

Hampton Roads Transportation Accountability Commission

Agenda

Regular Meeting October 17, 2019

Held Concurrently with the Meeting of the Hampton Roads Transportation Planning Organization

9:30 a.m.

The Regional Board Room
723 Woodlake Drive, Chesapeake, VA 23320

1. Call to Order
2. Approval of Agenda
3. Public Comment Period
 - *Limit 5 minutes per individual*
4. Chair's Comments
5. Consent Items
 - *Recommended Action: Approval*
 - A. Minutes of the September 19, 2019 Regular Meeting - (Attachment 5A)
 - B. Amendment to Approved HRTAC FY2020 HRTAC Administrative and Project Development Budget - (Attachment 5B)
 - C. Amendment to the HRTAC Accounting Policies and Procedures - (Attachment 5D)
6. Discussion Item – *Concurrent with the meeting of the Hampton Roads Transportation Planning Organization*
 - *Recommended Action: Discussion as indicated below*
 - A. I-64 Regional Express Lanes Update - VDOT and HRTPO Staff
7. Information Items
 - A. HRTAC Monthly Financial Report – (Attachment 7A) – Finance Committee Chair Hipple
 - B. VDOT Project Updates - (Attachment 7B) – VDOT Hampton Roads Administrator Hall
 - C. Next HRTAC Regular Meeting – December 12, 2019, 12:30 p.m., Regional Building Board Room
8. Adjournment

Agenda Item 5A
Consent Item

To: Chair Johnson and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: October 17, 2019

Re: September 19, 2019 Regular Meeting Minutes

Recommendation:

The Commission is asked to approve the Commission's September 19, 2019 Regular Meeting minutes.

Background:

The Commission approves meeting minutes for the permanent record of the Commission.

Fiscal Impact:

There is no fiscal impact in relation to this Consent Item.

Suggested Motion:

Motion: The Commission approves and adopts the minutes of the Commission's Regular Meeting on September 19, 2019.



**Hampton Roads Transportation
Accountability Commission (HRTAC)
Summary Minutes of the September 19, 2019 Regular Meeting**

The Hampton Roads Transportation Accountability Commission (HRTAC) Regular Meeting was called to order at 12:30 p.m. in the Regional Building Board Room, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

HRTAC Members in Attendance:

Linda T. Johnson, Chair
Donnie Tuck, Vice Chair
Rick West, CH
Frank Rabil, FR
Donnie Tuck, HA
Joel Acree, IW
Michael Hipple, JC
David Jenkins (in for McKinley Price), NN
Kenneth Alexander, NO

John Rowe, PO
Herbert Green (in for Eugene Hunt), PQ
Barry T. Porter, SH
Thomas G. Shepperd, YK
Bob Dyer, VB*
Senator John Cosgrove, VGA*
Senator Monty Mason, VGA*
Delegate Christopher Stolle, VGA
Delegate David Yancey, VGA*

HRTAC Executive Director

Kevin Page

HRTAC Ex-Officio Members in Attendance:

Stephen Brich, VDOT

Barbara Nelson, VPA

Other Participants:

Stephen Johnson, CTB
Shep Miller, CTB
Nick Donohue, Governor's Office
James Baker, CH
Amanda Jarratt, FR
Brian DeProfio, HA*
Randy Keaton, IW
Scott Stevens, JC
Cynthia Rohlf, NN

Chip Filer, NO
Bob Baldwin, PO
J. Randall Wheeler, PQ
Patrick Roberts, SU
Tom Leahy, VB
Andrew Trivette, WM
Christopher Hall, VDOT
Neil Morgan, YK*
Tom Inglima, Willcox & Savage

HRTAC Voting Members Absent:

Delegate Chris Jones, VGA

Paul Freiling, WM

HRTAC Ex-Officio Members Absent:

John Malbon, CTB

Jennifer Mitchell, DRPT

* Denotes Late Arrival or Early Departure

Others Recorded Attending:

Elie Alshoufy, Earl Sorey, Ella Ward (CH); Bridgette Parker, Bryan Stilley, Jerri Wilson (NN); Amy Inman, (NO); Sherri Neil (PO); Randolph Cook (SH); Leroy Bennett (SU); Robert Matthias, Tara Reel (VB); Scott Detar (Bank of America/Merrill Lynch); Kirsten Krug (Citigroup); Sherry Earley, (Clark Nexson); Diana Howard (CTAC); Dave Ress (Daily Press) Phil Lohr, Mike Snare (HNTB); Rick Dwyer (HRMFFA); Jeree Grimes (Joint Base Langley-Eustis/USAF); Raj Paradkar (Kimley Horn); Eric Ballou, Megan Gilliland (Kaufman & Canoles); Karen McPherson (McPherson Consulting); Robert Bowen (Norfolk Airport Authority); Michael Garber (PB Mares); Nelson Bush, David Miller, (PFM); Mark Geduldig-Yatrofsky (PortsmouthCityWatch.org); Michael King, (U.S. Navy); Caleb Smith (U.S. Representative Elaine Lauria's Office); Diane Kaufman (U.S. Senator Kaine's Office); Robin Grier, Faizan Habib, Sonya Hallums-Ponton, Tim Haynan, Dawn Odom, Eric Stringfield (VDOT); Camron Jordan (Veteran Reporters); Mark Burns (Wells Fargo Securities); Courtney Gilmore Whelan (Willcox & Savage); Latasha N. Chambers, Samuel Hayes, Judy Hinch, Pamela Lima, Althea D. Maxwell-Hunter, Christina McLoed, Samantha Rosas, Doug Wilson, Lui Zukosky (Citizens); Kelli Arledge, Keith Cannady, Greg Grootendorst, Andrew Margason, Katherine Painone, Tiffany Smith, Joe Turner, Chris Vaigneur, Sheila Wilson (HRPDC); Lynn Coen, Jennifer Hodnett (HRTAC); Theresa Brooks, Natalie Brown, Rob Case, Rob Cofield, Bob Crum, Kathlene Grauberger, Mike Kimbrel, Sharon Lawrence, John Mihaly, Keith Nichols, Jeffrey Raliski, Dale Stith (HRTPO)

HRTAC Executive Director, Mr. Kevin Page, informed the Commission the meeting was going to be a concurrent meeting with the Hampton Roads Transportation Planning Organization (HRTPO). He referenced the chronological agenda and stated the collective agenda item was the I-64 Regional Express Lane Update.

The HRTPO called its meeting to order at 12:32 p.m.

Approval of Agenda

Mr. Michael Hipple Moved to approve the agenda, Mr. John Rowe seconded. The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

A member of the public addressed the HRTAC

Mr. Mark Geduldig-Yatrofsky, Portsmouth Citizen, highlighted the climate strike activities being held around the country and stated the Commission should try to compensate for the negative impacts its projects are having on the environment.

Senator Monty Mason arrives.

The HRTPO stood at ease at 12:42 p.m.

Chair Comments

HRTAC Executive Director Mr. Page reviewed the agenda and noted the milestone actions included in the meeting agenda and indicated that the actions of the HRTPO and the Virginia Department of Transportation (VDOT) exhibited the ability for the region to unite and improve the quality of life in Hampton Roads.

Consent Items

- A. Minutes of the June 20, 2019 Annual Organizational Meeting
- B. Amendment to the Approved HRTAC FY2020 HRTAC Administrative and Project Development Budget – Authorization to Conduct a Public Hearing
- C. Administrative Offices Lease Extension
- D. Amendment to the HRTAC Accounting and Policies Procedure
- E. Fiscal Year 2019 Annual Report to the Joint Commission on Transportation Accountability Relating to the Hampton Roads Transportation Fund

Mr. Hipple Moved to approve the consent agenda items; seconded by Mr. Donnie Tuck. The Motion Carried.

Action and Discussion Items of the Commission

A. HRTAC Fiscal Year 2019 Audited Financial Statement

PB Mares Partner, Mr. Michael Garber, stated the 2019 audited financial statements were in draft form; however, the final version was on schedule to be delivered by September 30, 2019 to the Auditor of Public Accounts. He stated the Commission had received an unmodified opinion and only three minor audit adjustments were made. These included amortizing bond premiums, recording of interest expense and income for the debt service fund, and recording of the VRS pension liability.

Mr. Bobby Dyer Moved that the Commission approve the HRTAC FY2019 Audited Financial and Compliance Report and authorize the Executive Director to work with the Auditor of Public Accounts to finalize and provide its distribution of the report document for public access and viewing; seconded by Mr. Christopher Stolle. The Motion Carried.

Senator John Cosgrove arrives.

B. Authorization of Commission Chair and Staff to Complete and Execute the HRTF Backed TIFIA Loan Agreement, Bond Anticipation Note (BAN) Issuance, Supplemental Indenture for TIFIA, and Related Engagement Documents – Resolution 2019-03

PFM Managing Director, David Miller, reminded the Commission of the projects included the FY2020-FY2026 Plan of Finance were under contract agreement with VDOT and identified the sources of the \$5.3B in the FY2020-FY2026 funding plan. He informed the Commission that the 2019A TIFIA loan application was submitted and the loan agreement was being negotiated with an anticipated closing in mid-October. Additionally, he stated the 2019A TIFIA Bond Anticipation Note (BAN) had been assigned underwriters and was expected to be issued in early October and closed in concurrence with the 2019A TIFIA Loan.

Mr. Miller noted the market conditions were still favorable for a TIFIA BAN and explained the TIFIA BAN was being utilized as construction loan. He highlighted the anticipated economic benefit was \$7.1M in savings to the region.

A table detailing the 2019A BAN and 2019A TIFIA Loan sources and uses was shown to the Commission and Mr. Miller outlined a loan schedule for the two loans respectively. He reminded the Commission the 2019A BAN and 2019A TIFIA were financing the six initial projects and the HRBT funding would be a separate issuance of debt.

He reviewed the annual debt financing program from CY18 to CY25 and identified HRBT financing considerations. He acknowledged the considerations had been thoroughly discussed with, and will continue to be monitored by, the HRTAC Finance Committee.

The Commission's Bond Counsel, Mr. Eric Ballou of Kaufman & Canoles, explained the proposed HRTAC Resolution 2019-03 which would approve the form of the BAN and TIFIA documents, delegate power to the Executive Director to approve final bonds terms, and approve the engagement of the underwriters.

He summarized the supplemental documents and the purposes of the 2019A BAN and 2019A TIFIA loans. Mr. Ballou reiterated the maximum principal amounts, interest rates and maturity dates for each loan. The BANs cannot exceed \$ 500 million in principal amount, can be issued at a fixed interest rate resulting in an average yield not greater than 5%, and are short term with a maturity date five (5) years from their issuance. The BANs have a bullet principal payoff, meaning, when proceeds from the TIFIA loan are drawn to pay the BANs, the entire amount of outstanding BANs will be paid off and they will not amortize during their life. The TIFIA obligation cannot exceed \$ 550 million in principal amount, and the interest rate is based on the U.S. Treasury 30-year rate and is calculated by adding one (1) basis point (.01%) to the U.S. Treasury rate. The TIFIA loan is long term, permanent financing for the project, it matures not later than 40 years from the date of issuance, and it will have an amortizing structure in place. Mr. Ballou noted that amendments and supplements to the existing Master Indenture Agreement allow proceeds

from the 2018A series indenture to also be used for HRBT financing. In addition, if the Commission and VDOT are no longer pursuing transportation projects in Planning District 23, then the TIFIA Loan Agreement requires that 50% of excess revenues (i.e., revenues remaining at the bottom of the funds flow used to pay debts, fund Commission operating expenses, and supply a general fund) be used to retire TIFIA debt on an accelerated basis.

Mr. Hipple Moved to adopt Resolution 2019-03 authorizing the issuance of HRTAC Subordinate Lien Revenue Bonds for up to \$550 million and Intermediate Lien Bond Anticipation Notes for up to \$500 million and authorized the Commission Chair and Staff to Complete and Execute the HRTF Backed TIFIA Loan Agreement, Bond Anticipation Note (BAN) Issuance, Supplemental Indenture for TIFIA, and Related Engagement Documents; Seconded by Mr. Herbert Green. The Motion Carried.

Information Items of the Commission

A. HRTAC Monthly Financial Report

HRTAC Executive Director, Mr. Page, acknowledged the HRTF Financial Report included in the agenda packet.

HRTAC Finance Committee Chair, Mr. Hipple, introduced the new member of the Finance Committee, Senator Monty Mason, and recognized all the hard work of the Committee in regards to the advancement of the regional projects.

B. VDOT Project Updates

HRTAC Executive Director, Mr. Page, noted the VDOT Project Update report was included in the agenda packet. Mr. Page explained the positive economic impact of HRTAC on the Hampton Roads economy. He stated 196 aggregate lane miles were under construction or being improved, an aggregate of 905 people were employed by the first six projects and the HRBT project will create 28,000 jobs.

C. Next HRTAC Regular Meeting

HRTAC Executive Director, Kevin Page, stated the agenda listed the next meeting as occurring on October 17, 2019 at 9:00 a.m.

The HRTAC stood at ease at 1:15 p.m. to allow the HRTPO to take action on agenda items and then HRTAC reconvened at 1:16 p.m.

Concurrent HRTAC and HRTPO Discussion Item

A. I-64 Regional Express Lanes Update

Mr. Robert Crum, HRTPO Executive Director, stated that following the discussion at the July 18, 2019 HRTPO Board meeting, HRTPO and VDOT staff worked collaboratively to provide

information to assist Board members on a decision regarding the I-64 Regional Express Lanes. Mr. Crum stated that the I-64 Express Lanes Concept 2040 Analysis, which is based on HRTPO staff modeling of system performance in 2040, is comprised of the following:

- Baseline – All new capacity at HRBT and High Rise Bridge projects as general purpose lanes (GP)
- Managed lanes network – Begin at Mercury Boulevard or further west

Mr. Crum reported that while the VDOT analysis indicates how the managed lanes will perform in conjunction with the opening of the Hampton Road Bridge Tunnel (HRBT) in 2025, the HRTPO analysis will show the following:

- Growth in transportation between now and 2040
- All general purpose lanes at the HRBT and High Rise Bridge projects
- Current managed lanes remain managed lanes
- Impact on local roadways in the city of Hampton

Mr. Kimbrel, HRTPO Deputy Executive Director, acknowledged the HRTPO project team. Mr. Kimbrel briefed the Board on the HRTPO staff analysis of the proposed managed lanes network using 2040 projected traffic data. He noted Hampton Roads currently has two types of managed lanes:

- HOV – 2
 - 2+ Occupants in Vehicle (Free)
- HOT – 2
 - 2+ Occupants in Vehicle (Free)
 - Single Occupancy (Toll)

Mr. Kimbrel reported the managed lanes network as analyzed would include HOT-2 lanes on I-64 from Jefferson Avenue to Bowers Hill and part-time HOT-2 shoulder lanes adjacent to reversible HOT lanes, which will allow for two-way HOT operation throughout the day.

Mr. Kimbrel reported that the volume of traffic will increase by 20% by 2040. He stated that using the baseline (general purpose) scenario, severe congestion will occur by 2040. Using the managed lanes (HOT-2) network provides reliable trips for high occupancy vehicles (HOV-2), single-occupancy vehicles willing to pay tolls and transit vehicles.

Mr. Kimbrel showed an example of how using the HOT lanes could provide significant travel time savings in 2040, noting that the trip along I-64 from Settlers Landing Road through the Hampton Roads Bridge Tunnel to I-564 would take less than 12 minutes, versus approximately 28 minutes in the general purpose lanes.

Mr. Kimbrel reported that the model indicates the managed lanes scenario does not induce traffic diversion onto Mercury Boulevard, Woodland Road, Mallory Street and Settlers Landing Road in Hampton.

Mr. Stephen Brich, VDOT Commissioner, reported that VDOT staff modeled system performance based on the HRBT opening year of 2025 using its proposed scenario of a managed lane network. He indicated that the entrance into the express lanes has been moved from LaSalle Avenue to Mercury Boulevard, with the potential to move it further west to Jefferson Avenue. Maps were presented to illustrate that traffic was less congested with the construction of the I-64 Regional Express Lanes. Mr. Brich suggested working with the contractor who is currently constructing the High-Rise Bridge to discuss the ability of creating a HOT part-time shoulder lane as timing is crucial. He stated VDOT plans to analyze hours of operation and tolling policy and will brief the Board at the October 17, 2019 meeting.

Mayor Robert Dyer departs

Mayor Donnie Tuck asked if lanes are being created on the east bound lanes of the HRBT out of the median.

Mr. Brich advised that there will be eight lanes on the Norfolk side; four HOT-lanes and four general purpose lanes.

HRTAC Chair Linda Johnson expressed concerns about what will happen past Bowers Hill to the Monitor-Merrimac.

Chair Shepperd stated that VDOT will need to improve the interchange at Bowers Hill. Mayor Rowe advised that the analysis is incomplete without looking at I-664 and the impact that it has on both the north and south bound traffic.

Mr. Hipple expressed support to rework the High Rise Bridge to save funding.

Mr. Shep Miller advised that with the scenario presented we are losing very few general purpose lanes, and that is acceptable to him.

Mayor Tuck expressed concerns about the HOT Lanes going into the tunnel creating congestion.

Mayor Barry Cheatham, Mayor Kenneth Alexander and Ms. Amanda Jarrett depart

Chair Shepperd advised that VDOT has extended the HOT lanes away from the water and the cost will be reevaluated.

Mr. David Jenkins expressed concerns about extending the HOT Lanes to Jefferson Avenue.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission, the meeting adjourned at 2:49 p.m.

Linda T. Johnson
HRTAC Chair

To: Chair Johnson and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: September 19, 2019

Re: FY2020 HRTAC Administrative and Project Development Budget Amendment

Recommendation:

The Finance Committee recommends that the Commission approve the Proposed Amendment to the Approved HRTAC FY2020 Administrative and Project Development Budget reflected in the enclosed proposed budget amendment (the “Proposed Amendment to the HRTAC FY2020 Administrative and Project Development Budget”).

Background:

At the Thursday, September 19, 2019 Regular Commission meeting, the Commission endorsed the Proposed Amendment to the HRTAC FY2020 Administrative and Project Development Budget and authorized the Finance Committee to conduct a public hearing on the Proposed Amendment to the HRTAC FY2020 Administrative and Project Development Budget. On Wednesday, October 9, 2019, a public hearing was held on the Proposed Amendment to the HRTAC FY2020 Administrative and Project Development Budget, and there were no public comments made or received in writing.

Fiscal Impact:

There is a \$220,000 fiscal budget impact of in relation to this Action Item.

Suggested Motion:

Motion: The Commission approves the Proposed Amendment to the HRTAC FY2020 Administrative and Project Development Budget.



