

AGENDA

Hampton Roads Transportation Accountability Commission

Finance Committee Meeting *In Person Meeting*

March 20, 2025
9:00 a.m.

1. Call to Order and Roll Call

2. Approval of Agenda

3. Public Comment Period

- Limit 5 minutes per individual

4. Consent Items

- Recommended Action: Approval

A. Minutes of the December 12, 2024 Finance Committee Meeting (Attachment 4A)

5. Action Items

- Recommended Action: Discussion/Endorsement/Recommendation/Approval

A. Executive Director Annual Evaluation - Closed Session as needed (Attachment 5A)

- Finance Committee Chair Hipple and Counselor Inglima

B. Establishment of Other Post Employment Benefits (OPEB) Trust (Attachment 5B)

- Executive Director Page and Counselor Inglima - Recommended Action: Endorsement and Recommendation to the Commission for Approval

C. FY2026 Administrative and Project Development Budget (Attachment 5C) - Executive Director Page - **Recommended Action:** Endorsement and Recommendation to the Commission to Conduct a Public Hearing and Approve

D. FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects, and Related FY2026 Schedule of Debt Service (Attachment 5D) - Executive Director Page and Liang Shan, PFM Financial Advisors - **Recommended Action:** Endorsement and Recommendation to the Commission to Conduct a Public Hearing and Approve

E. FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects (Attachment 5E) - Executive Director Page and Liang Shan, PFM Financial Advisors - **Recommended Action:** Endorsement and Recommendation to the Commission to Conduct a Public Hearing and Approve

F. 2045 Long Range Plan of Finance Update for the Region's High Priority Highway Projects and the Hampton Roads Regional Transit Fund (Attachment 5F) - Executive Director Page and Liang Shan, PFM Financial Advisors - **Recommended**

Action: Endorsement and Recommendation to the Commission to Conduct a Public Hearing and Approve

G. HRTAC Bond Underwriter Pool (Attachment 5G) - Executive Director Page and Liang Shan, PFM Financial Advisors – **Recommended Action:** Endorsement and Recommendation to the Commission to Approve

H. HRTAC Custody Services (Attachment 5H) – Executive Director Page and Nelson Bush, PFM Asset Managers – **Recommended Action:** Endorsement and Recommendation to the Commission to Approve

I. HRTAC IT Services (Attachment 5I) – Executive Director Page – **Recommended Action:** Endorsement and Recommendation to the Commission to Approve

6. Information Items

A. HRTAC Monthly Financial Report – (Attachment 6A) – Executive Director Page

7. Adjournment

**4. A. Minutes of the December 12, 2024 Finance Committee
Meeting**

Agenda Item 4A
Consent Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 20, 2025

Re: December 12, 2024 Meeting Minutes

Recommendation:

The Finance Committee is asked to approve the December 12, 2024 Finance Committee meeting minutes.

Background:

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

Fiscal Impact:

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

Suggested Motion:

Motion is to approve the minutes of the HRTAC Finance Committee meeting on December 12, 2024.



**Hampton Roads Transportation
Accountability Commission (HRTAC)**
**Summary Minutes of the December 12, 2024 Finance Committee
Meeting**

The Hampton Roads Transportation Accountability Commission (HRTAC) Finance Committee Meeting was called to order at 9:01 a.m. with the following in attendance:

HRTAC Members in Attendance:

Supervisor Michael Hipple, JC, Chair
Supervisor William McCarty, IW

Mayor Shannon Glover, PO*
Supervisor Thomas Shepperd, YK

HRTAC Executive Director

Kevin Page

HRTAC Voting Members Absent:

Mayor Donnie Tuck, HA

Other Participants:

Nelson Bush, PFM Asset Management
Tom Inglima, Willcox & Savage

Cher Wynkoop, Willcox & Savage

Others Recorded Attending:

Conner Burns (HRT); Lynn Coen, Jennifer Hodnett, Danetta Jankosky (HRTAC)

*Indicates an early departure or late arrival

Call to Order and Roll Call

HRTAC Finance Committee Chair, Supervisor Michael Hipple, called the meeting to order and a roll call of all Members was taken:

Chair Michael Hipple: Present
Supervisor William McCarty: Present
Mayor Shannon Glover: Present
Supervisor Thomas Shepperd: Present
Mayor Donnie Tuck: No Response

Approval of Agenda

Supervisor William McCarty Moved to approve the agenda as presented; Seconded by Supervisor Thomas Shepperd. The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

No one from the public requested to make a public comment.

Consent Item

A. Minutes of the September 19, 2024 Finance Committee Meeting

Mayor Shannon Glover arrives.

Supervisor McCarty Moved to approve the consent agenda item; Seconded by Supervisor Shepperd. The Motion Carried.

Action Items

A. Other Post Employment Benefits (OPEB) Trust

Executive Director Page reminded the Committee of HRTAC's recent adoption of the HRTAC Personnel Manual and noted that HRTAC would need to address some of its post-employment benefits separately.

Mr. Tom Inglima, Willcox & Savage, HRTAC General Counsel, stated that an option for funding HRTAC's post-employment benefits liability was through the Other Post Employment Benefits (OPEB) Trust through Virginia Association of Counties (VACo)/Virginia Municipal League (VML). He explained that York County participates in the OPEB Trust through VACo and that York County could sponsor HRTAC's participation in the OPEB Trust. Accordingly, York County would be asked to adopt a resolution indicating its sponsorship of HRTAC so that HRTAC could take final action at a subsequent board meeting.

Ms. Cher Wynkoop, Willcox & Savage, summarized the structure of the OPEB Trust and stated that it was widely used among other organizations similar to HRTAC.

Supervisor Shepperd Moved the Finance Committee endorses and recommends that, in preparation for the Commission's first member meeting in 2025, at which time the Commission will be presented for further action a resolution regarding the Commission participation in the VACo/VML Pooled OPEB Trust and the corresponding funding of its OPEB liabilities, the Commission authorize the Executive Director to take all actions that are reasonably necessary to prepare for the Commission's participation in the VACo/VML Pooled OPEB Trust, including but not limited to (i) immediately requesting that one of the County members of the Commission authorize the Commission's participation in the VACo/VML Pooled OPEB Trust, (ii) preparing draft participation paperwork and proposing potential appointees to the "Local Finance Board" that the Commission much appoint under Virginia Law, (iii) preparing the transfer to VACo/VML Pooled OPEB Trust of the funds required to fund the full current OPEB liability, approximately \$189,000, and (iv) identifying for the Local Finance Board the two permitted investment portfolios from which they may select initial investment strategy; Seconded by Mayor Glover, with Supervisor McCarty Abstaining. The Motion Carried.

B. Amendment to the Approved FY2025-FY2030 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects – to amend the I-264/I-64 Interchange Phase IIIA Project and the Hampton Roads Express Lanes Segment 1B Project

Executive Director Page stated that the current cost estimates provided by the Virginia Department of Transportation (VDOT) for the I-264/I-64 Interchange Phase IIIA Project and the Hampton Roads Express Lanes Segment (HRELN) 1B Project exceeded the initial project budgets. He explained that the increases were due to updated design and construction estimates.

Supervisor McCarty Moved that the Finance Committee recommends to the Commission that it approve the Amendment to the Approved FY2025-FY2030 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects – to Amend the Hampton Roads Express Lanes Segment 1B Project and the I-264/I-64 Interchange Phase IIIA Project, and authorizes the Finance Committee Chair to communicate the action of the Finance Committee at the Commission's December 12, 2024 Regular Meeting; Seconded by Mayor Shannon Glover. The Motion Carried.

C. Hampton Roads Regional Transit Fund Project 2023-01C RTS Program Costs – Human Resources (RTS Wages), Fringe, and Operations and Maintenance

Executive Director Page reminded the Committee that the six cities of HRTAC that participate in Hampton Roads Transit (HRT) had approved the deallocation of funds from the Hampton Roads Regional Transit Fund (HRRTF) Project 2023-01C at the Commission's June 20, 2024 meeting. However, following its further evaluation of expenditures, HRT requested additional funds to reimburse incurred project costs. Executive Director Page explained that the action the Finance Committee was being asked to take today would be to recommend that HRTAC re-open the 2023-01C project and provide additional funds to HRT.

Mr. Conner Burns, HRT Chief Financial Officer, noted that the additional costs that had been incurred under the 2023-01C project were highlighted when HRT went through a software upgrade to its accounting system.

Mr. Inglima reviewed the legal guidelines for re-opening the 2023-01C project, and Executive Director Page noted that the funds were still available but had been marked as unobligated under the HRRTF after the six cities of HRTAC approved their deallocation in June.

Supervisor McCarty Moved that the Finance Committee recommends that the six cities of HRTAC that participate in Hampton Roads Transit approve Hampton Roads Transit's request to reimburse the additional \$1,316,780.71 in Hampton Roads Regional Transit Fund Project 2023-01C RTS Program Costs – Human Resources (RTS Wages), Fringe, and Operations and Maintenance, and authorizes the Finance Committee Chair to communicate the action of the Finance Committee at the Commission's December 12, 2024 Regular Meeting; Seconded by Supervisor Shepperd. The Motion Carried.

D. Hampton Roads Express Lanes Network Traffic Management Plan Agreement Amendment

Executive Director Page explained that in consideration of the HRELN project's impacts on local corridors, the Traffic Management Plan allocated \$8 million to assist the localities and VDOT in traffic mitigation efforts. He stated that the recommended action was to recommend to the Commission the shifting of line item values and that there was no change to the aggregate budget amount.

Supervisor McCarty Moved that the Finance Committee endorses, and recommends that the Commission approve, the Hampton Roads Express Lanes Network Traffic Management Plan Agreement Amendment, and authorizes the Finance Committee Chair to communicate the action of the Finance Committee at the December 12, 2024 Regular Meeting; Seconded by Mayor Glover. The Motion Carried.

Discussion Item

A. Custodian Services Update

Executive Director Page reminded the Committee that the Commission's provider for custodian services was TD Wealth, a division of TD Bank. He indicated that information had become available that TD Bank was under investigation for legal violations related to money laundering. In light of this information, Executive Director Page stated he wanted to have a discussion with the Finance Committee and to receive direction from the Committee on next steps with TD Wealth.

Mr. Nelson Bush, PFM Asset Management, noted that although TD Bank had been fined \$3 billion, because it is a Canadian bank, the institution would likely remain financially strong after paying the fine.

Mr. Bush noted that TD Wealth is one of many divisions of TD Bank. He explained that TD Wealth provides custody and security settlement services to HRTAC. He also discussed the last two audit cycles with TD Wealth.

Committee discussion ensued regarding the potential impact that the federal investigation of TD Bank could have on HRTAC.

Committee Members agreed that HRTAC's financial security is a top priority.

Executive Director Page confirmed the amount held on behalf of HRTAC is utilized to pay for the Hampton Roads Bridge-Tunnel (HRBT) project and that HRTAC's financial position had not been compromised. Executive Director Page also noted that TD Wealth contracts with BNY Mellon as a sub-custodian and that BNY Mellon actually held such amount on behalf of HRTAC.

Committee members inquired about the process needed to dissolve the relationship with TD Wealth.

Mr. Bush responded that the contract between TD Wealth and HRTAC would govern the dissolution of their relationship.

Committee Members agreed that the search for a new Custodian Banker should begin.

Information Item

A. HRTAC Monthly Financial Report

Executive Director Page highlighted the HRTAC Monthly Financial Report with the Committee.

Adjournment

With no further business to come before the Finance Committee the meeting adjourned at 9:55 a.m.

Michael Hipple,
HRTAC Finance Committee Chair

5.A. Executive Director Annual Evaluation

Agenda Item 5A
Action Item

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

From: Kevin B. Page, Executive Director

Date: March 20, 2025

Re: Annual Evaluation of Executive Director and Employment Agreement - Closed Session as needed

Recommendation:

The Finance Committee is asked to perform the Annual Evaluation of the Executive Director.

Background:

The Executive Director's Employment Agreement calls for the annual review and evaluation of the Executive Director's performance. In accordance with the Third Amended and Restated Bylaws of the Commission, the annual evaluation of the Executive Director will be conducted by the Finance Committee. Following the discussion of the Executive Director's performance, the Finance Committee will provide the Commission with its assessment and recommendations.

Fiscal Impact:

There is no Fiscal Impact related to this Action Item.

Suggested Motion (to be modified as necessary):

Motion is the Finance Committee has determined that the Executive Director has met alt. exceeded] expectations for the review period.

5.B. Other Post Employment Benefits (OPEB) Trust

Agenda Item 5B
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 20, 2025

Re: Other Post Employment Benefits (OPEB) Trust

Recommendation:

HRTAC Staff recommends that the Finance Committee endorse and recommend that the Commission adopt a resolution that: (i) approves HRTAC's participation in the VACo/VML Pooled OPEB Trust effective as soon as administratively possible on or after April 1, 2025; (ii) appoints the Commission's Executive Director and the Commission's Chief Financial Officer to serve on the Local Finance Board; (iii) appoints the Chairman of the Commission's Finance Committee to serve on the Local Finance Board for a two-year term as the citizen representative on such Board; (iv) directs the Local Finance Board to execute the VACo/VML Trust Joinder Agreement with advice of counsel; (v) authorizes the transfer of funds from the Commission to the VACo/VML Pooled Trust representing the current OPEB liability of \$210,138; and (vi) delegates to the Local Finance Board the fiduciary responsibilities to (a) select the initial investment strategy among those offered by the VACo/VML Pooled OPEB Trust (b) recommend to the Finance Committee the need for any future fund transfers to maintain the Commission's OPEB liabilities in a fully funded status, to the extent the assets invested in the Trust may become insufficient from time to time to achieve such fully funded status based upon the Commission's actuarial valuation of OPEB liabilities, and (c) to review and pay all reasonable administrative/investment fees charged by the VACo/VML Pooled Trust, from time to time.

Background:

At its December 12, 2024 meeting, the Commission authorized the Commission's Executive Director to take all actions that were reasonably necessary to prepare for the Commission's participation in the VACo/VML Pooled OPEB Trust in order to fund its OPEB liabilities, including but not limited to: (i) immediately requesting that one of the County members of the Commission authorize the Commission's participation in the VACo/VML Pooled OPEB Trust; (ii) preparing draft participation paperwork and proposing potential appointees to the "Local Finance Board" that the Commission must appoint under Virginia law; (iii) preparing the transfer to VACo/VML Pooled OPEB Trust of the funds required to fund the full current OPEB liability, approximately \$189,000; and (iv) identifying for the Local Finance Board the two permitted investment portfolios from which they may select the



initial investment strategy.

The process by which the Commission would participate in the VACo/VML Pooled OPEB Trust, and the present status thereof, is summarized as follows:

1. Obtain approval from local governing body by resolution: Consistent with the statutory process set forth in Section 15.2-1544 of the Code of Virginia, HRTAC Staff requested that the York County Board of Supervisors authorize, and on January 21, 2025, the York County Board of Supervisors did authorize, the Commission to establish an OPEB Trust under the provisions of the GASB Statement 74 by means of its participation in the VACo/VML Pooled OPEB Trust, with an effective date of April 1, 2025.
2. Commission's Governing Body adopts a resolution: The next step is for the Commission's governing body to pass a resolution agreeing to participate in the VACo/VML Pooled OPEB Trust. This resolution would be presented for action at the Commission's first meeting in 2025.
3. Commission's Governing Body appoints a "Local Finance Board": Through the resolution, the Commission's governing body also appoints a Local Finance Board to serve as trustee for the Commission's participation in the VACo/VML Pooled OPEB Trust. Section 15.2-1547 of the Code of Virginia specifies that the Local Finance Board shall be comprised of the participant's Chief Administrative Officer, its Chief Financial Officer and a citizen of the Commonwealth with proven integrity, business ability, and demonstrated experience in cash management and in investments (which citizen will serve for a two-year term). The use of a Local Finance Board is a requirement of the enabling OPEB trust legislation passed by the General Assembly. HRTAC Staff recommends that the following individuals be appointed to serve as Local Finance Board with respect to the Commission's participation in the VACo/VML Pooled OPEB Trust: the Commission's Executive Director, the Commission's Chief Financial Officer and the Chairman of the Commission's Finance Committee (as the citizen representative for a two-year term);
4. Execute a Trust Joinder Agreement: The resolution directs the newly appointed Local Finance Board to execute a Trust Joinder Agreement, which is an agreement between the Board of Trustees of the VACo/VML Pooled OPEB Trust and the local finance board establishing the governmental entity's participation, which incorporates by reference the applicable Trust Agreement of the VACo/VML Pooled OPEB Trust.
5. Local Finance Board to Select Investment Portfolio: The Pooled OPEB Trust offers two investment portfolios that generally use the same investment managers but, due to different manager allocations, have different targeted rates of return. Portfolio I targets a return of 7.5% (more risk) while Portfolio II targets 6.0% (less risk). Each participating employer's assets must be in one portfolio or the other.

Fiscal Impact

Upon authorizing the Commission's participation, the Finance Committee recommends that the Commission fully fund the Commission's current OPEB liability by transferring to the VaCo/VML Pooled Trust an amount equal to \$210,138 current OPEB actuarial valuation as of June 30, 2025. The Finance Committee recommends that the Local Finance Board recommend to the Finance Committee the need for any future funds transfers to maintain the Commission's OPEB liabilities in a fully funded status, to the extent the assets invested in the Trust may become insufficient from time to time to achieve such fully funded status based upon the Commission's actuarial valuation of OPEB liabilities.

Suggested Motion:

Motion: The Finance Committee recommends that the Commission adopt a resolution in the form attached to the Agenda Item 5B briefing memo as [Exhibit A](#).



RESOLUTION 2025-01
HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION
TO ADOPT TRUST FOR OTHER POST-EMPLOYMENT BENEFITS

WHEREAS, in connection with the employment of the officers and other employees needed to carry out the functions of the Hampton Roads Transportation Accountability Commission (HRTAC) (the “Commission”), the Commission has established certain plans to provide post-employment benefits other than pensions (“Other Post-Employment Benefits” or “OPEB”), as defined in Section 15.2-1545 of the Virginia Code, to individuals who have terminated their service to the Commission and to the beneficiaries of such individuals; and

WHEREAS, the Commission’s unfunded OPEB liability measured as of June 30, 2025 is \$210,138;

WHEREAS, at its meeting on December 12, 2024, in preparation for the Commission’s first member meeting in 2025, the Commission authorized and approved the Executive Director to take all actions that are reasonably necessary to prepare for the Commission’s participation in the VACo/VML Pooled OPEB Trust, including but not limited to (i) immediately requesting that one of the County members of the Commission authorize the Commission’s participation in the VACo/VML Pooled OPEB Trust, (ii) preparing draft participation paperwork and proposing potential appointees to the “Local Finance Board” that the Commission must appoint under Virginia law, (iii) preparing the transfer to VACo/VML Pooled OPEB Trust of the funds required to fund the full current OPEB liability, approximately \$189,000 (updated valuation of \$210,138), and (iv) identifying for the Local Finance Board the two permitted investment portfolios from which they may select the initial investment strategy.

WHEREAS, Article 8, Chapter 15, Subtitle II of Title 15.2 of the Virginia Code (§§ 15.2-1544 *et seq.*) provides that a governing body of any county, city or town may authorize the governing body of any other political subdivision that is appointed in whole or in part by the governing body of such county, city or town to establish and fund a trust for its active and former employees for the purpose of accumulating and investing assets to fund Other Post-Employment Benefits and may fund such trust; and

WHEREAS, consistent with the statutory process set forth in Section 15.2-1544 of the Code of Virginia, HRTAC Staff requested that the York County Board of Supervisors authorize, and on January 21, 2025, the York County Board of Supervisors did authorize, the Commission to establish an OPEB Trust under the provisions of the GASB Statement 74 by means of its participation in the VACo/VML Pooled OPEB Trust, with an effective date of April 1, 2025.

NOW, THEREFORE, BE IT RESOLVED by the Commission that:

Section 1. The Commission does hereby establish a trust as soon as administratively possible on or after April 1, 2025, pursuant to Section 15.2-1544 of the Virginia Code for the purpose of accumulating and investing assets to fund Other Post-Employment Benefits, in the form set forth in the Virginia Pooled OPEB Trust Fund Agreement (the “Agreement”), a copy of which is attached here as Exhibit A.

Section 2. The Commission does hereby agree to become a “Participating Employer” in the “Virginia Pooled OPEB Trust Fund” (hereinafter, the “Trust Fund”), as further defined in the Agreement.

Section 3. The Commission does hereby appoint the following individuals to the local finance board pursuant to Section 15.2-1547 of the Virginia Code to serve as the

trustee of the Commission with respect to the Trust Fund, and as the "Local Finance Board" as defined in the Agreement: The Executive Director, the Chief Financial Officer and citizen member, Michael Hipple. The Executive Director and the Chief Financial Officer shall serve by virtue of their office, and their terms shall be coterminous with their office. The citizen member is appointed for a term of two years.

Section 4. The Commission does hereby direct the Local Finance Board to execute and deliver the Trust Joinder Agreement for Participating Employers under Virginia Pooled OPEB Trust Fund ("Trust Joinder Agreement"), a copy of which is attached hereto as Exhibit B.

Section 5. The Commission does hereby designate the following benefits provided to individuals who have terminated their service to the Commission and to the dependents of such individuals as Other Post-Employment Benefits: Medical insurance;

Section 6. The Commission does hereby authorize the transfer of funds from the Commission to the Trust Fund representing the current OPEB liability of \$210,138;

Section 7. The Commission does hereby delegate to the Local Finance Board the fiduciary responsibilities to (a) select the initial investment strategy among those offered by the Trust Fund and (b) recommend to the Finance Committee the need for any future fund transfers to maintain the Commission's OPEB liabilities in a fully funded status, to the extent the assets invested in the Trust Fund may become insufficient from time to time to achieve such fully funded status based upon the Commission's actuarial valuation of OPEB liabilities and (c) review and pay all reasonable administrative/investment fees charged by the Trust Fund, from time to time.

Section 7. This resolution shall be in full force and effect on and after its passage.

The undersigned hereby certify that this is a true and correct copy of a resolution duly adopted at a meeting of the Hampton Roads Transportation Accountability Commission held on March 20, 2025.

Chair, Hampton Roads Transportation
Accountability Commission

Vice Chair, Hampton Roads Transportation
Accountability Commission

**TRUST JOINDER AGREEMENT
FOR PARTICIPATING EMPLOYERS UNDER
VIRGINIA POOLED OPEB TRUST FUND**

THIS TRUST JOINDER AGREEMENT is made by and between the Local Finance Board of the Hampton Roads Transportation Accountability Commission (HRTAC) in Chesapeake, Virginia (herein referred to as the “Local Finance Board”) of the Hampton Roads Transportation Accountability Commission (HRTAC) in Chesapeake, Virginia (herein referred to as the “Participating Employer”), and the Board of Trustees (herein collectively referred to as the “Trustees”) of the Virginia Pooled OPEB Trust Fund (herein referred to as the “Trust Fund”).

WITNESSETH:

WHEREAS, the Participating Employer provides post-employment benefits other than pensions (herein referred to as “Other Post-Employment Benefits”), as defined in section 15.2-1545 of the Virginia Code, for Employees and Beneficiaries; and

WHEREAS, the governing body of the Participating Employer desires to establish a trust for the purpose of accumulating and investing assets to fund Other Post-Employment Benefits as it may appropriate; and

WHEREAS, the governing body of the Participating Employer has adopted an ordinance and/or resolution (a certified copy of which is attached hereto as Exhibit A) to authorize participation in the Virginia Pooled OPEB Trust Fund and establish a Local Finance Board, and, pursuant to Virginia Code § 15.2-1547, has directed the Local Finance Board to enter into this Trust Joinder Agreement; and

WHEREAS, the Trust Fund, in accordance with the terms of the Virginia Pooled OPEB Trust Fund Agreement (the “Agreement”), provides administrative, custodial and investment services to the Participating Employers in the Trust Fund; and

WHEREAS, the Local Finance Board, upon the direction of the governing body of the Hampton Roads Transportation Accountability Commission (HRTAC) in Chesapeake, Virginia, desires to submit this Trust Joinder Agreement to the Trustees to enable the Hampton Roads Transportation Accountability Commission (HRTAC) in Chesapeake, Virginia, to become a Participating Employer in the Trust Fund and a party to the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements flowing to each of the parties hereto, it is agreed as follows:

1. Pursuant to the Board of Trustees’ acceptance of this Trust Joinder Agreement, the Hampton Roads Transportation Accountability Commission in Chesapeake, Virginia, is a Participating Employer in the Trust Fund, as provided in the Agreement, and the Local Finance Board is authorized to enter into this Trust Joinder Agreement, and to represent and vote the beneficial interest of the Hampton Roads Transportation Accountability Commission in Chesapeake, Virginia, in the Trust Fund in accordance with the Agreement.

