



Management / Financial Advisory Committee

Monday, September 21, 2020 • 1:30 p.m.
3400 Victoria Blvd., Hampton VA
Zoom Teleconference

MEETING MINUTES

Call to order

Amy Inman, Chair-City of Norfolk, welcomed everyone and called the meeting to order at 1:34 pm.

Attendance was taken via teleconference.

Committee members in attendance via Zoom:

Amy Inman, Chair- City of Norfolk
Lisa Cipriano, 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
Seth Parker, City of Norfolk
Cole Fisher, City of Virginia Beach
James Burke, City of Portsmouth
Brian DeProfio, City of Hampton
Brian Solis, City of Virginia Beach
Angela Hopkins, City of Newport News
Sheila McAllister, City of Newport News

Hampton Roads Transit Staff in attendance:

Brenda Green, Accounting Coordinator (recorder)
Adrian Tate, Finance Manager
Debbie Ball, Director of Finance
Larry Kirk, Assistant Director of Finance
Conner Burns, Chief Financial Officer
Angela Glass, Director of Budget and Financial Analysis
John Powell, Telecommunications Specialist
Ashely Johnson, Capital Improvement Plan Analyst III
Sheri Dixon, Director of Revenue
Keshia Branch, Director of Office of Program & Project Excellence
Michael Price, Chief Information Officer/Chief Technology Officer
Ray Amoruso, Chief Planning and Development Officer
Erin Glen, Director of Enterprise Technology Solutions



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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
Robert Travers, Attorney
Sonya Luther, Director of Procurement
Sibyl Pappas, Chief Engineering and Facilities Officer
Jim Price, Chief Transit Operations Officer

Others in attendance via Phone:

Jeff Raliski, Hampton Roads Transportation Planning Organization (HRTPO)
Ann Doyle, City of Norfolk
Jimmy Gray, City of Hampton

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

- Agenda
- August 21, 2020 Meeting Minutes
- August 2020 FY21 Financial Statement
- Route Ridership FY16-FY20 – All Routes
- Capital Improvement Plan Overview – Resource
- Capital Improvement Plan Overview – Additional Resource Material
- Capital Improvement Plan FY22 through FY31
- MFAC FY2020 Budget Calendar

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

Approval of the July 2020 Minutes

A motion to approve the August 2020 Meeting Minutes including the correction was made and properly seconded.

The August 2020 Minutes were approved by unanimous vote.



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August 2020 FY 2021 Financial Report

Conner Burns, Chief Financial Officer, welcomed everyone to MFAC.

Mr. Burns asked that the cities review, update and make changes needed to the current MFAC roster and email distribution list.

Mr. Burns informed the Committee Members that the income statement was structured differently this month for a cleaner look and to separate the traditional statement of operations, as well as, a statement reflecting the impact of direct COVID expenses. He noted that page 2 represents the statement of operations without COVID revenue and expenses and that page 3 is specific to COVID regarding income and expenses.

HRT is working with Dominion Energy as it relates to advertising revenue and an announcement is forthcoming.

Mr. Burns presented the consolidated draft financial statement for the period-ended August 31, 2020.

The August Financials including the operating financial statement, non-operating COVID revenue/expenses, farebox revenue/expenses, locality crosswalk and locality reconciliation, were presented in detail to the Committee.

There were discussions concerning the 5307 and 5337 federal funds drawdown. Typical with these types of monies, HRT does not drawdown these federal funds until needed.

There were discussions concerning COVID related spending as it relates to “attendance pay”. William Harrell, President and Chief Executive Officer, stated that continuation of the modified “attendance pay”, which is an additional \$3.00 per hour for essential personnel is being determined on a month-to-month basis. He also stated that HRT has implemented other safety measures related to the expenditure of COVID funds which include clear plastic curtains, safety barriers, among other items to ensure the safety of both employees and the community.

There were discussions concerning the HRT’s fare box trending 39% below last year due to the pandemic

Ray Amoruso, Chief Planning and Development Officer stated that transit agencies similar in size to HRT size are also reporting up to 50% drop in ridership. Fare box trends are currently unavailable.



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Hampton Roads Transportation Accountability Commission (HRTAC) and HRT Memorandum of Understanding

Mr. Harrell stated that HRT's ongoing conversations with HRTAC concerning the MOU are going very well. Both agencies are ironing out the contractual agreements set forth by the legislation and adopted by the General Assembly. HRT's goal for completion is the end of October 2020. All contractual relationship agreements with HRTAC and Virginia Department of Rail and Public Transportation (DRPT) will be shared with MFAC and the Transportation District of Commission of Hampton Roads (TDCHR) upon their completion.

HRT's execution of the strategic plan of the regional routes will begin with Group A which includes three key routes on the Peninsula. The routes are numbers 101 (Kecoughtan), 112 (Jefferson Boulevard) and 114 (Mercury Boulevard).

There were discussions concerning the regional routes being funded with the regional funding and not creating an incremental increase and the impact on the localities.

There were discussion concerning the reconciliation of the regional backbone implementation as it relates to the allocation of regional money.

There were discussions concerning the localities FY20 funding level contributions for transit as it relates to the allocation of funds for the "backbone" routes.

There were discussion concerning HRTAC as it relates to the regional funding and its use while HRT is in the early stages of implementing this proposed regional service plan.

ACTION ITEM: HRT was asked to provide a timeline concerning the needs of the regional funds and when the HRT expects the funds will be allocated.

Mr. Burns gave an overview the FY22 Budget Calendar of events and asked the Committee to submit any additional requests for the FY22 Budget Calendar before October 12, 2020.

Capital Improvement Plan

Mr. Amoruso gave an overview of the Capital Improvement Plan (CIP) 10-year program for FY22 – FY31, which was electronically forwarded to MFAC prior to the meeting. Mr. Amoruso detailed the CIP's investments, expansion, rehabilitation, or replacements of HRT assets, annual updates documenting needs and screening priorities.



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Mr. Amoruso noted that HRT has extended the CIP from a 6-year plan to a 10-year plan to conform with the Transit Strategic Plan requirements.

Mr. Amoruso also mentioned that CIP needs are programmed based on priority and funding eligibility. He mentioned that 10-year funding projections are the basis for constrained CIP programs and small but beneficial projects not programmed in the CIP may be eligible for Capital Expenditure (CapEx) funding.

Mr. Amoruso give an overview of the calendar for the development of the CIP as well as the methodology for the process.

ACTION ITEM: HRT was requested to identify those projects that are including in the CIP report that could be funded with regional funding.

Capital Expenditure Budget (CapEx)

Mr. Burns stated that HRT will incorporate the CapEx inside the CIP. He mentioned that the CIP is the agency's capital expenditure budget, and the CapEx could be recognized as a cash capital account similar to the localities. The CapEx is an enhancement that will allow the agency to address the smaller projects and execute them quickly. The CapEx will be presented as part of the CIP in December.

ACTION ITEM: HRT was asked to develop a policy describing the use of the CapEx.

Other Business

Lisa Cipriano, City of Newport News reminded MFAC of the conversation concerning "free fare" day that occurred pre-COVID.

ACTION ITEM: it was asked that HRT provided the dollar amount for each city concerning "free fare" for election day in November of 2020.

Ms. Cipriano stated that it would be solely up to the individual cities to consider bearing the cost for this event.

Ms. Inman stated that if any MFAC members have any agenda items they would like to address please feel free to let her know by October 14th.

Adjournment

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