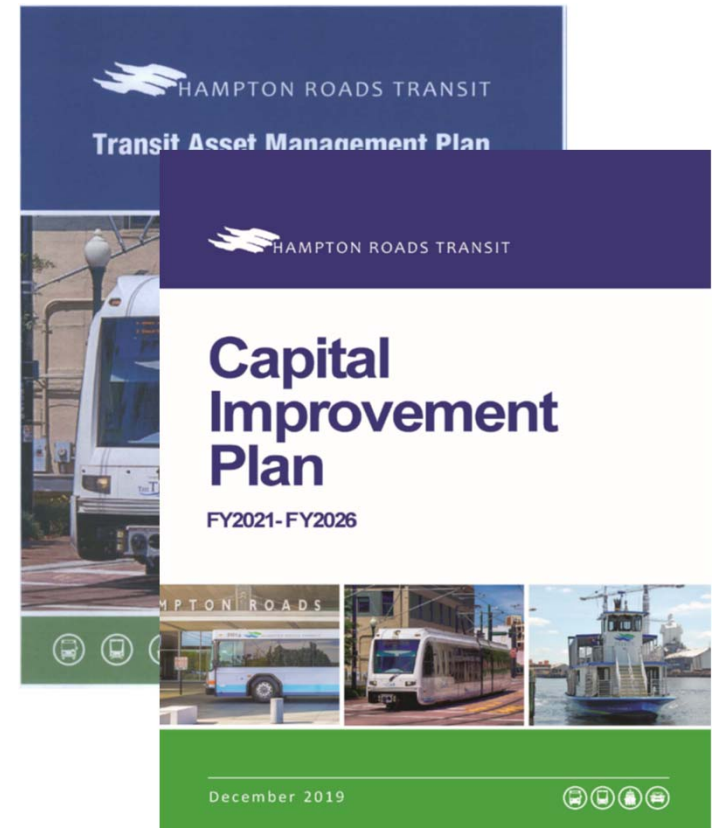
# Implementation Plan



HAMPTON ROADS  
TRANSIT

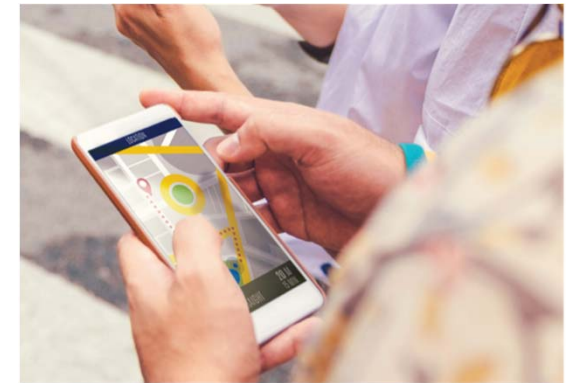
# Chapter 4 Overview

- Lists steps required to carry out the operations and services described in Chapter 3.
- Guided by HRT's Transit Asset Management Plan (TAM Plan).
- Capital needs linked to constrained Six-Year Capital Improvement Plan (adopted Dec '19).



# Sample of Chapter 4 Content

- Scheduled fleet replacement
- Operations and Maintenance, Passenger facilities
- Technology and ITS investments



CHAPTER 5

# Financial Plan



# Chapter 5 Overview

- Identifies projected service costs and financial resources associated with Chapter 3.
- Is not a budget. Shows a financial snapshot that will change year-by-year based on current information. Chapter 5 is a blueprint of TDCHR's direction toward increased frequent service, associated costs, and information on key factors.
- Does not include assumptions about new regional funding.
- New funding sources and the COVID-19 situation will be addressed in Chapters 5 and 6 of the first annual *TSP update* and the next *CIP update* (November 2020).

# Operating Outlook

## (YOE\$ Millions)

Sources of Funds	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Fare Revenues</b>	13.7	14.0	14.2	14.5	14.6	15.0	15.2	15.4	15.6	15.8
<b>Federal Funds (PM, ADA, CCC)</b>	19.7	19.4	19.3	19.0	18.7	18.5	18.4	18.2	18.0	18.3
<b>State Funds</b>	19.9	19.9	19.9	19.9	19.9	20.1	20.3	20.5	20.7	20.9
<i>HRT Performance Based Allocation (%)</i>	21.2%	21.0%	20.8%	20.5%	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%
<b>Non-Operating Revenues</b>	5.1	5.1	5.2	5.2	5.2	5.2	5.3	5.3	5.4	5.4
<b>Local Funds</b>	43.2	43.3	44.3	45.4	46.6	47.7	48.9	50.2	51.4	52.7
<b>Total Operating Sources of Funds</b>	101.6	101.6	102.8	103.9	105.0	106.6	108.0	109.5	111.0	113.1

Uses of Funds	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Bus Operating Expenses</b>	74.0	79.1	82.6	88.8	93.9	98.5	102.8	106.8	111.0	115.8
<b>LRT Operating Expenses</b>	10.7	11.1	11.4	11.6	11.9	12.1	12.4	12.7	13.0	13.3
<b>Paratransit Operating Expenses</b>	15.2	15.8	16.4	17.0	17.7	18.4	19.1	19.8	20.6	21.4
<b>Ferry Operating Expenses</b>	1.7	1.7	1.7	1.8	1.8	1.8	1.9	1.9	1.9	2.0
<b>Total Operating Uses of Funds</b>	101.6	107.7	112.1	119.2	125.2	130.9	136.2	141.3	146.5	152.5

Additional Funding/Cost Savings to Be Identified	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Additional Funding/Cost Savings to Be Identified</b>	-	6.1	9.3	15.3	20.3	24.3	28.2	31.7	35.5	39.3

- Federal funds used for operations slated to decline gradually.
- Local funds assumed to grow at 2.5% starting FY23.

# Capital Outlook

## (YOE\$ Millions)

New Capital Projects	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Sources of Funds</b>										
Federal Formula Funds	7.0	5.4	4.8	5.2	6.5	7.3	10.5	11.3	11.4	10.7
State Funds	13.1	20.1	10.9	23.7	24.9	18.2	10.0	10.7	10.8	10.1
Other Funds (Discretionary, RSTP, CMAQ)	14.4	12.5	5.7	8.5	10.1	0.3	-	-	-	-
ACC Funds	1.2	2.4	1.3	2.7	3.4	1.1	0.9	0.9	0.9	0.9
<b>Total New Capital Projects Sources of Funds</b>	<b>35.6</b>	<b>40.5</b>	<b>22.7</b>	<b>40.2</b>	<b>44.8</b>	<b>26.8</b>	<b>21.3</b>	<b>22.8</b>	<b>23.1</b>	<b>21.7</b>
<b>Uses of Funds</b>										
New Capital Projects	35.6	42.5	24.7	42.2	46.8	27.0	41.5	42.8	44.1	45.4
<b>Total New Capital Projects Uses of Funds</b>	<b>35.6</b>	<b>42.5</b>	<b>24.7</b>	<b>42.2</b>	<b>46.8</b>	<b>27.0</b>	<b>41.5</b>	<b>42.8</b>	<b>44.1</b>	<b>45.4</b>
<b>Advance Capital Contribution Funding</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>
<b>ACC Funding Surplus CUMULATIVE</b>	5.9	5.5	5.7	4.9	3.5	4.4	5.6	6.7	7.8	8.9

- Financial plan assumes capital spending beyond CIP horizon to be in line with previous years.
- Plan does not assume discretionary funds beyond CIP horizon, which will be updated gradually.

CHAPTER 6

# Hampton Roads Regional Transit Program





# Chapter 6 Overview

## Documents the Hampton Roads Regional Transit Program pursuant to law:

§ 33.2-2600.1. *Hampton Roads Regional Transit Program and Fund.*

A. *The General Assembly declares it to be in the public interest that developing and continuing operations of reliable regional public transportation is important for a balanced and effective multimodal transportation system in the Hampton Roads region and is essential to the region's economic growth, vitality, and competitiveness. The General Assembly further declares that a special transportation program, to be known as the Hampton Roads Regional Transit Program (the Program), should provide for the costs of developing, maintaining, and improving a core regional network of transit routes and related infrastructure, rolling stock, and support facilities that have the greatest positive impacts on economic development potential, employment opportunities, mobility, environmental sustainability, and quality of life. The goal of the Program is to provide a modern, safe, and efficient core network of transit services across the Hampton Roads region. The Program shall be incorporated into strategic plans developed pursuant to § 33.2-286 and adopted by the governing board of each transit entity and shall form the basis for the regional transit planning process coordinated by the federally designated Metropolitan Planning Organization*

# Chapter 6 Overview

The following are Program eligible based on purposes and requirements outlined in law:

- ✓ **Capital** and **Operating** costs (from planning through ongoing O&M)
- ✓ **Expansion projects** and **State of Good Repair**
- ✓ Two (2) classifications of HRT bus routes: **Regional Backbone** and **Limited/Express**

# Regional Backbone

Route #	Route Name
1	Granby Street
2	Hampton Blvd
3	Chesapeake Blvd
8	Tidewater Drive
15	Military Highway
20	Virginia Beach Blvd
21	Little Creek Road
36	Independence Blvd/Holland Road
45	Portsmouth Blvd
47	High Street/Churchland
101	Kecoughtan Road
112	Jefferson Avenue
114	Mercury Blvd

REGIONAL BACKBONE IMPACTS (15-MIN WEEKDAY PEAK SERVICE)		
	CURRENT HRT SYSTEM	CHANGE FROM CURRENT 13-ROUTE REGIONAL BACKBONE
NO. OF ROUTES WITH 15-MIN WEEKDAY PEAK SERVICE	6	13
POPULATION SERVED	181,000	487,000 169% increase
JOBS SERVED	137,500	312,500 127% increase
AREA IN WALKING DISTANCE	41 sq. miles	115 sq miles 180% increase

# Limited/Express

## MAX Routes

Route #	Route Name
919	Silverleaf to Naval Station Norfolk
922	Greenbriar to Naval Station Norfolk
960	Downtown Norfolk to VB Oceanfront
961	Downtown Norfolk to NNTC
966	Silverleaf to NNTC/Newport News Shipyard
967	LRT/Greenbriar/Newport News Shipyard
972	TCC VB to Newport News Shipyard
970 (new)	Portsmouth to Newport News Shipyard via I-664

## Peninsula Commuter Routes

Route #	Route Name
403	Buckroe shopping ctr. to NNTC/Newport News Shipyard
405	Buckroe to NNTC/Newport News Shipyard
414	Jefferson/Oakland to Newport News Shipyard/NNTC
415	Denbigh to Newport News Shipyard/NNTC
430	Denbigh Fringe to Newport News Shipyard/NNTC

# Groupings and Supporting Improvements

- Routes are grouped in “natural buckets” that are co-dependent on one another.
- Three groupings of routes:
  - Group A – Routes 101, 112, 114, PCS and MAX
  - Group B – Routes 1, 15, 20, 36, 45, and 47
  - Group C – Routes 2, 3, 8, 21
- Early implementation of technology investments such as real time, mobile fare payment, passenger information displays.
- Early implementation of Facility Improvements and Passenger Amenities
  - Shelters, benches, new passenger terminals at Robert Hall and Evelyn Butts, new bus division(s) in VB and the Peninsula to accommodate larger fleet

# Preliminary Capital Investment Planning

Implementation Horizon for Regional Backbone Network - Capital



# Planning & Program Integration and Coordination

HRT will work directly with the Hampton Roads Transportation Accountability Commission (HRTAC) to solidify short-term (FY21-FY23), mid-term (FY24-27) and long-term (FY28-FY30) plans – which shall be updated on an annual basis – to effectively leverage Hampton Roads Regional Transit Fund resources to implement the Program. HRT expects this to result in consistent and reliable dedicated regional funding for the Program.

In support of coordinated regional planning – in particular as it relates to collaboration and interfacing between services of HRT, Suffolk Transit, and Williamsburg Area Transit Authority (WATA) – HRT will directly collaborate with other transit systems and the Hampton Roads Transportation Planning Organization (HRTPO) as it coordinates a regional transit planning process as required in Virginia code section § 33.2-286 D.

# Next Steps

- HRT Board vote on TSP adoption June 25, 2020.
- Validate schedule and availability for regional funding through HRTAC.
- Establish Memorandum of Understanding (MOU) between HRT and HRTAC to implement the Hampton Roads Regional Transit Program using regional funds.
- Process applications to draw down on regional funding; execute early procurement actions (e.g., bus purchases).







# TDCHR Board Meeting

May 28, 2020

[gohrt.com](http://gohrt.com)



## **Resolution 03 – 2020 – Title VI Program**

### **A Resolution of the Transportation District Commission of Hampton Roads adopting the *Hampton Roads Transit 2020 Title VI Program***

**WHEREAS**, pursuant to Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d et seq. and 23 CFR part 21, the U.S. Department of Transportation and the Federal Transit Administration (FTA) prohibit discrimination on the basis of race, color or national origin; and

**WHEREAS**, Hampton Roads Transit (HRT) operates public transportation service, including; bus, light rail, ferry, vanpool, and paratransit services; and

**WHEREAS**, HRT receives FTA funding to operate public transportation services and is, therefore, required to demonstrate compliance with such federal laws and regulations by submitting a Title VI program update once every three years; and

**WHEREAS**, HRT seeks to ensure that the level and quality of public transportation service is provided in a nondiscriminatory manner; and

**WHEREAS**, HRT seeks to promote full and fair participation in public transportation decision-making without regard to race, color, or national origin; and

**WHEREAS**, HRT seeks to ensure meaningful access to transit-related programs and activities by persons with limited English proficiency; and

**WHEREAS**, pursuant to federal laws and regulations, the HRT Title VI Program must be considered and approved by the HRT Governing Board; and

**WHEREAS**, an inclusive public participation process, consistent with federal requirements and HRT policies, was undertaken prior to Board consideration of the Title VI Program update; and

**WHEREAS**, revisions have been made to the Hampton Roads Transit 2017 Title VI Program to reflect recent changes in federal laws and regulations, and to reflect changes in HRT's operations since the last update, all of which is detailed in the *Hampton Roads Transit 2020 Title VI Program*;

**WHEREAS**, the Commission has specifically considered and is aware of the following new and updated information and provisions contained in the *Hampton Roads Transit 2017 Title VI Program*:

- Title VI Program population data, statistics, and mapping

- Program material notices and related information
- Title VI Complaint Procedures and Form
- Service Standards and Policies
- Passenger Amenities Policy
- Public Involvement Process
- Service Monitoring criteria; and

**NOW, THEREFORE, BE IT RESOLVED** that the Transportation District Commission of Hampton Roads adopts the attached *Hampton Roads Transit 2020 Title VI Program*.

**APPROVED and ADOPTED** by the Transportation District Commission of Hampton Roads at its meeting on the 25<sup>th</sup> day of June 2020.

**TRANSPORTATION DISTRICT COMMISSION  
OF HAMPTON ROADS**

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**Brad Hunter  
Chairman**

**ATTEST:**

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**Luis R. Ramos  
Commission Secretary**



HAMPTON ROADS  

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TRANSIT

# TITLE VI PROGRAM UPDATE

TDCHR

June 25, 2020

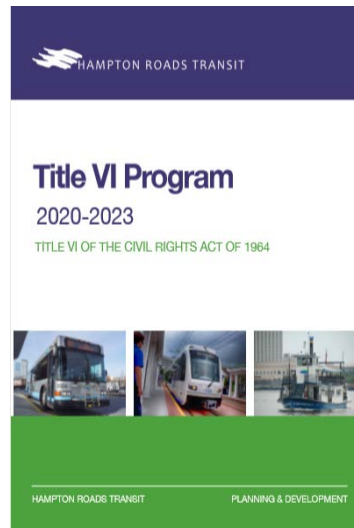
[gohrt.com](http://gohrt.com)

# TITLE VI UPDATE

- HRT IS REQUIRED TO SUBMIT A TITLE VI PROGRAM TO THEIR FTA REGIONAL CIVIL RIGHTS OFFICER ONCE EVERY THREE YEARS OR AS OTHERWISE DIRECTED BY FTA.
- FOR ALL RECIPIENTS, THE TITLE VI PROGRAM MUST BE APPROVED BY THE RECIPIENT'S BOARD OF DIRECTORS OR APPROPRIATE GOVERNING ENTITY OR OFFICIAL(S) RESPONSIBLE FOR POLICY DECISIONS PRIOR TO SUBMISSION TO FTA.

# TODAY'S BOARD ACTION

- RESOLUTION FOR ADOPTION BY THE BOARD OF THE 2020 TITLE VI PROGRAM



- STAFF ACTION: SUBMISSION OF TITLE VI PROGRAM AND BOARD RESOLUTION TO FTA

# TITLE VI

- TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 PROTECTS PEOPLE FROM DISCRIMINATION BASED ON:
  - RACE
  - COLOR
  - NATIONAL ORIGIN
  - SECTION 601 OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 STATES THAT "NO PERSON IN THE UNITED STATES SHALL, ON THE GROUNDS OF RACE, COLOR, OR NATIONAL ORIGIN, BE EXCLUDED FROM PARTICIPATION IN, BE DENIED THE BENEFITS OF, OR BE SUBJECTED TO DISCRIMINATION UNDER ANY PROGRAM OR ACTIVITY RECEIVING FEDERAL FINANCIAL ASSISTANCE."
- EXECUTIVE ORDER 12898
  - IDENTIFYING AND ADDRESSING, AS APPROPRIATE, DISPROPORTIONATELY HIGH AND ADVERSE HEALTH OR ENVIRONMENTAL EFFECTS OF PROGRAMS, POLICIES, AND PROGRAMS ON MINORITY AND/OR LOW-INCOME POPULATIONS.



HAMPTON ROADS  

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TRANSIT

# SYSTEM OVERVIEW AND POPULATION INFORMATION

[gohrt.com](http://gohrt.com)

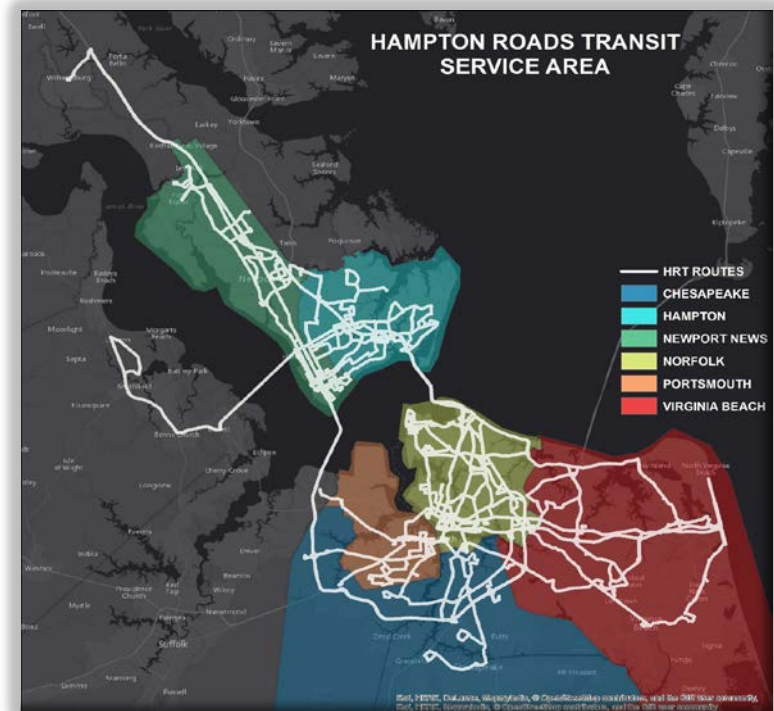


# Key FTA Definitions

- **MINORITY** PERSONS INCLUDE THE FOLLOWING:
  - (1) AMERICAN INDIAN AND ALASKA NATIVE
  - (2) ASIAN
  - (3) BLACK OR AFRICAN AMERICAN
  - (4) HISPANIC OR LATINO
  - (5) NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER
- **LOW-INCOME** PERSON MEANS A PERSON WHOSE MEDIAN HOUSEHOLD INCOME IS AT OR BELOW 150% OF THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) POVERTY GUIDELINES

# HRT SYSTEM OVERVIEW

- COMMUNITIES SERVED: CHESAPEAKE, HAMPTON, NEWPORT NEWS, NORFOLK, PORTSMOUTH, VIRGINIA BEACH
- PASSENGER TRIPS: 13.3 MILLION
- COMMUNITY SIZE: 1.34 MILLION
- MINORITY PERCENTAGE: 44.7%
- LOW INCOME PERCENTAGE: 19.3%



# POPULATION MINORITY STATUS

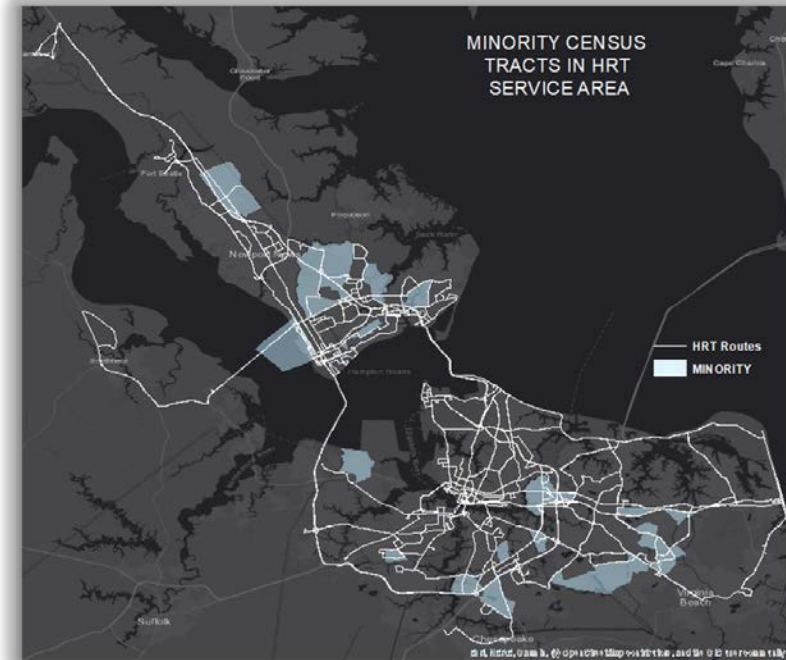
## HRT SERVICE AREA MINORITY STATUS

### 2020 TITLE VI POPULATION

Total Population	Minority		Non-Minority	
1,344,586	601,618	44.7%	742,968	55.3%

### 2017 TITLE VI POPULATION

Total Population	Minority		Non-Minority	
1,332,339	627,714	47.1%	704,625	52.9%



# INCOME CHARACTERISTICS HRT SERVICE AREA

## 2020 TITLE VI POPULATION

Total Population	People Below 150% of Poverty Line	Low-Income Percentage
1,344,586	259,508	19.3%

## 2017 TITLE VI POPULATION

Total Population	People Below 150% of Poverty Line	Low-Income Percentage
1,332,339	272,924	20.5%

## LOW-INCOME THRESHOLD

Persons in Family	Low Income – Threshold HRT SERVICE AREA
1	\$19,140
2	\$25,860
3	\$32,580
4	\$39,300
5	\$46,020
6	\$52,740
7	\$59,460
8	\$66,180
9+	\$70,660



HAMPTON ROADS  

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TRANSIT

## PROGRAM INFORMATION AND UPDATES

[gohrt.com](http://gohrt.com)

# LIMITED ENGLISH PROFICIENCY (LEP)

THE TITLE VI PROGRAM COLLECTS LEP INFORMATION TO IDENTIFY APPROPRIATE LANGUAGE ASSISTANCE MEASURES NEEDED TO IMPROVE ACCESS TO HRT SERVICES AND BENEFITS FOR LEP PERSONS.

