



# Management / Financial Advisory Committee

Monday, July 20, 2020 • 1:30 p.m.  
3400 Victoria Blvd., Hampton VA  
**Zoom Teleconference**

## MEETING MINUTES

### **Call to order**

Lisa Cipriano, Chair, City of Newport News, welcomed everyone and called the meeting to order at 1:34 pm.

Attendance was taken via teleconference.

### **Committee members in attendance via Phone:**

Lisa Cipriano, Chair, City of Newport News  
Constantinos Velissarios, City of Newport News  
Jessica Dennis, City of Norfolk  
Alex Gottschalk, City of Virginia Beach  
Earl Sorey, City of Chesapeake  
Carl Jackson, City of Portsmouth  
Amy Inman, City of Norfolk  
Seth Parker, City of Norfolk  
Brian Solis, City of Virginia Beach  
Cole Fisher, City of Virginia Beach  
James Burke, City of Portsmouth  
Brian DeProfio, City of Hampton  
Steven Pittard, DRPT  
Angela Hopkins, City of Newport News  
Sheila McAllister, City of Newport News  
James Burke, City of Portsmouth

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

Adrian Tate, Finance Manager  
Debbie Ball, Director of Finance  
Larry Kirk, Assistant Director of Finance  
Conner Burns, Chief Financial Officer  
Angela Glass, Director of Budget and Financial Analysis  
John Powell, Telecommunications Specialist  
Brian Smith, Chief of Staff  
Kim Wolcott, Chief Human Resources Officer  
Ashely Johnson, Capital Improvement Plan Analyst III  
Sheri Dixon, Director of Revenue



## Management / Financial Advisory Committee

Monday, July 20, 2020 • 1:30 p.m.  
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Keshia Branch, Grants Administration and DBE Officer  
Michael Price, Chief Information Officer/Chief Technology Officer  
Ray Amoruso, Chief Planning and Development Officer  
Erin Glen, Director of Enterprise Technology Solutions  
Juanita Davis, Budget Analyst III  
Shanti Mullen, Internal Auditor  
Joe Dillard, Government Relations Liaison  
William Harrell, President and Chief Executive Officer  
Gene Cavasos, Director of Marketing and Communications  
Misty Allen, Risk Manager  
Jim Price, Chief Transit Operations Officer  
Sonya Luther, Director of Procurement  
Luis Ramos, Executive Assistance to the President and CEO

### **Others in attendance via Phone:**

Jeff Raliski, Hampton Roads Transportations Planning Organization (HRTPO)  
Ann Doyle, City of Norfolk  
Jenny Thompson, City of Hampton

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

- Agenda
- June 2020 FY20 Financial Statement
- Route Ridership FY16-FY20 – All Routes

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

### **June 2020 Financial Report**

Ms. Cipriano asked that the committee members hold all question, concerns and comments regarding the June 2020 financial report until the end of the presentation.

Conner Burns, Chief Financial Officer, welcomed the attendees to the meeting. Mr. Burns stated that HRT will be returning just under \$10 million dollars to the localities in the form of cash and credits for FY20. This is the fourth year in a row the Agency has returned a positive true up to the localities.



## Management / Financial Advisory Committee

Monday, July 20, 2020 • 1:30 p.m.  
3400 Victoria Blvd., Hampton VA  
[Zoom Teleconference](#)

Mr. Burns presented the June financials, including the operating financial statement, preliminary year-end projection, locality reconciliation, CARES funding, and the Essential Service Plan (ESP) in detail to the committee.

Brian Smith, Chief of Staff, presented the Scan of Environment presentation to the committee members and attendees. The General Assembly will be holding a special session, August 18, 2020, to address the annual budget and other matters at hand.

A funding timeline was presented and regarding the Agency's needs and the availability of federal and CARES Act funding.

Angela Glass, Director of Budget and Financial Analysis, explained the ESP refund calculations, the total locality benefit recaps, and the methodology used to derive to localities FY20 refunds.

