

**Hampton Roads Transportation
Accountability Commission (HRTAC)
Summary Minutes of the December 15, 2022 Finance Committee
Meeting**

The Hampton Roads Transportation Accountability Commission (HRTAC) Finance Committee Meeting was called to order at 9:30 a.m. with the following in attendance:

HRTAC Members in Attendance:

Supervisor Michael Hipple, JC, Chair
Supervisor William McCarty, IW
Mayor Shannon Glover, PO*

Supervisor Thomas Shepperd, YK
Senator Monty Mason, VGA

HRTAC Executive Director

Kevin Page

Other Participants:

Nelson Bush, PFM
David Miller, PFM

Liang Shan, PFM
Tom Inglema, Willcox & Savage

*Denotes Late Arrival or Early Departure

Others Recorded Attending:

Jim Calpin, Scott Detar (Bank of America); Danetta Jankosky, Sheila Wilson (HRTPO); Jennifer Hodnett (HRTAC); Racheal Steck (Veterans Reporters)

Call to Order and Roll Call

HRTAC Finance Committee Chair, Supervisor Michael Hipple, called the meeting to order and a roll call vote of all Members was taken:

Chair Michael Hipple: Present
Supervisor William McCarty: Present
Mayor Shannon Glover: No Response
Supervisor Thomas Shepperd: Present
Senator Monty Mason: Present

Approval of Agenda

Supervisor William McCarty Moved to approve the agenda as presented; Seconded by Supervisor Thomas Shepperd. The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

No one from the public requested to make a public comment.

Consent Item

- A. Minutes of the September 15, 2022 Finance Committee Meeting

Supervisor Shepperd Moved to approve the consent agenda item; Seconded by Supervisor McCarty. The Motion Carried.

Action Items

A. Approved HRTAC FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects – Adjustments to Values to Support HRELN Segment 1A Cost Increase

HRTAC Executive Director, Kevin Page, stated that the update was to make line item adjustments within the approved HRTAC FY2023-FY2028 Plan of Finance and would not result in an overall addition or reduction in funds allocated to the HRTAC FY2023-FY2028 Plan of Finance. He explained that in order to increase the amount allocated to the Hampton Roads Express Lanes Network (HRELN) Segment 1A, certain unused monies would need to be deallocated from the first six projects and other segments of the HRELN. He also stated that a portion of the deallocated funds would be returned to the Hampton Roads Transportation Fund (HRTF) to be applied to other projects.

HRTAC Finance Committee Members discussed the movement of funds within the projects.

Executive Director Page stated that HRTAC seeks to identify unused dollars from its initial proposed budgets and reallocate those funds to projects that are ready to move forward.

Ms. Liang Shan, PFM, reminded the Committee of the debt management plan that was presented in September 2022 and stated that no change has occurred to the plan. She summarized the upcoming debt issuances, which include a 2023 TIFIA loan, 2023/2024 Bonds and a 2024 TIFIA loan, noting that they are on course. She also highlighted the addition of the I-464/ 64 Interchange IAR Project.

Executive Director Page discussed the I-464/64 Interchange Access Report Project with the Committee. He explained that as part of the tolling policy for the HRELN pursuant to the Master Tolling Agreement, the Virginia Department of Transportation (VDOT) and HRTAC were required to conduct a safety study and identify any issues that may affect the operations of the HRELN. Executive Director Page noted that VDOT proposed the application of Interstate Operations and Enhancement Program funds to enhance the I-464 ramp at the Battlefield Interchange, and that the IAR Project will provide a study of the entire interchange. Executive Director Page explained that if the I-464/ 64 Interchange IAR Project produces findings that not all improvements contemplated by HRTAC's 2045 Plan are necessary, the I-464/ 64 Interchange IAR Project could create cost savings in the 2045 Plan.

Ms. Shan reviewed the allocation and deallocation activities referenced by Executive Director Page at the beginning of the meeting and indicated that HRTAC staff would be active with debt financing in the upcoming year.

Mr. Nelson Bush, PFM, explained that HRTAC could lawfully draw the TIFIA loan, which has a 1.86% rate and would result in \$6M in debt service, and achieve an investment return of \$14M a year. He also indicated that the timing of the market was advantageous.

Supervisor McCarty Moved that the Finance Committee, (1) Recommends that the Commission endorse adjustments to values within the approved FY2023-FY2028 Update Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects that include: (A) deallocation and reduction of \$35,106,018 from the Hampton Roads Transportation Fund pay go sourced project allocations identified as: 1. \$9,35,457.00 from HRELN Segment 4C Advanced Activity/Preliminary Engineering Phase 1 – UPC 117841; 2. \$4,474,367.00 HRELN Segment 4C Full Build Project PE Phase – UPC 119638; 3. \$5,000,000.00 (\$4M PE Phase; \$1M Right of Way Phase) HREL Segment 4A/4B Full Build Project - UPC 119824; and 4. \$16,273,194.00 from the I-64 Peninsula Widening (Segment 2) – UPC 106665 project; (B) allocation and increase of \$30,749,486.00 HRTF Pay-go Sourced project allocations to the HRELN Segment 1A Full Build Project – UPC's 119637; and (C) return the remaining \$4,365,532.00 to the Hampton Roads Transportation Fund unobligated fund balance; and, (2) Authorizes the Finance Committee Chair to communicate said recommendation to the Commission at its next meeting, Seconded by Senator Monty Mason. The Motion Carried.

B. Amendment to the Executive Director Employment Agreement – Closed Session as needed.

Supervisor McCarty Moved that a closed session be held to discuss and consider the performance and salary of the Executive Director of the Commission, which closed session will be held in accordance with Virginia Code Section 2.2-3711(a)(1) for the purpose of discussion and consideration of assignment, employment, performance, promotion, demotion, salary, disciplining, or resignation of specific employees of the Commission; Seconded by Chair Michael Hipple.

Closed Session began at 9:52.

Tom Inglima, HRTAC General Counsel, read the following certification: The Finance Committee hereby certifies that (1) to the best of each member's knowledge only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the closed meeting just concluded. Closed session ended at 10:20 a.m.

A roll call vote was taken:

Chair Hipple: Aye
Supervisor Shepperd: Aye
Supervisor McCarty: Aye
Mayor Glover: Aye
Senator Mason: Aye

Supervisor McCarty Moved the Finance Committee recommends that the Commission (1) amend the Executive Director's employment agreement to increase the annual rate of base salary reflected therein to the annual rate of base salary that the Commission is currently paying the Executive Director and (2) authorize the Finance Committee Chair to communicate said recommendation to the Commission at its next meeting, Seconded by Supervisor Shepperd. The Motion Carried.


Information Item

A. HRTAC Monthly Financial Report

Executive Director Page reviewed the HRTAC Monthly Financial Report with the Committee.

Adjournment

With no further business to come before the Finance Committee the meeting adjourned at 10:23 a.m.


Michael Hipple,
HRTAC Finance Committee Chair