

**Hampton Roads Transportation
Accountability Commission (HRTAC)
Summary Minutes of the May 19, 2016 Regular Meeting**

The Hampton Roads Transportation Accountability Commission (HRTAC) Regular Meeting was called to order at 12:38 p.m. in the HRTPO Regional Board Room, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

HRTAC Voting Members in Attendance:

William Sessoms, Chair	Alan Krasnoff
Kenneth Alexander	McKinley Price
Rex Alphin	Frank Wagner
Paul Fraim	George Wallace
Michael Hipple	Jeffrey Wassmer
Linda Johnson	Kenneth Wright
Chris Jones	David Yancey*

HRTAC Executive Director

Kevin Page

HRTAC Non-Voting Members in Attendance:

John Malbon*

Other Participants:

Tom Inglima	James Utterback
Grindly Johnson	Cathie Vick

HRTAC Voting Members Absent:

Clyde Haulman, Vice Chair	Dallas Jones
Eugene Hunt	Christopher Stolle
Raystine Johnson-Ashburn	

HRTAC Non-Voting Members Absent:

Charlie Kilpatrick	John Reinhart
Jennifer Mitchell	

* Denotes Late Arrival or Early Departure

Others Recorded Attending:

Donna Sayegh (Citizens); Earl Sorey (CH); Randy Martin (FR); Mary Bunting, Brian DeProfio (HA); Sanford B. Wanner (IW); Jason Purse (JC); Britta Ayers, Bryce Causty, Uri Cooper, Bryan Stilley, Jerri Wilson (NN); Thelma Drake, Jeff Raliski (NO); Bob Baldwin, Sherri Neil, Lydia Pettis-Patton (PO); Dannan O'Connell, Randall Wheeler (PQ); Patrick Roberts (SU); Dave Hansen (VB); John Herzke (Clark Nexsen); Frank Papcin (CTAC); Rob Correll, Don Quisenberry (eScribe Solutions); Nick Antonucci, Anil Sharma, Mike Snare (HNTB); George Consolvo, Kevin White (Kaufman & Canoles); Ross Grogg (Kemper

Consulting); Ken Yarberry (RK&K); Karen McPherson (McPherson Consulting); Gary Webb (Parsons); Mark Geduldig-Yatrofsky (Portsmouthcitywatch.org); Ellis W. James (Sierra Club and NEC Observer); Dianna Howard (VBTP, VBTA, TLP); Tony Gibson, Dawn Odom, (VDOT); Kirsten Tynch (VHB); Amber Randolph (Willcox & Savage); Kelli Arledge, Nancy Collins, Bob Crum, Randy Keaton, Danetta Jankosky, Mike Long, Joe Turner, Chris Vaigneur (HRPDC); Jennifer Coleman (HRTAC); Michael Kimbrel, Camelia Ravanbakht (HRTPO)

1. Call to Order

Chair William Sessoms called the meeting to order at 12:38 p.m.

2. Approval of Agenda

Mr. Rex Alphin Moved to approve the agenda; seconded by Ms. Linda Johnson. The Motion Carried.

3. Public Comment Period (limit 5 minutes per individual)

Mr. Frank Papcin expressed concern regarding the need for a revenue source for transportation which does not impact the poorest people in the region-namely tolls. He specifically referenced HOT lanes, the projected increase in port facility cargo movement, and their effects on commerce.

Ms. Donna Sayegh also addressed the imposition of tolls and their negative effects. She questioned the port contributions, how much money is being taken in, and how much investors are making

4. Chair's Comments

Chair Sessoms announced he was going to task the Executive Director to poll Commission members regarding the meeting schedule. He stated that HRTAC may only need to meet on a quarterly basis. He suggested the meetings be scheduled for a full year and not occur when the General Assembly is in session. Secondly, Chair Sessoms asked Mr. Kenneth Wright to speak regarding the Nominating Committee. Mr. Wright reported that at the June 16, 2016 meeting, the Nominating Committee will recommend Mr. Will Sessoms as Chair for the upcoming year and Mr. Michael Hipple as Vice Chair.

5. Consent Items

A. Minutes of March 17 and April 21, 2016 HRTAC Regular Meetings.

Mr. Paul Fraim Moved to approve the minutes; seconded by Mr. Rex Alphin. The Motion carried.

