

**Hampton Roads Transportation
Accountability Commission (HRTAC)
Summary Minutes of the September 15, 2016 Regular Meeting**

The Hampton Roads Transportation Accountability Commission (HRTAC) Regular Meeting was called to order at 1:14 p.m. in the HRTPO Regional Board Room, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

HRTAC Members in Attendance:

William Sessoms, Chair	Barry Porter
Michael Hipple, Vice Chair	McKinley Price
Rex Alphin	Frank Rabil
John Cosgrove	Thomas Shepperd
Paul Freiling	Donnie Tuck
Linda Johnson	Frank Wagner *
Mamie Johnson (for Kenny Alexander)	Kenneth Wright
Chris Jones	David Yancey
Alan Krasnoff *	

HRTAC Executive Director

Kevin Page

HRTAC Ex-Officio Members in Attendance:

Charlie Kilpatrick	John Reinhart*
John Malbon	

Other Participants:

Tom Inglima	David Miller
Grindly Johnson*	James Utterback

HRTAC Voting Members Absent:

Eugene Hunt	Chris Stolle
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HRTAC Ex-Officio Members Absent:

Jennifer Mitchell

* Denotes Late Arrival or Early Departure

Others Recorded Attending:

John Gergely (Citizen); James Baker, Kelly Lackey (CH); Randy Martin (FR); Brian Deprofio, Mary Bunting (HA); Randy Keaton (IW); Pam Holt (JC); Jerri Wilson (NN); Marcus Jones, Jeff Raliski, Michelle Washington (NO); Bob Baldwin, Lydia Pettis-Patton (PO); Randy Wheeler (PQ); Michael Johnson (SH); Dave Hansen, Bob Matthias (VB); Bill Cashman (AECOM); Steve Schemmel (Bank of America); Dennis Heuer (Clark Nexsen); Frank Papcin (CTAC); Theresa Clift (Daily Press); Amber Riviere, Don Quisenberry, Reginald Williams (eScribe Solutions and Veteran Reporters); Nick Antonucci, John Bourne, Anil Sharma

(HNTB); Ross Grogg (Kemper Consulting); Tracy Baynard (Mcguire Woods Consulting); Karen McPherson (McPherson Consulting); Mike Freidank (Michal Baker International); Phil Lohr (Parsons Brinkerhoff / WSP); Mike Garber (PBMares); Nelson Bush, Kevin Rotty (PFM); Mark Geduldig-Yatrofsky (Portsmouthcitywatch.org); Ken Yarberry (RK&K); Ellis W. James (Sierra Club and NEC Observer); Angel Deem, Tony Gibson, Paula Miller; Dawn Odom, Scott Smizik (VDOT); Jordan Pascale (Virginian Pilot); Mike Long, Joe Turner, Chris Vaigneur (HRPDC); Jennifer Coleman (HRTAC); Rob Case, Nancy Collins, Bob Crumb, Danetta Jankosky, Michael Kimbrel, Kendall Miller, Camelia Ravanbakht (HRTPO)

Call to Order

Chair William Sessoms called the meeting to order at 1:14 P.M., thanked everyone for attending, noted that the meeting was running behind schedule, and stated his expectation to adjourn before 2:30 P.M. He welcomed the following: Donnie Tuck from Hampton, a new member; Frank Rabil from Franklin; Tom Sheppard from York; Paul Freiling from Williamsburg; Mamie Johnson, a designee for Mayor Kenny Alexander; Barry Porter from Southampton; and John Cosgrove, the new representative from the Senate.

Approval of Agenda

Chair Sessoms announced that before approving the agenda, he recommended changing its order since some individuals have to leave early. On the Action items, Item B will become A; item D, will become B; item G will become C with the remainder in normal order.

Mr. Alan Krasnoff Moved to approve the amended agenda; seconded by Mr. Michael Hipple. The Motion carried.

Public Comment Period (limit 5 minutes per individual)

Mr. Frank Papcin spoke on the HOV change to HOT lanes and asked the following: (1) what is the cost of setting it up to be a toll road; (2) what is the cost of operating as a toll road; and (3) how much money was going to the HRTF. He requested information about how much money the region will realize for the inconvenience to those who depended on HOV. Regarding the SEIS Alternatives, Mr. Papcin is in favor of Alternatives C and D and suggested encouraging the use of I-664.

Ms. Donna Sayegh stated that she is concerned that the HOV lanes cannot be transferred to regular lanes. She noted the shortfall in the State budget and questioned HRTAC's legal expenditures.

