



Management / Financial Advisory Committee

Tuesday, June 21, 2022, • 1:30 p.m.
509 E 18th Street, Norfolk, 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 1:30 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
Constantinos Velissarios, City of Newport News
Megan Gribble, City of Virginia Beach

Committee members in attendance virtual:

Angela Hopkins, City of Newport News
Jason Beasley, City of Norfolk
Catheryn Whitesell, City of Norfolk
Karl Daughtry, City of Hampton
Sheila McAllister, 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
Debbie Ball, Director of Finance
Robert Travers, Attorney
Adrian Tate, Assistance Director of Finance
Sonya Luther, Director of Procurement
Brenda Green, Accounting Coordinator (recorder)
Kim Wolcott, Chief Human Resources Officer
Dawn Sciortino, Chief Safety Officer
Keisha Branch, Director of the Office of Program and Project Excellence
Michael Price, Chief Information Office/Chief Technology Office
Malika Blume, Manager of Internal Audit



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Alexis Majied, Chief Communications and External Affairs Officer
Brian Smith, Deputy Chief Executive Officer
Gene Cavasos, Director of Marketing and Communications
Ray Amoruso, Chief Planning and Development Officer

Hampton Roads Transit Staff in attendance virtual:

Sibyl Pappas, Chief Engineering and Facilities Officer
Ashley Johnson, Capital Budget Analyst
Sheri Dixon, Director of Revenue
Shelley Harris, Budget Analyst
Juanita Davis, Senior Budget Analyst
Mindy Sweeney, Staff Accountant
Michele Goode-Bacon, Contract Administrator
Misty Gordon, Risk Manager

Others in virtual attendance:

Jeff Raliski, Hampton Roads Transportation Planning Organization (HRTPO)
Ernest Docs, Unknown

The June 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
- May 23, 2022, Meeting Minutes
- May 2022 FY 2022 Financials
- Quarterly Grants/Projects Update
- Covid Relief Spending Plan Update
- Route Ridership FY2018-FY2022 – ALL ROUTES

Approval of the June 21, 2022, MFAC Minutes

A motion to approve the May 23, 2022, meeting minutes was made and properly seconded.

The May 2022 meeting minutes were approved by unanimous vote.



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May 2022 FY 2022 Financials

Conner Burns, Chief Financial Officer, welcomed everyone to the meeting. Mr. Burns presented the Draft Financial Statement, ending May 31, 2022, to the Committee Members. The May 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 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 revenue and specific spending related to COVID is reflected on page four. The Agency's line of credit balance as of May 31, 2022, has a zero balance. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSA) available funding through May 31, 2022, 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.

There were discussions concerning the \$12,457,000 dollars of additional state funding HRT received in May 2022 and how these funds were being allocated, as it relates to the May 2022 Operating Financial Statement's expenditures.

Action Item: HRT was asked to present and incorporate a "Balance Sheet" as part of its monthly financial presentation. HRT stated that a "balance sheet" could be presented quarterly. However, the quarterly balance sheet would not reflect the Virginia Retirement System (VRS) calculations. Mr. Burns stated that a balance sheet as part of the financial presentation is a goal for the agency for fiscal year 2023.

HRT anticipates that by the end of July 2022 all of the state funds allocated to the Agency in FY2022 will be fully recognized.

There were discussions concerning the drivers behind the fluctuations in spending, as it relates to personnel services. HRT stated that the fluctuations in spending were the results of some un-budgeted personnel expenditures, such as union increases and union payroll premiums. In addition, in mid-May the Agency added additional operators, as it relates to the opening of "Trolley Service" on the Virginia Beach oceanfront.



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Quarterly Grants/Projects Update

Keisha Branch, Director of the Office of Program and Project Excellence presented an overview of the Quarterly Grants/Projects Update, outlining the Agency's active projects. The Quarterly Update overview consisted of the following projects: bus, ferry, electric buses, facilities, light rail, passenger amenities, shop equipment, support vehicles, technology, and the transfer centers.

There were discussions concerning the ferry dock amenities project. Sibyl Pappas, Chief Engineering and Facilities Officer stated that the Agency has recently received the funds that will be dedicated towards this project. Nevertheless, there are some additional hurdles that the Agency is facing, as it relates to the ferry dock projects. The main hurdle is the availability of the materials needed for this project. However, the Agency is looking into the engineering possibility of substituting some of these materials needed, which would allow the project to progress sooner. Ms. Pappas stated that she would be able to provide a more accurate timeline concerning the delivery of the materials needed for the ferry dock project in August.

Brian Smith, Deputy Chief Executive Officer, stated that the Agency will be conducting several meetings in the Fall of FY2023, as it relates to the Capital Improvement Plan (CIP). HRT will host a Strategic Capital Improvement Plan (CIP) work session for the Transportation District Commission of Hampton Roads (TDCHR) Board in July, August, and September 2022. The Agency's goal is to present the completed proposed Draft CIP as early as October 2022.

Reserve Funds Committee

A draft copy of the proposed amended Reserved/Fund Balance Policy was emailed by Ms. Lisa Cipriano, Newport News to the MFAC members for review on June 21, 2022. Carl Jackson, Chair – City of Portsmouth stated that in lieu of the holiday, Juneteenth, and in the absence of Ms. Cipriano, who is spearheading this policy, that the MFAC members take some additional time to review this information. Mr. Jackson also stated that there were some legal matters that came up in the May 2022 TDCHR meeting that the Agency was asked to address. Robert Travers, Attorney, stated that from a legal perspective, the Cost Allocation Agreement (CAA), which is currently in affect between the Agency and its Partnering Cities would have to be amended, adding an additional line item called "Reserve". This request would have to be approved by the TDCHR and the Partnering Cities. The Reserve Fund that was originally established in 1999 as part of the merge agreement between Pentran and TRT was never enacted. In lieu of these findings, Mr. Travers stated that there is no need for a resolution or for the CAA to be amended to create a reserve fund.



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Mr. Jackson recommended that the Reserve Funds Committee meet on July 25th at 1:00 pm for further discussions. Mark Shea, City of Virginia Beach, the next MFAC Chair for FY2023, concurred. Mr. Shea stated that the meeting is open to all City Officials who would like to attend and participate in this meeting and discussion.

FY2023 MFAC's New Chair

Mr. Burns thanked Mr. Jackson for his service, dedication, and commitment to the Agency, while serving as the MFAC Chair during the 2022 fiscal year.

Mark Shea, City of Virginia Beach, will be the FY2023 MFAC Chair. Mr. Shea's official day as MFAC Chair will commence in July 2022.

Adjournment

There being no further business, the meeting was adjourned at 2:15 p.m.