



Management / Financial Advisory Committee

Monday, December 5, 2022, • 1:30 p.m.
509 E 18th Street, Norfolk, VA
Hybrid In-Person/Zoom Teleconference

MEETING MINUTES

Call to Order

Megan Gribble, Chair, City of Virginia Beach, welcomed everyone and called the meeting to order at 1:30 p.m.

Attendance was taken for the meeting.

Committee members in attendance in person:

Constantinos Velissarios, City of Newport News
Troy Eisenberger, City of Chesapeake
Carl Jackson, City of Portsmouth
John Stevenson, City of Norfolk

Committee members in attendance virtual:

Lisa Cipriano, City of Newport News
Brian DeProfio, City of Hampton
Rebecca Spurrier, City of Hampton
Sheila McAllister, City of Newport News
Angela Hopkins, City of Newport News
Genny Thomas, City of Norfolk
Hunter Anderson, City of Virginia Beach
Kevin Chatellier, City of Virginia Beach

Hampton Roads Transit Staff in attendance in person:

William Harrell, President and Chief Executive Officer
Conner Burns, Chief Financial Officer
Michael Price, Chief Information Office/Chief Technology Officer
Malika Blume, Director of Internal Audit
Ashley Johnson, Assistant Director of Budget and Financial Analysis
James Lyons, Staff Accountant
Adrian Tate, Assistance Director of Finance
Donna Brumbaugh, Director of Finance
Sonya Luther, Director of Procurement
John Powell, Telecommunications Specialist
Angela Glass, Director of Budget and Financial Analysis
Sibyl Pappas, Chief Engineering and Facilities Officer



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Sherri Dawson, Director of Transit Development
Robert Travers, Attorney
Brenda Green, Accounting Coordinator (recorder)
Kim Wolcott, Chief Human Resources Officer
Ray Amoruso, Chief Planning and Development Officer
Brian Smith, Deputy Chief Executive Officer
Sophia Owen-Allen, Staff Accountant

Hampton Roads Transit Staff in attendance virtual:

Benjamin Simms, Chief Transit Operations Officer
Vincent Jackson, Director of Service Planning and Scheduling
Shelley Harris, Budget Analyst
Mindy Sweeney, Staff Accountant
Dawn Sciortino, Chief Safety Officer
Sheri Dixon, Director of Revenue
Keisha Branch, Director of Capital Programs

Others in virtual attendance:

Jeff Raliski, Hampton Roads Transportation Planning Organization (HRTPO)
Lori Zeller, Foursquare, ITP
Jessica Klion, Foursquare, ITP

The December 2022 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:

- Meeting Agenda
- November 8, 2022, Meeting Minutes
- October 2022 FY 2023 Financials
- FY2024 Draft Operating Budget
- Route Ridership FY2019-FY2023 – ALL ROUTES

The following presentation was electronically emailed to the MFAC Members after the December 2022 meeting.

- Free Fare Day Estimate – Juneteenth, July 19, 2023



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Approval of the November 7, 2022, MFAC Minutes

A motion to approve the November 7, 2022, meeting minutes was made and properly seconded.

The November 2022 meeting minutes were approved by unanimous vote.

October 2022 FY 2023 Financials

Conner Burns, Chief Financial Officer, welcomed everyone to the meeting. Mr. Burns presented the Draft Financial Statement, ending October 31, 2022, to the Committee Members. The October 2022 financials include the operating financial statement, RTS financial statement, farebox revenue/expenses, consolidated crosswalk, and locality crosswalk. Mr. Burns also presented the locality reconciliations, which reflect the estimated year-to-date Locality Service Reliability Plan credit for each of the cities. The Statement of Operations is structured to reflect the traditional operating budget without specific COVID spending. In addition, the Regional Transit System (RTS) expenses and operations are added to this statement. Page three addresses RTS specifically, while the non-operating revenue and specific spending related to COVID is \$58,561.00 and is reflected in the footnotes. The Agency's line of credit balance as of October 31, 2022, is \$9,214,509.12. The financial operating crosswalk reflects the Hampton Roads Regional Transit Funding (RTF) for the Metro Area Express (MAX) newly named the 757 Express, the Peninsula Commuter Service (PSC), and the 15-minute increment services. The year-to-date estimate of the locality Service Reliability Plan (SRP) credits were included in the budget status totals, as it relates to the financial crosswalk.

There were discussions concerning the increase in Non-Operating Revenue related to the sales of assets reflected in the operating statement.

There were discussions concerning the Agency's reserve fuel status. Currently the diesel fuel being used is part of the new contract signed in October 2022. However, the Agency still has a reserved amount of gasoline.