## CALLS REQUESTING TRANSLATION SERVICES

- 2017: 10
- 2018: 12
- 2019: 35

# LIMITED ENGLISH PROFICIENCY

## SERVICE AREA - PERCENTAGE OF POPULATION SPEAKING ENGLISH

- 90% OF POPULATION IN HRT SERVICE AREA ONLY SPEAKS ENGLISH

## SERVICE AREA – PERCENTAGE OF POPULATION – NON-ENGLISH SPEAKING & LEP

- SPANISH AND TAGALOG ARE ONLY TWO LANGUAGES SPOKEN BY MORE THAN 1% OF HRT SERVICE POPULATION.

	TOTAL			PERCENT OF POPULATION		
	Speaks English Well	Less Than Very Well	Total	Speaks English Well	Less Than Very Well	Total
English Only	1,127,507		1,248,567	90.30%	0.00%	90.30%
Spanish or Spanish Creole	36,995	16,466	53,461	2.96%	1.32%	4.28%
Tagalog	12,750	6,071	18,821	1.02%	0.49%	1.51%
German	4,469	772	5,241	0.36%	0.06%	0.42%
French (incl. Patois, Cajun)	4,127	1,025	5,152	0.33%	0.08%	0.41%
Chinese	2,083	2,748	4,831	0.17%	0.22%	0.39%

# HRT TITLE VI PROGRAM COMPLAINT PROCESS

ANY PERSON WHO BELIEVES HE OR SHE HAS BEEN DISCRIMINATED AGAINST ON THE BASIS OF RACE, COLOR, OR NATIONAL ORIGIN BY HAMPTON ROADS TRANSIT MAY FILE A TITLE VI COMPLAINT BY COMPLETING AND SUBMITTING THE AGENCY'S TITLE VI COMPLAINT FORM.

- ALL COMPLAINTS MUST BE IN WRITTEN FORM.
- A COMPLAINT SUBMITTED BY MAIL MUST BE ADDRESSED AS FOLLOWS:  
HAMPTON ROADS TRANSIT ATTENTION: TITLE VI COORDINATOR 3400  
VICTORIA BOULEVARD HAMPTON, VA 23661
- A COMPLAINT CAN BE SUBMITTED THROUGH THE HRT WEBSITE AT  
[HTTP://GOHRT.COM/CONTACT/TITLE-VIPROGRAM/TITLE-VI-COMPLAINT-FORM/](http://GOHRT.COM/CONTACT/TITLE-VIPROGRAM/TITLE-VI-COMPLAINT-FORM/)
- A COMPLAINT SUBMITTED ON HRT'S TITLE VI COMPLAINT FORM CAN BE EMAILED TO [TITLEVI@HRTRANSIT.ORG](mailto:TITLEVI@HRTRANSIT.ORG) ; SUBJECT: TITLE VI COMPLAINT




# HRT TITLE VI PROGRAM LIST OF SUBMITTED COMPLAINTS

## CUSTOMER SERVICE CALLS AND COMPLAINTS

### ONE (1) COMPLAINT RECEIVED SINCE 2017 TITLE VI PROGRAM UPDATE (APR. 2017 – DEC. 2019):

- 1 COMPLAINT CLOSED

**Title VI Program  
Complaint Form**



Title VI of the Civil Rights Act of 1964 states "No person in the United States shall, on the grounds of race, color, or national origin, be excluded from, participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal assistance."

---

1. Today's Date: \_\_\_\_\_

2. Complainant's Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
Telephone No(s): (\_\_\_\_) \_\_\_\_\_ / (\_\_\_\_) \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

3. Person discriminated against (if someone other than Complainant):  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
Telephone No(s): (\_\_\_\_) \_\_\_\_\_ / (\_\_\_\_) \_\_\_\_\_

4. What was the discrimination complaint based on? (check all that apply):  
 Race     Color     National Origin

5. Date of alleged incident resulting in discrimination: \_\_\_\_\_

6. Describe the alleged discrimination. Explain what happened and who was responsible? If more space is needed, attach any written materials or other information that you believe supports your complaint on an additional sheet of paper.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

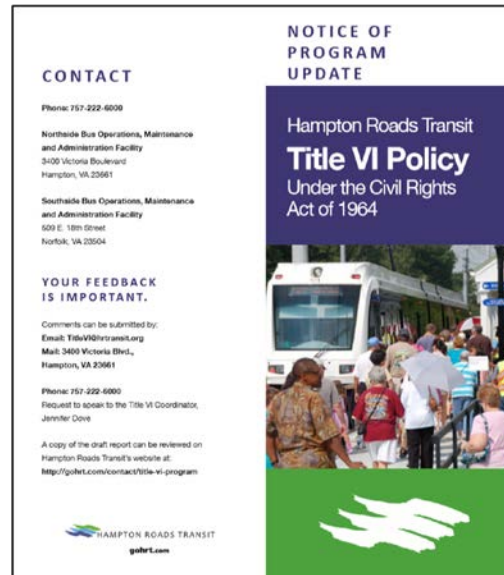
7. Where did the incident take place? Provide location, bus number, HRT employee name, etc.

\_\_\_\_\_

\_\_\_\_\_

# UPDATED INFORMATION & MATERIAL

- TITLE VI NOTICES TO THE PUBLIC
- TITLE VI GENERAL NOTICE
- TITLE VI PAMPHLET



The pamphlet cover features a white background with a blue header and footer. The header contains the text "NOTICE OF PROGRAM UPDATE" in white on a blue background. Below this, the title "Hampton Roads Transit Title VI Policy Under the Civil Rights Act of 1964" is displayed in blue and black. A photograph of a bus stop with people waiting is shown in the middle. The footer includes the Hampton Roads Transit logo and website "goHRT.com".

**CONTACT**

Phone: 757-222-6000

**Northside Bus Operations, Maintenance and Administration Facility**  
3400 Victoria Boulevard  
Hampton, VA 23661

**Southside Bus Operations, Maintenance and Administration Facility**  
500 E. 18th Street  
Norfolk, VA 23504

**YOUR FEEDBACK IS IMPORTANT.**

Comments can be submitted by:  
**Email:** [TitleVI@hrttransit.org](mailto:TitleVI@hrttransit.org)  
**Mail:** 3400 Victoria Blvd., Hampton, VA 23661

**Phone:** 757-222-6000  
Request to speak to the Title VI Coordinator, Jennifer Dove

A copy of the draft report can be reviewed on Hampton Roads Transit's website at: <http://goHRT.com/contact/title-vi-program>

**HAMPTON ROADS TRANSIT**  
goHRT.com

## Notice of Update HRT's Title VI Policy Under the Civil Rights Act of 1964

### What is Title VI of the Civil Rights Act of 1964?

Title VI of the Civil Rights Act of 1964 states that, "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

The Federal Transit Administration (FTA) issued guidance that helps recipients of FTA grant funding better understand and comply with federal civil rights requirements and to ensure that the level and quality of public transportation service is provided in a nondiscriminatory manner, promote full and fair participation in public transportation decision-making without regard to race, color, or national origin, to ensure meaningful access to transit-related programs and activities for persons with limited English proficiency. HRT is required to update its Title VI Policy by March 31, 2020.

### HRT's Title VI Policy

Hampton Roads Transit's Title VI Program and Policy includes policy, reports, data, procedures, and plans that ensure that HRT is in compliance with the requirements in Title VI of the Civil Rights Act of 1964. HRT's existing Title VI Program also evaluates potential impacts of proposed service and fare changes on minority and low-income riders and provides the provision of language access to persons with limited English proficiency. HRT completes Title VI assessments when proposing a major service change or when proposing changes in the fare structure that could provide a disparate impact and/or disproportionate burden on Title VI populations. HRT's Title VI program includes an update of rapid population, data, statistics and mapping for Title VI populations, public involvement and service standards and policies.

### Public Comments on HRT's Title VI Program

HRT's revised Title VI Policy is available for review and public comment on our website - <http://goHRT.com/contact/title-vi-program>

All comments must be received no later than **March 24, 2020**.

Your feedback is very important and will allow us to continue to serve all of our transit populations. Comments can be submitted by email at [TitleVI@hrttransit.org](mailto:TitleVI@hrttransit.org) or by calling 757-222-6000 and asking to speak with the Title VI Coordinator, Jennifer Dove. Comments can also be mailed to Hampton Roads Transit, Attn: Title VI Coordinator, 3400 Victoria Blvd., Hampton, VA 23661.

Para más información en español, por favor llame 757-222-6000.



# PROGRAM UPDATES

- GENERAL PROGRAM UPDATES
- GENERAL REPORTING REQUIREMENTS
  - INCLUSION OF POP-UP MEETINGS AND INTERACTIVE WEB-BASED TOOLS AS MEANINGFUL PUBLIC ENGAGEMENT
- SERVICE STANDARDS AND POLICIES
  - ADDITION OF TRANSIT AMENITIES POLICY
  - DEFINITION, INCLUSION AND CLARIFICATION OF SERVICE TYPES
- SERVICE MONITORING

# SERVICE STANDARDS AND POLICY

- MAJOR SERVICE/FARE CHANGE POLICY
  - HRT CONSIDERS A PERCENTAGE CHANGE OF 25% HOURS OR MILEAGE FOR A ROUTE A “MAJOR SERVICE CHANGE.” ALL PROPOSED MAJOR SERVICE CHANGES REQUIRE A TITLE VI EQUITY ANALYSIS UNDER THE PROCEDURES ESTABLISHED BY THIS TITLE VI PROGRAM.

# SERVICE POLICIES

- VEHICLE ASSIGNMENT UPDATE TO INCLUDE SERVICE TYPES AND THOSE RELATED TO AGREEMENTS:

- MAX SERVICE
- SEASONAL SERVICE – VB WAVE



- PERCENT OF MINORITY AND LOW-INCOME RIDERS ON HIGHEST AND LOWEST PERFORMING ROUTES



	% Minority	% Non-Minority	% Low-Income	% Non-Low-Income
Average	83%	17%	64%	36%
Highest 10 Routes	84%	16%	63%	37%
Lowest 10 Routes	75%	25%	60%	40%

# SERVICE AVAILABILITY ANALYSIS

- PERCENTAGE OF MINORITY/NON-MINORITY SERVED BY TRANSIT WITHIN SERVICE AREA.
- PERCENTAGE OF LOW INCOME/NON-LOW INCOME POPULATION SERVED BY TRANSIT WITHIN HRT SERVICE AREA.

MINORITY TRANSIT AVAILABILITY		
POPULATION	Within 1/4 Mile	More Than 1/4 Mile
MINORITY	95.5%	4.5%
NON-MINORITY	90.5%	9.5%
SYSTEM	92.8%	7.2%

LOW INCOME TRANSIT AVAILABILITY		
POPULATION	Within 1/4 Mile	More Than 1/4 Mile
LOW INCOME	97.1%	2.9%
NON-LOW INCOME	91.7%	8.3%
SYSTEM	92.8%	7.2%

# SERVICE POLICIES/MONITORING

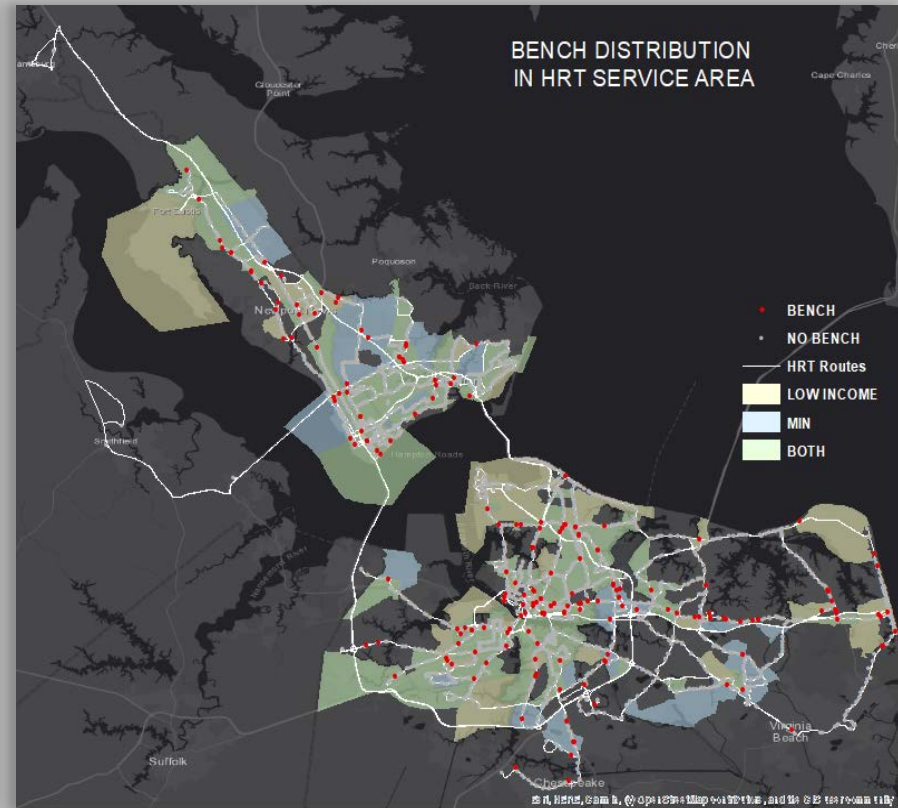
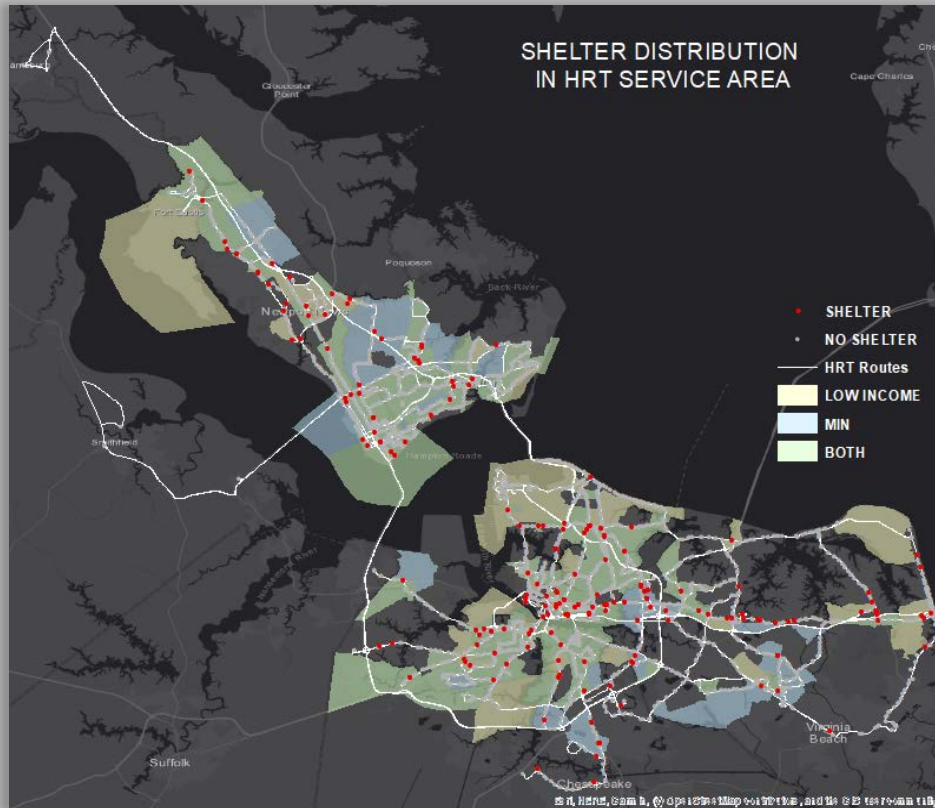
- INCLUSION OF TRANSIT AMENITIES POLICY

	% IN MINORITY TRACTS	% IN LOW-INCOME TRACTS	% IN MINORITY OR LOW INCOME	% IN NON-TITLE VI TRACTS	TOTAL STOPS W/AMENITY	TOTAL NUMBER OF STOPS	% OF STOPS W/AMENITY
BENCHES	62%	59%	73%	27%	194	2781	7%
SHELTERS	62%	59%	73%	27%	191	2781	7%



# SERVICE POLICIES/MONITORING

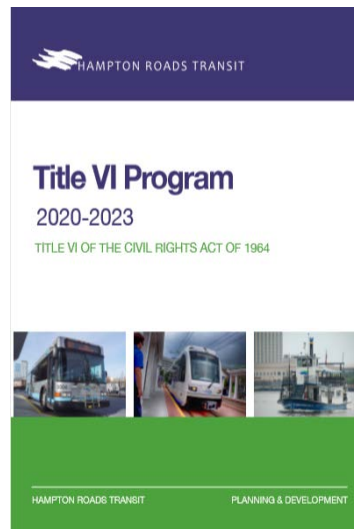
## SHELTER/BENCH DISTRIBUTION IN HRT SERVICE AREA





# TODAY'S BOARD ACTION

- RESOLUTION FOR ADOPTION BY THE BOARD OF THE 2020 TITLE VI PROGRAM



- STAFF ACTION: SUBMISSION OF TITLE VI PROGRAM AND BOARD RESOLUTION TO FTA

## CONTACT

Phone: 757-222-6000

**Northside Bus Operations, Maintenance  
and Administration Facility**

3400 Victoria Boulevard  
Hampton, VA 23661

**Southside Bus Operations, Maintenance  
and Administration Facility**

509 E. 18th Street  
Norfolk, VA 23504

## YOUR FEEDBACK IS IMPORTANT.

Comments can be submitted by:

**Email:** [TitleVI@hrtransit.org](mailto:TitleVI@hrtransit.org)

**Mail:** 3400 Victoria Blvd.,  
Hampton, VA 23661

**Phone:** 757-222-6000

Request to speak to the Title VI Coordinator,  
Jennifer Dove

A copy of the draft report can be reviewed on  
Hampton Roads Transit's website at:

<http://gohrt.com/contact/title-vi-program>



## NOTICE OF PROGRAM UPDATE

Hampton Roads Transit

# Title VI Policy

Under the Civil Rights  
Act of 1964



## Summary of updates and modifications of Hampton Roads Transit's Title VI Program

A summary/highlights of some of the program updates, changes, and modifications are included below. Additional information and detail on HRT's complete 2020 Title VI Program; including all updates and content is provided in the full Title VI Program Draft. Details and the draft of 2020 Title VI Program can be viewed on Hampton Roads Transit's website at <http://gohrt.com/contact/title-vi-program>



**Hampton Road's Transit is required to update its Title VI Policy by March 31, 2020.**

### Title VI Program – General

- Update of related population data, statistics, and mapping for minority, low-income, and LEP populations.
- Update of program material, notices, and related information.

### Chapter 3: Service Standards and Policies

Update of evaluation criteria for Metro Area Express (MAX) service

## What is Title VI of the Civil Rights Act of 1964?

Title VI of the Civil Rights Act of 1964 states that, "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

The Federal Transit Administration (FTA) issued guidance (effective October 1, 2012) that helps recipients of FTA funding better understand and comply with federal civil rights requirements and to; ensure that the level and quality of public transportation service is provided in a nondiscriminatory manner; promote full and fair participation in public transportation decision-making without regard to race, color, or national origin; to ensure meaningful access to transit-related programs and activities by persons with limited English proficiency.

## Hampton Roads Transit's Title VI Policy

Hampton Roads Transit's Title VI Program and Policy includes policy, reports, data, procedures, and plans that ensure that HRT is in compliance with the requirements in Title VI of the Civil Rights Act of 1964. HRT's existing Title VI Program also evaluates potential impacts of proposed service and fare changes on minority and low-income riders and provides the provision of language access to persons with limited English proficiency. HRT completes Title VI assessments when proposing major service change or when proposing changes in the fare structure that could provide a disparate impact and/or disproportionate burden on Title VI populations.





HAMPTON ROADS TRANSIT

# Title VI Program

2020-2023

TITLE VI OF THE CIVIL RIGHTS ACT OF 1964



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HAMPTON ROADS TRANSIT

PLANNING & DEVELOPMENT

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## CHAPTER 1: INTRODUCTION

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### TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

The Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin. Section 601 of Title VI of the Civil Rights Act of 1964 states that "No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance."

To achieve this purpose, each Federal department and agency which provides financial assistance for any program or activity is authorized and directed by U.S. Department of Justice (DOJ) to effectuate provisions of Title VI for each program or activity by issuing generally applicable rules, regulations, or requirements.

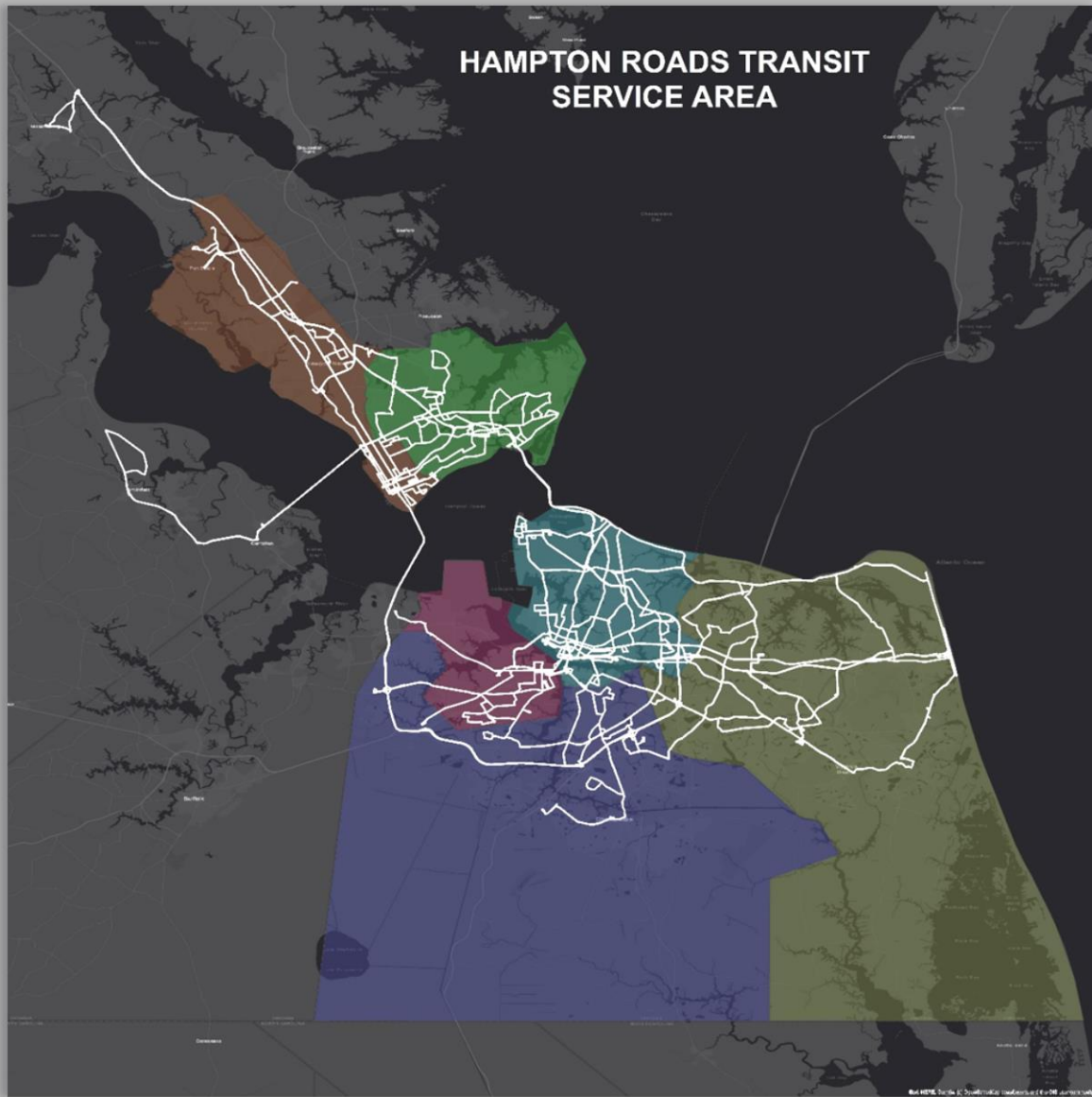
In this regard, it is the responsibility of applicants, recipients, and sub-recipients of Federal Transit Administration (FTA) assistance, to distribute transit services and related benefits in a manner consistent with Title VI. Title VI of the Civil Rights Act of 1964 requires recipients of federal assistance to monitor and evaluate federally assisted programs for compliance. The FTA is responsible for ensuring compliance of transit agencies receiving federal assistance. FTA Circular 4702.1B describes the monitoring methodology used by recipients. Transit providers must conduct periodic assessments to determine whether the transit service provided to minority communities and minority users is consistent with the objectives cited in this circular. Hampton Roads Transit receives federal assistance for the provision of public transit services and therefore complies with the Civil Rights Act of 1964 and the provision of Title VI.

