



Management / Financial Advisory Committee

Monday March 24, 2025 • 1:30 p.m.
2nd Floor Board Room, 3400 Victoria Blvd, Hampton, VA
Hybrid In-Person/Zoom Teleconference

MEETING MINUTES

Call to Order

Lisa Cipriano of The City of Newport News sat in as an alternate chair for current chair Brian DeProfio of The City of Hampton. The meeting was called to order at 1:30pm. Mr. DeProfio entered the meeting at 1:35pm.

Roll Call was taken for the meeting resulting in a quorum.

Committee members in in-person attendance

Andrea Kerley, City of Chesapeake
Angelique Shenk, City of Hampton
Brian DeProfio, Chair – City of Hampton
Constantino 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
Avery Daugherty, DRPT
Grant Sparks, DRPT
Hank Morrison, City of Virginia Beach
Hunter Anderson, City of VA Beach
Karl Daughtrey, City of Hampton
Sheila McAllister, City of Newport News
Uros Jovanovic, City of Virginia Beach

Hampton Roads Transit Staff in in-person attendance

Angela Glass, Director of Budget, and Financial Analysis
Anthony Clemmons, Senior Client Technology Specialist
Ashley Johnson, Assistant Director of Budget and Financial Analysis
Brenda Green, Accounting Supervisor
Brian Smith, Deputy Chief Executive Officer
Conner Burns, Chief Financial Officer
Dawn Sciortino, Chief Safety Officer
Donna Brumbaugh, Director of Finance
Jamira DeWeese, Accounting Coordinator



Management / Financial Advisory Committee

Monday March 24, 2025 • 1:30 p.m.
2nd Floor Board Room, 3400 Victoria Blvd, Hampton, VA
Hybrid In-Person/Zoom Teleconference

John Nason, Director of Bus Maintenance
Keisha Branch, Director of Capital Programs
Kim Wilcott, Chief Human Resources Officer
Malika Blume, Director of Internal Audit
Micheal Price, Chief Information Officer/Chief Technology Officer
Monique Battle, OPS Project and Contract Administrator
Ray Amoruso, Chief Planning and Development Officer
Sherri Dawson, Director of Transit Development
Sibyl Pappas, Chief Engineering & Facilities Officer
Sonya Luther, Director of Procurement
William Harrell, President and Chief Executive Officer

Hampton Roads Transit Staff in virtual attendance

Adrian Tate, Assistant Director of Finance
Alexis Majied, Chief Communications and External Affairs Officer
Robert Travers, Attorney
Amy Braziel, Director of Contracted Services and Operational Analytics
April Garrett, Senior Executive Assistant
Blue Bell, Budget Analyst
Danielle Hill, Director of Human Resources
Dudley Clarke, Contract Budget Analyst
Heather Harmon, Senior Staff Accountant
James Lyons, Staff Accountant
Justin Kahler, Grants Program Analyst
Keianna Harris, Special Project Assistant
Matthew Stumpf, Budget Analyst
Misty Gordan, Risk Manager
Shleaker Rodgers, Staff Auditor
Tammara Askew, Data Analyst II
Toni Hunter, Staff Auditor
Tracy Moore, Director of Transportation
Trevia Taylor, Senior Manager of Scheduling
Vanity Faulkner, Budget Analyst

Others in in-person attendance

Jeff Sanchez, Key Performance LLC

Others in virtual attendance

Jeff Raliski, HRTPO
Jessica Klion, Foursquare



Management / Financial Advisory Committee

Monday March 24, 2025 • 1:30 p.m.
2nd Floor Board Room, 3400 Victoria Blvd, Hampton, VA
Hybrid In-Person/Zoom Teleconference

The February 2025 MFAC package was posted on the GoHRT.com website and distributed electronically to Committee members prior to the meeting. The meeting package consisted of:

- Agenda
- Approval of Meeting Minutes – February 24, 2025
- February 2025 FY2025 Financial Report
- Quarterly Grants Projects Update – March 2025
- System Optimization Plan (SOP) – March 2025
- Regional Transit Sustainability Study – March 2025

Approval of Meeting Minutes

Lisa Cipriano of the City of Newport News made the motion to adopt the approval of the following MFAC meeting minutes:

- February 24, 2025

John Stevenson of the City of Norfolk made the motion to move the adoption.

