



Management / Financial Advisory Committee

Monday, August 19, 2024 • 1:30 p.m.
2nd Floor, 509 East 18th Street, Norfolk VA
Hybrid In-Person/Zoom Teleconference

MEETING MINUTES

Call to Order

In the absence of Brian DeProffio, Chair- City of Hampton, Lisa Cipriano, City of Newport News welcomed everyone and called the meeting to order at 1:30 p.m.

Attendance was taken for the meeting.

Committee members in in-person attendance:

Lisa Cipriano, City of Newport News
Constantinos Velissarios, City of Newport News
John Stevenson, City of Norfolk
Peter Buryk, City of Norfolk
James Burke, City of Portsmouth
Hank Morrison, City of Virginia Beach

Committee members in virtual attendance:

Hunter Anderson, City of Virginia Beach
William Landfair, City of Portsmouth
Uros Jovanovic, City of Virginia Beach
Jason Beasley, City of Norfolk
Angela Hopkins, City of Newport News
Sheila McAllister, City of Newport News
Andrea Kerley, City of Chesapeake

Hampton Roads Transit Staff in in-person attendance:

William Harrell, President, and Chief Executive Officer
Conner Burns, Chief Financial Officer
Kim Wolcott, Chief Human Resources Officer
Robert Travers, Attorney
Donna Brumbaugh, Director of Finance
Adrian Tate, Assistant Director of Finance
Angela Glass, Director of Budget and Financial Analysis
Ray Amoruso, Chief Planning and Development Officer
Brenda Green, Accounting Supervisor (recorder)
Tracy Moore, Director of Transportation
Michael Price, Chief Information Officer/Chief Technology Officer



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Chad Pritchett, Management Analyst
Brian Smith Deputy Chief Executive Officer/Executive and Management Services
Blue Bell, Budget Analyst
Sibyl Pappas, Chief Engineering and Facilities Officer
Noelle Pinkard, Organizational Advancement Officer

Hampton Roads Transit Staff in virtual attendance:

April Garrett, Senior Executive Assistant
Dawn Sciortino, Chief Safety Officer
Dudley Clark, Budget Analyst
Danielle Hill, Director of Human Resources
Shleaker Rodgers, Staff Auditor
Sonya Luther, Director of Procurement
Vanity Faulkner, Budget Analyst
Farahnaz Karimi Tabrizi, Staff Accountant
Kim Darden, Special Project Assistant
Matthew Stumpf, Budget Analyst
Keisha Branch, Director of Capital Programs
Malika Blume, Director of Internal Audit
Alexis Majjed, Chief Communications and External Affairs Officer
Robert Lee, Regional Transit System Manager
Heather Harmon, Senior Staff Accountant
Kim Darden, Planner
Tammara Askew, Administrative Support Technician
John Nason, Director of Bus Maintenance
Jennifer Dove, Civil Rights/Grants Program Manager

Others in in- person attendance:

Jerri Wilson, City of Newport News
Dawann Stegall, Delegate Alex Askew
Sherri Neil, City of Portsmouth
David Westcott, City of Chesapeake
Ed Reed, Two Capitols Consulting representing the City of Hampton
Kate Baker, Two Capitol Consulting representing the City of Hampton
Anjelique Shenk, City of Hampton
Scott Shifflett, WSP Consultants
Robert Crum, Hampton Roads Transportation Planning Organization (HRTPO)
Pavithra Parthasarathi, Hampton Roads Transportation Planning Organization (HRTPO)



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Others in virtual attendance:

Gretchen Heal, Hampton Road Chamber of Commerce
Brent McKenzie, City of Virginia Beach
Jessica Dennis, City of Norfolk
Scott Shifflett, WSP Consultants
Robert Cum, Hampton Roads Transportation Planning Organization (HRTPO)
Pavithra Parthasarathi, Hampton Roads Transportation Planning Organization (HRTPO)

The August 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
- July 22, 2024 MFAC Meeting Minutes
- July 2024 FY2025 Financials
- Route Ridership FY19-FY24 – ALL ROUTES
- Special Topic: State Funding and Regional Transit Sustainability Study

Approval of the July 22 2024 Meeting Minutes

John Stevenson, City of Norfolk, made a motion to approve the July 22, 2024 meeting minutes.

