

AGENDA

Hampton Roads Transportation Accountability Commission (HRTAC) Finance Committee Meeting – March 31, 2016

9:00 a.m. – 10:00 a.m.

Conference Room D/E, 723 Woodlake Drive, Chesapeake, VA 23320

- 1. Call to Order**
- 2. Approval of Agenda**
 - *Recommended Action: Approval*
- 3. Public Comment Period**
 - *Limit 5 minutes per individual*
- 4. Chair's Comments**
- 5. Consent Item**
 - *Recommended Action: Approval*
 - A. Minutes of the December 11, 2016 HRTAC Finance Committee Meeting (Attachment 5A)**
- 6. Action Item**
 - *Recommended Action: Discussion/Endorsement/Request/Recommendation*
 - A. Endorse the Draft FY2017 HRTAC Operating Budget and Request for a Public Hearing (Attachment 6A)**
- 7. Discussion Item**
 - *Recommended Action: Discussion/Delegation/Direction*
 - A. Discussion of Process for the Annual Evaluation of the Executive Director**

Adjournment

Consent Agenda Item 5A
Action Item

To: Chair Wagner and the other members of the HRTAC Finance Committee

From: Kevin B. Page, Executive Director

Date: March 31, 2016

Re: December 11, 2015 Meeting Minutes

Recommendation:

The Committee is asked to approve the December 11, 2015 meeting minutes.

Background:

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

Fiscal Impact:

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

Suggested Motion:

Motion is to approve the December 11, 2015 minutes of the HRTAC Finance Committee meeting.



**Hampton Roads
Transportation Accountability Commission (HRTAC)
Finance Committee Meeting
Summary Minutes from December 11, 2015**

The Hampton Roads Transportation Accountability Commission (HRTAC) Finance Committee Meeting was called to order at 11:06 A.M. in Conference Room D, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

HRTAC Finance Committee Members in Attendance:

Senator Frank Wagner, Chair Paul Fraim
Rex Alphin, Vice Chair

HRTAC Executive Director

Kevin Page

Other Participants:

Tom Inglima

HRTAC Finance Committee Members Absent:

George Wallace

* Denotes Late Arrival or Early Departure

Others Recorded Attending:

Frank Papcin , Donna Sayegh (Citizens); Lynn Allsbrook (HA); Thelma Drake (NO); Scott Forehand, Don Quisenberry (eScribeSolutions); Dianna Howard (VBTP, VBTA, TLP); Danetta Jankosky (HRTAC)

Call to Order

Chair Frank Wagner called the meeting to order.

Approval of Agenda

Mr. Rex Alphin Moved to approve the agenda; seconded by Mr. Paul Fraim. The Motion Carried Unanimously.

Public Comment Period (limit 5 minutes per individual)

No comments by the public were offered.

Chair's Comments

Chair Wagner remarked that they were developing an amendment to the FY 2016 HRTAC Operating Budget that would involve increasing the overall budget. He noted that the primary reason for asking for the additional money is costs related to bond counsel. He suggested there may be alternative project financing methods outside of bonds, and specifically recognized that alternate funding options would

likely require legislative action by the General Assembly. He expressed his desire not to send money to Wall Street and to avoid using bonds if possible. He offered that an increase in gasoline and automobile fuels tax of 3 percent would fund the projects and potentially eliminate the line items associated with bond funding. He added that a 3 percent increase would be nearly unnoticeable. For example, on the same street, you can currently see a 3 percent difference in gas prices from one gas station to the next.

Chair Wagner emphasized his desire to pay \$12 billion for \$12 billion worth of work, as opposed to paying the \$24 billion described by the financing options being considered.

Action Item

A. Approval of Minutes of October 6, 2015 and October 13, 2015 Meetings (5A-1 and 5A-2)

Mr. Rex Alphin Moved to approve the Minutes of the October 6, 2015 Meeting and the minutes of the October 13, 2015 Meeting; seconded by Mr. Paul Fraim. The Motion Carried Unanimously.

B. Endorse Proposed Changes to the FY2016 HRTAC Operating Budget (5B)

Mr. Kevin Page, HRTAC Executive Director, summarized the action item and noted that this budget submission/approval cycle followed the same cycle they just completed for an amendment to the FY2015 HRTAC Operating Budget.

Mr. Page explained that the amendment separated the budget into two separate categories, operations and project development. He noted the effort made to stay as fiscally constrained as possible, and leave very little buffer. However, continuing under the \$1,088,000 budget will stop forward progress, and necessitated requesting the adjustments.

Chair Wagner questioned, and Mr. Page confirmed, the one-time nature of the fees associated with the amendment. Mr. Page added that based on potential actions of the General Assembly, some of the project development fees may not be incurred, but it was still prudent to budget for them.

Chair Wagner asked if a bonding overhead cost estimate could be provided. Mr. Tom Inglima, HRTAC Counsel, estimated that roughly \$200,000 would be associated with bond related legal activities. Chair Wagner clarified that if bonds were pursued, Wall Street would certainly get a piece, too.

Chair Wagner clarified his request for a comprehensive assessment of costs associated with funding via bonds.

Mr. Inglima noted that the FY2016 budget runs through June 30, 2016. He added that it would be very optimistic to actually be spending and developing as fast as projected in the FY2016 budget.

Mr. Paul Fraim Moved to endorse proposed changes to the FY2016 HRTAC Operating Budget; seconded by Mr. Rex Alphin. The Motion Carried Unanimously.

C. Endorse the Fiscal Year 2015 Annual Report to the Joint Commission on Transportation Accountability Relating to the Hampton Roads Transportation Fund (5C)

Mr. Kevin Page explained that the current Appropriations Act requires annual submission of a report to the Joint Commission on Transportation Accountability. He noted that the report has been prepared in conjunction with VDOT and suggested that the Finance Committee provide a recommendation to the full HRTAC Board to approve the submission of the report to the Joint Commission.

