



Management / Financial Advisory Committee

Monday, February 22, 2021 • 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 1:31 p.m.

Attendance was taken via teleconference.

Committee members in attendance via Zoom:

Amy Inman, Chair – City of Norfolk
Lisa Cipriano, City of Newport News
Angela Hopkins, City of Newport News
Cole Fisher, City of Virginia Beach
Alex Gottschalk, City of Virginia Beach
Earl Sorey, City of Chesapeake
Genevieve Thomas, City of Hampton
Brian DeProfio, City of Hampton
Michael Hayes, City of Hampton
James Burke, City of Portsmouth
Constantinos Velissarios, City of Newport News
Sheila McAllister, City of Newport News
Mark Shea, City of Virginia Beach
Ann Doyle, City of Norfolk
Andrew Fox, City of Norfolk

Hampton Roads Transit Staff in attendance:

Brenda Green, Accounting Coordinator(recorder)
Larry Kirk, Assistant Director of Finance
Conner Burns, Chief Financial Officer
Angela Glass, Director of Budget and Financial Analysis
Debbie Ball, Director of Finance
John Powell, Telecommunications Specialist
Ashely Johnson, Capital Improvement Plan Analyst III
Misty Allen, Risk Manager
Sheri Dixon, Director of Revenue Services
Michael Price, Chief Information Officer/Chief Technology Officer
Ray Amoruso, Chief Planning and Development Officer



Management / Financial Advisory Committee

Monday, February 22, 2021 • 1:30 p.m.
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Juanita Davis, Budget Analyst III
Keshia Branch, Director of Office of Program and Project Excellence
Kim Wolcott, Chief Human Resources Officer
Dawn Sciortino, Chief Safety Officer
Shanti Mullen, Internal Auditor
William Harrell, President and Chief Executive Officer
Robert Travers, Attorney
Gene Cavasos, Director of Marketing and Communications
Brian Smith, Deputy Chief Executive Officer
Sonya Luther, Director of Procurement
Sibyl Pappas, Chief Engineering and Facilities Officer
Jim Price, Chief Transit Operations Officer
Amy Braziel, Manager of Operations Administration
Joe Dillard, Organizational Advancement Officer
Tracy Moore, Director of Training

Others in attendance via Phone:

Jeff Raliski, Hampton Roads Transportations Planning Organization (HRTPO)
Elyssa Gensib, WSP USA
Simon Mosbah, WSP USA
Joshua Diamond, Foursquare ITP
Lori Zeller, Foursquare ITP

The February 2021 Management/Financial Advisory Committee (MFAC) package was distributed electronically to Committee Members in advance of the meeting. The meeting package consisted of:

- Agenda
- January 25, 2021 Meeting Minutes
- Route Ridership FY17-FY21- ALL ROUTES
- January 21 FY21 Financial Report
- FY22 Preliminary Operating Budget

Approval of the December 2020 and January 11, 2021 MFAC Minutes

A motion to approve the January 25, 2021 meeting minutes was made and properly seconded.

The January 2021 meeting minutes were approved by unanimous vote.



Management / Financial Advisory Committee

Monday, February 22, 2021 • 1:30 p.m.
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FY 2021 January Financials

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

Mr. Burns stated that this Committee requested that additional rows be added to separate the traditional monies 5307 and the CARES 5307 monies. Mr. Burns stressed that the CARES operating grants are 5307 operating funding, citing *United States Code 49, chapter § 5307, Urbanized Area Formula Grants*.

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

HRT anticipates that casualties and liabilities expenses will exceed the YTD budgeted amount.

Personnel services consist of several line items including annual “vacation buy back” for union employees. Per the Union contract, vacation time not used by union personnel by year end can be sold back to the Agency. This is per contractual agreement.

There were discussions concerning the eligibility of employee benefits, concerning vacation payouts after the employee is termination of service with the Agency.

There were discussions concerning HRT providing year-end projections as it relates to the locality crosswalk. Because HRT can strategically allocate funds, allowing the localities to land on a “zero” balance, it would not be necessary to provide year-end projections. However, HRT was asked to provide the year-end projections per the request of the MFAC Members.

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

Angela Glass, Director of Budget and Financial Analysis, reviewed the FY 2022 budget calendar, preliminary operating budget and its cost drivers, local share summary, preliminary service hours, and the preliminary TSP. The FY 2022 Preliminary Operating Budget and TSP 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, including the proposed adoption of the final approved budget by the Transportation District of Commission of Hampton Roads (TDCHR) board on May 27, 2021.



Management / Financial Advisory Committee

Monday, February 22, 2021 • 1:30 p.m.
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There were discussions concerning employment vacancies and the funding sources as it relates to the FY22 preliminary operating budget.

There were discussions concerning the prorated portion of the RTS being included in the FY22 preliminary operating budget.

ACTION ITEM: HRT was asked to show the service hours and revenue hours that will be funded by the regional transit fund.

Strategic Allocation Resolution Discussion (continued)

Robert Travers, Attorney stated that the new proposed resolution would closely track the language of the resolution adopted in FY21. Hopefully, this would streamline the process and provide the municipalities with a level of comfort. Mr. Travers welcomed those who would like to submit edits or specific language changes on the proposed new resolution. Submissions should be given to Amy Inman, MFAC Chair, City of Norfolk so they could circulate among all of Committee Members for consideration. Changes agreed upon by the municipalities and in agreement with HRT will be implemented in the new proposed resolution.

