



Management / Financial Advisory Committee

Monday, July 22 2024 • 1:30 p.m.
2nd Floor, 3400 Victoria Blvd., Hampton VA
Hybrid In-Person/Zoom Teleconference

MEETING MINUTES

Call to Order

Due to the late arrival of Brian DeProfio, Chair- City of Hampton, Lisa Cipriano, City of Newport News welcomed everyone and called the meeting to order at 1:31 p.m.

Attendance was taken for the meeting.

Committee members in in-person attendance:

Troy Eisenberger, Chair, City of Chesapeake
Lisa Cipriano, City of Newport News
Brian DeProfio, City of Hampton
John Stevenson, City of Norfolk
Uros Jovanovic, City of Virginia Beach

Committee members in virtual attendance:

Taiub Mohammad, City of Hampton
Hunter Anderson, City of Virginia Beach
Isabella Young, City of Virginia Beach
Peter Buryk, City of Norfolk
James Burke, City of Portsmouth

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
Angela Glass, Director of Budget and Financial Analysis
Ashley Johnson, Assistant Director of Budget and Financial Analysis
Matthew Stumpf, Budget Analyst
Ray Amoruso, Chief Planning and Development Officer
Brenda Green, Accounting Supervisor (recorder)
Keisha Branch, Director of Capital Programs
John Powell, Telecommunication Specialist
Malika Blume, Director of Internal Audit
John Nason, Director of Bus Maintenance



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Tracy Moore, Director of Transportation
Michael Price, Chief Information Officer/Chief Technology Officer
James Lyons, Staff Accountant

Hampton Roads Transit Staff in virtual attendance:

April Garrett, Senior Executive Assistant
Amy Braziel, Director of Contracted Services and Operational Analytics
Keianna Harris, Special Project Assistant
Dawn Sciortino, Chief Safety Officer
Dudley Clark, Budget Analyst
Toni Hunter, Staff Auditor
Danielle Hill, Director of Human Resources
Shleaker Rodgers, Staff Auditor
Adrian Tate, Assistant Director of Finance
Sonya Luther, Director of Procurement
Sibyl Pappas, Chief Engineering and Facilities Officer
Chad Pritchett, Management Analyst
Noelle Pinkard, Organizational Advancement Officer
Vanity Faulkner, Budget Analyst
Farahnaz Karimi Tabrizi
Sheri Dixon, Director of Revenue Services
Kim Darden, Special Project Assistant
Glenda Dixon, Senior Direct Enterprise Resource Planning Systems and Services

The July 2024 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
- June 24, 2024 MFAC Meeting Minutes
- June 2024 FY2024 Financials
- Route Ridership FY19-FY24 – ALL ROUTES
- TMC FY 2023/2024 Statement of Revenues & Expenses
- Active State Grant Report
- Active Federal Grant Report
- HRT Staffing Update
- Systems Optimization Plan; Phase 1 Update



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The following additional items were distributed electronically to the Committee members after the meeting.

- Pandemic Chart Update

Approval of the May 20, 2024 Meeting Minutes

John Stevenson, City of Norfolk, made a motion to approve the June 24, 2024 meeting minutes.

Troy Eisenberger, Chair, City of Chesapeake properly seconded.

The June 24, 2024 meeting minutes were approved by unanimous vote.

June 2024 FY2024 Financials

Conner Burns, Chief Financial Officer, welcomed everyone to the meeting. Mr. Burns presented the June Draft Financial Statement included with the meeting Agenda.

There was discussion concerning employee bonuses being allocated in the FY2024 operating budget. HRT confirmed that merit increases are historically built into the annual operating budget. Service bonuses are provided if there is year-end budget availability and allocated based on employee tenure.

HRT confirmed its annual pre-payment payout in the amount of \$1,056,000 to the Agency's Health Savings Account (HSA). This prepayment payout covers the time periods from July 1, 2024 to December 31, 2024.