Mr. Rex Alphin Moved to Endorse the Fiscal Year 2015 Annual report to the Joint Commission on Transportation Accountability Relating to the Hampton Roads Transportation Fund; seconded by Mr. Paul Fraim. The Motion Carried Unanimously.

Adjournment

The HRTAC Finance Committee Meeting adjourned at 11:23 A.M.

Frank Wagner
HRTAC Finance Committee Chair

Agenda Item 6A
Action Item

To: Chair Wagner and the other members of HRTAC Finance Committee

From: Kevin B. Page, Executive Director

Date: March 31, 2016

Re: Recommendation of the Draft HRTAC FY2017 Proposed Budget

Recommendation:

The Finance Committee is asked to endorse the Draft HRTAC FY2017 Proposed Budget and provide its recommendation to the Commission to hold a public hearing regarding the proposed budget.

Background:

Each year, HRTAC develops, adopts, and tracks its annual operating budget. For FY2017, the HRTAC Finance Committee has developed a draft operating budget (Draft HRTAC FY2017 Proposed Budget) that is proposed based on its review of prior expenditure flows and anticipated additional needs of the Commission for the upcoming business year. Once endorsed by the Finance Committee, the Committee Chair will communicate the endorsed HRTAC FY2017 Proposed Budget to the Commission and request authorization for the Finance Committee to hold a public hearing regarding the Draft HRTAC FY2017 Proposed Budget.

Fiscal Impact:

There is a \$2,400,000 fiscal impact of in relation to this Action Item.

Suggested Motion:

Motion is to endorse the Draft HRTAC FY2017 Proposed Budget and recommend that the Commission authorize the Finance Committee to hold a public hearing on the Draft HRTAC FY2017 Proposed Budget.



Hampton Roads Transportation Accountability Commission

FY2016 Budget and FY2017 Proposed Budget

CATEGORY	FY2016			FY2017		
	OPERATIONS	PROJECT DEVELOPMENT	FY2016 BUDGET	OPERATIONS	PROJECT DEVELOPMENT	Proposed FY2017 BUDGET
REVENUES						
HRTF Support *	\$ 466,732	\$ 1,300,000	\$ 1,766,732	\$ -	\$ -	\$ -
Interest/Investment Income	1,200,000	-	1,200,000	1,475,000	925,000	2,400,000
TOTAL REVENUE	\$ 1,666,732	\$ 1,300,000	\$ 2,966,732	\$ 1,475,000	\$ 925,000	\$ 2,400,000
EXPENDITURES						
PERSONNEL**						
HRTAC Staff	\$ 520,932	\$ -	\$ 520,932	\$ 500,000	\$ -	\$ 500,000
HRTPO/HRPDC Support Staff**	207,000	-	207,000	120,000	-	120,000
SUBTOTAL PERSONNEL	727,932	-	727,932	620,000	-	620,000
PROFESSIONAL SERVICES						
Audit	40,000	-	40,000	40,000	-	40,000
Bank Fees & Investment Services	250,000	-	250,000	300,000	-	300,000
Legal	500,000	500,000	1,000,000	425,000	425,000	850,000
Financial Advisors	-	800,000	800,000	-	500,000	500,000
Insurance - D&O	3,000	-	3,000	3,000	-	3,000
Recruiting	5,000	-	5,000	2,500	-	2,500
SUBTOTAL PROFESSIONAL SERVICES	798,000	1,300,000	2,098,000	770,500	925,000	1,695,500
TECHNOLOGY/COMMUNICATION**						
Computer hardware & peripherals/ maintenance/communications/phone**	25,000	-	25,000	18,200	-	18,200
LAN system/ Cloud	10,000	-	10,000	10,000	-	10,000
Website Consultant	300	-	300	1,000	-	1,000
SUBTOTAL TECHNOLOGY/COMMUNICATION	35,300	-	35,300	29,200	-	29,200
ADMINISTRATIVE **						
Public Notices/Advertising	35,000	-	35,000	10,000	-	10,000
Office Space	12,000	-	12,000	12,000	-	12,000
Office Supplies**	2,000	-	2,000	1,000	-	1,000
Furniture	10,000	-	10,000	1,200	-	1,200
Printing/Copying**	5,000	-	5,000	5,000	-	5,000
Dues/Subscriptions	2,000	-	2,000	2,000	-	2,000
Travel	5,000	-	5,000	5,000	-	5,000
Meeting Expenses**	28,500	-	28,500	14,000	-	14,000
Postage**	1,000	-	1,000	100	-	100
Professional Development	5,000	-	5,000	5,000	-	5,000
SUBTOTAL ADMINISTRATIVE	105,500	-	105,500	55,300	-	55,300
TOTAL EXPENDITURES	\$ 1,666,732	\$ 1,300,000	\$ 2,966,732	\$ 1,475,000	\$ 925,000	\$ 2,400,000
BUDGET BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**includes items to be reimbursed to HRPDC/HRTPO

Agenda Item 7A
Discussion

To: Chair Wagner and the other members of HRTAC Finance Committee

From: Kevin B. Page, Executive Director

Date: March 31, 2016

Re: Discussion Process for the Annual Evaluation of the Executive Director

Background:

In accordance with Section 5 of the Executive Director's employment agreement, The Commission (or a committee) shall review and evaluate the Executive Director's performance annually. The Executive Director's review and evaluation shall be in accordance with criteria developed by the Commission, as amended from time to time. The Finance Committee is asked by Commission Chair Sessoms to develop a process and conduct the annual review of the Executive Director and make any necessary recommendation(s) to the Commission for consideration.