Angelique Shenk of the City of Hampton properly seconded the move to adopt.

The above minute meetings were approved by unanimous vote.

February 2025 FY2025 Financials

Conner Burns, Chief Financial Officer presented the February 2025 Draft Financial Statement and the locality reconciliation amongst the cities of Hampton Roads.

Farebox (Passenger) Revenue for the month of February was \$612, 300 with a variance of \$106,200 (14.8%) which was below the budgeted projection of \$718,500. There were two weekdays of no service and one snow day on a Saturday due to high snow accumulation which affected the transit system company wide.

Advertising Revenue has been below projections for the last 4 months. It has been recognized that some contra accounts were not being accounted for in terms of production and a full forensic analysis will be presented at the next MFAC meeting in April.



Management / Financial Advisory Committee

Monday March 24, 2025 • 1:30 p.m.
2nd Floor Board Room, 3400 Victoria Blvd, Hampton, VA
Hybrid In-Person/Zoom Teleconference

The agency will draw down \$2,820,200 from the *Federal Funding (5307/5337)* to cover expenses incurred for the month of February. This draw down will leave a variance of \$842,800 in revenue not needed to cover the expenses for the month.

Purchased Transportation is anticipated to be over budget for the year, Conner Burns (CFO) and the financial team will do a budget transfer out of *Casualties & Liabilities* into *Purchased Transportation*. The *Purchased Transportation* line item will be closely monitored.

Quarterly Grants/Projects Update

Keisha Branch, Director of Capital Programs presented the *Grants/Projects* update for the quarter which includes the expenses, encumbrances and awards as of January 31, 2025.

The *Capital Improvement Plan (CIP)* and the *Grant Award* amount from the prior quarter were added to the report as a request of the committee. The budget represents the awards which include federal and state contracts that were awarded and active for a specific project.

Eligible *funds* will be drawn down and released back to the federal and state governments from grants that have closed and has a balance. Reconciliations happens before the release which may include additional draws, expenditures, etc.

ACTION ITEM: Lisa Cipriano suggested to add the *project status* to the CIP to know how things are moving with specific project.

Financial Audit Update

The *FY2023 Financial Audit* has been completed by Brown Edwards and was presented at the Audit & Budget Review Committee (ABRC) meeting on March 27, 2025. The auditors discussed the unmodified opinion as well as the two-material weaknesses and associated corrective action plans.

Budget Preliminary Response Update

Questions were received from the City of Newport News. Conner Burns stated that the questions were carefully looked over alongside the senior financial team and will be

prioritized. A batch of the responses will be more relevant to approving the upcoming budget and answer the latter as it comes along. Within the next couple weeks, the first group of responses should be presented.

System Optimization Plan (SOP)

Ray Amoruso, Chief Planning and Development Officer and Jessica Cleon of Foursquare present the System Optimization Plan (SOP)

The SOP explores how HRT can put its limited resources to their best use by reducing or modifying low-ridership local bus service and reinvesting those resources into routes with high ridership demand.

Context for SOP

- **Bus operator shortages** makes it difficult to return service to pre-pandemic levels and provide a consistent and reliable travel option for customers.
 - HRT is short approximately 50 operators to return to pre-pandemic service levels on Southside routes; however, not all routes are recommended for service put-backs.
 - To fully implement the RTS network, an additional 70 operators are needed.
- **The COVID-19 pandemic has changed travel patterns** and HRT needs to modify services to keep up with changing demand.
 - HRT's ridership productivity has been slow to return to pre-pandemic levels.
- **Microtransit gives HRT new options for serving lower demand markets.** HRT can use microtransit to fill gaps in the network where the demand just doesn't exist for fixed-route service.
 - Microtransit is a new mode that can complement fixed-route services.
- **HRT needs to match its service to its resources.** The lack of operators means HRT cannot reliably operate the network it has today. Right-sizing the network means HRT can be reliable and not miss trips due to lack of bus operators.
 - On average, **6 percent** of daily scheduled trips were missed in January 2025.

Proposed System Stats



Approximately **80 percent** of people living within a **five-minute walk** of an HRT bus stop today will still be within a five-minute walk of a bus stop after the SOP recommendations are implemented.



Stops along segments of routes proposed for optimization have an average daily activity (boardings + alightings) of less than **5** passengers, compared to **16** passengers for stops being maintained.

