



Meeting of the Transportation District Commission of Hampton Roads

Thursday, May 22, 2025, at 1:00 p.m.

3400 Victoria Boulevard, Hampton, VA – In Person - Zoom

A meeting of the Transportation District Commission of Hampton Roads will be held on Thursday, May 22, 2025, at 3400 Victoria Boulevard, Hampton, VA.

The meeting is open to the public and in accordance with the Board's operating procedures, and in compliance with the Virginia Freedom of Information Act, there will be an opportunity for public comment at the beginning of the meeting.

The agenda and supporting materials are included in this package for your review.



Meeting of the Transportation District Commission of Hampton Roads

Thursday, May 22, 2025, 3400 Victoria Boulevard, Hampton,
VA at 1:00 p.m. in Person – Zoom

AGENDA

Call to Order & Roll Call

1. Public Comments
2. Approval of April 24, 2025, Meeting Minutes
3. President's Monthly Report - William Harrell

A. Board Updates

4. Committee Reports

A. Audit & Budget Review Committee - Commissioner White/
Conner Burns, Chief Financial Officer

- April 2025 Financial Report
- Final FY 2026 Operating Budget Presentation – Recommend Approval
- Budget Questions Responses

B. Management/Financial Advisory Committee – Alternate Commissioner DeProfio/
Conner Burns, Chief Financial Officer

C. Operations & Oversight Committee - Commissioner Glover/Sonya Luther, Director
of Procurement

- **Contract No. 24 – 00314 - Investigative Case Management System**

Commission Consideration: Award of a contract to Kaseware, Inc. to provide an Investigative Case Management System in the not-to-exceed amount of \$105,120.00.

- **Contract No. 25 – 00347 - Microsoft Dynamics 365 Support Services**

Commission Consideration: Award of contract to Crowe LLP to continue support and maintenance services for HRT's Microsoft Dynamics 365 financial system in the not-to-exceed amount of \$2,000,000.00 for five (5) years.

- **Contract No. 25 – 00347 – Supervisory Control and Data Acquisition System Processor Upgrade Parts**

Commission Consideration: Award of contract to B&C Transit, Inc. to provide supervisory control and data acquisition system upgrade parts, in the not-to-exceed amount of \$260,599.68.

D. Planning/New Starts Development Committee – Commissioner Ross-Hammond/
Ray Amoruso, Chief Planning & Development Officer

E. External/Legislative Advisory Committee - Commissioner Goodwin/
Alexis Majied, Chief Communications and External Affairs Officer

F. Paratransit Advisory Subcommittee – Ms. Alicia Griffin, Chair/Barry Bland,
Paratransit Services Contract Administrator

G. Transit Ridership Advisory Sub-Committee – Rodney Davis, Director of Customer
Relations

5. Old and New Business

- Update on the System Optimization Plan

6. Comments by Commission Members

7. Closed Session

8. Adjournment

**The next meeting will be held on Thursday, June 26, 2025, at 1:00 p.m.
at 509 E. 18th Street, Norfolk, VA**



Meeting Minutes of the Transportation District Commission of Hampton Roads

Thursday, April 22, 2025 • 1:00 p.m.

509 E. 18th Street, Norfolk, VA in Person – Zoom

Call to Order

A quorum was attained. Chairman Johnson called the meeting to order at 1:10 p.m.

Commissioners in attendance:

Chairman Johnson, Chesapeake
Vice-Chair Glover, Portsmouth
Past Chair Woodbury, Newport News
Commissioner Smith, Chesapeake
Commissioner Harper, Hampton (Zoom)
Commissioner White, Hampton
Commissioner Harris, Newport News
Commissioner M. Johnson, Norfolk
Commissioner King, Norfolk
Commissioner Goodwin, Portsmouth
Commissioner Ross-Hammond, Virginia Beach
Commissioner Trogdon, VDRPT
Commissioner Askew, Virginia House of Delegates

Hampton Roads Transit Staff in attendance:

Ray Amoruso, Chief Planning and Development Officer
Tammara Askew, Data Analyst II
Monique Battle, Ops Project and Contract Administrator (Zoom)
Thomas Becher, Communications Manager
Keisha Branch, Director of Capitol Programs
Malika Blume, Director of Internal Audit (Zoom)
Amy Braziel, Director of Contracted Services and Operational Analytics
David Burton, Williams Mullen, General Counsel (Zoom)
Donna Brumbaugh, Director of Finance
Conner Burns, Chief Financial Officer
Dudley Clarke, Contract Budget Analyst (Zoom)
Linda Carroll, Bus Transportation Supervisor (Zoom)
William Collins, Facilities Maintenance Manager
Sherri Dawson, Director of Transit Development (Zoom)
Rodney Davis, Director of Customer Relations
Glenda Dixon, Sr. Director ERP System & Services
Sheri Dixon, Director of Revenue Services (Zoom)
Jennifer Dove, Civil Rights/Grants Program Manager (Zoom)
Clarke Dudley, Contract Budget Analyst
Chera Edwards, Associate Project Manager

La Toya Elliott, Buyer II
Vanity Faulkner, Budget Analyst
April Garrett, Senior Executive Assistant
Angela Glass, Director of Budget & Financial Analysis
Wayne Groover, Director of Rail Maintenance
William Harrell, President and CEO
Keianna Harris, Special Projects Assistant (Zoom)
Danielle Hill, Director of Human Resources
Toni Hunter, Staff Auditor (Zoom)
Ashley Johnson, Assistant Director of Budget and Financial Analysis (Zoom)
Shane Kelly, Sr. Manager Security & Emergency Preparedness
Tanya Kelly, Buyer I
Justin Kahler, Grants Program Analyst (Zoom)
Sonya Luther, Director of Procurement
Alexis Majied, Chief Communications & External Affairs Officer
Lawrence Mason, Emergency Manager
Tracy Moore, Director of Transportation (Zoom)
John Nason, Director of Bus Maintenance
Sibyl Pappas, Chief Engineering & Facilities Officer
Noelle Pinkard, Organizational Advancement Officer (Zoom)
John PowerII, Telecommunications Specialist
Luis R. Ramos, Senior Executive Administrator/Commission Secretary
Shleaker Rodgers, Staff Auditor (Zoom)
Dawn Sciortino, Chief Safety Officer (Zoom)
Liliana Scott, HR Training Development Specialist (Zoom)
Sherry Scott, Manager of Transportation Transit Operations (Zoom)
Benjamin Simms, IV, Chief Transit Operations Officer
Caleb Smith, Military Outreach Liaison
Brian Smith, Deputy CEO
Grant Sparks, DRPT
Monique Strickland, Talent Acquisition Manager Human Resources
Paula Studebaker, HR Executive Assistant
Matthew Stumpf, Budget Analyst (Zoom)
Adrian Tate, Assistant Director of Finance (Zoom)
Robert Travers, HRT Corporate Counsel
Alex Touzov, Senior Director of Tech Services
Fevrier Valmond, Deputy Director of Procurement
Jessica White, Contract Administrator (Zoom)
Keishia Williams, Operations Support Technician (Zoom)
Kim Wolcott, Chief Human Resources Officer

Others in attendance via phone/(Zoom)/In-Person:

Alt. Commissioner Cipriano, City of Newport News
Jordan Chapman, DRPT
Alt. Commissioner Daugherty, DRPT
Andrew Ennis, Transit Rail Safety & Emergency Management Administrator, DRPT
Grant Sparks, DRPT
Angela Hopkins, City of Newport News (Zoom)

Ina Kreps, Portsmouth, Citizen
Sheila McAllister, City of Newport News (Zoom)
Jeff Sanchez, Key Performance
Angelique Shenk, City of Hampton (Zoom)
Janice Taylor, League of Women Voters (Zoom)
Christy Turner, Becaps
Danielle Nikoaisen, Becaps
Constantinos Velissarios, City of Newport News (Zoom)

The TDCHR meeting package was distributed electronically to all Commissioners in advance of the meeting. The meeting package consisted of:

- Agenda
- Meeting Minutes
- President's Report Presentation
- Financial Reports
- Committee Reports

Public Comments

No public comments.

Approval of March 27, 2025 Meeting Minutes

A motion to approve March 27, 2025, minutes was made by Commissioner Woodbury and properly seconded by Commissioner Ross-Hammond. A roll call vote resulted as follows:

Ayes: Commissioners Johnson, Glover, Woodbury, Smith, White, Harris, Mamie Johnson, King, Goodwin, Ross-Hammond, Trogdon, and Askew.

Nays: None

Abstain: None

President's Monthly Report

Mr. Harrell welcomed everyone to the meeting.

Mr. Harrell presented the President's Monthly report, highlighting the upcoming launch of Go Mobile, a new cashless payment system for public transit. This system will include a reloadable card and acceptance of open payments with contactless bank cards and mobile wallets. The fare capping system will ensure customers are always charged the best fare, providing discounts to low- and moderate-income customers. The launch of Go Mobile was described as a significant milestone in the commission's commitment to innovation and customer-focused service. Mr. Harrell discussed various events and initiatives.

Mr. Harrell thanked Ms. Noelle Pinkard for coordinating the legislative staff luncheon to thank them for their assistance during the 2025 General Assembly session and Alexis Majied for organizing the

community resource fairs. He also highlighted the success of HRT operators at the state and international bus rodeo. Mr. Harrell mentioned a successful HRT outreach event at the MEAC Festival and expressed excitement about Earth Day, which included free transit for all.

Audit & Budget Review Committee

Chairman Johnson called upon Commissioner White for a report from the Audit & Budget Review Committee.

Mr. Burns reported that the Audit and Budget Review Committee met prior to the TDCHR meeting. Although the FY2023 Audit was discussed, a quorum was not present at the committee meeting, so the audit does not come before the Commission as a committee recommendation. Therefore, the HRT FY 2023 Audit being presented requires a motion to approve and a second to proceed. Commissioner Ross-Hammond motioned for approval and Past Chair Woodbury properly seconded. A roll call vote resulted as follows:

Ayes: Commissioners Johnson, Glover, Woodbury, Smith, White, Harris, Mamie Johnson, King, Goodwin, Ross-Hammond, Trogdon, and Askew.

Nays: None

Abstain: None

Mr. Burns presented the March financial report to the commission. Mr. Burns called on Mr. Simon Mosbah and Mr. Brian Llewellyn with WSP to present and review the Grant Reconciliation process underway with HRT staff. Mr. Mosbah and Mr. Llewellyn entertained various questions from the commission.

Management and Financial Advisory Committee (MFAC)

Chairman Johnson called on Alternate Commissioner Cipriano to provide an update for the MFAC Committee.

Alternate Commissioner Cipriano stated that Mr. Burns presented the March financials with detailed questions associated with federal, state, and RTS revenue drawdowns and reconciliation processes. A quarterly report on staffing, bus operators, other major operational functions, mechanics as well as the non-unionized positions throughout the administration was provided.

Alternate Commissioner Cipriano called on Mr. Ray Amoruso, Chief Planning and Development Officer, to share ridership from the Earth Day free fare event. Mr. Amoruso stated that there was an increase in ridership compared to last year, noting that Earth Day ridership was 34,500 rides in total, including all modes - bus, light rail, ferry, paratransit. Last year's ridership was 32,000 rides.

Operations and Oversight Committee

Chairman Johnson called on Commissioner Glover to provide an update on the Operations and Oversight Committee.

Commissioner Glover reported that the Operations and Oversight Committee met on April 10, 2025. Although contracts were discussed, a quorum was not present at the committee meeting, so the contracts do not come before the commission as a committee recommendation. Therefore, the contracts being presented require a motion to approve and a second to proceed. Commissioner Glover called on Ms. Sonya Luther to present the contracts for consideration.

Ms. Luther presented **Contract No. 25 – 00337 Information Technology Research and Advisory Services (Renewal)**.

Commission Consideration: Award of a sole source contract to Gartner, Inc. to provide information technology research and advisory services in the not-to-exceed amount of \$343,100.00 for a one (1) year period.

Ms. Luther presented **Contract No. 24 – 00331 Pest Control Management Services (Renewal)**.

Commission Consideration: Award of a contract to Ives Contracting to provide pest control management services in the not-to-exceed amount of \$196,734.04 over a five-year period.

A motion to approve **Contract No. 25 – 00337 Information Technology Research and Advisory Services (Renewal)** was made by the Past Chair Woodbury and properly seconded by Commissioner Ross-Hammond. A Roll Call vote resulted as follows:

Ayes: Commissioners Johnson, Glover, Woodbury, Smith, Harper, White, Harris, Mamie Johnson, King, Goodwin, Ross-Hammond, Trogon, and Askew.

Nays: None

Abstain: None

A motion to approve **Contract No. 24 – 00331 Pest Control Management Services (Renewal)** was made by the Past Chair Woodbury and properly seconded by Commissioner White. A Roll Call vote resulted as follows:

Ayes: Commissioners Johnson, Glover, Woodbury, Smith, Harper, White, Harris, Mamie Johnson, King, Goodwin, Ross-Hammond, Trogon, and Askew.

Nays: None

Abstain: None

Commissioner Glover further reported that Mr. Ben Simms, Chief Transit Operations Officer, provided the committee with operational updates. Mr. Simms briefed the committee that the 2025 trolley season will start on May 11, 2025. Mr. Simms gave an update on microtransit and introduced Ms. Natasha Hill as the new manager for rail transportation.

The next Operations and Oversight Committee Meeting will be held in Hampton, May 8, 2025.

Planning and New Starts Committee

Chairman Johnson called on Commissioner Ross-Hammond to provide an update on the Planning and New Starts Committee.

Commissioner Ross-Hammond reported that there was no meeting this month and the next meeting will be scheduled soon.

External Legislative Affairs Committee (ELAC)

Chairman Johnson called on Commissioner Goodwin to provide an update on the ELAC.

Commissioner Goodwin stated that the External and Legislative Affairs Committee met on Wednesday,

Federal Legislative Update:

The Senate Banking Committee advanced the nomination of former Congressman Marc Molinaro (R-NY) to be FTA Administrator.

The House Transportation and Infrastructure Committee held a transit hearing in preparation for drafting the reauthorization of the surface transportation bill which is set to expire in September of 2026.

Work on fiscal year 2026 appropriations bills is ongoing. House and Senate Republicans face tremendous pressure to cut spending and codify “DOGE savings,” but transit formula funding from the Highway Trust Fund is outside the reach of appropriators’ cuts. The Transportation, Housing and Urban Development Appropriations Bill will likely include earmarks.

State Legislative Update:

During the General Assembly’s reconvened session held on April 2, 2025, the legislature rejected more than 100 of the Governor’s proposed budget amendments, including retaining two key priorities for Hampton Roads Transit (HRT):

- Item 443 #2c: Provides \$200,000.00 from the general fund the first year to HRT to provide support for a one-time transit investment.
- Item 441 #1c: Directs the Commissioner of Highways to work with the Department of Rail and Public Transportation and toll operators to mitigate the charging of tolls for public transit buses.

The Governor subsequently vetoed the toll funding but affirmed the budget language directing DRPT to assist HRT in mitigating toll fees.

DC Advocacy Day:

The DC Advocacy trip is scheduled for May 18-21, 2025, which coincides with the American Public Transit Association legislative conference. The conference and hill visits will provide an opportunity to discuss pending issues and meet with the Congressional delegation on earmark request submitted by HRT for new paratransit vehicles, and issues related to reauthorization of the surface transportation bill.

Local Advocacy City Council Presentations:

HRT is working on scheduling meetings with all six member cities to provide updates on projects and service levels that will be recommended for the next fiscal year. Right now, the city councils are engaged in their budget deliberations that are scheduled for May 2025.

Paratransit Advisory Sub-Committee (PAC)

Chairman Johnson called on Ms. Janice Taylor, to provide an update on the Paratransit Advisory Committee. Ms. Taylor presented the Paratransit Advisory report to the Commission.

Transit Riders Advisory Sub-Committee (TRAC)

Chairman Johnson called on Mr. Rodney Davis to provide an update on the Transit Riders Advisory Sub-Committee. Mr. Davis reported that the committee did not meet in the month of April.

The next Transit Riders Advisory Sub-Committee meeting will be held on May 7, 2025, in Hampton.

Old and New Business

Chairman Johnson asked Mr. David Burton if the public speaking portion of the meeting could be streamlined and emphasizing the need for a more orderly conduct of meetings.

Mr. Burton stated that HRT staff will reinstitute written comment cards for public speakers to fill out before Commission meetings.

Comments by Commissioners

Commissioner Ross-Hammond thanked Ms. Pappas, Chief Engineering and Facilities Officer, for her stewardship to install bus shelters and other passenger amenities throughout the various cities.

Commissioner Harris thanked the staff for organizing the Earth Day ride along. Mr. Harris asked about security measures on buses and requested a briefing on the topic at a later time. Staff agreed to provide a report at the next regular May TDCHR meeting.

Adjournment

With no further business to conduct, the meeting was adjourned at 2:37 p.m.

TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS

Stephens Johnson
Chair

Luis Ramos
Commission Secretary
April 24, 2025

President's Report

GoMobile Set for Summer Launch



President's Report

Legislative Staff “Thank You” Luncheon



President's Report

Public Outreach Hosts Third Annual CORE Fairs



President's Report

HRT Represented at State and International Bus Rodeo



President's Report

Students Enjoy
Hands-on
Learning at
Career Fairs



President's Report

MEAC Partnership Promotes Light Rail Safety





President's Letter

May 2025

Cultivating Growth

I've said it before, but it bears repeating: the most important asset at Hampton Roads Transit is the people. And as its Chief Executive Officer, I want to see everyone at HRT reach their full potential. My senior executive team is deeply committed to fostering a culture where growth is not just encouraged but cultivated.

This month, Human Resources will host the agency's inaugural Internal Career Expo in coordination with the Recruitment and Retention Committee. I encourage each of you to take advantage of this opportunity to explore the many career paths available at HRT. Hiring managers will be available to provide information on the various departments that make up HRT.

Another tool at your disposal is the Leadership, Education, and Development program (L.E.A.D.). L.E.A.D. is a professional development program designed to equip employees with the confidence to accelerate their careers. Over 100 HRT employees have participated in the L.E.A.D. program this fiscal year. Many employees who participated in the program have been promoted, including seven this year.

Working alongside the Union, operations introduced a bus mentorship program that is proving successful. The program enables veteran operators to enhance their leadership skills by mentoring new operators. Mentors receive training to build awareness of the program and sharpen their soft skills. Mentees receive the one-on-one support they need to navigate their first year on the job. The feedback from both mentors and mentees has been overwhelmingly positive.