**Proposed Amendment to the
Adopted FY2020 Administrative and Project Development Budget**

| CATEGORY | Approved Budget | Proposed Amendment | Proposed Amended Budget |
|--|---------------------|--------------------|-------------------------|
| REVENUES | | | |
| HRTF Support * | \$ - | - | - |
| Interest/Investment Income | 5,597,390 | - | 5,597,390 |
| TOTAL REVENUE | \$ 5,597,390 | - | 5,597,390 |
| EXPENDITURES | | | |
| PERSONNEL** | | | |
| HRTAC Staff/Fringes/Leave Reserve | \$ 561,770 | - | 561,770.49 |
| HRTPO/HRPDC Support Staff** | 101,000 | - | 101,000 |
| SUBTOTAL PERSONNEL | 662,770 | - | 662,770.49 |
| PROFESSIONAL SERVICES | | | |
| Audit | 24,000 | 220,000 | 244,000 |
| Trustee | 15,000 | - | 15,000 |
| Bank Fees & Investment Services | 355,000 | - | 355,000 |
| Legal | 927,000 | - | 927,000 |
| Financial Advisors | 795,000 | - | 795,000 |
| Insurance - D&O/Liability | 4,120 | - | 4,120 |
| Recruiting | 2,000 | - | 2,000 |
| Bond Issuance Expense/TIFIA | 2,750,000 | - | 2,750,000 |
| SUBTOTAL PROFESSIONAL SERVICES | 4,872,120 | 220,000 | 5,092,120 |
| TECHNOLOGY/COMMUNICATION** | | | |
| IT/Communications | 5,000 | - | 5,000 |
| LAN system/ Cloud | 10,000 | - | 10,000 |
| Website Consultant | 2,000 | - | 2,000 |
| SUBTOTAL TECHNOLOGY/COMMUNICATION | 17,000 | - | 17,000 |
| ADMINISTRATIVE ** | | | |
| Public Notices/Advertising | 1,000 | - | 1,000 |
| Office Space | 12,000 | - | 12,000 |
| Office Supplies** | 5,000 | - | 5,000 |
| Furniture | 500 | - | 500 |
| Printing/Copying** | 6,000 | - | 6,000 |
| Dues/Subscriptions | 1,000 | - | 1,000 |
| Travel | 8,000 | - | 8,000 |
| Meeting Expenses** | 5,000 | - | 5,000 |
| Telephone** | 1,500 | - | 1,500 |
| Postage** | 500 | - | 500 |
| Professional Development | 5,000 | - | 5,000 |
| SUBTOTAL ADMINISTRATIVE | 45,500 | - | 45,500 |
| TOTAL EXPENDITURES | \$ 5,597,390 | \$ 220,000 | \$ 5,817,390 |

* HRTF Support will be used if the Interest/Investment Income is less than budgeted.

**Includes items to be reimbursed to HRPDC/HRTPO

To: Chair Johnson and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: October 17, 2019

Re: Amendment to the HRTAC Accounting Policies and Procedures

Recommendation:

The Executive Director recommends the Commission adopt the proposed amendment to Section II. Division of Responsibilities and Section V. Bank Account Transfers of the Adopted HRTAC Accounting Policies and Procedures.

Background:

On June 20, 2019, the Commission revised its adopted Accounting Policies and Procedures. During further review of the adopted policies and procedures in relation to electronic bank transaction activities, it was determined that the Commission should amend the Division of Responsibilities and Bank Account Transfers sections to update its policy to align with online banking practices and to also provide a backup to the Chief Financial Officer (CFO). Staff developed proposed changes that in the absence of the CFO, the Executive Director may electronically approve wire and ACH transfers online and to clarify the CFO's authority to approve ACH and electronic online transfers. The chain of authority leading to this proposed change to update for online banking practices remains in place.

The proposed changes to Section II. Division of Responsibilities and Section V. Bank Account Transfers adds the following language:

Section II. Division of Responsibilities - Executive Director – add new item 7. “Electronically approves wire and ACH transfers online in absence of Chief Financial Officer.” Former item 7. is numbered item 8.

Chief Financial Officer – change item 2. from, “Approves all wire transfers.” to read, “Approves all wire and ACH transfers, including electronically online transfers.”

Section V. Bank Account Transfers - The second to last sentence in the second paragraph, change from, “The HRTAC Accounting Manager initiates the electronic bank transfer and it must be approved on line by the CFO.” to read, “The HRTAC Accounting Manager initiates the electronic bank transfer and it must be approved on line by the CFO or the Executive Director in the absence of the CFO.”



Fiscal Impact:

There is no fiscal impact in relation to this Action Item.

Suggested Motion:

Motion: The Commission adopts the proposed changes to Section II. Division of Responsibilities and Section V. Bank Account Transfers of the Adopted HRTAC Accounting Policies and Procedures.



ACCOUNTING POLICIES AND PROCEDURES

Adopted June 21, 2018

Revised December 13, 2018, June 20, 2019, and September 19, 2019

Table of Contents

| | | |
|--------|--|----|
| I. | Introduction | 3 |
| II. | Division of Responsibilities | 4 |
| III. | Chart of Accounts and General Ledger | 5 |
| IV. | Cash Receipts | 5 |
| V. | Bank Account Transfers | 5 |
| VI. | Cash Disbursements & Expense Allocations | 6 |
| VII. | Procurement of Goods and Services, Including Procedures for Certain Small Purchases | 8 |
| VIII. | Credit/Debit Cards | 19 |
| IX. | Accruals | 21 |
| X. | Bank Account Reconciliations | 21 |
| XI. | Property and Equipment | 21 |
| XII. | Payroll Processing | 22 |
| XIII. | Financial Reports | 23 |
| XIV. | Bonds and Post-Issuance Bond Policy | 24 |
| XV. | Investment Policy | 37 |
| XVI. | Fiscal Policy Statements | 46 |
| XVII. | Records Retention | 47 |
| XVIII. | Glossary of Terms | 48 |

I. Introduction

The purpose of this manual is to describe all accounting policies and procedures currently in use at the Hampton Roads Transportation Accountability Commission (HRTAC) and to ensure that the financial statements conform to generally accepted accounting principles (GAAP); assets are safeguarded; and all finances are managed with accuracy, efficiency, and transparency.

Any HRTAC staff with a role in the management of fiscal and accounting operations is expected to comply with the policies and procedures in this manual.

These policies herein will be reviewed annually and revised as needed by HRTAC staff and approved by the Executive Director and Finance Committee of the Commission.

Adoption, Revisions, and Incorporations

| Description | Activity | Date |
|--|--|---|
| Interim Policies for Management of Cash, Bank Accounts, and Credit and Debit Cards | Adoption, Revised Incorporation | October 15, 2015 September 19, 2019 |
| Procurement of Goods and Services, Including Procedures for Certain Small Purchases | Adoption, Incorporation | October 15, 2015 |
| Statement of Investment Policy | Adoption, Revised Revised Incorporation | June 16, 2016 December 13, 2018 June 20, 2019 |
| Hampton Roads Transportation Fund Revenue Bonds Post-Issuance Bond Compliance Policy | Adoption, Incorporation | April 19, 2018 |

II. Division of Responsibilities

The following is a list of personnel who have fiscal and accounting responsibilities:

Commission

1. Reviews and approves annual budget.
2. Reviews annual and periodic financial statements and information.
3. Reviews Executive Director's performance annually and establishes salary.
4. Chair and Co-Chair to be authorized signers on the bank accounts.
5. Reviews and approves all contracts over \$25,000.
6. Reviews and approves all non-budgeted expenditures.

Finance Committee Chair

1. Reviews and approves wire transfers.

Executive Director

1. Reviews and approves all financial reports.
2. Develops for approval and executes an approved annual budget.
3. Reviews and approves all issued checks and/or check signing procedures.
4. Reviews and approves all contracts.
5. Approves all bank transfers and wires prior to Finance Committee Chair approval.
6. Is on-site signatory for all bank accounts.
- ~~6-7.~~ Electronically approves wire and ACH transfers online in absence of Chief Financial Officer
- ~~7-8.~~ Reviews completed monthly bank reconciliations, journal entries and check register.

Chief Financial Officer (CFO)

1. Approves all bank transfers.
2. Approves all wire and ACH transfers, including electronically online transfers.
3. Reviews all financial reports.
4. Is on-site signatory for all bank accounts.
5. Reviews completed monthly bank reconciliations, journal entries and check register.

Accounting Manager

1. Overall responsibility for data entry into accounting system and integrity of accounting system data.
2. Processes invoices and prepares checks for signature.
3. Makes bank deposits.
4. Processes payroll.
5. Processes all wire transfers.
6. Maintains general ledger.
7. Prepares monthly and year-end financial reports.
8. Reconciles all bank accounts.
9. Mails vendor checks.
10. Manages Accounts Receivable.
11. Assists Executive Director with the development of annual and program budgets.

III. Chart of Accounts and General Ledger

HRTAC has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (program vs. fundraising vs. administration). The general ledger is automated and maintained using accounting software, and should be reviewed periodically by HRTAC staff for any unusual transactions.

IV. Cash Receipts

Cash receipts generally arise from Sales and Use Tax and Fuels Tax (Note: bond generated reimbursement revenues are covered in the bond revenue section.)

The principal steps in the cash receipts monthly process are:

1. The HRTAC Staff receives an email from an authorized Virginia Department of Transportation (VDOT) official indicating HRTAC member localities' tax contributions.
2. Simultaneously, VDOT submits a request to Treasury to have the funds transferred to HRTAC.
3. The HRTAC Accounting Manager will receive an email from Virginia Department of Accounts confirming a wire transfer.
4. The HRTAC Accounting Manager reviews the obligation to debt service and follows the steps of the Waterfall detailed in HRTAC's HRTF Series 2018A Master Indenture. (See Section XIII.)
5. The HRTAC Accounting Manager then notifies the HRTAC financial advisor and Executive Director of the remaining balance and any outstanding payments to others and requests to be advised on the best strategy for the deposit of funds into HRTAC's laddered portfolio.
6. The recommendation of the Executive Director is transmitted by the HRTAC Accounting Manager via email to the Chair of the Finance Committee for approval.
7. Upon receipt of approval by the Finance Committee Chair, the funds are deposited into the respective account.

V. Bank Account Transfers

Bank accounts and relationships with investment institutions must be authorized and established pursuant to resolutions adopted from time to time by the Commission.

Fluid cash checking account balances are monitored to assure adequate funds are available to cover the expenses of the Commission. The HRTAC Accounting Manager receives approval of total transfer amount from the Finance Committee chair and recommends to the Executive Director when a transfer should be made. Once all approvals have been obtained a wire transfer sheet is generated and approved by the Executive Director and the CFO. The HRTAC Accounting Manager initiates the electronic bank transfer and it must be approved on line by the CFO or the Executive

Director in the absence of the CFO. A copy of the approvals and wire transfer is retained in the accounting department.

Electronic funds transfers, using the Automated Clearing House (“ACH”) network, such as direct debit payments, may be made from the Commission’s bank accounts, subject to the following:

1. ACH transfers/direct debit payments shall be used solely for the following:
 - Employee payroll
 - Treasury payments of payroll-related taxes
 - Employee expense reimbursements which have been duly approved
 - Recurring monthly payment obligations of the Commission, such as rent and utilities, that are contemplated by the Commission’s operating budget.
2. For the avoidance of doubt, an ACH transfer/direct debit shall not under any circumstance be used to pay any personal charge of any employee.
3. All ACH transfers/direct debit payments must be implemented/effectuated by the CFO or his or her designee, provided that such person is acting in accordance with written instructions (which may be given electronically) from the Chair (or Vice Chair) of the Finance Committee and the Executive Director.
4. All ACH transfers/direct debit payments will be tracked through the monthly bank statements and reconciled to the accounting system transactions.

VI. Cash Disbursements and Expense Allocations

1. All cash, checks and other payments received by the Commission shall be recorded in the Commission’s books and records and deposited into a Commission bank account, which deposit in the case of cash or checks should be made within 24 business hours of receipt.
2. No cash withdrawals are permitted from any Commission bank account.
3. No Commission check may be made payable to “cash” or “bearer.”
4. Commission checks must be kept in a secure location and executed in accordance with the Commission’s Bylaws and applicable resolutions, which presently require dual signatures. When made, checks shall be copied and recorded in the Commission’s books and records, including its check ledger.

Cash disbursements are generally made for:

1. Payments to vendors for goods and services
2. Taxes/license fees
3. Staff training and development
4. Memberships and subscriptions

5. Meeting expenses
6. Employee reimbursements

Checks are processed monthly and invoices submitted to the HRTAC Accounting Manager by the first of the third week of the month will be processed and paid by Friday of the same week. The HRTAC Accounting Manager will assign the general ledger account code.

Requests for cash disbursements are submitted to Accounting in two ways:

1. Original invoice
2. Employee expense report or reimbursement request

Every employee reimbursement or purchase request must be documented on the approved form with receipts, and business nature before reimbursement approval. Specific documentation for each category is:

Lodging - an itemized receipt from the hotel detailing all charges, the person(s) for whom the lodging was provided, and the specific business purpose.

Meals and Entertainment - a receipt must be provided showing the cost of food, beverage, and gratuities, including the names of every person for whom food or beverage was provided, and the specific business purpose.

Other Expenditures - a receipt from the vendor detailing all goods or services purchased (including the class of service for transportation) and the specific business purpose.

All requests for payment will be reviewed by the designated staff for:

1. Expenditure and amount and appropriate allocation information. Once verified, payment will be processed and will be submitted to the Executive Director for approval and signature. All checks require a second signature from an authorized Commission member or staff member.
2. All documentation will be appropriately filed.

VII. Procurement of Goods and Services, Including Procedures for Certain Small Purchases (Adopted October 15, 2015)

General

The Virginia Public Procurement Act (“VPPA”) covers contracts made by the Hampton Roads Transportation Accountability Commission (the “Commission” or “HRTAC”) with nongovernmental contractors for the purchase or lease of goods, or for the purchase of services, insurance, or construction (as those terms are defined in the VPPA). The VPPA seeks, among other things, to enable public bodies in the Commonwealth to obtain high quality goods and services at reasonable costs. This Policy, including its small purchases procedures, is adopted to provide the Commission’s members, officers and employees with direction regarding the VPPA and its implementation.

Under the VPPA, covered contracts must be awarded after competitive sealed bidding, or competitive negotiation, as provided in the VPPA, unless otherwise authorized by law.

Exemptions

Without limiting the exemptions under the VPPA that may be applicable from time to time, neither the competitive sealed bidding nor competitive negotiation procedures apply to: Contracts negotiated and awarded to a source that is determined in writing to be the sole source available for that which is to be procured: in order to use this exemption under Section 2.2-4303(E) of the VPPA, all requirements of the exemption, including the written determination and public notice requirements, must be observed; the written determination may be made by the Commission’s Executive Director if funds for the applicable contract are available under the Commission’s then-applicable operating budget, but copies of such determinations must be given to the Finance Committee within five (5) business days after being made.

Contracts awarded in case of emergency: however, such procurement shall be made with such competition as is practicable under the circumstances. In order to use this exemption under Section 2.2-4303(F) of the VPPA, all requirements of the exemption, including the written determination and public notice requirements must be observed; the written determination may be made by the Commission’s Executive Director if funds for the applicable contract are available under the Commission’s then-applicable operating budget, but copies of such determinations must be given to the Finance Committee within five (5) business days after being made.

Purchases made from another public body’s contract, even if the Commission did not participate in the request for proposal or invitation to bid, if the request for proposal or invitation to bid specified that the procurement was a cooperative procurement being conducted on behalf of other public bodies; however, this exemption under Section 2.2-4304 of the VPPA is subject to the limitations set forth therein.

Single or term contracts for goods and services that fit within the dollar limitations and other parameters set forth in Section 2.2-4303(G) of the VPPA if they are entered into pursuant to small purchases procedures that have been adopted by the Commission in writing; the Commission's small purchases procedures are set forth in the chart below; these procedures may not be used for single or term contracts for transportation-related construction.

| <u>Estimated Cost of Small Purchase</u> | <u>Procedure with Small Purchase</u> |
|--|---|
| When the aggregate or the sum of all phases is expected to be <u>less than</u> \$500 | Purchase may be made upon receipt of one (1) or more written or telephone quotes. As applicable, complete either (a) a Purchase Approval Form (attached hereto as <u>Exhibit A</u>) or (b) a Credit Card Form (attached hereto as <u>Exhibit B</u>), and submit such form to the Executive Director for approval. Once approval is granted, instruct vendor to invoice HRTAC for payment or charge to HRTAC credit card, as applicable. |
| When the aggregate or the sum of all phases is expected to be <u>between</u> \$500 and \$1,499 | Requires at least three (3) attempted telephone, catalog, eVA Quick Quote, or electronic/written quotes to be obtained. Efforts should be made to obtain one or more of those quotes from vendors listed in the Department of Small Business and Supplier Diversity database as being SWaM (Small, Women-owned and Minority-owned Business) certified or DBE (Disadvantaged Business Enterprise) certified. Complete a Purchase Approval Form, attach quotes and submit to the Executive Director for approval. The form will then be submitted to the Chief Financial Officer ("CFO") and Executive Director for budgetary and final approvals respectively. After CFO and Executive Director approvals have been obtained, order and have vendor invoice directly. |
| When the aggregate or the sum of all phases is expected to be <u>between</u> \$1,500 and \$4,999 | Requires at least three (3) attempted written (which may be electronic) quotes, including eVA Quick Quotes, to be obtained. Efforts should be made to obtain one or more of those quotes from vendors listed in the Department of Small Business and Supplier Diversity database as being SWaM certified or DBE certified. Complete a Purchase Approval Form, attach quotes and forward to the Executive Director for approval. It will then be submitted to the CFO and Executive Director for budgetary and final approvals respectively. After CFO and Executive Director approvals have been obtained, order and have vendor invoice directly. |

| | |
|---|--|
| When the aggregate or the sum of all phases is expected to be <u>between</u> \$5,000 and \$25,000 | <p>Requires at least four (4) attempted written (which may be electronic) quotes, including eVA Quick Quotes, to be obtained. Efforts should be made to obtain one or more of those quotes from vendors listed in the Department of Small Business and Supplier Diversity database as being SWaM certified or DBE certified.</p> <p>Complete a Purchase Approval Form and a Requisition Form (attached hereto as <u>Exhibit C</u>), attach quotes, and forward to the Executive Director for approval. It will then be submitted [to the Computer Network Manager (if applicable) and on] to the CFO and Executive Director for budgetary and final approvals respectively. After the CFO and Executive Director have approved the Requisition, it and all attachments (quotes, Purchase Approval Form, etc.) will be submitted to the Procurement Officer who will create a Purchase Order ("PO"), submit the PO to the vendor, send a copy of the PO to appropriate employees involved, and establish the PO in the accounting system.</p> |
|---|--|

NOTE: Re-quotes may be required should none of the research produce prices, quality or quantities desired. Should re-quotes be required, approval by the Executive Director must be obtained before contacting vendors. ALL responding vendors must be contacted for the opportunity to re-quote.

EXHIBIT A

Purchase Approval Form

HRTAC PURCHASE APPROVAL FORM

Date of Request: _____

Pursuant to the Small Purchases Procedures included in the HRTAC “Policy Relating to Procurement of Goods and Services, Including Procedures for Certain Small Purchases” (the “Purchasing Policy”) the undersigned purchaser (the “Purchaser”) hereby requests approval to make the following purchase(s):

| Description of Item(s) | Proposed Use/ Reason | Expense Code* |
|------------------------|-------------------------|---------------|
| | | |

* If applicable.