2. Capitalized terms not otherwise defined in this Trust Joinder Agreement have the meaning given to them under the Agreement.

3. The Local Finance Board shall cause appropriations designated by the Participating Employer for deposit in the Trust Fund to be deposited into a depository designated by the Trustees.

4. The Local Finance Board shall timely remit, or timely approve the remittance of, administrative fees as may be due and payable by the Participating Employer under the Agreement into a depository designated by the Trustees.

5. The Participating Employer shall have no right, title or interest in or to any specific assets of the Trust Fund, but shall have an undivided beneficial interest in the Trust Fund; however, there shall be a specific accounting of assets allocable to the Participating Employer.

6. The Local Finance Board shall provide to the Administrator designated by the Trustees all relevant information reasonably requested by the Administrator for the administration of the Participating Employer's investment, and shall promptly update all such information. The Local Finance Board shall certify said information to be correct to the best of its knowledge, and the Trustees and the Administrator shall have the right to rely on the accuracy of said information in performing their contractual responsibilities.

7. The Trust Fund provides administrative, custodial and investment services to the Participating Employer in accordance with the Agreement.

8. The Trustees and the Administrator, in accordance with the Agreement and the policies and procedures established by the Trustees, shall periodically report Trust activities to the Participating Employer on a timely basis.

9. The Local Finance Board and the Participating Employer agree to abide by and be bound by the terms, duties, rights and obligations as set forth in the Agreement, as may be amended by the Trustees, which is attached hereto and is made a part of this Trust Joinder Agreement.

10. The Local Finance Board, in fulfillment of its duties as the trustee of the Participating Employer, retains the services of the Investment Manager or Managers selected by the Trustees pursuant to the Agreement.

11. The term of this Trust Joinder Agreement shall be indefinite; however, the Participating Employer may not terminate this Trust Joinder Agreement until 180 days after its initial investment. Thereafter, the Local Finance Board may terminate this Trust Joinder Agreement on behalf of the Participating Employer by giving at least 90 days prior notice in writing to the Trustees. Termination shall be governed by the provisions of the Agreement.

IN WITNESS WHEREOF, the Local Finance Board has caused this Trust Joinder Agreement to be executed this _____ day of _____, 20____.

**LOCAL FINANCE BOARD OF
HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION IN
CHESAPEAKE, VIRGINIA**

ATTEST:

* * * *

ACCEPTANCE:

VIRGINIA POOLED OPEB TRUST FUND

By: _____

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**VIRGINIA POOLED OPEB TRUST FUND
AGREEMENT**

THIS AGREEMENT (the “Agreement”), made by and between the Participating Employers and their Local Finance Boards who execute Trust Joinder Agreements to participate in the Virginia Pooled OPEB Trust Fund, and the individuals named as Trustees pursuant to Section 106 hereof and their successors (the “Board of Trustees”). The Participating Employers and their Local Finance Boards hereby establish with the Board of Trustees, and the Board of Trustees hereby accept, under the terms of this Agreement, a trust for the purpose of accumulating and investing assets to fund post-employment benefits other than pensions as provided in Article 8, Chapter 15, Subtitle II of Title 15.2 of the Virginia Code (§§ 15.2-1544 *et seq.*) to be held for the purposes set forth herein.

WITNESSETH:

WHEREAS, Section 15.2-1500 of the Virginia Code provides, in part, that every locality shall provide for all the governmental functions of the locality, including, without limitation, the organization of all departments, offices, boards, commissions and agencies of government, and the organizational structure thereof, which are necessary and the employment of the officers and other employees needed to carry out the functions of government; and

WHEREAS, in connection with the employment of the officers and other employees needed to carry out the functions of government, a locality may establish certain plans to provide post-employment benefits other than pensions (referred to hereinafter as “Other Post-Employment Benefits”), as defined in Section 15.2-1545 of the Virginia Code, to individuals who have terminated their service to the locality and to the dependents of such individuals; and

WHEREAS, Article 8, Chapter 15, Subtitle II of Title 15.2 of the Virginia Code (§§ 15.2-1544 *et seq.*) provides that the governing body of a city, county, or town, school district or the governing body of any other political subdivision that is appointed by a city, county, or town, if so authorized, may establish a trust, trusts, or equivalent arrangements for the purpose of accumulating and investing assets to fund Other Post-Employment Benefits; and

WHEREAS, Section 15.2-1300 of the Virginia Code provides that any power, privilege or authority exercised or capable of exercise by any political subdivision of the Commonwealth of Virginia may be exercised and enjoyed jointly with any other political subdivision of the Commonwealth having a similar power, privilege or authority pursuant to agreements with one another for joint action pursuant to the provisions of that section; and

WHEREAS, the County of Fairfax and the County of Henrico have adopted ordinances approving participation in the Virginia Pooled OPEB Trust Fund for each such locality; and

WHEREAS, the Participating Employers and their Local Finance Boards and the Board of Trustees of the Virginia Pooled OPEB Trust Fund (herein referred to as the “Trust Fund”)

hereby establish a trust for the purpose of accumulating and investing assets to fund Other Post-Employment Benefits for Participating Employers; and

WHEREAS, the parties intend that the Trust Fund hereby established, when taken together with the plans providing Other Post-Employment Benefits, shall constitute a tax-exempt governmental trust under Section 115 of the Internal Revenue Code of 1986, as amended;

NOW, THEREFORE, the parties hereto mutually agree as follows:

PART 1- GENERAL PROVISIONS

Section 100. APPLICATION.

The provisions of Part 1 are general administrative provisions applicable to each Part of this Agreement and provisions applicable to the Board of Trustees.

Section 101. DEFINITIONS.

The following definitions shall apply to this Agreement, unless the context of the term indicates otherwise, and shall govern the interpretation of this Agreement:

A. **Administrator**. The term “Administrator” means the Virginia Local Government Finance Corporation (d/b/a “VML/VACo Finance Program”) or any successor designated by the Board of Trustees, with the consent of the Virginia Association of Counties and Virginia Municipal League, to administer the Trust Fund.

B. **Beneficiary**. The term “Beneficiary” means a person designated by an Employee, in accordance with the terms of a Plan, to be entitled to benefits under such Plan, and where the context requires, includes a dependent of the Employee.

C. **Code**. The term “Code” means the Internal Revenue Code of 1986, as amended, and, as relevant in context, the Internal Revenue Code of 1954, as amended.

D. **Custodian**. The term “Custodian” means the banks, mutual funds, insurance companies or other qualified entities selected by the Board of Trustees, under a separate written document with each, to hold the assets of the Trust Fund.

E. **Effective Date**. The term “Effective Date” means the date coinciding with the last to occur of each of the following events: (i) passage of an ordinance by each of the Counties of Fairfax and Henrico approving such Counties as Participating Employers in the Trust Fund; (ii) execution by the Local Finance Boards of the Counties of Fairfax and Henrico of the Trust Joinder Agreement; (iii) execution of this Agreement by all members of the initial Board of Trustees and the Administrator; and (iv) any contribution of cash to the Trust by a Participating Employer.

F. Employee. The term “Employee” means the employees and officials, if applicable, of an Employer, and where the context requires, includes former Employees who have terminated service with an Employer. The term may also include individuals who, though not employed by the political subdivision, are nonetheless eligible, as a result of their providing service to or on behalf of the political subdivision, to receive Other Post Employment Benefits under the Employer’s Plan. Such individuals may include, but are not limited to, members of a volunteer fire company or rescue squad.

G. Employer. The term “Employer” means (i) the governing body of any county, city, or town within the State, (ii) the governing body of any other political subdivision within the State authorized to establish a trust under Section 15.2-1544 of the Virginia Code by the governing body of any county, city, or town that appointed in whole or in part such governing body, or (iii) any appointed or elected school board within the State.

H. Fiscal Year. The first fiscal year of the Trust Fund shall be a short fiscal year beginning on the Effective Date of this Agreement and ending on June 30, 2008. Each subsequent fiscal year of the Trust Fund shall begin on the first day of July and end on the thirtieth day of June.

I. Investment Policy. The term “Investment Policy” means the Virginia Pooled OPEB Trust Fund Investment Policy, as established by the Board of Trustees, as amended from time to time.

J. Local Finance Board. The term “Local Finance Board” means the finance board, or any retirement board or deferred compensation board appointed by the governing body of a Participating Employer to serve as the trustee of such Participating Employer with respect to the Trust Fund, in accordance with Section 15.2-1547 of the Virginia Code, by execution of the Trust Joinder Agreement. Each Local Finance Board shall be the trustee and representative of its Participating Employer for purposes of this Agreement and shall vote the beneficial interest of such Participating Employer in the Trust Fund, as prescribed in Part 3 of this Agreement.

K. Other Post-Employment Benefits. The term “Other Post-Employment Benefits” means any and all post-employment benefits other than pensions, including but not limited to medical, dental, vision, disability and life insurance which may be provided to Employees and Beneficiaries, as may be provided under Plans of Participating Employers.

L. Participating Employer. The term “Participating Employer” means an Employer whose governing body has passed an ordinance or resolution to participate in the Trust Fund, and whose Local Finance Board, serving as the trustee of such Employer in accordance with Section 15.2-1547 of the Virginia Code, executes a Trust Joinder Agreement, as provided in Section 301 hereof.

M. Plan. The term “Plan” means the plan or plans established to provide Other Post-Employment Benefits, which are maintained by Participating Employers pursuant to any applicable statute, regulation, ordinance, resolution, plan, program, policy, agreement, understanding or other arrangement for the benefit of Employees and their Beneficiaries.

N. State. The term “State” means the Commonwealth of Virginia.

O. Trust Fund. The term “Trust Fund” means the Virginia Pooled OPEB Trust Fund, comprised of all of the assets set aside hereunder for the purpose of accumulating and investing assets to fund Other Post-Employment Benefits.

P. Trust Joinder Agreement. The term “Trust Joinder Agreement” means the agreement, in the form attached hereto as Exhibit A, pursuant to which the Local Finance Board joins in the Trust Fund, as the trustee of such Participating Employer, and agrees to be bound by the terms and conditions of the Virginia Pooled OPEB Trust Fund Agreement, as provided in Section 301 hereof.

Q. Trustees. The term “Trustees” means the individuals who serve on the Board of Trustees of the Trust Fund pursuant to Section 106 hereof and their successors.

R. Virginia Code. The term “Virginia Code” means the laws embraced in the titles, chapters, articles and sections designated and cited as the “Code of Virginia,” under the laws of the State.

Section 102. GENERAL DUTIES AND MEETINGS OF THE BOARD OF TRUSTEES.

A. General Duties. The Board of Trustees and each Investment Manager appointed pursuant to this Agreement shall discharge their respective duties under this Agreement solely in the interest of Employees and Beneficiaries of the Participating Employers and: (i) except as otherwise provided by any applicable provision of any statute, regulation, ordinance, or resolution, for the exclusive purpose of providing Other Post-Employment Benefits to Employees and Beneficiaries of Participating Employers and defraying the reasonable expenses of administering the Trust Fund; (ii) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with the same aims; and (iii) by diversifying the investments of the Trust Fund so as to minimize the risk of large losses unless under the circumstances, it is clearly prudent not to do so. However, the duties and obligations of the Board of Trustees and each Investment Manager, respectively, as such, shall be limited to those expressly imposed upon them, respectively, by this Agreement notwithstanding any reference herein to the Plans. The Board of Trustees shall administer the Trust Fund in compliance with Code Section 503(b).

1. Authority of the Trustees. The Trustees shall have the power and authority and shall be charged with the duty of general supervision and operation of the Trust Fund, and shall conduct the business and activities of the Trust Fund in accordance with this Agreement, the Trust Joinder Agreements, bylaws, rules and regulations adopted by the Board of Trustees and applicable law.

2. Trustees’ Liabilities. No Trustee shall be liable for any action taken pursuant to this Agreement in good faith or for an omission except bad faith or gross

negligence, or for any act of omission or commission by any other Trustee. The Trustees are hereby authorized and empowered to obtain, at the expense of the Trust Fund, liability insurance fully protecting the respective Trustees, the Administrator, and the Trust Fund from any loss or expense incurred, including reasonable attorney's fees, for all acts of the Trustees except bad faith or gross negligence. The Trust Fund shall save, hold harmless and indemnify the Trustees and Administrator from any loss, damage or expense incurred by said persons or entities while acting in their official capacity excepting bad faith or gross negligence.

3. Standard of Review. In evaluating the performance of the Trustees, compliance by the Trustees with this Agreement must be determined in light of the facts and circumstances existing at the time of the Trustees' decision or action and not by hindsight.

4. Limitations on Liabilities. The Trustees' responsibilities and liabilities shall be subject to the following limitations:

(a) The Trustees shall have no duties other than those expressly set forth in this Agreement and those imposed on the Trustees by applicable laws.

(b) The Trustees shall be responsible only for money actually received by the Trustees, and then to the extent described in this Agreement. The Trustees shall not be under any duty to require payment of any contribution to the Trust Fund or to see that any payment made to them is computed in accordance with the provisions of the Plans.

(c) The Trustees shall not be responsible for the correctness of any determination of payments or disbursements from the Trust Fund.

(d) The Trustees shall have no liability for the acts or omissions of any predecessor or successor in office.

(e) The Trustees shall have no liability for (i) the acts or omissions of any Investment Advisor or Advisors, or Investment Manager or Managers; (ii) the acts or omissions of any insurance company; (iii) the acts or omissions of any mutual fund; or (iv) following directions that are given to the Trustees by the Local Finance Board in accordance with this Agreement.

B. Reliance on Counsel. The Board of Trustees may employ, retain or consult with legal counsel, who may be counsel for the Administrator, concerning any questions which may arise with reference to the duties and powers or with reference to any other matter pertaining to this Agreement; and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustees in good faith in accordance with the opinion of such counsel, and the Trustees shall not be individually or collectively liable therefor.

C. Meetings. The Board of Trustees shall meet at least quarterly, and more frequently if called, at the principal office of the Trust Fund or at such other location as may be acceptable to a majority of the Trustees. One such quarterly meeting of the Board of Trustees shall be held as soon as practicable after the adjournment of the annual meeting of Local Finance Boards of Participating Employers at such time and place as the Board of Trustees may designate. Other meetings of the Board of Trustees shall be held at places within the Commonwealth of Virginia and at times fixed by resolution of the Board of Trustees, or upon call of the Chairperson of the Board or a majority of the Trustees, on not less than ten (10) days advance notice. Such notice shall be directed to the Trustees by mail to the respective addresses of the Trustees as recorded in the office of the Trust Fund. The notice of any special meetings of the Board of Trustees shall state the purpose of the meeting.

A majority of the number of Trustees elected and serving at the time of any meeting shall constitute a quorum for the transaction of business. The act of a majority of Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees. Less than a quorum may adjourn any meeting.

D. Office of the Trust Fund. The Administrator shall establish, maintain and provide adequate funding for an office for the administration of the Trust Fund. The address of such office is to be made known to the parties interested in or participating in the Trust Fund and to the appropriate governmental agencies. The books and records pertaining to the Trust Fund and its administration shall be kept and maintained at the office of the Trust Fund.

E. Execution of Documents. A certificate signed by a person designated by the Board of Trustees to serve as Secretary shall be evidence of the action of the Trustees, and any such certificate or other instrument so signed shall be kept and maintained at the office of the Trust Fund and may be relied upon as an action of the Trustees.

F. Appointment and Removal of Administrator. The Virginia Local Government Finance Corporation is hereby initially designated the Administrator pursuant to an administrative services agreement between the parties. The Board of Trustees shall provide compensation for the Administrator to administer the affairs of the Trust Fund. Any three (3) Trustees may schedule a vote of the Board of Trustees to remove the Administrator by providing no less than 30 days' notice to the other Trustees and to the Administrator. Provided there is sufficient notice given, a vote will be scheduled at the next meeting of the Board of Trustees at which the Administrator may be removed on a three-fourths ($\frac{3}{4}$) vote of the Trustees. Upon removal of the Administrator, the Board of Trustees may designate a successor Administrator.

G. Duty to Furnish Information. The Local Finance Boards and the Board of Trustees shall furnish to each other any document, report, return, statement or other information that the other reasonably deems necessary to perform duties imposed under this Agreement or otherwise imposed by law.

H. Reliance on Communications. The Board of Trustees may rely upon a certification of a Local Finance Board with respect to any instruction, direction, or approval of its Participating Employer and may continue to rely upon such certification until a subsequent

certification is filed with the Trustees. The Trustees shall have no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as fully authorized by the Local Finance Board and its Participating Employer.

Section 103. ADMINISTRATIVE POWERS AND DUTIES.

A. Trustees. The Board of Trustees, in addition to all powers and authorities under common law or statutory authority, including Article 8, Chapter 15, Subtitle II of Title 15.2 of the Virginia Code (§§ 15.2-1544 *et seq.*), shall have and in its sole and absolute discretion may exercise from time to time and at any time, either through its own actions, delegation to the Administrator, or through a Custodian selected by the Board of Trustees, the following administrative powers and authority with respect to the Trust Fund:

1. To receive for the purposes hereof all cash contributions paid to them by or at the direction of the Participating Employers or their Local Finance Boards.
2. To hold, invest, reinvest, manage, administer and distribute cash balances as shall be transferred to the Trustees from time to time by the Participating Employers or their Local Finance Boards and the increments, proceeds, earnings and income thereof for the exclusive benefit of Employees and Beneficiaries under the Plans of each Participating Employer.
3. To continue to hold any property of the Trust Fund that becomes otherwise unsuitable for investment for as long as the Board of Trustees in its discretion deem desirable; to reserve from investment and keep unproductive of income, without liability for interest, cash temporarily awaiting investment and such cash as it deems advisable, or as the Administrator from time to time may specify, in order to meet the administrative expenses of the Trust Fund or anticipated distributions therefrom.
4. To hold property of the Trust Fund in the name of the Trust Fund or in the name of a nominee or nominees, without disclosure of the trust, or in bearer form so that it will pass by delivery, but no such holding shall relieve the Board of Trustees of its responsibility for the safe custody and disposition of the Trust Fund in accordance with the provisions of this Agreement; the books and records of the Board of Trustees shall show at all times that such property is part of the Trust Fund and the Board of Trustees shall be absolutely liable for any loss occasioned by the acts of its nominee or nominees with respect to securities registered in the name of the nominee or nominees.
5. To employ in the management of the Trust Fund suitable agents, without liability for any loss occasioned by any such agents, selected with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent 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 the same aims.

6. To make, execute and deliver, as trustee, any deeds, conveyances, leases, mortgages, contracts, waivers or other instruments in writing that it may deem necessary or desirable in the exercise of its powers under this Agreement.

7. To do all other acts that it may deem necessary or proper to carry out any of the powers set forth in this Section 103 or Section 202, to administer or carry out the purposes of the Trust Fund, or as otherwise is in the best interests of the Trust Fund; provided, however, the Board of Trustees need not take any action unless in its opinion there are sufficient Trust Fund assets available for the expense thereof.

8. To adopt bylaws governing the Trustees' operations and procedures.

9. To contract with municipal corporations, political subdivisions and other public entities of State or of local government and private entities for the provision of Trust Fund services and for the use or furnishing of services and facilities necessary, useful, or incident to providing Trust Fund services.

10. To advise the Administrator on the establishment of expectations with regard to the provision of administrative services and the establishment of appropriate fee levels.

11. To establish and charge fees for participation in the Trust Fund and for additional administrative services provided to a Participating Employer in addition to any fees charged by other administrative service providers.

12. To collect and disburse all funds due or payable from the Trust Fund, under the terms of this Agreement.

13. To provide for and promulgate all rules, regulations, and forms deemed necessary or desirable in contracting with Local Finance Boards and their Participating Employers, in fulfilling the Trustees' purposes of providing Other Post-Employment Benefits through the Trust Fund, and in maintaining proper records and accounts.

14. To employ insurance companies, banks, trust companies, investment brokers, investment advisors, or others as agents for the receipt and disbursement of funds held in trust for Participating Employers.

15. To determine, consistent with the applicable law and the procedures under the Trust Fund, all questions of law or fact that may arise as to investments and the rights of any Participating Employer to assets of the Trust Fund.

16. Subject to and consistent with the Code and the Virginia Code, to construe and interpret the Trust Agreement and to correct any defect, supply any omissions, or reconcile any inconsistency in the Agreement.

17. To contract for, purchase or otherwise procure insurance and investment products.

B. Administrator. Pursuant to an administrative services agreement between the Board of Trustees and the Administrator, the Administrator shall have the power and authority to implement policy and procedural matters as directed by the Board of Trustees as they relate to the ongoing operation and supervision of the Trust Fund and the provisions of this Agreement and applicable law.

Section 104. TAXES, EXPENSES AND COMPENSATION OF TRUSTEES.

A. Taxes. The Administrator, without direction from the Board of Trustees, shall pay out of the Trust Fund all taxes, if any, imposed or levied with respect to the Trust Fund, or any part thereof, under applicable law, and, in its discretion, may contest the validity or amount of any tax, assessment, claim or demand respecting the Trust Fund or any part thereof.

B. Expenses and Compensation. The Board of Trustees is authorized to set aside from Participating Employer contributions received and the investment income earned thereon a reasonable sum for the operating expenses and administrative expenses of the Trust Fund. All remaining funds coming into the Trust shall be set aside, managed and used only for the payment of Other Post-Employment Benefits.

By resolution of the Board of Trustees, Trustees may be provided a reasonable per diem fee and/or reimbursement for expenses for attendance at all meetings. Notwithstanding the preceding sentence, any person employed by a public body, including elected officials or appointed members of governing bodies of a county, city or town or other political subdivision, shall not be eligible to receive fees for services as Trustee from the Trust Fund other than reimbursement for reasonable expenses incurred in connection with his or her responsibilities as a Trustee.

C. Payment of Expenses. The Board of Trustees may use and apply assets in the Trust Fund to pay or provide for the payment of all reasonable and necessary expenses which may be incurred in connection with the establishment and maintenance of the Trust Fund, including but not limited to, the employment of such administrative, legal, accounting, and other expert and clerical assistance, and the purchase or lease of such materials, supplies and equipment as the Trustees, in its discretion, may deem necessary or appropriate in the performance of its duties, or the duties of the agents or employees of the Trust Fund or the Trustees.

Section 105. COMMUNICATIONS.

Until notice is given to the contrary, communication to the Trustees or to the Administrator shall be sent to them at the Trust Fund's office in care of the Administrator. The Administrator's address is VML/VACo Finance at 8 E. Canal Street, Suite 100 Richmond, VA 23219.

Section 106. APPOINTMENT, RESIGNATION OR REMOVAL OF TRUSTEES.

A. Trustees. Except as otherwise provided for the initial group of Trustees and in subsections B.2 and E of this section, the Trustees shall be selected from the members of Local Finance Boards. Notwithstanding any other provision of this Agreement, no more than one member of the Local Finance Board of any particular Participating Employer shall be eligible to sit on the Board of Trustees at one time unless an individual seeking election to the Board of Trustees is, and upon election continues to serve as, a member of a Local Finance Board not otherwise represented on the Board of Trustees.

