

**Hampton Roads Transportation
Accountability Commission (HRTAC)
Finance Committee
Summary Minutes of the September 6, 2017 Meeting**

The Hampton Roads Transportation Accountability Commission (HRTAC) Finance Committee Meeting was called to order at 12:19 p.m. in the HRTPO Conference Room A, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

HRTAC Finance Committee Members in Attendance:

Frank Wagner, Chair
Rex Alphin, Vice Chair

Christopher Stolle

HRTAC Executive Director

Kevin Page

Other Participants:

Kathleen Bowe, PRM	Danetta Jankosky, HRPDC
Nelson Bush, PFM	David Miller, PFM
Nancy Collins, HRPDC	Liang Shan, PFM
George Consolvo, Kaufman & Canoles	James Utterback, VDOT
Tom Inglima, Willcox & Savage	

* Denotes Late Arrival or Early Departure

Others Recorded Attending:

Scott Forehand, (VRHR); Jennifer Coleman (HRTAC)

Approval of Agenda

Vice Chair Rex Alphin Moved to approve the agenda; Delegate Christopher Stolle seconded. The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

No public comments were made to the Hampton Roads Transportation Accountability Commission Finance Committee.

Consent Items

A. Minutes of June 5, 2017 HRTAC Finance Committee Meeting

Mr. Rex Alphin Moved to approve the minutes of the June 5, 2017 HRTAC Finance Committee Meeting; seconded by Delegate Christopher Stolle. The Motion Carried.

Action Items

A. Finalizing the Proposed HRTAC FY2018-FY2023 Plan of Finance Update

HRTAC Executive Director, Kevin Page, informed the Committee a public hearing was held for the HRTAC FY2018-2023 Plan of Finance on July 20, 2017 with no public comments being made or received.

He indicated the plan could be amended at any time, however, it includes the completion of the Hampton Roads Bridge Tunnel in 2024. Mr. Page reviewed reduction costs for projects in the plan and explained its effects on the funding plan.

Vice Chair Alphin confirmed the construction schedule of the projects of the plan were on time.

Delegate Stolle Moved the Finance Committee endorse and recommends that the Commission finalize the Proposed HRTAC FY2018-FY2023 Six Year Operating and Capital Program of Projects for the Region's High Priority Projects (With Toll Revenues to HRTAC) as its Plan of Finance Update and authorizes the Finance Committee Chair to communicate this endorsement and recommendation to the Commission at its September 21, 2017 Regular Meeting; Vice Chair Alphin seconded. The Motion Carried.

B. Finalizing the Proposed HRTAC 2040 Long Range Plan (LRTP) of Finance Update

Mr. Page stated a public hearing for the 2040 LRTP was held on July 20, 2017 with no comments received. He noted the plan had not changed since the last meeting, however; any toll revenue was not calculated into the plan. Mr. Page reviewed the projects that would be completed by 2038 and noted the current value of the package was \$8.5 billion.

Committee members questioned if inflation was accounted for. Mr. David Miller, PFM, agreed and stated the calculating rate was 2.8%.

Vice Chair Alphin questioned the fluctuating gas prices and the effect on the 2040 plan.

Mr. Page stated the Virginia Department of Taxation provides an annual revenue estimate and the plan is recalibrated accordingly.

Chair Wagner stated the need for public involvement to ensure the citizens understand the tax dollars are being used effectively.

Delegate Christopher Stolle Moved the Finance Committee endorses and recommends that the Commission finalize the Proposed 2040 Long Range Plan of Finance Update (With Toll Revenues to HRTAC) for the HRTAC High Priority Projects and requests that the Commission approve the HRTAC 2040 Long Range Plan of Finance Update (With Toll Revenues to HRTAC) for the HRTAC High Priority Projects at its September 21, 2017 Regular Meeting and communicate the update to the HRTPO; Vice Chair Rex Alphin seconded. The Motion Carried.

C. HRTAC Debt Management Plan

Mr. David Miller, PFM, reviewed the HRTAC 6-year plan and 2040 LRTP plan and noted the amount of debt issued would be \$3 billion and \$4.6 billion respectively. He further clarified debt issuance was necessary to keep the approved projects on schedule, unless another revenue source was identified.

Mr. Miller outlined all bonding documents were in place and suggested HRTAC issue bonds at a steady pace, and identified the bond rating grades and types.

Committee discussion ensued in regards to HRTAC reimbursement resolutions and arbitrage.

Mr. Miller stated once bonds were issued it was not difficult to issue new bonds and suggested HRTAC select a bond amount easily absorbed the market. He additionally reviewed the TIFIA loan process and stated the loan program will cover up to 33% of the total project cost.

Chair Frank Wagner Moved to recommend to the Commission to authorize the executive director to work with financial advisors, investment advisors, and counsel to move forward with advancing a rating agency evaluation, both for the sale of reimbursement, resolution bonds and also TIFIA; and also set forth a path of strategy, a plus or minus two hundred and fifty million dollars in tranches per year moving forward. In addition to that, authorize the executive director to work with PFM and counsel, to advance discussions with VDOT in going to the federal government to discuss TIFIA, both from the loan program and also a master agreement; Mr. Christopher Stolle seconded. The Motion Carried.

Information Items

A. HRTF Economic Update and Quarterly Investment Performance Report

Mr. Nelson Bush, PFM, briefed the Committee on the economy and its effect on HRTAC's investment portfolio.

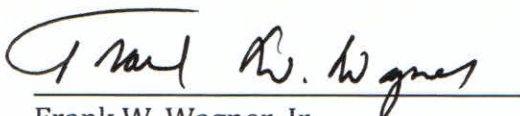
He reviewed the factors affecting short and long term investments and identified portfolio strategies for higher return on investment under those economic conditions.

B. Smart Scale Technical Guide/Policy Changes

Mr. Page reminded the Committee of the proposed Smart Scale policy change and the potential effects it would have on HRTAC. He referenced a letter signed by the Chair and Vice Chair outlining HRTAC's concerns which was sent to the Secretary of Transportation, Aubrey Layne. He reassured the Committee HRTAC is committed to partnering with VDOT on the construction of regional priority projects.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission Finance Committee, the meeting adjourned at 1:43 p.m.



Frank W. Wagner, Jr.
HRTAC Chair