At the center of our efforts to facilitate growth is improving internal communications. I know employees are more likely to engage if they feel connected to what's happening. We are excited about being able to offer union employees the opportunity to sign up for an email account. If you haven't done so already, I encourage you to take a few minutes and complete the setup process. Please contact your supervisor for instructions.

This year's employee survey results are still being analyzed, but I'm happy to report that more than 400 of you responded. The annual survey is an excellent opportunity for leadership to hear from staff. We cannot make meaningful changes without your input.

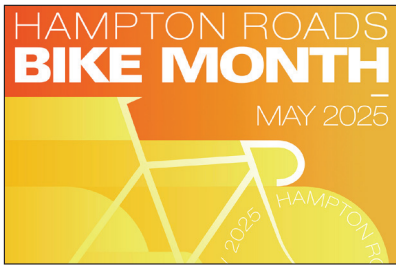
However, you do not need to wait until the next survey or CEO Roundtable to let us hear from you. We are always open to your ideas. On the recommendation of an employee, HRT recently implemented a digital suggestion box. Employees can send feedback and suggestions anytime to suggestionbox@hrtransit.org, and the information will be shared with the relevant departments.

I believe that HRT's future leaders are already here. You possess an invaluable understanding of our mission, vision, and values. Your contributions to our past successes are the foundation upon which we will build our future achievements.

Thank you for your continued commitment to the communities we serve.

Sincerely,

William E. Harrell
President and CEO
Hampton Roads Transit



Celebrating the Benefits of Biking

HRT and goCommute have celebrated Bike Month with a variety of activities to engage the whole family. We kicked it off by hosting bike expos in Norfolk and Hampton, where the community was invited to experience all the benefits of biking. The month-long event culminated in Bike to Work Week, which took place from May 12 to 16. Riders participating in a special Bike to Work Day event on Friday, May 16, were able to take advantage of four pit stops hosted by the goCo crew.



Changes Taking Shape at Ferry Docks

Changes are taking shape along the Elizabeth River. Three new shelters have been placed at the Waterside, High Street, and North Landing ferry docks. You'll notice they look different from our bus shelters; they were designed and constructed to resemble cargo ship containers, reflecting the "working waterfront" along the Elizabeth River. Each shelter is a different color, incorporating HRT's iconic blues and green, to assist tourists who may not be familiar with the dock names. LED lighting, along with digital signage, will soon be added. A ribbon cutting is planned for June 5 at the High Street ferry dock in Portsmouth. Keep an eye on your inbox for an invitation with more details.



Easton Coach Ops Center Renovation

Easton Coach, HRT's Paratransit provider, held an open house following a \$300,000 refurbishment of its operations center located at 420 E. 20th Street in Norfolk. Easton Coach was awarded the Paratransit contract last fall and immediately began exploring options for remodeling the workspace. They painted from top to bottom, replaced the flooring and windows, and added a break room and a dispatch center. The facility is home to approximately 120 Easton Coach employees and two HRT employees.



Committee Hosts Inaugural Internal Career Expo

Every month throughout the year, we attend and host career fairs to recruit bus operators, mechanics, and various positions. This month, we did something new. The Recruitment and Retention Committee hosted the agency's first Internal Career Expo. It was open to HRT employees only, with a focus on networking and career development. Employees were given the opportunity to receive assistance with their resumes, learn more about the L.E.A.D. program and other training initiatives, and meet with representatives from all departments.



Public Outreach Preps Passengers for Board Change

May marked a flurry of board changes across the system. Our public outreach team has been busy ensuring that customers and operators are well prepared. For weeks leading up to the May 11 board change, they visited transfer centers and transit stops, engaging with riders and operators most impacted. One of the most notable changes includes the eight routes on the Peninsula that have been adjusted to better support the Newport News Shipyard.

VB Wave Summer Season Brings Big Change

VB Wave Trolley season is underway. We're also utilizing the summer season to introduce GoMobile. Trolley passengers will be able to take advantage of this new app to purchase mobile tickets. Building on last year's ridership growth, HRT is again implementing a robust Marketing and Communications plan that includes digital media, direct mail, printed collateral, giveaways, and training with Oceanfront community partners. Our communications team launched a media campaign, including an episode of "On the Move" featuring a representative from the City of Virginia Beach discussing the busy summer season.





HRT Represented at International Bus “Rodeo”

We were excited to have representation from HRT at this year’s International Bus “Rodeo.” It was hosted by the American Public Transportation Association (APTA) in Austin, TX in mid-April. After placing third at the Virginia State “Rodeo,” bus operator Reginald Charity Jr. competed at the international competition for the second year in a row. We congratulate Charity on his victory in Fairfax and for finishing 21st out of 75 competitors in Austin. Mark your calendars now: HRT is already gearing up to host the Virginia State “Rodeo” in March 2026.



Earth Day Community Cleanup

To celebrate Earth Day, HRT offered free fare on all buses, light rail, ferry, Paratransit, and OnDemand Rideshare services. Additionally, staff from Safety, Human Resources, and Marketing and Strategic Communications volunteered for the annual Community Cleanup. They tidied up bus stops and shelters at Wards Corners, Evelyn Butts, Silverleaf, and Monticello at E. Princess Anne Rd. Together, they collected 17 bags of trash.



HAMPTON ROADS
TRANSIT

Draft Financial Statement

APRIL 2025 FISCAL YEAR 2025 FINANCIAL REPORT

gohrt.com

OPERATING FINANCIAL STATEMENTS

April 2025

FISCAL YEAR 2025	Annual		Month to Date			Year to Date			
Dollars in Thousands	Budget		Budget	Actual	Variance	Budget	Actual	Variance	
Operating Revenue									
Passenger Revenue	\$ 8,823.3	\$ 718.5	\$ 712.0	\$ (6.5)	(0.9) %	\$ 7,291.8	\$ 6,927.8	\$ (364.1)	(5.0) %
Passenger Revenue - RTS	881.3	73.4	70.9	(2.6)	(3.5) %	734.4	668.0	(66.4)	(9.0) %
Advertising Revenue	800.0	66.7	35.5	(31.2)	(46.8) %	666.7	495.3	(171.3)	(25.7) %
Other Transportation Revenue	2,975.3	247.9	235.6	(12.4)	(5.0) %	2,479.4	2,349.0	(130.4)	(5.3) %
Non-Transportation Revenue	60.0	5.0	66.8	61.8	1,235.3 %	50.0	142.8	92.8	185.7 %
Total Operating Revenue	13,539.8	1,111.5	1,120.7	9.2	0.8 %	11,222.3	10,582.9	(639.4)	(5.7) %
Non-Operating Revenue									
Federal Funding (5307/5337)	46,120.7	3,663.0	5,660.1	1,997.1	54.5 %	37,919.8	37,979.0	59.2	0.2 %
HRRTF Funding	10,517.6	876.5	763.4	(113.1)	(12.9) %	8,764.7	7,491.4	(1,273.2)	(14.5) %
State Funding	24,937.8	2,078.1	-	(2,078.1)	(100.0) %	20,781.5	18,703.3	(2,078.1)	(10.0) %
Local Funding	50,258.9	4,188.2	4,188.2	0.0	0.0 %	41,882.4	41,882.4	0.0	0.0 %
Total Non-Operating Revenue	131,834.9	10,805.9	10,611.7	(194.2)	(1.8) %	109,348.4	106,056.2	(3,292.2)	(3.0) %
TOTAL REVENUE	\$ 145,374.7	\$ 11,917.4	\$ 11,732.4	\$ (185.0)		\$ 120,570.7	\$ 116,639.0	\$ (3,931.6)	
Expenses									
Personnel Services	86,576.5	7,041.7	6,939.9	\$ 101.8	1.4 %	\$ 71,654.2	\$ 70,752.8	\$ 901.4	1.3 %
Contract Services	16,481.1	1,485.4	996.3	489.1	32.9 %	13,730.3	10,466.1	3,264.2	23.8 %
Materials & Supplies	6,345.6	409.3	604.2	(195.0)	(47.6) %	5,268.5	5,087.5	181.0	3.4 %
Gas & Diesel	6,139.0	494.8	506.9	(12.0)	(2.4) %	5,076.9	5,010.2	66.8	1.3 %
Contractor's Fuel Usage	1,262.5	106.9	73.5	33.3	31.2 %	1,048.7	679.1	369.6	35.2 %
Utilities	1,584.6	128.7	108.8	19.9	15.4 %	1,327.1	1,273.2	54.0	4.1 %
Casualties & Liabilities	5,299.2	523.3	370.8	152.4	29.1 %	4,252.7	3,604.4	648.3	15.2 %
Purchased Transportation	19,655.1	1,564.6	1,758.6	(194.0)	(12.4) %	16,525.9	16,874.7	(348.8)	(2.1) %
Other Miscellaneous Expenses	2,031.2	162.8	147.0	15.8	9.7 %	1,686.3	1,651.6	34.7	2.1 %
TOTAL EXPENSE	\$ 145,374.7	\$ 11,917.4	\$ 11,506.1	\$ 411.3		\$ 120,570.7	\$ 115,399.6	\$ 5,171.0	
SURPLUS (DEFICIT)			\$ 226.3				\$ 1,239.4		

- Line of Credit balance as of May 15, 2025, is \$12,660,668.24.
- Line of Credit Average Daily balance for April 2025 was \$13,797,654.65.
- Federal Funding-In lieu of Deferred State Revenue (\$2,078.1), the Agency utilized additional Federal ARPA Discretionary funds to cover eligible expenses.

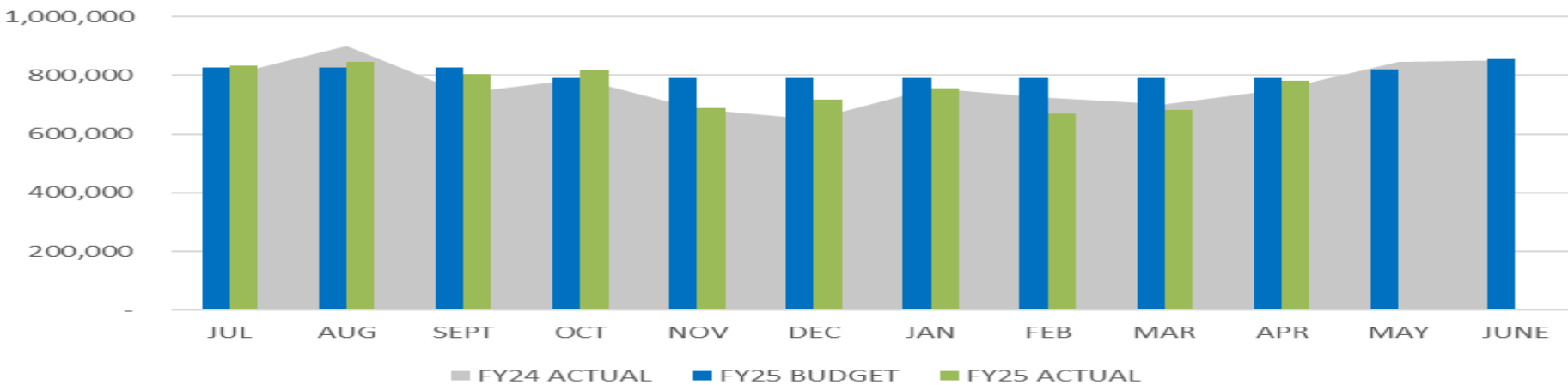
OPERATING FINANCIAL STATEMENTS

April 2025

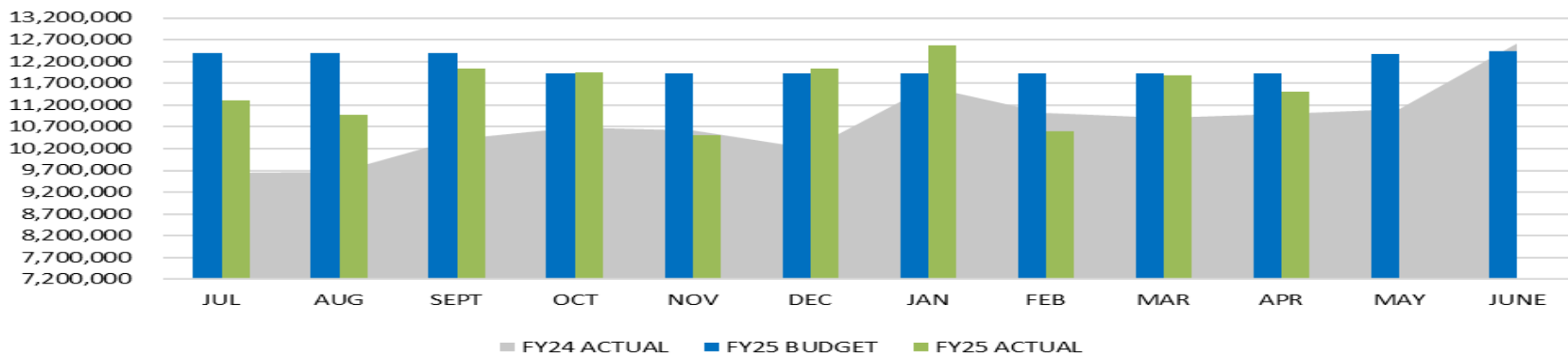
757 EXPRESS, 15-MINUTE INCREMENT

FISCAL YEAR 2025	Annual		Month to Date			Year to Date			
Dollars in Thousands	Budget	Budget	Actual	Variance		Budget	Actual	Variance	
Operating Revenue									
Passenger Revenue	\$ 881.3	\$ 73.4	\$ 70.9	\$ (2.6)	(3.5) %	\$ 734.4	\$ 668.0	\$ (66.4)	(9.0) %
ATS Service	10,517.6	876.5	763.4	(113.1)	(12.9) %	8,764.7	7,491.4	(1,273.2)	(14.5) %
TOTAL REVENUE	\$ 11,398.9	\$ 949.9	\$ 834.2	\$ (115.7)		\$ 9,499.1	\$ 8,159.4	\$ (1,339.6)	
Personnel Services	\$ 8,402.3	\$ 700.2	\$ 634.7	\$ 65.5	9.4 %	\$ 7,001.9	\$ 6,206.0	\$ 795.9	11.4 %
Contract Services	1,187.4	99.0	57.4	41.5	42.0 %	989.5	712.6	276.9	28.0 %
Materials & Supplies	1,352.6	112.7	118.0	(5.3)	(4.7) %	1,127.2	1,010.3	116.8	10.4 %
Utilities	81.6	6.8	5.4	1.4	21.2 %	68.0	59.0	8.9	13.2 %
Casualties & Liabilities	375.0	31.3	18.8	12.5	40.0 %	312.5	171.5	141.0	45.1 %
TOTAL EXPENSE	\$ 11,398.9	\$ 949.9	\$ 834.2	\$ 115.7		\$ 9,499.1	\$ 8,159.4	\$ 1,339.6	
SURPLUS (DEFICIT)			\$ -				\$ -		

Farebox Revenue



Total Expenses



YEAR-TO-DATE					
FISCAL YEAR 2025 (Dollars in Thousands)	BUDGET	ACTUAL LOCALITY	ACTUAL NON-LOCALITY	ACTUAL CONSOLIDATED	VARIANCE + / (-)
REVENUE					
Passenger Revenue	\$ 8,026.2	\$ 6,793.7	\$ 802.1	\$ 7,595.8	\$ (430.4)
Advertising Revenue	\$ 666.7	\$ 440.1	\$ 55.2	\$ 495.3	\$ (171.4)
Other Transportation Revenue	\$ 2,479.4	\$ -	\$ 2,349.0	\$ 2,349.0	\$ (130.4)
Non-Transportation Revenue	\$ 50.0	\$ 93.5	\$ 49.3	\$ 142.8	\$ 92.8
Federal Funding (PM 5307/5337)	\$ 37,919.8	\$ 37,979.0	\$ -	\$ 37,979.0	\$ 59.2
HRRTF Funding ¹	\$ 8,764.7	\$ -	\$ 7,491.4	\$ 7,491.4	\$ (1,273.3)
State Funding	\$ 20,781.5	\$ 18,703.3	\$ -	\$ 18,703.3	\$ (2,078.2)
Local Funding	\$ 41,882.4	\$ 41,882.4	\$ -	\$ 41,882.4	\$ -
TOTAL REVENUE:	\$ 120,570.7	\$ 105,892.0	\$ 10,747.0	\$ 116,639.0	\$ (3,931.7)
EXPENSE					
Personnel Services	\$ 71,654.2	\$ 64,546.9	\$ 6,205.9	\$ 70,752.8	\$ 901.4
Services	\$ 13,730.3	\$ 9,548.1	\$ 918.0	\$ 10,466.1	\$ 3,264.2
Materials & Supplies	\$ 11,394.2	\$ 9,831.5	\$ 945.3	\$ 10,776.8	\$ 617.4
Utilities	\$ 1,327.1	\$ 1,161.5	\$ 111.7	\$ 1,273.2	\$ 53.9
Casualties & Liabilities	\$ 4,252.7	\$ 3,288.3	\$ 316.1	\$ 3,604.4	\$ 648.3
Purchased Transportation	\$ 16,525.9	\$ 15,394.6	\$ 1,480.1	\$ 16,874.7	\$ (348.8)
Other Miscellaneous Expenses	\$ 1,686.3	\$ 1,506.8	\$ 144.8	\$ 1,651.6	\$ 34.7
TOTAL EXPENSE:	\$ 120,570.7	\$ 105,277.7	\$ 10,121.9	\$ 115,399.6	\$ 5,171.1
BUDGET STATUS TO DATE²:	\$ -	\$ 614.3	\$ 625.1	\$ 1,239.4	\$ 1,239.4

1. Hampton Roads Regional Transit Funding for 757 Express and 15-minute increment.

2. Includes year-to-date estimated farebox surplus credit and/or service reliability credit, where applicable.

FISCAL YEAR 2025 (\$ in thousands)	TOTAL LOCALITY			
	ANNUAL BUDGET	YEAR-TO-DATE		
		BUDGET	ACTUAL	VARIANCE
Locality Operating Share	\$ 50,259.0	\$ 41,882.4	\$ 41,882.4	\$ -
Plus: Local Farebox	\$ 8,650.6	\$ 7,208.9	\$ 6,793.7	\$ (415.2)
Locality Share - Sub-Total:	\$ 58,909.6	\$ 49,091.3	\$ 48,676.1	\$ (415.2)
Plus: Federal Aid	\$ 46,120.7	\$ 37,919.8	\$ 37,979.0	\$ 59.2
State Aid	\$ 24,937.9	\$ 20,781.7	\$ 18,703.3	\$ (2,078.4)
Total Revenue Contribution:	\$ 129,968.2	\$107,792.8	\$ 105,358.4	\$ (2,434.4)
Operating Expenses:	\$ 129,968.2	\$107,792.8	\$ 104,744.1	\$ (3,048.7)
Locality Budget Status to Date ¹ :				\$ 614.3