B. Appointment of Trustees and Length of Appointment. The number of Trustees serving on the Board of Trustees shall be between five (5) and nine (9). The actual number of Trustees may be increased or decreased from time to time within this range by the Board of Trustees by resolution of the Board of Trustees. Only the Local Finance Boards, by vote taken in accordance with Section 307 hereof, may increase or decrease the range in the number of Trustees. No decrease in number shall have the effect of shortening the term of any incumbent Trustee.

1. The initial group of Trustees shall be an interim group of five (5) Trustees to establish the Trust Fund as follows: (a) one (1) individual selected by the Local Finance Board of the County of Fairfax from among its members, (b) one (1) individual selected by the Local Finance Board of the County of Henrico from among its members, and (c) three (3) individuals designated by agreement of the Virginia Association of Counties (“VACo”) and the Virginia Municipal League (“VML”).

With the first annual meeting of the Local Finance Boards, the Board of Trustees shall be divided into no fewer than two classes, Class A (which includes representatives of the Local Finance Boards of the two founding Participating Employers until the annual meeting of the Local Finance Boards for the Fiscal Year ending June 30, 2015 (the “Fiscal Year 2015 annual meeting”)) and Class B (which includes the Trustees selected by VML and VACo until the first annual meeting of Local Finance Boards for the Fiscal Year ending June 30, 2009 (the “Fiscal Year 2009 annual meeting”)). An additional Class C with two seats may be created by the Board of Trustees prior to any annual meeting, but only if there are at least seven total Participating Employers. Provided there are at least nine total Participating Employers, the Board of Trustees may create a nine-member Board of Trustees, in which case one additional seat shall be allocated to Class A and one additional seat to Class C.

2. On or after July 1, 2008, the Trustees shall solicit nominations from the Local Finance Boards for open Trusteeships and such nominees shall constitute the candidates for the election of Trustees by vote at the Fiscal Year 2009 annual meeting of the Local Finance Boards as provided in Section 307. In the event that there are not a sufficient number of eligible nominees, nominations will be provided by the Executive Directors of the Virginia Association of Counties and the Virginia Municipal League from among the members of any Local Finance Board, local government officials or local government employees.

The initial group of Trustees described in B.1(a) and (b) above shall be classified as Class A Trustees and shall serve until the Fiscal Year 2012 annual meeting of the Local Finance Boards and for one three-year term thereafter until successor Trustees are elected at the Fiscal Year 2015 annual meeting of the Local Finance Boards, in accordance with Section 106E below, from the pool of nominees selected by all Local Finance Boards. If an additional Class A Trustee seat is created for a non-founding Participating Employer's Local Finance Board before the Fiscal Year 2011 annual meeting, that seat will expire at the Fiscal Year 2012 annual meeting. If such an additional Class A board seat is created subsequent to the Fiscal Year 2011 annual meeting, then it will expire at the annual meeting when the founding Participating Employers' board seats expires beginning at the annual meeting held in Fiscal Year 2015, if appropriate, and every third succeeding year thereafter.

The initial group of Trustees described in B.1(c) above shall be classified as Class B Trustees and shall serve until successor Trustees are elected at the Fiscal Year 2009 annual meeting of Local Finance Boards. At the Fiscal Year 2009 annual meeting of Local Finance Boards, Trustees of Class B shall be elected to hold office for a one-year term expiring at the Fiscal Year 2010 annual meeting of Local Finance Boards until successor Trustees are elected at the Fiscal Year 2010 annual meeting of the Local Finance Boards, in accordance with Section 106E below, from the pool of nominees selected by all Local Finance Boards.

Trustees of the third class (Class C), if such a class is created, shall be elected to hold office for a two-year term expiring at the Fiscal Year 2011 annual meeting of Local Finance Boards until successor Trustees are elected at the Fiscal Year 2011 annual meeting of the Local Finance Boards, in accordance with Section 106E below, from the pool of nominees selected by all Local Finance Boards.

At each annual meeting of Local Finance Boards after the annual meetings of Local Finance Boards described above, the successors to the class of Trustees whose terms shall then expire shall be identified as being of the same class as the trustees they succeed and elected to hold office for a term expiring at the third succeeding annual meeting of Local Finance Boards. If a Class C is created at a subsequent annual meeting, its seats will expire one year following the year in which the Class B seats expire. Trustees shall hold their offices until the next annual meeting of Local Finance Boards for such Trustee's respective Class and until their successors are elected and qualify.

3. At each annual meeting of the Local Finance Boards, the incumbent Trustees will present all nominations received for each class of Trustees (A, B, or C) for which an election is to be held. If a Local Finance Board does not designate a particular class for its nominee(s), such names will be included on the lists of eligible nominees for each class for which an election is to be held unless the individual named is elected to another seat.

4. No individual Trustee may be elected or continue to serve as a Trustee after becoming an owner, officer or employee of the Administrator, an Investment Advisor, an Investment Manager or a Custodian. Except as otherwise provided in B.2 above, following the first election for Trustees, no Trustee may be elected or continue to serve as a Trustee unless he or she is a member of a Local Finance Board.

5. Each Trustee and each successor Trustee shall acknowledge and consent to his or her election as a Trustee by giving written notice of acceptance of such election to the Chairperson of the Trustees.

C. Resignation of a Trustee.

1. A Trustee may resign from all duties and responsibilities under this Agreement by giving written notice to the Chairperson of the Trustees. The Chairperson may resign from all duties and responsibilities under this Agreement by giving written notice to all of the other Trustees. Such notice shall state the date such resignation shall take effect and such resignation shall take effect on such date but not later than sixty (60) days after the date such written notice is given.

2. Any Trustee, upon leaving office, shall forthwith turn over and deliver to the Chairperson at the principal office of the Trust Fund any and all records, books, documents or other property in his or her possession or under his or her control which belong to the Trust Fund. The Chairperson, upon leaving office, shall forthwith turn over and deliver to the Administrator at the principal office of the Trust Fund any and all records, books, documents or other property in his or her possession or under his or her control which belong to the Trust Fund.

D. Removal of a Trustee. Each Trustee, unless due to the resignation, death, incapacity, removal, or conviction of a felony or any offense for which registration is required as defined in Virginia Code § 9.1-902 and for whom all rights of appeal under Virginia law have expired, shall serve and shall continue to serve as Trustee hereunder, subject to the provisions of this Agreement.

A Trustee shall relinquish his or her office or may be removed by a majority vote of the Trustees or *ipso facto* when the Employer which he represents is no longer a Participating Employer in the Trust Fund. Notice of removal of a Trustee shall be furnished to the other Trustees by the Chairperson of the Trustees and shall set forth the effective date of such removal. Notice of removal of the Chairperson shall be furnished to the other Trustees by the Administrator and shall set forth the effective date of such removal.

E. Appointment of a Successor Trustee. In the event a Trustee shall die, resign or become ineligible to serve, become incapacitated, be removed from office, or convicted of a felony or any offense for which registration is required as defined in Virginia Code § 9.1-902 and for whom all rights of appeal under Virginia law have expired, a successor Trustee shall be elected forthwith by the affirmative vote of the majority of the remaining Trustees though less than a quorum of the Board of Trustees. The notice of the election of a successor Trustee shall

be furnished to the other Trustees by the Chairperson. In case of the removal, death, resignation, etc. of the Chairperson, notice of the election of a successor Trustee, and the new Chairperson, shall be furnished to the other Trustees by the Administrator. Eligible nominees will be provided by the members of the Local Finance Board of the Trustee being replaced and/or by any member of the Board of Trustees from among the members of any Local Finance Board; however, no more than one member of such Local Finance Board may serve as Trustee at one time. If such nominees do not receive the affirmative vote of a majority of the remaining Trustees, additional eligible nominees will be provided by the Executive Directors of the Virginia Association of Counties and the Virginia Municipal League from among the members of any Local Finance Board, and, if there are an insufficient number of nominees to fill available positions, local government officials or local government employees. The term of office of any Trustee so elected shall expire at the next Annual Meeting of Local Finance Boards at which Trustees are elected where a successor shall be elected to complete the term for the Class to which such Trustee has been assigned. In the event a successor is not so elected at the Annual Meeting of Local Finance Boards, then an interim successor trustee may be elected forthwith by the affirmative vote of the majority of the remaining Trustees for a term which shall expire at the next Annual Meeting of Local Finance Boards at which Trustees are elected where a successor Trustee shall be elected to complete the term for the Class to which such Trustee has been assigned.

F. Trustees' Rights. In case of the death, resignation or removal of any one or more of the Trustees, the remaining Trustees shall have the powers, rights, estates and interests of this Agreement as Trustees and shall be charged with the duties of this Agreement; provided in such cases, no action may be taken unless it is concurred in by a majority of the remaining Trustees.

Section 107. Bonding. All Trustees shall immediately make application for a fidelity bond, to any company designated by the Board of Trustees, in such amount as may be specified by the Board of Trustees. Premiums on such bonds shall be paid from the Trust Fund, which bonds shall be continued in force in such amount as the Board of Trustees may from time to time require. If a Trustee's bond is refused, or is ever cancelled, except with the Board of Trustee's approval, such Trustee may be removed from office by majority vote of the Board of Trustees and such Trustee shall be entitled to compensation, if any, to the date of such removal only. A bond for a Trustee is not required under this section if a bond is obtained for such Trustee pursuant to Section 408.

PART 2 – PROVISIONS APPLICABLE TO INVESTMENTS

Section 200. APPLICATION.

The provisions of Part 2 apply to the investments of the Trust Fund.

Section 201. ADMINISTRATION OF TRUST.

A. General. All such assets shall be held by the Trustees in the Trust Fund.

B. Contributions. The Board of Trustees hereby delegates to the Administrator the responsibility for accepting cash contributions to the Trust Fund and the Administrator shall have the responsibility for accepting cash contributions by Participating Employers. Contributions of a Participating Employer to fund Other Post-Employment Benefits are irrevocable. Assets held in the Trust Fund shall be dedicated to providing Other Post-Employment Benefits or to defraying reasonable expenses of the Trust Fund. Neither the Trustees nor the Administrator shall be under any duty to determine whether the amount of any contribution is in accordance with the Participating Employer's Plan or Plans or to collect or enforce payment of any contribution. All contributions by a Participating Employer shall be transferred to the Trust Fund to be held, managed, invested and distributed as part of the Trust Fund by the Trustees in accordance with the provisions of this Agreement and applicable law.

C. Applicable Laws and Regulations. The Board of Trustees shall be authorized to take the steps it deems necessary or appropriate to comply with any laws or regulations applicable to the Trust Fund.

D. Accumulated Share. No Participating Employer shall have any right, title or interest in or to any specific assets of the Trust Fund, but shall have an undivided beneficial interest in the Trust Fund; however, there shall be a specific accounting of assets allocable to each Participating Employer.

Section 202. MANAGEMENT OF INVESTMENTS OF THE TRUST FUND.

A. Authority of Trustees. Except as set forth in subsections C, D, E, G or H of this Section, and except as otherwise provided by law, the Board of Trustees shall have exclusive authority and discretion to manage and control the assets of the Trust Fund held by them pursuant to the guidelines established by the Board of Trustees in the Investment Policy.

B. Investment Policy. The Board of Trustees, as its primary responsibility under this Agreement, shall develop a written Investment Policy establishing guidelines applicable to the investment of the assets of the Trust Fund, and from time to time shall modify such Investment Policy, in light of the short and long-term financial needs of the Plans. The Investment Policy shall serve as the description of the funding policy and method for the Trust Fund.

C. Investment Advisor. The Board of Trustees, from time to time, may direct the Administrator to appoint one (1) or more independent Investment Advisors ("Investment Advisor"), pursuant to a written investment advisory agreement with each, describing the powers and duties of the Investment Advisor with regard to the management of all or any portion of any investment or trading account of the Trust Fund. The Investment Advisor shall review, a minimum of every calendar quarter, the suitability of the Trust Fund's investments, the performance of the Investment Managers and their consistency with the objectives of the Investment Policy with assets in the portion of the Trust Fund for which the Investment Manager has responsibility for management, acquisition or disposition.

If the Administrator contracted with a lead Investment Advisor prior to the establishment of this Agreement, the Board of Trustees may ratify such contract. The lead

Investment Advisor will serve at the pleasure of the Board of Trustees and will be compensated for its recurring, usual and customary services as part of the fee schedule established with the Administrator.

D. Investment Advisor Duties. Subject to the approval of the Board of Trustees, the Investment Advisor shall recommend an asset allocation for the Trust Fund that is consistent with the objectives of the Investment Policy. If the Board of Trustees shall approve a separate Investment Policy with respect to assets in a segregated portion of the Trust Fund, the Investment Advisor shall recommend an asset allocation for such segregated portion of the Trust Fund that is consistent with the objectives of such Investment Policy. At least annually, the Investment Advisor shall review the Investment Policy and asset allocation with the Board of Trustees. The Investment Advisor shall also advise the Board of Trustees with regard to investing in a manner that is consistent with applicable law, and, as advised by the Administrator, the expected distribution requirements of the Plans.

E. Investment Managers. The Board of Trustees, from time to time, may appoint one (1) or more independent Investment Managers (“Investment Manager”), pursuant to a written investment management agreement with each, describing the powers and duties of the Investment Manager to invest and manage all or a portion of the Trust Fund. The Investment Manager shall have the power to direct the management, acquisition or disposition of that portion of the Trust Fund for which the Investment Manager is responsible.

The Board of Trustees shall be responsible for ascertaining that each Investment Manager, while acting in that capacity, satisfies the following requirements:

1. The Investment Manager is either (i) registered as an investment adviser under the Investment Advisers Act of 1940, as amended; (ii) a bank as defined in that Act; or (iii) an insurance company qualified to perform the services described herein under the laws of more than one state; and
2. The Investment Manager has acknowledged in writing to the Board of Trustees that it is a fiduciary with respect to the assets in the portion of the Trust Fund for which the Investment Manager has responsibility for management, acquisition or disposition.

F. Custodians. The Custodian(s) shall no less frequently than annually or at the request of the Board of Trustees certify the value of any property of the Trust Fund managed by the Investment Manager(s). The Trustees shall be entitled to rely conclusively upon such valuation for all purposes under the Trust Fund.

G. Investment in Insurance Contracts. The Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with insurance companies qualified to do business in the Commonwealth of Virginia. Any asset invested pursuant to such an agreement shall be held by the insurance company. Each insurance company so selected shall certify the value of the Trust Fund’s interest in the property held by it at least annually. The

Trustees shall be entitled to rely conclusively on such valuation for all purposes under this Agreement.

H. Investment in Mutual Funds. The Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with companies offering mutual fund products. Any asset invested pursuant to such an agreement shall be held by the Trustees. Each mutual fund so selected shall certify the value of the Trust Fund's interest in that fund at least annually. The Trustees shall be entitled to rely conclusively on such valuation for all purposes under the Trust Fund.

I. Absence of Trustees' Responsibility for Investment Advisor and Manager. Except to the extent provided in paragraph A of Section 102 above, the Board of Trustees, collectively and individually, shall not be liable for any act or omission of any Investment Manager and shall not be under any obligation to invest or otherwise manage the assets of the Trust Fund that are subject to the management of any Investment Manager. Without limiting the generality of the foregoing, the Board of Trustees shall be under no duty at any time to make any recommendation with respect to disposing of or continuing to retain any such asset. Furthermore, the Board of Trustees, collectively and individually, shall not be liable by reason of its taking or refraining from taking the advice of the Investment Advisor any action pursuant to this Section, nor shall the Board of Trustees be liable by reason of its refraining from taking any action to remove or replace any Investment Manager on advice of the Investment Advisor; and the Trustees shall be under no duty to make any review of an asset acquired at the direction or order of an Investment Manager.

J. Reporting. The Board of Trustees shall be responsible for and shall cause to be filed periodic audits, valuations, reports and disclosures of the Trust Fund as are required by law or agreements. Notwithstanding anything herein to the contrary, the Board of Trustees shall cause the Trust Fund to be audited by a certified public accounting firm retained for this purpose at least once each year.

The Board of Trustees may employ professional advisors to prepare such audits, valuations, reports and disclosures and the cost of such professional advisors shall be borne by the Trust Fund.

K. Commingling Assets. Except to the extent prohibited by applicable law, the Board of Trustees may commingle the assets of all Participating Employers held by the Board of Trustees under this Agreement for investment purposes in the Trust Fund and shall hold the Trust Fund in trust and manage and administer the same in accordance with the terms and provisions of this Agreement. However, the assets of each Participating Employer shall be accounted for separately. The Board of Trustees and the Administrator shall be under no duty to determine whether the amount of any contribution is in accordance with the Plans, or to collect or enforce payment of any contribution, or distribution to Plan participants.

Section 203. ACCOUNTS.

The Trustees shall keep or cause to be kept at the expense of the Trust Fund accurate and detailed accounts of all its receipts, investments and disbursements under this Agreement, with the Trustees accounting separately for each Investment Manager's portion of the Trust Fund.

Section 204. DISBURSEMENTS FROM THE TRUST.

A. Trust Payments. The Board of Trustees hereby delegates to the Administrator the responsibility for making payments from the Trust Fund. In accordance with rules and regulations established by the Board of Trustees, the Administrator shall make payments from the Trust Fund for Other Post-Employment Benefits, as directed by the Local Finance Board of each Participating Employer. Such rules and regulations shall include procedures for certification by the Local Finance Board that payments from the Trust Fund are for the purpose of: (i) paying Other Post-Employment Benefits to or on behalf of Employees or Beneficiaries, (ii) paying premiums to an insurer for Other Post-Employment Benefits, (iii) an irrevocable transfer of assets to a trust, or equivalent arrangement, for providing Other Post-Employment Benefits to Employees and Beneficiaries, which trust assets are legally protected from creditors of the Participating Employer, or (iv) for any purpose permitted under Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* or applicable Virginia law. Payments shall be made in such manner, in such amounts and for such purposes, including the payment of Other Post-Employment Benefits under participating Plans, as may be directed by the Local Finance Board. Payments from the Trust Fund shall be made by electronic transfer or check (or the check of an agent) for deposit to the order of the payee. Payments or other distributions hereunder may be mailed to the payee at the address last furnished to the Administrator. The Trustees shall not incur any liability on account of any payment or other distribution made by the Trust Fund in accordance with this Section. Such payment shall be in full satisfaction of claims hereunder against the Trustee, Administrator or Participating Employer.

B. Allocation of Expenses. The Trustees shall pay all expenses of the Trust Fund from the assets in the Trust Fund. All expenses of the Trust Fund, which are allocable to a particular investment option or account, may be allocated and charged to such investment option or account as determined by the Trustees. All expenses of the Trust Fund which are not allocable to a particular investment option or account shall be charged to each such investment option or account in the manner established by the Trustees.

Section 205. INVESTMENT OPTIONS.

The Trustees shall initially establish one (1) investment option within the Trust Fund pursuant to the Investment Policy, for communication to, and acceptance by, Local Finance Boards. Following development of the initial "investment option" pursuant to the Investment Policy, the Board of Trustees may develop up to two (2) additional investment options, reflecting different risk/return objectives and corresponding asset mixes, for selection by Local Finance Boards, as alternatives to the initial investment option. The determination to add alternative investment options to the Investment Policy, and the development of each such investment

option, are within the sole and absolute discretion of the Board of Trustees. The Trustees shall transfer to any deemed investment option developed hereunder such portion of the assets of the Trust Fund as appropriate. The Trustees shall manage, acquire or dispose of the assets in an investment option in accordance with the directions given by each Local Finance Board. All income received with respect to, and all proceeds received from, the disposition of property held in an investment option shall be credited to, and reinvested in, such investment option. If multiple investment options are developed, the Board of Trustees shall establish one (1) default investment option in the absence of valid Local Finance Board investment direction.

If multiple investment options are developed, from time to time, the Board of Trustees may eliminate an investment option, and the proceeds thereof shall be reinvested in the default investment option unless another investment option is selected in accordance with directions given by the Local Finance Board.

Notwithstanding anything hereinabove to the contrary, the Board of Trustees, in its sole discretion, may establish a separate, short-term investment option or fund, to facilitate contributions, disbursements or other short-term liquidity needs of the Trust or of particular Participating Employers. Separate investment funds within the Trust Fund and varying percentages of investment in any such separate investment fund by the Participating Employers, to the extent so determined by the Board of Trustees, are expressly permitted.

PART 3 – PROVISIONS APPLICABLE TO PARTICIPATING EMPLOYERS

Section 300. APPLICATION.

The provisions of Part 3 set forth the rights of Participating Employers.

Section 301. PARTICIPATING EMPLOYERS.

A. Approval. The Board of Trustees or its designee shall receive applications from Employers for membership in the Trust Fund and shall approve or disapprove such applications for membership in accordance with the terms of this Agreement, the Trust Joinder Agreement, bylaws and the rules and regulations established by the Board of Trustees for admission of new Participating Employers. Before approving the participation of any Employer that has established a Plan, the Board of Trustees or its designee shall determine and affirm that such Employer is permitted to establish a trust pursuant to Article 8, Chapter 15, Subtitle II of Title 15.2 of the Virginia Code (§§ 15.2-1544 *et seq.*). The Board of Trustees shall have total discretion in determining whether to accept a new member. The Board of Trustees may delegate the authority for membership approval to the Administrator.

B. Execution of Trust Joinder Agreement by Local Finance Board. Each Employer will make its election to become a Participating Employer by directing its Local Finance Board to execute a Trust Joinder Agreement in such form and content as prescribed by the Board of Trustees. By the Local Finance Board's execution of the Trust Joinder Agreement, the Participating Employer agrees to be bound by all the terms and provisions of this Agreement, the Trust Joinder Agreement, the bylaws and any other rules and regulations adopted by the Trustees

under this Agreement. The Local Finance Board of each Participating Employer, serving as such Employer's Trustee, in accordance with Virginia Code § 15.2-1547, shall represent such Participating Employer's interest in all meetings, votes, and any other actions to be taken by a Participating Employer hereunder. A Local Finance Board may designate one or more, but less than all, of its members to serve as the authorized representative of such Local Finance Board for purposes of this Agreement.

C. Continuing as a Participating Employer. Application for participation in this Agreement, when approved in writing by the Board of Trustees or its designee, shall constitute a continuing contract for each succeeding fiscal year unless terminated by the Trustees or unless the Participating Employer resigns or withdraws from this Agreement by written notice of its Local Finance Board. The Board of Trustees may terminate a Participating Employer's participation in this Agreement for any reason by vote of three-fourths (¾) of the Board of Trustees. If the participation of a Participating Employer is terminated, the Board of Trustees and the Administrator shall effect the withdrawal of such Participating Employer's beneficial interest in the Trust within one hundred eighty (180) days, by transfer of such assets to a trust, trusts or equivalent arrangement for the purpose of accumulating and investing assets to fund Other Post-Employment Benefits, established for this purpose by such Participating Employer. If withdrawal is not completed within this time period, the Board of Trustees, in its discretion, may make reasonable alternative arrangements for the distribution of the Participating Employer's beneficial interest.

Section 302. Places of Meetings. All meetings of the Local Finance Boards shall be held at such place, within the Commonwealth of Virginia, as from time to time may be fixed by the Trustees.

Section 303. Annual Meetings. The annual meeting of the Local Finance Boards, for the election of Trustees and for the transaction of such other business as may come before the annual meeting, shall be held at such time on such business day between September 1st and October 31st as shall be designated by resolution of the Board of Trustees.

Section 304. Special Meetings. Special meetings of the Local Finance Boards for any purpose or purposes may be called at any time by the Chairperson of the Board of Trustees, by the Board of Trustees, or if Local Finance Boards together holding at least twenty percent (20%) of all votes entitled to be cast on any issue proposed to be considered at the special meeting sign, date and deliver to the Trust Fund's Secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held. At a special meeting no business shall be transacted and no action shall be taken other than that stated in the notice of the meeting.

Section 305. Notice of Meetings. Written notice stating the place, day and hour of every meeting of the Local Finance Boards and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each Participating Employer's Local Finance Board of record entitled to vote at such meeting, at the address which appears on the books of the Trust Fund.

