



Management / Financial Advisory Committee

Tuesday, February 22, 2022, • 1:30 p.m.
509 East 18th Street, Norfolk VA
Hybrid In-Person/Zoom Teleconference

MEETING MINUTES

Call to Order

Carl Jackson, City of Portsmouth, Chair welcomed everyone and called the meeting to order at 1:31 p.m.

Attendance was taken for the meeting.

Committee members in attendance in person:

Carl Jackson, Chair – City of Portsmouth
Mark Shea, City of Virginia Beach
Troy Eisenberger, City of Chesapeake
James Burke, City of Portsmouth
Constantinos Velissarios, City of Newport News
Andrew Fox, City of Norfolk
Megan Gribble, City of Virginia Beach

Committee members in attendance virtual:

Amy Inman, City of Norfolk
Lisa Cipriano, City of Newport News
Jason Beasley, City of Norfolk
Kaitlyn James, City of Virginia Beach
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
Ray Amoruso, Chief Planning and Development Officer
Debbie Ball, Director of Finance
Brian Smith, Deputy Chief Executive Officer
Robert Travers, Attorney
Michael Price, Chief Information Officer/Chief Technology Officer
Adrian Tate, Finance Manager
Kim Wolcott, Chief Human Resources Officer
Keisha Branch, Director of the Office of Program and Project Excellence



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Ben Simms, Chief Transit Operations Officer
Brenda Green, Accounting Coordinator (recorder)

Hampton Roads Transit Staff in attendance virtual:

Misty Gordon, Risk Manager
Ashley Johnson, Capital Budget Analyst
Sheri Dixon, Director of Revenue
Shanti Mullen, Internal Auditor
Shelley Harris, Budget Analyst
Dawn Sciortino, Chief Safety Officer
Sonya Luther, Director of Procurement
Michele Goode-Bacon, Contract Administrator
Robert Lee, Regional Transit System Program Manager

Others in attendance virtual:

Jeff Raliski, Hampton Roads Transportations Planning Organization (HRTPO)

The February 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:

- Agenda
- January 24, 2022, Meeting Minutes
- January 2022 FY 2022 Financials
- Route Ridership FY2018-FY2022 – ALL ROUTES

The additional items electronically distributed in the February 2022 MFAC meeting invite consisted of:

- FY 2023 Preliminary Draft Operating Budget

Approval of the January 24, 2022, MFAC Minutes

A motion to approve the January 24, 2022, meeting minutes was made and properly seconded.

The January 2022 meeting minutes were approved by unanimous vote.



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January 2022 FY 2022 Financials

Conner Burns, Chief Financial Officer, welcomed everyone to the meeting. Mr. Burns presented the Draft Financial Statement, ending January 31, 2022, to the Committee Members. The January 2022 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. 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. The Agency's line of credit balance as of January 31, 2022, is \$7,152,055.18 or 42% of available funding. The Coronavirus Aid, Relief and Economic Security Act (CARES) available funding after January 31, 2022, expenses are \$0. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSA) available funding through January 31, 22 after expenses is \$7,770,694. 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. Mr Burns gave an overview of each of the partnering locality's year-to-date FY 2022 reconciliation, using both the strategic and traditional methodologies and highlighting the forecasted SRP credit.

There were discussions concerning the delta in expenses for contractual services, as it relates to the January 2022 operating financial statement.

There were discussions concerning the allocation methodology used for the SRP credits, as it relates to the locality's reconciliation estimates.

ACTION ITEM: HRT was asked to provide the funding amounts related to the increase reflected in the "service per hour" cost, as it relates to the Service Reliability Plan (SRP) funding. The Agency was also asked to provide the funding amounts being strategically allocated due to the loss of farebox revenue as well as all funds related to COVID-19 expenses. An update to this request will be presented at the March 2022 MFAC meeting.

There were discussions concerning HRT providing forecasted financial projections to provide a more clearly defined assumption of the "fixed cost" related expenditures. HRT would like to address this matter at a future MFAC meeting.