Mr. John Gergely opined that the region can only afford one mega project, recommended looking at one project at a time, and questioned the prioritization process and the computer program on the website.

Consent Items

A. Minutes of June 16, HRTAC Annual Organizational Board Meeting

Senator Frank Wagner Moved for approval; seconded by Ms. Linda Johnson. The minutes were approved.

Action Items

A. FY2016 Financial Statement Audit

Senator Frank Wagner announced that the first audit of HRTAC concluded on September 7, and noted the following results from the audit firm PBMares, LLC: "The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under the government auditing standards."

Senator Frank Wagner Moved for acknowledgement of the audit; seconded by Ms. Linda Johnson. The Motion carried.

B. Standard Project Agreement for Standard Project Services to Support Right of Way and Construction Phase for I-64 Southside Widening and High Rise Bridge, Phase I

Mr. Kevin Page noted that the project would be the largest undertaken by HRTAC, and thanked Mr. Tom Inglima and Commissioner Charlie Kilpatrick and team for assistance.

Mr. Tom Inglima reported that some changes had been made to the Standard Project Agreement regarding providing greater clarity with respect to the construction schedule and the procedures VDOT should follow before entering into a construction contract with a performance or payment schedule different from that in the Project Agreement—basically an advice and consent procedure with HRTAC. In addition, the SPA includes a provision that confirms that if the contract is amended to reflect a reduction in cost, HRTAC's commitment is also reduced, which will help HRTAC reallocate funds. During discussions, the parties acknowledged that the model contract may need to be revisited for mega-projects.

Mr. Alan Krasnoff Moved to approve the agreement and authorize the Chair to execute and deliver the agreement; seconded by Mr. Michael Hipple. The Motion carried.

C. Investment Management Services Contract Award

Senator Frank Wagner spoke on the search for a new provider of investment management services. He summarized that after an RFP was sent out, nine proposals were received, and the evaluation committee met and recommended to proceed with negotiations with PFM. He noted negotiations resulted in even lower rates and terms and conditions more favorable to HRTAC, specifically HRTAC's option to terminate with thirty days' notice and ability to renew for additional four, one-year terms. The options are not reciprocal. He added that the investment fees are competitive.

Senator Frank Wagner Moved to authorize an Award of an Investment Management Services Contract to PFM and the execution and delivery of the contract after publishing a 10 day notice of award; seconded by Ms. Linda Johnson. Chair Sessoms abstained and The Motion carried.

Before members excused themselves, Chair Sessoms noted that he hoped that each received the letter pertaining to the schedule, and also noted the importance of upcoming meetings and the attendance of all members.

D. Hampton Roads Crossing Study SEIS—Proposed Plan of Finance Scenarios for the SEIS Alternatives

Mr. Kevin Page thanked the Chair for working with FSAC, and called Mr. David Miller of PFM to bring forward the plan of finance scenarios regarding how to fund each SEIS Alternative, show how the funding would fit into the 2040 constrained long-range transportation plan, and answer questions about how to advance the first phase of projects.

Mr. David Miller recapped the Plan of Finance adopted in March:

- A six-year pay-go funding plan was approved; and
- Included in the plan were the I-64 Widening, I-64/264 interchange, and Phase I of the High Rise Bridge.

The HRTPO set a project sequencing and adopted a fiscally-constrained 2040 long-range plan. Mr. David Miller reviewed the current status of the plan:

- Fiscal revenues of the HRTF came in at about four and a half percent less than previously estimated, specifically due to the lack of a floor on the fuel tax;
- A bond trust agreement is moving through the validation process;
- Some of the financial plans look at bonding sooner to move projects along and take advantage of low interest rates;
- CDM Smith performed preliminary traffic and revenue studies in 2014 and 2015 and recommend further study as some information changed;
- Tolls produce revenue, but they are low compared to the cost of the projects;
- The TIFIA, a federal low interest loan program, may be used for toll financing; and
- Illustrative sequencing of the projects show HRBT, projects that collectively make up the I-564/I-664 connector, and then Monitor-Merrimac.

Mr. David Miller continued with a number of options PFM considered in their calculations with the goal of completing most projects by 2040. He explained a number of tables depicting various sequencing and advantages of alternatives, the most noteworthy as follows:

- B-1 and D-1, which accelerate the I-564/I-664 project ahead of HRBT and caused B-2 and D-2 to have the HRBT first, then followed by the I-564 project; and
- D-3 which takes I-564 straight across to Monitor-Merrimac, not including the cost of VA 164.