Section 306. Quorum. Any number of Local Finance Boards together holding at least a majority of the outstanding beneficial interests entitled to vote with respect to the business to be transacted, who shall be physically present in person at any meeting duly called, shall constitute a quorum of such group for the transaction of business. If less than a quorum shall be in attendance at the time for which a meeting shall have been called, the meeting may be adjourned from time to time by a majority of the Local Finance Boards present. Once a beneficial interest is represented for any purpose at a meeting of Local Finance Boards, it shall be deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is, or shall be, set for that adjourned meeting.

Section 307. Voting. At any meeting of the Local Finance Boards, each Local Finance Board entitled to vote on any matter coming before the meeting shall, as to such matter, have one vote, in person, for each whole dollar invested in the Trust Fund standing in its name on the books of the Trust Fund on the date, not more than seventy (70) days prior to such meeting, fixed by the Board of Trustees, for the purpose of determining Local Finance Boards entitled to vote, as the date on which the books of the Trust Fund are to be closed or as the record date. Notwithstanding the preceding sentence, at any meeting held after the date the fifth (5th) Participating Employer joins the Trust, no one Local Finance Board may vote more than forty-five percent (45%) of the total votes cast. In the event that more than one member of a Local Finance Board attends a meeting, the Local Finance Board will designate one member authorized to cast its votes.

If a quorum is present at a meeting of the Local Finance Boards, action on a matter other than election of Trustees shall be approved if the votes cast favoring the action exceed the votes cast opposing the action, unless a vote of a greater number is required by this Agreement. If a quorum is present at a meeting of the Local Finance Boards, Trustees for all open seats for each class of Trustees on the Board of Trustees shall be elected by a plurality of the votes cast by the beneficial interests entitled to vote in such election.

Local Finance Boards at the annual meeting will vote at one time to fill all open positions within a single class of Trustees. Elections will be held by class, in the order of the length of the terms to be filled, beginning with the longest term. The designated representative of each Local Finance Board will cast up to the full number of its votes for each open position within a class of Trustees, but it may not cast votes for more than the number of open positions in such class. Those nominees receiving the largest plurality of votes, up to the number of positions to be filled, will be declared elected. Subsequent votes may be held to break any ties, if necessary, in order to elect the correct number of Trustees.

PART 4 – PROVISIONS APPLICABLE TO OFFICERS

Section 401. Election of Officers; Terms. The Board of Trustees shall appoint the officers of the Trust Fund. The officers of the Trust Fund shall consist of a Chairperson of the Board, a Vice-Chairperson, and a Secretary. The Secretary need not be a member of the Board of Trustees and may be the Administrator. Other officers, including assistant and subordinate officers, may from time to time be elected by the Board of Trustees, and they shall hold office

for such terms as the Board of Trustees may prescribe. All officers shall hold office until the next annual meeting of the Board of Trustees and until their successors are elected.

Section 402. Removal of Officers; Vacancies. Any officer of the Trust Fund may be removed summarily with or without cause, at any time, on a three-fourths ($\frac{3}{4}$) vote of the Board of Trustees. Vacancies may be filled by the Board of Trustees.

Section 403. Duties. The officers of the Trust Fund shall have such duties as generally pertain to their offices, respectively, as well as such powers and duties as are prescribed by law or are hereinafter provided or as from time to time shall be conferred by the Board of Trustees. The Board of Trustees may require any officer to give such bond for the faithful performance of such officer's duties as the Board of Trustees may see fit.

Section 404. Duties of the Chairperson. The Chairperson shall be selected from among the Trustees. Except as otherwise provided in this Agreement or in the resolutions establishing such committees, the Chairperson shall be ex officio a member of all Committees of the Board of Trustees. The Chairperson shall preside at all Board meetings. The Chairperson may sign and execute in the name of the Trust Fund stock certificates, deeds, mortgages, bonds, contracts or other instruments except in cases where the signing and the execution thereof shall be expressly delegated by the Board of Trustees or by this Agreement to some other officer or agent of the Trust Fund or as otherwise required by law. In addition, he shall perform all duties incident to the office of the Chairperson and such other duties as from time to time may be assigned to the Chairperson by the Board of Trustees. In the event of any vacancy in the office of the Chairperson, the Vice-Chairperson shall serve as Chairperson on an interim basis until such vacancy is filled by subsequent action of the Board of Trustees.

Section 405. Duties of the Vice-Chairperson. The Vice-Chairperson, if any, shall be selected from among the Trustees and shall have such powers and duties as may from time to time be assigned to the Vice-Chairperson.

Section 406. Duties of the Secretary. The Secretary shall act as secretary of all meetings of the Board of Trustees and the Local Finance Boards in the Trust Fund. When requested, the Secretary shall also act as secretary of the meetings of the Committees of the Board of Trustees. The Secretary shall keep and preserve the minutes of all such meetings in permanent books. The Secretary shall see that all notices required to be given by the Trust Fund are duly given and served. The Secretary may sign and execute in the name of the Trust Fund stock certificates, deeds, mortgages, bonds, contracts or other instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Trustees or by this Agreement. The Secretary shall have custody of all deeds, leases, contracts and other important Trust Fund documents; shall have charge of the books, records and papers of the Trust Fund relating to its organization and management as a trust; and shall see that all reports, statements and other documents required by law (except tax returns) are properly filed.

Section 407. Compensation. The Board of Trustees shall have authority to fix the compensation, if any, of all officers of the Trust Fund. Notwithstanding the preceding sentence, any person employed by a public body, including elected officials or appointed members of

governing bodies, shall not be eligible to receive compensation for services as an officer of the Trust Fund other than reimbursement for reasonable expenses.

Section 408. Bonding. All officers shall immediately make application for a fidelity bond, to any company designated by the Board of Trustees, in such amount as may be specified by the Board of Trustees. Premiums on such bonds shall be paid from the Trust Fund, which bonds shall be continued in force in such amount as the Board of Trustees may from time to time require. If an officer's bond is refused, or is ever cancelled, except with the Board of Trustees' approval, such officer may be removed from office as provided in Section 402 and such officer shall be entitled to compensation, if any, to the date of such removal only.

PART 5 – MISCELLANEOUS PROVISIONS

Section 501. Titles. The titles to Parts and Sections of this Agreement are placed herein for convenience of reference only, and the Agreement is not to be construed by reference thereto.

Section 502. Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of the Trustees, the Local Finance Boards, and the Participating Employers.

Section 503. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one instrument, which may be sufficiently evidenced by any counterpart. Any Participating Employer that formally applies for participation in this Agreement by its Local Finance Board's execution of a Trust Joinder Agreement which is accepted by the Trustees shall thereupon become a party to this Agreement and be bound by all of the terms and conditions thereof, and said Trust Joinder Agreement shall constitute a counterpart of this Agreement.

Section 504. Amendment or Termination of this Agreement; Termination of Plans.

A. Amendment. This Agreement may be amended in writing at any time by the vote of a majority of the Trustees. Notwithstanding the preceding sentence, this Agreement may not be amended so as to change its purpose as set forth herein or to permit the diversion or application of any funds of the Trust Fund for any purpose other than those specified herein.

The Board of Trustees, upon adoption of an amendment to this Agreement, shall provide notice by sending a copy of any such amendment to each Local Finance Board within 15 days of adoption of such amendment. If a Local Finance Board objects to such amendment, the Local Finance Board must provide written notice of its objection and intent to terminate its participation in the Trust Fund by registered mail delivered to the Administrator within ninety (90) days of such notice, and if such notice is given, the amendments shall not apply to such Participating Employer for a period of 180 days from the date of adoption of such amendments. The Participating Employer's interest shall be terminated in accordance with the provisions of paragraph B of this section.

B. Termination. This Agreement and any trust created hereby may be terminated at any time by the Trustees with respect to a Participating Employer when the Participating

Employer's participation interest in the Trust Fund is terminated or when a Trust Joinder Agreement has been terminated. The Trust Fund may be terminated in its entirety when all participation interests of all Participating Employers have been terminated in their entirety. This Agreement and the Trust Fund may be terminated in their entirety pursuant to Virginia law.

In case of a termination of this Agreement, either in whole or in part, the Trustees shall hold, apply, transfer or distribute the affected assets of the Trust Fund in accordance with the applicable provisions of this Agreement and the direction of the Local Finance Board of each Participating Employer. Upon any termination, in whole or in part, of this Agreement, the Trustees shall have a right to have their respective accounts settled as provided in this Section 504.

In the case of the complete or partial termination of this Agreement as to one or more Participating Employers, the affected assets of the Trust Fund shall continue to be held pursuant to the direction of the Trustees, for the benefit of the Employees and Beneficiaries of such Participating Employer, until the Trustees, upon recommendation of the Administrator, distribute such assets to a trust, trusts or equivalent arrangement established by such Participating Employer for the purpose of funding Other Post-Employment Benefits, or other suitable arrangements for the transfer of such assets have been made. This Agreement shall remain in full effect with respect to each Participating Employer that does not terminate its participation in the Trust Fund on behalf of its Employees and Beneficiaries, or whose participation is not terminated by the Trustees. However, if distributions must be made, the Local Finance Board of each Participating Employer shall be responsible for directing the Administrator on how to distribute the beneficial interest of such Participating Employer. In the absence of such direction, the Administrator may take such steps as it determines are reasonable to distribute such Participating Employer's interest.

A Participating Employer must provide written notice of its intent to terminate its participation in the Trust Fund by registered mail signed by its Local Finance Board and delivered to the Administrator at least ninety (90) days in advance. Notwithstanding the preceding sentence, during its first year of participation, a Participating Employer must provide notice of its intent to terminate no less than one hundred eighty (180) days in advance.

Notwithstanding the foregoing, the Trustees shall not be required to pay out any assets of the Trust Fund to Participating Employers upon termination of this Agreement or the Trust Fund, in whole or in part, until the Trustees have received written certification from the Administrator that all provisions of law with respect to such termination have been complied with. The Trustees shall rely conclusively on such written certification and shall be under no obligation to investigate or otherwise determine its propriety.

When the assets of the Trust Fund affected by a termination have been applied, transferred or distributed and the accounts of the Trustees have been settled, then the Trustees and Administrator shall be released and discharged from all further accountability or liability respecting the Trust Fund, or portions thereof, affected by the termination and shall not be responsible in any way for the further disposition of the assets of the Trust Fund, or portions thereof, affected by the termination or any part thereof so applied, transferred or distributed;

provided, however, that the Trustees shall provide full and complete accounting for all assets up through the date of final disposition of all assets held in the Trust.

Section 505. Spendthrift Provision; Prohibition of Assignment of Interest.

The Trust Fund shall be exempt from taxation and execution, attachment, garnishment, or any other process to the extent provided under Article 8, Chapter 15, Subtitle II of Title 15.2 of the Virginia Code (§§ 15.2-1544 *et seq.*). No Participating Employer or other person with a beneficial interest in any part of the Trust Fund may commute, anticipate, encumber, alienate or assign the beneficial interests or any interest of a Participating Employer in the Trust Fund, and no payments of interest or principal shall be in any way subject to any person's debts, contracts or engagements, nor to any judicial process to levy upon or attach the interest or principal for payment of those debts, contracts, or engagements.

Section 506. Meetings; Virginia Freedom of Information Act.

The Administrator shall give the public notice of the date, time, and location of any meeting of the Board of Trustees' or of the Local Finance Boards in the manner and as necessary to comply with the Virginia Freedom of Information Act (Va. Code §§ 2.2-3700 *et seq.*). The Secretary or its designee shall keep all minutes of all meetings, proceedings and acts of the Trustees and Local Finance Boards, but such minutes need not be verbatim. Copies of all minutes of the Trustees and Local Finance Boards shall be sent by the Secretary or its designee to the Trustees.

All meetings of the Board of Trustees and Local Finance Boards shall be open to the public, except as provided in § 2.2-3711 of the Virginia Code. No meeting shall be conducted through telephonic, video, electronic or other communication means where the members are not physically assembled to discuss or transact public business, except as provided in §§ 2.2-3708 or 2.2-3708.1 of the Virginia Code.

Section 507. Jurisdiction. This Agreement shall be interpreted, construed and enforced, and the trust or trusts created hereby shall be administered, in accordance with the laws of the United States and of the Commonwealth of Virginia.

Section 508. Situs of the Trust. The situs of the trust or trusts created hereby is the Commonwealth of Virginia. All questions pertaining to its validity, construction, and administration shall be determined in accordance with the laws of the Commonwealth of Virginia. Venue for any action regarding this Agreement is the City of Richmond, Virginia.

Section 509. Construction. Whenever any words are used in this Agreement in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all situations where they would so apply and whenever any words are used in this Agreement in the singular form, they shall be construed as though they were also used in the plural form in all situations where they would so apply, and whenever any words are used in this Agreement in the plural form, they shall be construed as though they were also in the singular form in all situations where they would so apply.

Section 510. Conflict. In resolving any conflict among provisions of this Agreement and in resolving any other uncertainty as to the meaning or intention of any provision of the Agreement, the interpretation that (i) causes the Trust Fund to be exempt from tax under Code Sections 115 and 501(a), and (ii) causes the participating Plan and the Trust Fund to comply with all applicable requirements of law shall prevail over any different interpretation.

Section 511. No Guarantees. Neither the Administrator nor the Trustees guarantee the Trust Fund from loss or depreciation or for the payment of any amount which may become due to any person under any participating Plan or this Agreement.

Section 512. Parties Bound; No Third Party Rights. This Agreement and the Trust Joinder Agreements, when properly executed and accepted as provided hereunder, shall be binding only upon the parties hereto, *i.e.*, the Board of Trustees, the Administrator and the Participating Employers and their Local Finance Boards. Neither the establishment of the Trust nor any modification thereof, nor the creation of any fund or account, the payment of any Other Post-Employment Benefits, shall be construed as giving to any person covered under any Plan of a Participating Employer or any other person any legal or equitable right against the Trustees, or any officer or employee thereof, except as may otherwise be provided in this Agreement. Under no circumstances shall the term of employment of any Employee be modified or in any way affected by this Agreement.

Section 513. Necessary Parties to Disputes. Necessary parties to any accounting, litigation or other proceedings relating to this Agreement shall include only the Trustees and the Administrator. The settlement or judgment in any such case in which the Trustees are duly served or cited shall be binding upon all Participating Employers and their Local Finance Boards and upon all persons claiming by, through or under them.

Section 514. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Agreement shall continue to be fully effective. If any provision of the Agreement is held to violate the Code or to be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise affect the trust created by this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the members of the initial Board of Trustees has executed this Trust Agreement.

Date: 4/11/08

Bob Durr

, County of Fairfax

Date: 4/11/08

L. T. J.

, County of Henrico

Date: 4/11/08

Deidra McLaughlin

, Designee of VACo/VML

Date: 4/11/08

Jesse Hall

, Designee of VACo/VML

Date: 4-11-08

Victoria Luente

, Designee of VACo/VML

Accepted by the Administrator

City of Richmond
Commonwealth of Virginia

VIRGINIA LOCAL GOVERNMENT
FINANCE CORPORATION

The forgoing instrument was
acknowledged before me this
11th day of April 2008 by:

By:

C. M. J.
President

Jesse Hall, Leon T. Johnson,
Victoria Luente, Deidra M.
McLaughlin, Robert L. Mears,
and Robert W. Lauterberg.

James D. Campbell

Notary Public #22055

M commission expires October 31, 2009.

5.C. FY2026 Administrative and Project Development Budget

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 20, 2025

Re: FY2026 HRTAC Administrative and Project Development Budget

Recommendation:

The Finance Committee is asked by Staff to recommend that the Commission endorse the Proposed HRTAC FY2026 Administrative and Project Development Budget reflected in the enclosed Budget (the “Proposed HRTAC FY2026 Administrative and Project Development Budget”) and authorize the Executive Director to hold a public hearing regarding the proposed budget.

Background:

Each year, HRTAC develops, adopts, and tracks its annual operating budget to provide for the Administrative and Project Development activities of the Commission. For FY2026, the HRTAC Staff has developed the Proposed HRTAC FY2026 Administrative and Project Development Budget for the Finance Committee’s review and input. The Proposed HRTAC FY2026 Administrative and Project Development Budget is based on Staff review of prior expenditure flows and anticipated additional needs of the Commission for the upcoming business year. The proposed budget of \$6,143,127 includes: (i) an overall decrease of \$543,666 as compared to the Approved FY2025 budget due primarily to lower debt financing activities; and (ii) a three percent cost of living increase for the five current full-time employees. The budgeted General Administrative expenses will be paid from the Hampton Roads Transportation Fund and the Hampton Roads Regional Transit Fund on an approximately pro rata basis determined by the most recent audited fiscal year (FY2024).

Fiscal Impact:

There is a \$6,143,127 shared HRTF and HRRTF fiscal impact in relation to this Action Item.

Suggested Motion:

Motion: The Finance Committee endorses the Proposed HRTAC FY2026 Administrative and Project Development Budget and authorizes the Finance Committee Chair to recommend the proposed budget to the Commission and request that the Commission authorize the Executive Director to conduct a public hearing on the Proposed HRTAC FY2026 Administrative and Project Development Budget.



Proposed FY2026 Administrative and Project Development Budget

CATEGORY	FY2026 Proposed	FY2026 Proposed Shared General Administrative **	FY2026 Proposed HRTF General Administrative **	FY2026 Proposed HRRTF General Administrative **	FY2026 Proposed HRTF Direct Administrative	FY2026 Proposed HRRTF Direct Administrative	FY2026 Proposed HRTF Program/Project Development	FY2026 Proposed HRRTF Program/Project Development
REVENUES								
HRTF Revenues	\$ 5,857,784	\$ -	\$ 1,868,824	\$ -	\$ 2,793,960	\$ -	\$ 1,195,000	\$ -
HRRTF Revenues	285,343	-	250,343	-	20,000	-	-	15,000
TOTAL REVENUE	\$ 6,143,127	\$ -	\$ 1,868,824	\$ 250,343	\$ 2,793,960	\$ 20,000	\$ 1,195,000	\$ 15,000
EXPENDITURES								
PERSONNEL*								
HRTAC Staff/Fringes/Leave Reserve	\$ 1,424,672	\$ 1,424,672	\$ 1,256,371	\$ 168,301	\$ -	\$ -	\$ -	\$ -
HRPO/HRPDC Support Staff*	250,145	250,145	220,595	29,550	-	-	-	-
SUBTOTAL PERSONNEL	1,674,817	1,674,817	1,476,966	197,851	-	-	-	-
PROFESSIONAL SERVICES								
Audit	150,000	150,000	132,280	17,720	-	-	-	-
Rating Agency Annual Fees	120,000	-	-	-	120,000	-	-	-
Trustee	30,000	-	-	-	30,000	-	-	-
TIFIA Annual Fees	135,960	-	-	-	135,960	-	-	-
Bank Fees & Investment Services	400,000	-	-	-	400,000	-	-	-
Legal	600,000	80,000	70,549	9,451	395,000	20,000	100,000	5,000
Financial Advisors	500,000	-	-	-	-	-	490,000	10,000
Consulting Engineer	450,000	-	-	-	-	-	450,000	-
Insurance - D&O/Liability	12,000	12,000	10,582	1,418	-	-	-	-
Recruiting	10,000	-	-	-	10,000	-	-	-
Debt Program/T&R Study	1,853,000	-	-	-	1,703,000	-	150,000	-
SUBTOTAL PROFESSIONAL SERVICES	4,260,960	242,000	213,412	28,588	2,793,960	20,000	1,190,000	15,000
TECHNOLOGY/COMMUNICATION*								
IT/Communications	36,750	36,750	32,409	4,341	-	-	-	-
LAN system/Computer Equipment/Cloud	26,250	26,250	23,149	3,101	-	-	-	-
Website Consultant	10,500	10,500	9,260	1,240	-	-	-	-
SUBTOTAL TECHNOLOGY/COMMUNICATION	73,500	73,500	64,817	8,683	-	-	-	-
ADMINISTRATIVE *								
Public Notices/Advertising	4,000	4,000	3,527	473	-	-	-	-
Office Space	35,000	35,000	30,865	4,135	-	-	-	-
Office Supplies*	20,000	19,000	16,755	2,245	-	-	1,000	-
Furniture	15,000	15,000	13,228	1,772	-	-	-	-
Printing/Copying*	6,000	2,000	1,764	236	-	-	4,000	-
Dues/Subscriptions	3,000	3,000	2,646	354	-	-	-	-
Travel	8,000	8,000	7,055	945	-	-	-	-
Meeting Expenses*	18,000	18,000	15,874	2,126	-	-	-	-
Telephone*	1,500	1,500	1,323	177	-	-	-	-
Postage*	1,000	1,000	882	118	-	-	-	-
General Consulting Services*	10,000	10,000	8,819	1,181	-	-	-	-
Secured Document Storage	6,600	6,600	5,820	780	-	-	-	-
Professional Development	5,750	5,750	5,071	679	-	-	-	-
SUBTOTAL ADMINISTRATIVE	133,850	128,850	113,629	15,221	-	-	5,000	-
TOTAL EXPENDITURES	\$ 6,143,127	\$ 2,119,167	\$ 1,868,824	\$ 250,343	\$ 2,793,960	\$ 20,000	\$ 1,195,000	\$ 15,000

*Includes items to be reimbursed to HRPDC/HRTPO

** Pursuant to § 33.2-2605 of the Code of Virginia, Administrative expenses shall be paid from the Hampton Roads Transportation Fund and the Hampton Roads Regional Transit Fund on an approximately pro rata basis.

Fund	Audited Revenue by Fund FY2024	% of FY2024 Audited Tax Revenue by Fund	Proposed FY2026 Budget Administrative Costs to be Shared (Total General Administrative Costs x % of FY2024 Audited Tax Revenue by Fund)	Proposed FY2026 Direct Administrative by Fund	Proposed FY2026 Program Development Costs by Fund	Proposed Total FY2026 Budget Costs by Fund
HRRTF	\$ 35,312,922.00	11.81%	\$ 250,343.38	\$ 20,000.00	\$ 15,000.00	\$ 285,343.38
HRTF	263,612,429.00	88.19%	1,868,823.75	2,793,960.00	1,195,000.00	5,857,783.75
Total	\$ 298,925,351.00	100.00%	\$ 2,119,167.14	\$ 2,813,960.00	\$ 1,210,000.00	\$ 6,143,127.14





Finance Committee Meeting Agenda Items 5D-5F

March 20, 2025

Agenda Item 5D:

FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects, and Related FY2026 Schedule of Debt Service

HRTF Revenue Historical Performance & Forecast

- As of March 1, 2025, HRTAC has received \$129.5 million revenues for FY 2025, 3.5% higher than the same period in FY 2024.

FY	Sales Tax	YoY	Fuels Tax	YoY	Total	YoY
2015	\$130.0	20.5%	\$40.9	9.7%	\$170.9	17.7%
2016	\$126.5	-2.7%	\$26.7	-34.7%	\$153.2	-10.4%
2017	\$131.5	4.0%	\$25.0	-6.4%	\$156.5	2.2%
2018	\$136.5	3.8%	\$32.7	30.8%	\$169.2	8.1%
2019*	\$145.0	5.9%	\$81.1	148.0%	\$225.7	33.4%
2020*	\$146.0	1.1%	\$55.0	-32.2%	\$201.2	-10.9%
2021	\$171.6	17.4%	\$56.0	1.8%	\$227.6	13.1%
2022	\$184.9	7.7%	\$58.7	4.7%	\$243.5	7.0%
2023	\$191.9	3.8%	\$60.7	3.5%	\$252.7	3.8%
2024	\$196.5	2.4%	\$67.1	10.5%	\$263.6	4.3%
YTD 2025	\$100.9	4.0%	\$28.5	2.1%	\$129.5	3.5%

in millions

*Certain accounting changes were implemented and affected FY 2019 and FY 2020.