B. Investment of Funds in the Virginia Local Government Investment Pool.

Mr. Kevin Page explained the plan will allow greater flexibility in investments and Senator Frank Wagner, Finance Committee Chair, recommended the investment option.

Mr. Rex Alphin Moved to enter into the arrangement; seconded by Mr. Michael Hipple. The Motion carried.

6. Action Items

A. Draft HRTAC Proposed FY 2017 Budget

Senator Wagner noted the proposed budget is \$500,000 less than that of the previous year.

Mr. George Wallace Moved to approve the budget; seconded by Mr. Chris Jones. The Motion carried.

B. Amendment to Executive Director's Employment Agreement

Senator Wagner explained that as part of the Finance Committee's annual employment review, the Committee was recommending an amendment to the Executive Director's employment agreement, with a compensation increase of 3.5%, adjustments and modifications to address an issue caused by VRS' retirement benefit calculation, travel reimbursement and personal vehicle use. Chair Sessoms noted these items were previously discussed with the Commission and were received favorably by the members present. Senator Wagner acknowledged that other localities may vary compensation increase percentage, but Mr. Page has had exemplary performance.

Mr. Kenneth Wright asked if the Commission would align its incentive compensation with the Region's localities. Chair Sessoms responded research was performed, with localities awarding between 1% and 4%.

Mr. Hipple questioned the possibility of a five-year contract. Chair Sessoms recommended moving forward with the stated amendment, although the employment agreement amendment could be adjusted in the next 60 days.

Ms. Linda Johnson praised Mr. Page's diligence in keeping the public informed

Mr. Fraim Moved to approve the amendment; seconded by Mr. Alphin. The Motion carried, with Delegate Chris Jones, Mr. Alan Krasnoff, and Senator Kenneth Alexander dissenting.

C. Bond Validation

Mr. George Consolvo, Kaufman and Canoles, HRTAC Bond Counsel, presented information regarding the activities the Commission should pursue to prepare for a potential bond issue. He indicated his presentation would address:

- Actions to provide financial flexibility if bonds are issued in the future
- Review of taxes/bonds and limitations
- Finance Plan structure
- Legal validation

Mr. Consolvo stated that the finance plan does not include tolls as a source of payment of bonds and does not obligate HRTAC to issue bonds.

Mr. George Wallace asked for an explanation regarding the limit of arbitrage. Mr. Consolvo explained it is a public finance policy, which states monies that one cannot borrow for a project, and then delay spending the money to invest the borrowed funds at a higher yield than the yield on the original bond. Mr. Wallace further asked if the projects funding structure can change after construction begins. Mr. Consolvo explained that it would be possible within certain time limits.

Mr. Consolvo requested to have Kaufman and Canoles proceed with preparing bond documents and to present them at the June 16, 2016 Regular meeting for approval.

Mr. David Yancey requested guidance so the Commission avoids bond package errors similar to those made in Alabama which resulted in bankruptcies. Mr. Consolvo indicated their recommendation involves a specific and stable revenue stream.

Mr. Wallace expressed concern regarding the lack of a gas tax floor on the revenue stream and questioned if it would have an impact.

Mr. Page noted the higher liquid assets on hand contributes to:

- Greater stability of flow of funds
- Reduces risk
- Higher credit rating

Mr. Michael Hipple Moved to authorize bond counsel to prepare indenture documents providing for the structure of HRTF Revenue Bonds, and to begin preparations to obtain judicial validation of such structure, subject to further review and approval by the Commission; seconded by Mr. Chris Jones. The Motion carried.

D. Authorization of Public Hearing on the Proposed Amendment to the Approved HRTAC Funding Plan—Route 460/58/13 Improvements

Mr. Hipple Moved to authorize a public hearing; seconded by Ms. Johnson. The Motion carried.

7. Information Items

A. HRTF Financial Report

Senator Wagner reported a balance of \$426,344,000 plus an additional \$12,000,000 deposit recently received, bringing the total account balance to approximately \$438 million.

Next Meeting

The next HRTAC Regular Meeting will be held on June 16, 2016 at 12:30 p.m.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission, the meeting adjourned at 1:24 p.m.

A handwritten signature in black ink, appearing to read "Will Sessoms", is written over a horizontal line.

William D. Sessoms, Jr.
HRTAC Chair