### HAMPTON ROADS TRANSIT

The Transportation District Commission of Hampton Roads (Hampton Roads Transit or HRT) was established in 1999 to provide local and sub-regional fixed-route bus services for the Hampton Roads region. The primary communities served by HRT are Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, and Virginia Beach. The service area provides HRT with over 13.3 million passenger trips from a diverse community of 1.34 million, of which 44.7% are designated as minorities (2018 American Community Survey (ACS)) and 19.3% are designated as low-income (150% of the federal poverty line with respect to household size as determined by the US Department of Health and Human Services) (2018 ACS).



FIGURE 1: HAMPTON ROADS TRANSIT SYSTEM MAP (AUGUST 2016)



## **FACILITIES**

Hampton Roads Transit operates from the following facilities located throughout its service area.

**TABLE 1: HRT TRANSIT FACILITIES**

<b>FACILITY</b>	<b>ADDRESS</b>
HRT Northside Bus Operations, Maintenance and Administration Facility	2400 Victoria Boulevard Hampton, VA 23661
HRT Southside Bus Operations, Maintenance and Administration Facility	509 E. 18 <sup>th</sup> Street Norfolk, VA 23504
Norfolk Tide Facility (light rail maintenance and operations)	1850 Brambleton Avenue Norfolk, VA 23504
Rail Operations (warehouse)	3404 Mangrove Avenue Norfolk, VA 23502
Downtown Norfolk Transit Center	434 St. Paul's Blvd Norfolk, VA 23510
Hampton Transit Center	2 West Pembroke Avenue Hampton, VA 23669
Newport News Transit Center	150 35 <sup>th</sup> Street Newport News, VA 23607
Silverleaf Transit Center	4300 Commuter Drive Virginia Beach, VA 23452
Wards Corner Transfer Center	7725 Granby Street Norfolk VA 23505
HRT Virginia Beach Operations Facility (seasonal trolley base)	1400 Parks Avenue Virginia Beach, VA 23451

## **SERVICES PROVIDED**

Hampton Roads Transit operates fixed-route local and express bus service, fixed guideway ferry and light rail service, paratransit bus service, and TRAFFIX (vanpool) service. All buses, ferries, and light rail vehicles are ADA accessible.

### **Local Fixed-Route Bus Service**

Approximately seventy local bus routes connect customers to work, school, retail, recreational opportunities, and other destinations. Fixed-route service is provided with 29-, 35-, and 40-foot buses. While service frequency, hours, and days vary by route, the bus system operates seven (7) days a week from 4:00 a.m. to 2:00 a.m. Fixed-route buses can accommodate up to two bicycles.

**MAX Express Bus Service**

The MAX is a regional express bus service traveling mostly along interstates and connecting some of the region's largest employers, including Naval Station Norfolk and Huntington Ingalls Shipyard in Newport News. MAX routes have limited stops for faster connections. MAX service operates on coach buses. Some MAX routes operate throughout the day; others are designed for commuter service, only operating during peak periods.

**Virginia Beach Wave Seasonal Bus Service**

The VB Wave is a seasonal fixed-route that serves residents and tourists of the Virginia Beach resort area. The VB Wave operates from May to October from 8:00 a.m. to 2:00 a.m. The VB Wave service operates with trolley vehicles.

**Peninsula Commuter Service**

The Peninsula Commuter Service provides five (5) fixed-route, limited stop, bus routes that connect major employment destinations, such as Canon and Huntington Ingalls Shipyard. These routes offer commuter service with only one or two trips per day, designed to coincide with shift changes at major employers.

**The Tide Light Rail**

The Tide extends 7.4 miles from Fort Norfolk and the Eastern Virginia Medical Center, through downtown Norfolk, east to Newtown Road at the border of Norfolk and Virginia Beach. There are 11 stations with single car platforms that are ADA accessible. In addition to four park-and-ride locations that offer free parking, customers connect to light rail by walking, biking, or riding one of 18 routes that offer direct connections to six stations. The Tide operates seven days a week: operating from 6:00 a.m. to 11:00 p.m. on Monday through Thursday, 6:00 a.m. to 12:00 a.m. on Friday and Saturday, and 10:55 a.m. to 9:00 p.m. on Sunday.

**Elizabeth River Ferry**

HRT operates three paddleboat ferries on the Elizabeth River that provide daily connections between downtown Norfolk and downtown Portsmouth. Ferry service is provided to Harbor Park baseball stadium between April and September. The ferry operates seven (7) days a week, provides peak and off-peak service, and offers a winter and summer schedule. In the winter, the ferry operates from 5:30 a.m. to 9:45 p.m. Monday through Thursday; 5:30 a.m. – 11:00 p.m. on Friday; 10:00 a.m. to 12:00 a.m. on Saturdays; and 10:00 a.m. to 10:00 p.m. on Sundays. Service hours during the summer schedule are extended to 11:45 p.m. Monday through Thursday and on Sunday.

**TRAFFIX**

TRAFFIX is a Transportation Demand Management program that is designed to decrease traffic congestion in Southeastern Virginia by offering commuters ways to reduce the number of Single Occupancy Vehicles (SOV's) commuting to work. The TRAFFIX program encourages the usage of HOV lanes through ridesharing (ex. vanpool) and by encouraging the usage of alternatives to driving such as public transportation, teleworking, biking, or walking to work.

**Paratransit**

HRT provides demand-response paratransit service for persons with disabilities. Paratransit service is offered to those eligible for service within  $\frac{3}{4}$  of a mile of any route during HRT's hours of operation.

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## CHAPTER 2: GENERAL REPORTING REQUIREMENTS

### TITLE VI NOTICE TO THE PUBLIC

The following notice is posted in all HRT administrative reception areas and transfer centers and is stated on the HRT website.

FIGURE 2: HRT TITLE VI NOTICE OF PUBLIC RIGHTS

## Notifying the Public of Rights under Title VI


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Hampton Roads Transit (HRT) operates its programs and services without regard to race, color, and national origin in accordance with Title VI of the Civil Rights Act of 1964. Any person who believes he or she has been subjected to discrimination prohibited under Title VI may file a complaint with HRT.

For more information on HRT's civil rights program and the procedures to file a complaint, call 757.222.6000; online at [www.gohrt.com](http://www.gohrt.com) and click "Contact"; or visit our administrative offices at 509 E. 18th Street, Building #4, Norfolk, VA 23504 or 3400 Victoria Boulevard, Hampton, VA 23661.

A complainant may file a complaint directly with the Federal Transit Administration by filing a complaint with the Office of Civil Rights, **Attn: Complaint Team, East Building, 5th Floor – TCR, 1200 New Jersey Ave. SE, Washington, DC 20590.**

If information is needed in another language, contact 757-222-6000.  
Para más información en español, por favor llame 757-222-6000.

  
HAMPTON ROADS  
TRANSIT  
[gohrt.com](http://gohrt.com)

The following text is printed on all route and system maps. Route maps are provided on all transit vehicles. System maps and route maps are provided at all administration buildings and transfer centers. Additionally, these maps are placed in over 90 locations throughout our service district.

***Title VI of the Civil Rights Act of 1964***

Prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving Federal financial assistance. Hampton Roads Transit is committed to a program of non-discrimination in the conduct of its business and in the delivery of equitable and accessible transportation services. For more information on HRT's policy on Title VI of the Civil Rights Act of 1964, visit our web site <http://gohrt.com> and click on "Contact".

If information is needed in another language, contact 757-222-6000. Para más información en español, por favor llame 757-222-6000.

## HRT TITLE VI COMPLAINT PROCEDURES AND FORM

The complaint form shown in Figure 3 is available for download on the HRT website. It is also available upon request through Customer Service, by e-mail, and in print through direct mail.

### TITLE VI COMPLAINT PROCESS

1. Purpose

These procedures cover all complaints under Title VI of the Civil Rights Act of 1964, Executive Order 12898, “Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations” (1994), and Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency” (2000), for alleged discrimination in any program or activity administered by Hampton Roads Transit.

2. Statement of Policy

No person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any Hampton Roads Transit program or activity, as provided by Title VI of the Civil Rights act of 1964, and as amended.

3. How to File a Complaint

a. Any person who believes he or she has been discriminated against on the basis of race, color, or national origin by Hampton Roads Transit (hereinafter referred to as “HRT”) may file a Title VI complaint by completing and submitting the agency’s Title VI Complaint Form.

i. All complaints must be in written form.

ii. A complaint submitted by mail must be addressed as follows:

Hampton Roads Transit  
Attention: Title VI Coordinator  
3400 Victoria Boulevard  
Hampton, VA 23661

iii. A complaint can be submitted through the HRT website at <http://gohrt.com/contact/title-vi-program/title-vi-complaint-form/>

iv. A complaint submitted on HRT’s Title VI Complaint Form can be emailed to [TitleVI@hrtransit.org](mailto:TitleVI@hrtransit.org); Subject: Title VI Complaint

b. A copy of the Agency’s Title VI Complaint Form may be obtained as follows:

i. Website at <http://gohrt.com/contact/title-vi-program/>

ii. Phone: Call (757) 222-6000 and ask to speak with Customer Service who will email or mail a copy of the Form.

c. Complaints must be received within 180 days from the date of the alleged incident and must be complete and provide the requested information.

d. A Title VI complaint may also be filed directly with the Federal Transit Administration. The Complaint Form may be found at <https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/fta-civil-rights-complaint-form>. The complaint form must be signed and mailed to:

Federal Transit Administration  
Office of Civil Rights  
Attention: Complaint Team  
East Building, 5<sup>th</sup> Floor – TCR  
1200 New Jersey Avenue SE  
Washington, DC 20590

#### 4. How HRT will Respond to Complaints


The following is a summary of the procedures that HRT uses for investigation and resolution of Title VI customer complaints.

- a. Once a Title VI complaint is received, HRT will review the complaint to determine if our office has jurisdiction. The complainant will receive an acknowledgment letter informing her/him whether the complaint will be investigated by our office or a letter closing the matter.
- b. HRT has 90 days to investigate the complaint from the date that it was received by HRT. If more information is needed to resolve the case, HRT may contact the complainant for a meeting, interview or additional information. The complainant has 30 calendar days from the date of the letter to send requested information to the investigator assigned to the case. If the investigator is not contacted by the complainant or does not receive the additional information within 30 calendar days, HRT can administratively close the case. A case can be administratively closed also if the complainant no longer wishes to pursue their case.
- c. After the investigator reviews the complaint, he/she will issue one of two letters to the complainant: a closure letter or a letter of finding (LOF). A closure letter summarizes the allegations and states that there was not a Title VI violation and that the case will be closed. An LOF summarizes the allegations and the interviews regarding the alleged incident and explains how the situation will be addressed. If the complainant wishes to appeal the decision, he/she has 90 days after the date of the letter or the LOF to do so.



FIGURE 3: TITLE VI COMPLAINT FORM

## Title VI Program Complaint Form



HAMPTON ROADS  
TRANSIT

Title VI of the Civil Rights Act of 1964 states "No person in the United States shall, on the grounds of race, color, or national origin, be excluded from, participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal assistance.

---

1. Today's Date: \_\_\_\_\_
2. Complainant's Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
Telephone No(s): (\_\_\_\_) \_\_\_\_\_ / (\_\_\_\_) \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_
3. Person discriminated against (if someone other than Complainant):  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
Telephone No(s): (\_\_\_\_) \_\_\_\_\_ / (\_\_\_\_) \_\_\_\_\_
4. What was the discrimination complaint based on? (check all that apply):  
 Race       Color       National Origin
5. Date of alleged incident resulting in discrimination: \_\_\_\_\_
6. Describe the alleged discrimination. Explain what happened and who was responsible? If more space is needed, attach any written materials or other information that you believe supports your complaint on an additional sheet of paper.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
7. Where did the incident take place? Provide location, bus number, HRT employee name, etc.  
\_\_\_\_\_  
\_\_\_\_\_



## TITLE VI COMPLAINT FORM

8. Witness(es) (if applicable). Please provide their contact information.

Witness Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone No.(s): \_\_\_\_\_

Witness Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone No.(s): (\_\_\_\_) \_\_\_\_\_ / (\_\_\_\_) \_\_\_\_\_

9. Did you file this complaint with any other federal, state, or local agency or with a Federal or State court (check the appropriate space)?

Yes  No

If yes, check all that apply:

Federal agency  Federal court  State agency  State court  Local agency

10. Please provide contact information the agency/court where the complaint was filed.

Agency: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Telephone No: \_\_\_\_\_

11. If you need any special accommodations for communication regarding this complaint, please specify which alternative format you require.

Large Print (specify size): \_\_\_\_\_  TDD  Audio  Other: \_\_\_\_\_

Signature and date required below.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print or Type Name \_\_\_\_\_

If you feel that you have been discriminated against, a formal complaint may be filed with HRT'S Title VI Compliance Officer within 180 days after the date of the alleged discrimination. These procedures do not deny you the right to file formal complaints with other state or federal agencies. Once completed, please mail or deliver the completed and signed form to:

Hampton Roads Transit  
Attention: Title VI Compliance Officer  
3400 Victoria Boulevard  
Hampton, VA 23661  
757-222-6000

## TITLE VI INVESTIGATIONS, COMPLAINTS AND LAWSUITS

Since the submission of its 2017 Title VI Program, Hampton Roads Transit has had no lawsuits or any active Title VI investigations conducted by FTA or entities other than FTA. During this period (April 2017 – December

2019), HRT has received 1 formal complaint alleging Title VI violations. Of the 1 reported complaint alleging Title VI violations, none were substantiated. The following list summarizes the complaint.

**TABLE 2: LIST OF SUBMITTED TITLE VI FORMAL COMPLAINTS**

Comment Number	Created On	Complaint Description Summary	Summary of Review, Resolution, Action Taken	Status
2019-01	6/7/2019	Complaint of discrimination against a bus operator by passenger who self-identified as an African American Muslim. Passenger stated that he and the Operator exchanged words regarding the bus departure time; the passenger stated that the Operator responded to him in a sarcastic tone and did not provide a clear answer. The driver got up from his seat, walked off the bus over to the terminal, and returned with a security officer who came on the bus. The Officer stated that the passenger was being removed because the driver told the officer that he (operator) did not feel safe with the passenger on the bus. The passenger stated he did not do anything to warrant being removed from bus. The passenger stated that he had his full Muslim garb on in preparation to go to an Islamic service. The passenger stated that he believed that the bus driver must be a racist or did not like Muslims.	Based on the review process, HRT has determined there is no evidence to demonstrate that there is no evidence to demonstrate that HRT staff acted in a discriminatory manner. The complainant was interviewed by the Title VI Compliance Officer and all related information was documented regarding the outcome of no finding.	Closed

## PUBLIC PARTICIPATION PLAN

The public, as the primary customer and beneficiary of transit service, is provided the opportunity for input and review through the public engagement process. Actions such as the establishment of new service, fare adjustments, major modifications of existing service, and/or suspension or abandonment of any bus routes may include a formal process of review by HRT; including, meaningful public engagement conducted by HRT staff. Under 49 USC Chapter 53, Section 5307, the Federal Transit Administration (FTA) requires “a locally developed process to consider public comment before raising a fare or carrying out a major reduction in transportation service.” HRT uses a broad range of outreach tools documented in the Public Participation Plan (Appendix A) to serve this requirement.

Meaningful public engagement may include public meetings, public hearings, pop-up meetings, interactive web-based tools, distribution of written materials at major transfer points, posting of informational flyers, and the posting of information on the HRT website. Notices (signs, pamphlets, brochures) describing proposed action(s), date(s) and location(s) of any hearings or meetings may be posted on buses and at transfer centers. Notices may be published in major local and/or relevant neighborhood newspapers and on the HRT website. HRT also uses social media (ex. Facebook posts, Twitter) and HRT website comment forms to provide access through the internet. Open public meetings and formal public hearings are used to gain public review and comment. Community organizations, public agencies and elected officials may be notified by mail (direct and/or electronic) of significant service changes. All public comments submitted to HRT through any of these outreach tools become part of the official record.

Hampton Roads Transit communicates with many organizations throughout the region and often attends meetings and events sponsored by these groups. These groups consist of cultural organizations, senior organizations, city partners, schools, business associations and other organizations invested in HRT’s service area. In this arena, we are able to create relevant conversations and dialogue between Hampton Roads Transit and the specific community regarding transit needs.

If a special accommodation is desired at any public meeting held by HRT, the public can call HRT Customer Service a minimum of two (2) business days prior to the meeting to arrange the proper accommodations. HRT will provide Spanish translation and offers interpreters for other languages, including sign language, upon

request and following the same time period of special accommodation requests (a minimum of two (2) business days). Hampton Roads Transit selects meeting and hearing locations to provide reasonable accommodations in accordance with the Americans with Disabilities Act of 1990. Hampton Roads Transit public meetings are wheelchair accessible.

Besides actions defined as a fare change or a major reduction in service, Hampton Roads Transit has established that changes in service will be the subject of public hearings, meetings, or other reasonable use of meaningful public outreach or engagement methods as appropriate to the nature of the proposed change. Public input is solicited while proposals are under consideration. Customers and the public are notified prior to the implementation of changes in service.

## LIMITED ENGLISH PROFICIENCY (LEP)

HRT's Limited English Proficiency (LEP) Plan, or LEPP, for this Title VI Program is attached in Appendix B: The LEPP documents the four-factor analysis completed to identify appropriate language assistance measures needed to improve access to HRT services and benefits for LEP persons. Under the analysis, it was determined that approximately 3% of the population in HRT's service area has limited proficiency in the English language. The most predominate language spoken other than English is Spanish. The LEPP documents current measures used by HRT to assist LEP populations including:

- HRT's current Customer Service Call Center Translation Services that provide translation services on a per-call basis.

HRT's Customer Service department reported that it received 10 calls from LEP speakers requiring translation services in 2017, 12 calls in 2018, and 35 calls in 2019. HRT will ensure that a Spanish language translator is available at public hearings upon a request for services. Within the 2017-2020 Title VI review period, HRT has not needed to utilize these services for a public hearing. HRT has received no request for any other translation services during the 2017-2020 review period for public meetings.

As part of the four-factor analysis, the factor 1 analysis showed that 3.08 percent of the population in HRT's service area can be classified as limited English proficiency, reporting that they speak English less than very well. The factor 2 analysis showed that the frequency of contact with HRT's customer service center was limited. However, with those contacts HRT ensures that all persons, regardless of language proficiency, have access to information on public transportation services and programs. This level of service is an important element of the agency's customer service and operating program. HRT currently offers translation services to those who call into their customer service line through contracted translation services. HRT utilizes Google Translate for translation on its website.

HRT paratransit service is operated by Via Transportation ("Via"). If their call center receives a call from a non-English speaking customer, they have bi-lingual personnel who will either speak with the person directly at that time or the person will be called back. If the Via assigned staff is not available, Via Transportation can contact their Call Center in Parcelona, Spain for assistance, where they have 24 hours/day coverage. For customers seeking Spanish translation, Via agents will forward the call to (757) 222-6100 (Press 2) to ensure that the customer receives bilingual support.

## MEMBERSHIP OF NON-ELECTED COMMITTEES AND COUNCILS

The Transportation District Commission of Hampton Roads, HRT's governing body referred to as the Commission or the Board, consists of 13 members, one elected official and one citizen representative from each city served by Hampton Roads Transit, and the chairman of the Commonwealth Transportation Board (CTB) or a designee. Citizen representatives are appointed by the Governor.

The Chairman designates Commission members to sit on the following Standing Committees: Audit/Budget Review Committee, Operations and Oversight Committee, and the Planning and New Starts Development Committee.

The Board appoints non-Board members to the following advisory committees: Transit Riders Advisory Committee (TRAC), and Paratransit Advisory Committee (PAC).

The full list of Board members and Committee members is provided in Appendix C which also indicates the minority representation on the Board and the Committees.

### **STANDING COMMITTEES**

#### **Audit/Budget Review Committee**

The Audit/Budget Review Committee reviews financial statements and performance reports concerning actual expenses and revenues relative to the annual budget on a quarterly basis. It refers those reports to the full Commission.

#### **Management/Financial Advisory Committee**

The Management/Financial Advisory Committee (MFAC) serves as liaison between HRT staff and the City Managers of the component governments. The MFAC serves as an advisory body to make general or specific recommendations to the Commission.

#### **Operations and Oversight Committee**

The Operations & Oversight Committee works with the President and CEO to consider proposals from HRT staff on the acquisition of goods and services. It also receives staff reports on system performance. The committee meets the second Thursday of each month, with the exceptions of November and December when it meets the first Thursday of the month.

#### **Planning and New Starts Development Committee**

The Planning and New Starts Development Committee works with the President and CEO to provide policy and direction for HRT's major initiatives. The committee meets on an ad-hoc basis.

### **ADVISORY COMMITTEES**

#### **Transit Riders Advisory Committee**

The Transit Riders Advisory Committee (TRAC) is a subcommittee under the Transportation District Commission of Hampton Roads (TDCHR) Executive Committee and is operated by citizens on a voluntary basis. The purpose of TRAC is to:

- Provide HRT administration with feedback and recommendations for improving operational or service issues affecting HRT customers
- Provide input into HRT's customer outreach activities
- Provide HRT customers and the community at-large with information about HRT services and soliciting input concerning service improvements

Members should include (but are not limited to) HRT customers and persons who currently utilize or have the desire to utilize public transportation. Members are appointed by the TDCHR Executive Committee Chairperson upon recommendation by HRT staff and/or the Commissioner(s) of the represented city.