KPI			
Farebox Recovery:	6.7%	6.5%	
Farebox % of Budgeted Expense:		6.3%	

1. Includes year-to-date estimated farebox surplus credit and/or service reliability credit, where applicable.

FISCAL YEAR 2025 (\$ in thousands)	CHESAPEAKE			
	ANNUAL BUDGET	YEAR-TO-DATE		
		BUDGET	ACTUAL	VARIANCE
Locality Operating Share	\$ 3,018.0	\$ 2,515.0	\$ 2,515.0	\$ -
Plus: Local Farebox	\$ 420.9	\$ 350.8	\$ 365.1	\$ 14.3
Locality Share - Sub-Total:	\$ 3,438.9	\$ 2,865.8	\$ 2,880.1	\$ 14.3
Plus: Federal Aid	\$ 3,433.7	\$ 2,861.4	\$ 2,875.7	\$ 14.3
State Aid	\$ 1,592.5	\$ 1,327.1	\$ 1,187.5	\$ (139.6)
Total Revenue Contribution:	\$ 8,465.1	\$ 7,054.3	\$ 6,943.3	\$ (111.0)
Operating Expenses:	\$ 8,465.1	\$ 7,054.3	\$ 6,838.5	\$ (215.8)
Locality Budget Status to Date ¹ :				\$ 104.8

KPI

Farebox Recovery:	5.0%	5.3%
Farebox % of Budgeted Expense:		5.2%

1. Includes year-to-date estimated farebox surplus credit and/or service reliability credit, where applicable.

FISCAL YEAR 2025 (\$ in thousands)	HAMPTON			
	ANNUAL BUDGET	YEAR-TO-DATE		
		BUDGET	ACTUAL	VARIANCE
Locality Operating Share	\$ 5,237.4	\$ 4,364.5	\$ 4,364.5	\$ -
Plus: Local Farebox	\$ 743.4	\$ 619.5	\$ 703.0	\$ 83.5
Locality Share - Sub-Total:	\$ 5,980.8	\$ 4,984.0	\$ 5,067.5	\$ 83.5
Plus: Federal Aid	\$ 5,267.5	\$ 4,389.6	\$ 5,415.7	\$ 1,026.1
State Aid	\$ 2,647.6	\$ 2,206.3	\$ 2,242.1	\$ 35.8
Total Revenue Contribution:	\$ 13,895.9	\$ 11,579.9	\$ 12,725.3	\$ 1,145.4
Operating Expenses:	\$ 13,895.9	\$ 11,579.9	\$ 12,641.8	\$ 1,061.9
Locality Budget Status to Date ¹ :				\$ 83.5

KPI

Farebox Recovery:	5.3%	5.6%
Farebox % of Budgeted Expense:		6.1%

1. Includes year-to-date estimated farebox surplus credit and/or service reliability credit, where applicable.

LOCALITY RECONCILIATION

April 2025

FISCAL YEAR 2025 (\$ in thousands)	NEWPORT NEWS			
	ANNUAL BUDGET	YEAR-TO-DATE		
		BUDGET	ACTUAL	VARIANCE
Locality Operating Share	\$ 8,300.7	\$ 6,917.3	\$ 6,917.3	\$ -
Plus: Local Farebox	\$ 1,426.3	\$ 1,188.6	\$ 1,269.0	\$ 80.4
Locality Share - Sub-Total:	\$ 9,727.0	\$ 8,105.9	\$ 8,186.3	\$ 80.4
Plus: Federal Aid	\$ 7,959.9	\$ 6,633.3	\$ 7,563.0	\$ 929.7
State Aid	\$ 4,200.2	\$ 3,500.2	\$ 3,412.3	\$ (87.9)
Total Revenue Contribution:	\$ 21,887.1	\$ 18,239.4	\$ 19,161.6	\$ 922.2
Operating Expenses:	\$ 21,887.1	\$ 18,239.4	\$ 19,081.2	\$ 841.8
Locality Budget Status to Date ¹ :				\$ 80.4

KPI

Farebox Recovery:	6.5%	6.7%
Farebox % of Budgeted Expense:		7.0%

1. Includes year-to-date estimated farebox surplus credit and/or service reliability credit, where applicable.

Draft Financial Statement

FISCAL YEAR 2025 (\$ in thousands)	NORFOLK			
	ANNUAL BUDGET	YEAR-TO-DATE		
		BUDGET	ACTUAL	VARIANCE
Locality Operating Share	\$ 21,795.0	\$ 18,162.5	\$ 18,162.5	\$ -
Plus: Local Farebox	\$ 4,191.4	\$ 3,492.8	\$ 2,946.4	\$ (546.4)
Locality Share - Sub-Total:	\$ 25,986.4	\$ 21,655.3	\$ 21,108.9	\$ (546.4)
Plus: Federal Aid	\$ 17,677.5	\$ 14,731.3	\$ 12,851.9	\$ (1,879.4)
State Aid	\$ 10,464.1	\$ 8,720.1	\$ 7,409.8	\$ (1,310.3)
Total Revenue Contribution:	\$ 54,128.0	\$ 45,106.7	\$ 41,370.6	\$ (3,736.1)
Operating Expenses:	\$ 54,128.0	\$ 45,106.7	\$ 41,078.5	\$ (4,028.2)
Locality Budget Status to Date ¹ :				\$ 292.1

KPI

Farebox Recovery:	7.7%	7.2%
Farebox % of Budgeted Expense:		6.5%

1.

Includes year-to-date estimated farebox surplus credit and/or service reliability credit, where applicable.

2.

Farebox shortfall due to free rides primarily related to Light Rail (baseball games).

FISCAL YEAR 2025 (\$ in thousands)	PORTSMOUTH			
	ANNUAL BUDGET	YEAR-TO-DATE		
		BUDGET	ACTUAL	VARIANCE
Locality Operating Share	\$ 3,182.0	\$ 2,651.6	\$ 2,651.6	\$ -
Plus: Local Farebox	\$ 514.1	\$ 428.4	\$ 427.9	\$ (0.5)
Locality Share - Sub-Total:	\$ 3,696.1	\$ 3,080.0	\$ 3,079.5	\$ (0.5)
Plus: Federal Aid	\$ 3,747.3	\$ 3,122.8	\$ 3,045.2	\$ (77.6)
State Aid	\$ 1,730.1	\$ 1,441.8	\$ 1,291.4	\$ (150.4)
Total Revenue Contribution:	\$ 9,173.5	\$ 7,644.6	\$ 7,416.1	\$ (228.5)
Operating Expenses:	\$ 9,173.5	\$ 7,644.6	\$ 7,410.0	\$ (234.6)
Locality Budget Status to Date ¹ :				\$ 6.1

KPI

Farebox Recovery:	5.6%	5.8%
Farebox % of Budgeted Expense:		5.6%

1. Includes year-to-date estimated farebox surplus credit and/or service reliability credit, where applicable.

FISCAL YEAR 2025 (\$ in thousands)	VIRGINIA BEACH			
	ANNUAL BUDGET	YEAR-TO-DATE		
		BUDGET	ACTUAL	VARIANCE
Locality Operating Share	\$ 8,725.9	\$ 7,271.5	\$ 7,271.5	\$ -
Plus: Local Farebox	\$ 1,354.5	\$ 1,128.8	\$ 1,082.3	\$ (46.5)
Locality Share - Sub-Total:	\$ 10,080.4	\$ 8,400.3	\$ 8,353.8	\$ (46.5)
Plus: Federal Aid	\$ 8,034.8	\$ 6,181.4	\$ 6,227.5	\$ 46.1
State Aid	\$ 4,303.4	\$ 3,586.2	\$ 3,160.2	\$ (426.0)
Total Revenue Contribution:	\$ 22,418.6	\$ 18,167.9	\$ 17,741.5	\$ (426.4)
Operating Expenses:	\$ 22,418.6	\$ 18,167.9	\$ 17,694.1	\$ (473.8)
Locality Budget Status to Date ¹ :				\$ 47.4

KPI

Farebox Recovery:	6.2%	6.1%
Farebox % of Budgeted Expense:		6.0%

1. Includes year-to-date estimated farebox surplus credit and/or service reliability credit, where applicable.



FY2026 FINAL OPERATING BUDGET & TSPs MAY 2025

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OVERVIEW

FY2026 Budget Calendar.....slide 3

FY2026 Final Operating Budget: Revenue & Expense.....slides 4-7

FY2026 Final Non-Union Position Count.....slides 8-10

FY2026 Final Service Hours.....slides 11-12

FY2026 Final Local Contribution & TSPs.....slides 13-22

Next Steps.....slides 23-24

FY2026 BUDGET CALENDAR

DATE	TASK TYPE	TASK
10/07/2024	Local TSP	FY2026 Transportation Service Plans (TSPs) submitted to Localities
11/15/2024	Local TSP	Deadline for Localities to respond with change requests to the FY2026 TSP
12/09/2024	Regular Meeting	Review FY2026 Draft Operating Budget & TSPs with Audit & Budget/MFAC
01/06/2025	Special Meeting	MFAC meeting to review FY2026 Service and Draft TSPs
02/14/2025	Local TSP	Deadline for Localities to make final service changes to FY2026 TSPs
02/24/2025	Regular Meeting	Review FY2026 Preliminary Operating Budget with MFAC
02/27/2025	Regular Meeting	Review FY2026 Preliminary Operating Budget with Commission
05/01/2025	Budget	Distribute FY2026 Final Operating Budget & TSPs to Audit & Budget/MFAC
05/19/2025	Regular Meeting	Review FY2026 Final Operating Budget with Audit & Budget/MFAC
05/22/2025	Regular Meeting	Commission vote on FY2026 Final Operating Budget

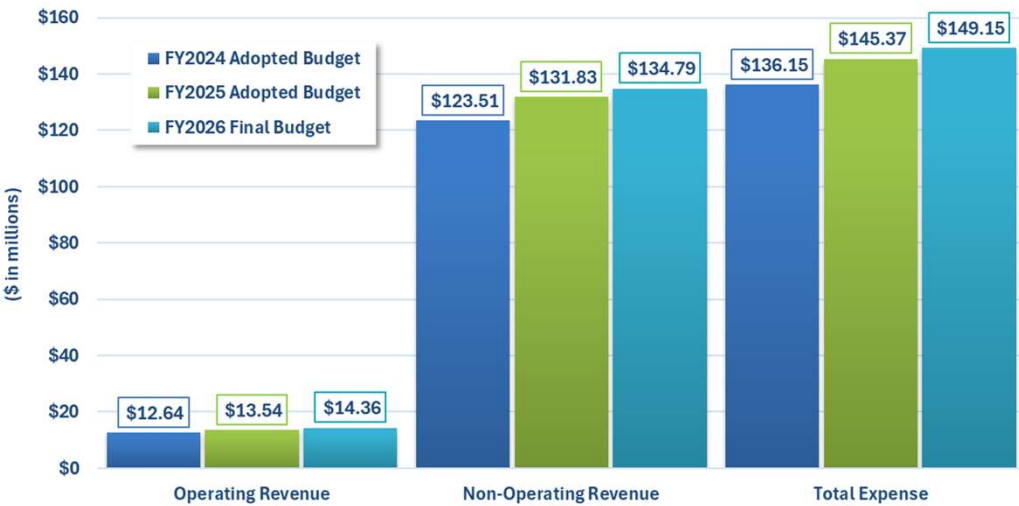


FY2026 FINAL OPERATING BUDGET REVENUE & EXPENSE

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FY2026 FINAL OPERATING BUDGET – 3 YEAR SUMMARY

Category (\$ in Millions)	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2026 Final Budget	Prior Year \$ +/-)	Prior Year % +/-)
Revenue					
Operating Revenue					
Farebox Revenue	\$ 9.08	\$ 9.70	\$ 10.23	\$ 0.53	5.5%
ERC Revenue	\$ 2.70	\$ 2.98	\$ 3.13	\$ 0.15	5.2%
Auxiliary Revenue	\$ 0.80	\$ 0.80	\$ 0.88	\$ 0.08	10.0%
Other Non-Trans Revenue	\$ 0.06	\$ 0.06	\$ 0.12	\$ 0.06	100.0%
Total Operating Revenue:	\$ 12.64	\$ 13.54	\$ 14.36	\$ 0.82	6.1%
Non-Operating Revenue					
Federal Aid-ARPA*	\$ 15.50	\$ 24.50	\$ 43.50	\$ 19.00	77.6%
Federal Aid-5307/5337	\$ 23.36	\$ 21.62	\$ -	\$ (21.62)	(100.0%)
Federal Aid-5310	\$ -	\$ -	\$ 1.60	\$ 1.60	N/A
Regional HRRTF Funding	\$ 10.04	\$ 10.51	\$ 11.98	\$ 1.47	13.9%
State Operating Assistance	\$ 26.84	\$ 24.94	\$ 24.84	\$ (0.10)	(0.4%)
Local Share-Operating	\$ 47.77	\$ 50.26	\$ 52.87	\$ 2.61	5.2%
Total Non-Operating Revenue:	\$ 123.51	\$ 131.83	\$ 134.79	\$ 2.96	2.2%
Total Revenue:	\$ 136.15	\$ 145.37	\$ 149.15	\$ 3.78	2.6%
Expense					
Personnel Services	\$ 81.83	\$ 87.12	\$ 91.87	\$ 4.75	5.5%
Services	\$ 15.93	\$ 15.73	\$ 14.49	\$ (1.24)	(7.8%)
Materials & Supplies	\$ 14.47	\$ 13.86	\$ 12.35	\$ (1.51)	(11.0%)
Utilities	\$ 1.34	\$ 1.54	\$ 1.58	\$ 0.04	2.4%
Casualties & Liabilities	\$ 5.71	\$ 6.28	\$ 5.88	\$ (0.40)	(6.4%)
Purchased Transportation	\$ 15.21	\$ 18.77	\$ 21.18	\$ 2.41	12.8%
Miscellaneous Expenses	\$ 1.66	\$ 2.07	\$ 1.80	\$ (0.27)	(12.9%)
Total Expense:	\$ 136.15	\$ 145.37	\$ 149.15	\$ 3.78	2.6%



- ❖ **Operating Revenue** growth is tied to a farebox increase of 5.5%.
- ❖ **Non-Operating Revenue** of federal, regional, state & local funding increased 2.2% compared to FY25.
- ❖ **Expense** which increased 2.6% over prior year is comprised of the following categories: salary & wages, contracted services, materials & supplies, utilities, casualty & liability insurance, purchased transportation (3rd party service provider), & miscellaneous.

*American Rescue Plan Act (ARPA)

FY2026 FINAL REVENUE BUDGET

❖ Operating Revenue:

- **Farebox revenue** of \$10.2M was calculated using FY26 ridership estimates and 21-month trended fare-per-rider data
- **Contract revenue** of \$3.1M covers Elizabeth River Crossing (ERC) related operating expenses
- **Auxiliary (advertising) revenue** of \$.9M increased 10% as compared to prior year.
- **Non-transportation revenue** of \$120,000 includes estimates for tower lease & sale of scrap.

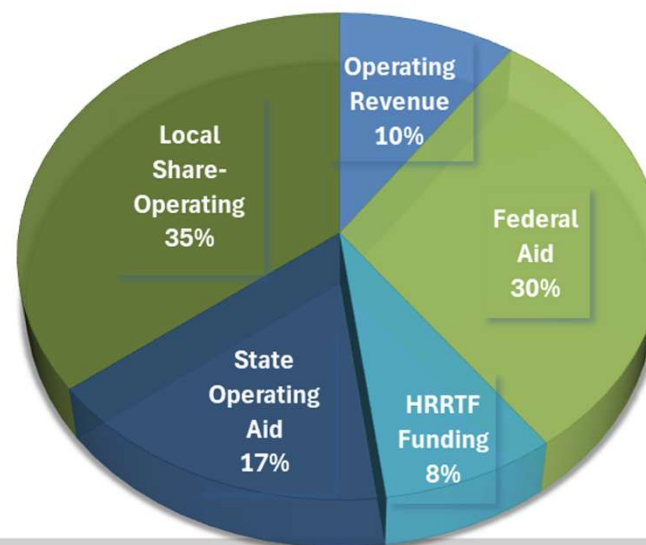
❖ **Federal Aid** of \$45.1M includes \$43.5M in ARPA and \$1.6M in 5310 funding.

❖ **Hampton Roads Regional Transit Fund (HRRTF) Funding** is projected at \$12M, an increase of 13.9% over prior year. This increase is attributed to the programmed implementation of regional service.

❖ **State Operating Aid** of \$24.8M is a decrease of \$.1M as compared to prior year.

❖ **Local Share-Operating** of \$52.9M is a 5.2% increase over prior year.