- In December 2024, Virginia Department of Taxation updated the HRTF revenue forecast through FY 2032, which shows continued growth.

in millions	Previous Forecast (May 24)			Current Forecast			Difference		
	Sales Tax	Fuels Tax	Total	Sales Tax	Fuels Tax	Total	Sales Tax	Fuels Tax	Total
FY 2025	\$188.5	\$66.5	\$255.0	\$199.9	\$66.7	\$266.6	\$11.4	\$0.2	\$11.6
FY 2026	\$196.2	\$68.9	\$265.1	\$208.1	\$67.9	\$276.0	\$11.9	(\$1.0)	\$10.9
FY 2027	\$203.9	\$70.8	\$274.7	\$216.2	\$69.2	\$285.4	\$12.3	(\$1.6)	\$10.7
FY 2028	\$211.4	\$72.8	\$284.2	\$223.6	\$71.2	\$294.8	\$12.2	(\$1.6)	\$10.6
FY 2029	\$218.8	\$74.8	\$293.6	\$233.3	\$73.0	\$306.3	\$14.5	(\$1.8)	\$12.7
FY 2030	\$225.8	\$76.7	\$302.5	\$243.9	\$74.8	\$318.7	\$18.1	(\$1.9)	\$16.2
FY 2031				\$253.0	\$76.3	\$329.3			
FY 2032				\$262.3	\$77.9	\$340.2			
Total (FY25-FY30)	\$1,244.6	\$430.5	\$1,675.1	\$1,325.0	\$422.8	\$1,747.8	\$80.4	(\$7.7)	\$72.7

Highway Regional Priority Projects (in \$MM)

Highway Regional Priority Projects Costs and Expenses

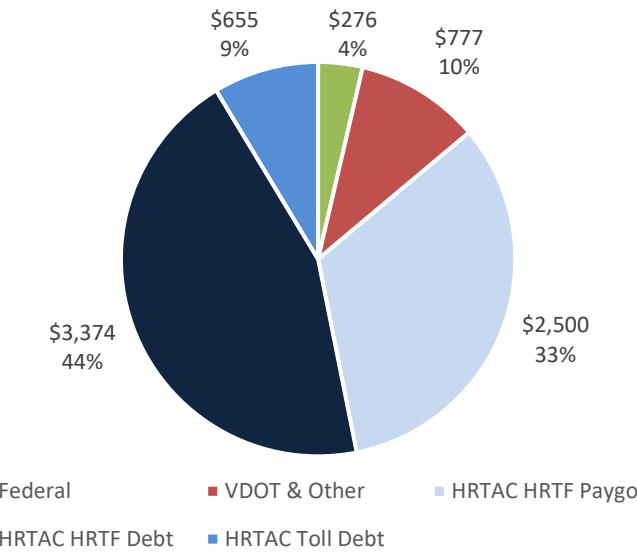
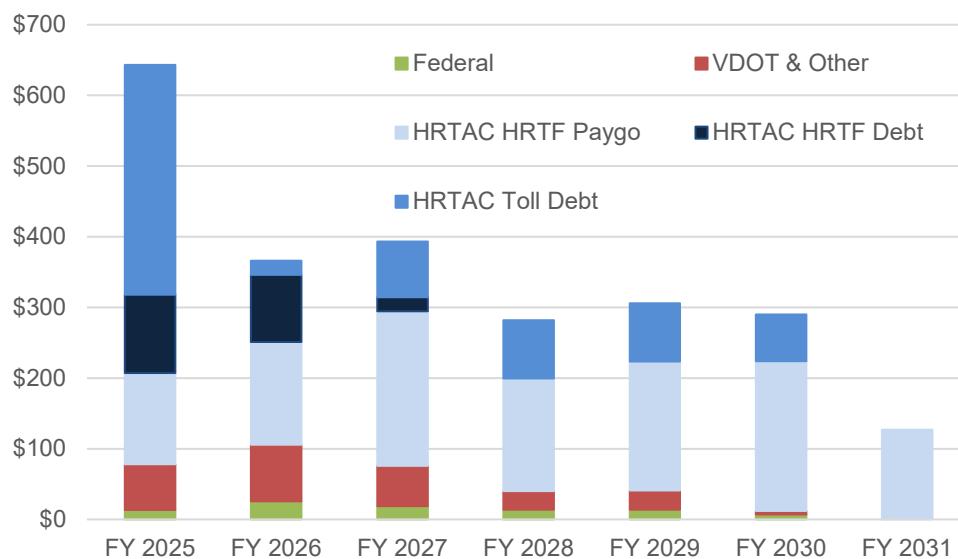
	Prior Years	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total	HRTAC HRTF Paygo	HRTAC HRTF Debt	HRTAC Toll Debt	VDOT & Other	Federal
Admin & Project Development Costs	\$31	\$7	\$6	\$6	\$6	\$6	\$7	\$7	\$76	\$76				
I-64 Peninsula Widening		\$515							\$515		\$294		\$221	
I-64/I-264 Interchange Improvement		\$352							\$352		\$280		\$72	
I-64 Southside/High Rise Bridge		\$527							\$527		\$432		\$95	
Project Development ⁽¹⁾		\$49							\$49		\$49			
HRBT ⁽²⁾	\$3,361	\$369	\$32						\$3,762	\$1,161	\$2,056	\$345		\$200
HRELN ⁽²⁾	\$326	\$258	\$299	\$242	\$106	\$105	\$52		\$1,388	\$394	\$312	\$310	\$296	\$76
I-64/Denbigh Boulevard Interchange Phase I	\$3	\$3	\$17	\$30	\$19	\$19	\$3		\$93					\$93
I-64/Denbigh Boulevard Interchange Phase II ⁽³⁾	\$2	\$3	\$6	\$6	\$3	\$4	\$4	\$37	\$64		\$64			
I-264/Independence Boulevard Interchange ⁽³⁾	\$1	\$1	\$4	\$4	\$1	\$1	\$53	\$53	\$120		\$120			
I-264/I-64 Phase III-A	\$7	\$1	\$1	\$104	\$141	\$135	\$135		\$525		\$525			
I-64/I-464 Interchange Improvements Phase ^{(3),(4)}	\$2	\$1	\$2	\$3	\$3	\$36	\$36	\$30	\$112		\$112			
Total	\$5,175	\$643	\$366	\$393	\$282	\$306	\$290	\$127	\$7,582	\$2,500	\$3,374	\$655	\$777	\$276

(1) Includes \$11.9M Bower's Hill IAR

(2) Includes Segment 3 tolling infrastructure cost - \$18M allocated to HRBT and \$4M allocated to HRELN

(3) Costs after FY 2031 are not shown

(4) Includes \$2.5M I-64/I-464 Interchange IAR



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HRTF Cash Flow

	Prior Years	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Revenues									
HRTF Tax Revenues:									
Sales Tax	\$1,668,108,092	\$199,900,000	\$208,100,000	\$216,200,000	\$223,600,000	\$233,300,000	\$243,900,000	\$253,000,000	\$3,246,108,092
Fuels Tax	\$541,215,046	\$66,700,000	\$67,900,000	\$69,200,000	\$71,200,000	\$73,000,000	\$74,800,000	\$76,300,000	\$1,040,315,046
Total	\$2,209,323,138	\$266,600,000	\$276,000,000	\$285,400,000	\$294,800,000	\$306,300,000	\$318,700,000	\$329,300,000	\$4,286,423,138
Investment Revenues:									
Interest Income	\$10,840,806	\$377,144	\$1,326,022	\$1,306,436	\$1,397,784	\$1,548,946	\$1,616,100	\$1,560,058	\$19,973,296
Investment Income	\$171,066,865	\$13,489,502	\$20,558,200	\$20,269,922	\$19,729,465	\$21,821,682	\$22,539,057	\$23,969,555	\$313,444,248
Total	\$181,907,670	\$13,866,646	\$21,884,222	\$21,576,358	\$21,127,249	\$23,370,628	\$24,155,157	\$25,529,613	\$333,417,543
Total Revenues	\$2,391,230,809	\$280,466,646	\$297,884,222	\$306,976,358	\$315,927,249	\$329,670,628	\$342,855,157	\$354,829,613	\$4,619,840,682
Payments									
HRTF Debt Payments:									
	\$284,403,082	\$74,296,632	\$84,247,704	\$112,847,499	\$112,977,484	\$113,573,784	\$120,852,033	\$121,232,255	\$1,024,430,473
HRTF Subordinate Lien DSRF - Ongoing Deposit			\$474,542		\$1,183,896	\$983,517	\$1,021,879	\$861,325	\$4,525,160
HRTF Admin & Proj. Dev. Budget	\$31,234,121	\$6,606,968	\$5,857,784	\$6,004,228	\$6,154,334	\$6,477,437	\$6,817,502	\$7,175,421	\$76,327,795
HRTF Operating Reserve Fund Deposit (Release)	\$8,895,168	\$1,627,503	-\$824,103	\$161,089	\$165,116	\$355,413	\$374,072	\$393,711	\$7,892,963
Total	\$40,129,289	\$4,979,465	\$5,033,681	\$6,165,317	\$6,319,450	\$6,832,849	\$7,191,574	\$7,569,132	\$84,220,758
Paygo Allocation to Highway Projects	\$1,294,712,296	\$122,753,866	\$139,427,983	\$212,676,579	\$152,947,093	\$175,741,242	\$205,132,634	\$119,899,113	\$2,423,290,807
Paygo Payments to Financing Costs:									
Toll TIFIA DSRF - Initial Deposit									\$44,322,670
Tolling M&R Reserve - Initial Deposit									\$9,000,000
Toll Revenue Stabilization Fund					\$9,000,000				\$10,000,000
HRTF TIFIA DSRF - Initial Deposit									\$79,540,507
2021 Successor Loan Reimbursement	\$412,791,056		\$29,176,185		\$50,364,322				\$412,791,056
2018A Cash Defeasance	-\$100,270,061								-\$100,270,061
Total	\$312,520,996	\$29,176,185		\$59,364,322		\$29,053,994	\$25,268,676		\$455,384,173
Total Payments	\$1,931,765,663	\$231,206,148	\$229,183,911	\$391,053,717	\$273,427,923	\$326,185,386	\$359,466,797	\$249,561,825	\$3,991,851,370
HRTF Cash Unobligated									
Annual Deposit (Draws)		\$49,260,498	\$68,700,311	-\$84,077,359	\$42,499,326	\$3,485,242	-\$16,611,640	\$105,267,788	\$627,989,312
Carry Over from Prior Year		\$459,465,146	\$508,725,644	\$577,425,955	\$493,348,596	\$535,847,922	\$539,333,164	\$522,721,524	
Ending Balance	\$459,465,146	\$508,725,644	\$577,425,955	\$493,348,596	\$535,847,922	\$539,333,164	\$522,721,524	\$627,989,312	

*Fund balances are identified annually and are expected to be used for maintaining balances coverage and unanticipated and future obligations.

FY 2026 HRTF Scheduled Debt Service

FY2026 Scheduled Debt Service	
CATEGORY	Debt Service
SOURCE OF FUNDS	
HRTF Revenues - Commonwealth of Virginia	\$84,247,704
Addition to Principal of TIFIA 20211008A Loan ¹	\$15,566,959
	\$99,814,663
PRINCIPAL PAYMENTS	
2018A Revenue Bonds	\$4,985,000
TIFIA Loan 20211010A	\$2,922,957
TOTAL PRINCIPAL PAYMENTS	\$7,907,957
INTEREST PAYMENTS	
2018A Revenue Bonds	\$6,559,000
2020A Revenue Bonds	\$28,228,700
2022A Revenue Bonds	\$17,215,150
2023A Bond Anticipation Notes	\$7,050,000
2024A Revenue Bonds	\$7,748,825
TIFIA Loan 20211010A	\$9,538,072
INTEREST PAYMENTS	\$76,339,747
Interest Added to Principal Balance of TIFIA Loan 20211008A	\$15,566,959
TOTAL INTEREST	\$91,906,705
TOTAL SCHEDULED DEBT SERVICE	\$99,814,663

1. Accrued interest, not paid by FY 2025 HRTF Revenues

Updated Tolling Expenditure Projection

- HNTB (VDOT's engineering contractor) revised tolling operation & maintenance cost and major maintenance cost estimates in March 2025.
- The updates reflect the latest estimates of system quantities and unit pricing, modifications to the tolling integrator contract, transactions per trip data, etc.

Operations & Maintenance (in \$000)			
Year	Prior Estimate ⁽¹⁾	New Estimate ⁽¹⁾	% Change
2027	\$12,330	\$6,693	-45.7%
2030	\$18,407	\$16,774	-8.9%
2035	\$21,980	\$19,576	-10.9%
2040	\$25,750	\$22,444	-12.8%
2045	\$30,521	\$25,743	-15.7%
2050	\$35,962	\$29,485	-18.0%
2055	\$42,951	\$33,812	-21.3%
2060	\$51,252	\$38,829	-24.2%
2065	\$62,079	\$44,698	-28.0%
Total	\$1,341,690	\$1,055,674	-21.3%

Major Maintenance (in \$000)			
Year	Prior Estimate ⁽¹⁾	New Estimate ⁽¹⁾	% Change
2027	\$634	\$606	-4.4%
2028-2030	\$1,545	\$1,295	-16.2%
2031-2035	\$26,408	\$29,627	12.2%
2036-2040	\$23,775	\$24,782	4.2%
2041-2045	\$42,608	\$56,279	32.1%
2046-2050	\$46,023	\$54,458	18.3%
2051-2055	\$38,510	\$38,626	0.3%
2056-2060	\$59,936	\$64,283	7.3%
2061-2065	\$101,466	\$136,269	34.3%
Total	\$340,906	\$406,226	19.2%

1) Estimates are provided in 2021 real dollars. Actual CPI data was used for historical years, while a 2.5% annual CPI assumption is applied for future years.

Toll Revenue Cash Flow

	Prior Years	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Revenues							
Gross Revenues ^{(1),(2)}		\$23,141,636	\$40,487,496	\$46,797,068	\$50,711,289	\$53,826,722	\$214,964,212
Investment Earnings		\$312,157	\$477,023	\$604,941	\$776,696		\$2,170,818
Total Revenues		\$23,141,636	\$40,799,654	\$47,274,091	\$51,316,230	\$54,603,418	\$217,135,029
Payments							
Tolling O&M Expenditure ^{(1),(3)}		\$6,692,619	\$13,544,023	\$14,488,166	\$16,774,437	\$16,877,920	\$68,377,165
Tolling O&M Reserve Deposit		\$1,712,851	\$236,036	\$571,568	\$25,871		\$2,546,325
Debt Service Fund - Mandatory							
Debt Service Fund - Scheduled			\$7,910,412	\$24,232,305	\$24,996,389		\$57,139,106
TIFIA DSRF Deposit						\$418,874	\$418,874
Tolling M&R Reserve ⁽³⁾		\$4,934,705	\$7,151,978	\$6,159,870	\$8,764,129	\$1,842,655	\$28,853,336
VDOT Repayment Fund					\$973,792	\$10,441,709	\$11,415,501
Total Payments		\$11,627,324	\$22,408,853	\$28,794,482	\$50,342,438	\$44,161,709	\$157,334,807
Toll Revenues Unobligated							
Annual Deposit(Draws)		\$11,514,312	\$18,390,801	\$18,479,609	\$973,792	\$10,441,709	\$59,800,223
Carry Over from Prior Year		\$11,514,312	\$29,905,113	\$48,384,721	\$49,358,513		
Ending Balance		\$11,514,312	\$29,905,113	\$48,384,721	\$49,358,513	\$59,800,223	

1) Estimates are provided in 2021 real dollars. Actual CPI data was used for historical years, while a 2.5% annual CPI assumption is applied for future years

2) Uninflated tolling revenues provided by CDM Smith

3) Uninflated tolling expenditures provided by HNTB

Agenda Item 5E:

FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects

HRRTF Revenue Historical Performance & Forecast

- As of March 1, 2025, HRTAC has received \$30.0 million revenues for FY 2025, 2.6% higher than the same period in FY 2024.

Fiscal Year	Grantor's Tax	YoY	Transient Occupancy Tax	YoY	Total*	YoY
2021	\$7.6		\$1.5		\$29.0	
2022	\$9.4	24.8%	\$8.4	470.4%	\$37.8	30.3%
2023	\$6.8	-27.6%	\$9.7	15.1%	\$36.5	-3.5%
2024	\$5.6	-18.1%	\$9.7	0.6%	\$35.3	-3.2%
YTD 2025	\$4.2	20.3%	\$5.8	1.0%	\$30.0	2.6%

in millions

- In December 2024, Virginia Department of Taxation updated the HRRTF revenue forecast through FY 2032, and the forecast indicates moderate annual increases.

<i>in millions</i>	Previous Forecast (May 24)			Current Forecast			Difference		
	Grantor's Tax	Transient Occupancy Tax	Total*	Grantor's Tax	Transient Occupancy Tax	Total*	Grantor's Tax	Transient Occupancy Tax	Total*
FY 2025	\$6.0	\$12.2	\$38.2	\$5.8	\$9.9	\$35.7	(\$0.6)	(\$1.5)	(\$2.1)
FY 2026	\$6.3	\$12.5	\$38.8	\$6.1	\$10.1	\$36.2	(\$0.2)	(\$2.4)	(\$2.6)
FY 2027	\$6.5	\$12.7	\$39.2	\$6.3	\$10.3	\$36.6	(\$0.2)	(\$2.4)	(\$2.6)
FY 2028	\$6.8	\$13.0	\$39.8	\$6.5	\$10.5	\$37.0	(\$0.3)	(\$2.5)	(\$2.8)
FY 2029	\$6.8	\$13.2	\$40.0	\$6.5	\$10.7	\$37.2	(\$0.3)	(\$2.5)	(\$2.8)
FY 2030	\$6.8	\$13.5	\$40.3	\$6.5	\$10.9	\$37.4	(\$0.3)	(\$2.6)	(\$2.9)
FY 2031				\$6.5	\$11.1	\$37.6			
FY 2032				\$6.5	\$11.4	\$37.9			

Transit Regional Priority Projects (in \$MM)

Transit Regional Priority Projects Costs and Expenses*

	Prior Years	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Admin & Project Development Costs	\$0.86	\$0.36	\$0.29	\$0.30	\$0.31	\$0.33	\$0.35	\$0.37	\$3.16
Transit Bus Expansion Project (Group A&B)	\$14.46								\$14.46
Transit Bus Expansion	\$2.94	\$2.20							\$5.13
Bus Stop Amenity Program	\$3.27								\$3.27
Regional Transit System Technology	\$0.60								\$0.60
Net Center Replacement	\$0.06								\$0.06
New Bus Operating Facility - Southside	\$19.82	\$22.85		\$4.45					\$47.12
Robert Hall Transfer Center Replacement	\$0.10	\$0.50		\$3.73					\$4.33
Evelyn T. Butts Project	\$4.60	\$2.00							\$6.60
RTS Operations and Maintenance	\$38.81	\$25.31	\$23.30	\$25.63	\$28.19	\$30.03	\$31.98	\$34.06	\$237.30
RTS Development and Support Services	\$1.92								\$1.92
Bus Amenity Program	\$6.39	\$2.75	\$3.52	\$1.79					\$14.46
Paratransit Fleet	\$0.47								\$0.47
Non-Revenue Fleet	\$1.28	\$0.01							\$1.29
Orcutt Transfer Center		\$0.26							\$0.26
Total	\$95.56	\$56.23	\$27.11	\$35.90	\$28.51	\$30.36	\$32.32	\$34.42	\$340.41

Funding Sources

	Prior Years	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total	
HRTAC HRRTF		\$95.56	\$56.23	\$27.11	\$35.90	\$28.51	\$30.36	\$32.32	\$34.42	\$340.41

*Include a funding application presented to HRTAC for FY 2026 funds, covering RTS Operations and Maintenance as well as the Bus Amenity Program, along with projected Operation and Maintenance costs for future years.

HRRTF Cash Flow

	Prior Years	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Revenues									
Grantor's Tax	\$29,396,795	\$5,800,000	\$6,100,000	\$6,300,000	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$73,596,795
Transient Occupancy Tax	\$29,249,497	\$9,900,000	\$10,100,000	\$10,300,000	\$10,500,000	\$10,700,000	\$10,900,000	\$11,100,000	\$102,749,497
Recordation Tax Transfer	\$80,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$220,000,000
Total	\$138,646,292	\$35,700,000	\$36,200,000	\$36,600,000	\$37,000,000	\$37,200,000	\$37,400,000	\$37,600,000	\$396,346,292
HRRTF Investment Revenues:									
HRRTF Interest Income	\$5,366,927	\$36,544	\$71,412	\$109,165	\$114,082	\$154,733	\$194,694	\$176,349	\$6,223,905
HRRTF Investment Income	\$2,020,242	\$1,307,081	\$1,107,149	\$1,693,743	\$1,610,242	\$2,179,893	\$2,715,310	\$2,709,514	\$15,343,174
Total	\$7,387,169	\$1,343,625	\$1,178,561	\$1,802,908	\$1,724,324	\$2,334,626	\$2,910,004	\$2,885,863	\$21,567,079
Total Revenues	\$146,033,461	\$37,043,625	\$37,378,561	\$38,402,908	\$38,724,324	\$39,534,626	\$40,310,004	\$40,485,863	\$417,913,371
Payments									
HRRTF Admin & Proj. Dev. Budget	\$855,699	\$355,825	\$285,343	\$299,774	\$314,948	\$330,905	\$347,685	\$365,332	\$3,155,512
Paygo Allocation for Transit Projects	\$109,292,860	\$55,873,920	\$26,823,000	\$35,601,000	\$28,193,000	\$30,025,545	\$31,977,205	\$34,055,724	\$351,842,254
Deallocated Funding Returned	-\$14,589,156								-\$14,589,156
Total Payments	\$95,559,403	\$56,229,745	\$27,108,343	\$35,900,774	\$28,507,948	\$30,356,450	\$32,324,891	\$34,421,056	\$340,408,611
HRRTF Cash Unobligated									
Annual Deposit (Draws)	-\$19,186,121	\$10,270,217	\$2,502,134	\$10,216,376	\$9,178,176	\$7,985,113	\$6,064,807		\$77,504,760
Carry Over from Prior Year	\$50,474,058	\$31,287,937	\$41,558,154	\$44,060,288	\$54,276,664	\$63,454,840	\$71,439,953		
Ending Balance	\$50,474,058	\$31,287,937	\$41,558,154	\$44,060,288	\$54,276,664	\$63,454,840	\$71,439,953	\$77,504,760	

Agenda Item 5F:

2045 Long Range Plan of Finance Update for the Region's High Priority Highway Projects and the Hampton Roads Regional Transit Fund

2045 LRTP – Highway Projects

	Six Initial Projects	HRBT	HRELN	I-64/I-264 Interchange Phase IIIA	I-264/Independence Boulevard Interchange	I-64/Denbigh Boulevard Interchange Phase I	I-64/Denbigh Boulevard Interchange Phase II	I-64/I-464 Interchange Phase A
Inflated Costs (\$MM)	\$1,394	\$3,762	\$1,388	\$525	\$207	\$93	\$188	\$142
Construction Start Year	2015	2020	2022	2026	2029	2025	2030	2028
Construction End Year	2024	2027	2030	2030	2033	2029	2034	2032

	I-64 PTSELs from I-464 to Bowers Hill	I-64/I-464 Interchange Phase B&C	Bowers Hill Interchange	I-664 Widening to College Blvd	I-264 Widening	VA-164 Widening	VA-168 Bypass
Inflated Costs (\$MM)	\$80	\$348	\$771	\$1,529	\$669	\$493	\$355
Construction Start Year	2033	2033	2035	2036	2036	2041	2041
Construction End Year	2035	2037	2039	2040	2040	2045	2045

Total YOE Costs (\$MM) ^[1]	\$11,944
Funded by (\$MM):	
Existing HRTAC HRTF Debt	\$3,484
Existing HRTAC Toll Debt	\$345
Existing HRTAC HRTF Paygo	\$1,501
Future HRTAC HRTF Debt ^[2]	\$1,000
Future HRTAC Toll Debt ^{[2], [3]}	\$310
Future HRTAC HRTF Paygo ^[2]	\$3,373
VDOT - SMART SCALE ^{[4],[5]}	\$1,559
VDOT - IOEP Funding ^[6]	\$164
VDOT - Other Funding ^[7]	\$119
VDOT - Bridge Maintenance ^[8]	\$13
IIJA Funding ^[9]	\$76
Total Funding	\$11,944

Assumptions:

- [1] Inflation costs provided by VDOT or HRTPO
- [2] Future HRTAC paygo and debt funding depend on revenue availabilities and interest rates at the time of debt issuance
- [3] \$310M assumed in the HRELN financing; pending public hearing results and further developments, Bowers Hill Interchange and I-664 Widening to College Blvd may contain managed lanes that produce toll revenues
- [4] \$588M existing VDOT and other local funding for the Six Initial Projects and HRBT
- [5] Assume additional \$971M SMART SCALE awarded prior to FY 2034 for new projects after HRELN; I-664 Widening to College Blvd completion in FY 2038 conditioned upon this assumption
- [6] \$164M assumed for HRELN; additional IOEP funding may be available
- [7] \$93M General Assembly Appropriation for HRELN approved in June 2022; assume \$26M VDOT Funding for HRELN toll integration costs
- [8] \$13M assumed for HRELN; additional Bridge Maintenance funding may be available
- [9] \$76M Infrastructure Investment & Jobs Act (IIJA) funding assumed for HRELN; additional IIJA funding may be available

2045 LRTP – Transit Projects

HRTAC Transit Regional Priority Projects - Proposed 2045 Long Range Plan of Finance Update

HRRTF Supported Projects	
O&M Costs ¹	\$714
Capital Costs ^{2,3}	\$230
Fiscally Constrained Construction End Year	2045
Total FV Cost	\$945
Funded by HRRTF Debt	\$0
Funded by HRRTF Pay-Go	<u>\$945</u>

1. Assume annual O&M costs after FY 2031 same as the FY 2031
2. Assume HRRTF annual revenue grows by 0.5% after the FY 2032 estimate provided by the VA Department of Tax
3. Assume capital project costs are aggregate HRRTF revenues net of O&M costs

THANK YOU



**5. D. FY2026-FY2031 Plan of Finance Update – Six Year
Operating and Capital Program of Projects – Highway Regional
High Priority Projects, and Related FY2026 Schedule of Debt
Service**

Agenda Item 5D
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 20, 2025

Re: FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects, and Related FY2026 Schedule of Debt Service

Recommendation:

The Finance Committee is requesting that the Commission authorize HRTAC Staff to conduct a public hearing on the Proposed FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects, as an update to the HRTAC-adopted Financial Plan to include certain modifications for the Region's High Priority Projects and additional revenues based on new or updated information.