Below please provide a summary of quotes obtained for the above described item(s), and, if applicable, attach written quotes. ***Please see the Purchasing Policy for the required number and form of quotes.***

| | Vendor/Supplier | Summary of Quoted Price (If applicable, please provide price per unit and total price.) | SWaM or DBE | Additional Comments |
|---|-----------------|---|-------------------|---------------------|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |

Based on the information above, Purchaser recommends the following vendor/supplier:

Once approval is granted by the Executive Director and, for purchases over \$500, the Chief Financial Officer, Purchaser may make the purchase described above and should instruct the vendor/supplier to invoice HRTAC. Purchaser is responsible for retaining documentation of the purchase and reconciling it to the applicable invoice.

Purchaser:

Print Name: _____

Date

Approved by Executive Director:

Print Name: _____

Date

Approved by Chief Financial Officer:
(Required for purchases over \$500)

Print Name: _____

Date

EXHIBIT B

Credit Card Form

HRTAC
Credit Card Form
(Relating to Purchases Made with Card)

Date of Request: _____

Vendor/Supplier: _____

Pursuant to the Small Purchases Procedures included in the HRTAC "Policy Relating to Procurement of Goods and Services, Including Procedures for Certain Small Purchases," the undersigned (the "User") hereby requests approval to use the HRTAC ☐ credit card / ☐ debit card (**check applicable box**) to make the following purchase(s):

| Description of Item | Proposed Use/ Reason | Projected Amount | Expense Code** |
|---------------------|-------------------------|---------------------|-------------------|
| | | | |
| | | | |
| | | | |
| Total:* \$ _____ | | | |

*Total may not exceed \$500.00. ** If applicable.

Once approval is granted by the Executive Director (as indicated by his or her signature below), User may use the HRTAC credit card or debit card (as indicated above) to make the purchase(s) described above. User is responsible for retaining documentation of purchases and reconciling them to the monthly credit/debit card statement.

By signing below, User agrees to the following:

The use of Commission issued debit/credit cards (a "Purchase Card") is an important privilege that is intended to facilitate business by the Commission. Adherence to the Commission's Purchase Card Policy is vital in ensuring not only the continuation of this privilege, but also in ensuring that neither you nor the Commission is subjected to financial hardship or public criticism.

I, the undersigned User, have read and understand the Commission's Purchase Card Policy. I agree to abide by all provisions of the Purchase Card Policy, and understand that violations of the Policy could result in legal or disciplinary actions, including termination.

User:

Print Name: _____

_____ Date

Approved by Executive Director:

Print Name: _____

_____ Date

EXHIBIT C

Purchase Requisition Form

Note: Attach copies of the Purchase Approval Form and the quotes obtained.

Once approval is granted by the Executive Director and the Chief Financial Officer, Requestor may make the purchase described above and should instruct the vendor/supplier to invoice HRTAC. Requestor is responsible for retaining documentation of the purchase and reconciling it to the applicable invoice.

Requestor

Print Name: _____

Date

Approved by Executive Director:

Print Name: _____

Date

Approved by Chief Financial Officer:

Print Name: _____

Date

VIII. Credit/Debit Card Policy and Charges

1. This Policy applies to any and all debit cards and credit cards (each, a "Purchase Card") issued in respect of the Commission or its accounts and is adopted to provide the Commission's members, officers and employees direction regarding the authorized uses of such Purchase Cards and the steps that must be followed to issue and monitor them.
2. The Executive Director shall be authorized to obtain one credit card in the name of the Commission, which credit card shall have an aggregate monthly transaction limit of \$15,000, and a single purchase limit of \$2,000. The purpose of obtaining a credit card is to facilitate transactions effected on behalf of the Commission, not to utilize a line of credit.
3. The Executive Director is also authorized to obtain debit cards, provided that there shall not be more than three debit cards issued and outstanding from time to time and the maximum available funds under each such card shall be \$1,000.
4. Purchase Cards (credit and debit) shall be used by authorized Commission officers or employees solely to pay for small purchases made in accordance with the Commission's small purchases procedures. At no time may any Purchase Card be used for any type of personal charge. See below for illustrative "Authorized Uses" and "Unauthorized Uses."
5. Illustrative authorized uses of Purchase Card(s) include the following:
 - a) Travel costs:
 - Airfare
 - Lodging
 - Shuttle service
 - Rental vehicles
 - Gasoline for rental vehicles
 - Gasoline for personal vehicles when used and documented usage is for official Commission business.
 - b) Purchases:
 - Meals
 - Office supplies
 - Express mail service and freight service
6. Illustrative unauthorized uses of Purchase Card(s) include the following:
 - Personal meals
 - Personal telephone usage and movie rentals included in lodging bills associated with official business purposes
 - Cash advances

- Purchases by persons who are not officers, members or employees of the Commission
- Purchases prohibited by the Virginia Public Procurement Act or applicable Commission policies
- Purchases in which one or more users of a Purchase Card break a purchase of the same or related goods or services into multiple purchases to circumvent the usage limits or other limitations described herein or any other applicable Commission policy

7. All charges will be billed directly to the Commission, reconciled and paid, or disputed, monthly. Purchase logs must be maintained as each purchase is made. A new purchase log must be established at the beginning of each new billing cycle. The cardholder is responsible for retaining documentation of purchases and returns and reconciling them, with the aid of the purchasing log, to the monthly charge card statement. At the end of the billing cycle, the cardholder shall deliver the documentation to the CFO together with a written certification that the goods and services identified therein were purchased in accordance with this policy.
8. Prior to issuance and usage of a Purchase Card, each authorized person shall be required to read and sign the statement below regarding the use of a Purchase Card:

The use of Commission issued debit/credit cards (a "Purchase Card") is an important privilege that is intended to facilitate business by the Commission. Adherence to the Commission's Purchase Card Policy is vital in ensuring not only the continuation of this privilege, but also in ensuring that neither you nor the Commission is subjected to financial hardship or public criticism.

I, (Name of Certifying Person), have read and understand the Commission's Purchase Card Policy. I agree to abide by all provisions of the Purchase Card Policy and understand that violations of the Policy could result in legal or disciplinary actions, including termination.

Signature

Date

IX. Accruals

To ensure a timely close of the General Ledger, HRTAC may book accrual entries. Some accruals will be made as recurring entries.

X. Bank Account Reconciliations

1. All bank statements are opened, date stamped and forwarded to the Accounting Manager who prepares the reconciliation and reviews for any unusual activity.
2. A timely reconciliation including: as a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting record including amount, payee, and sequential check numbers.
3. Statements will be verified that voided checks are appropriately defaced, filed, and any checks that are outstanding over six months will be investigated.
4. The completed bank reconciliation is attached to the applicable bank statement, along with all documentation will be retained for filing purposes. Before filing, the reconciliation package is forwarded to the CFO for review and approval. Once approved, it is returned to the Accounting Manager for filing.
5. An internal circulation reconciliation report will be generated and reviewed by the Executive Director and CFO.

XI. Property and Equipment

Property and equipment includes items such as; but are not limited to:

1. Office furniture and equipment
2. Computer hardware
3. Computer software
4. Leasehold improvements

It is the organization's policy to capitalize all items which have a unit cost greater than five thousand dollars (\$5,000). Items purchased with a value or cost less than five thousand dollars (\$5,000) will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

| | |
|-------------------|-----------|
| Computer Hardware | 36 months |
| Office Equipment | 60 months |
| Office Furniture | 60 months |

Computer Software
Leasehold improvements

36 months
Length of lease

1. A Fixed Asset Log is maintained by HRTAC staff including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number, and life of asset.
2. The Log will be reviewed and amended by HRTAC staff when appropriate and all changes to the log shall be made in writing by the Accounting Manager.
3. Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.
4. Depreciation will be recorded no less than annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

XII. Payroll Processing

1. Timesheets are to be prepared by all staff on the approved form and submitted semi-monthly no later than 3 days before payday. Should the payday fall on a weekend or holiday, the timesheets are to be submitted the 3rd day prior to the weekend or holiday. Exceptions to the submittal date may occur and will be communicated accordingly.
2. Timesheets are to be kept on a daily basis and completed electronically.
3. Any corrections to timesheets are to be made by making a single line through the error and writing in the correction. Correction fluid and/or tape are not allowable.
4. Timesheets are to be signed and dated by the employee and the employee's supervisor for submission to the designated staff.
5. Payroll will be processed in a timely manner and record vacation time, holiday hours, sick time, and any other information deemed necessary to properly reflect time worked.
6. Paychecks will be distributed on the 15th and last day of the month. If the 15th and/or the last day of the month fall on a weekend or holiday the paychecks will be distributed the day before.
7. All employees will be paid by direct deposit.
8. Federal and State taxes will be paid electronically on the date of the payroll.
9. All quarterly federal and state payroll reports will be prepared and filed appropriately.

10. All W-2 statements are issued to employees prior to January 31st of the following year for the prior calendar year.

XIII. Financial Reports

The HRTAC Accounting Manager will prepare the monthly Hampton Roads Transportation Fund (HRTF) financial report for review by the Executive Director and CFO. The HRTF Report will be included in the HRTAC agendas and include: Totals Sheet, Sales and Use Tax received, Fuels Tax received, Projects Allocation, Projects Expenditures and a Summary Page.

A Cash Balance report is prepared for the Executive Director and Finance Committee Chair.

Periodic and annual financial reports will be submitted to the Finance Committee and Commission for review and approval.

For purposes of development of the annual financial reports of the Commission, a sixty-calendar day period following the closing day of the accounting fiscal year will be utilized as a rule to receive invoices resulting from the closed fiscal year's activities and record them in the previous fiscal year. Special exceptions to this rule may be made and estimated on a case-by-case basis and in coordination with the Commission's auditor.

XIV. Bonds and Post Issuance Bond Policy

Proceeds from Bond Issuance

Once the proceeds are received from commercial close of the bond sale, the underwriter disburses the monies as follows:

- 1) Pay Cost of Issuance Invoices
- 2) Reimburse HRTAC for money paid on Projects covered under Adopted Reimbursement Resolutions
- 3) Invest remaining bond proceeds in SNAP until HRTAC authorizes payments for eligible projects

Revenue Distribution Waterfall Post Bond Issuance

When the monthly HRTF revenues transfer/deposit is received (Sales & Use Tax and Fuels Tax), HRTAC will distribute the funds in accordance with the HRTAC HRTF Series 2018A Master Indenture 'Waterfall' as follows:

- 1) Debt Service Funds
- 2) Debt Service Reserve Funds (if any)
- 3) Rebate Fund (if necessary)
- 4) Interest Payment
- 5) Operating Account
- 6) Operating Reserve Account
- 7) General (remainder)

**HAMPTON ROADS TRANSPORTATION FUND REVENUE
BONDS
POST-ISSUANCE BOND COMPLIANCE POLICY
(Adopted April 19, 2018)**

This policy summarizes the federal law regulatory compliance responsibilities of the Hampton Roads Transportation Accountability Commission (the “Commission”) with regard to its tax-exempt bond issues. These responsibilities consist of compliance with (1) federal income tax regulations relating to the use and investment of bond proceeds, and (2) federal securities regulations relating to continuing disclosure to the market.

This policy is formulated to address, in a summary fashion, the assignment of general categories of responsibilities, and to specify the frequency of review and required duration of recordkeeping for each item. A more specific checklist to be used in connection with each individual bond issue is attached as Exhibit A to this document. Any questions that arise as to non-routine matters should be addressed to bond counsel. Each specific category of tasks should be assigned to one responsible department or individual.

Because most bond issues remain outstanding for long periods of time, and the possibility of IRS audit exists throughout the term of each bond issue, each individual or department with responsibilities under this policy should develop a plan detailing the steps that will be taken to transfer responsibilities and accumulated knowledge to successor personnel. Further, Commission record retention policies should be applied to bond-related materials with the recognition that tax regulations require the retention of most records relating to tax-exempt bond issues for the life of the bonds, including the life of any bonds that refund such bonds, plus 3 years. See “Record Retention,” see Section XVI below, for more detail.

Allocation of Bond Proceeds

The Treasury Regulations set forth detailed allocation and accounting rules relating to the allocation of bond proceeds to expenditures. Allocations should reflect, among other things, compliance with the various rules that qualify uses of funds for temporary periods (i.e., periods during which unspent funds are not subject to yield restriction) and other limitations on expenditures.

Responsibility for this category: Executive Director

| <i>Task</i> | <i>Responsible Party</i> | <i>Frequency of Review</i> |
|--|---------------------------------|-----------------------------------|
| Prepare and maintain an expenditure summary showing the date, amount and purpose of each expenditure from bond proceeds, and including copies of all requisitions or advance certificates. (Expenditures should reflect compliance with limitations set forth in issue-specific non-arbitrage certificates in bond transcripts.) | _____ | Monthly during draw-down periods |
| Request that bond counsel prepare reimbursement resolutions for projects to be financed with tax-exempt bond proceeds in the near future. | _____ | Issue-specific ¹ |
| If a reimbursement resolution has been adopted, bond proceeds can be used to reimburse expenditures made up to 60 days before the resolution date, and the bonds must be issued and proceeds allocated to each expenditure within 18 months after the later of (i) the date of the first expenditure to be reimbursed or (ii) the placed in service date of the project, but in no event later than three years after the expenditure was paid. | _____ | Issue-specific |
| Bond proceeds for capital projects should be spent consistently with the “3-year temporary period” rule, meaning that (i) the project moves forward with diligence after closing, (ii) the Commission incurs within six months after closing a substantial binding obligation to a third party to expend at least 5 percent of the bond proceeds on the project, and (iii) all bond proceeds are expended on the project within 3 years after the date of issuance of the bonds. | _____ | Issue-specific |

¹ Also refer to Exhibit A for bond issue-specific items.

Investment of Bond Proceeds

Bond proceeds that are not immediately spent are regarded as “nonpurpose investments” while held in reserve, or until they are spent and allocated to expenditures in the manner described above. The yield on a nonpurpose investment must be restricted unless the type of investment qualifies for a “temporary period” during which such restriction is not required. In order to prevent artificially depressing yield, nonpurpose investments must be purchased at fair market value. In addition, any arbitrage that the Commission in fact earns, even during a temporary period or in a reasonably required reserve fund, must be rebated to the federal government, unless an exception to rebate applies.

Responsibility for this category: Executive Director

| <i>Task</i> | <i>Responsible Party</i> | <i>Frequency of Review</i> |
|---|--------------------------|----------------------------|
| Avoid the formal or informal creation of funds reasonably expected to be used to pay debt service on bonds without determining in advance whether such funds must be invested at restricted yield. (Such funds may be deemed to be “replacement proceeds” of the bonds, which are subject to yield restriction requirements.) | _____ | Semi-annual |
| Prepare and maintain a summary of investment transactions in order to assist with arbitrage rebate compliance analysis. | _____ | Quarterly |
| Obtain computation of the “yield” of the bonds and establish a procedure to track the return on invested bond proceeds. | _____ | Issue-specific |
| Monitor compliance with “temporary period” expectations for spending bond proceeds (<u>e.g.</u> , three years for a construction fund) | _____ | Issue-specific |
| When required, provide for yield restriction of investments, or “yield reduction payments” if restrictions cannot be met. | _____ | Issue-specific |
| Monitor compliance with 6-month, 18-month, or 24-month spending exceptions to rebate requirement, including percentage milestones required by the Treasury Regulations. | _____ | Issue-specific |
| Engage an outside arbitrage rebate consultant to prepare computations of rebate liability and, if rebate is payable, timely file Form 8038-T and pay the amount of rebate that is due. (Rebate is ordinarily due at 5-year intervals.) | _____ | Issue-specific |
| Maintain the special records required to establish that certain investments (<u>e.g.</u> , guaranteed investment contracts, certificates of deposit, defeasance escrows) are purchased at fair market value; this may include the requirement of receiving multiple bids. | _____ | Issue-specific |

Use of Bond Financed Facilities

Property financed with tax-exempt bond proceeds generally must be used for governmental purposes and not used for, secured or paid by, or leased to any private trade or business. However, a *de minimis* amount of private use (no more than 10%) is allowed in most circumstances, as is use by the general public. In addition, no more than 5% of proceeds of bonds allocated to private use may be used in connection with private business use that is unrelated or disproportionate to the governmental use financed by the issue. Service contracts, management contracts and other arrangements may be maintained with private or federal government entities without implicating private use so long as certain regulatory safe harbors are met or the contract is reviewed and approved by bond counsel.

Responsibility for this category: Executive Director

| <i>Task</i> | <i>Responsible Party</i> | <i>Frequency of Review</i> |
|--|--------------------------|----------------------------|
| Establish internal processes for tracking which outstanding bond issues financed which facilities and in what amounts. | _____ | Annual |
| Make periodic reviews to ensure there is no more than 10% in aggregate amount of bond-financed facilities that can be attributed to private use or special legal entitlements (arrangements comparable to the conveyance of priority rights to use bond-financed facilities) involving private entities or federal government users (other than the <i>de minimis</i> allowable amount). | _____ | Annual |
| Consult with bond counsel in making periodic reviews of service, management, and other contracts to ensure continuing compliance with regulatory safe harbors. | _____ | Annual |
| Ensure that no more than 5% of the proceeds of governmental bonds allocated to private use are used in connection with private business use that is unrelated or disproportionate to the government use financed by the issue. | | Annual |
| Promptly consult with bond counsel as to any possible change of use or private use of bond-financed facilities. "Remedial action" for such "change of use" may require redemption or defeasance of bonds or expenditures for other qualified purposes within specified time periods. | _____ | As events arise |

Changes in Terms

Proposed changes to the terms of tax-exempt bonds must be carefully scrutinized to determine if the changes cause the bonds to be “reissued” for federal income tax purposes. Avoiding a reissuance is often important in order to avoid the application of subsequent, often more restrictive, changes in law and tax-exempt bond eligibility requirements, and the requirements of filing a new IRS Form 8038-G, obtaining an arbitrage rebate report and in some cases obtaining new public approvals.

Responsibility for this category: Executive Director

| <i>Task</i> | <i>Responsible Party</i> | <i>Frequency of Review</i> |
|--|-------------------------------------|---------------------------------------|
| Consult with bond counsel before engaging in post-issuance credit enhancement transactions or hedging transactions. | _____ | Issue-Specific |
| Identify any post-issuance changes to the terms of the bonds that could be treated as a tax reissuance, such as changes in yield in an amount greater than 25 basis points, material deferral of scheduled debt service payments, including extensions of maturities, and changes in obligor or security that affect payment expectations. | _____ | Issue-Specific |

Record Retention

Responsibility for this category: Executive Director

| <i>Task</i> | <i>Responsible Party</i> | <i>Frequency of Review</i> |
|---|-------------------------------------|---------------------------------------|
| Keep all closing transcripts prepared by bond counsel, including a copy of each filed IRS Form 8038-G; and maintain general records relating to each bond issue for the life of the issue (plus any refunding of the issue) plus three years. | _____ | Issue- Specific |
| Maintain all special records required by the safe harbors for investment contracts or defeasance escrows. | _____ | Issue-Specific |
| Maintain records of identification on the Commission’s books and records of any “qualified hedge” contract. | _____ | Issue-Specific |

Continuing Disclosure Requirements

Securities regulations applying to publicly issued bonds, and in many cases loan covenants in private placements, require continuing disclosure obligations.