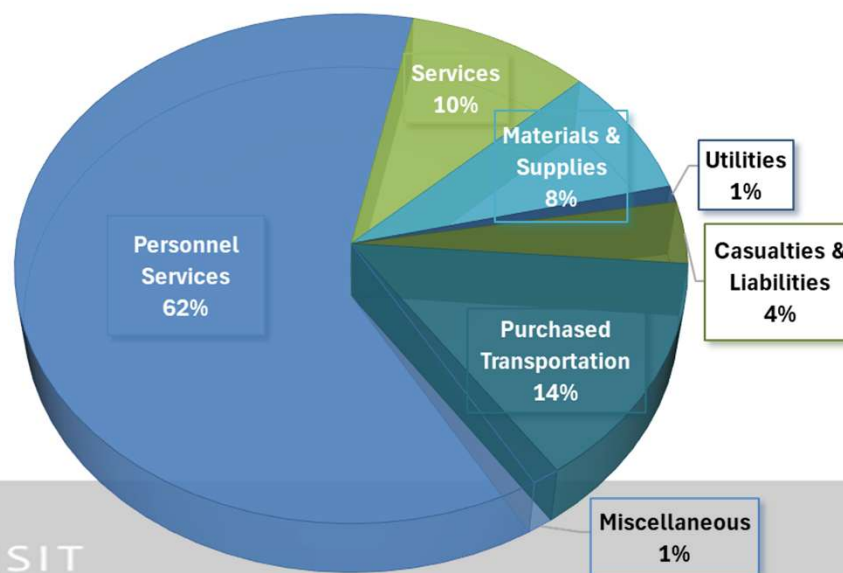
Revenue (\$ in thousands)	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2026 Final Budget	Prior Year \$ +/-	Prior Year % +/-	FY2026 Budget %
Operating Revenue	\$ 12,640.1	\$ 13,539.8	\$ 14,364.4	\$ 824.6	6.1%	10.0%
Federal Aid	\$ 38,859.0	\$ 46,120.7	\$ 45,097.1	\$ (1,023.6)	(2.2%)	30.0%
HRRTF Funding	\$ 10,044.1	\$ 10,517.6	\$ 11,980.5	\$ 1,462.9	13.9%	8.0%
State Operating Aid	\$ 26,837.1	\$ 24,937.7	\$ 24,837.3	\$ (100.4)	(0.4%)	17.0%
Local Share-Operating	\$ 47,766.3	\$ 50,258.9	\$ 52,871.8	\$ 2,612.9	5.2%	35.0%
Total Revenue:	\$ 136,146.6	\$ 145,374.7	\$ 149,151.1	\$ 3,776.4	2.6%	100.0%



FY2026 FINAL EXPENSE BUDGET

- ❖ **Personnel services** increase of 5.5% is driven by the following:
 - 5% growth in union pay (\$2.2M)
 - 4% merit for support staff (\$1.1M)
 - 7% increase in fringe benefits to include health insurance & retirement (\$.9M)
 - Additional non-union positions (\$.18M)
- ❖ **Services** decrease of 7.8% related to service cost reductions agency-wide
- ❖ **Materials & Supplies** decrease of 11% primarily driven by a \$.8M decrease in fuel costs
- ❖ **Utilities** increase of 2.4% in line with current trends
- ❖ **Casualties & Liabilities** decrease of 6.4% based on refined projections
- ❖ **Purchased Transportation** increase of 12.8% reflects increased demand for paratransit services coupled with contracted rate increases
- ❖ **Miscellaneous Expense** decrease of 12.9% includes limiting travel to essential and mandatory education and training

Expense (\$ in thousands)	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2026 Final Budget	Prior Year \$ +/-	Prior Year % +/-	FY2026 Budget %
Personnel Services	\$ 81,827.2	\$ 87,117.3	\$ 91,871.0	\$ 4,753.7	5.5%	62.0%
Services	\$ 15,928.9	\$ 15,725.0	\$ 14,491.1	\$ (1,233.9)	(7.8%)	10.0%
Materials & Supplies	\$ 14,468.5	\$ 13,864.1	\$ 12,344.3	\$ (1,519.8)	(11.0%)	8.0%
Utilities	\$ 1,345.0	\$ 1,544.6	\$ 1,582.4	\$ 37.8	2.4%	1.0%
Casualties & Liabilities	\$ 5,708.5	\$ 6,279.2	\$ 5,879.2	\$ (400.0)	(6.4%)	4.0%
Purchased Transportation	\$ 15,207.1	\$ 18,775.1	\$ 21,179.9	\$ 2,404.8	12.8%	14.0%
Miscellaneous Expense	\$ 1,661.4	\$ 2,069.4	\$ 1,803.2	\$ (266.2)	(12.9%)	1.0%
Total Expense:	\$ 136,146.6	\$ 145,374.7	\$ 149,151.1	\$ 3,776.4	2.6%	100.0%





FY2026 FINAL NON-UNION POSITION COUNT

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FY2026 FINAL POSITION COUNT

Department	FY25 Position Count				FY26 Net Position Additions/(Deletions)				FY26 Final Position Count			
	Operating	Project Funded	RTS Program	Total	Operating	Project Funded	RTS Program	Total	Operating	Project Funded	RTS Program	Total
Engineering & Facilities	9.4	0.6	0.0	10.0	0.5	(0.5)		0.0	9.9	0.1	0.0	10.0
Engineering & Facilities-Transit Stop Tech	7.0	0.0	6.0	13.0			2.0	2.0	7.0	0.0	8.0	15.0
Executive	6.0	0.0	0.0	6.0				0.0	6.0	0.0	0.0	6.0
Finance	46.0	0.0	3.0	49.0	1.0			1.0	47.0	0.0	3.0	50.0
Human Resources	15.0	0.0	5.0	20.0				0.0	15.0	0.0	5.0	20.0
Management Services	10.9	0.1	1.0	12.0				0.0	10.9	0.1	1.0	12.0
Marketing & Communications	15.1	7.9	2.0	25.0				0.0	15.1	7.9	2.0	25.0
Operations	50.0	0.0	10.0	60.0	(3.0)		1.0	(2.0)	47.0	0.0	11.0	58.0
Operations-Bus/Maintenance Supervisors	63.0	0.0	9.0	72.0				0.0	63.0	0.0	9.0	72.0
Operations-Facilities Maintenance	14.0	0.0	3.0	17.0				0.0	14.0	0.0	3.0	17.0
Operations-Light Rail	26.0	0.0	0.0	26.0				0.0	26.0	0.0	0.0	26.0
Planning & Development	13.1	3.9	2.0	19.0	(2.0)	(1.0)		(3.0)	11.1	2.9	2.0	16.0
Planning & Development-Customer Service	26.9	0.1	0.0	27.0	2.1	(0.1)		2.0	29.0	0.0	0.0	29.0
Safety	11.0	0.0	2.0	13.0	2.0			2.0	13.0	0.0	2.0	15.0
Technology	34.8	8.2	6.0	49.0	(1.1)	2.1	1.0	2.0	33.7	10.3	7.0	51.0
Total:	348.2	20.8	49.0	418.0	(0.5)	0.5	4.0	4.0	347.7	21.3	53.0	422.0

❖ **Department:** Each position is designated by department and personnel category.

❖ **There are three funding sources:**

- **Operating:** These positions are funded under the category “Personnel Services” on slide 7.
- **Project Funded:** These positions are funded under grants i.e., TDM, UPWP, Planning grants, and CIP project grant funding.
- **RTS Program:** The remaining positions are funded by the RTS Program and listed out in chapter 6, table 6.15 in the Transit Strategic Plan.

FY2026 FINAL NON-UNION POSITION UPDATE

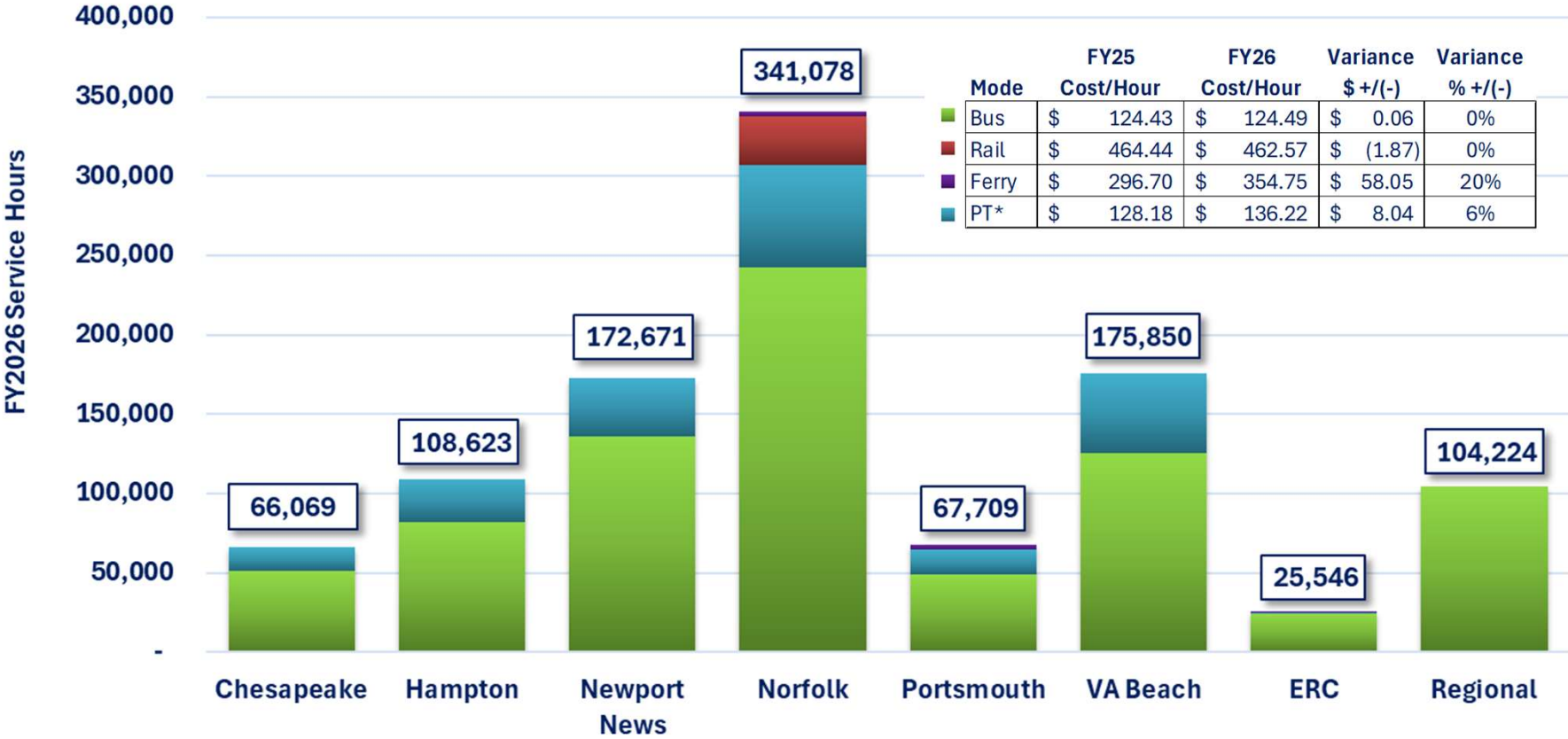
- ❖ **Engineering & Facilities:**
 - **ADDITION: Transit Stop Technician (2)** - *Positions covered 100% by RTS Program funding*
- ❖ **Finance:**
 - **ADDITION: Sr. Staff Accountant (1)** - *Support position with cost distributed among all modes. Cost is allocated to Localities & RTS based on relative share of service hours*
- ❖ **Operations:**
 - **RECLASS: 3** positions transferred to Safety
 - **DELETION: 1** eliminated position (Electronic Technician)
 - **ADDITION: Transit Security Officers (TSO) (2)** - *Positions covered 100% by RTS Program funding*
- ❖ **Planning & Development:**
 - **DELETION: 3** positions eliminated - 3 Data Collectors
 - **ADDITION: Customer Service Rep I (1) & Customer Service Rep II (1)** - *Support position with cost distributed among all modes. Cost is allocated to Localities & RTS based on relative share of service hours*
- ❖ **Safety:**
 - **RECLASS: 3** positions transferred from Operations
 - **DELETION: 1** Safety Manager
- ❖ **Technology:**
 - **ADDITION: Network Software Engineer (1)** - *Position covered 100% by RTS Program funding.*
 - **ADDITION: Sr. System Administrator (1)** - *Support position with cost distributed among all modes. Cost is allocated to Localities & RTS based on relative share of service hours*



FY2026 FINAL SERVICE HOURS

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FY2026 FINAL SERVICE HOURS



*Purchased Transportation (PT)



FY2026 FINAL LOCALITY CONTRIBUTION & TSPs

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FY2026 LOCAL CONTRIBUTION

Local Operating & ACC (\$ in thousands)	FY2025 Adopted Budget	FY2026 Final Budget	Prior Year \$ +/-	Prior Year % +/-
Operating				
Chesapeake	\$ 3,018.0	\$ 3,506.2	\$ 488.2	16.2%
Hampton	\$ 5,237.4	\$ 5,496.4	\$ 259.0	4.9%
Newport News	\$ 8,300.7	\$ 8,364.8	\$ 64.1	0.8%
Norfolk	\$ 21,795.0	\$ 22,951.7	\$ 1,156.7	5.3%
Portsmouth	\$ 3,181.9	\$ 3,761.1	\$ 579.2	18.2%
VA Beach	\$ 8,725.9	\$ 8,791.6	\$ 65.7	0.8%
Total Operating:	\$ 50,258.9	\$ 52,871.8	\$ 2,612.9	5.2%
ACC				
Chesapeake	\$ 140.0	\$ 141.8	\$ 1.8	1.3%
Hampton	\$ 232.7	\$ 233.1	\$ 0.4	0.2%
Newport News	\$ 369.6	\$ 370.5	\$ 0.9	0.2%
Norfolk	\$ 737.2	\$ 731.9	\$ (5.3)	(0.7%)
Portsmouth	\$ 142.7	\$ 145.3	\$ 2.6	1.8%
VA Beach	\$ 377.8	\$ 377.4	\$ (0.4)	(0.1%)
Total ACC:	\$ 2,000.0	\$ 2,000.0	\$ (0.0)	(0.0%)
Operating + ACC				
Chesapeake	\$ 3,158.0	\$ 3,648.0	\$ 490.0	15.5%
Hampton	\$ 5,470.1	\$ 5,729.5	\$ 259.4	4.7%
Newport News	\$ 8,670.3	\$ 8,735.3	\$ 65.0	0.7%
Norfolk	\$ 22,532.2	\$ 23,683.6	\$ 1,151.4	5.1%
Portsmouth	\$ 3,324.6	\$ 3,906.4	\$ 581.8	17.5%
VA Beach	\$ 9,103.7	\$ 9,169.0	\$ 65.3	0.7%
Total Operating + ACC:	\$ 52,258.9	\$ 54,871.8	\$ 2,612.9	5.0%

Traditional Allocation:

- ❖ A return to the traditional Cost Allocation methodology affects the following:
 - Billing will be based on estimated service, not an across the board % increase year over year
 - Under traditional, 3 localities see an increase higher than 5%, and 3 lower than 5%
 - No ability to credit localities when farebox exceeds budgeted estimates
 - No ability to cover farebox losses dollar-for-dollar
 - Cannot calculate service reliability credits for service which did not come online due to operator shortages
 - Loss of budget certainty with the reintroduction of a true-up at fiscal year end
- ❖ Accumulated service reliability credits (from prior years under Strategic Allocation) may be used to offset the local increase in FY2026:

Local Operating & ACC (\$ in thousands)	FY2025 Adopted Budget	FY2026 Final Budget	FY2026 Applied Credit	FY2026 Net Payment	Prior Year % +/-
Chesapeake	\$ 3,158.0	\$ 3,648.0	\$ (325.2)	\$ 3,322.9	5.2%
Hampton	\$ 5,470.1	\$ 5,729.5	\$ (454.6)	\$ 5,274.9	(3.6%)
Newport News	\$ 8,670.3	\$ 8,735.3	\$ (662.2)	\$ 8,073.2	(6.9%)
Norfolk	\$ 22,532.2	\$ 23,683.6	\$ (1,797.2)	\$ 21,886.5	(2.9%)
Portsmouth	\$ 3,324.6	\$ 3,906.4	\$ (307.5)	\$ 3,598.9	8.3%
VA Beach	\$ 9,103.7	\$ 9,169.0	\$ (701.8)	\$ 8,467.2	(7.0%)
Total Operating + ACC:	\$ 52,258.9	\$ 54,871.8	\$ (4,248.4)	\$ 50,623.5	(3.1%)



FY2026 FINAL TSP* – LOCAL SUMMARY

Local Routes	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Bus	660,517	\$ 82,230,754	\$ 6,421,631	8%	\$ 45,773,274	56%	\$ 30,035,849	37%
Trolley	25,159	\$ 3,132,158	\$ 202,394	6%	\$ 1,743,497	56%	\$ 1,186,267	38%
Special Service	1,749	\$ 217,740	\$ -	0%	\$ 121,204	56%	\$ 96,536	44%
Total Bus:	687,425	\$ 85,580,652	\$ 6,624,025	8%	\$ 47,637,975	56%	\$ 31,318,652	37%
Total Light Rail:	30,303	\$ 14,017,242	\$ 944,567	7%	\$ 4,847,919	35%	\$ 8,224,756	59%
Total Ferry:	6,672	\$ 2,366,894	\$ 241,167	10%	\$ 1,669,279	71%	\$ 456,448	19%
Total Paratransit:	207,600	\$ 28,279,021	\$ 1,248,929	4%	\$ 15,779,169	56%	\$ 11,250,923	40%
Local Modal Total:	932,000	\$ 130,243,809	\$ 9,058,688	7%	\$ 69,934,342	54%	\$ 51,250,779	39%
Commission Expense							\$ 1,621,044	
Advanced Capital Contribution							\$ 2,000,000	
Total Local Contribution:							\$ 54,871,823	
Applied Carry Forward Credits:							\$ (4,248,366)	
Net Local Contribution:							\$ 50,623,457	

*Traditional Allocation



HAMPTON ROADS TRANSIT

FY2026 FINAL TSP* – CHESAPEAKE

Chesapeake City Routes	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Bus								
6 Chesapeake	5,121	\$ 637,536	\$ 41,318	6%	\$ 354,881	56%	\$ 241,337	38%
12 Chesapeake	1,900	\$ 236,540	\$ 15,285	6%	\$ 131,668	56%	\$ 89,587	38%
13 Chesapeake	7,696	\$ 958,110	\$ 78,022	8%	\$ 533,326	56%	\$ 346,762	36%
14 Chesapeake	9,796	\$ 1,219,548	\$ 51,259	4%	\$ 678,855	56%	\$ 489,434	40%
15 Chesapeake	6,527	\$ 812,576	\$ 99,010	12%	\$ 452,316	56%	\$ 261,250	32%
24 Chesapeake	5,397	\$ 671,897	\$ 27,344	4%	\$ 374,008	56%	\$ 270,545	40%
44 Chesapeake	1,373	\$ 170,931	\$ 9,858	6%	\$ 95,148	56%	\$ 65,925	39%
57 Chesapeake	5,298	\$ 659,572	\$ 38,078	6%	\$ 367,147	56%	\$ 254,347	39%
58 Chesapeake	8,110	\$ 1,009,651	\$ 34,190	3%	\$ 562,016	56%	\$ 413,445	41%
Bus Total:	51,218	\$ 6,376,361	\$ 394,364	6%	\$ 3,549,365	56%	\$ 2,432,632	38%
Paratransit:	14,851	\$ 2,022,985	\$ 90,776	4%	\$ 1,128,788	56%	\$ 803,421	40%
Chesapeake Modal Total:	66,069	\$ 8,399,346	\$ 485,140	6%	\$ 4,678,153	56%	\$ 3,236,053	39%
Commission Expense							\$ 270,174	
Advanced Capital Contribution							\$ 141,779	
Chesapeake Local Contribution:							\$ 3,648,006	
Applied Carry Forward Credits:							\$ (325,181)	
Chesapeake Net Local Contribution:							\$ 3,322,825	