Mr. David Miller stated that the projects can be accomplished one to three years, more quickly if the I-564 project was first. Members discussed the options and asked for clarification.

Mr. Alan Krasnoff asked about costs, and Mr. Miller explained the tables showed inflation effects.

Mr. David Yancey questioned how it would be different if I-564, which appears as new construction, was done first versus HRBT being improved plus a new tunnel. He asked for clarity on how PFM arrived at the numbers. Mr. Miller noted that the cost of I-564 depends on three variables:

- 1) Whether the plan is to go straight across or assume VA 164;
- 2) The inflation factor; and
- 3) I-564 produces more revenue.

Mr. David Miller referenced a comment from the HRTPO on whether Alternative B components could be added to Alternative D and noted that it was feasible.

Mr. Michael Hippie asked if traffic issues, specifically at the HRBT, were part of the scenario. Mr. Miller explained that traffic was not considered in the calculations, but the HRTPO is looking at the problem.

Mr. McKinley Price stated that he believes any option should include transit and that all of the options do not.

Chair Sessoms asked Mr. Page for direction following the presentation. Mr. Page stated that he is asking the Commission to authorize him to take the information to the October HRTPO meeting, and to share it with the HRTPO in their deliberations and analysis for consideration of working with the Ports as an alternative.

E. FY2016 Annual Report to the Joint Commission on Transportation Accountability to the Hampton Roads Transportation Fund

Mr. Kevin Page explained that it is an annual report required by the Code of Virginia and reports the activities of the HRTF and the progress of HRTAC.

Mr. Chris Jones Moved to Endorse the Fiscal Year 2016 Annual Report to the Joint Commission on Transportation Accountability Relating to the Hampton Roads Transportation Fund; seconded by Mr. Michael Hippie. The Motion carried.

F. Official Intent for Allocation of Bond Proceeds to Reimburse HRTAC Expenditures on I-64 Southside Widening and High Rise Bridge Project

Mr. Kevin Page explained that this is the standard resolution passed for all pay-go projects and affords the opportunity to reimburse HRTAC for the project costs with bond proceeds in the future.

Mr. Rex Alphin Moved for Authorization to Adopt the Resolution of Official Intent for Allocation of Bond Proceeds to Reimburse HRTAC Expenditures on I-64 Southside Widening and High Rise Bridge Project; seconded by Mr. Michael Hipple. The Motion carried.

G. Standard Project Agreement for Standard Project Services to Support Route 460/58/13 Connector Improvements, Preliminary Engineering Phase

Mr. Kevin Page noted that it is an authorization to move forward with a contract on what was authorized by HRTAC.

Ms. Linda Johnson Moved to authorize the execution and delivery of the Standard Project Agreement; seconded by Mr. Alphin. The Motion carried.

H. Amended and Restated Bylaws, Second Reading

Mr. Thomas Inglima pointed out that at the last meeting he reviewed the bylaw amendments, all required by HB1111, and dealing with the manner in which each county may appoint its Commission representative from among its board. The amendments further reflect how a member can appoint a designee to serve at a specific meeting in his or her stead. HRTAC must be notified of the appointment forty-eight hours in advance.

Mr. Michael Hipple Moved to adopt the Amended and Restated Bylaws; seconded by Ms. Linda Johnson. The Motion carried.

I. Authorization of Public Hearing on the Proposed Amendment to the Approved HRTAC 2016-2022 Funding Plan – I-64/I-264 Interchange – Phase III, Standard Project Services to Support Preliminary Engineering Phase.

Mr. Kevin Page explained that this is authorization for HRTAC to hold a public hearing on the \$10 million necessary and requested by VDOT to continue forward with the I-64/I-264 Interchange Project.

Mr. Thomas Sheppard Moved to authorize a public hearing; seconded by Mr. Chris Jones. The Motion carried.

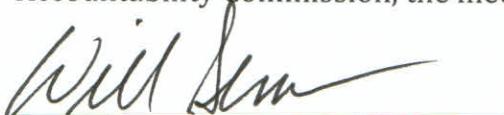
Information Items

A. HRTF Financial Report

Chair Sessoms asked the members to review the report.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission, the meeting adjourned at 2:12 p.m.



William D. Sessoms, Jr.
HRTAC Chair