The TRAC reports to the TDCHR Executive Committee at each regularly scheduled meeting. A written report is prepared by the Recording Secretary and reviewed by the committee Chairperson and/or Vice-Chairperson and HRT staff to be submitted to the TDCHR Executive Committee Chairperson prior to presentation to the full TDCHR Commission meeting. HRT staff provides assistance as required to ensure that the report is prepared and placed on the TDCHR Executive Committee and TDCHR agendas. The TRAC was established by the TDCHR in July 2009.

#### **Paratransit Advisory Committee**

The Paratransit Advisory Committee (PAC) is a subcommittee that is operated by citizens on a voluntary basis. The committee provides a communication link between the TDCHR, persons with disabilities who use or may use its services, and service providers to the disabled community on matters related to paratransit service within HRT's service area.

Membership shall consist of no more than twenty-one voting members and the non-voting members. Furthermore, membership shall generally consist of:

- Two consumers from each member jurisdiction
- One service provider representative from each member jurisdiction.

Every effort will be made to have equal representation from each jurisdiction and balanced representation of the various disabilities present in the member jurisdictions. If the above-referenced number of consumers and/or service providers is not available from a jurisdiction, the Commission may, and shall be encouraged to, appoint a representative from another jurisdiction.

The PAC reports to the TDCHR Executive Committee at each regular meeting. A written report is prepared by the Recording Secretary and reviewed by the committee Chairperson and/or Vice-Chairperson and HRT staff to be submitted to the TDCHR Executive Committee Chairperson prior to presentation to the full TDCHR Commission meeting. HRT staff provides assistance as required to ensure that the report is prepared and placed on the TDCHR Executive Committee and TDCHR agendas. The PAC was established by the TDCHR in 2002.

## **MONITORING OF SUBRECIPIENTS AND CONTRACTORS**

As of Commission Adoption of this Title VI Program, there is no sub-recipient of federal funds through Hampton Roads Transit.

With the adoption of this Title VI Program, HRT requires all subrecipients to be fully compliant with FTA Circular 4702.1B, *Title VI Requirements and Guidelines for Federal Transit Administration Recipients*. HRT will monitor compliance through the submittal of Title VI Assurance Forms and Title VI Programs as follows:

- All subrecipients must submit their Title VI Assurance Form and Board-approved (if applicable) Title VI Program to HRT prior to the receipt of any federal funds.
- Subrecipients must submit updated Title VI program including any public transportation-related Title VI investigations, complaints, or lawsuits:
  - Prior to first receipt of federal funds for each grant cycle, and
  - Prior to final receipt of federal funds for final grant cycle.
- Lack of compliance with the Title VI program or the submittal schedule will delay or halt disbursement of federal funds.
- HRT and Subrecipients will follow compliance reviews as set forth under FTA C 4702.1B, Chapter 8.

Currently, Hampton Roads Transit contracts out portions of their service to two companies:

- Norfolk By Boat operates the Elizabeth River Ferry, a ferry services that connects downtown Norfolk and Portsmouth across the Elizabeth River.
- Via Transportation operates HRT's federally mandated complementary paratransit service. Paratransit service is available to qualified disabled residents in the HRT service area.

As part of its efforts to ensure that Norfolk By Boat and Via Transportation comply with the requirements of Title VI, Hampton Roads Transit will hold periodic meetings with representatives of the above companies to discuss any Title VI issues that arise. Hampton Roads Transit staff has briefed them on their Title VI obligations and provided them with copies of the most recent Title VI Circular. The two companies have agreed to abide by the Title VI requirements.

## FIXED FACILITY IMPACT ANALYSIS

HRT may not select the site or location of facilities with the purpose or effect of excluding persons from, denying the benefits of, or subjecting them to discrimination on the basis of race, color, national origin, or income level. The location of projects requiring land acquisition and the displacement of persons from their residences and business may not be determined on the basis of race, color, national origin, or income-level.

Facilities included in this provision include, but are not limited to, storage facilities, maintenance facilities, and operations centers. Bus shelters are not included in this provision as they are considered transit amenities and are covered by regulations discussed in Section 3.5 of this Title VI Program. Transit stations, power substations, and similar facilities are not included in this provision as they are evaluated during project development and the NEPA process.

For facilities covered by this provision, HRT is required to:

- Complete a Title VI equity analysis during the planning stage with regard to where a project is located to ensure the location is selected without regard to race, color, national origin, or income and engage in outreach to persons potentially impacted by siting of facilities. The Title VI equity analysis must compare the equity impacts of various siting alternatives, and the analysis must occur before the selection of the preferred site.

- Give attention to other facilities with similar impacts in the area to determine if any cumulative adverse impacts might result. Analysis should be done at the Census tract or block group level where appropriate to ensure proper analysis of localized impacts.
- Provide substantial legitimate justification for locating a project in a location that will result in a disparate impact on the basis of race, color, or national origin or disproportionate impact on the basis of income, and show that there are no alternative locations that would have a less disparate impact on the basis of race, color, or national origin or disproportionate impact on the basis of income. In order to show that both tests have been met, HRT must consider and analyze reasonable, feasible, and prudent alternatives to determine whether those alternatives would have less of a disparate impact on the basis of race, color, or national origin or disproportionate impact on the basis of income, and then implement the least discriminatory alternative.
- Under HRT's Title VI program, all Title VI equity analyses for proposed service and fare changes and siting of fixed facilities will be considered by the Board prior to implementation. Evidence of consideration and approval will be documented through the meeting minutes of the Commission or through Resolution and will be attached to each final Title VI equity analysis report.

## COMMISSION APPROVAL OF THE TITLE VI PROGRAM

This Title VI Program, which includes the disparate impact policy, major service change policy, service and fare change equity analysis procedures, and service monitoring, was considered and approved by HRT's governing board on March 27, 2020 as evidenced by the passing of Resolution 01 – 2017 – Title VI Program (Appendix D).

Under HRT's Title VI program, all Title VI equity analyses for proposed service and fare changes and siting of fixed facilities will be considered and approved by the Board prior to implementation. Evidence of consideration and approval will be documented through the meeting minutes of the Commission or through Resolution and will be attached to each final Title VI equity analysis report.



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## CHAPTER 3: SERVICE STANDARDS AND POLICIES

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### MAJOR SERVICE/FARE CHANGE POLICY

Recommendations for service changes are developed by HRT staff to maintain efficient service. The HRT key performance measure for proposed service changes is based on passengers per trip. When a route ridership falls at or below an average of 10 passengers per trip, it is considered an “under performer” and is subject to a detailed review to improve its performance and may be recommended for elimination. In accordance with industry-standard practice, HRT will consider a percentage change of 25% hours or mileage for a route a “Major Service Change.” All proposed Major Service Changes require a Title VI Equity Analysis under the procedures established by this Title VI program. The performance of the referenced analysis would include a 25% percentage change by service and/or day type.

HRT will consider a percentage change of 50% of route miles or hours for Express Service (ex. MAX) a “Major Service Change,” irrespective of day type.

As stated in the Equity Analysis Procedures, if a disparate equity impact is determined and HRT chooses not to alter the proposed service or fare change despite the potential disparate impact on minority populations or disproportionate impact on low-income populations, or if HRT finds, even after the revisions, that minority or low-income riders will continue to bear a disproportionate share of the proposed service change, HRT may implement the service change if; HRT has a substantial legitimate justification for the proposed service change, and HRT can show that there are no reasonable alternatives that would have a less disparate impact on minority or low income riders but would still accomplish the transit provider’s legitimate program goals.

Under the HRT Fare Policy at the time of adoption of this Title VI Program, HRT has a farebox recovery ratio target between 22 and 25%. HRT staff annually reviews and reports the farebox recovery ratio compared to the target. Based on the analysis, HRT may recommend fare adjustments as part of a range of solutions to maintain a sustainable long-term Financial Plan for the agency. All proposed Fare Changes require a Title VI Equity Analysis under the procedures established by this Title VI program.

### DISPARATE AND DISPROPORTIONATE IMPACT

For any proposed change that requires an equity analysis as defined in Section 3.1, HRT will determine if the change would create a disparate or disproportionate impact minority and/or low-income populations, respectively.

Determination of whether a proposed Major Service Change has either disparate or disproportionate impact is based on whether the percentage of minority and/or low-income passengers on an affected transit route (bus or fixed-guideway) is greater than five (5) percentage points of the transit system’s percentage of minority and/or low-income riders.

Determination of whether a proposed fare adjustment has either disparate or disproportionate impacts is based on minority and/or low-income populations bearing a fare rate change of greater than five (5) percentage points as compared to non-minority and/or non-low-income populations.

## **PUBLIC OUTREACH**

In developing the updated HRT Title VI Program HRT engaged in public outreach activities to request public review and comment from February 17, 2020 to March 24, 2020. No public comment was received by mail, e-mail, through HRT's website, or by phone.

An 8-1/2 by 11 notice (shown on the following page) was posted in all major Customer Service Areas including:

- HRT Northside Bus Operations, Maintenance and Administration Facility
- HRT Southside Bus Operations, Maintenance and Administration Facility
- Silverleaf Transit Center
- Hampton Transit Center
- Newport News Transit Center

A tri-fold pamphlet was created with a summary of information on the changes to the HRT Title VI Policy. The pamphlet directly and clearly asked for public comment on the policy. The draft Title VI policy was posted on gohrt.com under the Title VI section of the website. Staff distributed pamphlets to customers at the following locations:

- Newport News Transit Center
- Downtown Norfolk Transfer Center
- Hampton Transit Center
- Silverleaf Transit Center
- Robert Hall Transfer Center
- Pembroke Transfer Center

FIGURE 4: HRT TITLE VI POLICY UPDATE NOTICE FOR PUBLIC COMMENT

# Notice of Update HRT's Title VI Policy Under the Civil Rights Act of 1964

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## What is Title VI of the Civil Rights Act of 1964?

Title VI of the Civil Rights Act of 1964 states that, "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

The Federal Transit Administration (FTA) issued guidance that helps recipients of FTA grant funding better understand and comply with federal civil rights requirements and to; ensure that the level and quality of public transportation service is provided in a nondiscriminatory manner; promote full and fair participation in public transportation decision-making without regard to race, color, or national origin; to ensure meaningful access to transit-related programs and activities by persons with limited English proficiency. HRT is required to update its Title VI Policy by March 31, 2020.

## HRT's Title VI Policy

Hampton Roads Transit's Title VI Program and Policy includes policy, reports, data, procedures, and plans that ensure that HRT is in compliance with the requirements in Title VI of the Civil Rights Act of 1964. HRT's existing Title VI Program also evaluates potential impacts of proposed service and fare changes on minority and low-income riders and provides the provision of language access to persons with limited English proficiency. HRT completes Title VI assessments when proposing a major service change or when proposing changes in the fare structure that could provide a disparate impact and/or disproportionate burden on Title VI populations. HRT's Title VI Program includes an update of related population, data, statistics and mapping for Title VI populations, public involvement and service standards and policies.


## Public Comments on HRT's Title VI Program

HRT's revised Title VI Policy is available for review and public comment on our website - <http://gohrt.com/contact/title-vi-program/>

All comments must be received no later than March 24, 2020.

Your feedback is very important and will allow us to continue to serve all of our transit populations. Comments can be submitted by email at [TitleVI@hrttransit.org](mailto:TitleVI@hrttransit.org) or by calling 757-222-8000 and asking to speak with the Title VI Coordinator, Jennifer Dove. Comments can also be mailed to Hampton Roads Transit, Attn: Title VI Coordinator, 3400 Victoria Blvd., Hampton, VA 23661.

Para más información en español, por favor llame 757-222-8000.




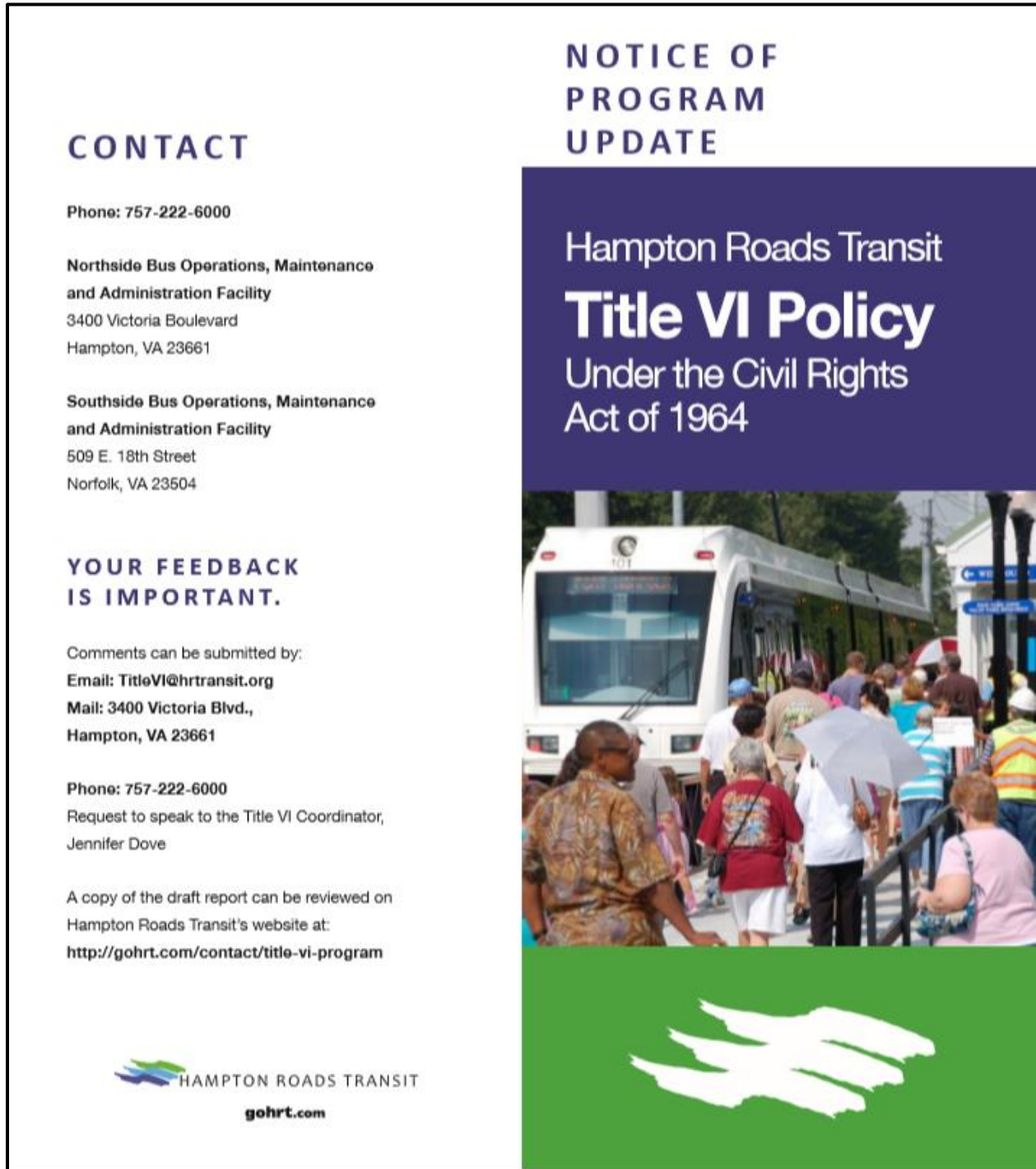
  
HAMPTON ROADS  
TRANSIT  
gohrt.com

FIGURE 5: HRT TITLE VI POLICY UPDATE NOTICE FOR PUBLIC COMMENT – PAMPHLET

[Pamphlet Exterior](#)



**CONTACT**

Phone: 757-222-6000

**Northside Bus Operations, Maintenance and Administration Facility**  
3400 Victoria Boulevard  
Hampton, VA 23661


**Southside Bus Operations, Maintenance and Administration Facility**  
509 E. 18th Street  
Norfolk, VA 23504

**YOUR FEEDBACK IS IMPORTANT.**

Comments can be submitted by:  
**Email:** [TitleVI@hrtransit.org](mailto:TitleVI@hrtransit.org)  
**Mail:** 3400 Victoria Blvd.,  
Hampton, VA 23661



**Phone:** 757-222-6000  
Request to speak to the Title VI Coordinator,  
Jennifer Dove

A copy of the draft report can be reviewed on  
Hampton Roads Transit's website at:  
<http://gohrt.com/contact/title-vi-program>

 HAMPTON ROADS TRANSIT  
**gohrt.com**

**NOTICE OF PROGRAM UPDATE**

Hampton Roads Transit  
**Title VI Policy**  
Under the Civil Rights Act of 1964



[Pamphlet Interior](#)

## Summary of updates and modifications of Hampton Roads Transit's Title VI Program

A summary/highlights of some of the program updates, changes, and modifications are included below. Additional information and detail on HRT's complete 2020 Title VI Program; including all updates and content is provided in the full Title VI Program Draft. Details and the draft of 2020 Title VI Program can be viewed on Hampton Roads Transit's website at <http://gohrt.com/contact/title-vi-program>



Hampton Road's Transit is required to update its Title VI Policy by March 31, 2020.

### Title VI Program – General

- Update of related population data, statistics, and mapping for minority, low-income, and LEP populations.
- Update of program material, notices, and related information.

### Chapter 3: Service Standards and Policies

- Update of evaluation criteria for max service

## What is Title VI of the Civil Rights Act of 1964?

Title VI of the Civil Rights Act of 1964 states that, "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

The Federal Transit Administration (FTA) issued guidance (effective October 1, 2012) that helps recipients of FTA funding better understand and comply with federal civil rights requirements and to; ensure that the level and quality of public transportation service is provided in a nondiscriminatory manner; promote full and fair participation in public transportation decision-making without regard to race, color, or national origin; to ensure meaningful access to transit-related programs and activities by persons with limited English proficiency.

## Hampton Roads Transit's Title VI Policy

Hampton Roads Transit's Title VI Program and Policy includes policy, reports, data, procedures, and plans that ensure that HRT is in compliance with the requirements in Title VI of the Civil Rights Act of 1964. HRT's existing Title VI Program also evaluates potential impacts of proposed service and fare changes on minority and low-income riders and provides the provision of language access to persons with limited English proficiency. HRT completes Title VI assessments when proposing major service change or when proposing changes in the fare structure that could provide a disparate impact and/or disproportionate burden on Title VI populations.



# EQUITY ANALYSIS PROCEDURES

## SERVICE CHANGE ANALYSIS PROCEDURE

The process for analyzing service changes generally follows the following ten (10) steps:

1. Define the Service Area covered by HRT system.

Identify Transportation Analysis Zones (TAZ) or Census tracts in the service area that are predominantly minority and predominantly low-income using FTA's recommended procedures specified in Circular 4702.1B. Determine the percentage of minorities and low-income populations residing in the service area. Generate maps showing the geographic distribution of minority and low-income populations.

Identify the type of service change proposed for each transit route, along with the percentage change between existing conditions and future conditions. It is only necessary to analyze those routes for which changes are proposed. Apply the threshold for a Major Service Change to determine whether the percentage change between existing and future conditions is above or below the threshold, and whether any of the proposed changes constitute the designation of a Major Service Change.

After identifying the type of service change proposed and whether or not the service change(s) will be classified as Major Service Changes, HRT will consider the proposed change in the context of existing data. That data will include travel pattern data from HRT's Origin-Destination surveys for the affected route(s) and the Census demographic data previously obtained.

- a. For changes to existing transit routes involving service frequencies, reductions in revenue service miles, or other modifications in route length, HRT will review the change based on data from HRT's Origin-Destination survey.
- b. For changes involving route extensions to serve new geographic areas or the addition of new routes, HRT will consider Census geographic data to establish a market capture area for the proposed new service area.

Based on the type of service change (reduced service frequency, route restructuring, route modification etc.), determine the percentage of minorities and/or low-income populations that would be affected by the proposed service change. In cases where a service frequency change is proposed, or a route is modified such that there is a reduction in service level or geographic area covered, the analysis should use data obtained from the HRT origin-destination survey of existing riders along the route affected by the change, as these populations will be most affected by the proposed change. Conversely, if a route is proposed to be extended to serve a new geographic area, HRT will use Census data as the geographic base for identifying minority and/or low-income populations residing within the specified distance of the route (market capture area).

Compare the percentage of minorities and/or low-income populations computed in Step 5 with the minority and/or low-income population percentage for the service area (along the route/affected area) determined in Step 2.

If the minority population percentage in Step 6 is greater than the service area minority population percentage by five (5) percentage points or more, and the proposed service change is identified as a Major Service Change, a disparate equity impact is determined. If the low-income population percentage in Step 6 is greater than the service area low-income population percentage by five (5)

percentage points or more, and the proposed service change is identified as a Major Service Change, a disproportionate equity impact is determined. In these cases, an appropriate mitigation plan should be developed by HRT to address the equity impacts identified. Again, only those service changes that are deemed Major Service Changes need to be evaluated for equity. If the minority or low-income population percentages are below the impact threshold of 5 points above the service area population percentages, no adverse equity impacts are determined.

HRT will present the proposed service change and results of the equity analysis for meaningful public involvement as defined by the public participation plan.

If a disparate equity impact is determined and HRT chooses not to alter the proposed service change despite the potential disparate impact on minority populations or disproportionate impact on low-income populations, or if HRT finds, even after the revisions, that minority or low-income riders will continue to bear a disproportionate share of the proposed service change, HRT may implement the service change only if:

- HRT has a substantial legitimate justification for the proposed service change, and
- HRT can show that there are no alternatives that would have a less disparate impact on minority or low income riders but would still accomplish the transit provider's legitimate program goals.

HRT Board will fully consider the results of the equity analysis, proposed alternatives and mitigation if applicable, and public comments on the proposed change prior to approval.

### **FARE IMPACT ANALYSIS PROCEDURE**

The process for analyzing fare adjustments generally follows the following nine (9) steps:

1. Define the Service Area covered by HRT system.

Identify TAZs or Census tracts in the service area that are predominantly minority and predominantly low-income using FTA's procedures. Using Census data, compute percent of minorities and low-income population in the Service Area. Generate maps showing the geographic distribution of minority and low-income populations.

Using travel pattern data obtained from Origin-Destination survey and the current fare structure, estimate average fares paid by minorities, non-minorities, low-income and non-low income riders in the entire Service Area. Further, break down the average fares by fare type.

Repeat Step 3 by replacing the current fare structure by the proposed fare structure.

Determine percent increase in fares for minorities, non-minorities, low-income and non-low-income populations in the Service Area.

If the percent differences in fare increase for minorities versus non-minorities and low-income versus non-low income populations are under the 5% impact threshold, a determination of "no impacts" will be made. If the estimated differences exceed HRT's 5% impact thresholds, it will be concluded that the proposed fare change would result in adverse equity impacts. In that case, appropriate mitigation plan will be developed by HRT to address those equity impacts.

HRT will present the proposed fare change and results of the equity analysis for meaningful public involvement as defined by the public participation plan.