Background:

During FY2025, HRTAC Staff developed a Proposed FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects as an update to the Commission's adopted Financial Plan. This effort to update the Financial Plan included employing financial consultant services, general and bond counsel, and traffic and revenue estimators, and included input provided by VDOT, HRTAC and HRTPO Staff. The purpose of updating the Financial Plan is to provide current direction on project financing, revenue assumptions, and timing that will be used as the Commission's current financial plan. The proposed FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects updates the amounts included with respect to the Hampton Roads Express Lanes Network. This update will guide the Commission and inform others through advancing project construction readiness, project finance, bonding, tolling, and environmental planning. The Commission will need to conduct a public hearing on the Proposed FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects to receive public comments for consideration in the Commission's action, which action is expected to be taken not later than at its June 19, 2025 Annual Organizational meeting.



Fiscal Impact:

There is no fiscal impact in relation to this Action Item authorizing a public hearing. Once adopted, the proposed FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects updates the funding plan for the Commission to provide \$7,582 million (a \$321 million increase to the Approved FY2025-FY2030 Plan of Finance Update to support the Hampton Roads Express Lanes Network and advance projects in the Plan) for highway regional high priority congestion relief projects FY2014 through FY2031.

Suggested Motion:

Motion: The Finance Committee endorses the Proposed FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects as an update to the HRTAC-adopted 2025-2030 Financial Plan and authorizes the Finance Committee Chair to communicate the action of the Finance Committee and to request the Commission to authorize the Executive Director to conduct a public hearing and report back public comments for consideration in the Commission's action which action is expected to be taken not later than at its June 19, 2025 Annual Organizational meeting.





COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION
HAMPTON ROADS DISTRICT
7511 Burbage Drive
SUFFOLK, VIRGINIA 23435

Stephen C. Brich, P.E.
Commissioner

March 3, 2025

Mr. Kevin B. Page
Executive Director
Hampton Roads Transportation Accountability Commission
The Regional Building
723 Woodlake Drive
Chesapeake, VA, 23320

RE: I-464/I-64 Interchange – Phase A Project Funding Request

Dear Mr. Page,

I am writing to follow up on our recent discussion on adding the I-464/I-64 Interchange Phase A project to HRTAC's FY2026-2031 Plan of Finance – Six Year Operating and Capital Program of Projects.

The Virginia Department of Transportation (VDOT) is currently completing an Interchange Access Report that is evaluating the full build of the I-464/I-64 Interchange and Route 168 ramp configuration to identify the future needs and maximize efficiency and capacity of this key system-to-system interchange operation in the City of Chesapeake.

VDOT has identified a subproject that adds a directional ramp from US-17 northbound/VA-168 northbound to I-64 westbound, as designated as the I-464/I-64 Interchange - Phase A project. These improvements are in addition to the current project under design/construction that is installing a flyover ramp from I-64 eastbound to I-464 southbound and perform improvements to separate I-464 southbound traffic going to Route 17 and Route 168 north of the interchange.

VDOT requests an investment of \$139 million to design, purchase right of way and construct the above referenced I-464/I-64 Interchange – Phase A project.

We respectfully request that the HRTAC implement the necessary steps to allocate the necessary funding in HRTAC's FY2026-2031 Plan of Finance to allow VDOT to proceed with this interchange improvement project.

Kevin B. Page, Executive Director
March 3, 2025
Page Two

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Christopher G. Hall".

Christopher G. Hall, P.E.
District Engineer



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION HAMPTON ROADS DISTRICT

Stephen C. Brich, P.E.
Commissioner

7511 Burbage Drive
Suffolk, Virginia 23435

March 12, 2025

Mr. Kevin B. Page
Executive Director
Hampton Roads Transportation Accountability Commission
The Regional Building
723 Woodlake Drive
Chesapeake, VA, 23320

RE: HRTAC HREL Segment 3 (Capital – Tolling Infrastructure) Funding Request

Dear Mr. Page,

I am writing to follow up on our recent discussions regarding the desire to increase the HRTAC funding to the HREL Segment 3 - Capital Tolling Infrastructure project (UPC 118376).

VDOT is recommending increasing the budget on the HREL Segment 3 – Capital Tolling Infrastructure by \$4,000,000 for the construction cost to install the Illuminated In-Pavement Markings (IIPMs) along the I-64 corridor. This cost includes the preliminary engineering (i.e., modifying the environmental document, developing the design and plans, revising the special provision, etc.), construction work and contingencies to perform this work.

We respectfully request that HRTAC increase the funding by \$4,000,000 to support the additional work to be constructed under the HREL Segment 3 – Capital Tolling Infrastructure project (UPC 118376).

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Christopher G. Hall".

Christopher G. Hall, P.E.
District Engineer

**5. E. FY2026-FY2031 Plan of Finance Update – Six Year
Operating and Capital Program of Projects – Transit
Regional High Priority Projects**

Agenda Item 5E
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 20, 2025

Re: FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects

Recommendation:

The Finance Committee is requesting that the Commission authorize HRTAC Staff to conduct a public hearing on the Proposed FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects, as an update to the HRTAC-adopted Financial Plan to include certain modifications for the Region's High Priority Transit Projects and additional revenues based on new or updated information.

Background:

During FY2025, HRTAC Staff developed a Proposed FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects as an update to the Commission's adopted Financial Plan. This effort to update the Financial Plan included HRTAC Staff, employing financial consultant services, general counsel, and included input from Hampton Roads Transit Staff. The purpose of updating the Financial Plan is to provide current direction on project financing, revenue assumptions, and timing that will be used as the Commission's current financial plan. The proposed FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects adjusts HRRTF project 202501H to reflect additional non-HRRTF funding to increase the number of vehicles from four to nine without increasing the HRRTF and includes the FY2026 funding request made by Hampton Roads Transit and the related continued support of the operations and maintenance of eligible regional transit services. This update will guide the Commission and inform others through advancing project construction readiness, operations, and planning. The Commission will need to conduct a public hearing on the Proposed FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects to receive public comments for consideration in the Commission's action, which action is expected to be taken not later than at its June 19, 2025 Annual Organizational meeting.



Fiscal Impact:

There is no fiscal impact in relation to this Action Item authorizing a public hearing. Once adopted, the proposed FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects updates the funding plan for the Commission to provide \$340 million (a \$7 million increase to the Approved FY2025-FY2030 Plan of Finance Update) for transit regional high priority projects FY2021 through FY2031.

Suggested Motion:

Motion: The Finance Committee endorses the Proposed FY2026-FY2031 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects as an update to the HRTAC-adopted 2025-2030 Financial Plan and authorizes the Finance Committee Chair to communicate the action of the Finance Committee and to request the Commission to authorize the Executive Director to conduct a public hearing and report back public comments for consideration in the Commission's action, which action is expected to be taken not later than at its June 19, 2025 Annual Organizational meeting.



HAMPTON ROADS TRANSIT

February 19, 2025

Kevin B. Page
Executive Director
HRTAC
723 Woodlake Drive
Chesapeake, VA 23320

Subject: Application for Hampton Roads Regional Transit Fund (HRRTF) FY2026
disbursements

Kevin
Mr. ~~Page~~,

I have enclosed an application for funding from the Hampton Roads Regional Transit Fund (HRRTF) in accordance with the provisions of Virginia Code § 33.2-2600.1.

This application is in the amount of \$26,823,000. I certify that the projects comprising this application are direct component parts to the approved Program documented in the Transit Strategic Plan and fully meet all eligibility requirements for the disbursement and use of HRRTF funds.

Thank you for your continued partnership to improve access to safe and reliable public transportation across the service area.

Sincerely,

William E. Harrell
President and CEO

Enclosure/ HRRTF Application 202601 (two pages)

Project Name: RTS Bus Operations / Program Costs

Project ID: 202601C

Programmed in Transit Strategic Plan: Yes

Type of Project: Operations and Maintenance

Summary**HRRTF Request:** \$ 23,300,000**Project Cost:** \$ 23,300,000**Asset Type:** Operations and Maintenance

Description: Project covers RTS Bus Operations and Program Costs in fiscal year 2026 (July 1, 2025 through June 30, 2026). Includes Limited/Express (MAX), Peninsula Commuter Service (PCS) routes (Hampton and Newport News) connecting to Newport News Shipyard, and Regional Backbone Routes. Service on RTS routes may be added to group already operating, as operators needs are met. Program Costs are to develop, maintain, improve, and operate the core and connected regional network and related infrastructure, rolling stock, and support facilities; costs are segmented in categories of Planning; Human Resources; Marketing and Communications; Technology; Safety and Security; Engineering and Facilities.

HRRTF Disbursement Schedule

Date	Amount \$
07/01/2025	5,825,000
10/01/2025	5,825,000
01/02/2026	5,825,000
04/01/2026	5,825,000
Total	\$ 23,300,000

Service Costs and Funding

Table A: FY2026 RTS Bus Operations / Program Costs

Item	Description	Expenses
RTS Bus Operations	Limited/Express routes: MAX 921, MAX 960, MAX 961, MAX 962, MAX 964, MAX 966, MAX 967, MAX 972, MAX 980, PCS 403, PCS 405, PCS 414, PCS 415, PCS 430. Regional Backbone routes: Route 15, Route 20, Route 36, Route 45, Route 112, Route 114, Route 21 extension for Naval Station Norfolk circulator service.	\$13,100,000
Bus Maintenance	Upkeep and maintenance of RTS buses, including tires; oil and lubricants; materials and supplies; tools, uniforms, and shoes; and contract services.	\$700,000
Planning	RTS Program annual update (Transit Strategic Plan); 10-year RTS Capital Program update; ongoing planning and program evaluation support.	\$600,000
Human Resources	Direct RTS Program staffing (see positions listed in Table 6-15)	\$3,400,000
Marketing and Communications	Recruitment advertising; promo media buys; collateral development/printing; contract services; outreach software licensing	\$500,000
Technology	CCTV; Client technology software and hardware; Communication services; Datacenter hardware and software; Endpoint protection; Google Maps call increase; Microsoft Dynamics 365 Finance and Operations; Microsoft licenses; PaaS; Networking; Printing capacity expansion; Real-time displays; Training; Telephony software; Transit WiFi; Website re-branding; Cell phone Services. Cyber Resiliency: Develop a resilient cyber strategy for the agency that involves both proactive measures to fortify against attacks and robust plans for post-breach scenarios; HCM (Human Capital Management) Deployment, Support and Integrations: project implementation to automate and utilize additional functionality to support HRT in usage of HCM Workday software to full capability during and after the initial implementation; Data Management System: fortify and implement data governance best practices in compliance with regulatory reporting requirements	\$1,500,000
Security	Security personnel; transit security officer program gear; security surveillance	\$1,000,000
Safety and Risk	Insurance; facility safety and security certification; compliance with 26 CFR part 1910 and 1926 audit; inspection and training programs	\$200,000
Engineering and Facilities	Contracted cleaning; passenger amenities maintenance	\$2,300,000
	<i>Net of fare revenue and grant funds</i>	Total 23,300,000

Note: HRT may apply to HRTAC for additional HRRTF funding to cover any negative variances, should they occur, due to expenses or farebox revenues being different than shown in Table A.

Project Name: Bus Stop Amenity Program

Project ID: 202601F

Programmed in Transit Strategic Plan: Yes

Type of Project: Major Enhancement

Summary**HRRTF Request:** \$3,523,000**Project Cost:** \$3,523,000 (FY26)**Asset Type:** Passenger Amenities**Description:** Supports delivery of bus stop amenities throughout the RTS network, including approximately 623 new shelters, benches, trash cans, and lighting. Project is critical to meet the goals of RTS and deliver an enhanced experience for transit commuters. The expected useful life of a sheltered bus stop is approximately 20 years.**Costs and Funding****FY2026**

Source	Amount (\$1,000s)
HRRTF (FY 26)	\$3,523
Total	\$3,523

HRRTF Disbursement Schedule

Date	Amount \$
01/02/2026	\$3,523,000
Total	\$3,523,000

March 7, 2025

Amended

Project ID: 202501H

Description: Project to procure new buses to support the implementation of HRT's Regional Transit System (RTS). This project covers the purchase of nine (9) 40 foot buses to accommodate service on RTS routes.

HRT secured matching funds to HRRTF funds on Project 202501H in amounts larger than previously planned and programmed. This amendment increases the number of vehicles to be procured from four (4) to nine (9); HRRTF total funds remain the same at \$2,198,000; and HRT controlled funds increase from \$2,198,000 to \$5,945,013. The additional buses under this amendment serve routes 45 and 47; rolling stock on these routes is eligible for HRRTF funding under the provisions of Code of Virginia § 33.2-2600.1.

Appendix B – Project Budget & Cash Flow

Project ID: 202501H					
Current			Amended		
Capital Asset Acquisition Total Project Costs:	HRTAC PayGo Funds	HRT Controlled Funds	Capital Asset Acquisition Total Project Costs:	HRTAC PayGo Funds	HRT Controlled Funds
\$4,396,000	\$2,198,000	\$2,198,000	\$8,143,013	\$2,198,000	\$5,945,013

###

**5.F. 2045 Long Range Plan of Finance Update for the
Region's High Priority Highway Projects and the Hampton
Roads Regional Transit Fund**

Agenda Item 5F
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 20, 2025

Re: 2045 Long Range Plan of Finance Update for the Region's High Priority Highway Projects and the Hampton Roads Regional Transit Fund

Recommendation:

HRTAC Staff and advisors have developed the 2045 Long Range Plan of Finance Update. Staff is requesting that the Finance Committee endorse the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects, including Highway Projects and Transit Projects, as reflected in the enclosed presentation and authorize the Executive Director to hold a public hearing regarding the proposed 2045 Long Range Plan of Finance Update.

Background:

Seven years ago, HRTAC Staff developed a 2045 Long Range Plan of Finance for the HRTAC High Priority Projects and communicated the plan to the HRTPO. HRTAC efforts to update the Commission's 2045 Long Range Plan of Finance have included employing financial consultant services, general and bond counsel, and included input provided by VDOT, HRTAC, HRT, and HRTPO Staff. The Commission will need to conduct a public hearing on the Proposed 2045 Long Range Plan of Finance Update to receive public comments for consideration in the Commission's action, which action is expected to be taken not later than at its June 19, 2025 Annual Organizational meeting.

Fiscal Impact:

Once adopted, the proposed HRTAC 2045 Long Range Plan of Finance Update represents \$11,944 million in regional congestion relief Highway Projects and \$945 million in Transit Projects.

Suggested Motion:

Motion: The Finance Committee endorses the HRTAC 2045 Long Range Plan of Finance Update for the Region's High Priority Projects and the Hampton Roads Regional Transit



Fund and authorizes the Finance Committee Chair to recommend the proposed 2045 Long Range Plan of Finance Update to the Commission and request that the Commission authorize the Executive Director to conduct a public hearing on the proposed HRTAC 2045 Proposed Long Range Plan of Finance Update and report back public comments for consideration in the Commission's action, which action is expected to be taken not later than at its June 19, 2025 Annual Organizational meeting.



5.G. HRTAC Bond Underwriter Pool

To: Chair Hipple other members of HRTAC Finance Committee

From: Kevin B. Page, Executive Director

Date: March 20, 2025

Re: HRTAC Bond Underwriter Pool

Recommendation:

HRTAC Staff and HRTAC's Financial Advisor recommend that the Finance Committee endorse the recommendation of the Bond Underwriter Pool and authorize the Finance Committee Chair to communicate the action of the Finance Committee to recommend Commission approval of the recommended list of Bond Underwriters to be included in the HRTAC Underwriter Pool.

Background:

In administration of the Debt Management Plan Update approved on April 18, 2024, it was determined that the HRTAC Bond Underwriter Pool authorized in 2017 needed to be refreshed. A Request for Proposal for Bond Underwriter was issued by the Commission's Financial Advisor on behalf of HRTAC on January 21, 2025. The Commission received 17 proposals. Working with the Financial Advisor, the proposals were evaluated, and a recommended group of potential HRTAC Bond Underwriters was developed for the Finance Committee and the Commission for consideration and approval. As transactions requiring one or more underwriters are developed, it is intended that the Commission will select or authorize the selection of appropriate underwriter(s) from the underwriting group/pool in connection with each such transaction.

Fiscal Impact:

While there is no fiscal impact in relation to this specific Action Item, there may be fiscal impacts in connection with each underwritten bond offering.

Suggested Motion:

Motion is the Finance Committee endorses the recommended group of Bond Underwriters set forth in the list attached as Exhibit A to the Agenda Item 6G briefing memo, which group will serve as the refreshed, available HRTAC Bond Underwriter Pool, and authorizes the Finance Committee Chair to communicate the action of the Finance Committee to the Commission for its approval.



Exhibit A

Firm	Senior Manager	Co-Manager
Bank of America Securities, Inc.		
Wells Fargo		
J.P. Morgan Securities LLC		
Raymond James & Associates, Inc.		
Stifel, Nicolaus & Company, Incorporated (Stifel)		
Truist Securities		
Siebert Williams Shank & Co., LLC		
Loop Capital Markets LLC		
Academy Securities		
American Veterans Group		
Piper Sandler & Co.		
TD Securities (USA) LLC		
Barclays Capital Inc.		

5. H. HRTAC Security Custody Services

Agenda Item 5H
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 20, 2025

Re: HRTAC Custody Services

Recommendation:

HRTAC Staff and Asset Manager recommend that the Finance Committee endorse and recommend that the Commission engage Principal Bank to perform Custody Services to the Commission.

Background:

On April 26, 2022, the Commission entered into an agreement with TD Wealth Services to provide Custodian Services relating to certain investment accounts of the Commission. At the December 12, 2024 Finance Committee meeting, the Executive Director and the Asset Manager of the Commission provided an update on the TD Wealth relationship and actions taken by federal agencies relating to TD Bank and received direction from the Finance Committee to initiate replacement of TD Wealth Services. Further investigation has found that Principal Bank is currently engaged by the City of Norfolk for Security Custody Services and the procurement process followed by the City of Norfolk allows for a cooperative use by HRTAC. The HRTAC Asset Manager has reviewed Principal and found the security custody services provided to be appropriate.

To help evaluate whether any potential conflict of interest may exist relating to Agenda Item 5H, each Committee Member is asked to consider whether he or she (or an immediate family member) has any personal or financial relationship with the HRTAC Custody Services Contractor. If a Committee Member believes that he or she (or an immediate family member) may have a personal or financial relationship with the HRTAC Custody Services Contractor, (1) the Committee Member is asked to notify the Executive Director and HRTAC General Counsel as soon as possible (but no later than before this meeting), and (2) the Committee Member should refrain from participating in voting on this Agenda Item.

Fiscal Impact:

The cost of Custody Services is included in the Approved Administrative and Project Development Budget.



Suggested Motion:

Motion: The Finance Committee recommends to the Commission that it authorize the Executive Director, with the advice of the Commission's general counsel and Asset Manager, to i. negotiate a Custody Services Agreement with Principal Bank for a one-year term with four successive one-year option terms, ii. execute and deliver the Custody Services Agreement, subject to the foregoing provisions as to its form and its term and authorizes the Finance Committee Chair to communicate the action of the Finance Committee at the Commission's March 20, 2025 Regular meeting.

5. I. HRTAC IT Services

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

From: Kevin B. Page, Executive Director

Date: March 20, 2025

Re: HRTAC IT Services

Recommendation:

HRTAC Staff recommend that the Finance Committee endorse the recommendation of the HRTAC IT Services Contractor (to be named at the Finance Committee meeting).

Background:

The HRTAC IT services contract with Mode5 was engaged on January 31, 2022, for a total contract period of 3 years, ending February 1, 2025. A Request for Proposal for IT Services (IT-RFP-2025-01) was issued by the Commission in early February. HRTAC Staff, working with the IT manager, evaluated the proposals and a HRTAC IT Services Contractor has been recommended to the Finance Committee for endorsement and the Commission for consideration and approval of award of a contract to the HRTAC IT Services Contractor.

To help evaluate whether any potential conflict of interest may exist relating to Agenda Item 5I, each Committee Member is asked to consider whether he or she (or an immediate family member) has any personal or financial relationship with the HRTAC IT Services Contractor. If a Committee Member believes that he or she (or an immediate family member) may have a personal or financial relationship with the HRTAC IT Services Contractor, (1) the Committee Member is asked to notify the Executive Director and HRTAC General Counsel as soon as possible (but no later than before this meeting), and (2) the Committee Member should refrain from participating in voting on this Agenda Item.

Fiscal Impact:

The cost of IT Services is included in the current approved FY2025 Administrative and Project Development Budget.

Suggested Motion:

Motion is the Finance Committee endorses the recommendation of the HRTAC IT Services Contractor (to be named at the Finance Committee meeting) and authorizes the Finance Committee Chair to communicate the action of the Finance Committee to recommend Commission approval of the HRTAC IT Services Contractor.



6. A. HRTAC Monthly Financial Report



**HAMPTON ROADS TRANSPORTATION FUND and
HAMPTON ROADS REGIONAL TRANSIT FUND**

FINANCIAL REPORTS

FY 2014 – FY 2025

Period Ending November 30, 2024

The HRTAC staff has prepared the attached November 2024 financial report based on data received to date from the Virginia Department of Transportation.