Responsibility for this category: Executive Director

| <i>Task</i> | <i>Responsible Party</i> | <i>Frequency of Review</i> |
|---|--------------------------|----------------------------|
| <p>Manage preparation and dissemination of required annual disclosures of financial and operational information, including:</p> <ul style="list-style-type: none"> (a) Audited financial statements of the Commission; and (b) Updated operating data of the type described in the Official Statement for the Series 2018A Bonds in (i) Table I: "Historical Hampton Roads Transportation Fund Revenues," (ii) Appendix E, Table 1: "HRTF Revenues Fiscal Year 2014 to Date," (iii) Appendix E, Table 2: "Hampton Roads Transportation Fund (HRTF) Revenues and Expenditures," and (iv) Appendix E, Table 3: "Hampton Roads Transportation Fund (HRTF) Transportation Project Expenditures." | _____ | Annual |
| <p>Review required event notices list (applicable events must be disclosed on EMMA no more than ten (10) business days after their occurrence):</p> <ul style="list-style-type: none"> (a) Principal and interest payment delinquencies; (b) Non-payment related defaults, if material; (c) Unscheduled draws on any debt service reserves maintained with respect to the bonds, reflecting financial difficulties; (d) Unscheduled draws on any credit enhancement maintained with respect to the bonds, reflecting financial difficulties; (e) Substitution of credit or liquidity providers, or their failure to perform; (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds; (g) Modifications to rights of bondholders, if material; (h) Bond calls, if material, and tender offers; (i) Defeasance of all or any portion of the bonds; (j) Release, substitution, or sale of property securing repayment of the bonds, if material; (k) Rating changes; (l) Bankruptcy, insolvency, receivership or similar event of the issuer; (m) Consummation of a merger, consolidation, or acquisition involving the issuer or the sale of all or substantially all of the assets of the issuer, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such a transaction; and (n) Appointment of a successor or additional bond trustee or the change of name of a trustee, if material. | _____ | As events arise |

Voluntary Disclosure

If the Commission chooses to provide information to the market beyond what is specifically required by its continuing disclosure obligations (discussed above), all releases of information which can be expected to reach the bond market must be in compliance with the anti-fraud rules under the Securities Exchange Act ("Rule 10b-5") (i.e., the information that is provided must not be materially inaccurate or misleading in the context in which it is provided). In addition, disparities in disclosure by a municipal bond issuer to various investors should be minimized, as such disparities can negatively impact market perception of an issuer and can lead to Rule 10b-5 claims. The best course of action is to take steps to assure uniform dissemination of information to the maximum extent practicable, such as through posting of disclosures on the Electronic Municipal Market Access System ("EMMA") of the Municipal Securities Rulemaking Board.

Responsibility for this category: Executive Director

| <i>Task</i> | <i>Responsible Party</i> | <i>Frequency of Review</i> |
|--|---------------------------------|-----------------------------------|
| Designate a municipal bonds investor-relations specialist, responsible for responding to inquiries from market participants. | _____ | Annual |
| Disclosed information should be periodically reviewed to determine whether inconsistent information is being provided through marketing materials, press kits, or Internet sites. | _____ | Quarterly |
| Maintain a record of all contacts with market participants, including contact information and summaries of the questions presented and responses (if any) given. This record should be periodically reviewed and analyzed as to the need to make public releases (EMMA postings) of information to minimize any instances of selective or inconsistent disclosure. | _____ | Monthly |
| All information prepared for public release shall be reviewed by one or more members of the Commission and by counsel. | _____ | Issue-Specific |

EXHIBIT A

TRANSACTION CHECKLIST

| | | |
|-------------------------|---------------------------------------|--------------------|
| KEY PARTICIPANTS | | |
| | Responsible Department or Individual: | Executive Director |
| | Bond Counsel: | Kaufman & Canoles |
| | Trustee: | Wilmington Trust |
| | Paying Agent: | Wilmington Trust |
| | Rebate Specialist: | |
| | Dissemination Agent: | |
| | Other: | |
| | Other: | |

| A. TAX LAW REQUIREMENTS | Document Reference | Responsibility |
|---|--------------------|----------------|
| 1. General Matters. | | |
| (a) Proof of filing Form 8038-G. | | |
| (b) Any "Significant modification" to bond documents results in reissuance under Treas. Reg. § 1.1001-3 – proof of filing new Form 8038, etc., plus final rebate calculation on pre-modification bonds. | | |
| 2. Use of Proceeds | | |
| (a) No private business use arrangement with private entity (includes federal government) beyond permitted <i>de minimis</i> amount, unless cured by remedial action under Treas. Reg. § 1.141-12. | | |
| (i) Sale of facilities. | | |
| (ii) Lease. | | |
| (iii) Nonqualified management contract. Rev. Proc. 97-13. | | |
| (iv) Nonqualified research contract. Rev. Proc. 97-14. | | |
| (v) "Special legal entitlements" (e.g. any other arrangement comparable to the conveyance of priority rights to the use of bond financed facilities) | | |
| (b) Change of use remedial action may consist generally of redemption or defeasance of bonds (with notice of defeasance to IRS). Where disposition is a cash sale, remedial action may be an alternative qualifying use of proceeds. Alternative use must have proof of filing new Form 8038-G, and other "new money" requirements prior to the sale of original facilities. | | |

| | | |
|--|--|--|
| 3. Arbitrage. | | |
| (a) Rebate. IRC § 148(f). | | |
| (i) First installment of arbitrage rebate (at least 90% of rebate amount) due on fifth anniversary of bond issuance plus 60 days. | | |
| (ii) Succeeding installments (at least 90% of rebate amount) every five years. | | |
| (iii) Final installment (total rebate amount) 60 days after retirement of last bonds of issue. | | |
| (iv) Monitor expenditures prior to semi-annual target dates for six-month, 18-month, or 24-month spending exception to rebate. | | |
| (b) Monitor expenditures generally against date of issuance expectations for three-year temporary period. | | |
| (c) For advance refunding escrows, confirm that any scheduled purchased of State and Local Government Series (SLGs) U.S. Treasury securities are made on the scheduled date. | | |
| 4. Record Retention. | | |
| (a) Maintain general records relating to issue for life of issue plus any refunding plus three years. | | |
| (b) Maintain special records required by safe harbor for investment contracts or defeasance escrows. Treas. Reg. § 1.148-5. | | |
| (c) Maintain record of identification on the Commission's books and records of "qualified hedge" contract. Treas. Reg. § 1.148-4(h)(2)(viii), § 1.148-11a(i)(3) and § 1.148-4(h)(4). | | |
| 5. Bond Proceeds Used for Reimbursement. Make any allocations of bond proceeds for reimbursement not later than 18 months after the later of (a) the date the expenditure is paid or (b) the date the Project is placed in service or abandoned, but in no event more than 3 years after the expenditure is paid. Treas. Reg. § 1.150-2. | | |
| B. DISCLOSURE REQUIREMENTS | | |
| 1. SEC Rule 15c2-12 Requirements. | | |
| (a) Determine applicability of continuing disclosure undertaking ("CDU"). | | |
| (b) Identification of the Commission as "obligated person" for purposes of Rule-15c2-12. | | |
| (c) Name of Dissemination Agent, if applicable. | | |

| | | |
|---|--|--|
| (d) Periodically determine that required CDU filings have been prepared, sent to and received by EMMA. | | |
| (e) Any information required to be provided to EMMA: | | |
| (i) Annual Reports. | | |
| (1) Audited financial statements. | | |
| (2) Historical HRTF Revenues, HRTF Revenues Last Five FYs to Date, HRTF Revenues and Expenditures, and HRTF Transportation Project Expenditures | | |
| (ii) Other information. | | |
| (1) Change of fiscal year. | | |
| (2) Other information specified in CDU. | | |
| (f) Event Disclosure. Notification by the Commission to EMMA, in timely manner, of any following events with respect to bonds, if event is material within the meaning of the federal securities laws: | | |
| (i) Principal and interest payment delinquencies. | | |
| (ii) Non-payment related defaults, if material. | | |
| (iii) Unscheduled draws on any debt service reserves maintained with respect to the bonds, reflecting financial difficulties. | | |
| (iv) Unscheduled draws on any credit enhancement maintained with respect to the bonds, reflecting financial difficulties. | | |
| (v) Substitution of credit or liquidity providers, or their failure to perform. | | |
| (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds. | | |
| (vii) Modifications to rights of bondholders, if material. | | |
| (viii) Bond calls, if material, and tender offers. | | |
| (ix) Defeasance of all or any portion of the bonds. | | |
| (x) Release, substitution or sale of property securing repayment of the bonds, if material. | | |
| (xi) Rating changes. | | |

| | | |
|---|--|--|
| (xii) Bankruptcy, insolvency, receivership or similar event | | |
| (xiii) Consummation of a merger, consolidation, or acquisition or the sale of all or substantially all of the assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material | | |
| (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material | | |
| (xv) Failure of the Commission on or before the date required by disclosure agreement to provide annual financial and operating information to the persons and in the manner required by any disclosure agreement | | |
| (g) Failure of the Commission to timely file financial information (including audited financial statements) and operating data with EMMA. | | |
| 2. Notification to Underwriters of Bonds. Determination of whether bond purchase agreement requires the Commission to notify underwriters for a specified period of time of any fact or event that might cause the official statement to contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading. | | |
| 3. Information Required to be Filed with Other Entities. | | |
| (a) Trustee or Bondholder. | | |
| (b) Rating Agencies. | | |
| (c) Bond Insurer (if any). | | |
| (d) Credit Enhancer (if any). | | |
| (e) Examples: | | |
| (i) Financial records. | | |
| (1) Annual. | | |
| (2) Quarterly. | | |
| (ii) Budgets. | | |
| (iii) Issuance of additional bonds. | | |
| (iv) Events of default. | | |
| (v) Notices of redemption. | | |
| (vi) Amendments to bond documents. | | |

| | | |
|--|--|--|
| <p>4. Local Disclosure.</p> <p>Any Virginia and/or local requirements.</p> | | |
| C. MISCELLANEOUS REQUIREMENTS | | |
| <p>1. Investments.</p> <p>Compliance with permitted investments.</p> | | |
| <p>2. Derivatives.</p> <p>Ongoing compliance with derivatives contracts, including any posting of collateral.</p> | | |

XV. Investment Policy

STATEMENT OF INVESTMENT POLICY

(Adopted June 16, 2016, Revised December 13, 2018 and June 20, 2019)

A. INTRODUCTION

The Hampton Roads Transportation Accountability Commission (“HRTAC” or “Commission”) is a political subdivision of the Commonwealth of Virginia created under §33.2-2601 et seq. of the Code of Virginia. All cash and investment activities shall be conducted in accordance with applicable law, including the Code of Virginia Hampton Roads Transportation Fund (“HRTF”; §33.2-2600 et seq.), Security for Public Deposits Act (“SPDA”; §2.2-4400 et seq.), Investment of Public Funds Act (§2.2-4500 et seq.), and Administration of the Transportation Trust Fund (§33.2-1525), the provisions of any applicable bond resolutions, and this Investment Policy (the “Policy”).

B. SCOPE

This Policy applies to the deposit and investment activities of all HRTAC funds that are eligible for investment except for any funds set aside for post-employment employee benefits. All financial assets of all funds including Hampton Roads Transportation Fund shall be administered in accordance with the provisions of the Policy. Although these funds may be pooled for investment purposes, they may be segregated as necessary for accounting and budgetary reporting purposes. For the purpose of this Policy, these funds are referred to collectively as the “Investment Portfolio”.

C. OBJECTIVES

All investments and deposits will be managed to accomplish the following fundamental goals:

- **Safety of Principal** - The single most important objective is the preservation of principal of those funds within the Investment Portfolio.
- **Maintenance of Liquidity** - The Investment Portfolio will be managed at all times with sufficient liquidity to meet all projected disbursement needs as well as to fund capital projects and other operational requirements which may reasonably be anticipated.
- **Maximizing Return** - The Investment Portfolio shall be managed so as to maximize the return on investments within the context and parameters set forth by the safety and liquidity objectives above.

D. STANDARD OF PRUDENCE

Public funds held and invested by HRTAC shall be held in trust for the citizens of the member jurisdictions and any investment of such funds shall be made with the care, skill, prudence, and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

E. DELEGATION OF AUTHORITY

The Commission is responsible for the adoption of the Investment Policy, and must approve any revisions or alterations made to it.

HRTAC's Executive Director shall have responsibility for the operation of the cash management and investment program subject to: the Commission's Policies for the Management of Cash, Bank Accounts, and Credit and Debit Cards; the Commission's Policy Relating to Procurement of Goods and Services, Including Procedures for Small Purchases; this Investment Policy; and other policies adopted by the Commission.

Subject to the approval of the Commission, the Executive Director may engage external investment advisors as defined in this Policy, under Section M. Engagement of Investment Managers, to assist in managing HRTAC's Investment Portfolio and to provide advice on the administration of cash and investment activities.

No member of the Commission, or the Executive Director, or any employee of the Commission acting in accordance with Code of Virginia Section §33.2-1525 shall be personally liable for any loss relating to an investment in the absence of negligence, malfeasance, misfeasance, or nonfeasance.

F. ETHICS AND CONFLICTS OF INTEREST

The Executive Director and any HRTAC staff involved in the cash management and investment processes shall comply with the Code of Virginia Section §2.2-3100 et seq., the State and Local Government Conflict of Interests Act. Specifically, no staff shall:

- a) accept any money, loan, gift, favor, service, or business or professional opportunity that reasonably tends to influence him in the performance of his official duties; or
- b) accept any business or professional opportunity when he knows there is a reasonable likelihood that the opportunity is being afforded to influence him in the performance of his official duties.

The Executive Director and HRTAC staff shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair his ability to make impartial decisions.

G. AUTHORIZED INVESTMENTS

Subject to applicable state laws, federal laws, bond resolutions, and in the case of the LGIP, VIP and Virginia SNAP funds, adoption by the Commission of necessary Resolutions, HRTAC's Investment Portfolio may be invested in the following Authorized Investments. The Executive Director may, but shall not be obligated to, impose additional requirements and restrictions to ensure that HRTAC's goals are met.

1. **U.S. Treasury Obligations.** Bills, notes and any other obligation or securities issued by or backed by the full faith and credit of the United States Treasury. The final maturity shall not exceed a period of five (5) years from the time of purchase. For all Authorized Investments the "time of purchase" shall be interpreted as the transaction settlement date.
2. **Federal Agency/Government Sponsored Enterprise Obligations.** Bonds, notes and other obligations of the United States, and securities guaranteed by any federal government agency or instrumentality or government sponsored enterprise, with a rating of at least "AA" (or its equivalent) by at least two NRSROs, one of which will be either Moody's Investors Services, Inc. ("Moody's"), or Standard & Poor's, Inc. ("S&P"). The final maturity shall not exceed a period of five (5) years from the time of purchase. Any investment in mortgage backed securities or collateralized mortgage obligations shall have a weighted average life that does not exceed five (5) years from the time of purchase.
3. **Municipal Obligations.** Bonds, notes and other general obligations of the Commonwealth of Virginia and its agencies, authorities, and political subdivisions upon which there is no default, has a rating of at least "AA" by S&P and "Aa" by Moody's, matures within three (3) years of the date of purchase, and otherwise meets the requirements of Code of Virginia §2.2-4501.
4. **Commercial Paper.** "Prime quality" commercial paper, with a maturity of 270 days or less, issued by domestic corporations (corporations organized and operating under the laws of the United States or any state thereof) provided that the issuing corporation, or its guarantor, has a short-term debt rating of at least two of the following: P-1 by Moody's Investors Service, Inc., A-1 by Standard & Poor's, Inc., F-1 by Fitch Investor's Services, Inc., and D-1, by Duff and Phelps, Inc., and that otherwise meets the requirements of Code of Virginia §2.2-4502.
5. **Bankers' Acceptance.** Issued by domestic banks or a federally chartered office of a foreign bank, which are eligible for purchase by the Federal Reserve System with a maturity of 180 days or less. The issuing corporation, or its guarantor, must have a short-term debt rating of no less than "A-1" by S&P and "P-1" by Moody's.
6. **Corporate Notes.** High quality corporate notes with a rating of at least "A" by S&P and "A" by Moody's. For notes with ratings of A by S&P or Moody's the final maturity shall not exceed a period of three (3) years from the time of purchase. For notes with ratings of at least AA by S&P and Aa by Moody's, the final maturity shall not exceed a period of five (5) years from the time of purchase

7. **Negotiable Certificates of Deposit and Bank Deposit Notes.** Negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks with a rating of at least “A-1” by S&P and “P-1” by Moody’s for maturities of one year or less, and a rating of at least “AA” by S&P and “Aa” by Moody’s, for maturities over one (1) year. The final maturity may not exceed a period of five (5) years from the time of purchase.
8. **Bank Deposits and Non-Negotiable Certificates of Deposit.** Demand deposits, time deposits, and other deposits that comply with all aspects of SPDA or with §2.2-4518 with a final maturity no greater than two (2) years.
9. **Repurchase Agreements.** In overnight repurchase agreements provided that the following conditions are met:
 - a. the contract is fully secured by deliverable U.S. Treasury and Federal Agency/Government Sponsored Enterprise obligations as described in paragraphs 1 and 2 above, including the maximum maturity of three (3) years, having a market value at all times of at least one hundred and two percent (102%) of the amount of the contract;
 - b. a Master Repurchase Agreement or specific written Repurchase Agreement governs the transaction;
 - c. the securities are free and clear of any lien and held by an independent third party custodian acting solely as agent for HRTAC, provided such third party is not the seller under the repurchase agreement;
 - d. a perfected first security interest under the Uniform Commercial Code in accordance with book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the City;
 - e. the counterparty is a:
 - i. primary government securities dealer who reports daily to the Federal Reserve Bank of New York, or
 - ii. a bank, savings and loan association, or diversified securities broker-dealer having at least \$5 billion in assets and \$500 million in capital and subject to regulation of capital standards by any state or federal regulatory agency; and
 - f. the counterparty meets the following criteria:
 - i. a long-term credit rating of at least ‘AA’ or the equivalent from an NRSRO.
 - ii. has been in operation for at least 5 years, and
 - iii. is reputable among market participants.
10. **Money Market Mutual Funds (Open-Ended Investment Funds).** Shares in open-end, no-load investment funds provided such funds are registered under the Investment Company Act of 1940 and provided that the fund is rated at least “AAAm” or the equivalent by an NRSRO. The mutual fund must comply with all requirements of Rule 2(a)-7, or any successor rule, of the United States Securities and Exchange Commission, provided the investments by such funds are restricted to investments otherwise permitted by the Code of Virginia for political sub-divisions.