November 2022 and December 2022 FY 2023 Financial Reports

Megan Gribble, Chair - City of Virginia Beach reminded the MFAC members that the December 2022 FY 2023 Financial Report presentation will be presented at the January 23, 2023, MFAC meeting, and that the November 2022 FY2023 Finance Report will not be presented but will be emailed separately for the Committee's review.



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Reserve Fund Committee Update

Ms. Gribble announced that the Reserve Fund Committee updates will be tabled until the January 2023 MFAC meeting.

Juneteenth Free Fare Update

The cost projections and ridership estimates per locality were presented to the MFAC Members as it relates to adding Juneteenth, June 19, 2023, to the FY2023 calendar as a free fare day.

Advertisement cost for the added free fare day, Juneteenth 2023, will be covered by HRT.

As previously confirmed at the September 19, 2022, MFAC meeting, the following days have been approved and will be observed as “Free Fare Days” in FY2023 and across all modes of transit: Election Day (November 8, 2022), Transit Equity Day (February 3, 2023), and Earth Day (April 21, 2023). HRT has agreed to cover the cost associated with these 3 free fare days during the FY2023 calendar year including advertisements.

There were some discussions concerning whether it would be more beneficial in capturing a larger number of riders if the free fare day were observed on a Saturday.

A motion to officially recommend Juneteenth, June 19, 2023, as a free fare day with the localities incurring the estimated cost, in accordance with FY2022 ridership totals was properly made and seconded.

Juneteenth 2023 “Free Fare Day” has been approved by unanimous vote.

The actual cost and ridership totals for the Juneteenth 2023 Free Fare Day will be presented to the localities after June 19, 2023.

Special MFAC Meeting - January 9, 2023

A “Special Virtual” MFAC Meeting on January 9, 2023, will be held with all the partnering cities to discuss each of the localities FY2024 Draft Budget & Transportation Service Plan (TSP).



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There were discussions concerning scheduling changes to the FY2024 TSP Virtual Meeting. HRT stated that the previously scheduled virtual “Zoom” TSP meeting schedule times will be updated and are forthcoming.

Ms. Gribble officially welcomed John Stevenson, Director of Transit - Norfolk to the MFAC Committee and to today’s meeting.

FY2024 Draft Budget & Transportation Service Plan (TSP)

Angela Glass, Director of Budget and Financial Analysis, presented a brief overview of the FY2024 Draft Budget & Service Plan (TSP) to the MFAC Members. The overview covers the FY2024 Budget Calendar, the FY2024 Draft Operating Budget, revenue assumptions and cost drivers. Ms. Glass also reviewed the FY2024 Draft Local Contributions and TSPs. The next steps of the FY2024 Budget Calendar were also reviewed starting from the Special MFAC meeting that will be held on January 9, 2023, to May 25, 2023. Which is when the Transportation District Commission of Hampton Roads (TDCHR) Board Meeting for the FY2024 Final Operating Budget will be voted on and adopted.

Action Item: HRT has been requested to provide an update to the following questions, as it relates to the Coronavirus Aid, and Economic Security (CARES) Act and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) funding: What are the remaining balances? What are the forecasted planned uses of these remaining funds?

There were discussions concerning the MFAC Members continuing the conversation which would allow HRT to add a funding formula to the Cost Allocation Agreement (CAA). This funding formula would allow the Agency the ability to continue to strategically allocate future federal funds, which have been beneficial to the localities, as it relates to the shortfall in farebox revenue and the loss of the Recordation Tax.

Action Item: The MFAC Members are requesting an in-depth conversation, as it relates to the pros and cons of adding a permanent funding formula to the CAA.

There were discussions concerning HRT’s operating budget revenue assumption expectations related to the 757-Express Regional Transit System (RTS) Routes, Groups A & B, outlined in the FY2024 Budget and TSP Draft. William Harrell, President and Chief Executive Officer, stated that the RTS budgetary numbers presented in the FY2024 draft provided a forecasted overview of the budgetary assumptions that would occur once the RTS was fully implemented. HRT is proceeding aggressively in terms of hiring more transit operators, however it’s highly unlikely at this stage, that Group A nor Group B



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would be fully implemented in accordance with the FY2024 Draft Budget. Mr. Harrell stated that the Agency will be implementing some adjustments and making budget updates to the forthcoming FY2024 Budget Draft.

There were discussions concerning a status update on the construction of the new ferries. Benjamin Simms, Chief Transit Operations Officer, stated that currently there is no additional information concerning the arrival dates. However, more information should arrive within the week and will be shared with the MFAC Members.

Action Item: MFAC requested additional discussions concerning the agreement that HRT has with the localities, as it relates to the permitting process and construct of the Agency's assets on city property.

Adjournment

There being no further business, the meeting was adjourned at 2:46 p.m.