If a disparate equity impact is determined and HRT chooses not to alter the proposed fare change despite the potential disparate impact on minority populations or disproportionate impact on low-



income populations, or if HRT finds, even after the revisions, that minority or low-income riders will continue to bear a disproportionate share of the proposed fare change, HRT may implement the fare change only if:

- HRT has a substantial legitimate justification for the proposed fare change, and
- HRT can show that there are no alternatives that would have a less disparate impact on minority or low income riders but would still accomplish the transit provider’s legitimate program goals.

HRT Board will fully consider the results of the equity analysis, proposed alternatives and mitigation if applicable, and public comments on the proposed change prior to approval.

## SERVICE STANDARDS

### VEHICLE LOAD

The number of passengers, or load, carried per hour measures the efficiency of service. HRT’s system-wide efficiency goal for buses is 10 passengers or more per trip. The Load Factor, measured as a percent of a fully seated load, varies with service type. Load Factors for individual service types are shown in the following table.

**TABLE 3: LOAD FACTORS BY SERVICE TYPES**

SERVICE TYPE	PEAK	OFF-PEAK
<b>Regional Backbone</b>	120%	100%
<b>Local Priority</b>	120%	100%
<b>Coverage</b>	120%	100%
<b>Limited/Express</b>	100%	100%

To ensure service quality, any service consistently operating at more than 100% of its seating capacity (load factor) will be evaluated to reduce overcrowding.

### VEHICLE HEADWAY

Generally, routes operating in urban areas have 15 to 30-minute headways during the peak and 30 to 60 minutes during the non-peak. Service in the less dense areas generally have one-hour headways. It should be noted the specific frequency levels are determined by each sponsoring jurisdiction in conjunction with planning and budget considerations.

### ON-TIME PERFORMANCE

On-time performance for HRT's bus service is measured against the published schedule and actual bus arrival times at approximately 200 designated time points throughout the system. A bus is considered "on-time" if not more than five minutes late or zero minutes early at each scheduled time point. There is approximately one time point for every 10 bus stops. Actual bus arrival times are captured by HRT's Navigator, an automatic vehicle location (AVL) system which uses Global Positioning System (GPS) technology. Bus on-time

performance can be impacted by traffic congestion, detours, weather, a larger than anticipated number of boardings, and boardings of passengers with accessibility needs.

### **SERVICE AVAILABILITY**

Service availability in each of HRT's six cities is set by each of its member jurisdictions. This means that the number of routes, service frequency, service span, and service coverage areas as operated by HRT are directly determined by each city during the annual budgetary cycle. Article IV of HRT's Cost Allocation Agreement describes how transit service in the HRT service district is determined.

## **ARTICLE IV PROVISION OF PUBLIC TRANSPORTATION SERVICES**

1. The Commission will own and operate the consolidated regional public transportation system within and between the Participating Cities.

The Commission recognizes the service provided by local contract carriers and other transportation companies and will attempt to foster continuation and improvement of services provided by these private companies.

Each year, as part of the budgeting process, the Commission will propose a public Transportation Service Program (TSP) for the region. The TSP will contain a description of service such as route name, hours of service to be provided, estimated cost, estimated revenue and estimated city share of the cost of service. The TSP will identify the service program of each Participating City and its contribution based on estimated costs and revenues.

Each Participating City will review its portion of the TSP and recommend revisions where appropriate. After each Participating City has approved funding of its portion of the TSP, the Commission will approve and publish the TSP as the Transportation Service Program of Hampton Roads.

Each Participating City will determine the type, amount and location of public transportation services for which it provides funds within its borders. Each Participating City, by approving its portion of the TSP, agrees to pay monthly in advance its portion of the administrative, capital and net operating costs of the Commission's approved TSP.

Each Participating City will have final determination on the type, amount, and location of public - transportation service provided within its borders. Nothing in this Agreement will be construed as a requirement that a Participating City must provide public transportation services.

The Commission will provide the transit service contained in the TSP as approved by each Participating City and each city will finance its share of net capital and operating costs incurred by the Commission in providing transportation services contained in the approved TSP.

Additions, deletions, or revisions to the TSP may be proposed at any time by a Participating City by letter from the City Manager or his designated representative to the Executive Director of the Commission. Changes may also be proposed at any time by the Commission by letter from the Executive Director or his designated representative to the City Manager of a Participating City. If the change is to be implemented during the year of the previously approved TSP and increases the total In Service Hours for the Participating City, no federal or state public support funds already allocated will be applied to that service until that service is included in the annual TSP and budget.

Whenever an addition, deletion, or revision to the TSP is proposed, the Commission will develop an estimated cost of the proposed change. The estimated cost will be furnished to the Participating City or Participating Cities affected by the proposed change.

The Participating Cities will review and approve all proposed changes and estimated costs of the TSP before implementation by the Commission. The TSP will be revised to incorporate all changes approved by the Participating Cities. If no response is made by the City Manager or his designated representative before or at the public hearing, in the case of a change requiring a public hearing, or within 15 days before implementation in the case of a minor change, the Commission will assume that there are no objections to the service changes and will proceed.

Any capital cost or operating cost liability incurred by the Commission as a result of a reduction of transit service requested by a Participating City will be paid by the Participating City requesting the reduction until such time as the liability is relieved.

## SERVICE POLICIES

### **TRANSIT AMENITIES**

Transit amenities refer to fixed items of comfort and convenience available to the general riding public such as bus stop benches, shelters, lighting, and bike racks. HRT's Passenger Amenity Policy provides guidelines for proposing, planning, and implementing transit stop amenities in an effort to provide the highest quality of amenities to Hampton Roads Transit customers. The Passenger Amenities Policy is intended to be utilized with Hampton Roads Transit Bus Stop Location policy. The guidelines included considers the operational needs of HRT in addition to all federal and state mandates, including equity requirements under Title VI of the Civil Rights Act and accessibility requirements related to the Americans with Disabilities Act (ADA).

Bus stop amenities are provided by a myriad of sources including local governments, private developers, citizens' groups, as well as funds flowing to HRT. At times these amenities are not owned or maintained by HRT and are put in place without direction or control of the transit agency.

HRT inventories existing amenities within HRT's control and determines where new or replacement facilities should be located based on bus stop average daily boarding counts, property ownership status, minimum area requirements, infrastructure requirements and other related factors.

### **VEHICLE ASSIGNMENT**

Vehicle assignment refers to the allocation of transit vehicles to ensure that all communities receive the same quality of rolling stock benefits.

HRT fixed-route vehicles differ primarily by length of vehicle and age. Passenger amenities such as air conditioning and upholstery are standard. The length of vehicle assigned to a route is primarily determined by the ridership load and type of service (see the following table below), leaving age the primary variable to consider in equitable vehicle assignments. HRT average fleet age as of the adoption of this Title VI Program is 9.3 years and is anticipated to decrease over the next several years as the new fleet purchases outlined in HRT's Transit Development Plan are executed. In order to ensure equitable distribution of vehicles, each route is randomly assigned buses without regard to the vehicle age, as maintenance and repair needs permit. Also to note, the age/useful life of the vehicle may have been extended due vehicle/maintenance upgrades (ex. engine

repower). However, those vehicles may be more reliable than a vehicle that is older based on acquisition year. Those vehicles (and related age) are also included in the random vehicle assignment.

HRT also provides vehicle assignment based on service type; which includes MAX service, by agreement with the State, and its seasonal service - VB Wave. As stated, the MAX service is a regional commuter service and is randomly assigned vehicles from HRT's coach fleet due to the type of service and its distance. As part of the state of Virginia's agreement with the Elizabeth River Crossing to construct and upgrade infrastructure in Portsmouth, ERC provided funding for HRT to purchase seven new buses that are assigned to routes 45 and 47. The city of Virginia Beach funded the purchase of replica trolley buses that are assigned to our seasonal service the VB Wave.

A sample table showing HRT vehicle assignment by route and vehicle size is attached in Appendix E. These assignments change with ridership levels, service adjustments, and available equipment. HRT plans to collect and analyze vehicle assignment data to further review vehicle assignment and its impacts on Title VI populations. If disparate or disproportionate impacts are found, HRT will address those as outlined in its Equity Analysis Procedures

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## CHAPTER 4: DEMOGRAPHIC AND SERVICE PROFILE MAPS AND CHARTS

The FTA requires transit providers receiving federal assistance to provide demographic maps that identify census tracts where the percentage of total minority and low-income population residing in these areas exceeds the average minority and low-income population for the service area as a whole. The maps and charts must be updated: 1) at least every three years, 2) after each Federal census data become available, and 3) when there are significant changes in the transit system.

### POPULATION ETHNICITY CHARACTERISTICS

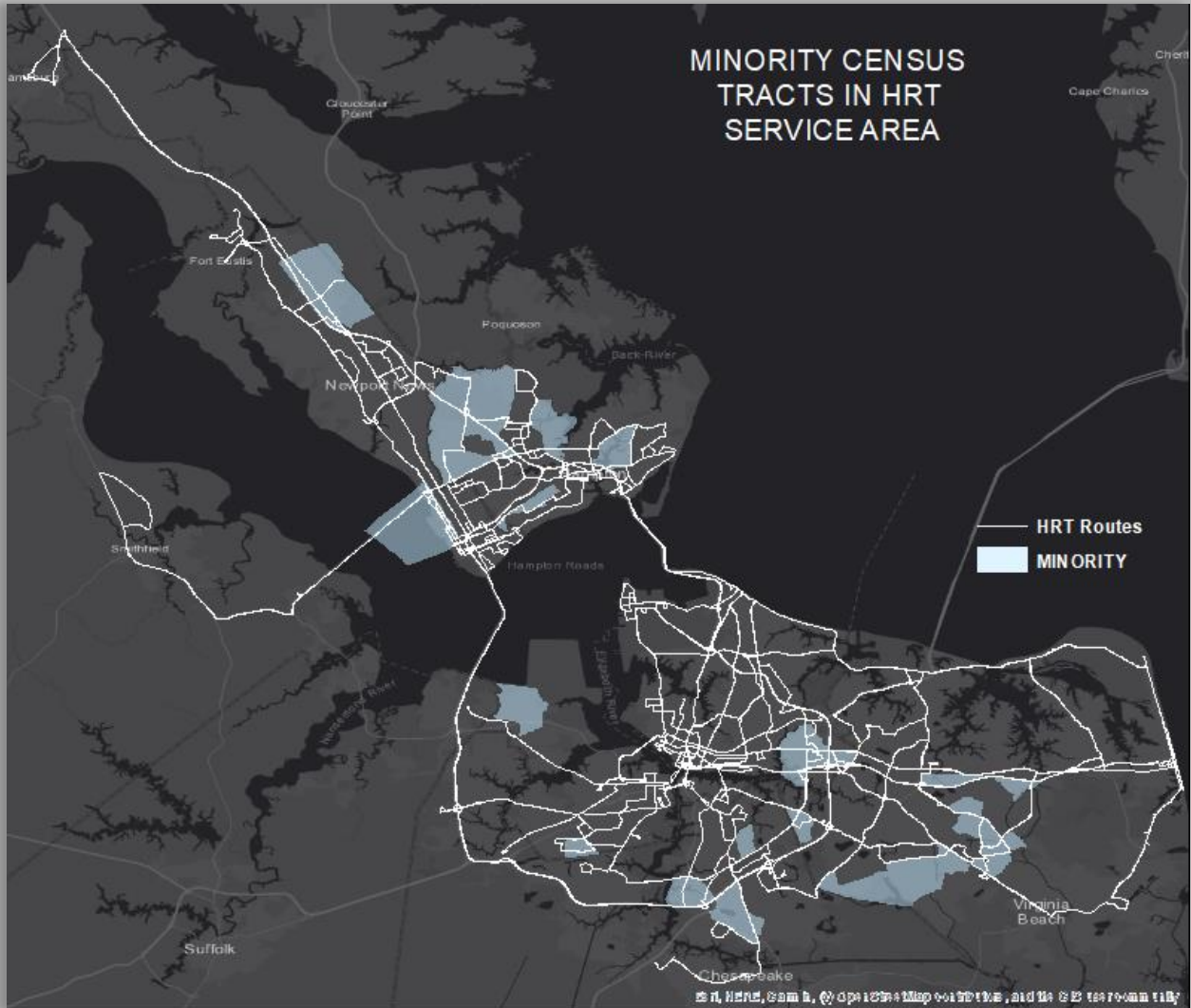
In 2018, the U.S. Census identified 1,344,586 residents in the census tracts within the HRT service area. The minority population includes Hispanic or Latino, African Americans, Asians, American Indians and Alaskan Natives, Pacific Islanders, other non-white races, and persons of two or more races. In the HRT service area, 44.7% of the residents were designated minority utilizing 2018 ACS data. **In this report, census tracts in which the minority percentage exceeds 44.7% are defined as minority tracts.**

TABLE 5: HRT SERVICE AREA MINORITY STATUS (2018 AMERICAN COMMUNITY SURVEY)

TOTAL POPULATION	MINORITY		NON-MINORITY	
1,344,586	601,618	44.7%	742,968	55.3%

The following map shows census tracts in which the percentage of minority residents is at or above 44.7% in the HRT service area. It also shows all Hampton Roads Transit routes as of August 2016\*.

**FIGURE 6: MINORITY CENSUS TRACTS IN THE HRT SERVICE AREA**



## INCOME CHARACTERISTICS

Hampton Roads Transit, utilizing accepted industry standards, considers persons living at or below 150% of the federal poverty line to be low-income for the purposes of this Title VI analyses.

Poverty Guidelines are provided by the U.S. Department of Health & Human Services in 2018 to define poverty in the 48 Contiguous States and the District of Columbia is shown on the following table.

**TABLE 6: POVERTY GUIDELINES BY HOUSEHOLD SIZE**

	<b>POVERTY GUIDELINE</b>
<b>1</b>	\$12,760
<b>2</b>	\$17,240
<b>3</b>	\$21,720
<b>4</b>	\$26,200
<b>5</b>	\$30,680
<b>6</b>	\$35,160
<b>7</b>	\$39,640
<b>8</b>	\$44,120
<b>9+</b>	\$48,600

(U.S. Department of Health & Human Services - 2020)

According to the guidelines and 2018 American Community Survey results, 19.3% of the population was living at or below 150% of the poverty line in HRT’s service area. In this report, census tracts in which the low-income percentage exceeds 19.3% are defined as low-income tracts.

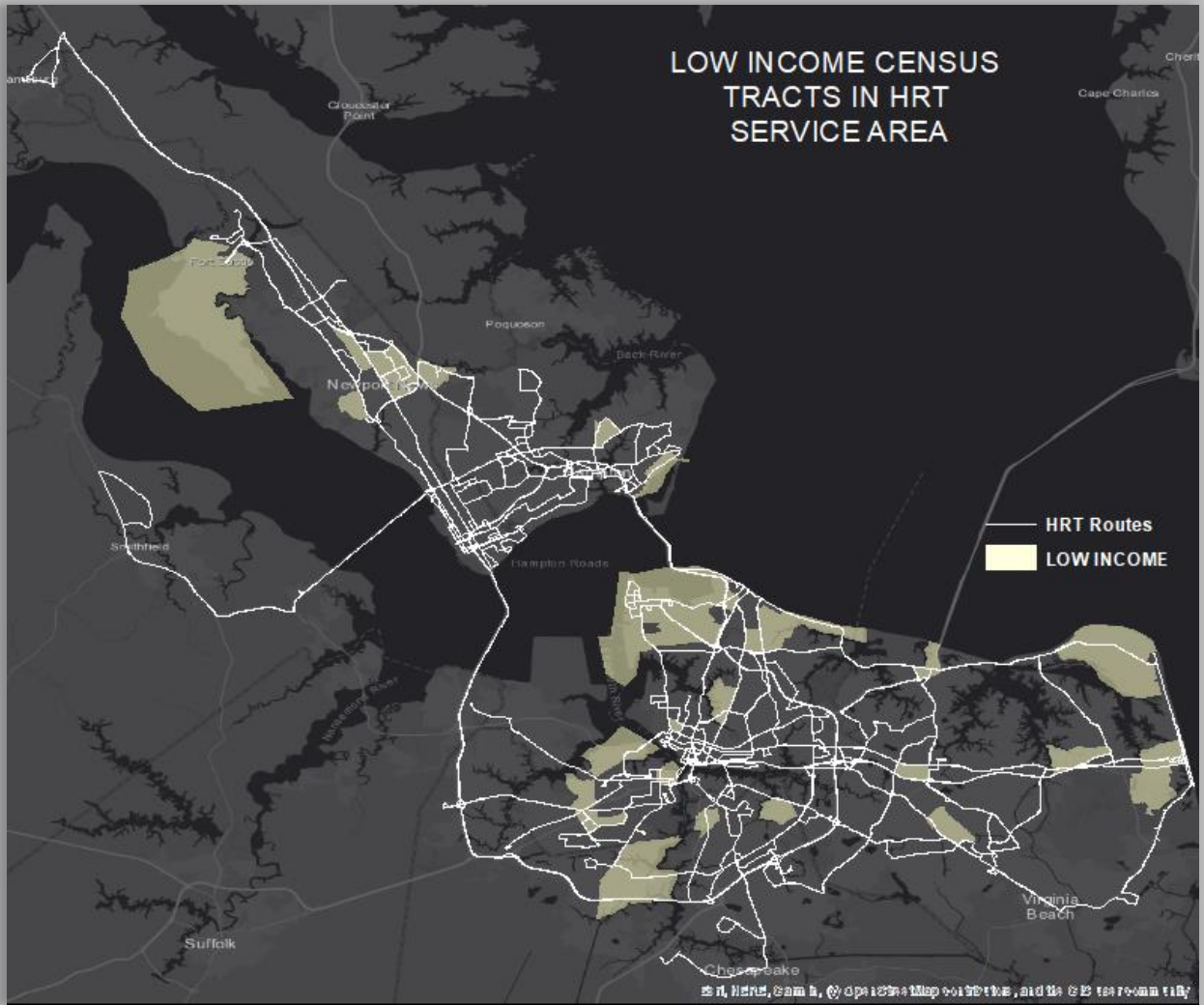
**TABLE 7: HRT SERVICE AREA POVERTY STATUS (2018 ACS)**

<b>TOTAL POPULATION</b>	<b>PEOPLE BELOW 150% OF POVERTY LINE</b>	<b>LOW-INCOME PERCENTAGE</b>
1,344,586	259,508	19.3%

The following map shows the census tracts in HRT service area in which the percentage of low-income residents is at or above 19.3%:



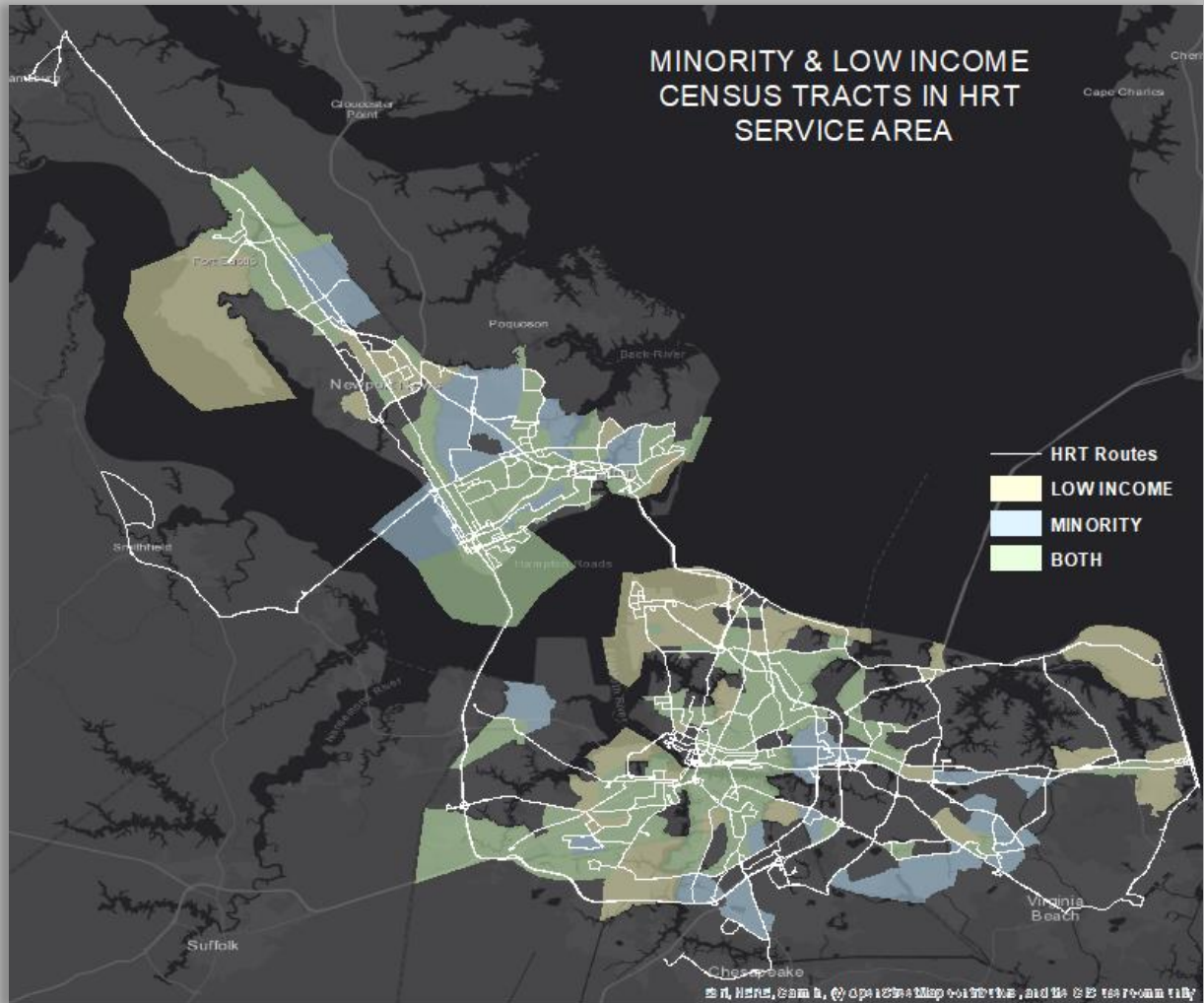
FIGURE 7: LOW-INCOME CENSUS TRACTS IN THE HRT SERVICE AREA



## COMPOSITE MINORITY & LOW-INCOME CHARACTERISTICS

To better understand the minority and low-income population distribution pattern, each census tract in HRT service area is classified into one the following four categories: Minority Tract, Low-Income Tract, Minority and Low-Income Tract, and Non-Minority/Non-Low Income Tract. The following map shows the distribution pattern of minority & low-income populations in HRT’s service area.

**FIGURE 8: MINORITY & LOW-INCOME CENSUS TRACTS IN THE HRT SERVICE AREA**



**TABLE 8: MINORITY & LOW-INCOME THRESHOLDS BY CENSUS TRACT DATA IN THE HRT SERVICE AREA**

CATEGORY	MINORITY PERCENTAGE	LOW-INCOME PERCENTAGE
MINORITY TRACT	≥ 44.7%	<19.3%
LOW-INCOME TRACT	<44.7%	≥19.3%
MINORITY & LOW-INCOME TRACT	≥ 44.7%	≥19.3%
NON-MINORITY / NON-LOW-INCOME TRACT	<44.7%	<19.3%

## ROUTING DEMOGRAPHIC CHARACTERISTICS

A route will be designated as minority or low-income route if over 33% of its length is in minority or low-income areas. A list showing the minority or low-income status for each HRT route can be found in Appendix F.