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FY 2023 Preliminary Draft Operating Budget & TSP Review

Angela Glass, Director of Budget and Financial Analysis, reviewed the FY 2023 Preliminary Draft Operating Budget and Transportation Service Plan (TSP) Draft with the Committee Members. The upcoming events related to the FY 2023 budget calendar were also presented. Ms. Glass defined the type of cost and the cost by mode associated with the Cost Allocation Agreement (CAA). The preliminary draft revenue budget assumptions, revenue sources, prioritized cost drivers, expenses, miscellaneous variance, local contribution, TSP local summary and TSP draft for each locality were also presented to the MFAC members. In addition, Ms. Glass summarized the “next steps” needed to be taken prior to the final adoption of the FY2023 Operating Budget by the Transportation District Commission of Hampton Roads (TDCHR) in May 2022.

There were discussions concerning the assumption of the hypothesis of the 1.5 % increase of the Cost-of Living Adjustment (COLA), being integrated in the FY 2023 Preliminary Draft Budget.

Strategic Allocation Discussion

Robert Travers, Attorney, stated that at the January 24, 2022, MFAC meeting that there was a motion approved by the MFAC Committee to change the proposed language of the Resolution. These changes would ensure that at the agreed upon expiration date of the Resolutions, the Agency would revert to the traditional CAA budget methodology. The changes were made and circulated to the Committee Members on February 2, 2022.

Lisa Cipriano, City of Newport News, gave a motion to amend the Draft Resolution to reflect only 1 (one) fiscal year, July 1, 2022, to June 30, 2023.

The motion was properly second.

The amended FY 2023 Draft Resolution was approved by unanimous vote
Carl Jackson, Chair – City of Portsmouth, made a motion to accept the Resolution as amended and to recommend it for adoption to the Transportation District Commission of Hampton Road (TDCHR) Board, at the February 24, 2022, board meeting.

The motion was properly second.

The motion to accept and recommend the FY 2023 Draft Resolution for adoption was passed by unanimous vote.



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Annual Capital Improvement (CIP) Development Process

Brian Smith, Deputy Chief Executive Officer, presented the CIP annual evaluation and the plan development process, and opportunities for improvements to the MFAC Members. The CIP Team's desire is to start the annual process earlier, engage Commissioners, conduct pre-work, enhance the use of project charters, and improve the contents for the readability and understanding of the CIP process. The Team will compare HRT's CIP processes and contents with the local governments processes and contents to examine some of the CIP projects information timing and contents, while providing more comprehensive detailed and shared information with the TDCHR Board, sooner. In addition, the CIP Team will report a detailed use of the ACC funds, depicting all programmed funds, allocated amounts, and expense categories for each project. Moving forward, the CIP team is dedicated to kicking off the annual CIP process sooner and planning for enhanced Commission work sessions through July and November. There will be a goal of completing the CIP Draft by October, keeping a continued commitment of One-on-One briefings, and collaborating with the staff to provide quarterly update status of grants and projects

Keisha Branch, Director of the Office of Program and Project Excellence, presented the quarterly grant update of active projects. She also gave an overview of the allocated funds, as it relates to the budget, expenses, encumbrance, and the balance of the each of the active grants.

Free Fare Days FY 2023

Mr. Jackson asked the MFAC members to consider dates of importance in the 2023 calendar year that could be earmarked for the consideration of "free fare" day and present them at the March 21st meeting. He also clearly noted that several of the proposed dates in 2023, such as Earth Day, April 22nd, Rosa Parks Day, February 4th, Transit Equity Day, and Juneteenth will all respectfully fall on weekend days. Mr. Jackson stated that in lieu of these dates fallen on a weekend, that it was suggested that to optimize the full use of all modes of transit, that the MFAC members should consider selecting a corresponding weekday to commemorate the impending proposed dates suggested for "free fare" days.

Adjournment

There being no further business, the meeting was adjourned at 3:37 p.m.