*Traditional Allocation



HAMPTON ROADS TRANSIT

FY2026 FINAL TSP* – HAMPTON

Hampton City Routes	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Bus								
101 Hampton	5,033	\$ 626,581	\$ 58,130	9%	\$ 348,783	56%	\$ 219,668	35%
102 Hampton	4,184	\$ 520,885	\$ 31,183	6%	\$ 289,948	56%	\$ 199,754	38%
103 Hampton	9,745	\$ 1,213,199	\$ 80,642	7%	\$ 675,320	56%	\$ 457,237	38%
105 Hampton	3,001	\$ 373,608	\$ 33,044	9%	\$ 207,967	56%	\$ 132,597	35%
109 Hampton	5,325	\$ 662,933	\$ 37,551	6%	\$ 369,018	56%	\$ 256,364	39%
110 Hampton	11,158	\$ 1,389,110	\$ 74,287	5%	\$ 773,240	56%	\$ 541,583	39%
111 Hampton	3,373	\$ 419,920	\$ 16,514	4%	\$ 233,746	56%	\$ 169,660	40%
114 Hampton	16,243	\$ 2,022,165	\$ 197,702	10%	\$ 1,125,626	56%	\$ 698,837	35%
115 Hampton	12,568	\$ 1,564,647	\$ 119,376	8%	\$ 870,952	56%	\$ 574,319	37%
118 Hampton	10,957	\$ 1,364,087	\$ 99,903	7%	\$ 759,311	56%	\$ 504,873	37%
Enhancements	692	\$ 86,150	\$ -	0%	\$ 47,955	56%	\$ 38,195	44%
Bus Total:	82,279	\$ 10,243,285	\$ 748,332	7%	\$ 5,701,866	56%	\$ 3,793,087	37%
Paratransit:	26,344	\$ 3,588,548	\$ 153,046	4%	\$ 2,002,343	56%	\$ 1,433,159	40%
Hampton Modal Total:	108,623	\$ 13,831,833	\$ 901,378	7%	\$ 7,704,209	56%	\$ 5,226,246	38%
Commission Expense							\$ 270,174	
Advanced Capital Contribution							\$ 233,096	
Hampton Local Contribution:							\$ 5,729,516	
Applied Carry Forward Credits:							\$ (454,571)	
Hampton Net Local Contribution:							\$ 5,274,945	

*Traditional Allocation



HAMPTON ROADS TRANSIT

FY2026 FINAL TSP* – NEWPORT NEWS

Newport News City Routes	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Bus								
101 Newport News	4,416	\$ 549,768	\$ 50,995	9%	\$ 306,025	56%	\$ 192,748	35%
103 Newport News	7,110	\$ 885,156	\$ 58,836	7%	\$ 492,717	56%	\$ 333,603	38%
104 Newport News	15,167	\$ 1,888,209	\$ 101,429	5%	\$ 1,051,060	56%	\$ 735,720	39%
105 Newport News	9,010	\$ 1,121,696	\$ 99,205	9%	\$ 624,385	56%	\$ 398,106	35%
106 Newport News	19,214	\$ 2,392,038	\$ 215,142	9%	\$ 1,331,514	56%	\$ 845,382	35%
107 Newport News	13,125	\$ 1,633,991	\$ 181,488	11%	\$ 909,551	56%	\$ 542,952	33%
108 Newport News	13,288	\$ 1,654,283	\$ 147,053	9%	\$ 920,847	56%	\$ 586,383	35%
111 Newport News	13,055	\$ 1,625,276	\$ 63,914	4%	\$ 904,701	56%	\$ 656,661	40%
112 Newport News	37,397	\$ 4,655,722	\$ 435,622	9%	\$ 2,591,581	56%	\$ 1,628,519	35%
114 Newport News	3,874	\$ 482,292	\$ 47,158	10%	\$ 268,465	56%	\$ 166,669	35%
Enhancements	642	\$ 79,925	\$ -	0%	\$ 44,490	56%	\$ 35,435	44%
Bus Total:	136,298	\$ 16,968,356	\$ 1,400,842	8%	\$ 9,445,336	56%	\$ 6,122,178	36%
Paratransit:	36,373	\$ 4,954,686	\$ 217,609	4%	\$ 2,764,623	56%	\$ 1,972,454	40%
Newport News Modal Total	172,671	\$ 21,923,042	\$ 1,618,451	7%	\$ 12,209,959	56%	\$ 8,094,632	37%
Commission Expense							\$ 270,174	
Advanced Capital Contribution							\$ 370,539	
Newport News Local Contribution:							\$ 8,735,345	
Applied Carry Forward Credits:							\$ (662,171)	
Newport News Net Local Contribution:							\$ 8,073,174	

*Traditional Allocation



HAMPTON ROADS TRANSIT

FY2026 FINAL TSP* – NORFOLK

Norfolk City Routes	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Bus								
1 Norfolk	26,077	\$ 3,246,444	\$ 384,402	12%	\$ 1,807,114	56%	\$ 1,054,928	32%
2 Norfolk	19,721	\$ 2,455,157	\$ 108,419	4%	\$ 1,366,649	56%	\$ 980,089	40%
3 Norfolk	24,556	\$ 3,057,088	\$ 339,335	11%	\$ 1,701,710	56%	\$ 1,016,043	33%
4 Norfolk	6,092	\$ 758,421	\$ 81,966	11%	\$ 422,170	56%	\$ 254,285	34%
5 Norfolk	3,497	\$ 435,357	\$ 35,396	8%	\$ 242,339	56%	\$ 157,622	36%
6 Norfolk	7,896	\$ 983,009	\$ 63,702	6%	\$ 547,186	56%	\$ 372,121	38%
8 Norfolk	17,392	\$ 2,165,209	\$ 229,333	11%	\$ 1,205,251	56%	\$ 730,625	34%
9 Norfolk	17,207	\$ 2,142,177	\$ 97,446	5%	\$ 1,192,431	56%	\$ 852,300	40%
11 Norfolk	4,080	\$ 507,938	\$ 25,859	5%	\$ 282,741	56%	\$ 199,338	39%
12 Norfolk	744	\$ 92,624	\$ 5,984	6%	\$ 51,559	56%	\$ 35,081	38%
13 Norfolk	6,161	\$ 767,011	\$ 62,454	8%	\$ 426,952	56%	\$ 277,605	36%
15 Norfolk	17,928	\$ 2,231,938	\$ 271,923	12%	\$ 1,242,395	56%	\$ 717,620	32%
18 Norfolk	4,953	\$ 616,621	\$ 19,785	3%	\$ 343,239	56%	\$ 253,597	41%
20 Norfolk	24,506	\$ 3,050,863	\$ 399,528	13%	\$ 1,698,245	56%	\$ 953,090	31%
21 Norfolk	22,605	\$ 2,814,199	\$ 288,487	10%	\$ 1,566,508	56%	\$ 959,204	34%
23 Norfolk	27,460	\$ 3,418,620	\$ 168,266	5%	\$ 1,902,955	56%	\$ 1,347,399	39%
25 Norfolk	3,122	\$ 388,672	\$ 18,540	5%	\$ 216,352	56%	\$ 153,780	40%
44 Norfolk	915	\$ 113,911	\$ 6,572	6%	\$ 63,409	56%	\$ 43,930	39%
45 Norfolk	7,485	\$ 931,841	\$ 44,093	5%	\$ 518,704	56%	\$ 369,044	40%
Enhancements	415	\$ 51,665	\$ -	0%	\$ 28,759	56%	\$ 22,906	44%
Bus Total:	242,812	\$ 30,228,765	\$ 2,651,490	9%	\$ 16,826,668	56%	\$ 10,750,607	35%

*Traditional Allocation

FY2026 FINAL TSP* – NORFOLK

Norfolk City Routes	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Bus Total:	242,812	\$ 30,228,765	\$ 2,651,490	9%	\$ 16,826,668	56%	\$ 10,750,607	35%
801 Light Rail	30,303	\$ 14,017,242	\$ 944,567	7%	\$ 4,847,919	35%	\$ 8,224,756	59%
Light Rail Total:	30,303	\$ 14,017,242	\$ 944,567	7%	\$ 4,847,919	35%	\$ 8,224,756	59%
Ferry:	3,440	\$ 1,220,341	\$ 124,321	10%	\$ 860,660	71%	\$ 235,360	19%
Paratransit:	64,523	\$ 8,789,245	\$ 414,278	5%	\$ 4,904,235	56%	\$ 3,470,732	39%
Norfolk Modal Total:	341,078	\$ 54,255,593	\$ 4,134,656	8%	\$ 27,439,482	51%	\$ 22,681,455	42%
Commission Expense							\$ 270,174	
Advanced Capital Contribution							\$ 731,927	
Norfolk Local Contribution:							\$ 23,683,556	
Applied Carry Forward Credits:							\$ (1,797,165)	
Norfolk Net Local Contribution:							\$ 21,886,391	

*Traditional Allocation

FY2026 FINAL TSP* – PORTSMOUTH

Portsmouth City Routes	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Bus								
41 Portsmouth	10,689	\$ 1,330,722	\$ 51,410	4%	\$ 740,738	56%	\$ 538,574	40%
44 Portsmouth	5,651	\$ 703,519	\$ 40,568	6%	\$ 391,610	56%	\$ 271,341	39%
45 Portsmouth	12,804	\$ 1,594,028	\$ 75,429	5%	\$ 887,306	56%	\$ 631,293	40%
47 Portsmouth	9,335	\$ 1,162,156	\$ 58,993	5%	\$ 646,908	56%	\$ 456,255	39%
50 Portsmouth	8,393	\$ 1,044,883	\$ 26,945	3%	\$ 581,628	56%	\$ 436,310	42%
57 Portsmouth	2,431	\$ 302,646	\$ 17,476	6%	\$ 168,466	56%	\$ 116,704	39%
Bus Total:	49,303	\$ 6,137,954	\$ 270,821	4%	\$ 3,416,656	56%	\$ 2,450,477	40%
Ferry	3,132	\$ 1,111,078	\$ 116,846	11%	\$ 783,601	71%	\$ 210,631	19%
Ferry Enhancement	100	\$ 35,475	\$ -	0%	\$ 25,018	71%	\$ 10,457	29%
Ferry:	3,232	\$ 1,146,553	\$ 116,846	10%	\$ 808,619	71%	\$ 221,088	19%
Paratransit:	15,174	\$ 2,066,984	\$ 94,245	5%	\$ 1,153,339	56%	\$ 819,400	40%
Portsmouth Modal Total:	67,709	\$ 9,351,491	\$ 481,912	5%	\$ 5,378,614	58%	\$ 3,490,965	37%
Commission Expense							\$ 270,174	
Advanced Capital Contribution							\$ 145,298	
Portsmouth Local Contribution:							\$ 3,906,437	
Applied Carry Forward Credits:							\$ (307,480)	
Portsmouth Net Local Contribution:							\$ 3,598,957	

*Traditional Allocation

FY2026 FINAL TSP* – VIRGINIA BEACH

VA Beach City Routes	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Bus								
12 VA Beach	6,826	\$ 849,800	\$ 54,916	6%	\$ 473,036	56%	\$ 321,848	38%
15 VA Beach	2,108	\$ 262,434	\$ 31,976	12%	\$ 146,083	56%	\$ 84,375	32%
20 VA Beach	26,175	\$ 3,258,645	\$ 426,741	13%	\$ 1,813,906	56%	\$ 1,017,998	31%
22 VA Beach	7,702	\$ 958,857	\$ 58,695	6%	\$ 533,742	56%	\$ 366,420	38%
24 VA Beach	7,136	\$ 888,393	\$ 36,156	4%	\$ 494,519	56%	\$ 357,718	40%
25 VA Beach	7,790	\$ 969,812	\$ 46,253	5%	\$ 539,840	56%	\$ 383,719	40%
26 VA Beach	6,078	\$ 756,678	\$ 32,544	4%	\$ 421,200	56%	\$ 302,934	40%
27 VA Beach	7,383	\$ 919,143	\$ 72,893	8%	\$ 511,636	56%	\$ 334,614	36%
29 VA Beach	8,453	\$ 1,052,352	\$ 65,376	6%	\$ 585,786	56%	\$ 401,190	38%
33 VA Beach	12,008	\$ 1,494,930	\$ 89,670	6%	\$ 832,144	56%	\$ 573,116	38%
36 VA Beach	8,697	\$ 1,082,729	\$ 40,562	4%	\$ 602,695	56%	\$ 439,472	41%
Bus Total:	100,356	\$ 12,493,773	\$ 955,782	8%	\$ 6,954,587	56%	\$ 4,583,404	36%
Trolley								
30 VA Beach	10,250	\$ 1,276,069	\$ 123,692	10%	\$ 710,316	56%	\$ 442,061	35%
31 VA Beach	5,109	\$ 636,043	\$ 53,108	8%	\$ 354,049	56%	\$ 228,886	36%
35 VA Beach	8,285	\$ 1,031,437	\$ 25,594	0%	\$ 574,144	56%	\$ 431,699	42%
Enhancements	1,515	\$ 188,609	\$ -	0%	\$ 104,988	56%	\$ 83,621	44%
Trolley Total:	25,159	\$ 3,132,158	\$ 202,394	6%	\$ 1,743,497	56%	\$ 1,186,267	38%
Paratransit:	50,335	\$ 6,856,573	\$ 278,975	4%	\$ 3,825,841	56%	\$ 2,751,757	40%
Virginia Beach Modal Total:	175,850	\$ 22,482,504	\$ 1,437,151	6%	\$ 12,523,925	57%	\$ 8,521,428	38%
Commission Expense							\$ 270,174	
Advanced Capital Contribution							\$ 377,361	
Virginia Beach Local Contribution:							\$ 9,168,963	
Applied Carry Forward Credits:							\$ (701,798)	
Virginia Beach Net Local Contribution:							\$ 8,467,165	

*Traditional Allocation



NEXT STEPS

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FY2026 BUDGET CALENDAR

DATE	TASK TYPE	TASK
10/07/2024	Local TSP	FY2026 Transportation Service Plans (TSPs) submitted to Localities
11/15/2024	Local TSP	Deadline for Localities to respond with change requests to the FY2026 TSP
12/09/2024	Regular Meeting	Review FY2026 Draft Operating Budget & TSPs with Audit & Budget/MFAC
01/06/2025	Special Meeting	MFAC meeting to review FY2026 Service and Draft TSPs
02/14/2025	Local TSP	Deadline for Localities to make final service changes to FY2026 TSPs
02/24/2025	Regular Meeting	Review FY2026 Preliminary Operating Budget with MFAC
02/27/2025	Regular Meeting	Review FY2026 Preliminary Operating Budget with Commission
05/01/2025	Budget	Distribute FY2026 Final Operating Budget & TSPs to Audit & Budget/MFAC
05/19/2025	Regular Meeting	Review FY2026 Final Operating Budget with Audit & Budget/MFAC
05/22/2025	Regular Meeting	Commission vote on FY2026 Final Operating Budget



HRT FY2026 Preliminary Operating Budget Follow-up Q&A – MFAC Meeting 4/21/2025

GENERAL AND FY 2026 ECONOMIC CONSIDERATIONS FOR BUDGET BUILD:

1. Please provide Actuals for FY 2022, FY 2023, and FY 2024 on the Preliminary Budget Proposal line-item detail. **See separate pdf file “FY2022-FY2024 Actuals Line-Item Detail”**

Follow-up: Explain the variance between the FY2024 Draft Actuals and FY2026 Preliminary Budget for Personnel Services, Services-Professional Fees, and Casualties & Liabilities.

Personnel Services:

CLASSIFICATION (\$ in thousands)	FY2022 AUDITED ACTUALS	FY2023 DRAFT ACTUALS	FY2024 DRAFT ACTUALS	FY2026 PRELIMINARY BUDGET	FY24 ACTUAL VS. FY26 BUDGET \$ VARIANCE	FY24 ACTUAL VS. FY26 BUDGET % VARIANCE
Personnel Services	\$ 69,796.9	\$ 72,538.0	\$ 80,008.9	\$ 91,733.3	\$ 11,724.4	14.7%

In the FY2025 YTD March financials, Personnel Services is trending under budget by \$.8M or 1.2% - this is not a significant budgetary savings. FY2025 fiscal year-end actuals are approximated to be between \$85.5M and \$86.5M, ending the year with a budget variance of less than 2%. Considering the projected actual increase from FY2024 to FY2025, we believe there is justification in adopting a \$92M personnel budget for FY2026 given the cost drivers previously reviewed with MFAC, Audit & Budget and Commission.

Services-Professional Fees:

CLASSIFICATION (\$ in thousands)	FY2022 AUDITED ACTUALS	FY2023 DRAFT ACTUALS	FY2024 DRAFT ACTUALS	FY2026 PRELIMINARY BUDGET	FY24 ACTUAL VS. FY26 BUDGET \$ VARIANCE	FY24 ACTUAL VS. FY26 BUDGET % VARIANCE
Services-Professional Fees	\$ 1,965.7	\$ 2,103.4	\$ 2,105.4	\$ 3,020.8	\$ 915.4	43.5%

Professional fees are projected between \$2.1M - \$2.5M for fiscal year end 2025. The variance between anticipated actuals in FY2025 and the FY2026 Preliminary budget may be accounted for by contract cost escalations in the areas of Technology, Safety & Risk, Planning & Development and Human Resources. *Note this variance explanation compares the difference between **FY2025 Projected Actuals** and **FY2026 Preliminary Budget**, not to be confused with the **FY2025 Budget** vs **FY2026 Budget** comparison previously reviewed with MFAC, Audit & Budget and Commission.*

Casualties & Liabilities:

CLASSIFICATION (\$ in thousands)	FY2022 AUDITED ACTUALS	FY2023 DRAFT ACTUALS	FY2024 DRAFT ACTUALS	FY2026 PRELIMINARY BUDGET	FY24 ACTUAL VS. FY26 BUDGET \$ VARIANCE	FY24 ACTUAL VS. FY26 BUDGET % VARIANCE
Casualties & Liabilities	\$ 4,163.7	\$ 4,270.1	\$ 5,265.2	\$ 6,279.2	\$ 1,014.0	19.3%

Using FY2024 Actuals of \$5.3M as a starting point, the FY2026 Preliminary Budget is a \$1M increase. FY2025 Projected Actuals land us somewhere between \$4.5M - \$5.5M. The fiscal year end actuarial report entry will affect this projection. There are multiple factors to consider when budgeting for Casualties & Liabilities:

- With the recent switch to a new company, reserve levels have changed i.e. there is an increase in the amount which must be held in reserve (driving the expense line to increase)
- There are a few large settlements pending (also impacting our legal fee expense) with estimates accrued for, but which may result in larger than expected settlements (impacting the expense line)
- Finally, depending on the year-end actuarial report, there could be a reduction or an increase in final expenses.