11. **Local Government Investment Pool (LGIP).** A specialized commingled investment program that operates in compliance with Government Accounting Standards Board's Statement 79 ("GASB 79) that was created in the 1980 session of the General Assembly (Code of Virginia §2.2-4700 et seq.) designed to offer a convenient and cost-effective investment vehicle for public funds. The LGIP is administered by the Treasury Board of the Commonwealth of Virginia and is rated AAAM by Standard & Poor's.
12. **Virginia Investment Pool (VIP).** A commingled investment program organized as a local government investment pool with oversight provided by a shareholder elected board of trustees. VIP is designed for the investment of longer-term monies that are not necessary for near term disbursement. VIP has a bond fund rating from Standard and Poor's of AAf/S1.
13. **Virginia State Non-Arbitrage Program's (Virginia SNAP) SNAP Fund.** A specialized commingled investment program that operates in compliance with GASB 79 and that was authorized by the Government Non-Arbitrage Act in 1989 (Code of Virginia §2.2-4700 et seq.). Virginia SNAP and the SNAP Fund are administered by the Treasury Board of the Commonwealth of Virginia. Virginia SNAP offers several investment options, including the SNAP Fund, and arbitrage rebate reporting services that are specifically designed for the investment of tax exempt bond proceeds.

H. PORTFOLIO DIVERSIFICATION

The Investment Portfolio shall be diversified by security type and institution. The maximum percentage of the portfolio permitted in each eligible security is as follows:

| Permitted Investment | Sector Limit | Issuer Limit |
|---|--------------|--------------|
| U.S. Treasury Obligations | 100% | 100% |
| Federal Agency/GSE Obligations | 100% | 35% |
| Municipal Obligations | 15% | 5% |
| Commercial Paper | 35% | 5% |
| Bankers' Acceptances | 35% | 5% |
| Corporate Notes | 25% | 5% |
| Negotiable Certificates of Deposit and Bank Deposit Notes | 25% | 5% |
| Bank Deposits and Non-Negotiable Certificates of Deposit | 100% | 100% |
| Repurchase Agreements | 25% | 25% |
| Money Market Mutual Funds | 25% | 25% |
| LGIP | 100% | 100% |
| VIP | 25% | 25% |
| Virginia SNAP-SNAP Fund (Proceeds of Tax Exempt Bonds Only) | 100% | 100% |

In addition, HRTAC will hold no more than 10% of the outstanding shares of any comingled investment program including but not limited to money market mutual funds, LGIP, VIP, and/or the SNAP Fund.

I. MAXIMUM MATURITY

Maintenance of adequate liquidity to meet HRTAC's cash flow needs is essential. Accordingly, to the extent possible, the Investment Portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Whenever practical, selection of investment maturities will be consistent with known cash requirements in order to minimize the potential for a forced sale of securities in order to provide cash for disbursement needs.

To manage market value volatility, the duration and/or weighted average maturity of the total Investment Portfolio shall not exceed two (2) years.

J. SECURITY DOWNGRADES

In the event that any authorized investment held in the Investment Portfolio is downgraded below the minimum credit rating requirement established in Section G of this policy, the Executive Director shall be notified immediately and the downgraded security shall be liquidated in 30 days unless the Commission authorizes otherwise.

K. INVESTMENT OF BOND PROCEEDS

HRTAC intends to comply with all applicable sections of the Internal Revenue Code relating to Arbitrage Rebate and the investment of bond proceeds. All investment records will be maintained to ensure compliance with all regulations.

L. SELECTION OF BROKER/DEALERS

The Executive Director will maintain a list of broker/dealers that are approved for investment purposes. All broker/dealers who desire to provide investment services will be provided with current copies of the HRTAC's Investment Policy. Before an organization can provide investment services to HRTAC, it must confirm in writing that it has reviewed the Investment Policy and will not recommend or sell to HRTAC any security that is in conflict with the Policy.

At the request of the Executive Director, broker/dealers will supply HRTAC with information sufficient to adequately evaluate their financial capacity and creditworthiness. The following information will be provided:

- 1) Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines;
- 2) Proof of Financial Institution Regulatory Authority ("FINRA") certification
- 3) Proof of state registration;
- 4) Certification of having read and understood and agreeing to comply with the HRTAC's investment policy;

- 5) Evidence of adequate insurance coverage;
- 6) A sworn statement by an authorized representative of the broker/dealer pledging to adhere to “Capital Adequacy Standards” established by the Federal Reserve Board and acknowledging the broker/dealer understands that the HRTAC has relied upon this pledge; and
- 7) any additional information requested by the Executive Director in evaluating the creditworthiness of the institution.

Only firms meeting the following requirements will be eligible to serve as broker/dealers for HRTAC:

- 1) “Primary” dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
- 2) Capital of at least \$10,000,000;
- 3) Registered as a dealer under the Securities Exchange Act of 1934;
- 4) Member of the Financial Institution Regulatory Authority (“FINRA”);
- 5) Registered to sell securities in the Commonwealth of Virginia; and
- 6) Engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years.

If an external third-party Investment Manager is engaged, the Executive Director may designate that Investment Manager to maintain a list of approved broker/dealers.

M. ENGAGEMENT OF INVESTMENT MANAGERS

HRTAC may engage one or more qualified firms to provide investment management services. All investment management firms who desire to provide investment services to HRTAC will be provided with current copies of the Investment Policy. Before an organization can provide investment services to HRTAC, it must confirm in writing that it has reviewed the Investment Policy and will not purchase for HRTAC any security that, at the time of purchase, is in conflict with the Policy.

Only firms meeting the following requirements will be eligible to serve as investment manager for HRTAC:

- 1) Registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940;
- 2) Must provide to HRTAC an annual updated copy of Form ADV, Part II;
- 3) Must be registered to conduct business in the Commonwealth of Virginia; and
- 4) Must have proven experience in providing investment management services under Code of Virginia §2.2-4500 et seq.

Any firm engaged by HRTAC to provide investment services shall:

- 1) Maintain a list of approved security brokers/dealers selected by creditworthiness who are authorized to provide investment services in the Commonwealth of Virginia;
- 2) Provide monthly reports of transactions and holdings to the Executive Director;

- 3) Provide quarterly performance reports that display investment performance in comparison to HRTAC's investment benchmarks;
- 4) Upon request must show that it has solicited at least three bids for any security purchased or sold on behalf of HRTAC; and
- 5) Not collect any soft dollar fees from any broker/dealer or other financial firm in relation to services provided to HRTAC.

N. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

All securities purchases and sales will be transacted only with designated broker/dealers through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers, taking into consideration current market conditions. Electronic bids will be accepted. HRTAC or its Investment Manager will accept the bid which: (a) offers the highest rate of return within the maturity required and (b) optimizes the investment objective of the overall Investment Portfolio, including diversification requirements. When selling a security, the bid will be selected that generates the highest sale price, consistent with the diversification requirements.

O. SAFEKEEPING AND CUSTODY

All investment securities purchased by or for HRTAC shall be held by a third-party custodial agent that may not otherwise be counterparty to the investment transaction. The custodial agent shall annually provide a copy of its most recent Statement on Standards for Attestation Engagements (SSAE) No. 16 report.

All securities in HRTAC's Investment Portfolio will be held in the name of HRTAC and will be free and clear of any lien. Further, all investment transactions will be conducted on a delivery-vs.-payment basis. On a monthly basis, the custodial agent will provide reports that list details of all securities held for HRTAC including CUSIP, original cost, and market value as of month-end.

Original copies of non-negotiable certificates of deposit and confirming copies of all other investment transactions must be delivered to HRTAC or its custodial agent.

P. RECORDS AND REPORTS

The Executive Director will review an investment performance report on at least a quarterly basis as provided by external investment managers and pooled investment programs. The Executive Director shall report investment performance to the Commission on a quarterly basis.

In addition to quarterly performance reports, monthly reports of balances and holdings shall be provided to the Commission. The reports shall consist of a summary of cash and investments by depository and manager and a listing of all investments.

Q. PERFORMANCE STANDARDS

The Investment Portfolio will be designed to obtain at least a market level rate of return, given budgetary and economic cycles, commensurate with HRTAC's risk tolerances and cash flow needs. HRTAC's portfolio management approach will be active, allowing periodic restructuring of the Investment Portfolio to take advantage of current and anticipated interest rate movements.

The returns on the Investment Portfolio will be compared on a quarterly basis to indices of U.S. Treasury securities having similar maturities or to other appropriate benchmarks as selected by the Executive Director. For funds having a weighted average maturity greater than 90 days, performance will be computed on a total return basis.

XVI. Fiscal Policy Statements

1. All cash accounts owned by HRTAC will be held in financial institutions which are insured by the FDIC.
2. All capital expenditures which exceed five thousand dollars (\$5,000) will be capitalized.
3. No salary advances will be made under any circumstances.
4. Reimbursements will be paid upon complete expense reporting and approval using the official HRTAC Reimbursement form. Reimbursements to the Executive Director will be authorized by the Commission Chair.
5. The Executive Director, CFO and two designated Commission members are the signatories on HRTAC's bank accounts. All disbursements require a second signature by an authorized Commission or staff member. Each set of signatures must be either the Executive Director or CFO, AND one of the two Commission members.
6. Bank statements will be reconciled monthly and all statements will be given to the CFO for review.
7. Accounting and personnel records will be kept in locked file cabinets in the finance department or human resources department and only parties with financial and/or HR responsibilities will have access.

XVII. Records Retention

1. **Purpose.** The purpose of this policy is to ensure that the Hampton Roads Transportation Accountability Commission (“HRTAC”) is compliant with federal and state requirements for records retention.
2. **General.** The Virginia Public Records Act (Code of Virginia §§ 42.1-76 et seq.) defines public records: “Public record” or “record” means recorded information that documents a transaction or activity by or with any public officer, agency or employee of an agency. Regardless of physical form or characteristic, the recorded information is a public record if it is produced, collected, received or retained in pursuance of law or in connection with the transaction of public business. The medium upon which such information is recorded has no bearing on the determination of whether the recording is a public record.
3. **Specific Requirements of Policy.** HRTAC documents shall be maintained for the periods indicated in the schedules adopted by the Library of Virginia in accordance with the Public Records Act.
4. **Electronic Records.** Electronic records will be handled as if they were paper documents. If there is sufficient reason to keep an email message, the message should be printed in paper copy and kept in the appropriate file or moved to an “archive” computer file folder.
5. **Safekeeping.** The Executive Director shall designate a staff member with responsibility for compliance with this policy. HRTAC documents shall be maintained in a safe, and secure, and accessible manner. Electronic files will be backed up as needed.
6. **Destruction of Documents.** Financial and employee related documents will be destroyed by shredding. Document destruction will be suspended immediately upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

XVIII. Glossary of Terms

Bankers' Acceptance: a draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Benchmark: a comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Broker: brings buyers and sellers together for a commission.

Certificate of Deposit (CD): a time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

Collateral: securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: An unsecured promissory note with a fixed maturity no longer than 270 days. Public offerings are exempt from SEC regulation.

Corporate Notes: Unsecured promissory notes issued by corporations to raise capital.

Dealer: acts as a principal in all transactions, buying and selling for his own account.

Debenture: a bond secured only by the general credit of the issuer.

Delivery versus Payment: delivery of securities with an exchange of money for the securities. (See also "Delivery versus Receipt")

Delivery versus Receipt: delivery of securities with an exchange of a signed receipt for the securities, also known as "free" delivery. (See also "Delivery versus Payment").

Diversification: allocation investment funds among a variety of securities offering independent returns.

Federal Agency: government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets, also referred to as Government Sponsored Enterprises or GSEs. The largest are Ginnie Mae, Fannie Mae, Freddie Mac, Federal Home Loan Banks, Federal Farm Credit Bank, Tennessee Valley Authority.

Federal Funds: funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

Federal Funds Rate: the rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open – market operations.

Liquidity: the ability of ease with which an asset can be converted into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be transacted at those quotes.

Market Value: the price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement: a written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

Maturity: the date upon which the principal or stated value of an investment becomes due and payable.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency which issues credit ratings that the U.S. Securities and Exchange Commission (the "SEC") permits other financial firms to use for certain regulatory purposes. Several examples include Moody's Investor Service, Standard & Poor's and Fitch Ratings.

Portfolio: collection of securities held by an investor.

Primary Dealer: a group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

Rate of Return: the yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (RP or REPO): a agreement under which the holder of securities sells these securities to an investor with a commitment to repurchase the securities at a fixed price on a fixed date. The security's "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

Safekeeping: a service rendered by banks for a fee whereby securities and valuables of all types and descriptions are held by the bank for protection.

SEC Rule 15C3-1: see "Uniform Net Capital Rule".

Securities and Exchange Commission (“SEC”): agency created by Congress to protect investors in securities transactions by administering securities legislation.

Treasury Bills: a non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bonds: long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield: the rate of annual income return on an investment, expressed as a percentage. Income/current yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

To: Chair Johnson and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: October 17, 2019

Re: I-64 Regional Express Lanes Update

Background:

During the September 19, 2019 Concurrent HRTAC and HRTPO meeting, VDOT Commissioner Stephen Brich provided an update on the I-64 Regional Express Lanes. The update, based on traffic data for the year 2025, summarized the expected impacts on the I-64 corridor with a proposed seamless express lanes network. Mr. Brich noted that VDOT staff would continue to refine the analysis and would be coordinating with HRTPO and HRTAC with the goal of reaching a regional decision on an express lanes network by November 2019 as HRTAC and VDOT would be finalizing its negotiations on the Master Tolling Agreement. HRTPO staff also gave a presentation on its efforts using the HRTPO Travel Demand Model to predict the effects of an express lanes network on the I-64 corridor 20 to 25 years into the future.

Following the briefings, the HRTAC and HRTPO Boards provided feedback to VDOT, HRTPO, and HRTAC staff to further develop additional analysis and identification of improvements, estimated costs, and refine the toll revenue analysis to be presented to the two bodies for use in reaching a regional decision on an express lanes network. VDOT Commissioner Brich and the HRTPO staff agreed to provide a progress update at the October 17, 2019 meeting.

RECOMMENDED ACTION:

Following the briefings, the HRTAC and HRTPO Boards are requested to provide feedback to VDOT, HRTPO, and HRTAC staff on additional capacity, cost, and revenue analysis that would be helpful to the Boards in reaching a regional decision on an express lanes network.



**HAMPTON ROADS TRANSPORTATION FUND
FINANCIAL REPORT
FY2014 – FY2020
Period Ending July 31, 2019**

The HRTAC staff has prepared the attached July 2019 financial report based on data received to date from the Virginia Department of Transportation.

| <u>Revenues</u> | <u>Inception to July 2019</u> | <u>FY2020 YTD</u> | <u>July 2019</u> |
|------------------------------|--------------------------------------|--------------------------|-------------------------|
| Total Gross Revenues | 1,648,167,189 | 11,466,834 | 11,466,834 |
| State Sales & Use Tax | 776,993,865 | 5,208,176 | 5,208,176 |
| Local Fuels Tax ¹ | 238,832,724 | 4,546,003 | 4,546,003 |
| Interest | 3,321,135 | 43,730 | 43,730 |
| Investment Income | 45,749,392 | 1,668,925 | 1,668,925 |
| Bond Proceeds | 583,270,073 | - | - |

| <u>Expenditures</u> | <u>Inception to July 2019</u> | <u>FY2020 YTD</u> | <u>July 2019</u> |
|--------------------------------------|--------------------------------------|--------------------------|-------------------------|
| Total Expenditures | 579,727,436 | 2,220,955 | 2,220,955 |
| Projects | 532,811,477 | - | - |
| Total DMV & Dept. of Tax Admin. Fees | 826,678 | - | - |
| Investment Fees | 1,146,228 | 19,598 | 19,598 |
| Bond Interest Expenses | 39,387,557 | 2,154,506 | 2,154,506 |
| Operating Expenses | 5,555,496 | 46,851 | 46,851 |

Cash Balance

July 31, 2019 Ending Cash Balance **\$ 1,068,439,753**

Encumbered Balance

Balance of Encumbered (through FY2026) **\$ 4,098,793,956**

Allocation 4,631,605,433

Less: Project Expenditures 532,811,477

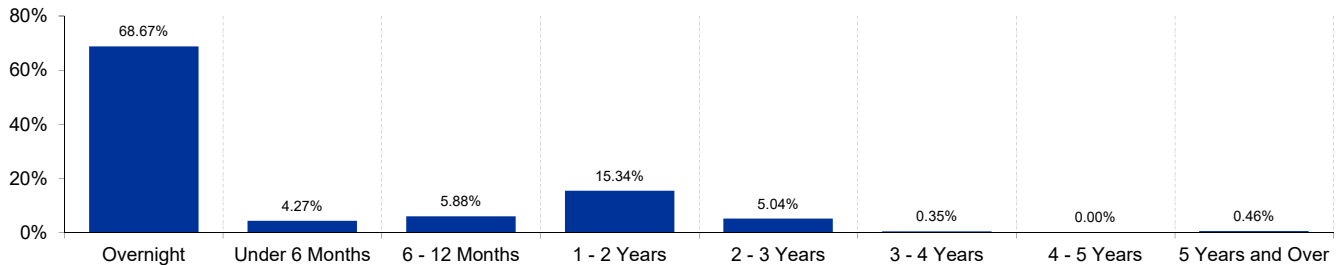
Hampton Roads Transportation Accountability Commission

Summary of Cash and Investments

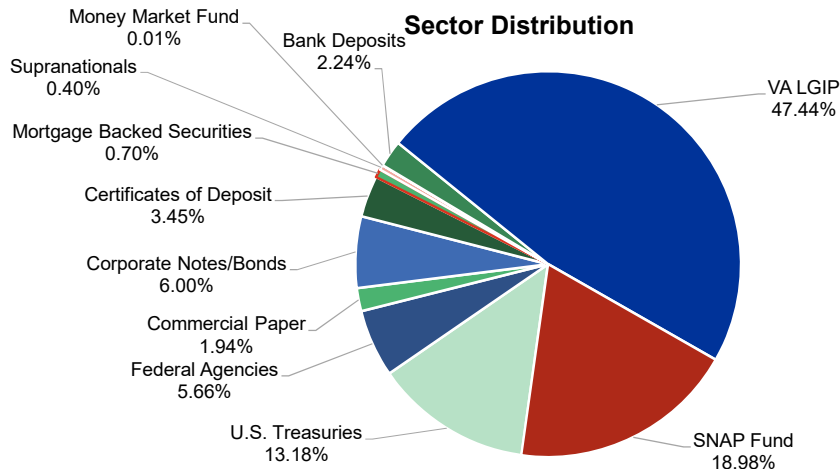
For July 2019

| Portfolio | Yield at Cost | Yield at Market | Balances at Cost | Balances at Market | % of Total |
|-------------------------|---------------|-----------------|-------------------------|-------------------------|----------------|
| Union Checking | 0.00% | 0.00% | 1,000,000 | 1,000,000 | 0.09% |
| Union Sweep | 2.35% | 2.35% | 5,693,038 | 5,693,038 | 0.53% |
| Union Money Market | 2.35% | 2.35% | 9,524 | 9,524 | 0.00% |
| Union General | 2.35% | 2.35% | 17,370,032 | 17,370,032 | 1.62% |
| VA LGIP | 2.40% | 2.40% | 509,984,538 | 509,984,538 | 47.44% |
| Enhanced Cash Portfolio | 2.58% | 2.14% | 204,194,153 | 205,341,120 | 19.10% |
| Core Portfolio | 2.47% | 2.04% | 130,391,635 | 131,668,962 | 12.25% |
| SNAP Fund | 2.43% | 2.43% | 204,020,688 | 204,020,688 | 18.98% |
| Total | | | \$ 1,072,663,607 | \$ 1,075,087,903 | 100.00% |

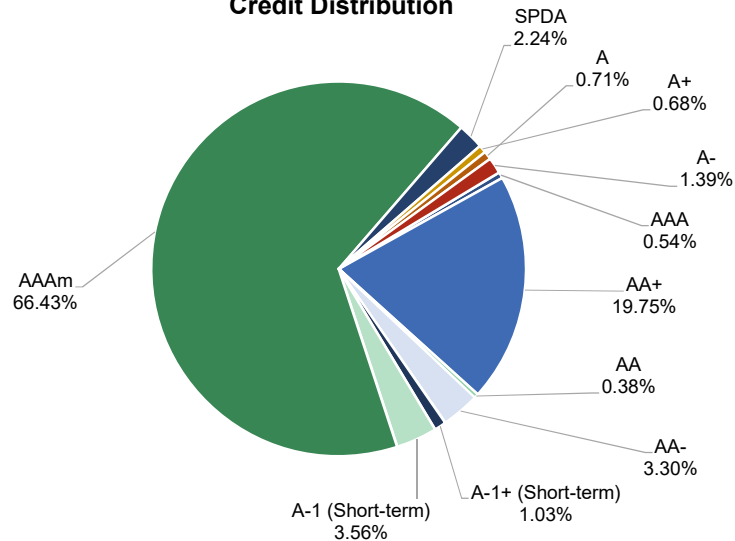
Total Maturity Distribution



Sector Distribution



Credit Distribution



All charts are based on market value as of 7/31/19

This material is for general informational purposes only and is not intended to provide specific advice or a specific recommendation.