The "Attendance Premium" was continued until August 30, 2020, at the rate of \$3.00 an hour for the union personnel and employees who encounter the public daily.

**ACTION ITEM: It was requested that prior the close of business today, HRT provide the committee members the two slide presentations that were not included in the original package, these were electronically forwarded to the members prior to the MFAC meeting.**

There were discussion concerning the ESP refund calculations and it relates to the local contribution percentage and the varying amounts per city.

Ms. Glass explained that these variances are attained by using the localities fare box contributions, actual service hours which changes the local contribution percentages. These calculations vary with each locality.

Kim Wolcott, Chief Human Resources Officer, confirmed that since the outbreak of the pandemic, HRT has experienced the total of 15 employees who have tested positive for the COVID virus. All known cases have fully recovered from the virus.

There were discussions concerning the surge of COVID-19 virus cases as it relates to the transit operators and its possible link to the reinstatement of the fare box collection. The COVID virus affected operators as well as both mechanics and administrative personnel. The increase in the number of affected people were believed to be a result of the upswing of cases noted in the Hampton Roads area and not directly related to the changes implemented for riding passengers.



## Management / Financial Advisory Committee

Monday, July 20, 2020 • 1:30 p.m.  
3400 Victoria Blvd., Hampton VA  
[Zoom Teleconference](#)

HRT buses have been equipped with clear plastic curtain shields surrounding the operator. This shield was designed to help aid in eliminating the effects of the virus being transmitted from both the rider to the operator. In addition, HRT drivers are provided face shields and face masks for additional precautionary use and as part of their PPE. All employees who have tested positive for the virus are immediately contacted. A “contact trace” is performed

The FY20 Financial Audit is earmarked to be presented to the Transportation District Commission of Hampton Roads (TDCHR) Board for approval, December 2020.

The credit for FY21 will be reflected on the locality’s 1st quarterly invoice.

**ACTION ITEM: HRT was asked to remove the localities contribution from the FY20, June 2020, financial statement, since these funds will be allocated and used in FY2021.**

The localities contributions were generated in FY20 however, they will be allocated in FY21

There were discussion concerning the allocations of State of Emergency Aid on the FY20 June 2020 financial statement.

There were discussions concerning the farebox “State Emergency Aid” and its contribution to the localities. Without the emergency state aid, the localities would be responsible for the fare box short fall, which was a result of the “free fare”, April 10, 2020-July 1, 2020.

The State Emergency Aid contribution was processed in accordance with the Cost Allocation Agreement (CAA).

Ms. Cipriano stated that Pre-COVID, HRT reported 9-months of positive trending true-up for the localities on the monthly financial statements reports. During the hold harmless conversations in May 2020, it was discussed that HRT, through strategic application of federal and state dollars, funds not needed for other activities would, generate a \$3.164 million dollars surplus by end of FY 20, June 30, 2020. Ms. Cipriano stated that she understood that the hold harmless discussion meant that the \$3.164 million dollars, cash over and above anything that was in the essential service plan (ESP) would be brought over forward separately, from the essential service plan refund.



## Management / Financial Advisory Committee

Monday, July 20, 2020 • 1:30 p.m.  
3400 Victoria Blvd., Hampton VA  
**Zoom Teleconference**

**ACTION ITEM: HRT was asked to provide the calculations that would show the \$3.164 million cash, the 9-months of localities positive true-up, and how it was being carried over from FY20 to FY21 – Completed at the July 23, 2020 Commission Meeting**

Mr. William Harrell, President and Chief Executive Officer, asked the committee for a deferment, concerning the methodology HRT used to calculate the FY 2020 “carry over” funds. HRT asked for the extended time to ensure that the requested information is shared correctly, and accurate HRT will have the calculations ready to present to the TDCHR board members, next meeting, Thursday July 23, 2020. These materials will also be forwarded to the MFAC.

