



# Management / Financial Advisory Committee

Monday, October 25, 2021, • 1:30 p.m.  
3400 Victoria Blvd., Hampton VA  
Hybrid In-Person/Zoom Teleconference

## MEETING MINUTES

### **Call to Order**

Carl Jackson, Chair – City of Portsmouth, welcomed everyone and called the meeting to order at 1:32 p.m.

Attendance was taken for the meeting.

### **Committee members in attendance In-Person:**

Carl Jackson, Chair – City of Portsmouth  
Amy Inman, City of Norfolk  
Lisa Cipriano, City of Newport News  
Mark Shea, City of Virginia Beach  
Troy Eisenberger, City of Chesapeake  
Constantinos Velissarios, City of Newport

### **Committee members in attendance virtual:**

Jessica Dennis, City of Norfolk  
Sheila McAllister, City of Newport News  
Jason Beasley, City of Norfolk  
Karl Daughtrey, City of Hampton  
James Burke, City of Portsmouth  
Angela Hopkins, City of Newport News  
Alex Gottschalk, City of Virginia Beach  
Megan Gribble, City of Virginia Beach

### **Hampton Roads Transit Staff in attendance In-Person:**

Brenda Green, Accounting Coordinator (recorder)  
Conner Burns, Chief Financial Officer  
John Powell, Telecommunications Specialist  
William Harrell, President and Chief Executive Officer  
Angela Glass, Director of Budget and Financial Analysis  
Debbie Ball, Director of Finance  
Larry Kirk, Assistant Director of Finance  
Brian Smith, Deputy Chief Executive Officer



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Keisha Branch, Director of the Office of Program and Project Excellence  
Dawn Sciortino, Chief Safety Officer  
Adrian Tate, Finance Manager  
Sheri Dixon, Director of Revenue Services  
Michele Goode-Bacon, Contract Administrator  
Ashley Johnson, Capital Budget Analyst  
Sonya Luther, Director of Procurement  
Misty Allen, Risk Manager  
Danielle Hill, Director of Human Resources  
Shanti Mullen, Internal Auditor  
Juanita Davis, Budget Analyst III  
Kim Wolcott, Chief Human Resources Officer  
Gene Cavazos, Director of Marketing and Communications  
Michael Price, Chief Information Officer/Chief Technology Officer  
Robert Travers, Attorney  
Jim Price, Chief Transit Operations Officer  
Amy Braziel, Manager of Operations Administration  
Ben Simms, Deputy Chief Transit Operations Officer  
Ray Amoruso, Chief Planning and Development Officer  
Sibyl Pappas, Chief Engineering and Facilities Officer  
Robert Lee, Management Analyst

### **Others in attendance virtual:**

Jeff Raliski, Hampton Roads Transportations Planning Organization (HRTPO)



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The October 2021 Management/Financial Advisory Committee (MFAC) package was posted to HRT's website and distributed electronically to Committee Members in advance of the meeting. The meeting package consisted of:

- Agenda
- September 20, 2021, Meeting Minutes
- Route Ridership FY18 – FY22 – All Routes
- September 2021 FY22 Financial Report
- FY23/24 Strategic Allocation Resolution Draft

Additional items electronically distributed in the October 2021 MFAC meeting invite for the Committee Members review.

- FY2023 Budget Calendar Update
- Federal Funds Planned of Operations
- Financial Audit Status Summary

### **Approval of the September 2021 MFAC Minutes**

A motion to approve the September 20, 2021, meeting minutes was made and properly seconded.

The September 2021 meeting minutes were approved by unanimous vote.

### **September 2021 FY 2022 Financials**

Conner Burns, Chief Financial Officer, welcomed everyone to the meeting. Mr. Burns presented the first quarter Draft Financial Statement ending September 30, 2021, to the Committee Members. The Statement of Operations is structured to reflect the traditional operating budget without COVID and without revenues or expenses from the Regional Transit System (RTS). There is an additional slide that addresses RTS specifically. The Agency's line of credit balance as of September 30, 2021, was \$3,163,389.30 or 18.6% of available funding. The CARES Act balance after September's expenses is \$9,930,089. The September 2021 financials, include the operating financial statement, RTS financial statement, non-operating COVID revenue/expenses, farebox revenue/expenses, consolidated crosswalk, and locality crosswalk. Mr. Burns also presented the locality reconciliations, which reflects the estimated year-to-date Locality Service Reliability Plan credit for each of the cities.



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There were discussions concerning the financial statements expenses for purchased services, as it relates to the penalties being received for the under performance of the Paratransit contractor service provider, VIA. Penalties paid by VIA for underperformance have been posted in the purchased transportation line item on the operating financial statement.

Mr. Jim Price, Chief Transit Operations Officer, stated HRT has already taken steps to implement measures of improvement related to performance by VIA. He also stated that Virginia Organizing would like for HRT and VIA to work with the surrounding military facilities and their security to ensure access to the facilities as it relates to paratransit riders. HRT acknowledges the on-going challenges that continue to occur when working with the military base security and their process, while trying to navigate through the ever changing requirements needed for paratransit drivers to gain access to their facilities, to accommodate the rider's needs.

Virginia Organizing identified the Google Map Pin as being a problem for the Paratransit clients and drivers. When using this map the client's identified reservation pickup or drop off locations could be off typically by the length of a city block. HRT will be working with VIA to further educate the users of the Paratransit service to encourage them to use exact address locations. HRT is also working with VIA in taking measures to improve communications within their call-center and local dispatches. Mr. Price feels positive that VIA has responded well to these requests and has implemented them expeditiously. A representative from VIA will be at the Transportation District Commission of Hampton Roads (TDCHR) Committee meeting on October 28, 2021, to address these concerns to the Board Members.

