

**Hampton Roads Transportation
Accountability Commission (HRTAC)
Summary Minutes of the December 14, 2017 Regular Meeting**

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

HRTAC Members in Attendance:

Michael Hipple, Chair	Frank Rabil
Linda T. Johnson, Vice Chair	John Rowe
Rex Alphin	William D. Sessoms*
John Cosgrove	Thomas G. Shepperd
James Gray (for Donnie Tuck)	Frank Wagner
Herbert Green (for Eugene Hunt)	Rick West
Chris Jones	
McKinley Price	
Barry T. Porter	

HRTAC Executive Director

Kevin Page

HRTAC Ex-Officio Members in Attendance:

Charlie Kilpatrick	Cathie Vick
John Malbon	

Other Participants:

Doug Smith	Randy Keaton
James Baker	Randy Martin
Mary Bunting	Dawn Merkle
Bryan Hill	Neil Morgan
Tom Inglima	James Utterback
Michael Johnson	

HRTAC Voting Members Absent:

Kenneth Alexander	Christopher Stolle
Paul Freiling	David Yancey

HRTAC Ex-Officio Members Absent

Jennifer Mitchell

* Denotes Early Departure (After Votes on Action Items)

Others Recorded Attending:

Kelly Lackey (CH); Wynter Benda, Thelma Drake, Morgan Whayland (NO); Jerri Wilson (NN); Rob Matthias (VB); Julie Burger, Nancy Feldman, Kristen Fontana, John Gergely, Will Wampler (Citizens); Donna Sayegh (Citizens for Self-Government); Joel Acree (IOW); George Consolvo (Kaufman and Canoles); Robert E. Algar (Lane); Chuck Eastman (Michael

Baker Inc.); Theresa Leon (PBMares); Nelson Bush, David Miller, Liang Shan (PFM); Chuck Cayton (RK&K); Mercedes Holland (US NAVY); Scott Forehand, Nicole Peals, Don Quisenberry, Amber Riviere (Veteran Reporters); Tony Gibson, Martha Gross, Paula Miller (VDOT); Fred Parkinson (WSP); Mike Gooding (WVEC TV); Nancy Collins, Danetta Jankosky, Mike Long, Chris Vaigneur (HRPDC); Jennifer Coleman (HRTAC); Rob Case, Robert Crum, Michael Kimbrel, Camelia Ravanbakht, Joe Turner (HRTPO)

Call to Order

Chair Hippie called the meeting to order at 12:30 p.m.

VDOT Commissioner of Highways, Mr. Charlie Kilpatrick noted the meeting was his last in his current role and highlighted the milestones HRTAC reached during his tenure. He further reviewed the HRBT project, including project timeline, and the number of additional travel lanes.

Approval of Agenda

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

Public Comment Period (limit 5 minutes per individual)

Ms. Donna Sayegh expressed her concerns regarding the new express lanes and the economic hardships of tolls on the residents on the region. She further stated her displeasure with the communication of local transportation policies and actions to the citizens.

Mr. John Gergely expressed concerns with the new express lanes and its restricting access to lower income residents.

Consent Items

A. Minutes of September 21, 2017 HRTAC Regular Meeting (Attachment 5A to Agenda Packet)

Mr. Rex Alphin Moved to approve the minutes of the September 21, 2017 HRTAC Regular Meeting; seconded by Ms. Linda Johnson. The Motion Carried.

Action Items

A. HRTAC Bond Financing Update – Plan for Initial HRTF Revenue Bond Offering

HRTAC Executive Director, Kevin Page reminded the Commission of action taken at the September 21, 2017 regular HRTAC meeting and indicated those activities prepared the Commission to move forward to issue bonds in the first quarter of 2018.

Finance Committee Chair, Frank Wagner, summarized the evaluation process in regards to the issuance of the bonds and emphasized the need for a floor on the gas tax to further the effectiveness of the bond proceeds.