Hampton Roads Transportation Accountabiliy Commission
Interest and Investment Income
Inception - July 2019

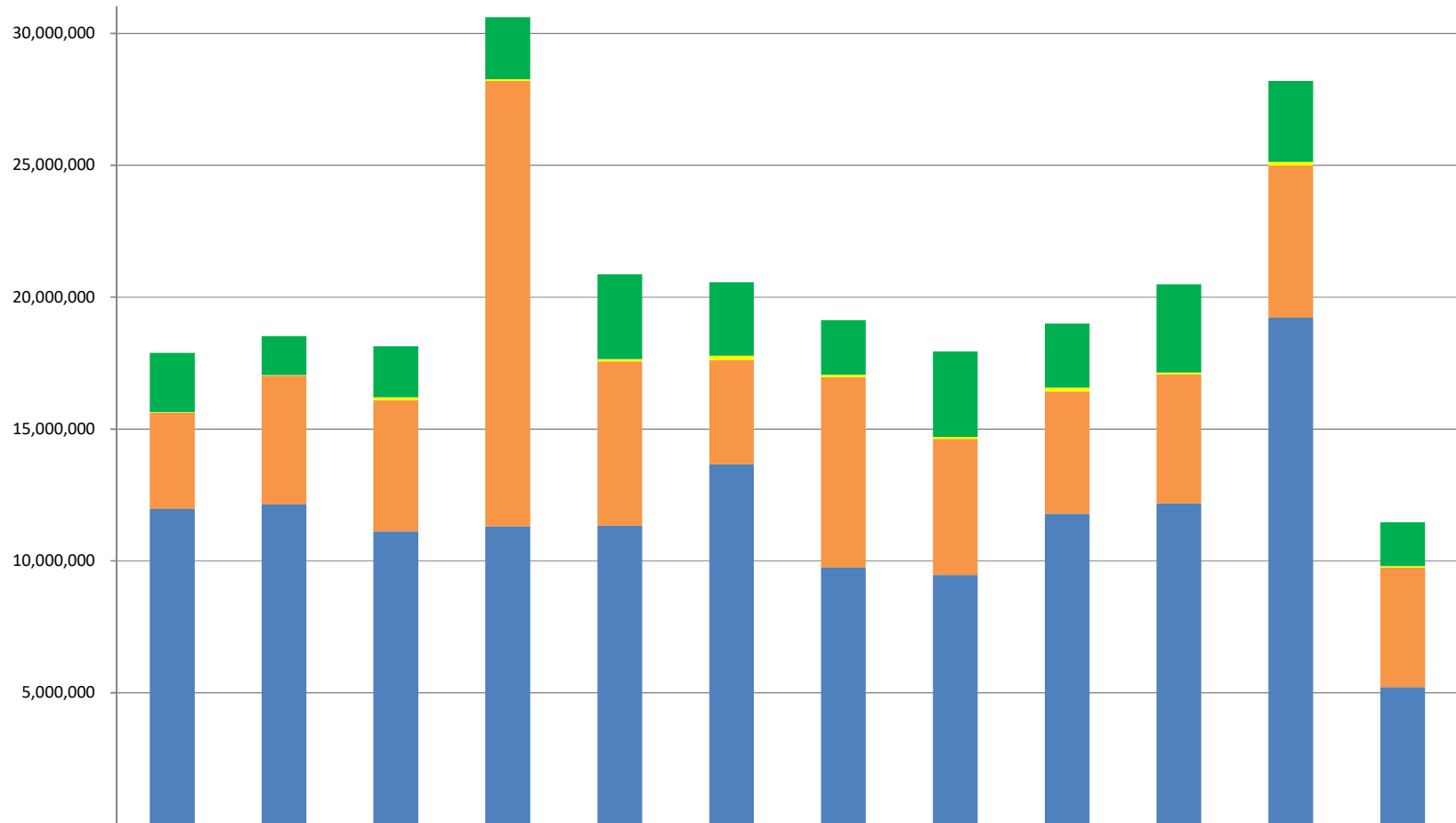
| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | Total |
|------------------------|----------|----------------|------------------|----------------|------------------|-------------------|------------------|-------------------|
| HRTF Interest Income | 363,855 | 1,027,959 | 272,261 | 291,738 | 321,499 | 1,000,093 | 43,730 | 3,321,135 |
| HRTF Investment Income | <u>-</u> | <u>368,310</u> | <u>3,993,773</u> | <u>980,870</u> | <u>8,868,404</u> | <u>29,869,111</u> | <u>1,668,925</u> | <u>45,749,392</u> |
| Total | 363,855 | 1,396,269 | 4,266,033 | 1,272,608 | 9,189,903 | 30,869,204 | 1,712,655 | 49,070,527 |

Notes:

"HRTF Interest Income" includes interest from Union Bank money market, sweep, and general accounts, as well as Regional Tax Interest/Interest Refund Adjustments (Oct-Dec 2018 and Jan-Jul 2019).

"HRTF Investment Income" in FY2019 and FY2020 includes income from PFMAM (US Bank) core and enhanced cash, LGIP, and SNAP accounts. FY2014-2018 totals also include income from Sterling and Union Bank.

HRTF Revenue



| | August 2018 | September 2018 | October 2018 | November 2018 | December 2018 | January 2019 | February 2019 | March 2019 | April 2019 | May 2019 | June 2019 | July 2019 |
|-------------------|-------------|----------------|--------------|---------------|---------------|--------------|---------------|------------|------------|------------|------------|------------|
| Total | 17,887,332 | 18,526,009 | 18,130,893 | 30,611,764 | 20,862,507 | 20,568,781 | 19,131,185 | 17,934,948 | 18,996,539 | 20,498,467 | 28,196,250 | 11,466,834 |
| Investment Income | 2,246,682 | 1,475,698 | 1,929,878 | 2,354,239 | 3,204,732 | 2,785,461 | 2,076,218 | 3,232,380 | 2,432,733 | 3,347,726 | 3,069,490 | 1,668,925 |
| Interest | 23,076 | 22,427 | 106,220 | 59,130 | 96,405 | 163,957 | 78,396 | 74,666 | 145,583 | 68,909 | 138,448 | 43,730 |
| Fuel Tax | 3,650,132 | 4,887,644 | 4,981,889 | 16,885,289 | 6,222,494 | 3,951,363 | 7,212,879 | 5,163,447 | 4,630,635 | 4,898,920 | 5,765,087 | 4,546,003 |
| Sales & Use Tax | 11,967,441 | 12,140,239 | 11,112,906 | 11,313,107 | 11,338,876 | 13,667,999 | 9,763,693 | 9,464,455 | 11,787,588 | 12,182,912 | 19,223,225 | 5,208,176 |

Notes: November 2018 Wholesale Fuels Tax revenue includes a \$9,865,900 Special Audit Assessment adjustment sourced from vendor audit settlement.

January 2019 Wholesale Fuels Tax revenue includes \$510,330 in adjustments from a Special Audit Assessment and a vendor audit settlement.

February 2019 Wholesale Fuels Tax revenue includes \$806,491 from a vendor audit assessment.

June 2019 Sales & Use Tax includes \$7,424,592 of FY2019 AST Estimated Sales & Use Tax revenue.

Hampton Roads Transportation Fund (HRTF)
Total of Sales & Use and Fuels Taxes
Summary

| | Gross Revenue | | | | | | Expenditures | | | | | | Cummulative Balance |
|---|-----------------------|----------------------|---------------------|----------------------|--------------------|-----------------------|--------------------|-------------------|----------------------|----------------------|---------------------|-----------------------|------------------------|
| | Investment | | | | | | Dept of Tax | | Investment | | Operating | | 7/1/13 - 7/31/19 |
| | Sales & Use Tax | Fuels Tax | Interest | Income | Bond Proceeds | Total | Projects | Admin Fee | Fees | Bond Expenses | Expenses | Total | |
| <i>July 2013 - July 2018</i> | \$ 637,823,249 | \$ 166,036,940 | \$ 2,300,188 | \$ 15,925,231 | \$ 583,270,073 | \$ 1,405,355,681 | \$ 267,126,026 | \$ 626,745 | \$ 917,280 | \$ 13,533,482 | \$ 3,135,353 | \$ 285,338,885 | 1,120,016,795 |
| <i>August 2018</i> | 11,967,441 | 3,650,132 | 23,076 | 2,246,682 | | 17,887,332 | - | - | 19,294 | 2,154,506 | 72,478 | 2,246,278 | 1,135,657,849 |
| <i>September 2018</i> | 12,140,239 | 4,887,644 | 22,427 | 1,475,698 | | 18,526,009 | 7,821,297 | - | 18,693 | 2,154,506 | 408,115 | 10,402,612 | 1,143,781,246 |
| <i>October 2018</i> | 11,112,906 | 4,981,889 | 106,220 | 1,929,878 | | 18,130,893 | 16,378,984 | - | 19,444 | 2,154,506 | 73,562 | 18,626,496 | 1,143,285,643 |
| <i>November 2018</i> | 11,313,107 | 16,885,289 | 59,130 | 2,354,239 | | 30,611,764 | 9,747,362 | - | 18,741 | 2,154,506 | 128,615 | 12,049,224 | 1,161,848,183 |
| <i>December 2018</i> | 11,338,876 | 6,222,494 | 96,405 | 3,204,732 | | 20,862,507 | - | - | 19,391 | 2,154,506 | 110,984 | 2,284,881 | 1,180,425,810 |
| <i>January 2019</i> | 13,667,999 | 3,951,363 | 163,957 | 2,785,461 | | 20,568,781 | 36,279,132 | - | 19,417 | 2,154,506 | 117,329 | 38,570,383 | 1,162,424,207 |
| <i>February 2019</i> | 9,763,693 | 7,212,879 | 78,396 | 2,076,218 | | 19,131,185 | 8,154,736 | - | 17,561 | 2,154,506 | 170,539 | 10,497,341 | 1,171,058,051 |
| <i>March 2019</i> | 9,464,455 | 5,163,447 | 74,666 | 3,232,380 | | 17,934,948 | 10,179,001 | - | 19,473 | 2,154,506 | 483,343 | 12,836,323 | 1,176,156,676 |
| <i>April 2019</i> | 11,787,588 | 4,630,635 | 145,583 | 2,432,733 | | 18,996,539 | 10,449,817 | - | 18,871 | 2,154,506 | 136,069 | 12,759,263 | 1,182,393,951 |
| <i>May 2019</i> | 12,182,912 | 4,898,920 | 68,909 | 3,347,726 | | 20,498,467 | 52,817,158 | - | 19,531 | 2,154,506 | 275,696 | 55,266,891 | 1,147,625,527 |
| <i>June 2019</i> | 19,223,225 | 5,765,087 | 138,448 | 3,069,490 | | 28,196,250 | 113,857,965 | 199,933 | 18,935 | 2,154,506 | 396,563 | 116,627,903 | 1,059,193,874 |
| <i>July 2019</i> | 5,208,176 | 4,546,003 | 43,730 | 1,668,925 | | 11,466,834 | - | - | 19,598 | 2,154,506 | 46,851 | 2,220,955 | 1,068,439,753 |
| Total 12 Months | <u>\$ 139,170,616</u> | <u>\$ 72,795,784</u> | <u>\$ 1,020,947</u> | <u>\$ 29,824,161</u> | <u>\$ -</u> | <u>\$ 242,811,509</u> | <u>265,685,451</u> | <u>\$ 199,933</u> | <u>\$ 228,948.20</u> | <u>\$ 25,854,075</u> | <u>\$ 2,420,143</u> | <u>\$ 294,388,551</u> | |
| Grand Totals | <u>776,993,865</u> | <u>238,832,724</u> | <u>3,321,135</u> | <u>45,749,392</u> | <u>583,270,073</u> | <u>1,648,167,189</u> | <u>532,811,477</u> | <u>826,678</u> | <u>1,146,228</u> | <u>39,387,557</u> | <u>5,555,496</u> | <u>579,727,436</u> | |
| Less Balance of Encumbered (through FY2022) | | | | | | | | | | | | | (4,098,793,956) |
| Total Net Available | | | | | | | | | | | | | <u>(3,030,354,204)</u> |

Notes:

November 2018 Wholesale Fuels Tax revenue includes a \$9,865,900 Special Audit Assessment adjustment sourced from vendor audit settlement.

January 2019 Wholesale Fuels Tax revenue includes \$510,330 in adjustments from a Special Audit Assessment and a vendor audit settlement.

February 2019 Wholesale Fuels Tax revenue includes \$806,491 from a vendor audit assessment.

For audit purposes, the January through June 2019 investment income and bond expenses have been updated to reflect the gain on investments (on bond proceeds) held by the trustee and the full bond interest expense.

June 2019 Department of Taxation Administrative Fee is a \$199,993 fee charged by the Department of Motor Vehicles for fuels tax audit costs.

Table 1 - Total HRTF Revenues

Hampton Roads Transportation Fund (HRTF)

Total of Sales & Use and Fuels Taxes

Fiscal Year 2020

| Locality | Total FY2014 - FY2019 | Previous FY2020 | July 2019 | Total YTD FY2020 | Total |
|----------------------------------|--------------------------|--------------------|-------------------|-------------------|------------------------|
| <i>Chesapeake</i> | \$ 184,375,921 | \$ - | \$ 1,676,075 | \$ 1,676,075 | \$ 186,051,996 |
| <i>Franklin</i> | 10,835,471 | - | 212,647 | 212,647 | 11,048,118 |
| <i>Hampton</i> | 72,743,305 | - | 758,047 | 758,047 | 73,501,352 |
| <i>Isle of Wight</i> | 15,714,603 | - | 218,340 | 218,340 | 15,932,943 |
| <i>James City</i> | 45,631,266 | - | 442,904 | 442,904 | 46,074,170 |
| <i>Newport News</i> | 107,563,645 | - | 956,249 | 956,249 | 108,519,894 |
| <i>Norfolk</i> | 140,592,136 | - | 1,245,923 | 1,245,923 | 141,838,059 |
| <i>Poquoson</i> | 2,611,953 | - | 31,738 | 31,738 | 2,643,691 |
| <i>Portsmouth</i> | 35,106,389 | - | 361,744 | 361,744 | 35,468,132 |
| <i>Southampton</i> | 5,096,645 | - | 71,769 | 71,769 | 5,168,414 |
| <i>Suffolk</i> | 50,215,890 | - | 540,956 | 540,956 | 50,756,847 |
| <i>Virginia Beach</i> | 268,621,783 | - | 2,632,325 | 2,632,325 | 271,254,108 |
| <i>Williamsburg</i> | 21,444,114 | - | 209,635 | 209,635 | 21,653,749 |
| <i>York</i> | 45,519,288 | - | 395,827 | 395,827 | 45,915,114 |
| Total | 1,006,072,410 | - | 9,754,179 | 9,754,179 | 1,015,826,589 |
| Interest ^a | 3,277,405 | - | 43,730 | 43,730 | 3,321,135 |
| Investment Income ^b | 44,080,467 | - | 1,668,925 | 1,668,925 | 45,749,392 |
| Bond Proceeds | 583,270,073 | - | - | - | 583,270,073 |
| Total Revenues | 1,636,700,355 | - | 11,466,834 | 11,466,834 | 1,648,167,189 |
| Project Expenses | (532,811,477) | - | - | - | (532,811,477) |
| DMV & Dept. of Tax Admin Fees | (826,678) | - | - | - | (826,678) |
| Investment Fees (Sterling&PFMAM) | (1,126,630) | - | (19,598) | (19,598) | (1,146,228) |
| Bond Interest Expenses | (37,233,051) | - | (2,154,506) | (2,154,506) | (39,387,557) |
| Operating Expense | (5,508,645) | - | (46,851) | (46,851.17) | (5,555,496) |
| Cash Balance | 1,059,193,874 | - | 9,245,879 | 9,245,879 | 1,068,439,753 |
| Less Balance of Encumbered | | | | | (4,098,793,956) |
| Net Available Cash | | | | | (3,030,354,204) |
| Updated Forecast | 1,014,545,038 | 5,244,080 | 5,244,080 | 5,244,080 | 1,019,789,118 |
| Total Revenue - Forecast | (6,195,316) | (5,244,080) | 4,510,099 | 4,510,099 | (1,685,217) |
| (under)/over | | | | | |

Notes:

^a Includes interest from Union Bank money market, sweep, and general accounts, as well as Regional Tax Interest/Interest Refund Adjustments (Oct - Dec 2018 and Jan-Jul 2019).

^b FY2019 and FY2020 include income from PFMAM (US Bank), LGIP, and SNAP accounts. FY2014-2018 includes income from Sterling and Union Bank.