There were discussions concerning the length of a Paratransit riders' trip as it relates to the routing of multiple passengers. Paratransit is a shared ride service. Services are typically lengthier during the peak hours which occur weekdays during the morning and evening rush hours. Paratransit trips are typically under 90 minutes. The Federal Transportation Administration (FTA) guidelines states that a Paratransit trip should be approximately the same length of time as a trip for a rider on a "fix route bus". A fix route bus ride is approximately 2 hours long. HRT is striving to maintain their Paratransit trips within 90-minutes.

HRT stated that extra cleaning and additional COVID testing for employees were the drivers behind the increase in "contract services", as it relates to the non-operating COVID revenue and expense report.



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The increase to personal services was the result of the one-time \$500 bonus incentive given to all vaccinated employees, which was approved by the TDCHR board. The employees' bonus incentive plan ends November 15, 2021.

HRT will be implementing a mandatory vaccination requirement for all administrative employees after November 15, 2021. HRT is waiting for additional federal guidance as it relates to the union employees' vaccination requirement mandates.

There were discussions concerning budgetary saving as it relates to the financial statements.

**Action Item: HRT was asked to track their budgetary savings throughout the course of the fiscal year**

Amy Inman, City of Norfolk, expressed the importance of tracking these anomalies, whether deficits or surpluses, throughout the year, so as not to lose sight of what caused the variance(s).

There were discussions concerning HRT revisiting "financial projections", as it relates to the monthly financial statements.

### **Federal Funds Planned for Operations**

Brian Smith, Deputy Chief Executive Officer, stated that HRT desires to always maintain financial flexibility and wants to adjust its base in accordance to how things are unfolding. With the onset of COVID, the Agency adopted a clear and decisive multiyear strategy using the 3-R's, Response, Recovery, and Resilience. The focus is to ensure that HRT would have a safe and ongoing operational sustainability. Mr. Smith stated the bonus point was that the Agency now had the ability to address the structural issues that it has always had with the line of credit. This was the first time that the Agency was able to develop the Capital Improvement Plan's (CIP) financial model by incorporating assumptions based on forecasted funds from the available federal funding sources: CARES, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan (APR).

**Action Item: MFAC requested that HRT report the use of the COVID related federal funds and their effects on the Agency's Capital Projects**



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Mr. Burns presented the Federal Funds Planned for Operations to the MFAC members. He reviewed the 3-COVID funding sources, CARES, CRRSAA, and ARP and the apportionment amounts forecasted for future fiscal years and estimated per year funding projections. In addition, Mr. Burns reviewed the timeline and the projected drawdown of the Agencies Traditional 5307 Federal funds.

There were discussions concerning HRT's use of its "line of credit".

Mr. Smith stated that HRT will present both Operations and Capital projects to MFAC using all the funding sources that the Agency receives. The only exception would be an active grant from prior years

**Action Items: HRT was requested to provide the "coming on-line" projections of the Capital Projects every other month.**

William Harrell, President and Chief Executive Officer, expressed that funds that the Agency received were allocated to be used within the allotted deadlines. In addition, HRT maximized the use of the funding across fiscal years while focusing on how the funds could be expended. Mr. Harrell stated, by using this methodology has allowed HRT to take care of, fluctuating expenditures, as well as, getting ahead of the Agency's dependency of its line of credit. He also stated that the traditional 5307 funding that is not being used in FY22 will not be lost. The Agency anticipates using those funds moving forward in FY23. Mr. Harrell expressed that the apportionment amount of the of traditional federal funding, that hasn't been used, will be reported to the Committee along with the Operating and Capital project expenditures.

### **FY2023 Budget Calendar Update**

Angela Glass, Director of Budget and Financial Analysis, reviewed the FY23 Operating Budget Calendar, outlining the upcoming dates, events of importance, and the requested date changes to the calendar with the Committee Members.

### **Transportation Service Plan (TSP) Letters**

Ray Amoruso, Chief Planning and Development Officer stated that unless HRT receives any changes in writing from the City Managers by November 18, 2021, that the Agency would assume the proposed service plan stated in their letter was acceptable.



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### **Free-Fare Election Day**

Carl Jackson, Chair – City of Portsmouth stated that free fare day would be on November 2, 2021. Election Day.

**Action Item: HRT was asked to properly notify and clearly advertise that “Free Fare Days” are included for HRT’s modes of transit including Paratransit.**

HRT will improve its efforts to advertise and market all modes of transportation as it relates to “free fare days”, including Paratransit.

There were some discussions concerning “promotional fare media passes”, as it relates to visiting DRPT conference goers. There are potentially 600 HRT passes that will be distributed for the use of the October 2021 conference. The attendees received “free promotional passes” for all modes of transit per Mr. Smith

James Burke, City of Portsmouth, stated that there should be a standard as it relates to the issuing of the “promotional fare media surplus passes”. He also stated that we should be more focused on the regional and local core groups and not “out of town” core promotional customers.

HRT does provide promotional passes to various groups throughout the year.

**Action item: It was suggested that the promotional fare media surplus passes as it relates to the building up of core riders be addressed later.**

### **Strategic Resolution Draft**

The Strategic Resolutions Draft discussion was tabled until the November 8, 2021, meeting. Mr Harrell suggested that if there are any questions or suggested changes concerning the Strategic Resolution Draft, to please reach out to Robert Travers, Attorney, prior to the November meeting.

### **Adjournment**

There being no further business, the meeting was adjourned at 3:00 p.m.