Revenues

	<u>Inception to November 2024</u>	<u>FY2025 YTD</u>	<u>November 2024</u>
Total Gross Revenues¹	\$ 5,890,368,674	\$ 341,080,153	\$ 29,718,084
HRTF - State Sales Tax & Local Fuels Tax	2,319,485,527	110,096,430	21,711,235
HRRTF – Fees, Taxes & other Revenue	166,197,285	27,550,992	1,008,367
Interest and Investment Income	269,971,053	35,389,524	6,998,482
Other Income	809,274	-	-
Bond and Debt Net Proceeds	3,133,905,535	168,043,207	-

Expenditures

Total Expenditures	\$ 3,757,606,495	\$ 88,857,926	\$ 36,851,969
Projects	3,447,726,930	64,714,801	31,841,552
Operating Expenses & Investment Fees	31,859,185	1,620,313	229,770
Bond Interest Expenses	278,020,380	22,522,812	4,780,647

Modified Cash Position at November 30, 2024 \$ 2,132,762,179

Items not using or providing cash since inception:

Amortization - Bond Premium and Gain on Defeasance	(159,918,070)
Purchase of Capital Assets	(12,953)
Gain not affecting cash	(759,274)
Capitalized interest added to long-term debt	39,672,677
Assets not requiring current use of cash	(223,630,967)
Liabilities not providing current sources of cash	<u>3,202,392</u>

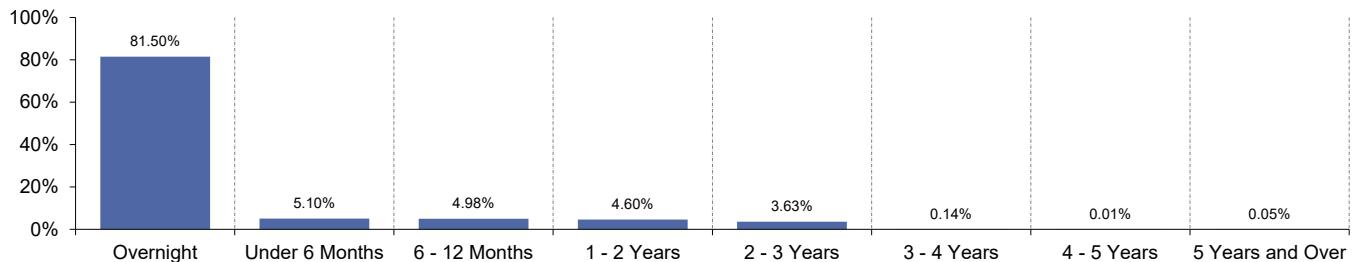
Actual cash and investments at November 30, 2024 \$ 1,791,315,984

1 Beginning in June 2020, State Sales Tax and Local Fuels Tax are recorded either one month (sales tax) or two months (fuels tax) earlier than in previous periods, due to additional information received from the Commonwealth of Virginia on the timing of the source transactions for tax revenues.

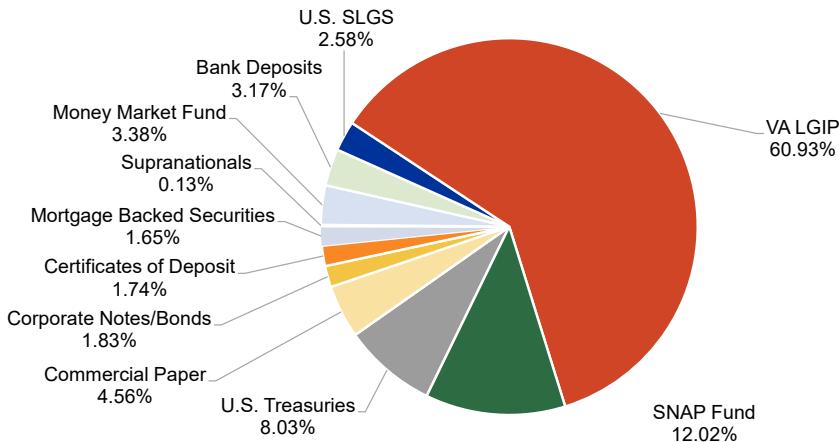
Hampton Roads Transportation Fund
Summary of Cash and Investments
For November 2024

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	0.06%
Union Sweep	4.37%	4.37%	7,445,177	7,445,177	0.46%
Union Money Market	4.33%	4.33%	19,914	19,914	0.00%
Union General	4.51%	4.51%	42,276,444	42,276,444	2.62%
Wilmington Trust	Variable	Variable	41,334,161	41,334,161	2.56%
VA LGIP	4.82%	4.82%	976,532,028	976,532,028	60.51%
Enhanced Cash Portfolio	4.54%	4.55%	205,948,797	207,388,835	12.85%
Core Portfolio	4.45%	4.35%	144,584,018	145,299,453	9.00%
SNAP Fund	4.82%	4.82%	192,668,468	192,668,468	11.94%
Total			\$ 1,611,809,007	\$ 1,613,964,481	100.00%

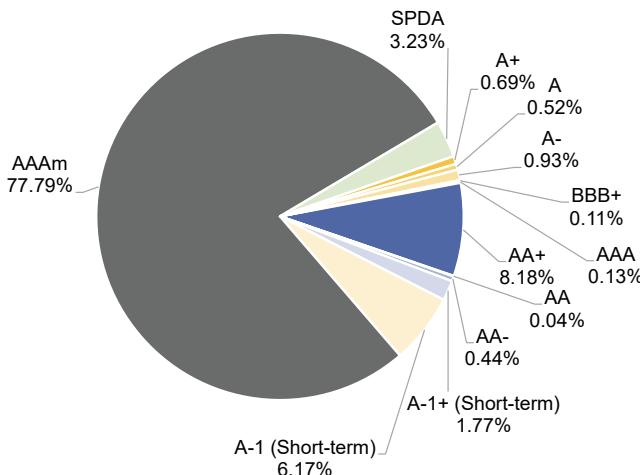
Total Maturity Distribution



Sector Distribution



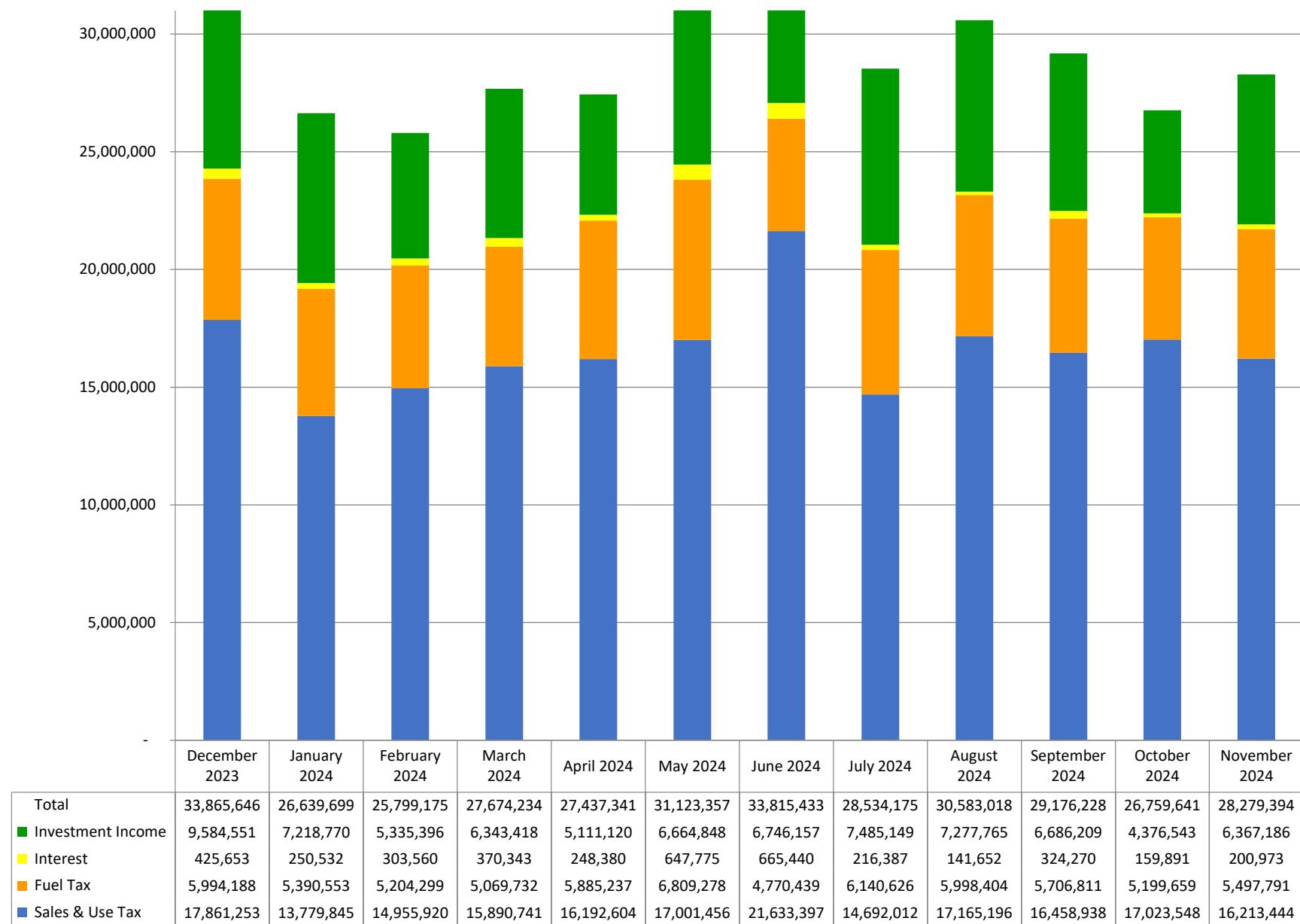
Credit Distribution



All charts are based on market value as of November 30, 2024

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

HRTF Revenue



Hampton Roads Transportation Fund (HRTF)
Interest and Investment Income
Inception - November 2024

	FY2014 - FY2018		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
HRTF Interest Income	\$ 2,277,312	\$ 1,000,093	\$ 669,108	\$ 363,661	\$ 296,307	\$ 3,273,956	\$ 5,202,784	\$ 1,043,173	\$ 14,126,392	
HRTF Investment Income	<u>14,211,356</u>	<u>29,869,111</u>	<u>26,275,750</u>	<u>3,240,310</u>	<u>(3,394,409)</u>	<u>61,182,839</u>	<u>82,726,184</u>	<u>32,192,852</u>	<u>246,303,992</u>	
Total	<u>\$ 16,488,667</u>	<u>\$ 30,869,204</u>	<u>\$ 26,944,858</u>	<u>\$ 3,603,971</u>	<u>\$ (3,098,103)</u>	<u>\$ 64,456,795</u>	<u>\$ 87,928,968</u>	<u>\$ 33,236,024</u>	<u>\$ 260,430,384</u>	

Notes:

"HRTF Interest Income" includes interest from Union Bank money market, sweep, and general accounts, as well as Regional Tax Interest/Interest Refund Adjustments.

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

Hampton Roads Transportation Fund (HRTF)
Total of HRTF Revenue and Expenditures Activities
Summary

	Revenue							Expenditures							Cumulative Balance 7/1/13 - 11/30/24
	Sales & Use Tax			Investment Income		Other Income		Dept of Tax Admin Fee		Investment Fees		Operating Expenses		Total	
	Sales & Use Tax	Fuels Tax	Interest	Investment Income	Other Income	Bond Proceeds	Total	Projects	Dept of Tax Admin Fee	Investment Fees	Bond Expenses	Operating Expenses	Total		
July 2013 - November 2023	\$ 1,550,792,870	\$ 502,157,286	\$ 10,171,537	\$ 167,106,880	\$ 759,274	\$ 2,895,072,865	\$ 5,126,060,712	\$ 2,887,463,462	\$ 1,114,142	\$ 2,356,301	\$ 226,282,889	\$ 22,816,287	\$ 3,140,033,082	\$ 1,986,027,630	
December 2023	17,861,253	5,994,188	425,653	9,584,551	12,500	-	33,878,146	47,358,761	-	36,246	4,026,390	555,963	51,977,360	1,967,928,416	
January 2024	13,779,845	5,390,553	250,532	7,218,770	-	-	26,639,699	44,932,375	-	-	4,169,864	214,936	49,317,175	1,945,250,940	
February 2024	14,955,920	5,204,299	303,560	5,335,396	-	-	25,799,175	95,617,686	-	36,317	4,169,858	129,188	99,953,048	1,871,097,067	
March 2024	15,890,741	5,069,732	370,343	6,343,418	12,500	-	27,686,734	56,520,259	-	32,770	4,169,864	149,405	60,872,298	1,837,911,503	
April 2024	16,192,604	5,885,237	248,380	5,111,120	-	-	27,437,341	353,382	-	33,766	4,169,873	181,587	4,738,607	1,860,610,237	
May 2024	17,001,456	6,809,278	647,775	6,664,848	-	70,789,463	101,912,820	74,507,253	38,129	-	4,169,873	99,409	78,814,663	1,883,708,394	
June 2024	21,633,397	4,770,439	665,440	6,746,157	25,000	-	33,840,433	123,693,603	-	70,947	4,338,958	1,517,778	129,621,286	1,787,927,540	
July 2024	14,692,012	6,140,626	216,387	7,485,149	-	-	28,534,175	-	-	19,991	4,320,506	177,332	4,517,830	1,811,943,886	
August 2024	17,165,196	5,998,404	141,652	7,277,765	-	-	30,583,018	14,191,713	-	18,907	4,320,506	33,895	18,565,021	1,823,961,882	
September 2024	16,458,938	5,706,811	324,270	6,686,209	-	-	29,176,228	3,664,879	-	17,456	4,320,506	160,191	8,163,032	1,844,975,077	
October 2024	17,023,548	5,199,659	159,891	4,376,543	-	168,043,207	194,802,848	10,097,078	-	17,497	4,780,647	900,824	15,796,045	2,023,981,880	
November 2024	16,213,444	5,497,791	200,973	6,367,186	-	-	28,279,394	31,548,898	-	15,802	4,780,647	213,368	36,558,714	2,015,702,559	
Total 12 Months	\$ 198,868,354	\$ 67,667,018	\$ 3,954,855	\$ 79,197,112	\$ 50,000	\$ 238,832,670	\$ 588,570,010	\$ 502,485,886	\$ 38,129	\$ 299,699	\$ 51,737,491	\$ 4,333,876	\$ 558,895,080		
Grand Totals	\$ 1,749,661,225	\$ 569,824,303	\$ 14,126,392	\$ 246,303,992	\$ 809,274	\$ 3,133,905,535	\$ 5,714,630,721	\$ 3,389,949,348	\$ 1,152,271	\$ 2,656,000	\$ 278,020,380	\$ 27,150,162	\$ 3,698,928,162		
Less Balance of Encumbered (through FY2030)														(1,941,878,507)	
Total Net Available *														73,824,052	

Notes:

* Total Net Available does not include TIFIA loans not drawn on or HRTF future revenues through FY2030.

Table 1 - Total HRTF Revenues

Hampton Roads Transportation Fund (HRTF)

Total of Sales & Use Taxes and Fuels Taxes

Fiscal Year 2025

Locality	Total FY2014 - FY2024	Previous FY2025	November 2024	FY 2025 YTD	Total
<i>Chesapeake</i>	\$ 403,428,728	\$ 15,756,203	\$ 3,799,106	\$ 19,555,309	\$ 422,984,037
<i>Franklin</i>	24,010,790	936,544	165,334	1,101,878	25,112,668
<i>Hampton</i>	161,227,344	6,384,012	1,614,462	7,998,474	169,225,818
<i>Isle of Wight</i>	35,578,122	1,630,588	396,669	2,027,257	37,605,379
<i>James City</i>	97,300,267	4,067,788	1,089,616	5,157,404	102,457,672
<i>Newport News</i>	234,185,647	8,937,488	2,338,130	11,275,618	245,461,266
<i>Norfolk</i>	309,973,862	12,620,247	2,992,023	15,612,269	325,586,132
<i>Poquoson</i>	6,107,904	247,974	66,681	314,655	6,422,559
<i>Portsmouth</i>	80,064,008	3,250,586	922,508	4,173,094	84,237,102
<i>Southampton</i>	11,619,210	1,275,420	111,843	1,387,263	13,006,472
<i>Suffolk</i>	120,494,177	4,455,357	1,236,752	5,692,109	126,186,287
<i>Virginia Beach</i>	588,358,783	23,786,833	5,698,017	29,484,850	617,843,633
<i>Williamsburg</i>	40,593,836	1,308,859	338,821	1,647,679	42,241,516
<i>York</i>	96,446,419	3,727,295	941,275	4,668,570	101,114,989
Total ^d	\$ 2,209,389,100	\$ 88,385,193	\$ 21,711,235	\$ 110,096,429	\$ 2,319,485,528
Interest ^a	13,083,220	842,200	200,973	1,043,173	14,126,392
Investment Income(Loss) ^b	214,111,140	25,825,665	6,367,186	32,192,852	246,303,992
Other Income	809,274	-	-	-	809,274
Bond & TIFIA Proceeds	2,965,862,328	168,043,207	-	168,043,207	3,133,905,535
Total Revenues	\$ 5,403,255,061	\$ 283,096,266	\$ 28,279,394	\$ 311,375,660	\$ 5,714,630,722
Project Expenses	(3,330,446,780)	(27,953,670)	(31,548,898)	(59,502,568)	(3,389,949,348)
DMV & Dept. of Tax Admin Fees	(1,152,271)	-	-	-	(1,152,271)
Investment Fees (Sterling&PFMAM)	(2,566,348)	(73,850)	(15,802)	(89,652)	(2,656,000)
Bond Interest Expenses	(255,497,568)	(17,742,165)	(4,780,647)	(22,522,812)	(278,020,380)
Operating Expense	(25,664,553)	(1,272,242)	(213,368)	(1,485,609)	(27,150,162)
Modified Cash Position	\$ 1,787,927,540	\$ 236,054,339	\$ (8,279,321)	\$ 227,775,019	\$ 2,015,702,559
Less Balance of Encumbered	(1,991,464,075)				(1,941,878,507)
Net Modified Cash Position	\$ (203,536,535)				\$ 73,824,052
Updated Forecast	2,121,638,518	90,413,642	20,919,608	111,333,250	2,232,971,768
Total Revenue - Forecast (under)/over	87,750,582	(2,028,449)	791,627	(1,236,821)	86,513,760

a Includes interest from Union Bank money market, sweep, and general accounts, as well as Regional Tax Interest/Interest Refund Adjustments.

b FY2019 - FY2025 include income from PFMAM (TD Wealth), LGIP, and SNAP accounts. FY2014-2018 includes income from Sterling and Union Bank.

d Beginning in June 2020, State Sales Tax and Local Fuels Tax are recorded either one month (sales tax) or two months (fuels tax) earlier than in prior accounting periods, due to additional information received from the Commonwealth of Virginia on the timing of the source transactions for tax revenues. The change is retroactive and the prior year amounts have been restated.

Table 1A - State Sales & Use Tax
Hampton Roads Transportation Fund (HRTF)
Fiscal Year 2025

Locality	Total FY2014 - FY2024	Previous FY2025	November 2024	FY 2025 YTD	Total
<i>Chesapeake</i>	\$ 302,801,678	\$ 11,694,755	\$ 2,753,675	\$ 14,448,430	\$ 317,250,108
<i>Franklin</i>	12,230,709	412,766	111,612	524,378	12,755,087
<i>Hampton</i>	116,514,150	4,480,721	1,166,963	5,647,684	122,161,834
<i>Isle of Wight</i>	21,527,789	1,078,112	290,611	1,368,723	22,896,512
<i>James City</i>	78,424,755	3,000,492	842,191	3,842,684	82,267,438
<i>Newport News</i>	180,733,684	6,672,832	1,728,205	8,401,037	189,134,721
<i>Norfolk</i>	241,438,192	9,689,765	2,234,061	11,923,825	253,362,017
<i>Poquoson</i>	4,584,055	206,711	60,606	267,317	4,851,373
<i>Portsmouth</i>	56,552,182	2,302,141	707,902	3,010,043	59,562,225
<i>Southampton</i>	5,113,345	1,042,793	53,915	1,096,708	6,210,052
<i>Suffolk</i>	78,946,841	2,491,957	869,354	3,361,310	82,308,151
<i>Virginia Beach</i>	464,248,484	18,431,590	4,407,891	22,839,481	487,087,965
<i>Williamsburg</i>	32,335,699	1,144,304	304,094	1,448,398	33,784,097
<i>York</i>	72,656,528	2,690,756	682,364	3,373,120	76,029,648
Total¹	\$ 1,668,108,088	\$ 65,339,694	\$ 16,213,444	\$ 81,553,138	\$ 1,749,661,226
Updated Forecast	1,576,344,223	67,238,025	15,610,037	82,848,062	1,659,192,285
Diff(under)/over	91,763,865	(1,898,331)	603,407	(1,294,924)	90,468,941

1 Beginning in June 2020, State Sales Tax and Local Fuels Tax are recorded either one month (sales tax) or two months (fuels tax) earlier than in prior accounting periods, due to additional information received from the Commonwealth of Virginia on the timing of the source transactions for tax revenues. The change is retroactive and the prior year amounts have been restated.

Table 1B - Local Fuels Tax
Hampton Roads Transportation Fund (HRTF)
Fiscal Year 2025

Locality	Total FY2014 - FY2024	Previous FY2025	November 2024	FY 2025 YTD	Total
<i>Chesapeake</i>	\$ 100,627,055	\$ 4,061,448	\$ 1,045,431	\$ 5,106,879	\$ 105,733,934
<i>Franklin</i>	11,780,082	523,778	53,722	577,500	12,357,583
<i>Hampton</i>	44,713,197	1,903,291	447,499	2,350,790	47,063,987
<i>Isle of Wight</i>	14,050,333	552,476	106,058	658,534	14,708,866
<i>James City</i>	18,875,509	1,067,296	247,425	1,314,721	20,190,230
<i>Newport News</i>	53,451,967	2,264,656	609,926	2,874,582	56,326,548
<i>Norfolk</i>	68,535,669	2,930,482	757,962	3,688,444	72,224,114
<i>Poquoson</i>	1,523,849	41,263	6,075	47,338	1,571,187
<i>Portsmouth</i>	23,511,832	948,445	214,605	1,163,051	24,674,882
<i>Southampton</i>	6,505,866	232,628	57,927	290,555	6,796,421
<i>Suffolk</i>	41,547,347	1,963,401	367,398	2,330,799	43,878,146
<i>Virginia Beach</i>	124,110,290	5,355,243	1,290,126	6,645,369	130,755,658
<i>Williamsburg</i>	8,258,132	164,555	34,727	199,282	8,457,414
<i>York</i>	23,789,885	1,036,539	258,911	1,295,450	25,085,335
Total¹	\$ 541,281,011	\$ 23,045,501	\$ 5,497,791	\$ 28,543,292	\$ 569,824,303
Updated Forecast	545,294,294	23,175,617	5,309,571	28,485,188	573,779,482
Diff(under)/over	(4,013,283)	(130,116)	188,220	58,104	(3,955,179)

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

¹ Beginning in June 2020, State Sales Tax and Local Fuels Tax are recorded either one month (sales tax) or two months (fuels tax) earlier than in prior accounting periods, due to additional information received from the Commonwealth of Virginia on the timing of the source transactions for tax revenues. The change is retroactive and the prior year amounts have been restated.

