



Management / Financial Advisory Committee

Monday, October 21, 2024 • 1:30 p.m.
2nd Floor, 509 East 18th Street, Norfolk 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 1:30 p.m.

Attendance was taken for the meeting.

Committee members in in-person attendance:

Brian DeProfio, Chair- City of Hampton
Lisa Cipriano, City of Newport News
Constantinos Velissarios, City of Newport News
John Stevenson, City of Norfolk
James Burke, City of Portsmouth
Angelique Shenk, City of Hampton
Uros Jovanovic, City of Virginia Beach

Committee members in virtual attendance:

Hunter Anderson, City of Virginia Beach
William Landfair, City of Portsmouth
Angela Hopkins, City of Newport News
Sheila McAllister, City of Newport News
Hank Morrison, City of Virginia Beach
Karl Daughtrey, City of Hampton
Peter Buryk, City of Norfolk

Hampton Roads Transit Staff in in-person attendance:

William Harrell, President, and Chief Executive Officer
Conner Burns, Chief Financial Officer
Sibyl Pappas, Chief Engineering & Facilities Officer
Sherri Dawson Director of Transit Development
Kim Wolcott, Chief Human Resources Officer
Robert Travers, Attorney
Angela Glass, Director of Budget and Financial Analysis
Ray Amoruso, Chief Planning and Development Officer
Brenda Green, Accounting Supervisor (recorder)



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Jamira DeWeese, Accounting Coordinator
Chad Pritchett, Management Analyst
Brian Smith Deputy Chief Executive Officer/Executive and Management Services

Hampton Roads Transit Staff in virtual attendance:

Benjamin Simms, Chief Transit Operations Officer
April Garrett Senior Executive Assistant
Amy Braziel, Director of Contracted Services and Operational Analytics
Dawn Sciortino, Chief Safety Officer
Misty Gordon, Risk Manager
Dudley Clarke, Contract Budget Analyst
Shleaker Rodgers, Staff Auditor
Toni Hunter, Staff Auditor
Sheri Dixon, Director of Revenue
Farahnaz Karimi Tabrizi, Staff Accountant
Noelle Pinard Organizational Advancement Officer
Matthew Stumpf, Budget Analyst
Alexis Majied, Chief Communications and External Affairs Officer
Chad Pritchett, Management Analyst
Tracy Moore, Director of Transportation
Blue Bell, Budget Analyst
Donna Brumbaugh, Director of Finance
Ashley Johnson, Assistant Director of Budget and Financial Analysis
Keisha Branch, Director of Capital Programs
Malika Blume, Director of Internal Audit
Antoinette White, Interim Director of Service Plan and Scheduling
Keianna Harris, Special Project Assistant
Linh Pham, Staff Accountant
Trevia Taylor, Senior Manager of Scheduling
Tammar Askew, Data Analyst II

Others in in- person attendance:

Jeff Raliski, Hampton Road Transportation Planning Organization (HRTPO)
Jessica Klion, Foursquare ITP



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The October 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:

- Agenda
- Meeting Minutes August 19, 2024
- Meeting Minutes September 23, 2024
- September 2024 FY2025 Financials
- Route Ridership FY19-FY24-All Routes
- Staff Update Presentation
- Systems Optimization Plan – City Recap

Approval of the August 19 2024 Meeting Minutes

John Stevenson, City of Norfolk made a motion to approve the August 19, 2024 meeting minutes.

Constantinos Velissarios, City of Newport News properly seconded.

The August 19, 2024 meeting minutes were approved by unanimous vote.

Approval of the September 23, 2024 Meeting Minutes

Constantinos Velissarios, City of Newport News made a motion to approve the September 23, 2024 meeting minutes with the following corrections:

This re-confirms that the status of HRT's unaudited financial reports has no impact on DRPT'S Making Efficient and Responsible Investments in Transit (MERIT) formulas and its findings.

James Burke, City of Portsmouth properly seconded.

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

The additional following corrections were also made to the September 23, 2024 meeting minutes.

Angelique Shenk, City of Hampton



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September 2024 FY2025 Financials

Conner Burns, Chief Financial Officer welcomed everyone to the meeting and presented the September 2024 Draft Financial Statement included with the meeting Agenda.

There were discussions concerning the increase in expenses for contract services. HRT confirmed that the first 3-months (July August and September) of penalties were waived for the Agency's new paratransit provider, Easton Coach. This grace period allowed Easton time to adjust and to implement services in our region. This grace period resulted in an increase in expenses and a reduction in revenue reflected in contracts services on the financial statement.