Mr. David Miller, PFM, provided members a presentation, including slides depicting the different types of bonds and rates of return. He further stated the market was currently

favorable due to historically low interest rates, and he reviewed potential bond repayment terms.

Delegate Chris Jones questioned the length of the bond repayment terms.

Mr. Rex Alphin Moved that the Commission approve the plan for an initial 2018 HRTAC Hampton Roads Transportation Fund (HRTF) Bond Revenue Offering under which up to \$500 million in HRTF Senior Lien Revenue Bonds would be issued, beginning during the first Quarter of Calendar Year (CY) 2018, and confirm its preparedness to consider appropriate actions and provide the appropriate authorizations necessary to advance the issuance; seconded by Mr. Tom Shepperd. The Motion Carried.

B. HRTAC Bond Underwriter Pool RFP

HRTAC Executive Director Page explained the role of the bond underwriters and reviewed the RFP process that was conducted. He further explained that the RFP Evaluation Committee recommended, and the Finance Committee endorsed, (i) a pool of potential underwriters, comprised of all who submitted proposals, as well as (ii) a short list of three from such pool for the Commission's inaugural bond offering.

Finance Committee Chair Wagner informed the Commission that the RFP Evaluation Committee recommended Wells Fargo as the lead underwriter with Merrill Lynch and JP Morgan serving as co-underwriters for the inaugural offering.

Mr. Rex Alphin Moved that the Commission approve: 1) the recommended list of Bond Underwriters to be included in the Commission's Pool of potential underwriters; and 2) the three Bond Underwriters from the Pool that have been selected to be engaged in the inaugural HRTAC Bond Offering, and the Commission authorize the HRTAC Chair to execute and deliver the necessary agreement with the selected HRTAC Bond Underwriters to be engaged during the Calendar Year 2018 bond issuance process; seconded by Dr. McKinley Price. The Motion Carried.

C. HRTAC Bond Trustee RFP

HRTAC Executive Director Page reviewed the bond trustee RFP process with the Commission and stated that Wilmington Trust was the firm recommended by the RFP Evaluation Committee and endorsed by the Finance Committee.

Delegate Chris Jones Moved that the Commission accept the Bond Trustee RFP Evaluation Committee's recommendation to award a contract to the selected firm, approve the issuance of an intent to award the contract to that firm, and authorizes the ultimate execution and delivery by the HRTAC Chair of the necessary agreement with the selected HRTAC Bond Trustee to be engaged for the inaugural HRTAC Bond Offering and any future senior or subordinate lien HRTF Revenue Bonds issued pursuant to the Indenture; seconded by Dr. McKinley Price. The Motion Carried.

D. HRTAC Initial HRTF Revenue Bond Offering – Issuance of Senior Lien Revenue Bonds

HRTAC Executive Director Page outlined the actions that had been taken to prepare for the bond offering. HRTAC Counsel, Tom Inglima, asked that the proposed bond resolution be

displayed on the overhead screen and proceeded to review the terms of the proposed bond resolution for Commission members, including the delegation of authority, and the parameters on that delegation, under the resolution.

Members questioned the repayment term limit of 40 years and asked if these bond terms had been used in the past. Mr. Miller of PFM indicated the Chesapeake Bay Bridge Tunnel and the High Rise Bridge projects had 35-year bond terms.

Delegate Chris Jones questioned who had the authority to change the term limits from 30 years to 40 years. Mr. George Consolvo, HRTAC Bond Counsel, stated the bond documents allowed the HRTAC Executive Director.