EXPENDITURE:

Personnel

- The FY 2026 Preliminary position count has a net increase of 4 FTEs, regardless of funding source.
 - What review was done to eliminate long-term vacant (vacant for 3 years or more) positions for a net zero sum position allotment change for HRT by shifting funding and position allotment to the higher priority position? **During the budget process, the amount budgeted for vacant positions is based on the average attrition rate for those positions. Funding is then allocated to the higher priority positions.**
 - Please provide a list of vacant positions and how long they have been vacant. At the City, this year our budget development process included the focused effort to reallocate long-term, difficult to fill positions to add staff capacity in areas of priority focus. This effort worked well (reallocating more than 50 positions) and maintained our total full-time headcount at the current fiscal year level with no diminution of the services or programs that are provided to our citizenry. **See the table below:**

HRT Non-Union Vacancies

Department	Position Title	# of Positions	Date of Vacancy
Engineering & Facilities	Project Manager	1	12/22/2024
Engineering & Facilities	Project Manager-SS Facility	1	12/22/2024
Engineering & Facilities -Transit Stop Tech	Transit Stop Field Supervisor	1	8/29/2024
Engineering & Facilities -Transit Stop Tech	Transit Stop Technician	2	8/14/2024
Finance	Buyer I	1	2/2/2025
Finance	Data Analyst I	1	3/16/2025
Finance	Revenue Collections Attendant	1	8/22/2024
Human Resources	Benefits Specialist	1	11/23/2024
Management Services	Executive Project Analyst	1	3/10/2025
Management Services	Grants Program Analyst	1	10/7/2023 - On hold
Management Services	Management Analyst	1	11/2/2024 - Frozen
Operations	Electronic Technician	1	2/27/2025
Operations	Mgr Bus Maint Train & Spe Proj	1	3/4/2025
Operations	Security Systems Specialist	1	3/25/2025
Operations	Training Specialist (LR Maint)	1	3/22/2025
Operations - Bus/Maint Supervisors	Bus Transportation Supervisor	11	various
Operations - Bus/Maint Supervisors	Maintenance Supervisor	1	12/4/2024
Operations - Bus/Maint Supervisors	Maintenance Supervisor	1	12/20/2024
Operations - Facilities Maintenance	Facilities Mainten Mechanic	3	7/1/2024 7/1/2024 8/31/2024
Operations - Facilities Maintenance	Facilities Mainten Technician	2	12/29/2023 3/2/2024
Operations - Light Rail	Controller - Dispatcher	2	11/24/2024 12/8/2024
Operations - Light Rail	LRV Maintenance Supervisor (Electro-Mech)	1	2/5/2023
Operations - Light Rail	LRV Maintenance Supervisor (Electro-Mech)	1	8/6/2024
Operations - Light Rail	Manager of Rail Systems	1	2/8/2025
Planning & Development	Data Analyst II	1	3/16/2025
Planning & Development	Manager of Service Planning	1	3/16/2025
Planning & Development	Scheduler II	1	3/19/2025
Planning & Development - Customer Service	Customer Service Rep II	1	2/14/2025
Planning & Development - Customer Service	Transit Center Lead	1	10/17/2024
Safety	Emer Mmngmnt (Prepardnss)Spclst	1	12/22/2024
Technology	Application Administrator	1	9/1/2024
Technology	Application Administrator - EAM	1	10/26/2023
Technology	ERP Manager of HRMS	1	6/16/2024
Technology	ERP Support Specialist (HRMS)	1	4/28/2024
Technology	ERP Systems Administrator	1	4/28/2024
Technology	ERP Technical Services Manager	1	9/23/2024
Technology	HRMS Functional Support Analys	1	4/17/2024
Technology	IT Business Systems Analyst	1	7/6/2022
Technology	MS Dynamics Finan Func Analyst	1	1/2/2024
Technology	MS Dynamics Sys 365 Administra	1	10/21/2020
Technology	Sr System Administrator	1	11/10/2024
Technology	Systems Administrator	1	1/1/2025

2. New positions – Prior to allotment changes - six for Operating, two for Grants, and four for RTS.
 - (a) Please provide estimated total salary and fringe benefits by position. **Operating new positions = 4; Grant new positions = 0 (2 existing, not new, FTE positions are now funded by grants/projects); RTS new positions = 5. FY2026 New FTE positions = 9. See the table below:**

Position	Funding	Salary + Fringe
Transit Stop Technician	RTS	\$ 67,454
Transit Stop Technician	RTS	\$ 67,454
Transit Security Officer	RTS	\$ 83,242
Transit Security Officer	RTS	\$ 83,242
Network Security Engineer	RTS	\$154,710
Customer Service Rep I	Operating & RTS	\$ 44,850
Customer Service Rep II	Operating & RTS	\$ 51,198
Sr. Staff Accountant	Operating & RTS	\$113,022
Sr. System Administrator	Operating & RTS	\$161,441
Totals		\$826,613

(b) Have any of these positions been hired during FY 2025? **No.**

Follow up: Asked that HRT review the net 4 increase in FTEs.

HRT determined a net increase of 4 non-union personnel, which were reviewed and justified through a rigorous vetting process, is necessary to the mission of the agency.

REVENUE:

9. Federal Aid Revenue - \$46,601.1 million thousand (an increase of \$480.4 thousand)

(b) What are the current balances in ARPA/CARES/CRISSA/COVID funds to include the projected FY 2025 and FY 2026 use of those balances? **The table below contains the actual and planned usage of pandemic aid. Based on available funding and circumstances, the Agency reserves the right to adjust the usage of federal dollars.**

Fiscal Year (\$ in thousands)	Actual						Planned		Total Funding	Remaining Balance
	20	21	22	23	24	25Q1&2	25Q3&4	26		
CARES	\$20,627	\$27,257	\$13,848						\$ 61,732	\$ -
CRRSAA			\$ 1,890	\$ 7,771					\$ 9,661	\$ -
ARPA				\$15,747	\$ 6,008	\$11,210		\$20,953	\$ 53,918	\$ -
ARPA Supplemental							\$ 28,500	\$24,238	\$ 52,738	\$ -
Total	\$20,627	\$27,257	\$15,738	\$23,518	\$ 6,008	\$11,210	\$ 28,500	\$45,191	\$178,049	\$ -

Follow-up: Request to see a chart which displays both Traditional Federal Aid and Pandemic Aid

Fiscal Year (\$ in thousands)	Actual						Planned				Total Funding
	20	21	22	23	24	25Q1&2	25Q3&4	26	27	28	
CARES	\$ 20,627	\$ 27,257	\$ 13,848								\$ 61,732
CRRSAA			\$ 1,890	\$ 7,771							\$ 9,661
ARPA				\$ 15,747	\$ 6,008	\$ 11,210		\$ 20,953			\$ 53,918
ARPA Supplemental							\$ 28,500	\$ 24,238			\$ 52,738
Traditional Federal	\$ 7,034				\$ 28,019	\$ 9,821		\$ 1,410	\$ 42,148	\$ 44,174	\$ 132,606
Total	\$ 27,661	\$ 27,257	\$ 15,738	\$ 23,518	\$ 34,027	\$ 21,031	\$ 28,500	\$ 46,601	\$ 42,148	\$ 44,174	\$ 310,654

17. Explain in detail the localities FY 2026 service 'credit' for \$4.248 million true-up credits from FY 2020 to FY 2022. What is the revenue source to replace the localities contribution of \$4.248 million. **The service credits are associated with amounts due to government as documented in the audited financial statements. HRT is activating a strategy to utilize ARPA funding to cover eligible expenses. Cities will have an option to utilize the credits or request a lump sum payment.**

Follow-up: Demonstrate how the \$4,248,366 credit to the localities will be applied.

Using the Final TSP for the City of Newport News as an example:

FY2026 FINAL TSP* – NEWPORT NEWS									
Newport News City Routes	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %	
Bus									
101 Newport News	4,416	\$ 549,768	\$ 50,995	9%	\$ 306,025	56%	\$ 192,748	35%	
103 Newport News	7,110	\$ 885,156	\$ 58,836	7%	\$ 492,717	56%	\$ 333,603	38%	
104 Newport News	15,167	\$ 1,888,209	\$ 101,429	5%	\$ 1,051,060	56%	\$ 735,720	39%	
105 Newport News	9,010	\$ 1,121,696	\$ 99,205	9%	\$ 624,385	56%	\$ 398,106	35%	
106 Newport News	19,214	\$ 2,392,038	\$ 215,142	9%	\$ 1,331,514	56%	\$ 845,382	35%	
107 Newport News	13,125	\$ 1,633,991	\$ 181,488	11%	\$ 909,551	56%	\$ 542,952	33%	
108 Newport News	13,288	\$ 1,654,283	\$ 147,053	9%	\$ 920,847	56%	\$ 586,383	35%	
111 Newport News	13,055	\$ 1,625,276	\$ 63,914	4%	\$ 904,701	56%	\$ 656,661	40%	
112 Newport News	37,397	\$ 4,655,722	\$ 435,622	9%	\$ 2,591,581	56%	\$ 1,628,519	35%	
114 Newport News	3,874	\$ 482,292	\$ 47,158	10%	\$ 268,465	56%	\$ 166,669	35%	
Enhancements	642	\$ 79,925	\$ -	0%	\$ 44,490	56%	\$ 35,435	44%	
Bus Total:	136,298	\$ 16,968,356	\$ 1,400,842	8%	\$ 9,445,336	56%	\$ 6,122,178	36%	
Paratransit:	36,373	\$ 4,954,686	\$ 217,609	4%	\$ 2,764,623	56%	\$ 1,972,454	40%	
Newport News Modal Total	172,671	\$ 21,923,042	\$ 1,618,451	7%	\$ 12,209,959	56%	\$ 8,094,632	37%	
Commission Expense							\$ 270,174		
Advanced Capital Contribution							\$ 370,539		
Newport News Local Contribution:							\$ 8,735,345	①	
Applied Carry Forward Credits:							\$ (662,171)		
Newport News Net Local Contribution:							\$ 8,073,174	②	

*Traditional Allocation



HAMPTON ROADS TRANSIT

18

1) For localities choosing a check

Locality will receive a check for the cumulative service credit amount (Newport News = \$1,324,341). When quarterly bills are sent out, the amount of the invoice will reflect ¼ of the \$8,735,345 annual value carried in the FY2026 budget. The quarterly payment will be **\$2,183,836.25** (value includes Operating and ACC contribution).

The Accounting for check payment:

Journal Entry: A/P Invoice

Debit: Unearned Income = \$1,324,341

Credit: Accounts Payable = \$1,324,341

Journal Entry: Cash Transfer

Debit: Cash-Operating = \$1,324,341

Credit: Cash-Reserve (Budgetary Stability Fund) = \$1,324,341

Once the check is cashed, Cash-Operating is credited \$1,324,341, and Accounts Payable will be debited \$1,324,341 (clears the liability and reduces cash). Net zero effect to Operating cash with the transfer from Cash-Reserve (Budgetary Stability Fund) to Cash-Operating.

2) For localities choosing to take the credit*

In line with how Recordation Tax Offset Credits were netted against locality contributions in FY2021, the FY2026 quarterly bill will display ¼ of the \$8,735,345 annual budget amount less the service credit of \$662,171 = net payment of \$8,073,174. The net quarterly payment will be \$2,183,836.25 - \$165,542.75 = **\$2,018,293.50** (value includes Operating and ACC contribution).

*Cumulative service credits of \$1,324,341 for Newport News (as stated in the FY2022 audit) will be applied one half to the FY2026 locality payment with the remaining half applied to the locality payment in FY2027.

The Accounting for crediting local bill with service credits:

Journal Entry: A/P Invoice

Debit: Unearned Income = \$165,542.75

Debit: Accounts Receivable = \$2,018,293.50

Credit: Local Operating Revenue = \$2,091,201.50

Credit: Advanced Capital Contribution = \$92,634.75

Journal Entry: Cash Transfer

Debit: Cash-Operating = \$165,542.75

Credit: Cash-Reserve (Budgetary Stability Fund) = \$165,542.75

Once local payment of \$2,018,293.50 is received, Cash-Operating is debited \$1,925,658.75, and Cash-Advance Capital Contribution is debited \$92,634.75; Accounts Receivable will be credited \$2,018,293.50 (increase in cash, decrease in A/R). Operating cash is made whole with the cash transfer from Cash-Reserve (Budgetary Stability Fund) to Cash-Operating.



Follow-up Questions

Mary Bunting, Hampton City Manager

Received 4/18/2025

Attachments:

1. "RE: Request for Information" – FY25 Sizing and Performance Data for Operating Formula.xlsx
2. FY25 Operating Summary – HRT – MFAC 092324.pdf
3. FY25 Operating Summary – HRT – Commission 092624 v4.pdf

1. Please detail the contingency plans you mentioned having if the COVID money is clawed back by the federal government. While I appreciate you saying that you would not ask the cities to make up the money, I am concerned about the potential impact on service to our communities that may have to be made.

Regarding a contingency plan, the agency would tailor each member city service plan to match the 3%-5% year over year growth that has been experienced prior to the onset of the pandemic. These service levels are updated annually and reflected in the local Transportation Service Plan (TSP) for each member city and are covered in the balanced budget that HRT brings forward every year. As such, HRT would not bring forward any request for member cities to fund a "gap". Monitoring activities in Washington and in discussions with FTA, formula-driven transit funding has not been identified as being at high risk; the most recent Continuing Resolution (CR) signed by President Trump in March [continues these transit programs at historic levels](#). Thus, HRT expects to continue receiving federal formula program apportionments (e.g., Section 5307). The agency is currently focused on maximizing draws on federal funds that are perceived to be most at risk, however, going forward HRT will leverage its federal formula program funding as it has in years preceding the pandemic. Combined with the benefits of SOP implementation and expanded roll-out of the Regional Backbone services that will be funded 100% using HRRTF (regional) funding, HRT's approach to leveraging federal formula funds to cover eligible baseline operating costs will help sustain service levels consistent with local Transportation Service Plan (TSPs) for each member city.

2. Can you tell us how much COVID funds are available to pull down and in what fiscal year the federal money will run out if it is not clawed back?

Remaining one-time federal funds are currently allocable to upcoming fiscal periods as captioned below. HRT retains the right to draw against these funds for years and amounts to cover eligible expenses that may differ from this projected outlay:

Fiscal Year (\$ in thousands)	Actual						Planned				Total Funding
	20	21	22	23	24	25Q1&2	25Q3&4	26	27	28	
CARES	\$ 20,627	\$27,257	\$13,848								\$ 61,732
CRRSAA			\$ 1,890	\$ 7,771							\$ 9,661
ARPA				\$15,747	\$ 6,008	\$11,210		\$ 20,953			\$ 53,918
ARPA Supplemental							\$ 28,500	\$ 24,238			\$ 52,738
Traditional Federal	\$ 7,034				\$28,019	\$ 9,821		\$ 1,410	\$42,148	\$44,174	\$ 132,606
Total	\$ 27,661	\$27,257	\$15,738	\$23,518	\$34,027	\$21,031	\$ 28,500	\$ 46,601	\$42,148	\$44,174	\$ 310,654

3. What is the projected gap for that year, broken out by city?

We don't anticipate a funding gap in FY2027 or FY2028, due to the use of traditional federal funding. Based on our standard CIP timeline, updated fiscal forecasts will be completed as part of the CIP update and available again in October 2025.

4. If the SOP is implemented as proposed, how much money is saved in total and by city?

If the SOP is implemented as proposed, HRT estimates that there would be nearly 90,000 hours of revenue service savings combined from all six cities. It is proposed that budget savings in each member city would be used to implement the Microtransit zone(s) identified in the SOP for each city.

LOCAL CONTRIBUTION OPERATING & ACC	FY2026 PRELIMINARY LOCAL	UNDER THE SOP ESTIMATED LOCAL	UNDER THE SOP ESTIMATED \$ VARIANCE	% VARIANCE
Chesapeake	\$ 3,655,407	\$ 3,277,264	\$ (378,143)	(10.3%)
Hampton	\$ 5,732,797	\$ 3,717,589	\$ (2,015,208)	(35.2%)
Newport News	\$ 8,761,205	\$ 6,350,905	\$ (2,410,300)	(27.5%)
Norfolk	\$ 23,634,628	\$ 20,780,417	\$ (2,854,211)	(12.1%)
Portsmouth	\$ 3,923,938	\$ 3,491,290	\$ (432,648)	(11.0%)
VA Beach	\$ 9,163,848	\$ 8,063,498	\$ (1,100,350)	(12.0%)
Total Local Contribution:	\$ 54,871,823	\$ 45,680,963	\$ (9,190,860)	(16.7%)

5. Will that savings go entirely toward decreasing the gap that is being covered by the COVID money?

As stated in the previous response, any savings realized from the optimization of underperforming local bus routes will be reinvested to help pay for ongoing operations and

maintenance costs, including the implementation of additional Microtransit zones. These funds should also be further leveraged by securing additional resources as part of a transportation omnibus bill that is expected in the 2026 General Assembly session.

6. If the SOP savings does not offset the entire gap, how do we cover the rest? Specifically, I am interested in understanding HRT's assessment of the financial, service and policy impacts of any strategies begins the SOP that are likely to be needed to address the gap.

HRT will advance a three-pronged approach to support operating and fiscal sustainability over the next 10 years. Assessment of financial, service and policy considerations will be outlined in the Sustainability Study currently being completed and due by end of summer. The three-pronged approach will entail the following components:

- 1) SOP and related Regional Backbone (RTS routes) – after SOP implementation, ongoing operating costs will be accounted for as RTS costs and covered using HRRTF funds. Localities cost savings are proposed to be utilized to implement expanded Microtransit services.
- 2) Additional State funding – the study will identify the estimated new state funding that would be required to achieve financial sustainability and support growth/enhanced services going forward. It will be imperative for HRT member cities and the region to work on a united front to ensure that Hampton Roads' public transportation needs are adequately addressed in transportation omnibus legislation in the 2026 General Assembly session.
- 3) Cost containment – HRT to implement a mix of cost avoidance/revenue enhancement.