Table 1A - State Sales & Use Tax

Hampton Roads Transportation Fund (HRTF)

State Sales & Use Tax

Fiscal Year 2020

| Locality | Total FY2014 - FY2019 | Previous FY2020 | July 2019 | Total YTD FY2020 | Total |
|-----------------------|--------------------------|-----------------|---------------------|---------------------|--------------------|
| <i>Chesapeake</i> | \$ 139,712,883 | \$ - | \$ 847,602 | \$ 847,602 | \$ 140,560,485 |
| <i>Franklin</i> | 5,947,627 | - | 35,354 | 35,354 | 5,982,981 |
| <i>Hampton</i> | 54,326,862 | - | 359,275 | 359,275 | 54,686,136 |
| <i>Isle of Wight</i> | 8,875,532 | - | 91,918 | 91,918 | 8,967,450 |
| <i>James City</i> | 38,405,097 | - | 290,035 | 290,035 | 38,695,132 |
| <i>Newport News</i> | 84,786,312 | - | 539,324 | 539,324 | 85,325,635 |
| <i>Norfolk</i> | 112,635,165 | - | 658,945 | 658,945 | 113,294,110 |
| <i>Poquoson</i> | 1,826,727 | - | 18,829 | 18,829 | 1,845,557 |
| <i>Portsmouth</i> | 24,594,191 | - | 170,151 | 170,151 | 24,764,342 |
| <i>Southampton</i> | 2,242,889 | - | 17,368 | 17,368 | 2,260,257 |
| <i>Suffolk</i> | 32,952,471 | - | 203,630 | 203,630 | 33,156,101 |
| <i>Virginia Beach</i> | 214,046,261 | - | 1,623,254 | 1,623,254 | 215,669,515 |
| <i>Williamsburg</i> | 16,782,386 | - | 139,228 | 139,228 | 16,921,614 |
| <i>York</i> | 34,651,287 | - | 213,264 | 213,264 | 34,864,551 |
| Total | <u>\$ 771,785,689</u> | <u>\$ -</u> | <u>\$ 5,208,176</u> | <u>\$ 5,208,176</u> | <u>776,993,865</u> |
| Updated Forecast | <u>767,771,042</u> | <u>-</u> | <u>4,450,813</u> | <u>4,450,813</u> | <u>772,221,855</u> |
| Diff(under)/over | 4,014,647 | - | 757,363 | 757,363 | 4,772,010 |

Table 1B - Local Fuels Tax

Hampton Roads Transportation Fund (HRTF)

Local Fuels Tax

Fiscal Year 2020

| Locality | Total FY2014 - FY2019 | Previous FY2020 | July 2019 | Total YTD FY2020 | Total |
|-----------------------|--------------------------|-----------------|---------------------|---------------------|-----------------------|
| <i>Chesapeake</i> | \$ 44,663,038 | \$ - | \$ 828,472 | \$ 828,472 | \$ 45,491,511 |
| <i>Franklin</i> | 4,887,844 | - | 177,293 | 177,293 | 5,065,137 |
| <i>Hampton</i> | 18,416,444 | - | 398,772 | 398,772 | 18,815,216 |
| <i>Isle of Wight</i> | 6,839,071 | - | 126,422 | 126,422 | 6,965,493 |
| <i>James City</i> | 7,226,169 | - | 152,869 | 152,869 | 7,379,038 |
| <i>Newport News</i> | 22,777,335 | - | 416,925 | 416,925 | 23,194,260 |
| <i>Norfolk</i> | 27,956,971 | - | 586,978 | 586,978 | 28,543,949 |
| <i>Poquoson</i> | 785,224 | - | 12,909 | 12,909 | 798,133 |
| <i>Portsmouth</i> | 10,512,198 | - | 191,593 | 191,593 | 10,703,790 |
| <i>Southampton</i> | 2,853,757 | - | 54,401 | 54,401 | 2,908,157 |
| <i>Suffolk</i> | 17,263,419 | - | 337,327 | 337,327 | 17,600,746 |
| <i>Virginia Beach</i> | 54,575,522 | - | 1,009,071 | 1,009,071 | 55,584,593 |
| <i>Williamsburg</i> | 4,661,728 | - | 70,408 | 70,408 | 4,732,136 |
| <i>York</i> | 10,868,001 | - | 182,563 | 182,563 | 11,050,564 |
| Total | <u>234,286,721</u> | <u>-</u> | <u>\$ 4,546,003</u> | <u>\$ 4,546,003</u> | <u>\$ 238,832,724</u> |
| Updated Forecast | <u>245,900,003</u> | <u>-</u> | <u>793,267</u> | <u>793,267</u> | <u>246,693,270</u> |
| Diff(under)/over | (11,613,282) | - | 3,752,736 | 3,752,736 | (7,860,546) |

Table 2 - Allocations

Hampton Roads Transportation Fund (HRTF) Allocations Fiscal Year 2020

| Project | Total FY2014 - FY2019 | Previous FY2020 | July 2019 | Total YTD FY2020 | Total |
|---|--------------------------|-----------------|-----------------------|-----------------------|-------------------------|
| <i>I-64 Peninsula Widening</i> | | | | | |
| <i>UPC 104905 - Segment 1 - Construction</i> | \$ 14,000,000 | \$ - | \$ (2,391,615) | \$ (2,391,615) | \$ 11,608,385 |
| <i>UPC 106665 - Segment 2 - PE/ROW/Construction</i> | 175,832,897 | - | - | - | 175,832,897 |
| <i>UPC 109790/106689 - Segment 3 - PE</i> | 10,000,000 | - | - | - | 10,000,000 |
| <i>UPC 109790/106689 - Segment 3 - Construction</i> | 112,893,996 | - | - | - | 112,893,996 |
| <i>I-64/264 Interchange Improvement</i> | | | | | |
| <i>UPC 57048/108042 - Phase I - PE/ROW</i> | 15,071,063 | - | - | - | 15,071,063 |
| <i>UPC 57048/108042 - Phase I - Construction</i> | 137,023,653 | - | - | - | 137,023,653 |
| <i>UPC 17630/108041 - Phase II - PE/ROW</i> | 54,592,576 | - | - | - | 54,592,576 |
| <i>UPC 17630/108041 - Phase II - Construction</i> | 73,157,062 | - | - | - | 73,157,062 |
| <i>UPC 106693 - Phase III - PE & ROW</i> | 10,000,000 | - | - | - | 10,000,000 |
| <i>I-64 Southside Widening/High-Rise Bridge</i> | | | | | |
| <i>UPC 106692 - Phase I - PE</i> | 12,200,000 | - | - | - | 12,200,000 |
| <i>UPC 106692/108990 - Phase I - ROW/Construction</i> | 419,756,220 | - | - | - | 419,756,220 |
| <i>I-64 HRBT Expansion Project</i> | | - | | | |
| <i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i> | 3,004,569,251 | - | - | - | 3,004,569,251 |
| <i>UPC 115009 - I-64 HRBT Expansion Project Owers Oversight</i> | 548,900,330 | - | - | - | 548,900,330 |
| <i>HRCS Preferred Alternative Refinement - HRBT UPC 110577 - SEIS</i> | 30,000,000 | - | - | - | 30,000,000 |
| <i>460/58/13 Connector Study - UPC 106694 - PE</i> | 5,000,000 | - | - | - | 5,000,000 |
| <i>Bowers Hill Interchange Study - UPC 111427</i> | 4,000,000 | - | - | - | 4,000,000 |
| <i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i> | 7,000,000 | - | - | - | 7,000,000 |
| Total | \$ 4,633,997,048 | \$ - | \$ (2,391,615) | \$ (2,391,615) | \$ 4,631,605,433 |

Table 3 - Expenditures

Hampton Roads Transportation Fund (HRTF)

Expenditures

Fiscal Year 2020

| Project | Total FY2014 - FY2019 | Previous FY2020 | July 2019 | Total YTD FY2020 | Total |
|---|--------------------------|--------------------|-------------|---------------------|-----------------------|
| <i>I-64 Peninsula Widening</i> | | | | | |
| <i>UPC 104905/111926 - Segment 1 - PE/Construction</i> | \$ 11,608,384 | \$ - | \$ - | \$ - | \$ 11,608,384 |
| <i>UPC 106665 - Segment 2 - PE/ROW/Construction</i> | 152,522,993 | - | - | - | 152,522,993 |
| <i>UPC 109790/106689 - Segment 3 - PE</i> | 5,141,294 | - | - | - | 5,141,294 |
| <i>UPC 109790/106689 - Segment 3 - Construction</i> | - | - | - | - | - |
| <i>I-64/264 Interchange Improvement</i> | | | | | |
| <i>UPC 57048/108042 - Phase I - PE/ROW</i> | 15,071,063 | - | - | - | 15,071,063 |
| <i>UPC 57048/108042 - Phase I - Construction</i> | 107,384,764 | - | - | - | 107,384,764 |
| <i>UPC 17630/108041 - Phase II - PE/ROW</i> | 47,959,987 | - | - | - | 47,959,987 |
| <i>UPC 17630/108041 - Phase II - Construction</i> | - | - | - | - | - |
| <i>UPC 106693 - Phase III - PE & ROW</i> | 1,855,504 | - | - | - | 1,855,504 |
| <i>I-64 Southside Widening/High-Rise Bridge</i> | | | | | |
| <i>UPC 106692 - Phase I - PE</i> | 12,189,098 | - | - | - | 12,189,098 |
| <i>UPC 106692/108990 - Phase I - ROW/Construction</i> | 51,667,159 | - | - | - | 51,667,159 |
| <i>I-64 HRBT Expansion Project</i> | | - | | | |
| <i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i> | 82,836,930 | - | - | - | 82,836,930 |
| <i>UPC 115009 - I-64 HRBT Expansion Project Owners Oversight</i> | 11,570,087 | - | - | - | 11,570,087 |
| <i>HRCS Preferred Alternative Refinement - HRBT UPC 110577 - SEIS</i> | 28,685,064 | - | - | - | 28,685,064 |
| <i>460/58/13 Connector Study - UPC 106694 - PE</i> | 1,095,368 | - | - | - | 1,095,368 |
| <i>Bowers Hill Interchange Study - UPC 111427</i> | 1,756,331 | - | - | - | 1,756,331 |
| <i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i> | 1,467,451 | - | - | - | 1,467,451 |
| | | | | | |
| Total | \$ 532,811,477 | \$ - | \$ - | \$ - | \$ 532,811,477 |

Table 3A - Bond-Reimbursed Expenditures

Hampton Roads Transportation Fund (HRTF) Bond Reimbursements Fiscal Year 2020

| Project | Total FY2014 - FY2019 | Previous FY2020 | July 2019 | Total YTD FY2020 | Total |
|--|--------------------------|-----------------|-------------|---------------------|-----------------------|
| <i>I-64 Peninsula Widening</i> | | | | | |
| <i>UPC 104905/111926 - Segment 1 - PE/Construction</i> | \$ 10,063,882 | \$ - | \$ - | \$ - | \$ 10,063,882 |
| <i>UPC 106665 - Segment 2 - PE/ROW/Construction</i> | 152,522,993 | - | - | - | 152,522,993 |
| <i>UPC 109790/106689 - Segment 3 - PE</i> | 5,141,294 | - | - | - | 5,141,294 |
| <i>UPC 109790/106689 - Segment 3 - Construction</i> | - | - | - | - | - |
| <i>I-64/264 Interchange Improvement</i> | | | | | |
| <i>UPC 57048/108042 - Phase I - PE/ROW</i> | 15,071,063 | - | - | - | 15,071,063 |
| <i>UPC 57048/108042 - Phase I - Construction</i> | 107,384,764 | - | - | - | 107,384,764 |
| <i>UPC 17630/108041 - Phase II - PE/ROW</i> | 47,959,987 | - | - | - | 47,959,987 |
| <i>UPC 17630/108041 - Phase II - Construction</i> | - | - | - | - | - |
| <i>UPC 106693 - Phase III - PE & ROW</i> | - | - | - | - | - |
| <i>I-64 Southside Widening/High-Rise Bridge</i> | | | | | |
| <i>UPC 106692 - Phase I - PE</i> | 12,189,098 | - | - | - | 12,189,098 |
| <i>UPC 106692/108990 - Phase I - ROW/Construction</i> | 51,667,159 | - | - | - | 51,667,159 |
| <i>I-64 HRBT Expansion Project</i> | | | | | |
| <i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i> | - | - | - | - | - |
| <i>UPC 115009 - I-64 HRBT Expansion Project Owners Oversight</i> | - | - | - | - | - |
| <i>HRCS Preferred Alternative Refinement - HRBT</i> | - | - | - | - | - |
| <i>UPC 110577 - SEIS</i> | - | - | - | - | - |
| <i>460/58/13 Connector Study - UPC 106694 - PE</i> | - | - | - | - | - |
| <i>Bowers Hill Interchange Study - UPC 111427</i> | - | - | - | - | - |
| <i>HR Regional Connector Study - HRTPO</i> | - | - | - | - | - |
| <i>(Remaining Projects of Third Crossing)</i> | - | - | - | - | - |
| Total | <u>\$ 402,000,240</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 402,000,240</u> |

Table 3B - Non-Bond Reimbursed Expenditures

Hampton Roads Transportation Fund (HRTF)

Expenditures

Fiscal Year 2020

| Project | Total FY2014 - FY2019 | Previous FY2020 | July 2019 | Total YTD FY2020 | Total |
|--|--------------------------|-----------------|-------------|---------------------|-----------------------|
| <i>I-64 Peninsula Widening</i> | | | | | |
| <i>UPC 104905/111926 - Segment 1 - PE/Construction</i> | \$ 1,544,502 | \$ - | \$ - | \$ - | \$ 1,544,502 |
| <i>UPC 106665 - Segment 2 - PE/ROW/Construction</i> | - | - | - | - | - |
| <i>UPC 109790/106689 - Segment 3 - PE</i> | - | - | - | - | - |
| <i>UPC 109790/106689 - Segment 3 - Construction</i> | - | - | - | - | - |
| <i>I-64/264 Interchange Improvement</i> | | | | | |
| <i>UPC 57048/108042 - Phase I - PE/ROW</i> | - | - | - | - | - |
| <i>UPC 57048/108042 - Phase I - Construction</i> | - | - | - | - | - |
| <i>UPC 17630/108041 - Phase II - PE/ROW</i> | - | - | - | - | - |
| <i>UPC 17630/108041 - Phase II - Construction</i> | - | - | - | - | - |
| <i>UPC 106693 - Phase III - PE & ROW</i> | 1,855,504 | - | - | - | 1,855,504 |
| <i>I-64 Southside Widening/High-Rise Bridge</i> | | | | | |
| <i>UPC 106692 - Phase I - PE</i> | - | - | - | - | - |
| <i>UPC 106692/108990 - Phase I - ROW/Construction</i> | - | - | - | - | - |
| <i>I-64 HRBT Expansion Project</i> | | | | | |
| <i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i> | 82,836,930 | - | - | - | 82,836,930 |
| <i>UPC 115009 - I-64 HRBT Expansion Project Owners Oversight</i> | 11,570,087 | - | - | - | 11,570,087 |
| <i>HRCS Preferred Alternative Refinement - HRBT</i> | 28,685,064 | - | - | - | 28,685,064 |
| <i>UPC 110577 - SEIS</i> | | | | | |
| <i>460/58/13 Connector Study - UPC 106694 - PE</i> | 1,095,368 | - | - | - | 1,095,368 |
| <i>Bowers Hill Interchange Study - UPC 111427</i> | 1,756,331 | - | - | - | 1,756,331 |
| <i>HR Regional Connector Study - HRTPO</i> | 1,467,451 | - | - | - | 1,467,451 |
| <i>(Remaining Projects of Third Crossing)</i> | | | | | |
| | | | | | |
| Total | <u>\$ 130,811,236</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 130,811,236</u> |

HRTAC Program Development Monthly Executive Report October 2019

Hampton Roads District
7511 Burbage Drive
Suffolk

I-64 Peninsula Widening- Segment I

UPC 104905 (HRTAC)
UPC 111926 (State / Federal)

Project Scope:

From 0.52 miles east of Yorktown Road/Rte 238 (Exit 247) to 1.55 miles west of Jefferson Ave/Rte 143 (Exit 255) (6.1 miles)

- Additional 12' wide travel lanes and 12' wide shoulders within the existing median space
- Replacement of the Industrial Park Drive bridges, and repair and widening of 4 bridges and 2 major culverts
- Strengthened shoulder lane from Ft Eustis Blvd Interchange to Jefferson Avenue Interchange

Project Financial Summary:

Project Budget (\$114,000,000):

- PE \$ 2,738,567
- RW \$ 32,494
- CN \$ 111,228,939

Funds Expended (as of 09/30/19):

\$ 2,738,567
\$ 32,494
\$ 108,837,323
\$ 111,608,384

Projected Cost Over/(Under):

\$ 0
\$ 0
\$ 0

Project Schedule:

| | |
|-------------------------|---------------|
| Notice To Proceed (NTP) | March 2015 |
| Project Completion | December 2017 |
| Schedule Status | Completed |

Enabling Funding

| | |
|---------------|-----------------------|
| HRTAC | \$ 11,608,384 |
| State/Federal | <u>\$ 100,000,000</u> |
| | \$ 111,608,384 |

Project Status:

- Completion achieved on December 1, 2017



Project Site (Looking West from Denbigh Blvd.)

