



Management / Financial Advisory Committee

Monday, August 22, 2022, • 1:30 p.m.
509 E. 18th Street, Norfolk, VA

Hybrid In-Person/Zoom Teleconference

MEETING MINUTES

Call to Order

Mark Shea, 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

Lisa Cipriano, City of Newport News

Troy Eisenberger, City of Chesapeake

James Burke, City of Portsmouth

Committee members in attendance virtual:

Jason Beasley, City of Norfolk

Rebecca Spurrier, City of Hampton

Sheila McAllister, City of Newport News

Angela Hopkins, City of Newport News

Hampton Roads Transit Staff in attendance in person:

William Harrell, President, and Chief Executive Officer

Conner Burns, Chief Financial Officer

John Powell, Telecommunications Specialist

Angela Glass, Director of Budget and Financial Analysis

Robert Travers, Attorney

Adrian Tate, Assistance Director of Finance

Brenda Green, Accounting Coordinator (recorder)

Kim Wolcott, Chief Human Resources Officer

Malika Blume, Manager of Internal Audit

Ray Amoruso, Chief Planning and Development Officer

Alexis Majied, Chief Communications and External Affairs Officer

Sibyl Pappas, Chief Engineering and Facilities Officer

Donna Brumbaugh, Director of Finance

Kristy Lockhart, Management Analyst

Debbie Ball, Financial Reporting Accountant

Michael Price, Chief Information Office/Chief Technology Office



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Sonya Luther, Director of Procurement

Hampton Roads Transit Staff in attendance virtual:

Benjamin Simms, Chief Transit Operations Officer
Ashley Johnson, Capital Budget Analyst
Amy Braziel, Director of Contracted Services and Operational Analytics
Dawn Sciortino, Chief Safety Officer
Robert Lee, RTS Program Manager
James Lyons, Staff Accountant
Shelley Harris, Budget Analyst
Juanita Davis, Senior Budget Analyst
Mindy Sweeney, Staff Accountant
Misty Gordon, Risk Manager
Keisha Branch, Director of Capital Programs
Christina Condon, Grants Program Analyst
Brian Smith, Deputy Chief Executive Officer
Alex Touzov, Director of Technology Services

Others in virtual attendance:

Jeff Raliski, Hampton Roads Transportation Planning Organization (HRTPO)

The August 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
- July 25, 2022, Meeting Minutes
- July 2022 FY 2023 Financials
- Route Ridership FY2019-FY2023 – ALL ROUTES

Approval of the July 25, 2022, MFAC Minutes

A motion to approve the July 25, 2022, meeting minutes was made and properly seconded.

The July 2022 meeting minutes were approved by unanimous vote.



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July 2022 FY 2023 Financials

Conner Burns, Chief Financial Officer, welcomed everyone to the meeting. Mr. Burns presented the Draft Financial Statement, ending July 31, 2022, to the Committee Members. The July 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 into this statement. Page three addresses RTS specifically, while the non-operating revenue and specific spending related to COVID is \$18,229.00 and is reflected in the footnotes. The Agency's line of credit balance as of July 31, 2022, is \$3,755,732.00. The financial operating crosswalk reflects the Hampton Roads Regional Transit Funding (RTF) for the Metro Area Express (MAX), 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 driver behind the savings in Personnel Services, as it relates to the vacancies of Mechanics and Bus Operators.

There were discussions concerning the current budgetary approach used, as it relates to the Casualties & Liabilities expenses.

There were discussions concerning the recent improvements in ridership on the Peninsula. Ray Amoruso, Chief Planning and Development Officer stated that, after the reimplementation of full service, there was a major increase in ridership during the later evening routes on the south side.

Action Item: HRT was asked to identify the driver behind the \$261K budget overage in Personnel Services.

Reserve Fund Committee Update

Lisa Cipriano, City of Newport News, who is spearheading this subcommittee, gave a brief update concerning the proposed Reserve Fund. Ms. Cipriano stated that the Reserve Committee Members had several meetings discussing "contingency" and "fund balance reserve", their policies, purpose, and the blending of the two. The Contingency Fund would be related to the Operating Budget as a budgeted line item, in which the



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Agency could utilize funds in extreme emergencies. Whereas, a Fund Balance Reserve is designed as a good financial fund balance, which will be built over a period of time and could only be utilized with the approval of the Transportation District Commission of Hampton Roads (TDCHR) Committee Board. Ms. Cipriano expressed that there are still many moving parts and more work needed as it relates to how the Reserve Fund will be funded. The Committee hopes to have a financial vision on how to “seed” the Reserve Fund prepared to present to the MFAC Members in September.

Quarterly Balance Sheet Update

The Agency is still currently working towards presenting a quarterly balance sheet to the Committee Members. Mr. Burns stated that upon the completion of the FY 2021 Financial Audit Report, that the Agency will use the balance sheet from the auditors, Brown Edwards, as a starting reference. Moving forward HRT will present the balance sheet quarterly or bi-yearly.

New Fuel Contract

Mr. Burns stated that the Agency’s new fuel contract began on July 1, 2022. He also stated that HRT has stored some additional gallons of fuel that were not used in FY 2022. Currently, the Agency has 600,000 gallons of diesel and 300,000 gallons of gasoline stored, these additional gallons have been stored at the “locked-in” rate of \$1.58 per gallon plus storage. The Agency anticipates the ability to use these stored gallons during the first 4 months of FY2023. Mr Burns stated that he will check the fuel price trends daily, prior to locking into a new fuel rate. HRT is forecasting that the Agency will be seeking a new fuel contract prior to the end of the year around November or December 2022.

Micro Transit-Update

Amy Braziel, Director of Contracted Services and Operational Analytics, gave a brief overview of the Micro Transit Service with VIA. HRT launched its Micro Transit Service pilot on July 10, 2022. Currently, services are operating in two-zones in selective areas, one is in the City of Virginia Beach the other is in the City of Newport News. To-date there has been 2,507 people to download the Micro Transit App and create profiles. Since the launch there has been 4,140 passengers, an average of 99 passengers a day. However, in the month of August the average ridership has risen to 101 passengers per day. Ms. Brazil stated that the ridership population is growing, with the average of 10 to 15 new riders daily. It was also stated that the average pick-up time from a ride request is under 10 minutes, the average trip distance is 2.9 miles and the average walk to a virtual stop



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is 380 feet. Currently, the only complaint thus far is the lack of uniforms for the drivers. Currently, HRT's Micro Ridership Service Pilot has a service rating of 4.8 stars.

Action Item: HRT was asked to provide a full spread of information as it relates to the Micro Transit Service Pilot. Answering question such as: Where are riders being picked up? Where are they going? and What time of day are these trips being requested?

Ms. Braziel stated that currently HRT is working on creating maps that would outline the pick-up and drop-off points, as it relates to the Micro Transit Service Pilot Programs fares. Ms. Braziel anticipates having this information available soon.

Adjournment

There being no further business, the meeting was adjourned at 2:11 p.m.