Average daily activity (boardings + alightings) at stops along segments of routes proposed for optimization is **3 percent** of total daily activity.



Management / Financial Advisory Committee

Monday March 24, 2025 • 1:30 p.m.
2nd Floor Board Room, 3400 Victoria Blvd, Hampton, VA
Hybrid In-Person/Zoom Teleconference

Regional Backbone Implementation Stats

	Current System (FY25)	13 Regional Backbone Routes	Absolute Change
Routes with 15-minute Weekday Peak Service	3 routes (20, 112, 114)	13 routes (1, 2, 3, 8, 15, 20, 21, 36, 45, 47, 101, 112, 114)	10 Routes (1, 2, 3, 8, 15, 21, 36, 45, 47, 101)
Population Served	172,997	469,584 (171% increase)	296,587
Jobs Served	142,142	299,007 (110% increase)	156,865
Area in Walking Distance	43 sq miles	105 sq miles (144% increase)	62
Estimated Annual Ridership	1,653,980	4,697,686 (184% increase)	3,043,706

*Analysis shows results for the 13 Regional Backbone routes that have or are planned to have 15-minute peak period service. The five PCS and eight MAX routes are not included in these statistics.

**Estimated ridership for 13 Regional Backbone routes is calculated by multiplying FY 2024 ridership on the Regional Backbone routes without 15-minute peak period service by 44%, the average percent increase in ridership on Routes 20, 112, and 114 in the 12 months after implementing 15-minute peak period service. In FY24, the two Base Express routes (an extension of Route 21) carried 53,280 passengers; the routes are on track to carry approximately 54,000 passengers in FY25.

*** Estimated ridership for the PCS and MAX routes following implementation of the new Route 975 is 328,940.

Operator and Vehicle Impacts

- Changes to local routes will free up **14 vehicles** and **65 operators** to be redeployed on Regional Backbone service.
- Implementation assumptions
 - 15-minute peak period service on weekdays and a weekday span of 5:00 a.m. to 1:00 a.m. on the 13 Regional Backbone routes
 - New Limited/Express service to Gloucester (FY27)
 - Span and headway improvements on some productive local routes
 - October 2024 (FY25) is the baseline for analysis, but some route changes are planned for May 2025.

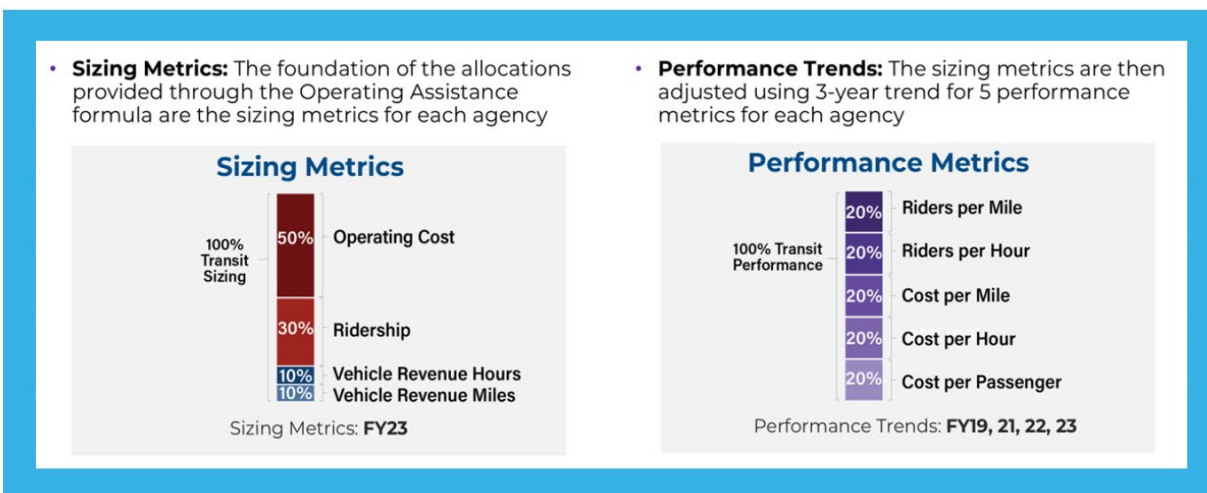
	FY 2025 (October 2024)			Post SOP Implementation		
	Revenue Hours	Peak Vehicles	Operators	Revenue Hours	Peak Vehicles	Operators
Local Routes	375,411	87	217	285,607	73	152
Trolleys	22,979	15	32	22,979	15	32
Regional Backbone Routes	354,930	82	198	426,784	129	243
Limited/Express Routes	45,094	21	31	48,622	25	34
Total	798,414	205	478	784,659	242	461

