



# Meeting of the Audit & Budget Review Committee of Hampton Roads

Monday, February 22, 2021 • 10:00 a.m.  
[Zoom Tele/Video Conference](#)

## MEETING MINUTES

Attendance was taken via teleconference.

### **Commissioners in attendance:**

Commissioner Gray, City of Hampton-Chair  
Commissioner Woodbury, City of Newport News  
Commissioner Fuller, City of Chesapeake  
Commissioner McClellan, City of Norfolk  
Commissioner Hamel, City of Chesapeake  
Commissioner Glover, City of Portsmouth  
Commissioner Houston, City of Norfolk  
Commissioner Bullock, City of Newport News

### **Alternate Commissioners in attendance:**

Commissioner Cipriano, City of Newport News  
Commissioner Jackson, City of Portsmouth  
Commissioner Shea, City of Virginia Beach

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

William Harrell, President and Chief Executive Officer  
Angela Glass, Director of Budget and Financial Analysis  
Ashley Johnson, Capital Improvement Plan Analyst III  
Conner Burns, Chief Financial Officer  
Sheri Dixon, Director of Revenue Services  
Adrian Tate, Finance Manager  
Ray Amoruso, Chief Planning and Development Officer  
Robert Travers, Attorney  
Gene Cavazos, Director of Marketing and Communications  
Sibyl Pappas, Chief Engineering and Facilities Officer  
Sony Luther, Director of Procurement  
Kim Wolcott, Chief Human Resources Officer  
Debbie Ball, Director of Finance  
Juanita Davis, Budget Analyst III  
Jim Price, Chief Transit Operations Officer  
Keshia Branch, Director of Office of Program and Project Excellence  
Joe Dillard, Organizational Advancement Officer



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Dawn Sciortino, Chief Safety Officer  
Brenda Green, Accounting Coordinator (recorder)  
Larry Kirk, Assistant Director of Finance  
John Powell, Telecommunications Specialist  
Brian Smith, Deputy Chief Executive Officer  
Michael Price, Chief Information Officer/ Chief Technology Officer  
Shanti Mullen, Internal Auditor

### **Others in attendance:**

Jeff Raliski, Hampton Roads Transportations Planning Organization (HRTPO)  
Debra White, City of Portsmouth  
Angela Hopkins, City of Newport News

### **Call to Order**

Commissioner Gray called the meeting of the Audit & Budget Review Committee (ABRC) to order at 10:02 am.

The February 2021 Audit & Budget Review Committee meeting package was distributed electronically to the ABRC and Commissioners in advance of the meeting. The meeting package consisted of:

- Meeting Agenda
- ABRC January 2021 Meeting Minutes
- January 2021 FY21 Financial Report
- FY2022 Preliminary Operating Budget

### **Approval of January 25, 2021 ABRC Meeting Minutes:**

A motion to approve the January 2021 Audit & Budget Review Committee (ABRC) meeting minutes was made and properly seconded. The January 2021 Minutes were approved by unanimous vote.



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### **FY 2021 January 2021 Financials**

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

The January financials, including the operating financial statement, non-operating COVID revenue/expenses, farebox revenue/expenses, locality crosswalk and locality reconciliation, were presented in detail by Mr. Burns to the Committee.

There were discussions concerning the slow growth of the farebox recovery, and its relationship to the “free fares” campaign during the pandemic. Historically, January and February are the slowest months for ridership due to the seasonal cold and unpredictable weather conditions that often occur during these months.

### **FY 2022 Preliminary Operating Budget & Transportation Strategic Plan (TSP)**

Angela Glass, Director of Budget and Financial Analysis presented the FY 2022 budget calendar, preliminary operating budget, and cost drivers/local share summary, preliminary service hours, and the preliminary TSP as it relates to the FY 2022 Preliminary Operating Budget and TSP. These documents were distributed electronically to the Committee Members in their February 2021 MFAC package. In addition, Ms. Glass reviewed the next steps on the FY 2022 budget calendar, outlining the events scheduled and leading to the proposed adoption of the final approved budget by the Transportation District of Commission of Hampton Roads (TDCHR) Board in May 2021.

