

HRT
Hampton Roads Transit
Hampton Roads Transit
3400 Victoria Blvd.
Hampton, VA 23661

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gohrt.com



About HRT

What are HRT's ridership figures for the most recent quarter?

October 2006- 1,850,327
November 2006- 1,713,240
December 2006- 1,665,554

How is HRT funded?

24.6% Fare box and other revenue
32.2% Federal funding
16.3% State Funding
26.9% Local Funding

What cities does HRT serve?

HRT serves seven cities; Norfolk, Virginia Beach, Chesapeake, Suffolk, Portsmouth, Hampton and Newport News. The HRT service area population is 1.3 million.

What services does HRT provide?

- 55 Fixed Regular Service Routes (bus)
- Handi-Ride (Paratransit)
- 4 Expressway Commuter Bus Service Routes
- Hampton Residential Service
- NET (Norfolk Electric Transit)
- VB Wave (trolleys)- Virginia Beach
- Paddlewheel Ferry- Connecting Norfolk & Portsmouth downtowns

Why is the service more frequent in some areas/cities than in others?

HRT contracts with each city in there service area separately, and each city determines how much service is to be provided in there area.

When was HRT formed?

HRT was formed on October 1, 1999, after a merger between Pentran and TRT- the first voluntary merger of two transit agencies in the country.

The Transportation District Commission of Hampton Roads, HRT's governing body, consists of representatives from each of the seven cities it serves:

Suffolk

The Honorable Charles F. Brown (Chairman)
The Honorable Curtis R. Milteer, Sr.

Portsmouth

Dr. James W. Holley III (Vice-Chair)
The Honorable Bill Moody, Jr.

Chesapeake

W. Joe Newman (Past-Chairman)

Hampton

The Honorable Charlie Sapp
Ms. Grace G. Routten

Newport News

The Honorable William F. Haskins, Jr.
The Honorable Charles C. Allen, FAICP

Norfolk

The Honorable W. Randy Wright
The Honorable Paul R. Riddick

Virginia Beach

The Honorable James L. Wood
The Honorable John E. Uhrin

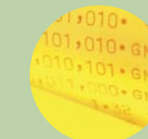
Commonwealth Transportation Board
Virginia Department of Rail and Public Transportation (VDRPT)
Mr. Charles M. Badger

Virginia General Assembly
The Honorable G. Glenn Oder
The Honorable Lionell Spruill, Sr.

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Spring 2007 gohrt.com

President's Corner

Hampton Roads has changed a great deal in recent years. As I travel city to city, it is hard not to notice the changing skylines. As our community changes, so to must our agency and the way we provide public transportation services. These changes have presented new challenges for us as well as new opportunities. That's why I felt it was so important for HRT to embark on and implement a strategic plan to guide our agency as it moves in a new direction. HRT's strategic planning efforts have already gone through several stages, but perhaps the most important of all is the public involvement process. At the end of 2006, HRT held stakeholder interviews with Hampton Roads officials and public meetings, attended mostly by HRT users, to give people a chance to shape the future of public transportation in our region. I was excited to hear the results of this crucial public input, yet prepared to hear some hard truths about our agency's limitations and weaknesses. But that's part of any true effort to improve oneself. As I sat and listened, I heard both constructive criticism and a public that was deeply appreciative of the service HRT provides and a crying-out for more and better public transportation. It gave me encouragement to think about how we are positively affecting people's lives and about a future with a system that provides people with real choices.

Our future is a bright one, and we already have a lot to build on. HRT currently boasts one of the most diverse transit systems in the country with local and express bus service, resort trolleys, and ferries. And that list is about to grow with light rail in Norfolk scheduled for construction by late summer 2007. Norfolk Light Rail will eventually serve as the backbone for high capacity transit throughout our region. Other exciting things are taking place at HRT this year. For instance, the implementation of the Navigator—HRT's Advanced Communications System, technology that uses GPS tracking to locate buses to provide more timely connections and efficient bus service for our riders—will be complete in 2007. We will also be developing and marketing a new truly regional express bus service with very limited stops that will connect each of our seven cities and encourage people to get out of their cars and, instead, use transit.