March 24, 2025

The *Merit Grant Program* is administered through the Virginia Department of Rail and Public Transportation. This program provides operating and capital assistance. Operating assistance grants are determined by using a complex performance-based

methodology to allocate funds to transit agencies and can fund a max of up to 30 percent of the HRT's operating expenses.

MERIT Grant Performance Metrics



Jessica Klion of Foursquare gave an analysis of *Route Performance* based on the metrics that are used in the merit model.

SOP recommendations will reduce or optimize service on low-performing local routes to enable HRT to invest more in productive high-ridership routes and prioritize service on high-ridership, lower cost routes which will improve HRT's position in the state model as well as prioritizing service on Regional Backbone routes can reduce the burden on local jurisdiction fundings in favor of dedicated regional funds.

Regional Transit Sustainability Study Update

The purpose of the *Regional Sustainability Study* is to address long-term and sustainable funding for public transportation capital and operating needs in Hampton Roads as presented by Brian Smith, Deputy Chief Executive Officer.

Some of the goals of the *Regional Sustainability Study* are:



Management / Financial Advisory Committee

Monday March 24, 2025 • 1:30 p.m.
2nd Floor Board Room, 3400 Victoria Blvd, Hampton, VA
Hybrid In-Person/Zoom Teleconference

- Raise awareness of linkages between public transportation and needs, benefits, and outcomes supporting regional economic prosperity and quality of life.
- Document capital and operating funding needs for safe and dependable public transportation that fits regional priorities and the evolving needs of commuters.
- Identify public policy challenges, opportunities, and strategies to support cost-containment and long-term operating and fiscal sustainability.
- Equip stakeholders and advocates who desire to champion the ongoing improvement and dependability of public transportation on behalf of hundreds of thousands of residents and visitors.
- Provide useful information and recommendations to the General Assembly and other policy makers to support long-term vision of public transit for the region.

A draft of report consisting of 25-30 pages with supporting technical appendices will be completed by mid-summer as the final report will be completed by September 2025. Some of the themes and sections of the report may consist of the following:

- Executive Summary
- Goals
- Regional Context – e.g., Transit's impact, Regional Competition and Economic Conditions
- Transit Service Considerations – mix of current and future types, levels, and distribution of services
- Public Policy / Funding Concerns
- Performance Benchmarking ****April/May**
- Operating and Capital Considerations – needs and revenues
- Funding Scenarios – incl. 10-year forecast

Service Reliability Credit Discussion

The new administration and its focus on reducing federal spending has caused substantial uncertainty with regards to HRT's current and future funding. In a January memo from the *Office of Management and Budget (OMB)*, there was a temporary pause of federal grant expenditures while the merits of the projects were reviewed. Because of this focus, financial staff reviewed every federal grant, both operating and capital, to determine their vulnerability.

The planned COVID relief funds were also reviewed for risks of being rescinded or eliminated. These funds were planned out to be used through at least 2029. In coordination with Department of Rail and Public Transportation (DRPT), the Federal



Management / Financial Advisory Committee

Monday March 24, 2025 • 1:30 p.m.
2nd Floor Board Room, 3400 Victoria Blvd, Hampton, VA
Hybrid In-Person/Zoom Teleconference

Transit Administration (FTA) and external auditors, a plan was discussed to accelerate and draw down the COVID relief funds to avoid losing them in the future.

This new plan will allow HRT to return the *Service Reliability Credit* to the cities in the form of a lump sum payment (*one year at a time*) rather than budgetary credit. The cities may still request credit per year in lieu of lump sum payment. These payments eliminate any concerns about budgetary maneuvering and any concerns regarding amendment issues of the cost allocation agreement. This plan has no impact regarding the *Line of Credit* when it refers to the expenses incurred and the balance of the *Line of Credit*.

ACTION ITEM: Lisa Cipriano requested that the action items be included on the agenda or separately as a part of the MFAC package.

Adjournment

The meeting was adjourned at 3:15 pm.