There were discussions concerning the Cost Allocation Agreement (CAA) methodology as it relates to the proposed resolution.

Communication with HRTAC – HRT Memorandum of Understanding (MOU)

Brian Smith, Deputy Chief Executive Officer stated that HRT is still working with Hampton Roads Transportation Accountability Commission (HRTAC) and their council concerning the MOU. HRT is currently waiting to hear back from HRTAC.

HRT's Transit Strategic Plan-Resource Allocation Capital and Operating

Ray Amoruso, Chief Planning and Development Officer presented an overview of the annual TSP, covering the 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 TDCHR board in March 2021. The TSP workshop for the TDCHR will be February 25, 2021 via Zoom. The Service implementation plan for Chapter 3 was reviewed in January. An electronic link to the updated chapters and appendix will be emailed for the Committee Members. TSP Chapter consist of the following:



Management / Financial Advisory Committee

Monday, February 22, 2021 • 1:30 p.m.
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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)

Mr. Smith outlined the vision, mission, and values, as it relates to the TSP. The goals and objective of the programs are to provide a high quality of service, foster regional quality of life and economic vitality, ensure financial stewardship and cost-effective operations, build a culture for innovation and workforce success within HRT. Additional goals were given to the President and CEO by the Transportation District Commission of Hampton Road (TDCHR) to implement within the strategic plan. The goals included initiating a startup for Group A and the core elements needed to execute the Peninsula backbone regional routes, ensuring that the strategic integration of technology and the enhancement of customers amenities are implemented, develop a comprehensive and integrated public communication plan to support the economic recovery of the region, optimize financial resources, improve transit ridership, and to work with the city governments to draft a response plan, for the various modes of transportation to deal with flooding issues.

- *Chapter 1 covers the TSP's guiding principles, the regional community involvement and route classification and services. Updated in Chapter 1 HRT addresses the varies stages of response, recovery, and resilience as it relates to the COVID-19 public health emergency multiyear strategy.*
- *Chapter 2 summarizes existing service by mode, it evaluates the market concerning transit demands, it contains the reports on performance metrics of existing services and analyzes opportunities for service improvement and collaborations opportunities with other transit systems.*
- *Chapter 3 contains phased improvements and modification to existing services over 10-year horizon, the financially constraint of existing funding sources, the service priorities and the guiding principles established during the development of the major TSP update June 2020.*
- *Chapter 4 list steps required to carry out the operations and services in Chapter 3 and guided by HRT's Transit Asset Management Plan (TAM Plan), it outlines the capital needs linked to the constrained 10-year Capital Improvement Plan (CIP) adopted, December 2020.*



Management / Financial Advisory Committee

Monday, February 22, 2021 • 1:30 p.m.
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- *Chapter 5 identifies projected services cost and financial resources associated with Chapter 3. Provides the financial snapshot that will change year-by-year based on current information, is a blueprint of the TDCHR's direction towards increased frequent service, associated cost, and information of key factors, and the assumptions about regional funding (this year's update).*
- *Chapter 6 documents the Hampton Roads Regional Transit Program as required by Virginia Code § 33.2-2600.1, the Hampton Roads Regional Transit Fund (HRRTF), which is managed by the HRTAC and the resources necessary to implement the Regional Transit Strategic (RTS) Program and the HRRTF 3-funding sources (regional grantor's tax, regional transient occupancy tax and the state recordation taxes). Chapter 6 updates, branding and marketing of the RTS program service as the "757-Express", the dominant factor that influences overall phasing, timing and components for start-up and ongoing operations, the documented resources allocated for Capital and Operational & Maintenance (O&M) needs, Human Resources needs, new and expanded technology, the Agency's targeted objectives of "safe and secure transportation for all customers", the bus stop amenity program, communications and marketing .*

Mr. Amoruso reviewed the FY 2022 RTS bus operations, the service hours, total expenses, farebox revenue recovery, and the forecasted HRRTS' program funding total. He also gave an overview of the HRRTF capital cost, the preliminary O&M cost, and the additional O&M cost of FY 2021/2022. There was an overview of the TSP Appendixes.

Appendix:

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

William Harrell, President and CEO reviewed the next steps needed in the implementation of the TSP. The TDCHR will have a work session on the TSP updates Thursday, February 25, 2021 at 12:00 noon, via Zoom, HRT will apply to HRTAC for FY 2021/FY2022 O&M RTS Capital projects/expenses, and HRT will also complete a 10-year outlook alignment to update the TSP, FY 2021-2031 CIP, and annual Capital and Operating budgets by March/April 2021.

This presentation will be electronically distributed to the MFAC Committee Members and the TDCHR board.



Management / Financial Advisory Committee

Monday, February 22, 2021 • 1:30 p.m.
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There were discussions concerning the “state of good repair” planning as it relates to the RTS program.

ACTION ITEM: HRT was asked to incorporate a “state of good repair” projections in the RTS program showing a longer projection of the Agency’s needs.

Bus Stop Amenities on the RTS (existing and new shelters)

Shelters/benches that will be newly installed and/or are currently existing and identified as a “regional backbone” route amenity, will be cleaned, and maintained by HRT, in perpetuity. HRT requested that localities provide a list of locations within their cities where they would like to see bus stop amenities. They were asked to prioritize the list as well as outline the desired amenities for that location.

New Business

There will be a primary report of the updates to Title VI of the Civil Rights Act of 1964, at the March 2021 MFAC meeting.

Adjournment

The meeting was adjourned at 4:15 p.m.