Ninety-one and one-half percent (87.3%) of existing HRT bus routes are defined as minority and/or low income routes. The remaining six routes are defined as non-minority, non-low-income routes. The Elizabeth River Ferry is a minority/low-income route, as is The Tide light rail line.

Hampton Roads Transit makes a concerted effort to take into account the needs of minority and low-income passengers during the service change process. This effort is represented in the distribution of resources in its service area.

## DEMOGRAPHIC RIDERSHIP AND TRAVEL PATTERNS COLLECTED BY SURVEYS

The last time demographic ridership and travel patterns were collected by surveys at Hampton Roads Transit was during the 2016 Origin & Destination Survey for all bus, ferry, and light rail routes. The data collected included information on fare usage, income, and minority status needed to conduct service and fare change analyses.

HRT plans to conduct an origin and destination survey of all bus, ferry, and light rail routes. HRT expects this data to be collected, completed and received in 2021. Once the survey is completed and the data expanded, HRT will update our system and route level ridership demographic information.

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## CHAPTER 5: SERVICE MONITORING

### EQUITABLE SERVICE AND AMENITIES

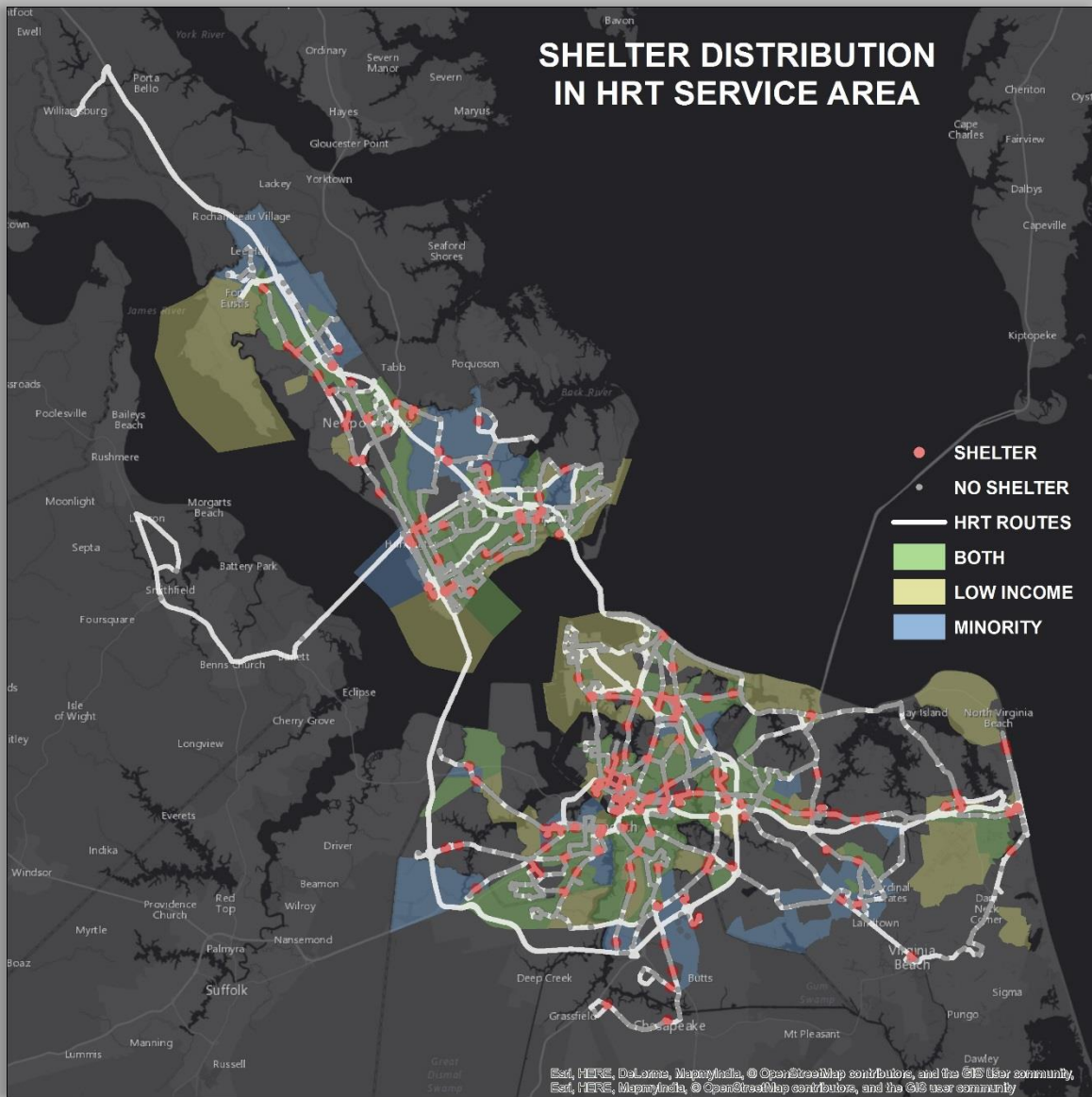
Hampton Roads Transit reviews the distribution and location of transit amenities to provide equitable distribution throughout its service area regardless of an area’s socioeconomic demographics. HRT provides guidelines for proposing, planning, and implementing transit stop amenities in the Passenger Amenity Policy (2017). HRT analyzes amenity requests using specific stop criteria, including average daily boarding counts, property ownership status, minimum area requirements, and infrastructure requirements. The maps on the following pages show the current distribution of HRT owned and maintained shelters and benches throughout the HRT system (Figures 14 and 15, respectively).

As defined in Section 1.2, HRT’s service area is designated as 44.7% minority and 20.2% low-income. As evidenced through the Figures 5 and 6 and the following table, HRT amenities are distributed equitably throughout its service area.

**TABLE 9: DISTRIBUTION OF HRT AMENITIES BY MINORITY AND LOW INCOME AREAS**

	% IN MINORITY TRACTS	% IN LOW- INCOME TRACTS	% IN MINORITY OR LOW INCOME	% IN NON- TITLE VI TRACTS	TOTAL STOPS W/AMENITY	TOTAL NUMBER OF STOPS	% OF STOPS W/AMENITY
BENCHES	62%	59%	73%	27%	194	2781	7%
SHELTERS	62%	59%	73%	27%	191	2781	7%

FIGURE 9: SHELTER DISTRIBUTION IN HRT SERVICE AREA



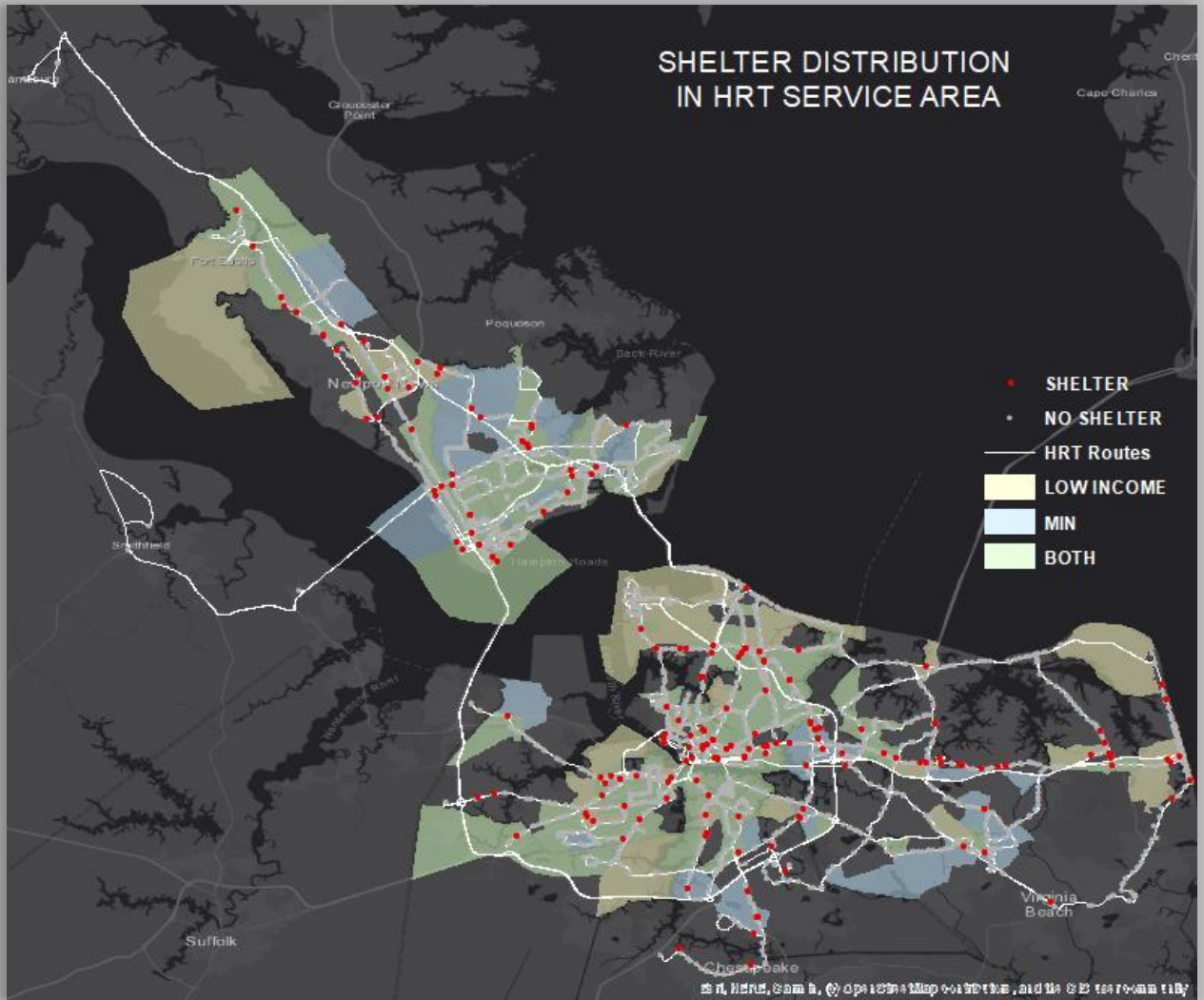
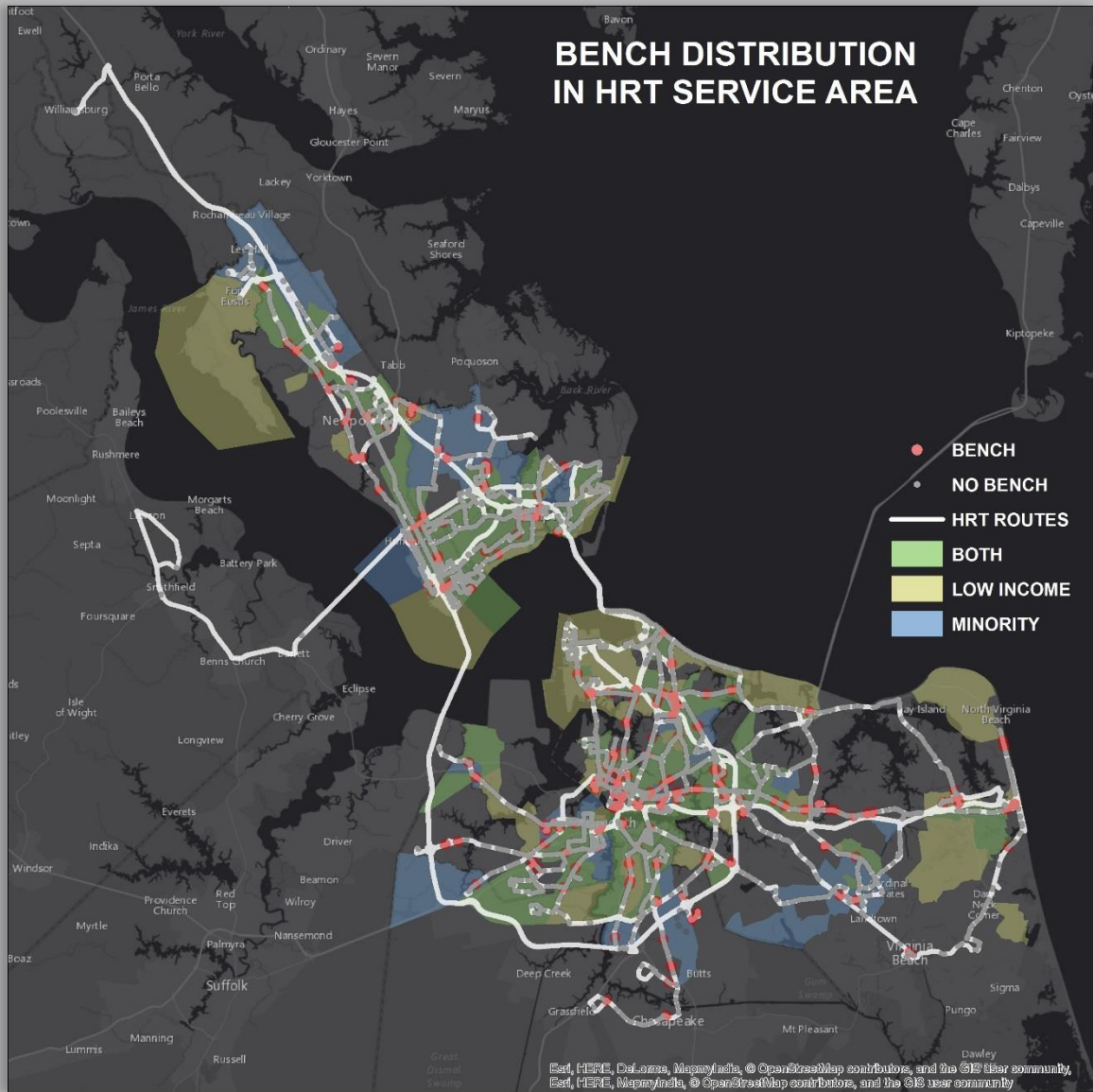
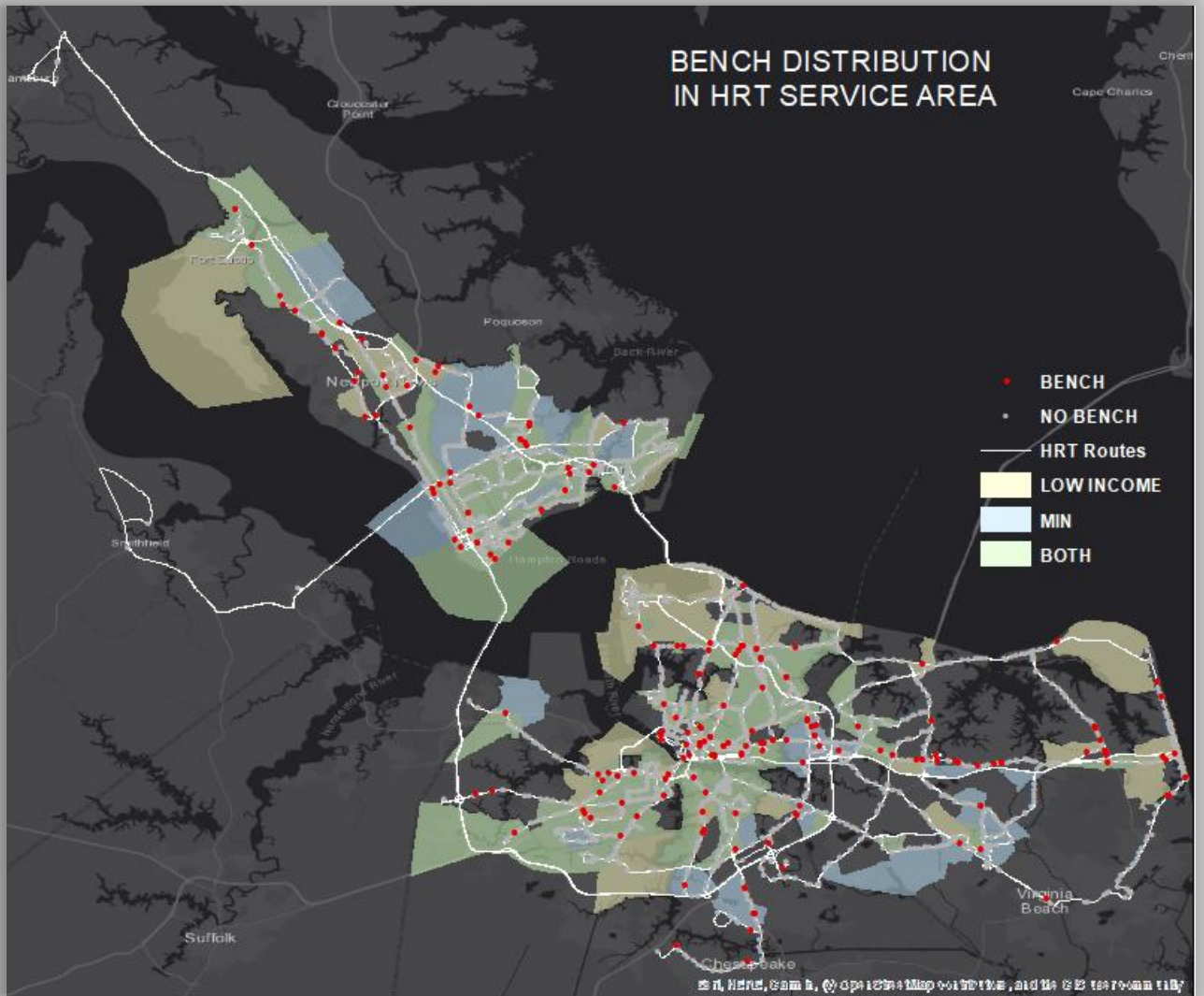


FIGURE 10: BENCH DISTRIBUTION IN HRT SERVICE AREA







## VEHICLE LOAD MONITORING

All bus lines throughout the service area are monitored for their vehicle load through periodic surveys and random sampling by data collector observations. Hampton Roads Transit continues to work to update its vehicle fleet with APC technology which will enable the agency to obtain peak load information from the APCs. Since 70% of the HRT fleet is now equipped with APC's, the agency plans to validate and certify the APCs to enable HRT staff to provide better vehicle load monitoring data.

The most recent survey data for HRT occurred in November 2013, whereby HRT was able to review random counts of average peak and daily loads. This data is representative of random trip ridership by route. Analysis of vehicle load averages using this data shows that average maximum load per trip is below 100% of seating capacity on all routes. A route-by-route breakdown of average vehicle load as well as maximum observed vehicle load using the November 2013 data can be found in Appendix G.

When evidence is presented through data collection efforts or through customer comments that the load factor on a route is being exceeded, HRT will review the service and make recommendations or adjustments to alleviate the problem.

## ON-TIME PERFORMANCE REPORT\*

On-time performance for HRT's bus service is measured against the published schedule and actual bus arrival times at approximately 200 designated timepoints throughout the system. A bus is considered "on-time" if it is not more than five minutes late at each scheduled time point and if it is less than zero minutes early. There is approximately one timepoint for every 10 bus stops. Actual bus arrival times are captured by HRT's Navigator an automatic vehicle location (AVL) system which uses Global Positioning System (GPS) technology. Hampton Roads Transit reports on-time performance monthly to the TDCHR Operations and Oversight Committee. Data is also available for the Top 10 Best and Worst on-time performing routes.

The average system-wide on-time performance was reported at 78% as of January 2020.

Based on the 2016 Origin & Destination Survey, the MAX and fixed-route bus service routes averaged 75% minority riders and 71% low-income riders. HRT assessed the minority and low income ridership levels for the top ten performing routes (Routes 919, 922, 43, 5, 11, 26, 114, 47, 13, and 108 from best to worst) and the worst ten performing routes (Routes 18, 967, 966, 64, 58, 403, 430, 405, 117, and 415 from best to worst) and compared these levels to the average. As shown in the table below, the minority and low-income ridership for the top ten routes is comparable to the average system route. The worst ten routes had lower percentages of minority and low income riders when compared to the average.

**TABLE 10: PERCENT MINORITY AND LOW-INCOME RIDERS ON BEST AND WORST PERFORMING ROUTES**

	% MINORITY	% NON-MINORITY	% LOW-INCOME	% NON-LOW-INCOME
<b>AVERAGE</b>	75%	25%	71%	29%
<b>TOP 10 ROUTES</b>	71%	29%	73%	27%

<b>WORST 10 ROUTES</b>	77%	23%	56%	44%
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## SERVICE AVAILABILITY ANALYSIS

HRT strives to make transit available to as many people within its six-city service area as possible. Table 9 and 10 below show the percentage of the minority/non-minority and low income/non-low income population served by transit within the HRT service area. The percentages in the tables reflect the proportion of individuals within ¼ mile of a transit stop. As the data shows, minority and low income populations have better access to transit than both non-minority/non-low income populations and the population within the entire service area.

**TABLE 11: MINORITY TRANSIT AVAILABILITY**

MINORITY TRANSIT AVAILABILITY		
POPULATION	Within 1/4 Mile	More Than 1/4 Mile
MINORITY	95.5%	4.5%
NON-MINORITY	90.5%	9.5%
SYSTEM	92.8%	7.2%

**TABLE 12: LOW INCOME TRANSIT AVAILABILITY**

LOW INCOME TRANSIT AVAILABILITY		
POPULATION	Within 1/4 Mile	More Than 1/4 Mile
LOW INCOME	97.1%	2.9%
NON-LOW INCOME	91.7%	8.3%
SYSTEM	92.8%	7.2%

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## CHAPTER 6: SERVICE AND FARE CHANGES

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### MAJOR SERVICE CHANGES SINCE 2017

Hampton Roads Transit has implemented several major service changes since 2017 as reported in the related Equity Analyses.

**TABLE 13: EQUITY ANALYSIS REPORTS BY SERVICE BOARD**

SERVICE CHANGE	IMPLEMENTATION DATE
SUMMER 2017	6/21/2017
FEBRUARY/JUNE 2018	2/16/2018 6/7/2018
OCTOBER 2018	10/21/2018 10/22/2018
OCTOBER 2019	10/21/2019

Title VI Equity Analysis Reports for all Major Service Changes are attached in Appendix H.

### FARE CHANGES SINCE 2017

Hampton Roads Transit has not implemented a fare change since the submission of its last Title VI Report in January 2017.

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# APPENDICES

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# APPENDIX A: PUBLIC PARTICIPATION PLAN

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***Hampton Roads Transit:***  
**Public Participation Plan**

Updated:  
January 2017

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## 1 HRT Commitment to Public Involvement and Non-Discrimination

HRT is committed to informing and involving the public in the planning and delivery of public transportation services in the region. HRT will diligently work to overcome obstacles that may hinder effective public involvement. Public information and experiences are consistently used to update its plans to improve public participation.

HRT takes public involvement seriously and will continuously work to add new components to all public involvement efforts in order to facilitate achieving public participation goals or to comply with amended laws or regulations relative to Title VI of the Civil Rights Act of 1964. Title VI of the Civil Rights Act of 1964 states that “no person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.”