Peter Buryk, City of Norfolk properly seconded.

The July 22, 2024 meeting minutes were approved by unanimous vote.

Special Topic: State Funding and Regional Transit Sustainability Study

Due to the time constraints of our visiting guest the meeting agenda was altered. The Special Topic: State Funding and Regional Transit Sustainability Study was presented first. William Harrell, President and Chief Executive Officer, welcomed and thanked all of the special guest for attending today's meeting. He spoke about the changes to the local transit funding that were discussed during the past General Assembly (GA) Session which was held in Richmond VA. He stated how these funding challenges have affected smaller agencies such as Williamsburg Area Transit Authority (WATA). However, due to the implementation of these challenges WATA has been embarking on a transit sustainability study to help aid them in this area by discovering other avenues of new funding resources. Mr. Harrell stated that with the support of the Hampton Roads



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Delegates, the Transportations District Commission of Hampton Roads (TDCHR) Board, and additional discussions with WATA, that HRT will also be launching their own transit sustainability study. This study would provide a road map in filling some of the Agency's financial gaps that occurred due to the changes at the GA. He also stated that because HRT has a significant element of multimodal services, such as light rail, which carries a different cost structure to the aspect of hourly operations, that the Agency should certainly be added to "the table" of the statewide discussion concerning the future of funding for transit.

Brian Smith, Deputy Chief Executive Officer/Executive and Management Services welcomed everyone including the invited special guest to the meeting. Presented was the State Funding and Regional Transit Sustainability Study presentation, which was included with the meeting Agenda. Dr. Smith stated that regrettably HRT will receive about \$1.9 million dollars less in funding from the Virginia Department of Rail and Public Transportation (DRPT) in FY2025 than in previous fiscal years. However, he did state that additional funding is available through the overall Commonwealth Mass Fund, which would be beneficial to everyone in transit.

Action Item: HRT stated that DRPT will be invited to expound on the methodology of their FY2025 MERIT Assistance Program at a forthcoming meeting

HRT was asked that in lieu of not having an updated financial audit, how did the FY2021 Financial Audit impact DRPT's FY2023 Transit Size Comparison Report? Dr. Smith stated that this information was collected from the Agency's monthly financial reporting and the National Transit Data (NTD) reports. So, the Agency's most recent available financial audit from FY2021 had no effect on DRPT's methodology used for their FY2023 Transit Size Comparison Report. There was discussion concerning the Agency's anticipated increase in ridership with the implementation of the additional Regional Transit Systems (RTS) routes and how this will impact the metrics and the Agency's ability to compete better on DRPT's MERIT Program in FY2026. The Agency states that this implementation would result in a positive impact to HRT.

Action Item: HRT was asked to show if the other transit agencies who received less DRPT funding from the MERIT Program was related to them reaching their cap.

Robert Crum, Hampton Roads Transportation Planning Organization (HRTPO) thanked the MFAC for inviting him to today's meeting. Mr. Crum expounded on his involvement and conversations that were had with HRT, Hampton Roads Planning District Commission (HRPDC), HRTPO and other alliances concerning a "long-range" transportation plan that would identify future transit needs in our region.



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Dr. Smith expound on the significance and the backdrop of the Regional Transit Sustainability Study, the purpose of the study, guiding principle and the goals. In summary HRT will redouble its efforts to deploy a viable mix of quality services, recommend changes to optimize local bus network productivity, expand its partnerships to grow ridership and fare revenue. Dr. Smith stated that the Agency would invest in its workforce to support the hiring and retention of essential positions, as well as pursue legislative and policy support to add in these efforts. The External and Legislative Affairs Committee (ELAC) is the Agency's committee that will develop and bring forward recommended legislative priorities concerning these matters to the TDCHR Commission in August and November 2024. The 2025 Legislative Session is the Agency's priority. HRT is working hard to help mitigate any negative budget impacts that may affect the Agency and its Partnering City's in FY 2026.