Reserve Funding Update

Lisa Cipriano, City of Newport News stated that it's been two years since the conversation about the reserve funding was initiated. She stated that the idea was to allow HRT to establish and maintain a reserve funding. However, according to the standard of the Cost Allocation Agreement (CAA) HRT could not have a reserve fund or show a gain at the end of its fiscal year. The CAA language states that the Agency would be obligated to "true-up" (payback) any financial gains or notable financial surpluses determined at yearend, back to its partnering cities. Ms. Cipriano stated that by amending the CAA, HRT would have the ability to establish a reserve fund. This would give the Agency the funding ability to mitigate circumstances or any unexpected financial curves. However, this amendment would also incorporate the necessary language that would read, that the reserve funds could only be allocated under the recommendation and approval of the



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Transportation District Commission of Hampton Roads (TDCHR) Board. The Board would be the governing force and overseer of the reserve fund. The language would state that the Agency would need the Board's approval, prior to using these funds. Ms. Cipriano reminded the MFAC members that the reserve fund would be built by the partnering localities yearend contributions. The language would also state that each locality would contribute an equal share towards the funding of the reserve. This would ensure that each locality's contributions would be neutral. The goal would be to maintain at least 5% of the Agency's operation budget in a reserve fund for future use or unexpected financial pitfalls. The initial contribution to the reserve fund would be the financial surplus the localities generated in FY2021 year-end audit. These balances will be confirmed once the FY2021 financial audit has been and finalized. Ms. Cipriano stated that in the meanwhile, until the financial audits are caught up that she suggested that the "Reserve Funding Update" be removed from the agenda in lieu of it being continuously tabled.

Quarterly Staff Update

Kim Wolcott, Chief Human Resources Officer provided an overview of the Quarterly Staff Update included in the July 2024 MFAC agenda package

Quarterly Grant Project Update

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

Quarterly Balance Sheet Update

This agenda item was tabled and will be addressed at a meeting forthcoming.

Grants Reporting

Keisha Branch, Director of Capital Programs, provided a detailed overview of both federal and state grants as outlined in the report. This report provided the award dates, the estimated completion dates, the award amounts, and remaining balances. These awards were all listed in order from older to newer in terms of the end dates.

There was discussion concerning the Federal Grant reimbursement for the Agency's new buses.

There was discussion concerning the discretionary grant funds and Regional Surface Transportation Program (RSTP) funding being used for the purchase of the new ferry boats. There was also discussion concerning the Light-rail grant funding.



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William Harrell, President, and Chief Executive Officer spoke briefly about the Transit Sustainability Study. The study will address questions in a comprehensive way that provides a framework and build a body of knowledge relative to the structural costs and needs that are unique to this region of Virginia. HRT will also conduct a peer review study that will compare HRT’s costs with other transit agencies. This will allow HRT to have a clear, hard look into the Agency’s methods of operations in comparison with their peers. Additional information concerning this matter is forthcoming

Ray Amoruso, Chief Planning and Development Officer, spoke briefly about the great opportunity the Agency has concerning funding for “state of good repair” with implementation of the Virginia Department of Rail and Public Transportations (DRPT) implementation of the MERIT- Capital Assistance Prioritization Scoring Program. He also expounded on the Agency seeking additional discretionary federal grant funding to assist in filling any financial funding gaps.

Fiscal Cliff Discussion

The following updates were provided to the MFAC member concerning the Agency past, present and forecasted pandemic related spending. The Agency understands the impending financial challenges that are on the horizon. The Agency is currently working towards securing additional funding sources, implementing additional programs, and making the necessary changes to help minimize the impact of this forecasted fiscal cliff to its partnering cites

FISCAL YEAR	Actual					Planned				Total Funding	Remaining Balance a of 4/30/2024
	20	21	22	23	24	25	26	27	28		
CARES	\$ 20,627	\$ 26,062	\$ 15,043							\$ 61,732	\$ -
CRRSAA			\$ 1,890	\$ 7,771						\$ 9,661	\$ -
ARPA				\$ 15,747	\$ 6,008	\$ 24,700	\$ 7,464			\$ 53,918	\$ -
ARPA Supplemental						\$ -	\$ 22,736	\$ 28,839		\$ 51,575	\$ -
Total	\$ 20,627	\$ 26,062	\$ 16,933	\$ 23,517	\$ 6,008	\$ 24,700	\$ 30,200	\$ 28,839	\$ -	\$ 176,886	\$ -



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Systems Optimization Plan (SOP)

Mr. Amoruso gave a brief overview of Phase 1 of the Systems Optimization Plan (SOP) included in the July 2024 MFAC Agenda Package.

State Funding Formula

This agenda item was tabled and will be addressed at the August 19, 2024 meeting.

Regional Transit Sustainability Discussion

This agenda item was tabled and will be addressed at the August 19, 2024 meeting.

Financial Audit Update

Mr Burns provided the following timeline to the MFAC members, as it related to the completions 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 3:37 PM.