7. I noticed that the FY 23 financial statements show a \$20,412,793 Unrestricted deficit that increased during the pandemic years from \$5,275,632 in FY19. How does HRT plan to address this deficit, and what do you see the impact from addressing it?

The primary reason for the increase in the unrestricted deficit in FY2023 is the increase in pension liability as a result of an actuarial calculated investment loss of approximately \$21.0 million for 2022 for the HRT Local Pension Plan for union employees. A detailed explanation of the pension liability calculations, including the effect of a 1% increase or decrease in the discount rate, is included in the financial statement footnotes. Below is an analysis further

highlighting the fluctuations from year to year. This analysis includes the auditors’ preliminary calculation of the FY2024 impact, which is expected to result in a \$5.0 million decrease in pension liability.

Fiscal Year End	FY2020	FY2021	FY2022	FY2023	FY2024
Date of Actuary Valuation	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Local Plan Pension Liability Balance	\$5,047,158	\$71,273	\$713,793	\$19,916,044	\$14,835,656
\$ Change		(\$4,975,885)	\$642,520	\$19,202,251	(\$5,080,388)

To note, in spite of this large pension adjustment, HRT’s net position has remained stable for the last several years.

8. I assume the implementation of the SOP will improve our performance on the state transit funding formula, but I want to confirm my assumption. Do you know through your internal modeling? I also want to remind you that you all agreed to send us information on how we compare with other transit agencies currently.

The assumption that implementing the SOP will improve performance on the State funding formula is valid. Human resources (Bus Operators) from SOP implementation will be targeted to reinvest and fully deploy the 13-route Regional Backbone network. HRT completed the quantitative assessment, shared with CAOs April 2 and reviewed with MFAC on March 24, indicating significantly better performance of Regional Backbone routes on metrics used in DRPT’s “MERIT” program, compared to under-performing routes identified in the SOP. This supports the stated assumption. DRPT has also indicated it is valid. The attached file “FY-25 – Sizing and Performance Data for Operating Formula.xlsx”, used by DRPT to determine FY25 allocations, was shared with your staff (and all MFAC) on September, 26, 2024. The attached presentations were also made by DRPT at MFAC and Commission Work Session. DRPT has made it abundantly clear that future State funding for HRT or any of its 40 participating agencies cannot be credibly predicted by trying to replicate the MERIT model, given that there are myriad exogenous factors and externalities that cannot be reasonably accounted for.

###

DRPT Operating Assistance Formula

Program Overview & Impacts on HRT

Dan Sonenklar, Statewide Transit Planning Manager

September 26, 2024



MERIT – Operating Assistance Program

- The current state Operating Assistance program was established by the Virginia General Assembly through the **2018 Transit Reforms** legislation
 - Created the **MERIT Program – Making Efficient and Responsible Investments in Transit**, which guides how DRPT distributes capital and operating funds
- The **MERIT – Operating Assistance** program is enacted in **VA Code § 33.2-1526.1** with the following parameters:
 - Annual revenues are equal to 24.5% of the Commonwealth Mass Transit Fund (CMTF)
 - Allocations are to be *“distributed by the Board on the basis of service delivery factors, based on effectiveness and efficiency as established by the Board”*
 - The program provides funding for transit operating expenses for transit services provided by eligible applicants throughout the Commonwealth
 - VRE and WMATA are not eligible

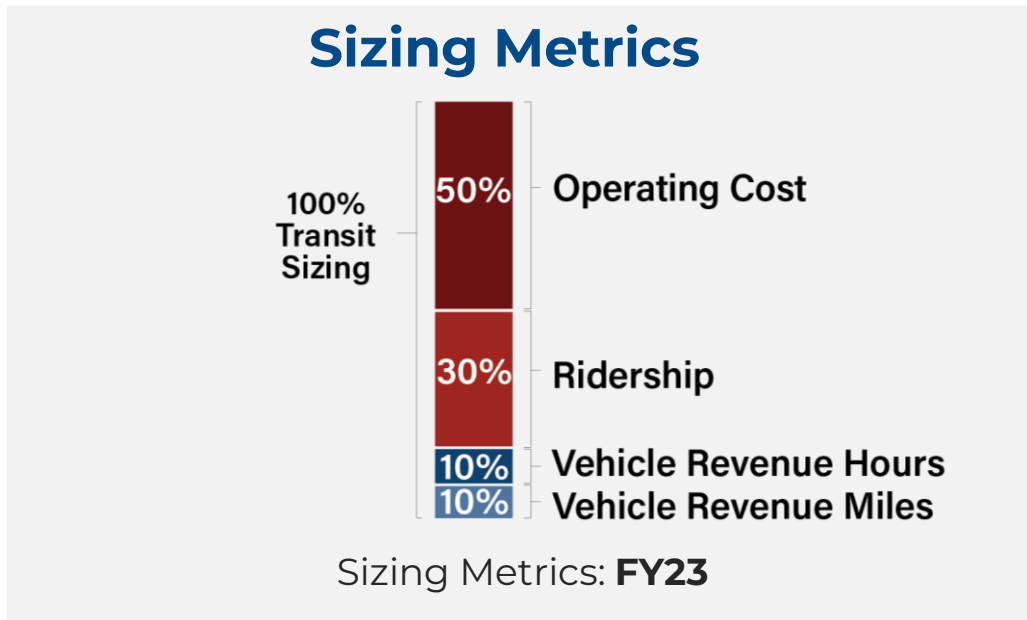
MERIT – Operating Assistance Program

- **Commonwealth Transportation Board (CTB)** establishes the policy that defines how operating assistance funds are distributed within the parameters of the law
- The **Transit Service Delivery Advisory Committee (TSDAC)** is established by VA Code as the designated advisory body to the CTB for this program:
 - Members: 2 appointed by Virginia Transit Association, 1 by Community Transportation Association of Virginia, 1 by Virginia Municipal League, 1 by Virginia Association of Counties, and 3 by Director of DRPT
 - Monitors annual operating allocations and impacts on agencies
 - Performs a program review every 3 years and advises the CTB on recommended adjustments or changes
- The **Department of Rail and Public Transportation (DRPT)** administers the program:
 - Runs the formula calculations
 - Distributes funds through the agency's Six Year Improvement Program (SYIP) on an installment basis throughout the fiscal year
 - Guides policy discussions with the TSDAC
 - Prepares draft policy updates for approval by the CTB

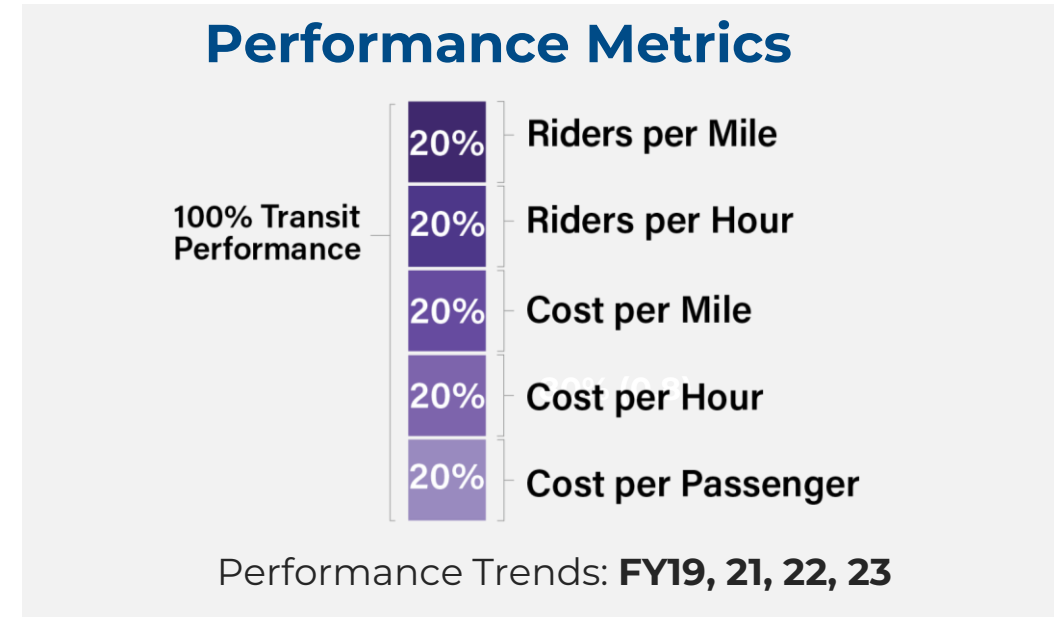
Operating Assistance Formula

Operating Formula Elements – FY25

- **Sizing Metrics:** The foundation of the allocations provided through the Operating Assistance formula are the sizing metrics for each agency



- **Performance Trends:** The sizing metrics are then adjusted using 3-year trend for 5 performance metrics for each agency



- **Funding Cap:** Total operating assistance allocation to an agency is at 30% of its operating expenses based on the most recently audited financial report (for FY25 this was FY23 expenses)

What Affects an Agency's Allocation?

- The single most important factor in the formula: **Total DRPT Operating Revenues**
- **How can agencies fare well in the formula?**
 - Increase in sizing metrics compared to the rest of the state [Costs, Ridership, Hours, Miles]
 - Improvement in performance trends compared to the rest of the state
 - Example: Ridership per mile year-over-year growth better than the state average
 - Increase in operational costs can lead to an increase in the 30% cap
 - Decreases in sizing and/or unfavorable performance trends for other agencies statewide
- **How can agencies fare poorly in the formula?**
 - Decrease in sizing metrics compared to the rest of the state [Costs, Ridership, Hours, Miles]
 - Decline in performance trends compared to the rest of the state
 - Decrease in operational costs can lead to a decrease in the 30% cap
 - Increases in sizing and/or favorable performance trends for other agencies statewide

Operating Assistance Program FY25 and Beyond

FY25 MERIT Operating Assistance Summary



- Over the past 3 fiscal years, operating assistance revenues exceeded projected levels due to one-time revenues
 - Resulted in abnormally high allocations in FY22, FY23, and FY24
- In FY25, the program was funded above projected levels due to additional one-time revenues from project deobligations
- A few agencies received less funding in FY25 compared to FY24 due to a combination of:
 - Sizing and performance metrics for each individual agency compared to the rest of the state
 - Rising operational costs for all agencies, which can increase the maximum amount allocated to high performing agencies
- Starting in FY26, DRPT expects revenues to return to normal, projected levels through the formula prescribed by code
 - Agencies should prepare for the possibility of lower allocation

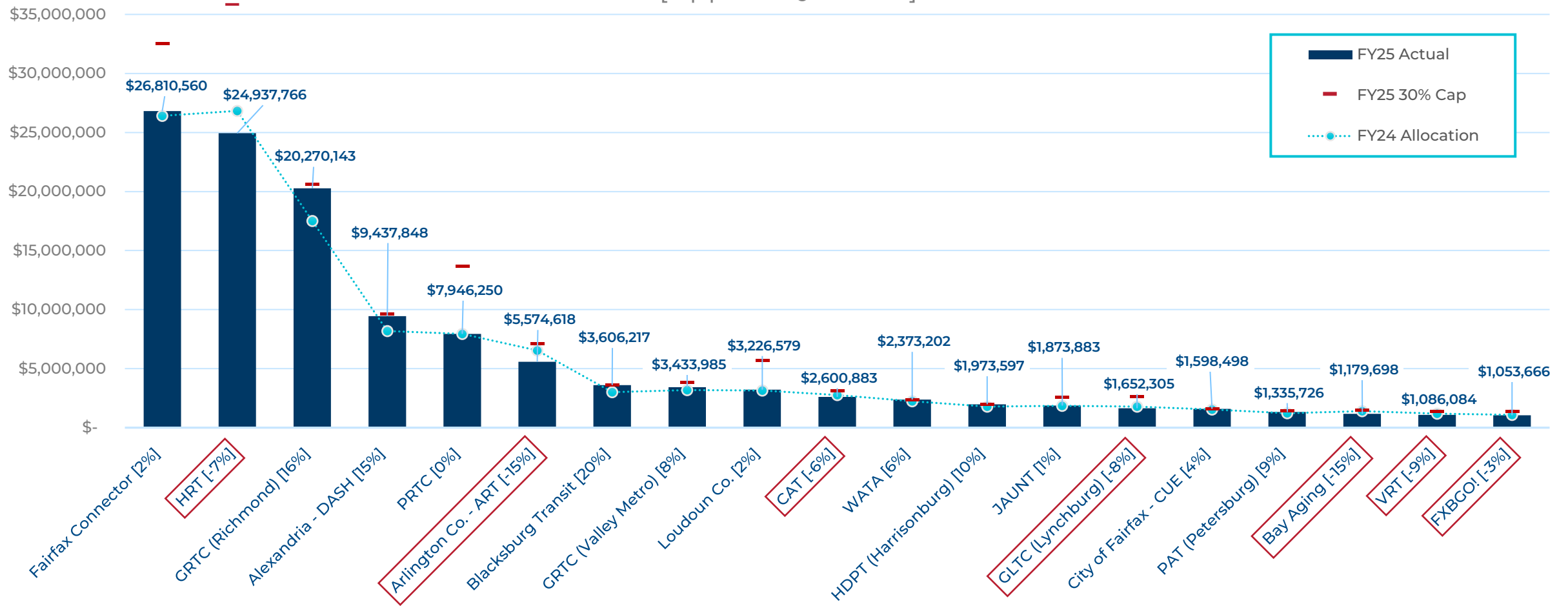
FY25 MERIT Operating Assistance Figures

- Total Operating Assistance Revenues Expected in FY25: **\$117m**
- Total Actual Operating Assistance Revenues in FY25: **\$128m**
 - **DRPT added \$10.5m in one-time revenues from project deobligations in the draft SYIP**
 - **VA Code (§ 33.2-1526.1) allows for funds to be transferred to the operating assistance program in “times of statewide economic distress or statewide special need.”**
- FY25 Hampton Roads Transit (HRT) Allocation: **\$24.9m**

FY25 MERIT -Operating Assistance Allocations

FY25 vs FY24 Operating Assistance Allocation

[Upper 2 Quartiles]



HRT – FY24 vs. FY25 State Operating Allocation

FY24 Allocation: \$26,837,084

FY25 Allocation: \$24,937,766 (-7%)

Why did the allocation go down in FY25?

- Compared to FY24:
 - Combined sizing metrics for HRT (Costs, Ridership, Hours, Miles) increased by 9% compared to the rest of the transit agencies in the state
 - All 5 performance metric trends were unfavorable compared to the rest of the transit agencies in the state and compared to HRT trends in the previous fiscal year
- The changes in sizing and performance trends compared to FY24 cancelled each other out:
 - The increase in sizing metrics had a positive impact on the formula allocation
 - Performance trends compared to the rest of the state had a negative impact on the formula allocation
 - Initial allocation (before 30% cap) was almost the same both years – **FY24: \$24.0m, FY25: \$24.2m**

HRT – FY24 vs. FY25 State Operating Allocation

FY24 Allocation: \$26,837,084

FY25 Allocation: \$24,937,766 (-7%)

Why did the allocation go down in FY25? (Cont'd)

- HRT received less redistributed funds once the 30% funding cap was applied
 - **FY24:** HRT received \$2,825,436 in redistributed funds
 - **FY25:** HRT received \$769,799 in redistributed funds
- Since the formula was launched in FY20, HRT has historically done very well through the redistribution of funds after the funding cap was applied
 - In FY25, HRT Received 28% of all redistributed funds, a higher share than all other agencies
 - In FY24, HRT Received 29% of all redistributed funds, a higher share than all other agencies
- Key Difference FY24 to FY25: There was less money in the program overall compared to rising expenses across the state

What Can HRT Do To Improve Allocations?