There were discussions concerning the personnel salary increase “cost drivers” and the union collective bargaining agreement as it relates to the FY 2022 preliminary operating budget. The additional “cost drivers” reflected in personnel services is increasing HRT’s current allotment of operators and a budgeted pay increase for union employees.

There were discussions concerning the increase in expenses, despite no additional added hours of service. The increase in expenses relates directly to the new services for the RTS routes coming online in October 2022 and the building up of the infrastructure needed to support these new services. The cost of the new services will be cost neutral for the localities and will be funded by the HRRTF.

HRT has currently received an approval for the application for capital cost from Hampton Roads Transportation Accountability Commission (HRTAC) and is currently working on the next application, which would include operational expenditures. Once the application is approved, HRTAC will provide the direct instructions concerning the program and how funds are accessed. HRT is still working closely with Kevin Page, Executive Director



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HRTAC, and their attorneys concerning the particulars of the Memorandum of Understanding (MOU) as it relates to the program in its entirety.

There were discussions concerning HRT's outlook of the use of its "line of credit", and the supplementing funds to cover expenses after the sunset of the CARES funding.

There were discussions concerning the Transit Occupancy Tax (TOT) which begins, May 2021.

### **FY2020 Annual Audit Update**

Mr. Burns gave a status update on the FY 2020 Annual Audit to the Committee Members. He stated that HRT experienced some system issues. These issues are related to the implementation of the new financial software, which occurred in October 2019. These issues have delayed the audit until the first week of April 2021. The finance department is working closely with the Information Technical (IT) department trying to correct this PeopleSoft issue.

Larry Kirk, Assistant Director of Finance stated that the system issues prevented the Agency from closing its financial records as scheduled. HRT worked very closely with Microsoft, internal staff members, and consultants to correct these issues. HRT anticipates having a financial audit draft by April.

There were discussions concerning the longevity of the current financial system.

### **Overview of Annual Update to the Transit Strategic Plan (TSP)**

Ray Amoruso, Chief Planning and Development Officer presented an overview of the annual TSP, covering laws mandated by the state and the 10-year planning horizon. This living document, updates annually and every 5th year a major update occurs. The current TSP is scheduled for adoption by the TDCRH board in March. The TSP workshop for the TDCHR will be February 25, 2021 via Zoom.



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The TSP consists of various chapters and appendices.

### **Chapters:**

1. Systems Overview and Strategic Vision
2. System Performance and Operations Analysis
3. Planned Improvements and Modifications
4. Implementation Plan
5. Financial Plan
6. Hampton Roads Regional Transit Fund Program (HRRTF)

### **Appendix:**

- A. Agency Profile and System Overview
- B. Phased System Maps
- C. Estimated Ridership Methodology and Results
- D. On-Demand (Microtransit) Service

A new line item was added under Chapter I of Systems Overview and Strategic Vision, which is HRT's response to the COVID-19 public health emergency plan.

Mr. Amoruso expounded on the regional backbone routes, the 15-minute service routes, the local priority routes, the 30-minute service routes, the coverage routes, the 60-minute service routes, which include the limited or express routes, and the on-demand service. The Regional TSP foundation and its strategies, outline that all service times start and end at the same time, and that the span of frequency of services are the same. The HRRT 13-routes, will be branded as the "757 Express" and will launch October 2022. Mr. Amoruso gave an overview of the human resources and staffing infrastructure needed to support the HRRTF. A review of the FY 2022 RTS bus operations, the service hours, total expenses, farebox revenue recovery and the forecasted HRRTS regional program funding total was also presented. The RTS primary program operation and maintenance items include bus operation, planning, human resources, marketing and communication, technology, safety, security, engineering, and facilities. HRT will complete a 10-year outlook that aligns to update the TSP, FY21-31 Capital Improvement Plan (CIP) and annual Capital and Operating budgets by March/April 2021

Additional /replacement bus shelters will be included in the HRRTS program.

An email, enclosed with a link will be forwarded to the TDCHR Committee Members, allowing them to download the draft TSP appendices.



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### **Other Matters**

Chairman Gray stated that the next meeting will be April 19, 2021 at 10 am, via Zoom teleconference.

### **Adjournment**

With no further business to discuss, the January 2021 Audit/Budget Review Committee meeting was adjourned at 11:38 am by Chairman Gray.