Subsequent laws and Presidential Executive Orders further prohibit discrimination based on handicap, sex, age, or income status. In accordance with these laws and regulations, HRT assures that no person shall, on the basis of race, color, national origin, handicap, sex, age, or income status, be excluded from participation in, be denied benefits of, or be otherwise subject to discrimination under any program or activity.

Pursuant to Federal Transportation Administration Title VI regulatory guidance Circular FTA C4702.1B, “Every Title VI program shall include an outreach plan to engage minority and limited English proficient populations, as well as a summary of outreach efforts made since the last Title VI Program submission. A recipient’s targeted public participation plan for minority populations may be part of efforts that extend more broadly to include other constituencies that are traditionally underserved, such as people with disabilities, low-income populations, and others”.

To meet these requirements, this public participation plan will provide detailed information how HRT complies with Title VI objectives listed as follows:

- Ensure the level and quality of public transportation service is provided in a nondiscriminatory manner.
- Promote full and fair participation in public transportation decision-making without regard to race, color, or national origin.
- Ensure meaningful access to transit-related programs and activities by persons with limited English proficiency.

## 2 The Purpose of the Public Participation Plan

The public participation plan describes the overall goals, public involvement strategy and outreach methods used to reach out to all members of the public. HRT also ensures meaningful outreach is extended for low-income, minority and LEP populations. HRT views public involvement as a significant factor when making transportation decisions. Public involvement provides an ample mix of perspectives and value to HRT's planning decisions. Some key benefits of an established and supported Public Participation policy are as follows:

- Improved public understanding of complex public policy decisions which increases the opportunity for public consensus on planning decisions.
- Encourages proactive community involvement with HRT's planning staff.
- Demonstrates transparency in HRT's planning decisions and policies.
- Establishes meaningful relationships with underserved populations.

### 2.1 Public Participation Plan Goals

- Inform the public about HRT services and initiatives.
- Maintain consistent and complete transparency with the public.
- Allow the plan to facilitate a responsive and accountable relationship with the ridership community.
- Increase public awareness and actively involve the public in transit service planning decisions and delivery.
- Proactively promote the open exchange of information to solicit public feedback that will identify how proposed changes to service will affect our customers in a way that may not be readily apparent to HRT staff.
- Comply with federal and state laws and regulations.

### 2.2 Definitions

The following definitions are used within the HRT Public Participation Plan.

**Discrimination:** Refers to any action or inaction, whether intentional or unintentional, in any program or activity of a Federal aid recipient, sub-recipient, or contractor that results in disparate treatment, disparate impact or perpetuating the effects of prior discrimination based on race, color, or national origin.

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**Limited English Proficient (LEP) Population:** Refers to persons for whom English is not their primary language and who have a limited ability to read, write, speak, or understand English. It includes people who reported to the U.S. Census that they speak English less than very well, not well, or not at all.

**Low-Income Population:** Refers to any readily identifiable group of low-income persons who live in geographic proximity, and, if circumstances warrant, geographically dispersed/transient persons (such as migrant workers or Native Americans) who will be similarly affected by a proposed FTA program, policy or activity.

**Minority Persons** include the following:

- American Indian and Alaska Native, which refers to people having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
- Asian, which refers to people having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- Black or African American, which refers to people having origins in any of the Black racial groups of Africa.
- Hispanic or Latino, which includes persons of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
- Native Hawaiian or Other Pacific Islander, which refers to people having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

**Minority Population:** Means any readily identifiable group of minority persons who live in geographic proximity and, if circumstances warrant, geographically dispersed/transient populations (such as migrant workers or Native Americans) who will be similarly affected by a proposed DOT program, policy, or activity.

**Outreach:** An effort by an organization to educate, inform, to engage and seek input from other organizations, groups, specific audiences or the general public.

**Outreach Methods:** Methods that identify and invite target audiences and stakeholders to participate in a public participation opportunity.

**Provider of Fixed Route/Guideway Public Transportation (or “Transit Provider”):** Means any entity that operates public transportation service and includes States, local and regional entities, and public and private entities.

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**Public Transportation:** Means regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income: and does not include Amtrak, intercity bus service, charter bus service, school bus service, sightseeing service, courtesy shuttle service for patrons for one or more specific establishments, or intra-terminal or intra-facility shuttle. Public transportation includes buses, subways, light rail commuter rail, monorail, passenger ferry boats, trolleys, inclined railways, people movers, and vans. Public transportation can be either fixed route or demand response service.

**Public Input:** Participation methods that seek community feedback on a policy, project, program or activity. A response is required from the public.

**Public Participation:** Any process that seeks to involve the public in decision-making processes. Public participation is an umbrella term that describes methods including: public information, education, outreach, input, involvement, collaboration and engagement.

**Public Participation Plan:** A tailored plan that describes how HRT achieves public involvement, information, education, participation and/or outreach methods.

**Service Area:** Refers either to the geographic area in which a transit agency is authorized by its charter to provide service to the public, or to the planning area of a State Department of Transportation or Metropolitan Planning Organization.

**Target Audience:** Low income, minority and Limited English Proficiency (LEP) populations.

**Title VI Program:** Refers to a document developed by a FTA recipient (in this instance, HRT) to demonstrate how the recipient is complying with Title VI requirements. Direct and primary recipients must submit their Title VI Programs to FTA every three years. The Title VI Program must be approved by the recipient's board of directors or appropriate governing entity or official(s) responsible for policy decisions prior to submission to FTA. For State DOTs, the appropriate governing entity is the State's Secretary of Transportation or equivalent.

### 3 HRT's Public Participation Process

HRT adheres to a proactive public participation process. All public involvement activities must be functional for HRT decisions and must be meaningful to the public. HRT benefits from public involvement by engaging the public at the earliest project stages from the development of the purpose and need through project implementation. HRT's public involvement activities increases public awareness and give the public an active voice in planning decisions. HRT's public participation process includes the following steps:

**Step 1** ➔ Outline a public participation plan at the beginning of key HRT planning projects.

**Step 2** ➔ Previously established mailing and email lists are identified.

**Step 3** ➔ Update existing mailing and email lists; new lists are created.

**Step 4** ➔ All final project documentation is archived with HRT's records management department throughout the life of the project.

**Step 5** ➔ Based on a project's milestones and requirements, a public involvement timeline is created.

- The public involvement timeline outlines each activity of the project's outreach efforts.

**Step 6** ➔ The effectiveness of the public participation plan is periodically assessed throughout the life of the project, to determine if the public involvement objectives were achieved.

- The public participation strategy is assessed at different stages of a project to determine if the practices were effective in reaching each of the expected populations and, equally important, whether the events created opportunities for meaningful involvement.
- HRT will change the public participation strategy to improve future performance in response to the assessment.

#### 3.1 Public Involvement on Fare and Service Changes

Federal Transit Administration, (FTA) regulations requires, "a locally developed process to consider public comment before raising a fare or carrying out a major reduction in transportation service"<sup>1</sup> as defined by HRT's Title VI Policy.

HRT uses a broad range of outreach tools documented in this plan to serve this requirement, including newsletters, on-board notices and announcements, social media (ex. Facebook posts,

<sup>1</sup> See U.S. Department of Transportation Circular FTA C4702.1B (2012) Chapter III-6.





Twitter), website comment forms, and open public meetings in an effort to gain public review and comment. All public comments become part of the official record.

### **3.2 Public Notice on Program of Projects**

Each year HRT is also required to provide public notice and an opportunity for holding public hearings on the agency's proposed Program of Projects. These are projects HRT intend to use federal grant funds (Section 5307) (49 U.S.C. 5323(b)). The purpose of the public notice is to give citizens, private transportation operators, and local officials an opportunity to examine the contents of the proposed program, ensure equity, and to allow comments on the proposed program.

Each year, the Grants Administration Officer at HRT complies with this requirement through the publishing of the Program of Projects in local newspapers. A formal public hearing is held and announced in a public notice if written requests are received within 30 days of the publishing of the Program of Projects.

### **3.3 Public Hearings for Compliance with the National Environmental Policy Act**

HRT will complete a full public involvement process for major capital projects requiring review and analysis under the national Environmental Policy Act. This shall include all Environmental Impacts Statements (EIS), and it may include Environmental Assessments and Categorical Exclusions in situations of public controversy or sensitivity. Each program will have an individually defined public participation plan tailored to the project needs and requirements.

### **3.4 Public Notice on DBE Program and Goals**

The Transportation District Commission of Hampton Roads (TDCHR), the public transportation system serving the Hampton Roads metropolitan area establishes a Disadvantaged Business Enterprise (DBE) utilization goal on Federal Transit Administration funded projects for each Federal Fiscal year's (FFY). The goal is derived using Virginia Department of Minority and Business Enterprise's Unified Certification program Directory, previous Fiscal year achievement, Vendor's List, and current area business consultations.

In accordance with 49 CFR Part 26.45 (g), TDCHR invites maximum public participation and solicits comments regarding the proposed goal. Further, TDCHR invites the submission of evidence and information that may support the use of mixed components of race-conscious and race-neutral measures to achieve the overall goal.

A complete description of the proposed goal is made available for public inspection for 45 days from the date of the initial notification online at [www.gohrt.com](http://www.gohrt.com). It is also made available at

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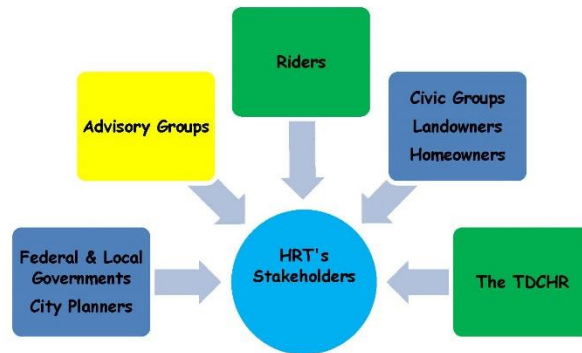
the reception desk at HRT Headquarters at 3400 Victoria Boulevard, Hampton, VA 23661 or 509 East 18<sup>th</sup> Street, Norfolk, VA 23504.

Comments on the proposed program goal are accepted after the publication of the notice. The public is advised to send all comments to the DBE/Contract Compliance Office or by email to [db@hrtransit.org](mailto:db@hrtransit.org).

#### 4 Target Audiences

HRT’s target audience for public involvement is its stakeholders. HRT’s stakeholders include HRT system riders, the public, area businesses, the TDCHR, and federal, state, and local governments. The public is defined as citizen advisory committees, advocacy groups, civic groups, homeowners, business owners and landowners; all whom who may be impacted by transit planning decisions. HRT works closely with the target audience on key projects and planning decisions to ensure transparent decision-making and meaningful input and consideration of public input.

In addition to broad public involvement, HRT takes care to ensure meaningful involvement among groups of people traditionally disenfranchised from the public process. This includes minority groups based on race, ethnicity, and national origin as well as low-income populations. HRT uses on-board rider surveys to identify characteristics of system riders and U.S. Census Bureau data to identify low income, minority and LEP populations in the six cities served by HRT. Through these data sources, we can more effectively target these regions and riders.



##### 4.1 HRT’s Stakeholders

HRT stakeholder list includes but is not limited to:

- Statewide and Local Agencies and Governments
- Advocacy groups
- Community development organizations
- Civic Leagues

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- Local elected officials and staff
- Business Owners
- State and local land-use planners
- Architects, archeologists, landscape architects, architectural historians, etc.
- General public
- Minorities and ethnic groups
- Low-Income groups
- Educational institutions, museums
- Historic district commissions
- The TDCHR

#### 4.2 Limited English Proficient Customers

Pursuant to FTA guidelines “recipients shall take reasonable steps to ensure meaningful access to benefits, services, information, and other important portions of their programs and activities for individuals who are limited-English-proficient (LEP).”<sup>2</sup> LEP customers may reach HRT and receive route assistance by calling 757-222-6000 during business hours in their desired language. HRT uses a translation service called Certified Language Services with US based translators. The service supports 180 languages.

When there is a LEP request for a public meeting, HRT will ensure all meeting content is available for LEP customers in both print and online. LEP customers may also use the Google Translate function on gohrt.com which translates the website into their desired language. Google Translate is a web-based service provided by Google Inc. to translate written text from one language into another. The link to this site is available on www.gohrt.com.

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<sup>2</sup> See U.S. Department of Transportation Circular FTA C4702.1B (2012) Chapter III-6.

## 5 Public Communication and Outreach Tools

Different public involvement strategies, tools, and activities are applicable in different areas. HRT may use traditional and non-traditional outreach methods. Traditional outreach may involve a public meeting or hearing. Non-traditional outreach may involve social media, pop-up meetings, interactive web-based tools, or community partnerships. Public participation efforts may also vary depending on the information offered. HRT is familiar with its service community and makes every effort to know key demographic aspects about where they work, live, what venues they may frequent, what languages they speak, and how they get their information.

For example, public involvement requirements are different in the case of a route change compared to a long-range transit planning study. The most common areas include the following:

- Daily operations
- Fare changes
- Service changes (including schedules and route changes)
- Transit development plans, corridor studies
- Capital projects
- Marketing (including advertising, public service announcements, and safety campaigns)
- Human services transportation (including transit planning for persons with disabilities, seniors, and low-income populations)

HRT uses various public involvement methods. These different outreach methods provide a broader window of opportunity for HRT to provide meaningful public input in everyday operations and activities as well as proposed changes in service, operations, or fare. Outreach methods were designed to be aligned with the public involvement goals ensuring public awareness, education and an opportunity for meaningful interactions, and public input on key planning decisions. These methods are also used to ensure compliance with Federal Transit Administration guidelines under Title VI of the Civil Rights Act.

### 5.1 Customer Feedback

HRT encourages public comment and suggestions (formal and informal). Public comments are accepted via customer service, gohrt.com, Facebook and Twitter. HRT's customer contact center receives about 75,000 calls each month. All customer feedback is entered into the customer assistance database for follow up within seven business days. HRT has a dedicated customer advocacy team for this purpose.

## 5.2 Customer Alerts

Customer Alerts inform the public of significant agency events such as a change in hours, route schedules, public hearings, meetings, special events, safety messages and other important information. Customer Alerts are posted at transfer centers, distributed on routes, on gohrt.com and through social media (ex. Facebook and Twitter).

“goAlerts” is a free email and text subscription service. Customers are encouraged to sign up for “goAlerts” on HRT’s homepage at [www.gohrt.com](http://www.gohrt.com). Subscribers receive real time updates on service changes and events through automated emails or text messages.

## 5.3 Print and electronic media

Print and electronic advertisements are used to inform the public of various changes, events and services. We use these methods mainly on buses, transfer centers, transit centers.

## 5.4 Partnerships with Community-Based Organizations

HRT fosters strong community partnerships by regularly engaging community based organizations for its public involvement initiatives. Civic leagues and other community based organizations can be helpful in clarifying the best outreach strategies for their constituent community. These partnerships result in increased public participation, better meeting locations and overall better meetings. HRT purposefully seeks community based organizations that serve diverse groups and have proven to be helpful in gaining public participation.

## 5.5 Participation in local community events

To insure community engagement, HRT actively participates in city sponsored community events. HRT collaborates in a consistent and planned manner with the region’s city planning, communications and safety offices. During these events, HRT’s public outreach team will advocate on behalf of and educate the public on the importance of public transportation. HRT distributes transit materials relative to the location during every community event.

## 5.6 School Outreach

The public outreach team regularly visits the region’s schools to teach and engage students about public-transportation. Students are encouraged to participate in discussions, lessons and facility tours. The topics reviewed during school outreach sessions include; how to use public transportation, the importance of transportation safety and the different modes of public transportation. An HRT bus and driver may be staged at the school. This allows the students to have an interactive experience.

### 5.7 Transit Riders Advisory and Paratransit Advisory Committees

The Transit Riders Advisory Committee and Paratransit Advisory Committee are subcommittees of the TDCHR Executive Committee and report to the Chair of the Executive Committee. The Paratransit Advisory Committee and the Transit Riders Advisory Committee both meet bi-monthly. The Paratransit Advisory Committee members include persons with disabilities who use regular public transportation or Paratransit services. The Transit Riders Advisory Committee members include customers who ride public transportation on a daily and/or weekly basis. Participants on both committees serve on a voluntarily basis.

Contact information for HRT staff liaisons for these committees as well meeting dates, times, and locations are listed on HRT's website at [www.gohrt.com/about/governing](http://www.gohrt.com/about/governing). Meeting agendas are posted to the HRT website prior to the meeting; and meeting minutes are posted to the HRT website within two weeks after the meeting. All TRAC and PAC meetings are open to the public and visitors are invited to comment as noted on the meeting agenda.

### 5.8 Meet & Greet/ Open House

Meet and Greet or Open House programs allow our customers to speak with the staff face to face. The public involvement team regularly hold meet and greet sessions at transit and transfer centers, area colleges and businesses.

The Open House session provides an interactive forum for public involvement. Open House sessions can be helpful in major planning projects because it allows an opportunity for the public to review visual aids and speak one on one with HRT representatives about the project. (The Virginia Beach Transit Extension open house is a good example of a successful Open House session would be). The public was able to ask specific questions tailored to their personal experiences or concerns. Participants also had an opportunity to discuss the project with HRT staff and have their questions answered quickly. The Open House session enabled HRT to inform the public on the project's status.

### 5.9 Surveys

HRT conducts surveys on a regular basis. The purpose of the survey is to help the agency understand ridership demographics, trip characteristics, and quality of service it delivers. The survey information also helps us determine where improvements or changes are required. Surveys are conducted on-line, on-board HRT services, and at HRT transit centers.

### 5.10 Public Meetings and Hearings

A public meeting is an event organized by the agency at a specific date, time, and location. The public meeting provides a structured environment for the public to learn about upcoming changes, personally interact with the agency, and give input on the proposed changes. Public meetings may include, but are not limited to, traditional settings, open houses, workshops, charettes, small group meetings, or citizen advisory committee meetings.

A public hearing is a formalized public meeting where the public's input may be included in the decision-making process.

HRT uses the "Hampton Roads Transit Policies and Procedures - Public Hearings and Meetings" PD-107, adopted 8-23-2013 for all public meetings and public hearings.



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## APPENDIX B: LIMITED ENGLISH PROFICIENCY PLAN

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***Hampton Roads Transit:***  
**Limited English Proficiency Plan**

**Updated:**  
**January 2017**



LIMITED ENGLISH PROFICIENCY PLAN  
JANUARY 2017

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**Acronyms and Abbreviations**

ACS	American Community Survey
FTA	Federal Transit Administration
HRT	Hampton Roads Transit
LEP	Limited English Proficient
LEPP	Limited English Proficiency Plan
TDCHR	Transportation District Commission of Hampton Roads
USDOT	U.S. Department of Transportation

## 1.0 INTRODUCTION

Hampton Roads Transit (HRT), incorporated on October 1, 1999, began through the voluntary merger of Pentran and Tidewater Regional Transit, the region's two existing public transit operators. HRT is governed by the Transportation District Commission of Hampton Roads (TDCHR), which consists of 13 members, one elected official and one citizen representative from each city served by Hampton Roads Transit, and the chairman of the Commonwealth Transportation Board (CTB) or a designee. Citizen representatives are appointed by the Governor. The purpose of the Commission is to provide reliable and efficient transportation services and facilities to the Hampton Roads community, located in southeastern Virginia. HRT currently serves six municipalities of the Southside and Peninsula areas of Hampton Roads, consisting of the cities of Hampton, Norfolk, Newport News, Portsmouth, Chesapeake, and Virginia Beach. The City of Suffolk elected to remove itself from the HRT service area effective December 30, 2011.

### 1.1 Legal and Regulatory Context

Federal regulations require that recipients of federal funds take reasonable steps to ensure meaningful access to their services and benefits for persons with limited English proficiency. Under these regulations, programs and activities normally provided in English must be accessible to persons who have a limited ability to speak, read, write, or understand English. Otherwise, English-only services may be discriminatory on the basis of national origin, in violation of Title VI of the Civil Rights Act of 1964, as amended, and its implementing regulations.

This four-factor analysis identifies appropriate language assistance measures needed to improve access to HRT services and benefits for limited English proficient (LEP) persons. This Language Assistance Plan (LAP) assesses language needs in the six-city HRT service area shown in Table 3.

### 1.2 Purpose of this Document

HRT developed a Limited English Proficiency Plan (LEPP) in December, 2010 and committed to regular updates of the LEPP when population and demographic data for the service area is updated, or when additional HRT technological, staff, or financial resources become available to support further meeting the needs of the LEP population. This document will provide an update on:

- The population and demographic profiles of the LEP population in the HRT service area (please see Figure 1) and
- The resources available and measures taken to address the needs of the HRT LEP population.



### 1.3 LEP Methodology

HRT has updated the Limited English Proficiency Plan to provide language assistance for LEP persons seeking meaningful access to HRT programs as required by Executive Order 13166, USDOT, and FTA’s policy guidance. In developing the LEPP, the HRT staff undertook an update of the previous LEPP Four-Factor LEP analysis, which requires the following considerations:

- Factor 1. The number or proportion of LEP persons eligible to be served or likely to be encountered by HRT programs, activities, or services.
- Factor 2. The frequency with which LEP individuals come in contact with HRT programs, activities, or services;
- Factor 3. The nature and importance of the program, activity or service provided by the HRT to the LEP population; and
- Factor 4. The resources available to the HRT and overall cost to provide LEP assistance.

#### Data Sources

Determining the presence of LEP populations in the HRT service area was completed through an analysis of the American Community Survey (ACS) 2015 5-Year Estimates for census tracts that lie within the six-city HRT service area.

Figure 1 Six-City HRT Service Area





## 2.0 FOUR FACTOR ANALYSIS

Each of the four factors noted above will be considered with updated population estimates, and compared to the findings from the December, 2010 LEPP in the following sections.

### 2.1 Factor 1: LEP Population Identification

The Factor 1 analysis assesses the number and proportion of persons with limited English-speaking proficiency likely to be encountered within HRT’s six-city service area. The LEP population is those persons who reported to the American Community Survey that they speak English “less than very well.”

Table 1 below shows, for those five years and older: the total population by city, the population that only speak English, the population that speak other languages, and the population that do not speak English well or at all. It is this last group that compromises the LEP populations within HRT’s member cities. As shown in the last column in Table 1, across HRT’s seven member cities, the percentage of the population that does not speak English well or at all is three percent (3.00%).

Table 1 English Proficiency, by City in HRT Service Area

City	Population 5 years and over, Total	Population 5 years and over, Speaks language other than English in the home, Speaks English Very Well, Total	Population 5 years and over, Speaks language other than English in the home, Does not Speak English Very Well, Total	% of Population 5 years and over, Does not Speak English Very Well, Total
Chesapeake	213,662.00	10,994.74	4,156.76	2%
Hampton	128,312.00	6,643.69	2,690.42	2%
Newport News	167,840.00	10,812.40	7,665.65	5%
Norfolk	227,889.00	15,285.03	7,802.05	3%
Portsmouth	88,790.00	3,483.57	975.91	1%
Virginia Beach	415,876.00	34,334.91	15,035.73	4%
<b>Grand Total</b>	<b>1,242,369.00</b>	<b>81,554.33</b>	<b>38,326.51</b>	<b>3%</b>

Source: U.S. Census Bureau, 2012 American Community Survey, 2015 American Community Survey

**Table 2 Comparison of English Proficiency, 2000 Census Data, 2012 5-Year ACS Estimates, and 2015 5-Year ACS Estimates for Current HRT Service Area**

Source: U.S. Census Bureau; 2000 Census, 2012, 2015 American Community Survey

Table This table compares the values from each of the LEP analyses in 2010, 2012, and 2014.