Dr. McKinley Price Moved to approve HRTAC resolution 2017-08 authorizing the issuance by the Commission of up to \$500 million in HRTF revenue bonds, with Wilmington Trust as the bond trustee, Wells Fargo as the senior underwriter, and Bank of America and J.P. Morgan as the co-underwriters; seconded by Senator Frank Wagner. A roll call vote was taken with the results as follows:

Mayor Rick West:	Yes.
Mayor Frank Rabil:	Yes.
Mr. James Gray:	Yes.
Mr. Rex Alphin:	Yes.
Chair Michael Hipple:	Yes.
Dr. McKinley Price:	Yes.
Mr. Herbert Green:	Yes.
Mayor John Rowe:	Yes.
Mr. Barry Porter:	Yes.
Vice Chair Linda Johnson:	Yes.
Mayor William Sessoms:	Yes.
Mr. Thomas Shepperd:	Yes.
Senator John Cosgrove:	Abstain.
Senator Frank Wagner:	Yes.
Delegate Chris Jones:	No.
Delegate Chris Stolle:	Absent
Delegate David Yancey:	Absent

The Motion Carried.

E. HRTAC Security Custody Services RFP

HRTAC Executive Director Page reminded the Commission of previous activities related to the RFP and stated the RFP Evaluation Committee recommended U.S. Bank. HRTAC Counsel Inglima provided a summary of the agreement and reviewed the motion.

Senator Frank Wagner Moved that the Commission accept the recommendation of the Security Custody Services RFP Evaluation Committee to award contract to the selected bank, approve the issuance of an intent to award the contract to that bank, and authorizes the HRTAC Chair to ultimately execute and deliver the prepared Security Custody Services Agreement with that bank; seconded by Ms. Linda Johnson. The Motion Carried.

F. HRTAC Annual Audit

HRTAC Executive Director Page noted that PBMares, LLP conducted the audit of HRTAC as required by the Code of Virginia. HRTAC Finance Chair Wagner noted this was the second audit of HRTAC without any issues, and complimented Director Page and staff for their efforts.

Ms. Linda Johnson Moved that the Commission approve the HRTAC FY2017 Audited Financial and Compliance Report and authorize the Executive Director to distribute of the report document for public access and viewing; seconded by Dr. McKinley Price. The Motion Carried.

G. HRTAC P3 Guidelines

HRTAC Finance Committee Chair Wagner noted the enabling legislation establishing HRTAC allowed the issuance of P3 documents and contracts. He stated the guidelines were needed to even receive an unsolicited P3 proposal. He explained that they wouldn't be voted on at the current meeting, but felt the current draft should be explained by HRTAC Counsel, Dawn Merkle. Ms. Merkle proceeded to review the benefits of adopting them. Delegate Jones reviewed with Ms. Merkle whether the proposed guidelines included the recent reforms which were adopted to protect the public interests.

Information Items

A. HRTF Financial Report

HRTAC Executive Director Page provided the following highlights of the HRTF Monthly Financial Report:

- \$523,897,091 in cash on hand
- Of that, \$323,645,364 is with BB&T
- \$186,279,513 is with LGIP
- \$13,972,214 is with Union Bank in several accounts

B. VDOT HRTAC Project Update

VDOT District Administrator, James Utterback, provided the following updates:

- I-64 Segment 1 on time and on schedule – delivered
- I-64 Segment 2 is making up time, bridges substantially complete by Spring
- I-64 Segment 3 was awarded last week for \$178 million
- I-64/264 Interchange Part 2 awarded last week for \$105 million
- They received Notice to Proceed on the High Rise Bridge, starting in Spring

Senator Cosgrove expressed gratitude to VDOT for the extraordinary job on the completed sections of the I-64 Widening Project.

Special Recognition of Certain Commissioners and HRTPO Staff

Chair Michael Hipple praised HRTPO Deputy Executive Director, Dr. Camelia Ravanbakht for 31 years of dedication and service. Additionally, Chair Hipple recognized and thanked Isle of Wight County Supervisor, Rex Alphin, for his time of service with HRTAC board. Finally, Chair Hipple recognized Commission Member Alan Krasnoff and remarked his Resolution of Appreciation would be presented at a later date.

Next Meeting

The next meeting will be held on April 19, 2017 at 12:30 p.m.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission, the meeting adjourned at 1:40 p.m.



Michael J. Hipple
HRTAC Chair