- **Increase Ridership/ Provision of Service:**

- Implement strategies aimed at increasing ridership and/or increasing revenue hours and miles
 - Both will increase the relative sizing metrics and will lead to more favorable performance trends

- **Control Operating Costs:**

- Ensure that increases in operating costs are accompanied with increases in ridership, revenue hours, and/or revenue miles
 - Increases the relative sizing metrics and will lead to more favorable performance trends
- Decrease Operating Costs, but maintain ridership, hours, and miles
 - Decreases the relative sizing metrics, but will lead to more favorable performance trends

Notes:

- There is a delay in the data used in the formula; changes this fiscal year (FY25) won't be reflected until FY27
- Everything in the formula is compared to all other agencies in the state, so results are also dependent on statewide trends

Impact of One-Time Revenues on HRT Allocations

MERIT Operating Assistance: Historic Allocations FY19-FY25

Select by Agency

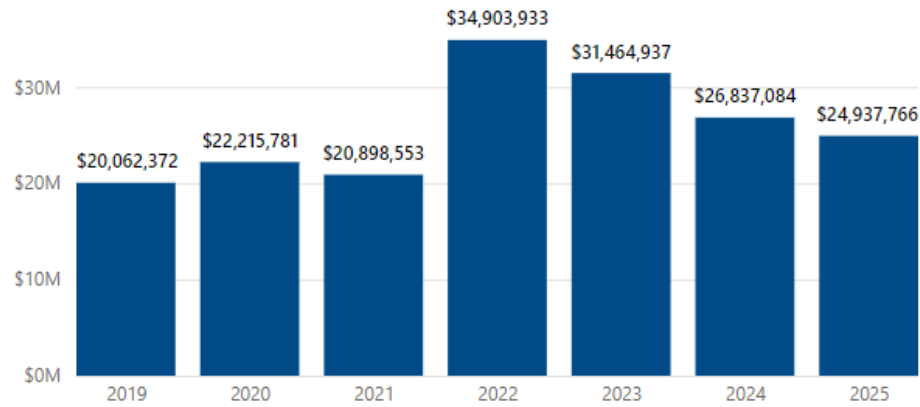
Hampton Roads Transit (HRT) ▼

About

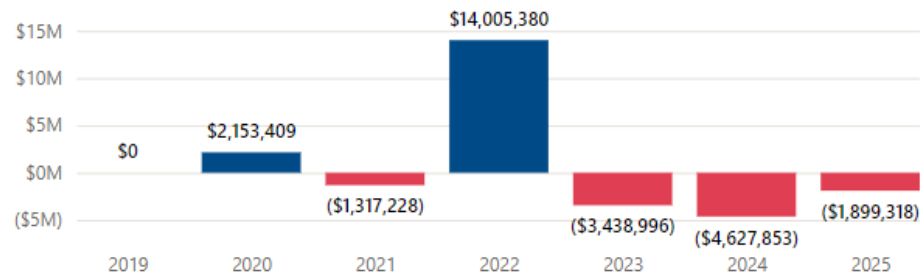
Allocations

Actual Allocations

FY19-FY25 Operating Assistance

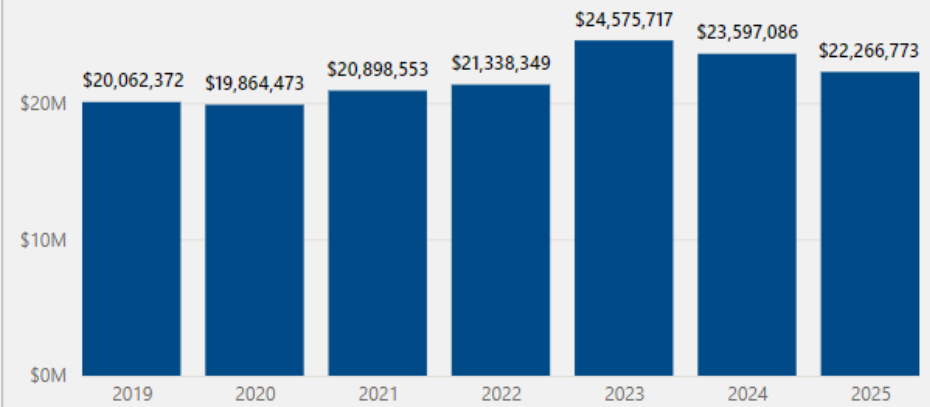


FY19-FY25 Year-over-Year Changes

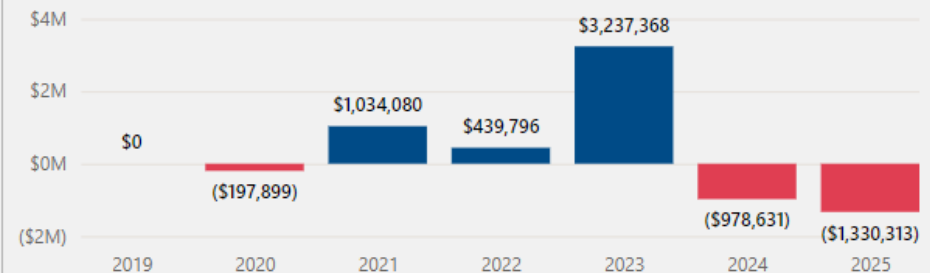


No One-Time Revenue Scenario Allocations

FY19-FY25 Operating Assistance



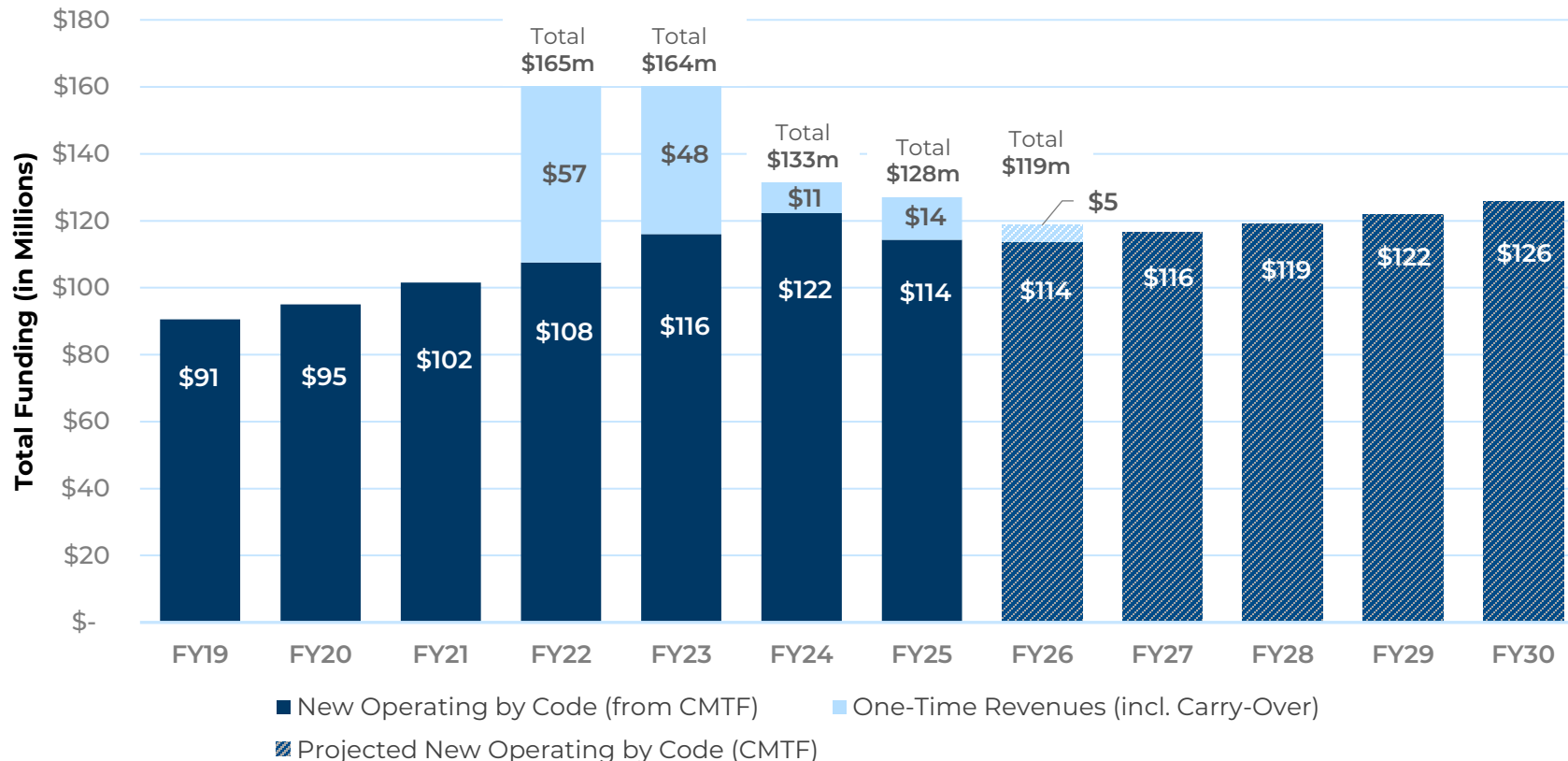
FY19-FY25 Year-over-Year Changes



MERIT – Operating Assistance Revenue Projections

MERIT - Operating Assistance Total Funding FY19 to FY30

FY19-FY25 Actual, FY26-FY30 Projected



- For the past 3 fiscal years the Operating Assistance program has been supplemented with one-time revenues
- In FY25, DRPT was also able to keep the program funded above projected levels using one-time revenues
- In FY26 and beyond projected funding is based on normal allocations without one-time revenues

Contract No.: 24-00314	Title: Investigative Case Management System	Contract Amount: Base Year Price: \$ 35,040.00 Two Option Years Price: \$ 70,080.00 Total: \$105,120.00
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Acquisition Description: Enter into a contract with a qualified Contractor to provide an Investigative Case Management System for Hampton Roads Transit's (HRT's) Department of Security Services.

Background: HRT's Department of Security Services has oversight and primary responsibility to identify, respond to (mitigate/resolve), work with external law enforcement entities, and report on threats, risks, and incidents at all HRT facilities and properties, as well as to safeguard the physical security of the riding customers and employees. Additionally, there has been a notable rise in crime on and around transit systems across the country, including the Tidewater Region, and as such, underscored the need for enhanced security measures at transit locations, in a manner that satisfies applicable regulatory and statutory compliance guidelines.

Currently, security data is manually collected, processed, and reported from disparate networks operating in a reactive mode to address and resolve immediate needs. Security technology requires new ways to centralize data, create a dynamic and adaptable security infrastructure to effectively navigate the emerging threats, and operational needs. This technology-enhanced approach increases the ability to manage and collaborate with law enforcement, legal authorities, and relevant HRT departments. Under the terms of this agreement, the Contractor will provide a secure, cloud-based solution to serve as an Incident Management and Investigative Case report-writing system to provide improved automation capabilities, including access to information, secure transmission of data between/among external law enforcement, and reporting that supports Federal Transit Administration (FTA) National Transit Database (NTD).

Contract Approach: A Request for Proposals (RFP) was issued on November 5, 2024. Five (5) proposals were received on December 12, 2024, from the following firms:

- Kaseware, Inc. (Kaseware)
- Kokomo Solutions, Inc.
- Matrix Pointe Software, LLC.
- Omnigo Software, LLC (Omnigo)
- Pivotal Leap, LLC

Upon an initial review and evaluation of the technical proposals, Kaseware and Omnigo were rated best to meet the Scope of Work requirements. The two (2) firms were invited to discuss their proposal and provide technical clarification on their approach to the Scope of Work.

Following the technical presentations and interviews, HRT Staff determined that Kaseware was the most technically qualified to provide the services described in the Scope of Work based on

Contract No.: 24-00314	Title: Investigative Case Management System	Contract Amount: Base Year Price: \$ 35,040.00 Two Option Years Price: \$ 70,080.00 Total: \$105,120.00
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clarifications provided during their presentation. Therefore, Kaseware was invited for further discussions and negotiation for the purpose of a possible award. Negotiations focused on clarifying assumptions made in establishing pricing and reducing their proposed pricing. At the conclusion of negotiations, a Best and Final Offer (BAFO) was requested.

Although Kaseware did not offer any pricing concessions as a result of the negotiation, HRT staff determined that Kaseware provided the best value to HRT based on technical capability and price. The firm indicated that their original pricing was developed to provide maximum value, transparency, and long-term sustainability from the outset, and represents Kaseware's best and most competitive offer. Based on a price analysis performed utilizing the independent cost estimate, and the fact that the pricing was obtained in a competitive environment, Kaseware's pricing is deemed fair and reasonable. A contractor responsibility review performed confirmed that Kaseware is both technically and financially capable of performing the services.

Kaseware is located in Denver, CO and has provided similar services for the Illinois State Police in Springfield, IL; Michigan State Police in Lansing, MI; and Tennessee Homeland Security in Nashville, TN.

The period of performance for this Contract is one (1) base year, with two (2) additional one-year options.

No DBE Goal was assigned for this solicitation.

Cost/Funding: This Contract will be funded with HRRTF and operating funds.

Project Manager: Shelia Gullledge, Director, Technology Project Management Office

Contracting Officer: Donald Shea, Contract Specialist

Recommendation: It is respectfully recommended that the Commission approve the award of a contract to Kaseware, Inc. to provide an Investigative Case Management System in the not-to-exceed amount of \$105,120.00.

Contract No.: 24-00314	Title: Investigative Case Management System	Contract Amount:	
		Base Year Price:	\$ 35,040.00
		Two Option Years Price:	<u>\$ 70,080.00</u>
		Total:	\$105,120.00

Solicitation Results

Offeror	Offer	Best and Final Offer
Omnigo Software, LLC	\$36,999.80	
Kokomo Solutions, Inc.	\$77,000.00	
Kaseware, Inc.	\$105,120.00	\$105,120.00
Matrix Pointe Software, LLC	\$115,800.00	
Pivotal Leap, LLC	\$204,200.00	

Kaseware's Pricing Summary

Base Year	Option Year 1	Option Year 2	Total
\$35,040.00	\$35,040.00	\$35,040.00	\$105,120.00

Contract No: 25-00358	Title: Microsoft Dynamics 365 Support Services	Contract Amount: \$2,000,000.00 1 yr. w/4 1-yr. options
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Acquisition Description: Enter into a sole source contract with Crowe LLP to provide support services for Hampton Roads Transit's (HRT's) Microsoft Dynamics 365 financial software.

Background: On October 1, 2019, the new Microsoft Dynamics 365 Finance and Operations financial software (Microsoft D365) was implemented. HRT now requires support to continue to meet and fulfill key high-level service obligations including the following:

- Enhance overall performance and efficiency in delivery of application Enhancements, Service Requests, and Incident and Problem Management.
- Remain positioned for on-going or new critical items for the Agency.
- Provide guidance based on best practices in supporting HRT in planning and executing critical and time-sensitive processes.
- Continually ensure processes are standardized to industry best practices and gain access to world-class capabilities.
- Support HRT via the appropriate Application Support approaches.
- Continuously improving delivery of Information Technology (IT) services for the system and release management.

Integrated with Microsoft D365 is Crowe's Transportation Accelerator, which provides enhanced functionality for Transportation customers. This enhanced functionality supports HRT with the ability to effectively manage needed Financials and Inventory processes. Crowe has the needed intimate insight to Microsoft D365, their Transportation Accelerator, and HRT's Business objectives to continue support of the agency. In order to allow for continuity of services, it is imperative for HRT to retain the services of Crowe resources currently assigned to HRT.

Contract Approach: FTA and Virginia Public Procurement Act guidelines allow non-competitive procurements when only one (1) source is available, and the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals. Due to the specific requirements of this solicitation, full and open competition was not a feasible method of Procurement. Sole Source procurements are accomplished through solicitation and acceptance of a proposal from only one (1) source.

A Request for Proposal was issued May 2, 2025, and Crowe provided a responsive proposal on May 3, 2025. The Price Schedule required Crowe to provide hourly labor rates for the various labor categories that may be required for the duration of the Contract.

Contract No: 25-00358	Title: Microsoft Dynamics 365 Support Services	Contract Amount: \$2,000,000.00 1 yr. w/4 1-yr. options
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Based on a price analysis performed utilizing historical pricing, Crowe's proposed pricing is deemed fair and reasonable. A contractor responsibility review confirmed that Crowe is both technically and financially capable of performing the work.

Crowe is headquartered in Chicago, IL and has provided previous services to HRT satisfactorily.

The period of performance for this contract is one (1) year with four (4) additional one-year options.

Cost/Funding: This contract will be funded with operating funds.

Project Manager: Glenda Dixon, Director of ERP Services

Contracting Officer: Sonya Luther, Director of Procurement

Recommendation: It is respectfully recommended that the Commission approve the award of a contract to Crowe LLP to continue support and maintenance services for HRT's Microsoft Dynamics 365 financial system in the not-to-exceed amount of \$2,000,000.00 for five (5) years.

Contract No: 25-00347	Title: Supervisory Control and Data Acquisition System Processor Upgrade Parts	Contract Amount: \$260,599.68 Three (3) Months
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Acquisition Description: Enter into a contract with a qualified Contractor to provide vital processor upgrade parts for Hampton Roads Transit’s (HRT’s) Supervisory Control and Data Acquisition (SCADA) system.

Background: HRT’s SCADA system provides the Light Rail Operation Control Center with situational awareness and supervisory control functions on a 24/7 basis by controlling power distribution along the alignment, including, but not limited to, providing train identification and location on the track, supporting signal operations, train crossings operations, track switch operations, and rail yard operations. The existing system processor hardware has been in service since the system was first launched in 2011. As part of HRT’s State of Good Repair initiative, an assessment of SCADA’s vital processor along the alignment was carried out. The assessment identified a series of module replacement requirements, based on the age of the units, the field-observed “mean time between failures,” and the manufacturer published service bulletins for hardware revision in service at each location. Under the terms of this agreement, the Contractor will provide twenty-one (21) Alstom Electrologix vital processor VPM-3 modules and thirty-two (32) Alstom Electrologix vital processor VTI-2S modules as identified by the assessment, to maintain the SCADA system.

Contract Approach: An Invitation for Bids was issued on March 28, 2025. Two (2) bids were received on April 16, 2025, from the following firms:

- B&C Transit, Inc. (B&C Transit)
- Bani Software, Inc.

A post-solicitation survey of other firms solicited revealed that some did not provide the products requested; or were unwilling to submit a bid due to the prevailing instability in tariff and material pricing.

In response to the IFB, Bidders were required to provide pricing for the items specified in the Price Schedule. After review and evaluation of the bids received, HRT staff determined that B&C Transit was the lowest responsive (in compliance with submittal requirements) and responsible (capable to perform) Bidder; and is therefore eligible for award.

B&C Transit’s pricing is deemed fair and reasonable based on a price analysis conducted and the fact that the pricing was obtained in a competitive environment. A contractor responsibility review confirmed that B&C Transit is technically and financially capable of performing the work.

B&C Transit is located in Oakland, CA and has provided similar services for Los Angeles County Metro Transportation Authority in Los Angeles, CA; Foothill Extension Authority in Monrovia,

Contract No: 25-00347	Title: Supervisory Control and Data Acquisition System Processor Upgrade Parts	Contract Amount: \$260,599.68 Three (3) Months
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CA; and Miami-Dade Transit in Miami, FL. B&C also currently provides SCADA support services to HRT satisfactorily.

The period of performance for this Contract is three (3) months.

No DBE goal was assigned for this solicitation.

Cost/Funding: This Contract will be funded with federal 5337, state, and ACC funds.

Project Manager: Alex Touzov, Senior Director of Technology Services

Contracting Officer: Fevrier Valmond, Assistant Director of Procurement

Recommendation: It is respectfully recommended that the Commission approve the award of a contract to B&C Transit, Inc. to provide supervisory control and data acquisition system upgrade parts, in the not-to-exceed amount of \$260,599.68.

Solicitation Results

Bidder	Total Bid Price
B&C Transit, Inc.	\$260,599.68
Bani Software, Inc.	\$271,690.00

TRAC Board Report

May 2025

HRT's Transit Riders Advisory Committee (TRAC) met on Wednesday, May 7, 2025, in Hampton. Interim Chair Heather Cutrone convened the meeting at 6 P.M. Others in attendance were Karl Burden-El Bey, Henry Ryto, and Rodney Davis.

The January and March minutes were approved as submitted.

In his Director's Remarks, Director of Customer Relations Rodney Davis:

1. Reminded TRAC members of the service board change effective Sunday, May 11.
2. Informed TRAC that the mobile fare payment app would be active on the VB Wave only.
3. Discussed the impact of changes to the Route 33.
4. Announced the completion of 354 American Bus Benchmarking Group surveys of the targeted 500. The survey ends May 19.
5. Reviewed the calendar of upcoming events and CAFs submitted by TRAC members.

The meeting adjourned at 6:12 P.M.