



# Management / Financial Advisory Committee

Monday, April 24, 2023, • 1:30 p.m.  
509 East 18<sup>th</sup> Street, Norfolk, VA

Hybrid In-Person/Zoom Teleconference

## MEETING MINUTES

### Call to Order

Troy Eisenberger, Chair, City of Chesapeake, welcomed everyone and called the meeting to order at 1:32 p.m.

Attendance was taken for the meeting.

### **Committee members in in-person attendance:**

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

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

Angela Hopkins, City of Newport News  
James Burke, City of Portsmouth  
Brian DeProfio, City of Hampton  
Rebecca Spurrier, City of Hampton  
Jason Beasley, City of Norfolk  
Kevin Chatellier, City of Virginia Beach  
Hunter Anderson, City of Virginia Beach  
Kaitlyn James, City of Virginia Beach

### **Hampton Roads Transit Staff in in-person attendance:**

William Harrell, President and Chief Executive Officer  
Conner Burns, Chief Financial Officer  
Michael Price, Chief Information Officer/Chief Technology Officer  
Ray Amoruso, Chief Planning and Development Officer  
Malika Blume, Director of Internal Audit  
James Lyons, Staff Accountant  
Adrian Tate, Assistant Director of Finance  
Sonya Luther, Director of Procurement  
John Powell, Telecommunications Specialist  
Angela Glass, Director of Budget and Financial Analysis



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Robert Travers, Attorney  
Brenda Green, Accounting Coordinator (recorder)  
Kim Wolcott, Chief Human Resources Officer  
Kristy Lockhart, Management Analyst  
Shleaker Rodgers, Staff Auditor  
Sophia Owen-Allen, Staff Auditor  
Robert Lee, Regional Transit System (RTS) Program Manager

### **Hampton Roads Transit Staff in virtual attendance:**

Shelley Harris, Senior Budget Analyst  
Brian Smith, Deputy Chief Executive Officer  
Dawn Sciortino, Chief Safety Officer  
Mindy Sweeney, Staff Accountant  
Ashley Johnson, Assistant Director of Budget and Financial Analysis  
Vanity Faulkner, Budget Analyst  
Benjamin Simms, Chief Transit Operations Officer  
Sheri Dixon, Director of Revenue  
Sibyl Pappas, Chief Engineering and Facilities Officer

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

Jeff Raliski, Hampton Roads Transportation Planning Organization (HRTPO)

The April 2023 Management/Financial Advisory Committee (MFAC) package was posted to the GoHRT.com website and distributed electronically to the Committee Members in advance of the meeting. The meeting package consisted of:

- Meeting Agenda
- February 21, 2023, Meeting Minutes
- March 20, 2023 Meeting Minutes
- March FY2023 Financials
- Route Ridership FY2019-FY2023 – ALL ROUTES



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### **Introduction of New MFAC Chair**

Lisa Cipriano, City of Newport News, introduced the new MFAC Chair, Troy Eisenberger, City of Chesapeake.

### **Approval of the February 21, 2023, and March 20, 2023, MFAC Minutes**

A motion to approve the February 21, 2023 and the March 20, 2023 meeting minutes was made and properly seconded.

The February 21, 2023 and the March 20, 2023 minutes were approved by unanimous vote.

### **February 2023/FY 2023 Financials**

Conner Burns, Chief Financial Officer, welcomed everyone to the meeting. Mr. Burns presented the Draft Financial Statement ending March 31, 2023, to the Committee Members. The March 2023 financials included 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. The non-operating revenue and specific spending related to COVID is \$97,651.00 and the Agency's line of credit balance as of April 20, 2023 was \$3,166,657.52 and is reflected in the footnotes. The financial operating crosswalk reflects the Hampton Roads Regional Transit Funding (RTF) for the 757 Express 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 catalyst behind the increase in ridership on the Northside. Ray Amoruso, Chief Planning and Development Officer stated that there was no one isolated anomaly that could explain the ridership improvement on the Northside. However, HRT contributes the overall improvement in Northsides ridership to the "put backs" of the 30-minute ridership frequency increase. This relates to Group A of the Regional Transit System (RTS) services being implemented on the Peninsula. HRT has not implemented any put backs on the Southside and ridership is currently operating on a 60-minute frequency.



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There were discussions concerning the delta in Personnel Services reflected on the May 2023 Operating Statement. HRT stated there was an increase in platform time performance. “Platform time” is the required time an operator is behind the wheel including performance recovery time. Funds allocated for new hires and overtime pay for operators were also a contributing factor to this delta. Kim Wolcott, Chief Human Resources Officer stated that the Agency hired 12 new operators in December 2022, 19 new hires in January 2023, 21 new hires in February 2023, 22 new hires in March 2023, and 13 new hires in April 2023 which is also reflected in the delta in Personnel Services on the May 2023 Operating Statement.

There were discussions concerning the “obsolete inventory adjustments” made to material & supplies reported on the operating statement. HRT auctions off old and outdated inventory bus parts for vehicles that the Agency no longer has in commission.

**Action item:** HRT was asked to provide the methodology the Agency uses to pair old obsolete parts with decommissioned fleet vehicles for a better auctioning value.

HRT stated that the interest expense accrued from the use of the Agency’s line of credit was the contributing factor to the delta in other miscellaneous expenses reflected on the operating financial statement.

### **Strategic Allocation – Update**

Mr. Eisenberger asked for a status update from the six partnering cities, as it relates to the individual approvals from each City’s Council concerning the adoption of HRT’s proposed FY2024 one year extension of the Resolution. The updates are as follows: the City of Chesapeake Council is scheduled to vote on April 25<sup>th</sup>, the City of Portsmouth’s Resolution passed and was adopted on April 11<sup>th</sup>, the City of Newport News’ Resolution will be up for adoption on May 9<sup>th</sup>, the City of Norfolk’s Resolution will go to City Council in June, the City of Hampton will disclose their decision late June, and the City of Virginia Beach’s City Council passed and approved the adoption of the Resolution in April.

### **Reserve Fund Committee Update**

Mr. Eisenberger announced that the Reserve Fund Committee updates will be tabled until the May 22, 2023 MFAC meeting. The Reserve Fund Committee has asked HRT to provide them with the requested information needed to move forward. HRT will be able to provide the requested information upon the final close of its FY2020 and FY2021 Financial Audits in June 2023.



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**Action Item:** HRT was asked to address the additional questions the Committee requested in March, pertaining to the FY2024 Preliminary Draft Budget. Angela Glass, Director of Budget and Financial Analysis stated that on May 1, 2023, the Agency will respond via email to the Committee members providing a written response to those previously asked questions as well as providing a draft of the final FY2024 Budget Presentation for the MFAC members to review. HRT stated that once the members had time to review said materials, that the Agency will schedule a special virtual meeting with the MFAC members to further discuss these issues and any other questions and concerns related to these findings.

### **Quarterly Balance Sheet Update**

This agenda item was tabled during the April 24, 2023, MFAC meeting and will be addressed at a future meeting.

Mr. Burns expressed his thanks, gratitude and much appreciation to City of Portsmouth's Carl Jackson for his dedicated service on the MFAC as a member and once former Chair. Mr. Jackson also served on the Transportation District Commission of Hampton Roads Transit Board (TDCHR) as an Alternate Commissioner and was known as an outstanding advocate for transit here in the Tidewater Region. Mr. Jackson's service with the City of Portsmouth Virginia will end May 12<sup>th</sup>, 2023, and the Agency wishes him well as he continues his new endeavors in Connecticut.

### **Adjournment**

There being no further business, the meeting was adjourned at 2:32 p.m.