There were discussions concerning the receipt of the state funding as reflected previously on the financial statements, pre-COVID. It was confirmed that the 1<sup>st</sup> quarterly State funding that was reflected in HRT’s budget was received and allocated. However, the remainder of FY21 state funding and its availability is scheduled to be discussed when the State reconvenes in September.

The CARES Act can be used for both state and capital funding

There were discussion concerning the level of staffing, operators, and the shortages as it relates to the COVID pandemic issues. Due to the levels of positive testing, HRT has been experiencing an increase in missed trips. HRT anticipates having more information pertaining to its staffing challenges and how the agency is migrating its efforts fighting COVID spread during the July 2020, TDCHR board meeting,

There were discussion concerning ridership and the trending changes as it relates to the reopening of service.

Ray Amoruso, Chief Planning and Development Officer, presented Ridership Update – Average Weekday Ridership Comparisons. This presentation illustrated HRT’s weekday system level by mode, ridership, and difference in time periods. Currently all modes of ridership are down since the reopening. Mr. Amoruso reminded the MFAC members that the May ridership numbers, at the route level were included in their electronic packages. However, he also stated that during the “no fare” time frame, April, May, and June 2020, for safety precautions HRT had passengers entering through the back door of the buses. So, data collected during that time frame may not be as reliable. Mr. Amoruso ensures a more accurate ridership counts as of July 1, 2020. Essential workers, health care workers, workers in medical institutions, hospitals, Newport News and Norfolk Naval Shipyard employees were among the majority of those still depending on and riding all modes of operations. Norfolk Naval Station personnel are still under a “stay at homework order”



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and are not among those currently using HRT's services. Light rail has experienced decline in ridership, previous riders are working from home.

There were discussions concerning the buses being equipped with an automated counter system for a more accurate depiction of the ridership trends. Currently, ridership data is verified manually, by data analyst. Only 60% of HRT's current fleet is equip with Automatic Passenger Counting (APC) software. However, HRT is working with and using the FTA's methodology to obtain certification and validation for their APC, to ensure a more precise ridership count and trend.

### **Capital Expenditure Budget- CapEx**

HRT will be reintroducing the Capital Expenditure Budget (CapEx) model and functionality at the August or September 2020 MFAC meeting. A resolution is anticipated to be presented to the TDCHR board in September 2020, outlining HRT's plans to utilize its capital expenditure budget.

### **New Business**

There were discussions concerning HRT's drafting a Memorandum of Understanding (MOU) with Hampton Roads Transportation Accountability Commission (HRTAC) and its status.

Mr. Harrell advised the MFAC members that once the particulars of the drafted were identified, the processing, submitting of information, logistics and the backbone and key elements are put into place, it will be presented to the TDCHR board for approval and shared with MFAC.

**Action item: it was asked that HRT provide an update concerning the status of the MOU draft with HRTAC and the August 24, 2020, MFAC meeting.**

There were discussions concerning the FY22 budget excepted timeline. HRT anticipates having FY22 budget draft numbers by December 2020.

There were discussions concerning the Department of Rail and Public Transportation (DRPT) assistance of capital and operation funding and its effect as it relates to HRT changing its service plane to accommodate Norfolk's plans to implement it intercity transit hub, 2021. Norfolk agreed to "no changes" to their revenue hours during this implementation.



## Management / Financial Advisory Committee

Monday, July 20, 2020 • 1:30 p.m.  
3400 Victoria Blvd., Hampton VA  
**Zoom Teleconference**

October and May are the designated month for union service board picks.

Title IV analysis is due, July 6th. Findings must be reported to the Board.

### **Other Business**

Amy Inman, City of Norfolk, will be MFAC, Chair during FY21.

**Action item: Ms. Inman reminded HRT of the Paratransit information request from the previous meeting to have available for the August 24, 2020 MFAC meeting.**

Mr. Harrell stated that the Paratransit presentation presented to the Oversight and Operations (O&O) Committee on July 9, 2020 will be forwarded to the MFAC members and can be discussed during the August 24, 2020 meeting.

### **Adjournment**

The meeting was adjourned at 3:34 p.m.