July 2024 FY2025 Financials

Conner Burns, Chief Financial Officer, welcomed everyone to the meeting. Mr. Burns presented the July Draft Financial Statement included with the meeting Agenda. There was discussion concerning how the line of credit is impacted. Mr Burns stated that many factors can impact the line of credit, for example the reimbursement of Federal Funds. These funds are received 45-60 days after beginning expensed. Budget increases, additional projects and late arrivals of local contributions are also factors that impact the line of credit. There were discussion concerning the implementation of the RTS routes expenditures and its impact to the line of credit. Mr Conner stated that RTS does have its own dedicated funding source, however these funds are not all pre-billed and can only be reimbursed on a voucher system.

Action item: HRT was asked to provide an average daily balance of the line of credit in their monthly financial reporting in addition to the monthly snapshot balance. HRT was also asked to provide the breakdown of Capital vs Operating line of credit expenditures.

Mr. Harrell spoke briefly about the fiscal cliff. He stated that the chart that has been presented in the past depicting the forecasted fiscal cliff is an environmental scan that portrays the basic assumptions of the worst-case scenario if nothing differently is done by Management. Mr. Harrel also stated that HRT would never bring forth an unbalanced budget nor will the Agency place a burden on the Member Cities. He also stated that HRT will continue to work hard to close the gap on the depicted fiscal cliff.

Action Item: Mr. Harrell stated that he would put in writing how the Agency has historical not burdened the Local Cities with an unreasonable budgetary increase and how the Agency will continue this forthcoming.



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Action Item: HRT was asked to incorporate a balance sheet into their monthly financial report.

Action Item: HRT was asked to provide an explanation concerning the overlap in services concerning the previous Paratransit provider, River North VIA and the new provider Easton Coach Company, LLC. HRT was also asked to provide the budgetary amount for the new Paratransit contract. (The amount of budget overlap and cause of the overlap).

Action item: HRT was asked to expound on the Casualties and Liabilities as to why this combined total stated on the financial statement, (page 2) reflects a positive balance, when on the RTS statement (page 3) it depicts an overage in those expenditures.

Action items: HRT was asked to provide the forensics on the overage in Gas and Diesel.

Lisa Cipriano, City of Newport News, thanked Mr Harrel, Robert Lee, Regional Transit System Manager, and Ray Amoruso, Chief Planning and Development Officer for speaking to the Newport News City Council about the ferry feasibility study. She stated that their presentation garnered a lot of conversation among the Newport News Officials. Ms Cipriano also states that they are looking forward to HRT's September 10th micro-transit presentation.

Peter Buryk, City of Norfolk, also thank Mr Harrell and HRT for the Agency's participation in the City Norfolk's downtown big traffic weekend with their out of-town guest and acts. He also stated that everything went really well and moved smoothly with the multiple ferries and the rolling of the light rail. Mr. Buryk hopes to have a repeat performance of this collaboration of partnership in the near future.

Quarterly Staff Update

This agenda item will be addressed at the October 2024 meeting.

Quarterly Grant Project Update

This agenda item will be addressed at the September 2024 meeting.



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Financial Audit Update

The following stands as the forecasted timeline of the Agency's financial audits.

Audit Timeline

FY 2022	Completion by September/October 2024
FY 2023	Completion by March 2025 (start date around October 2024)
FY 2024	Completion by October 2025 (start date around April 2025)
FY 2025	Completion by May 2026 (start date around November 2025)

Adjournment

There being no further business, the meeting was adjourned at 2:53 PM.