Quarterly Staff Updates

Kim Wolcott, Chief Human Resources Officer, provided a detailed overview of the Quarterly Staff Update, included with in the meeting Agenda.

Action Item: HRT was asked to identify the number of vacancies being reported on the Southside as well the Peninsula in the next Quarterly Staff Update.

There were discussions concerning the publicizing of HRT's hiring events on social media and the Agency's continuing efforts to attract additional operators. Ms. Wolcott stated that HRT has implemented a free Commercial Driver's License (CDL) Prep Course, for the Agency's new hires. HRT is also looking into restarting the Drive Now Program for the Southside. The Agency is also working closely with the Marketing Department on new initiatives concerning the new hire salary incentives for operators. In addition, the Agency will also be implementing a new incentive for the current employees for new hire referrals. It was also stated that HRT has partnered with the military concerning openings and is currently actively seeking military personnel for operator positions. There were discussions concerning HRT's operator turnover rates and its effects on HRT's ability to reach their goal levels of full implementation of all routes. Ms. Wolcott stated that, though the Agency has experienced several operators retiring during this fiscal year, that the turnover rates have been very low. She also stated that in the previous year, HRT contributed its internal high turnover rates to several of the operators moving into other career paths within the Agency, such as light rail and supervisor positions. HRT's Planning and Development Department is also looking into the implementation of better scheduling hours for operators. Ray Amoruso, Chief Planning and Development Officer stated that HRT sat down with the Union Leadership and individual Operators to better understand, why after all the energy and effort to bring them on board that they tend to leave. The majority stated that it's the concern of the lack of a "quality of life". It was



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stated that operators with seniority are allowed to choose the better scheduled routes each board picks, whereby the newer operators must choose from the routes with less than favorable hours, which includes multiple split shifts and layovers. This leaves the newcomers with less than minimal time for life outside of their working hours. The operators also requested special set numbers of days of on and off, (such as 4 days on, 3 days off or 5 days on, 2 days off), and straight time workhours to help normalize operator workdays and life's schedule outside of HRT. In addition, another problem stated by the operators, is the mandatory overtime. When the Agency implements a state of mandatory overtime, routes that are not filled voluntarily by senior operators are now made to be mandatory for the new hires, which can result in work burnout. Mr Amoruso stated that HRT could optimize a solution to these problems by running the Agency's service at 100%. However, currently the Agency is running at 87% of its current set routes, due to the shortage in bus operators. HRT is committed to continuing to work with the Union to help minimize these concerns and real-life issues and challenges. HRT is also investing in more parttime operators by looking into the returning of some of the Agency's retirees. Mr Amoruso also stated that with the implementation of the Systems Optimization Plan (SOP) that the Agency would be in a better position to meet their goal of running a 100% full-service board.

Quarterly Grant Project Update

This agenda item will be addressed at the December 9, 2024 meeting.

FY2022 Financial Audit Update

Brown Edwards will present an unmodified opinion of the FY2022 Financial Audit at the Audit and Budget Review Committee (ABRC) Meeting on October 24, 2024 at 11:30 AM in the Norfolk Board Room.

System Optimization Plan (SOP) Update

Mr Amoruso reviewed the briefings obtained from the meetings held with the individual six cities in October 2024 concerning the SOP. This presentation was electronically provided to the MFAC attendees prior to today's meeting. William Harrell, President, and Chief Executive Officer stated that the Agency has received tremendous feedback from the Cities concerning the SOP. He also expressed that HRT would use this information and feedback to make some adjustments and refine the SOP. Mr Harrell expressed that the Agency would not publicize the implementation of the SOP until the plan has been



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refined and agreed upon by the Agency and all of its six partnering cities. In closing, Mr Amoruso reviewed the SOP's next steps and the proposed scheduling, while adhering to the adoption date of September 2025 by the Partnering City's Council and the Transportation District Commission of Hampton Roads (TDCHR) Board.

Mr Amoruso extended an invitation to any of the Cities who would like to participate in the Mirco Transit Pilot Program. This pilot program will be grant funded with a local 20% match. The application for the State Grant for this program must be submitted prior to the closing date of February 1, 2025.

There were discussions concerning the Micro Transit Pilot Program being in compliance with the Federal Transit Administration's (FTA) requirements. This service would be contracted out to a 3rd party provider. Currently, HRT does not have the capability or the manpower to run this service in house. There were discussions concerning the amount of manpower needed and the cost per hour to successfully run a micro transit program within a 15-20 square mile zone. HRT's previous micro transit pilot programs revealed that an on-demand 15-minutes service, servicing a 15-20 square mile zone would require 8-12 vehicles, and 12-13 noncommercial drivers (non-CDL holders). Mr Amoruso stated that additional cost considerations would need to be captured in this mode of service, such as administrative, vehicle maintenance, fuel, provision of operators and training. Currently, the micro transit program would be estimated at \$60.00 per hour compared to a fix bus route, which runs at \$104.00 per hour.