I-64 Peninsula Widening- Segment II

UPC 106665 (HRTAC)

Project Scope:

From 1.05 miles west of Hummelsine Parkway/Marquis Center Pkwy/Rte 199 (Exit 242) to where the Segment I project ends at 0.54 miles east of Yorktown Road/Rte 238 (Exit 247) (7.1 miles)

- Additional 12' wide travel lanes and 12' wide shoulders within the existing median space
- Repair and widening of 9 bridges and 6 major culverts
- Reconstruction of existing roadway

Project Financial Summary:

Project Budget (\$175,832,897):

- PE \$ 6,000,000
- RW \$ 1,511,548
- CN \$ 168,321,349

Funds Expended (as of 09/30/19):

\$ 2,796,084
\$ 520,104
\$ 149,644,996
\$ 152,961,184

Projected Cost Over/(Under):

\$ 0
\$ 0
\$ 0

Project Schedule:

Notice To Proceed
Project Completion
Schedule Status

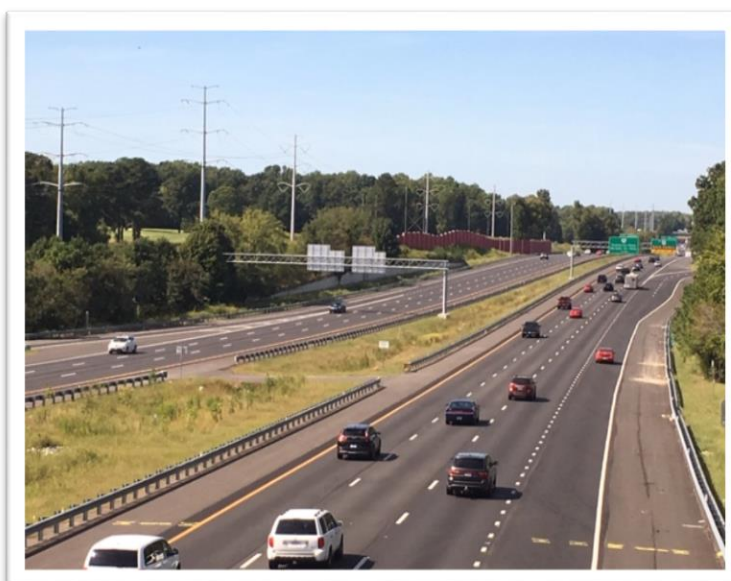
February 2016
May 2019
Roadway open to traffic/
Project in Contract Close out Phase

Enabling Funding

| | |
|---------------|----------------|
| HRTAC | \$ 175,832,897 |
| State/Federal | \$ _____. |
| | \$ 175,832,897 |

Project Status:

- Project work completed was by May 24, 2019. All travel lanes open to public
- Removal of erosion and sediment control devices continues to close out environmental permits
- Video camera inspections and repairs to underdrain installations continue
- Submission and review of final project documents for project closeout continues



Project Site (Looking East from the Exit 243 overpass)

HRTAC Program Development Monthly Executive Report October 2019

Hampton Roads District
7511 Burbage Drive
Suffolk

I-64 Peninsula Widening- Segment III

UPC 106689 (HRTAC)
UPC 109790 (State / Federal)

Project Scope:

From approximately 1.26 miles West of Rte 199/Lightfoot (Exit 234) to where the Segment II project ends at 1.05 miles west of Hummelsine Parkway/Marquis Center Pkwy /Rte 199 (Exit 242) (8.36 miles)

- Additional 12' wide travel lanes and 12' wide shoulders within the existing median space
- Replacement of the two Queen's Creek bridges, repair and widening of 4 bridges, 3 major culverts
- Reconstruction of existing mainline roadway

Project Financial Summary:

Project Budget (\$244,045,973):

- PE \$ 10,000,000
- RW \$ 12,000,000
- CN \$ 222,045,973

Funds Expended (as of 09/30/19):

\$ 5,222,273
\$ 328,766
\$ 57,676,164
\$ 63,227,203

Projected Cost Over/(Under):

\$ 0
\$ 0
\$ 0

Project Schedule:

| | |
|--------------------|----------------|
| Notice To Proceed | January 2018 |
| Project Completion | September 2021 |
| Schedule Status | On-Schedule |

Enabling Funding

| | |
|---------------|-----------------------|
| HRTAC | \$ 122,893,996 |
| State/Federal | <u>\$ 121,151,977</u> |
| | \$ 244,045,973 |

Project Status:

- Eastbound and Westbound traffic is operating in the outside lanes
- Earthwork and asphalt pavement construction continue throughout the project corridor
- Pile installation operations scheduled to be complete at the Lakeshead Drive & Colonial Pkwy bridges in mid-October
- Concrete beam placement and pile installation operations are underway at the Queens Creek Bridge



Concrete beam installation WB Queens Creek Bridge

HRTAC Program Development Monthly Executive Report October 2019

Hampton Roads District
7511 Burbage Drive
Suffolk

I-64/I-264- Phase I

UPC 108041 (HRTAC)
UPC 17630 (State / Federal)

Project Scope:

From the I-64 Twin Bridges to the I-264/Newtown Road Interchange

- Widening westbound I-64 by adding a second exit lane from Twin Bridges to the I-64/I-264 interchange
- Introducing a new two lane Collector-Distributor (C-D) roadway from I-64 to the Newtown Road interchange
- Constructing a new two-lane flyover ramp from westbound I-64 tying into the existing eastbound I-264 C-D road

Project Financial Summary:

| <u>Project Budget (\$158,730,023):</u> | <u>Funds Expended (as of 09/30/19):</u> | <u>Projected Cost Over/(Under):</u> |
|--|---|-------------------------------------|
| ○ PE \$ 10,135,307 | \$ 10,135,307 | \$ 0 |
| ○ RW \$ 11,571,063 | \$ 20,430,879 | \$ 8,859,816 |
| ○ CN \$ 137,023,653 | <u>\$ 111,965,756</u> | \$ 0 |
| | \$ 142,531,942 | |

Project Schedule:

| | |
|--------------------|--------------|
| Notice To Proceed | October 2016 |
| Project Completion | October 2019 |
| Schedule Status | On-Schedule |

Enabling Funding

| | |
|---------------|---------------------|
| HRTAC | \$ 152,094,716 |
| State/Federal | <u>\$ 6,635,307</u> |
| | \$ 158,730,023 |

Project Status:

- Opened B-602 Flyover to I-264 EB 20 September 2019
- Continued grading to final configuration
- Continued rehabilitation of I-264 EB bridge deck and roadway over Kempsville Road
- Continued construction of Soil Nail Wall to Support Sound Barrier I-64 EB



B-602; Flyover, B-605 CD Lanes from I-264 EB and B-603; To Newtown Road (I to r)

HRTAC Program Development Monthly Executive Report October 2019

Hampton Roads District
7511 Burbage Drive
Suffolk

I-64/I-264- Phase II

UPC 108041 (HRTAC)
UPC 17630 (State / Federal)

Project Scope:

From the I-264/Newtown Road Interchange to the I-264/Witchduck Road Interchange

- Extends the new C-D roadway from the Newtown Road interchange to the Witchduck Road interchange
- Reconfigure the Newtown Road and Witchduck Road interchange ramps south of I-264
- Constructing a new overpass that connects Greenwich Road south side of I-264 and Cleveland north of I-264

Project Financial Summary:

Project Budget (\$194,503,887):

- PE \$ 14,082,810
- RW \$ 54,392,666
- CN \$ 126,028,411

Funds Expended (as of 09/30/19):

\$ 14,082,813
\$ 47,852,613
\$ 35,466,290
\$ 97,401,716

Projected Cost Over/(Under):

\$ 3
\$ 0
\$ 0

Project Schedule:

| | |
|----------------------|----------------|
| Award | December 2017 |
| Notice to Proceed | February 2018 |
| Projected Completion | September 2021 |
| Schedule Status | On-Schedule |

Enabling Funding

| | |
|---------------|----------------------|
| HRTAC | \$ 127,749,638 |
| State/Federal | <u>\$ 66,754,249</u> |
| | \$ 194,503,887 |

Project Status:

- Continued Earthwork, Ground and Drainage Improvements
- Continued Utility Relocations along Greenwich, Newtown and Witchduck Roads



Installing Bypass Collars for 48" Diameter Force Sewer Main on Newtown Road

HRTAC Program Development Monthly Executive Report October 2019

Hampton Roads District
7511 Burbage Drive
Suffolk

I-64 Southside Widening and High Rise Bridge - Phase I

UPC 106692 (HRTAC)
UPC 108990 (State / Federal)

Project Scope:

From approximately the I-64/264/664 Interchange at Bowers Hill and extending to the I-64/464 Interchange in Chesapeake

- Widening from 4 to 6 lanes
- Constructing a new High Rise Bridge parallel to and to the South of the existing High Rise Bridge

Project Financial Summary:

| <u>Project Budget (\$524,613,765):</u> | <u>Funds Expended (as of 09/30/19):</u> | <u>Projected Cost Over/(Under):</u> |
|--|---|-------------------------------------|
| ○ PE \$ 12,200,000 | \$ 12,202,546 | \$ 2,546 |
| ○ RW \$ 18,726,000 | \$ 10,257,382 | \$ 0 |
| ○ CN \$ 493,687,765 | <u>\$ 131,574,034</u> | \$ 0 |
| | \$ 154,033,962 | |

Project Schedule:

| | |
|--------------------|---------------|
| Award | October 2017 |
| Notice to Proceed | November 2017 |
| Project Completion | July 2021 |
| Schedule Status | On-Schedule |

Enabling Funding

| | |
|---------------|----------------------|
| HRTAC | \$ 431,956,220 |
| State/Federal | <u>\$ 92,657,545</u> |
| | \$ 524,613,765 |

Project Status:

- All 23 plan sets have been released for construction
- All ROW parcels have been acquired and/or cleared for construction
- HRB pier construction (piles, footings, columns, caps) continue on Piers 1-3, 8-14, 16-31
- Fender system construction continues
- Construction of both Great Bridge Blvd Bridge abutments and abutment MSE walls continue
- Construction of I-64 Bridge Widening over Military Highway, Yadkin Road, and Shell Road continue
- Clearing and grubbing, earthwork, drainage, roadway widening continues on all 5 roadway segments
- Tide gate is completed and operational



HRB Looking West

Route 460/58/13 Connector

UPC 106694 (HRTAC)

Study Scope:

Study from approximately the I-664/U.S. Route 58 Interchange and extending to the Business U.S. Route 460 and the Suffolk Northern Bypass (U.S. Route 13/58/460) Interchange:

- Improve existing roadway to interstate standards and address roadway deficiencies
- Improve accessibility to/from the SPSA Regional Landfill
- Improve accessibility to/from the Hampton Roads Executive Airport

Study Financial Summary:

Project Budget (\$5,000,000):

- PE \$5,000,000
- RW \$ 0
- CN \$ 0

Funds Expended (as of 09/30/19):

\$ 1,095,368
\$ 0
\$ 0
\$ 1,095,368

Projected Cost Over/(Under):

\$ 0
\$ 0
\$ 0

Study Schedule:

| | |
|--------------------|-----------|
| Begin NEPA Process | June 2017 |
| Study Completion | June 2020 |

Enabling Funding

| | |
|---------------|--------------|
| HRTAC | \$ 5,000,000 |
| State/Federal | \$ _____. |
| | \$ 5,000,000 |

Study Status:

- Study closed; final voucher paid on January 7, 2019
- Estimate updated to match expenditures as of February 1, 2019



Existing facility looking westbound from weigh station



Wetland south of eastbound lanes near Sondej Avenue

I-64/I-264- Phase III

UPC 106693 (HRTAC)

Project Scope:

Study/design to improve the remaining I-64/I-264 movements

- Includes I-64 Eastbound (EB) movements to I-264
- Includes I-264 movements to I-64

Project Financial Summary:

Project Budget (\$10,000,000):

- PE \$ 10,000,000
- RW \$ 0
- CN \$ 0

Funds Expended (as of 09/30/19):

\$ 2,010,501
\$ 0
\$ 0
\$ 2,010,501

Projected Cost Over/(Under):

\$ 0
\$ 0
\$ 0

Project Schedule:

IMR Submittal to FHWA

October 2019

IMR Conditional Approval

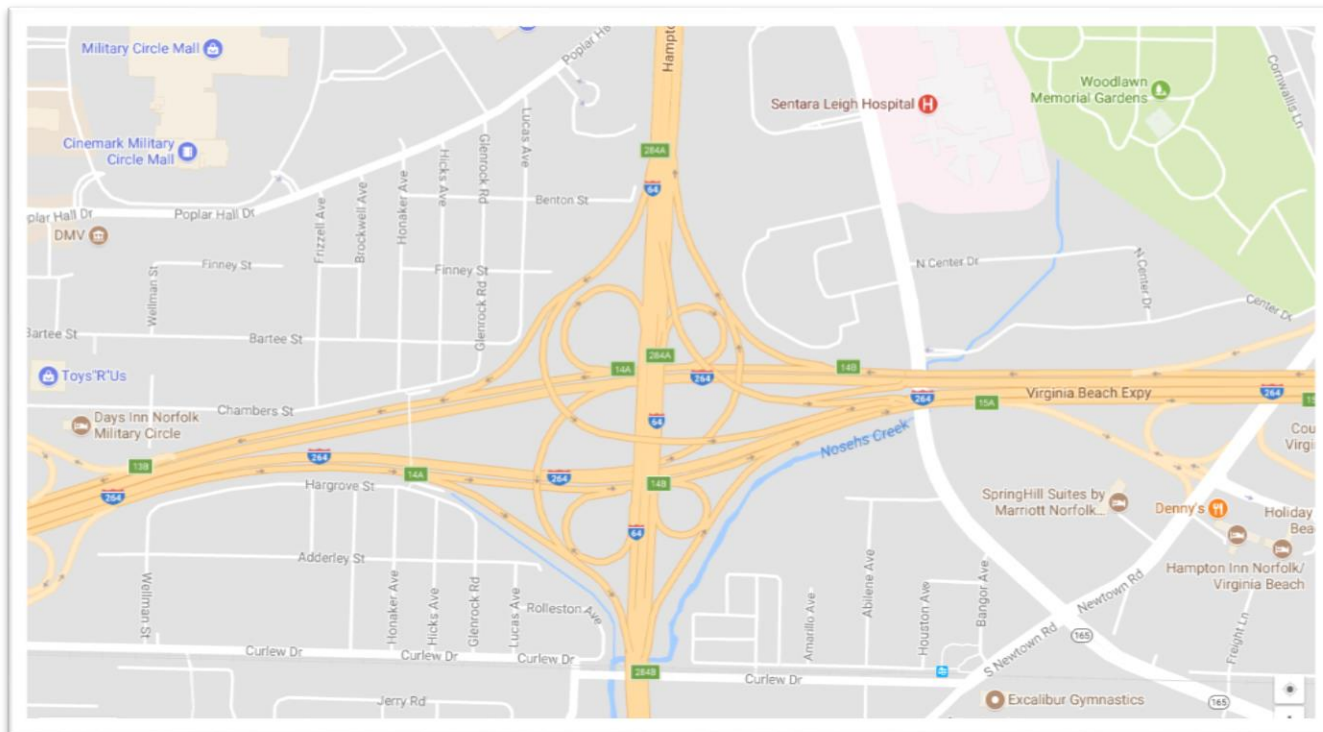
December 2019

Enabling Funding

| | |
|---------------|---------------|
| HRTAC | \$ 10,000,000 |
| State/Federal | \$ _____. |
| | \$ 10,000,000 |

Project Status:

- Final IMR submitted to the Central Office for concurrence and submittal to the FHWA for approval



Bowers Hill Interchange

UPC 111427 (HRTAC)

Study Scope:

Develop NEPA document and supporting studies for improvements to the I-64/I-264/I-664 Interchange and the Route 58/Route 460 Interchange (Bowers Hill).

Study Financial Summary:

| <u>Project Budget (\$4,000,000):</u> | <u>Funds Expended (as of 09/30/19):</u> | <u>Projected Cost Over/(Under):</u> |
|--------------------------------------|---|-------------------------------------|
| ○ PE \$4,000,000 | \$ 1,871,696 | \$ 0 |
| ○ RW \$ 0 | \$ 0 | \$ 0 |
| ○ CN \$ 0 | \$ 0 | \$ 0 |
| | \$ 1,871,696 | |

Study Schedule:

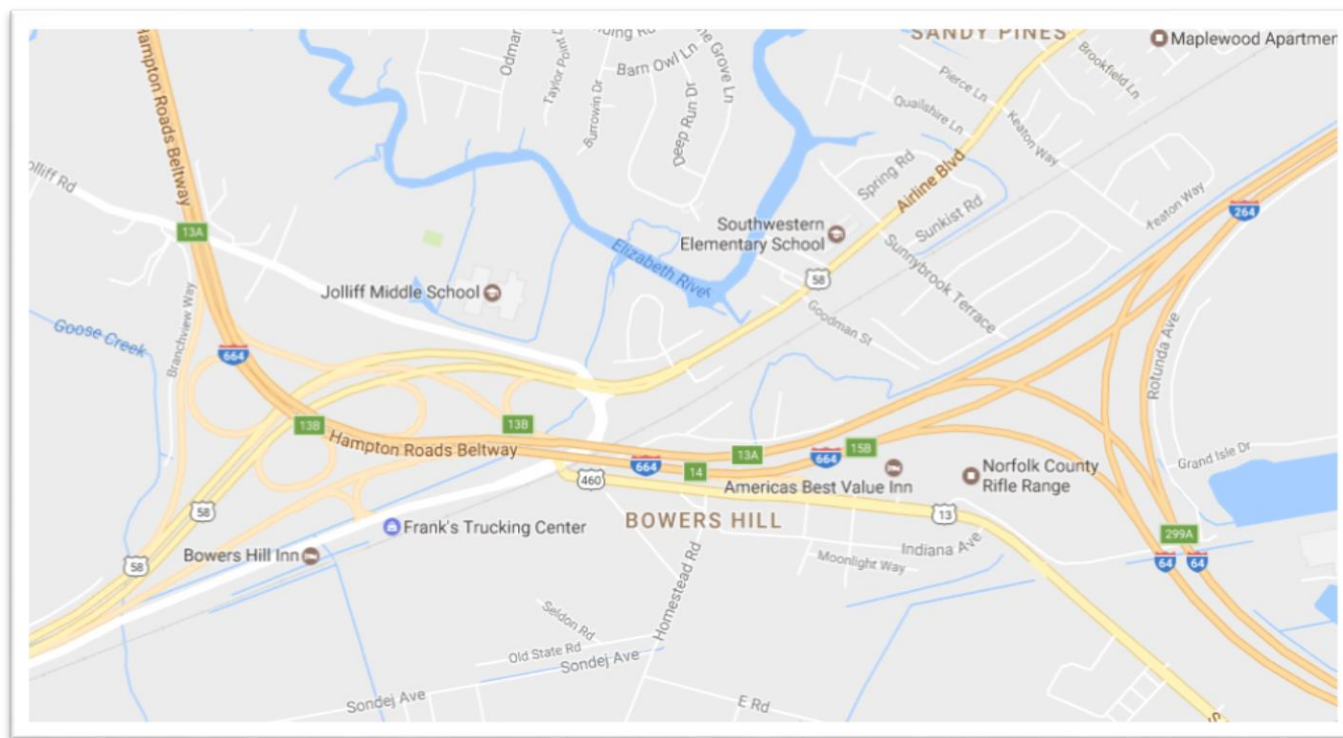
| | |
|--------------------|--------------|
| Begin NEPA Process | January 2018 |
| Completion | January 2020 |

Enabling Funding

| | |
|---------------|--------------|
| HRTAC | \$ 4,000,000 |
| State/Federal | \$ _____. |
| | \$ 4,000,000 |

Study Status:

- TTAC Working Group meeting held on August 20, 2019 to discuss results of I-664 Sensitivity Analysis
- Tentative schedule for HRTPO to endorse a preferred alternative in November
- Tentative schedule to present preferred alternative to CTB in January



Ft. Eustis Interchange

UPC 106700 (HRTAC)

Project Scope:

Replace the I-64 Ft Eustis Interchange to mitigate congestion and improve safety.

Project Financial Summary: TBD

Project Schedule: TBD

Project Status: TBD

I-64 Southside Widening and High Rise Bridge- Phase II

Project Scope:

From approximately the I-64/464 Interchange in Chesapeake extending to the I-64/264/664 Interchange at Bowers Hill

- Widening from 6 to 8 lanes
- Replacing the existing High Rise Bridge
- Rebuild the four Interchanges

Project Financial Summary: TBD

Project Schedule: TBD

Project Status: TBD