With all these changes in our communities and at HRT, the time for new direction is now. We sincerely appreciate the public's help in defining what kind of agency we should be and where we are headed in the future.

We proudly serve America's First Region.

Michael Townes
HRT President/CEO

Final Design helps put Light Rail on the Fast Track

Hampton Roads Transit received approval from the Federal Transit Administration (FTA) to enter into Final Design on September 13, 2006,



allowing Norfolk Light Rail to move forward. The Final Design process will take about 12 months to complete, and citizens can begin to see the beginning of construction in late 2007.

The Final Design phase is the last phase prior to construction that all major public transportation projects undergo prior to receiving federal funding. FTA officials have vigorously analyzed HRT's cost estimates for the project and will continue to do so throughout the construction process. The go ahead for Final Design signifies the FTA is in agreement with HRT's projections regarding the resources required for Norfolk Light Rail. HRT and its consultants for the project have taken every precaution to keep the costs of the project low, while ensuring accurate estimates are carefully calculated. The FTA's stamp of approval validates the planning and hurdles Norfolk Light Rail has endured since HRT began studying the project in 2000. The cost estimates will come into play as HRT applies for a Full Funding Grant Agreement (FFGA) in March 2007. HRT anticipates the FFGA will cover about 55 percent, or \$128 million, of the project's capital costs. The remainder of the project costs will be funded through state and local funding.

As construction begins in late 2007, the first activity residents will see in the Downtown area is the moving and relocation of utilities. This will be the first

step in paving the way for an estimated 4.5 million new transit riders per year. HRT patrons can expect to begin using the system on a daily basis as early as late 2009.

Through the Final Design and Construction process addressing the public's concerns and questions will remain an important function for HRT's staff and the City of Norfolk. A comprehensive public information plan has been developed and will be implemented to provide direct communication with the public, local businesses and other stakeholders impacted by the construction. The plan's aim is to continually inform the public about project developments, construction impacts throughout the alignment, street closures and progress of the project.

Norfolk Light Rail will accelerate economic development while enabling Norfolk to keep up with future growth. Eleven stations will be constructed along the 7.4-mile line running from the Eastern Virginia Medical Center through downtown Norfolk along the Interstate 264 corridor to Newtown Road. The project includes four proposed park and ride locations. The line will serve Norfolk's major access points including Norfolk State University, Harbor Park, City Hall, MacArthur Center, Tidewater Community College's Norfolk campus, and the Sentara Health Care facilities located at both ends of the alignment. ■

Strategic Planning is the Route to Success

To keep HRT moving as fast internally as it does on the streets and waterways of Hampton Roads, a strategic plan is in development to help HRT achieve its mission to be a provider of innovative regional inter-modal transportation at a high level of quality, safety and efficiency. Since HRT was formed in 1999, it has undergone tremendous change and growth to continually adjust to conditions in the region. Overcoming these challenges sets a precedent for what can be achieved when high expectations set the bar for progress.

transportation services beneficial to the region, financial stability, an effective and motivated workforce and increased and improved capital assets. These goals will require collaboration between HRT's operations, planning, development, executive, management services, project management, finance, external affairs departments, and, most importantly, HRT's stakeholders.



For the first time at HRT, a formal strategic planning process is in the works to lead the agency in future initiatives. The plan provides HRT employees, customers and community partners a direct route for working together to achieve common goals. HRT's strategic plan will help maintain a focus toward making sound decisions and taking action that improves the agency's performance. In doing so, long-term success can be assured.

Goals-based planning and milestones in the strategic plan will provide measurable means to evaluate HRT's progress. Five critical goals form the basis of the strategic plan including improved transit, development of long-range

Far more important than the strategic plan, is the strategic planning process itself. Public involvement is the cornerstone of success in developing an operative and successful strategic plan. Two open house sessions took place on December 11 and 13. At these sessions

URS Corporation, HRT's consultant for the strategic plan, presented an overview of the strategic planning process and a summary of preliminary findings from stakeholder activities in the late summer and fall of 2006. These sessions were also used to give the public a chance to offer feedback on HRT's preliminary findings and an opportunity to identify issues that may have been missed. Additional meetings will be planned as a draft of the HRT Strategic Plan is completed in early 2007. Working together to address transportation challenges in Hampton Roads, HRT and its stakeholders will create a viable and successful transit system now and for many years to come. ■

HRT gets you from point A to point B with buses, ferries, shuttles, trolleys and...surfing?