Action Item: HRT was asked to provide some realistic dates regarding the implementation of Mirco Transit service and its financial impact to the Localities.

There were discussions concerning the State and Federal contributions to the Mirco Transit Program. Mr Amoruso stated that the Department of Rail and Public Transit's (DRPT), Transit Ridership Incentive Program (TRIP) will contribute to some funding to the program however this grant is not sustainable in the long run. Eventually in the 5th year only 10% of this state funding would be available. Mr Harrel stated that if micro transit was to become a new mode of public transit, that HRT would like to implement it as an added mode of service to the Agency's current portfolio, in to garnish additional State and Federal funding assistance. HRT states that additional work, information and analysis from the Agency, as it relates to the Mirco Transits will be shared forthcoming.

Action item: HRT was also asked to provide a timeline of milestones for the SOP.

There were discussions concerning how the SOP, the Stability Study, and the Capital Improvement Plan (CIP) Update will impact the Agency's potential financial cliff. Mr Harell stated that the \$40 million number projected in the Agency's fiscal cliff is a planning number. He also stated that the State created the structure of strategic plans and how its



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reported. So, according to on their methodology every transit agency is showing a fiscal cliff. Mr Harrell reminded the MFAC that in the COA report previously shared (via email September 18, 2024) that what's important is that HRT is committed to always bring forth and present a balanced budget. Mr Harrell has stated that the Agency needs to work with the State within these set formats and use a strategic plan as vehicles to more funding for transit. HRT stated that it would be difficult to get any additional funding support from Richmond if the Agency never reports a deficit. If warranted, HRT would be able to provide deficit projections based on the early drafts of the Agency's strategic plan. However, these projections will not materialize because the Agency is committed to professionalism and making the necessary hard choices to ensure that the Agency brings forth a balanced budget. Mr Harrell stated that the SOP and the Sustainability Plan would help the Agency identify in more detail of how the federal dollars could be spread out more affectively. HRT would report any updates on these findings as they occur.

Sustainability Plan Study Update

Brian Smith, Deputy Chief Executive Officer/Executive and Management Services stated that HRT is getting the word out and will continue to have dialogue and raise awareness concerning the Sustainability Plan Study has the study is getting underway. HRT most recently met with the Regional Transit Advisory and hosted at the Hampton Roads Transportation Planning Organization (HRTPO), engaged with stakeholder, business and community leaders from across the region as well has hosted the legislative liaisons from the various offices of the of the delegates and the senators focusing on the Sustainability Study, as well as laying the groundwork for the 2026 session. Dr Smith also stated that the Agency's more immediate focus is the 2025 upcoming General Assembly Session, with respect to state funding. He stated that this would be an opportunity to pursue a budget amendment to infuse some available monies, transit monies specifically into the operating program. This would have a positive affect not only to HRT's bottom line but to all 40 agencies that participate in the statewide program.

Brian DeProfio, Chair- City of Hampton encouraged the MFAC who were not in attendance with the October 21, 2024 MFAC meeting to watch the online video (YouTube) of the presentation provided by DRPT concerning the state formula methodology.

Free Fare Day – Election Day November 5, 2024

HRT will provide free fare across all modes of transit on November 5, 2024, Election Day.

Action Items: HRT stated that they would gather a report that would outline ways in which the Agency could possibly assist its partnering cities during unforeseen emergency.



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Responses to Action Items from the MFAC Meeting September 23, 2024

Action Item: HRT was asked to provide additional information pertaining to a \$232K gain in inventory for material and supplies. *Mr. Burns stated this delta was a result of a keying error and has been corrected.*

Action Item HRT was asked to provide the Grant projects funding sources and the percentage/dollar amounts, identifying the allocated source(s) by State, Federal or Local funding contribution. *The implementation of this action item will be included in the December 2024 Grants Project Update presentation*

Action Item: HRT was asked to provide an update on the expense grant fund draw date, indicating if the draw down was performed on or after July 31. It was stated that this would help with the line of credit discussion by understanding how much funds were allocated to capital projects. *The implementation of this action item will be included in the December 2024 Grants Project Update presentation*

Action Item: MFAC suggested that the grant project lines be numbered so they could be referenced accordingly. *The implementation of this action item will be included in the December 2024 Grants Project Update presentation*

Adjournment

There being no further business, the meeting was adjourned at 3:03 PM.