City	Population 5 years and over, Total			Population 5 years and over, Does not Speak English Very Well, Total			Percentage of Population 5 years and over, Does not Speak English Very Well		
	2000 Census	2012 5-Yr ACS	2014 5-Yr ACS	2000 Census	2012 5-Yr ACS	2014 5-Yr ACS	2000 Census	2012 5-Yr ACS	2014 5-Yr ACS
Chesapeake	185,025	208,881	213,662.00	1,238	4,795	4,156.76	0.67%	2.30%	1.95%
Hampton	137,303	128,642	128,312.00	1,048	2,709	2,690.42	0.76%	2.11%	2.10%
Newport News	165,897	167,330	167,840.00	1,666	6,770	7,665.65	1.00%	4.05%	4.57%
Norfolk	217,818	226,213	227,889.00	2,021	7,382	7,802.05	0.93%	3.26%	3.42%
Portsmouth	93,508	88,717	88,790.00	632	890	975.91	0.68%	1.00%	1.10%
Virginia Beach	394,892	410,322	415,876.00	4,435	14,321	15,035.73	1.12%	3.49%	3.62%
<b>Total</b>	<b>1,194,443</b>	<b>1,230,105</b>	<b>1,242,369.00</b>	<b>11,040</b>	<b>36,867</b>	<b>38,326.51</b>	<b>0.92%</b>	<b>3.00%</b>	<b>3.08%</b>



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Other and unspecified languages	59	14	73	0.00%	0.00%	0.01%
Navajo	20	6	26	0.00%	0.00%	0.00%
Hmong	26	0	26	0.00%	0.00%	0.00%
Yiddish	0	0	0	0.00%	0.00%	0.00%
SUBTOTAL	1,210,248	38,319.00	1,369,627	96.93%	3.07%	100.00%
TOTAL	1,210,248					

### Factor 1 Findings

Table 3 demonstrate that over 90% of the population in the HRT service area speaks only English. Spanish and Tagalog are the only two languages spoken at home by more than one percent of the population within the HRT service area. Additionally, the Spanish Speaking population is the only language group where English is spoken less than very well by more than 1% of that language group.

### 2.2 Factor 2: Frequency with which LEP individuals come in contact with HRT programs, activities, or services

Through the analysis of available Census data, the Factor 1 analysis identified LEP populations within the six-city HRT service area. The second step of the four-factor LEP needs assessment is an evaluation of the current frequency of contact between LEP individuals and HRT programs, activities, and services. The US DOT “Policy Guidance Concerning Recipients’ Responsibilities to Limited English Proficient (LEP) Persons” (US DOT, 2005) advises that:

*“Recipients should assess, as accurately as possible, the frequency with which they have or should have contact with LEP individuals from different language groups seeking assistance, as the more frequent the contact, the more likely enhanced language services will be needed. The steps that are reasonable for a recipient that serves an LEP person on a one-time basis will be very different than those expected from a recipient that serves LEP persons daily.”*

HRT’s customer service department reports that 14 calls from Spanish language speakers requiring translation services were received in 2016. HRT has received no request for any other translation services during the 2011-2013 review periods.

### 2.3 Factor 3: Evaluation of Importance of HRT Services to the LEP Population

The USDOT “Policy Guidance Concerning Recipients’ Responsibilities to Limited English Proficient (LEP) Persons” (USDOT 2005) advises that:

*“The more important the activity, information, service, or program, or the greater the possible consequences of the contact to the LEP individuals, the more likely language services are needed. The obligations to communicate rights to an LEP person who needs public transportation differ, for example, from those to provide recreational programming. A recipient needs to determine whether denial or delay of access to services or information could have serious or even life-threatening implications for the LEP individual . . . providing public transportation access to LEP persons is crucial. An LEP person’s inability to utilize effectively public transportation may adversely affect his or her ability to obtain health care, education, or access to employment.”*

The Factor 1 analysis showed that nearly 3.07% of the population in HRT’s service area is limited English proficiency, reporting that they speak English less than very well. While the Factor 2 analysis showed that the frequency of contact with HRT’s customer service center was limited, ensuring that all persons - regardless of language proficiency - have access to information on public transportation services and programs is an important element of a transit agency’s operating program. HRT currently offers

Table 3 Language Spoken At Home By Language Proficiency for the Population 5 Years and Over for HRT Service Area (Source: U.S. Census Bureau, 2015 American Community Survey)

	TOTAL			PERCENT OF POPULATION		
	Speaks English Well	Less Than Very Well	Total	Speaks English Well	Less Than Very Well	Total
English Only	1,127,507		1,248,567	90.30%	0.00%	90.30%
Spanish or Spanish Creole	36,995	16,466	53,461	2.96%	1.32%	4.28%
Tagalog	12,750	6,071	18,821	1.02%	0.49%	1.51%
German	4,469	772	5,241	0.36%	0.06%	0.42%
French (incl. Patois, Cajun)	4,127	1,025	5,152	0.33%	0.08%	0.41%
Chinese	2,083	2,748	4,831	0.17%	0.22%	0.39%
Vietnamese	1,630	2,204	3,834	0.13%	0.18%	0.31%
African languages	2,272	738	3,010	0.18%	0.06%	0.24%
Arabic	1,788	1,027	2,815	0.14%	0.08%	0.23%
Korean	1,050	1,584	2,634	0.08%	0.13%	0.21%
Japanese	1,381	610	1,991	0.11%	0.05%	0.16%
Italian	1,799	183	1,982	0.14%	0.01%	0.16%
Russian	1,005	582	1,587	0.08%	0.05%	0.13%
Other Indic languages	989	465	1,454	0.08%	0.04%	0.12%
Other Asian languages	824	399	1,223	0.07%	0.03%	0.10%
Other Pacific Island languages	741	465	1,206	0.06%	0.04%	0.10%
Greek	886	290	1,176	0.07%	0.02%	0.09%
Portuguese or Portuguese Creole	948	189	1,137	0.08%	0.02%	0.09%
Gujarati	728	344	1,072	0.06%	0.03%	0.09%
Persian	516	350	866	0.04%	0.03%	0.07%
Other Indo-European languages	638	208	846	0.05%	0.02%	0.07%
Urdu	653	173	826	0.05%	0.01%	0.07%
Mon-Khmer, Cambodian	550	267	817	0.04%	0.02%	0.07%
French Creole	600	72	672	0.05%	0.01%	0.05%
Hindi	434	236	670	0.03%	0.02%	0.05%
Scandinavian languages	522	42	564	0.04%	0.00%	0.05%
Other Slavic languages	461	102	563	0.04%	0.01%	0.05%
Other West Germanic languages	475	77	552	0.04%	0.01%	0.04%
Thai	204	268	472	0.02%	0.02%	0.04%
Hebrew	328	116	444	0.03%	0.01%	0.04%
Serbo-Croatian	266	134	400	0.02%	0.01%	0.03%
Polish	252	11	263	0.02%	0.00%	0.02%
Latvian	53	45	98	0.00%	0.00%	0.01%
Other Native North American languages	85	13	98	0.01%	0.00%	0.01%
Hungarian	76	4	80	0.01%	0.00%	0.01%
Armenian	58	19	77	0.00%	0.00%	0.01%

**Table 4 HRT LEP Measures and Status**

Measure	Description	Status	Estimated Burden	Resources Available (Y/N)		
				Staff	Financial	Technological
A	Identify an LEP coordinator	In Progress	Low	Y	Y	Y
B	Examine possibility of establishing a Title VI/LEP group that could meet quarterly to review LEP/Title VI needs and activities	In Progress	Medium	Y	Y	Y
C	Coordinate with HRT operations staff to better identify LEP-related activity on-board the buses and impact on drivers, if any.	Not Started	Medium	Y	Y	Y
D	Document LEP requests—both customer service calls and outreach activities.	In Progress	Low	Y	Y	Y
E	Monitor requests/calls to customer service to see if there is a need to include a "For Spanish, press..." option.	In Progress	Low	Y	Y	Y
F	Coordinate with IT department to identify whether the addition of a "For Spanish, press..." option is a possibility	Not Started	Medium	Unknown	Unknown	Unknown
G	Coordinate with the HRPDC/HRTPO in their efforts to establish a Hampton Roads Limited English Proficiency (LEP) Employee Guide and a database of community groups and local agencies that work with LEP populations and identify volunteer translators and interpreters.	Not Started	Medium to High	Y	Y	Y
H	Post a notice of available language assistance in HRT's reception area and website.	Finished	Low	Y	Y	Y
I	Examine possibility of adding an online language translation feature to HRT's website.	In Progress	Low	Y	Y	Y
J	Add a statement when running general public meeting notices: "The HRT will strive to provide reasonable accommodations and services for persons who require special assistance to participate in this public involvement opportunity. Para información en español, llame al (757)....."	In Progress	Low	Y	Y	Y
K	Examine possibility of creating information in other languages, primarily in Spanish. For example, the "How to Ride the Bus" guide that has important information (fares, policies) related to HRT's service could be a key first document	Not Started	High	N	N	Y
L	Cards placed inside buses listing who to contact if information is needed in other languages (Spanish).	In Progress	Low	Y	Y	Y
M	Add questions in Spanish to rider surveys to better gauge amount/frequency of LEP communities using HRT services.	Not Started	Medium	Y	N	Y
N	Conduct training/informational sessions with HRT customer service department regarding LEP and Title VI populations. Training topics will include:	Not Started	Medium	Y	Y	Y
N1	Understanding Title VI of the Civil Rights Act of 1964 and LEP responsibilities.					
N2	LEP program responsibilities and obligations.					
N3	Language assistance services offered.					
N4	Use of LEP Language Assistance Cards ("I Speak Cards").					
N5	Documentation of language assistance requests.					

### 3.0 REFERENCES

Federal Transit Administration (FTA). 2007a. *Circular 4702.1A: Title VI and Title VI-Dependent Guidelines for Federal Transit Administration Recipients.*

———. 2007b. *Implementing the Department of Transportation’s Policy Guidance Concerning Recipients’ Responsibilities to Limited English Proficient (LEP) Persons: A Handbook for Public Transportation Providers.*

U.S. Department of Transportation (USDOT). 2005. *Policy Guidance Concerning Recipients’ Responsibilities to Limited English Proficient (LEP) Persons.* 70 *Federal Register* 74087. December 14, 2005.

The White House. 2000. *Executive Order 13166. Improving Access to Services for Persons with Limited English Proficiency.* August 11, 2000.

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## APPENDIX C: BOARD AND COMMITTEE MEMBERS

Tables showing all current board and committee members as of January 26, 2017 are provided below.

**TABLE 1: RACIAL COMPOSITION OF TDCHR BOARD MEMBERS**

City/Position	Race/Ethnicity
Chesapeake	Caucasian
Chesapeake	Caucasian
Hampton	African-American
Hampton	African-American
Newport News	Caucasian
Newport News	Caucasian
Norfolk	Caucasian
Norfolk	Caucasian
Virginia Beach	African-American
Virginia Beach	African-American
Portsmouth	Caucasian
Portsmouth	African-American
Virginia Department of Rail and Public Transportation	Caucasian

**TABLE 2: RACIAL COMPOSITION OF TRANSIT RIDERS ADVISORY COMMITTEE**

City/Position	Race/Ethnicity
Hampton	African-American
Hampton	African-American
Norfolk	Caucasian
Norfolk	African-American
Portsmouth/Vice Chair	African-American
Portsmouth	Vacant
Chesapeake	African-American
Chesapeake	African-American
Virginia Beach/Chair	African-American
Virginia Beach	Vacant
Newport News	Caucasian
Newport News	African-American

**TABLE 3: RACIAL COMPOSITION OF ADVISORY COMMITTEE FOR PERSONS WITH DISABILITIES**

City	Consumer/Provider	Race/Ethnicity
Chesapeake	Consumer	Vacant
Chesapeake	Consumer	Vacant
Chesapeake	Provider	Caucasian
Hampton	Consumer	African-American
Hampton	Consumer	African-American
Hampton	Provider	African-American
Newport News	Consumer	African-American
Newport News	Consumer	African-American
Newport News	Provider	African-American
Norfolk	Consumer	Caucasian
Norfolk	Consumer	African-American
Norfolk	Provider	Caucasian
Portsmouth	Consumer	African-American
Portsmouth	Consumer	African-American
Portsmouth	Provider	Vacant
Virginia Beach	Consumer	Hispanic
Virginia Beach	Consumer	Caucasian
Virginia Beach	Provider	Caucasian
Extra Member Norfolk	Consumer	Caucasian
Extra Member Hampton	Consumer	African-American
Extra Member		Vacant

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## APPENDIX D: COMMISSION RESOLUTION - TDCHR

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## APPENDIX E: DETAILED VEHICLE ASSIGNMENT

A detailed table of assignments of vehicle size by route is shown below. Routes are grouped by bus length requirement.

**TABLE 4: BASE ASSIGNMENT OF VEHICLE SIZE BY ROUTE, OCTOBER 2019 SERVICE BOARD**

Route	Peak Buses	Bus Length
4 Church St.	1	29
5 Willoughby	1	29
9 Sewells Point Rd.	6	29
11 Colonial Ave.	1	29
18 Ballentine Pl.	3	29
22 Haygood	2	29
24 Kempsville	5	29
25 Newtown Rd.	2	29
26 Lynnhaven Mall	3	29
27 Northampton Blvd.	2	29
29 Great Neck Rd./Lynnhaven Pkwy.	3	29
33 General Booth Blvd.	5	29
43 Parkview	1	29
50 Academy Pk.	1	29
55 Crossways Blvd.	1	29
102 Queen Street	1	29

Route	Peak Buses	Bus Length
108 Warwick/Lee Hall	4	29
115 Fox Hill Rd.	1	29
116 Mall Hall Loop	3	29
120 Mallory	1	29
121 Williamsburg	1	29
<b>Subtotal 29 Ft</b>	<b>48</b>	
2 Hampton Blvd	4	35
6 South Norfolk	3	35
8 Tidewater Dr.	4	35
12 Indian River Rd.	2	35
13 Campostella Rd.	3	35
14 Battlefield Blvd	3	35
36 Holland Rd.	4	35
41 Craddock	2	35
44 Midtown	3	35
47 Churchland	11	35
57 Deep Creek	5	35
58 Bainbridge Blvd.	1	35
64 Smithfield	2	35
101 Kecoughtan	3	35
103 Shell Rd.	3	35
104 Newsome Pk.	3	35
105 Briarfield Rd.	2	35
109 Buckroe	1	35
110 Thomas Nelson	4	35
111 Riverside	4	35
117 Phoebus	0	35
118 Magruder	2	35
405 Peninsula Commuter Service	0	35
414 Peninsula Commuter Service	2	35

Route	Peak Buses	Bus Length
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<b>Subtotal 35 Ft</b>	<b>71</b>	
<b>1 Granby St.</b>	10	40
<b>3 Chesapeake Blvd.</b>	7	40
<b>15 Military Hwy.</b>	9	40
<b>20 Virginia Beach Blvd.</b>	19	40
<b>21 Little Creek Rd.</b>	5	40
<b>23 Princess Anne Rd.</b>	5	40
<b>45 Portsmouth</b>	8	40 (ERC)
<b>106 Warwick Blvd.</b>	3	40
<b>107 Denbigh Blvd.</b>	4	40
<b>112 Jefferson Ave.</b>	4	40
<b>114 Mercury Blvd.</b>	4	40
<b>415 Peninsula Commuter Service</b>	0	40
<b>430 Peninsula Commuter Service</b>	0	40
<b>Subtotal 40 Ft</b>	<b>78</b>	
<b>919 MAX Silverleaf Station</b>	4	Coach
<b>922 MAX Indian River / Greenbrier</b>	3	Coach
<b>960 MAX Norfolk to Virginia Beach</b>	2	Coach
<b>961 MAX Crossroads</b>	8	Coach
<b>966 MAX Silver to NNSY</b>	2	Coach
<b>967 MAX Indian River PnR</b>	7	Coach
<b>972 MAX TCC to NNSY</b>	1	Coach
<b>Subtotal Coaches</b>	<b>27</b>	
<b>Total</b>	<b>224</b>	



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## APPENDIX F: ROUTE MINORITY/LOW-INCOME STATUS

The table below shows the minority/low-income status of all routes. This data is based on American Community Survey data.

Blue highlighting indicates the route is considered a minority route and yellow highlighting indicates that the route is a low-income route. A 33% threshold was used per Section 4.4 of this document.

**TABLE 5: MINORITY/LOW-INCOME STATUS OF FIXED-ROUTES**

Route	% Minority	% Low-Income		Route	% Minority	% Low-Income
1	38.80%	24.25%		58	51.63%	27.83%
2	39.87%	35.04%		64	75.88%	42.83%
3	56.47%	30.56%		90	50.30%	27.05%
4	61.01%	51.50%		101	74.45%	35.51%
5	41.37%	24.05%		102	72.15%	33.25%
6	71.63%	38.17%		103	82.82%	41.09%
8	69.28%	39.12%		104	82.84%	46.89%
9	76.75%	33.87%		105	82.53%	38.80%
11	48.17%	33.53%		106	56.14%	31.78%
12	53.91%	21.41%		107	54.72%	31.66%
13	81.40%	44.51%		108	64.98%	31.78%
14	41.33%	16.05%		109	58.28%	29.97%
15	61.25%	21.36%		110	68.60%	27.94%
18	82.89%	42.34%		111	46.68%	23.44%
20	51.87%	28.60%		112	55.42%	30.22%
21	50.93%	25.85%		114	66.54%	30.91%
22	45.96%	20.62%		115	50.13%	26.78%
23	60.70%	31.71%		116	48.52%	22.53%
24	37.83%	13.01%		117	80.22%	54.14%
25	43.87%	15.38%		118	68.40%	29.51%
26	54.00%	16.36%		120	58.65%	36.12%
27	47.72%	22.04%		121	56.69%	28.04%
29	20.16%	12.76%		403	66.54%	34.43%
30	14.67%	20.09%		405	59.25%	26.98%
31	18.69%	14.54%		414	55.86%	27.79%
33	24.94%	12.98%		415	58.19%	32.76%
35	10.82%	10.90%		430	55.91%	29.29%
36	48.18%	14.72%		801	55.17%	27.71%
41	76.07%	30.43%		919	33.90%	24.24%

43	61.35%	31.83%		922	37.50%	21.97%
44	51.33%	30.50%		960	40.19%	29.31%
45	67.95%	36.05%		961	57.01%	33.98%
47	60.92%	28.40%		966	52.37%	22.56%
50	75.83%	39.90%		967	55.07%	21.41%
55	50.77%	12.94%		972	59.79%	23.39%
57	56.19%	27.39%				

(Census and American Community Survey Data)

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# APPENDIX G: VEHICLE LOAD ANALYSIS

FIGURE 5: AVERAGE OBSERVED VEHICLE LOAD BY ROUTE FROM NOVEMBER 2013 SURVEY

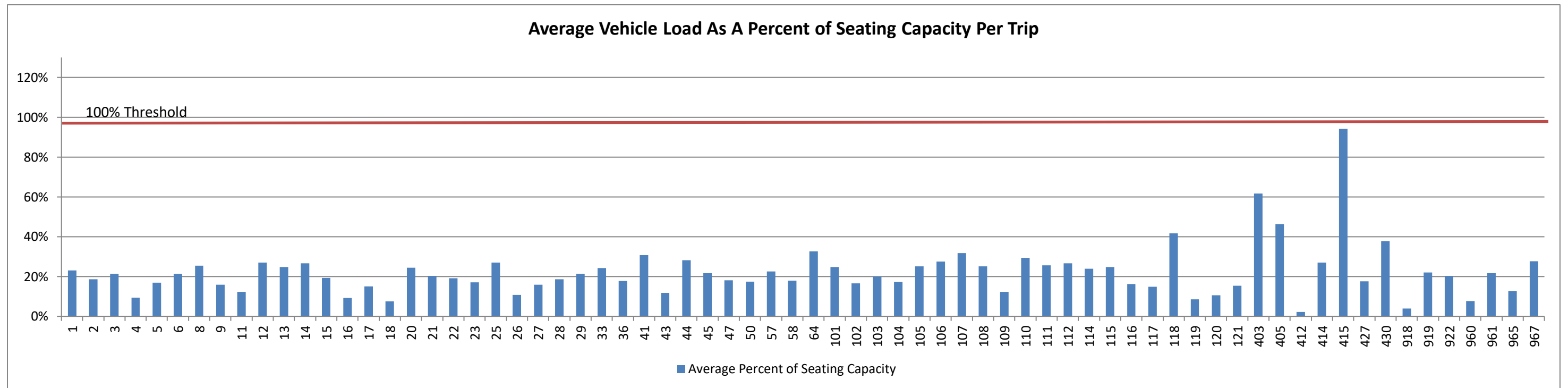
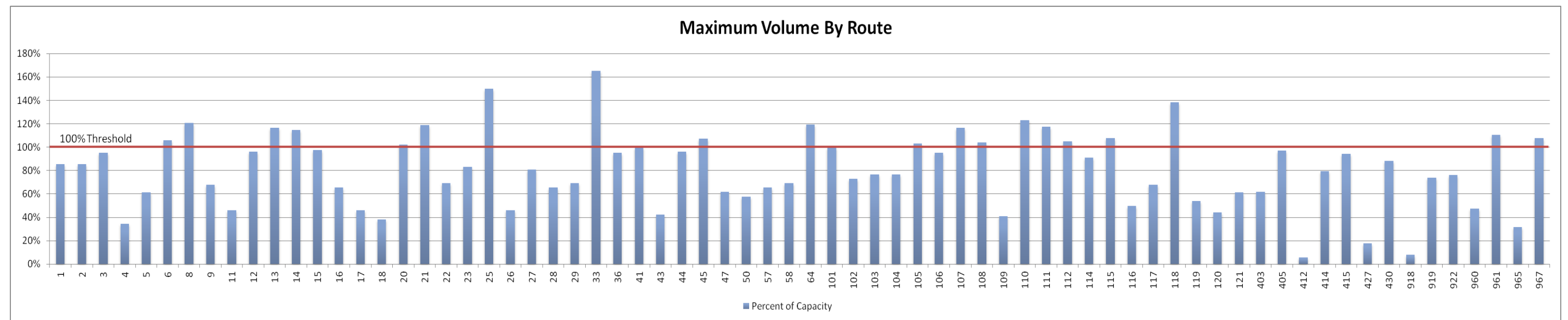


FIGURE 6: MAXIMUM OBSERVED VEHICLE LOAD BY ROUTE FROM NOVEMBER 2013 SURVEY



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## APPENDIX H: SERVICE CHANGE ANALYSES 2017-2019

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The following pages include the Service Equity Analysis completed in 2017-2019:

SERVICE CHANGE	IMPLEMENTATION DATE
SUMMER 2017	6/21/2017
FEBRUARY/JUNE 2018	2/16/2018 6/7/2018
OCTOBER 2018	10/21/2018 10/22/2018
OCTOBER 2019	10/21/2019

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