That's right, surfing. With the new gohrt.com, it's easier than ever to surf your way to exactly where you need to be.

Noticeably different, the web site design's new look and feel is the perfect match for our progressive, on-the-move business. Keeping tabs on HRT has never been easier. This new resource puts the information you need right at your fingertips, giving you the opportunity to explore HRT from anywhere, anytime.

The new web site is designed to make it easy to find quality information for people on the go. Whether you're looking to catch the VB Wave Trolley, Paddlewheel Ferry, Traffix, Express Bus Service or Navy Ships and Jets Tours, gohrt.com provides pricing, routing and scheduling information all in one place. Convenient dropdown tabs provide quick links to information, saving riders time and the frustration. Just click on your city of departure to access printable route maps complete with times tables. The "How to Ride" section offers new riders downloadable guides for getting started. Everything there is

to know about us, including the latest information on proposed projects and projects in development is accessible from gohrt.com.

A campaign is in full-force to promote the new web site to Hampton Roads. The gohrt.com logo will be featured on all revenue and fleet vehicles as well as on all company communication. Interior and exterior vehicle advertising will get the word out on the street, literally! And internet and radio ads will ask everyone to make their next destination gohrt.com. A mass mailing to Hampton Roads residents will round out the campaign.

The new web site was launched as part of HRT's effort to communicate the safe and efficient inter-modal transportation services we offer. It also raises awareness of HRT's community involvement, promoting ridership and public support for HRT initiatives. Take a look for yourself. While you're there, click on the "Contact Us" link and let HRT know what you think of the new gohrt.com. ■



The results are in: HRT maintains credibility and stakeholder confidence after FY 2006 Audit

HRT's stakeholders can remain confident in the agency's ability to efficiently and effectively serve Hampton Roads' public transportation needs. For the second consecutive fiscal year, HRT received a favorable financial audit, offering assurance of the organization's financial integrity.

The seven week audit conducted by Goodman & Company independently confirms HRT's fair and accurate representation of its financial position and performance. In addition, the audit identified no reportable conditions in internal controls, nor did it identify any questioned costs or findings. Perhaps more importantly, the results of this independent audit maintain the foundation for public trust and confidence in HRT's ability to serve the Hampton Roads community. As a public agency reliant upon federal, state, and local funding, such a favorable audit ensures constituents that HRT provides quality service through the efficient use of financial resources.

While many organizations have recently have come under scrutiny for "creative accounting" or misrepresentation of financial statements, HRT's management has made it a steadfast goal to provide complete and accurate disclosure of financial information. "In an era when public agencies are often targets

of criticism because of inadequate financial reporting, it is important for the public to know that HRT's financial controls are a true bright spot," said TDCHR Chairman and Suffolk City Councilman Charles Brown. "The results of this audit speak volumes about how far we have come."

An independent auditor's objective is to develop and express an opinion as to the fairness with which financial statements reflect the financial position, results of operations, and cash flows of an organization. The auditor also develops and expresses an opinion as to the adequacy of internal controls. In pursuing these objectives, an audit mitigates the potential for fraud, waste, and mismanagement of funds.

The results of HRT's audit followed a thorough review of documents supporting the amounts and disclosures in financial statements, an assessment of current accounting principles, and evaluation of the overall presentation of financial statements reported by management. HRT is committed to ensuring it makes sound financial investments and decisions in the public's best interest. Goodman & Company's audit findings are evidence of this commitment.

Highlights of the FY2006 Audit

Goodman & Company, the agency accountable for conducting HRT's FY2006 audit, noted the following:

Assets have increased as a result of financing proceeds related to the bus lease-purchase with the Virginia Resources Authority.

Operating revenues were within one percent of budget and operating expenses were within two percent of budget.

There were no reportable conditions noted in internal control in any areas.

The audit did not identify any noncompliance items.

The audit did not identify any questioned costs or findings that were required to be reported.

HRT was considered a low-risk auditee, meaning no extra measures were taken during the audit to ensure financial accuracy. ■