Table 2 - Allocations

Hampton Roads Transportation Fund (HRTF)

Fiscal Year 2025

Project	Total FY2014 - FY2024	Previous FY2025	November 2024	FY 2025 YTD	Total
<i>I-64 Peninsula Widening</i>					
UPC 104905 - Segment 1 - Construction	\$ 11,608,385	\$ -	\$ -	\$ -	\$ 11,608,385
UPC 106665 - Segment 2 - PE/ROW/Construction	159,559,703	-	-	-	159,559,703
UPC 109790/106689 - Segment 3 - PE	10,000,000	-	-	-	10,000,000
UPC 109790/106689 - Segment 3 - Construction	112,893,996	-	-	-	112,893,996
UPC 123656 - Denbigh Blvd Interchange Phase 2 East Bound	26,643,026	-	-	-	26,643,026
<i>I-64/264 Interchange Improvement</i>					
UPC 57048/108042 - Phase I - PE/ROW	15,071,063	-	-	-	15,071,063
UPC 57048/108042 - Phase I - Construction	137,023,653	-	-	-	137,023,653
UPC 17630/108041 - Phase II - PE/ROW	54,592,576	-	-	-	54,592,576
UPC 17630/108041 - Phase II - Construction	73,157,062	-	-	-	73,157,062
UPC 106693 - Phase III - PE & ROW	7,500,000	-	-	-	7,500,000
UPC 125602 - Phase IIIA - PE & ROW	-	9,917,000	-	9,917,000	9,917,000
<i>I-64 Southside Widening/High-Rise Bridge</i>					
UPC 106692 - Phase I - PE	12,200,000	-	-	-	12,200,000
UPC 106692/108990 - Phase I - ROW/Construction	419,756,220	-	-	-	419,756,220
<i>I-64 HRBT Expansion Project</i>					
UPC 115008 - I-64 HRBT Expansion Project D-B Contract	3,004,569,251	-	-	-	3,004,569,251
UPC 115009 - I-64 HRBT Expansion Project Owners Oversight	548,900,330	-	-	-	548,900,330
<i>Hampton Roads Express Lanes Network (HRELN)</i>					
UPC 117840 - Segment 1 Phase 1 - PE	5,621,500	-	-	-	5,621,500
UPC 117839 - Segment 4A/4B Phase 1 - PE	5,916,425	-	-	-	5,916,425
UPC 117841 - Segment 4C Phase 1 - PE	6,062,743	-	-	-	6,062,743
UPC 119637 - Segment 1A - PE/ROW/Construction	92,079,565	-	-	-	92,079,565
UPC 120863 - Segment 1B - PE/ROW/Construction	5,860,180	-	-	-	5,860,180
UPC 119824 - Segment 4A/4B - PE/ROW/Construction	136,611,494	-	-	-	136,611,494
UPC 119638 - Segment 4C - PE/ROW/Construction	399,153,311	-	-	-	399,153,311
UPC 122999 - Transportation Management Plan	8,000,000	-	-	-	8,000,000
UPC 122714 - I-64/I-64 Interchange Improvements - Full Interchange Access Report Development Project	2,500,000	-	-	-	2,500,000
UPC 120375 & 123322 - I-64/I-64 Interchange Exit 291 Flyover Ramp Improvements	15,380,374	-	-	-	15,380,374
<i>HRCS Preferred Alternative Refinement - HRBT</i>					
UPC 110577 - SEIS	30,000,000	-	-	-	30,000,000
UPC 106694 - 460/58/13 Connector Study - PE	1,095,368	-	-	-	1,095,368
UPC 111427 - Bowers Hill Interchange Study	11,904,630	-	-	-	11,904,630
UPC 122761 - I-264 Independence Blvd Interchange IAR	1,250,000	-	-	-	1,250,000
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>					
Total	\$ 5,321,910,855	\$ 9,917,000	\$ -	\$ 9,917,000	\$ 5,331,827,855

Table 3 - Expenditures
Hampton Roads Transportation Fund (HRTF)
Fiscal Year 2025

Project	Total FY2014 - FY2024	Previous FY2025	November 2024	FY 2025 YTD	Total
<i>I-64 Peninsula Widening</i>					
UPC 104905/111926 - Segment 1 - PE/Construction	\$ 11,608,384	\$ -	\$ -	\$ -	\$ 11,608,384
UPC 106665 - Segment 2 - PE/ROW/Construction	159,559,703	-	-	-	159,559,703
UPC 109790/106689 - Segment 3 - PE	5,762,848	(6,498)	(1,057)	(7,554)	5,755,293
UPC 109790/106689 - Segment 3 - Construction	91,887,556	7,836	-	7,836	91,895,392
UPC 123656 - Denbigh Blvd Interchange Phase 2 East Bound - Design/ROW	1,032,299	438,747	(430,053)	8,694	1,040,994
<i>I-64/264 Interchange Improvement</i>					
UPC 57048/108042 - Phase I - PE/ROW	15,071,063	-	-	-	15,071,063
UPC 57048/108042 - Phase I - Construction	125,024,039	439,203	(438,256)	947	125,024,986
UPC 17630/108041 - Phase II - PE/ROW	54,592,576	-	-	-	54,592,576
UPC 17630/108041 - Phase II - Construction	73,157,062	-	-	-	73,157,062
UPC 106693 - Phase III - PE & ROW	7,484,554	61,747	(46,301)	15,446	7,500,000
UPC 125602 - Phase IIIA - PE & ROW	-	-	-	-	-
<i>I-64 Southside Widening/High-Rise Bridge</i>					
UPC 106692 - Phase I - PE	12,189,098	-	-	-	12,189,098
UPC 106692/108990 - Phase I - ROW/Construction	355,441,980	(38,037,084)	20,699,480	(17,337,604)	338,104,375
<i>I-64 HRBT Expansion Project</i>					
UPC 115008 - I-64 HRBT Expansion Project D-B Contract	1,985,096,067	50,531,761	20,390,410	70,922,172	2,056,018,238
UPC 115009 - I-64 HRBT Expansion Project Owners Oversight	227,755,669	(4,387,826)	9,956,433	5,568,607	233,324,276
<i>HRELN Segment 1 Phase 1 PE - UPC</i>					
UPC 117840 - Segment 1 Phase 1 - PE	5,621,500	-	-	-	5,621,500
UPC 117839 - Segment 4A/4B Phase 1 - PE	5,916,425	-	-	-	5,916,425
UPC 117841 - Segment 4C Phase 1 - PE	6,062,743	-	-	-	6,062,743
UPC 119637 - Segment 1A - PE/ROW/Construction	2,708,292	1,283	(583)	699	2,708,991
UPC 120863 - Segment 1B - PE/ROW/Construction	2,841,379	494,427	(482,801)	11,626	2,853,005
UPC 119824 -Segment 4A/4B - PE/ROW/Construction	12,229,024	1,317,456	(1,201,829)	115,627	12,344,651
UPC 119638 - Segment 4C - PE/ROW/Construction	124,231,140	16,541,408	(16,466,469)	74,939	124,306,079
UPC 122999 - Transportation Management Plan	-	-	-	-	-
UPC 122714 - I-464/I-64 Interchange Improvements - Full Interchange Access Report Development Project	928,675	8,817	1,075	9,893	938,568
UPC 120375 & 123322 - I-64/I-464 Interchange Exit 291 Flyover Ramp Improvements	-	-	-	-	-
<i>HRCS Preferred Alternative Refinement - HRBT</i>	28,800,287	-	-	-	28,800,287
<i>UPC 110577 - SEIS</i>					
460/58/13 Connector Study - UPC 106694 - PE	1,095,368	-	-	-	1,095,368
<i>Bowers Hill Interchange Study - UPC 111427</i>	7,013,201	574,297	(464,118)	110,179	7,123,380
<i>UPC 122761 - I-264 Independence Blvd Interchange IAR</i>	335,848	(31,904)	32,965	1,062	336,910
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>	7,000,000	-	-	-	7,000,000
Total	\$ 3,330,446,780	\$ 27,953,670	\$ 31,548,898	\$ 59,502,568	\$ 3,389,949,348

Table 3A - Bond-Reimbursed Expenditures

Hampton Roads Transportation Fund (HRTF)

Fiscal Year 2025

Project	Total FY2014 - FY2024	Previous FY2025	November 2024	FY 2025 YTD	Total
<i>I-64 Peninsula Widening</i>					
UPC 104905/111926 - Segment 1 - PE/Construction	\$ 10,063,882	\$ -	\$ -	\$ -	\$ 10,063,882
UPC 106665 - Segment 2 - PE/ROW/Construction	159,559,703	-	-	-	159,559,703
UPC 109790/106689 - Segment 3 - PE	5,693,804	-	-	-	5,693,804
UPC 109790/106689 - Segment 3 - Construction	87,210,472	-	-	-	87,210,472
UPC 123656 - Denbigh Blvd Interchange Phase 2 East Bound	-	-	-	-	-
<i>I-64/264 Interchange Improvement</i>					
UPC 57048/108042 - Phase I - PE/ROW	15,071,063	-	-	-	15,071,063
UPC 57048/108042 - Phase I - Construction	121,364,711	-	-	-	121,364,711
UPC 17630/108041 - Phase II - PE/ROW	54,592,576	-	-	-	54,592,576
UPC 17630/108041 - Phase II - Construction	65,786,903	-	-	-	65,786,903
UPC 106693 - Phase III - PE & ROW	-	-	-	-	-
UPC 125602 - Phase IIIA - PE & ROW	-	-	-	-	-
<i>I-64 Southside Widening/High-Rise Bridge</i>					
UPC 106692 - Phase I - PE	12,189,098	-	-	-	12,189,098
UPC 106692/108990 - Phase I - ROW/Construction	257,901,644	-	-	-	257,901,644
<i>I-64 HRBT Expansion Project</i>					
UPC 115008 - I-64 HRBT Expansion Project D-B Contract	1,316,824,662	-	-	-	1,316,824,662
UPC 115009 - I-64 HRBT Expansion Project Owners Oversight	99,280,854	-	-	-	99,280,854
<i>HRELN Segment 1 Phase 1 PE - UPC</i>					
UPC 117840 - Segment 1 Phase 1 - PE	-	-	-	-	-
UPC 117839 - Segment 4A/4B Phase 1 - PE	-	-	-	-	-
UPC 117841 - Segment 4C Phase 1 - PE	-	-	-	-	-
UPC 119637 - Segment 1A - PE/ROW/Construction	-	-	-	-	-
UPC 120863 - Segment 1B - PE/ROW/Construction	-	-	-	-	-
UPC 119824 - Segment 4A/4B - PE/ROW/Construction	-	-	-	-	-
UPC 119638 - Segment 4C - PE/ROW/Construction	57,971,938	16,885,658	391,835	17,277,494	75,249,432
UPC 122999 - Transportation Management Plan	-	-	-	-	-
UPC 122714 - I-464/I-64 Interchange Improvements - Full Interchange Access Report Development Project	-	-	-	-	-
UPC 120375 & 123322 - I-64/I-464 Interchange Exit 291 Flyover Ramp Improvements	-	-	-	-	-
<i>HRCS Preferred Alternative Refinement - HRBT</i>	-	-	-	-	-
<i>UPC 110577 - SEIS</i>	-	-	-	-	-
460/58/13 Connector Study - UPC 106694 - PE	-	-	-	-	-
<i>Bowers Hill Interchange Study - UPC 111427</i>	-	-	-	-	-
<i>UPC 122761 - I-264 Independence Blvd Interchange IAR</i>	-	-	-	-	-
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>	-	-	-	-	-
Total	\$ 2,263,511,311	\$ 16,885,658	\$ 391,835	\$ 17,277,494	\$ 2,280,788,805

Table 3B - Non-Bond Reimbursed Expenditures

Hampton Roads Transportation Fund (HRTF)

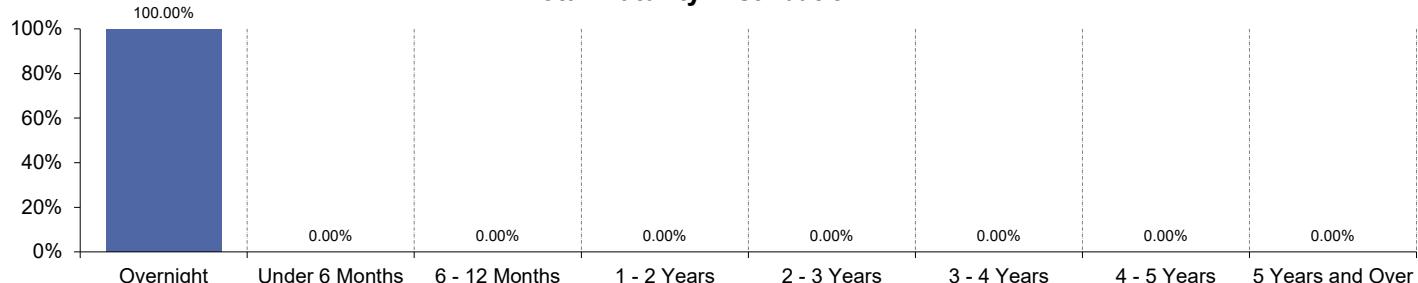
Fiscal Year 2025

Project	Total FY2014 - FY2024	Previous FY2025	November 2024	FY 2025 YTD	Total
<i>I-64 Peninsula Widening</i>					
UPC 104905/111926 - Segment 1 - PE/Construction	\$ 1,544,502	\$ -	\$ -	\$ -	\$ 1,544,502
UPC 106665 - Segment 2 - PE/ROW/Construction	-	-	-	-	-
UPC 109790/106689 - Segment 3 - PE	69,043	(6,498)	(1,057)	(7,554)	61,489
UPC 109790/106689 - Segment 3 - Construction	4,677,083	7,836	-	7,836	4,684,919
UPC 123656 - Denbigh Blvd Interchange Phase 2 East Bound	1,032,299	438,747	(430,053)	8,694	1,040,994
<i>I-64/264 Interchange Improvement</i>					
UPC 57048/108042 - Phase I - PE/ROW	-	-	-	-	-
UPC 57048/108042 - Phase I - Construction	3,659,328	439,203	(438,256)	947	3,660,276
UPC 17630/108041 - Phase II - PE/ROW	-	-	-	-	-
UPC 17630/108041 - Phase II - Construction	7,370,159	-	-	-	7,370,159
UPC 106693 - Phase III - PE & ROW	7,484,554	61,747	(46,301)	15,446	7,500,000
UPC 125602 - Phase IIIA - PE & ROW	-	-	-	-	-
<i>I-64 Southside Widening/High-Rise Bridge</i>					
UPC 106692 - Phase I - PE	-	-	-	-	-
UPC 106692/108990 - Phase I - ROW/Construction	97,540,336	(38,037,084)	20,699,480	(17,337,604)	80,202,731
<i>I-64 HRBT Expansion Project</i>					
UPC 115008 - I-64 HRBT Expansion Project D-B Contract	668,271,404	50,531,761	20,390,410	70,922,172	739,193,576
UPC 115009 - I-64 HRBT Expansion Project Owners Oversight	128,474,816	(4,387,826)	9,956,433	5,568,607	134,043,423
<i>HRELN Segment 1 Phase 1 PE - UPC</i>					
UPC 117840 - Segment 1 Phase 1 - PE	5,621,500	-	-	-	5,621,500
UPC 117839 - Segment 4A/4B Phase 1 - PE	5,916,425	-	-	-	5,916,425
UPC 117841 - Segment 4C Phase 1 - PE	6,062,743	-	-	-	6,062,743
UPC 119637 - Segment 1A - PE/ROW/Construction	2,708,292	1,283	(583)	699	2,708,991
UPC 120863 - Segment 1B - PE/ROW/Construction	2,841,379	494,427	(482,801)	11,626	2,853,005
UPC 119824 - Segment 4A/4B - PE/ROW/Construction	12,229,024	1,317,456	(1,201,829)	115,627	12,344,651
UPC 119638 - Segment 4C - PE/ROW/Construction	66,259,202	(344,250)	(16,858,304)	(17,202,554)	49,056,647
UPC 122999 - Transportation Management Plan	-	-	-	-	-
UPC 122714 - I-464/I-64 Interchange Improvements - Full Interchange Access Report Development Project	928,675	8,817	1,075	9,893	938,568
UPC 120375 & 123322 - I-64/I-464 Interchange Exit 291 Flyover Ramp Improvements	-	-	-	-	-
HRCS Preferred Alternative Refinement - HRBT	28,800,287	-	-	-	28,800,287
UPC 110577 - SEIS	-	-	-	-	-
460/58/13 Connector Study - UPC 106694 - PE	1,095,368	-	-	-	1,095,368
Bowers Hill Interchange Study - UPC 111427	7,013,201	574,297	(464,118)	110,179	7,123,380
UPC 122761 - I-264 Independence Blvd Interchange IAR	335,848	(31,904)	32,965	1,062	336,910
HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)	7,000,000	-	-	-	7,000,000
Total	\$ 1,066,935,469	\$ 11,068,012	\$ 31,157,062	\$ 42,225,074	\$ 1,109,160,543

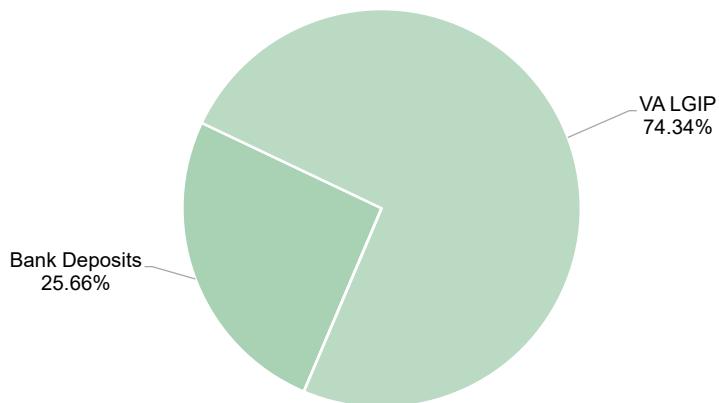
Hampton Roads Regional Transit Fund
Summary of Cash and Investments
For November 2024

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	0.89%
Union Sweep	4.33%	4.33%	27,936,086	27,936,086	24.78%
VA LGIP	4.82%	4.82%	83,818,881	83,818,881	74.34%
Total			\$ 112,754,967	\$ 112,754,967	100.00%

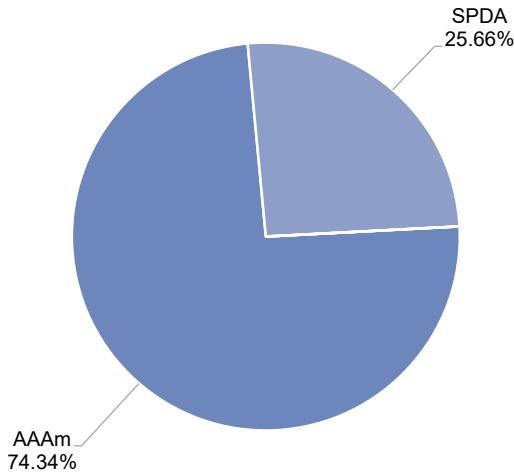
Total Maturity Distribution



Sector Distribution



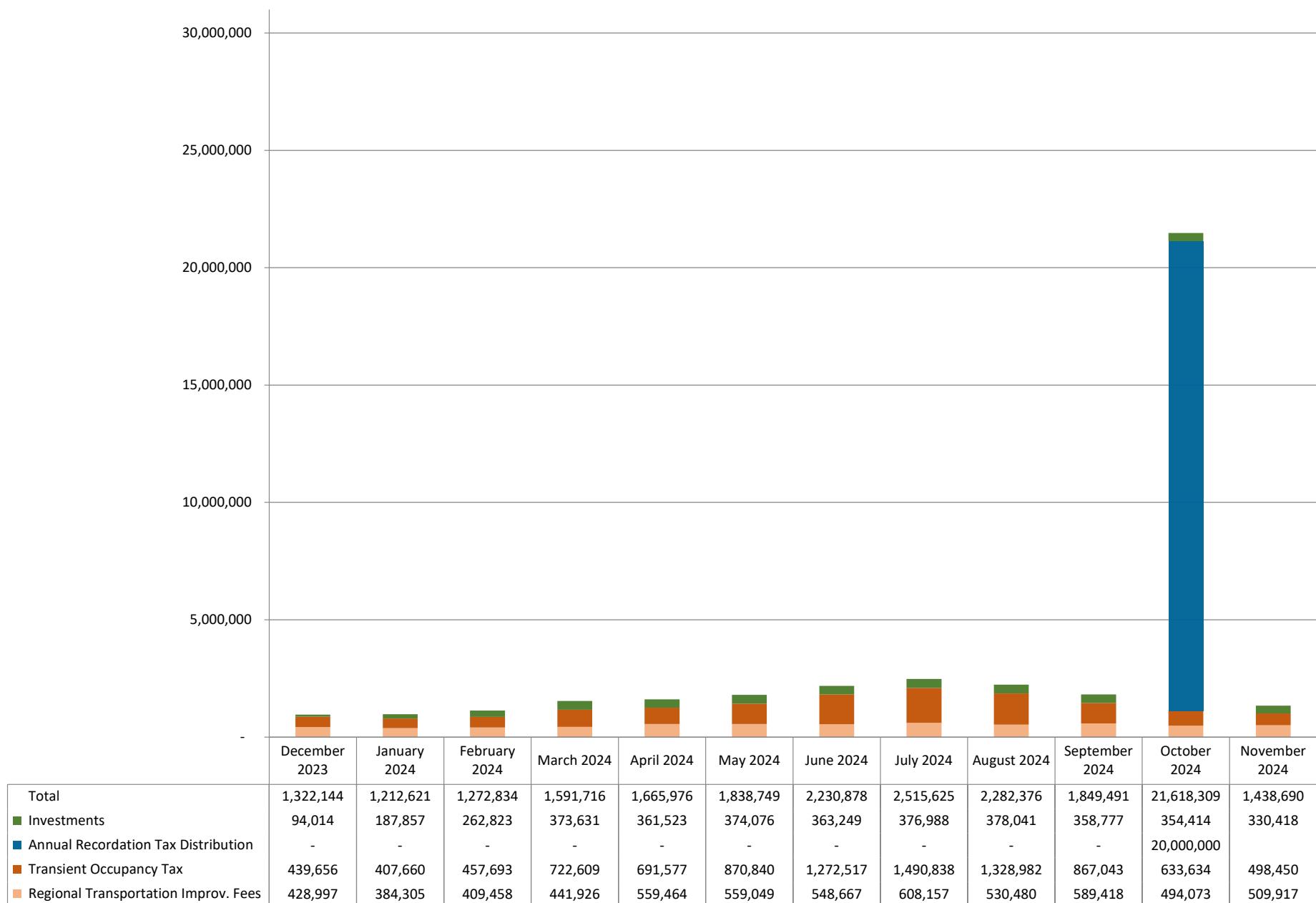
Credit Distribution



All charts are based on market value as of November 30, 2024.

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

HRRTF Revenue



Hampton Roads Regional Transit Fund (HRRTF)
Interest and Investment Income
Inception - November 2024

	FY2021	FY2022	FY2023	FY2024	FY2025	Total
HRRTF Interest Income	57,044	97,432	2,500,324	2,712,127	354,861	5,721,788
HRRTF Investment Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,020,242</u>	<u>1,798,639</u>	<u>3,818,881</u>
Total	<u>\$ 57,044</u>	<u>\$ 97,432</u>	<u>\$ 2,500,324</u>	<u>\$ 4,732,369</u>	<u>\$ 2,153,500</u>	<u>\$ 9,540,668</u>

Hampton Roads Regional Transit Fund (HRRTF)
Revenue and Expenditures
Summary

	Gross Revenue						Expenditures			Cumulative Balance 7/1/20 - 11/30/24	
	Regional		Annual				Operating				
	Transportation Improv. Fees	Transient Occupancy Tax	Recordation Tax Distribution	Interest	Investments	Total Revenue	Project Expenses	Expenses	Total		
<i>July 2020 - November 2023</i>	\$ 26,064,930	\$ 24,386,945	\$ 80,000,000	\$ 4,443,601	\$ 3,069	\$ 134,898,544	\$ 34,898,451	\$ 666,380	\$ 35,564,831	\$ 99,333,713	
December 2023	428,997	439,656	-	359,477	94,014	1,322,144	3,064,799	45,641	3,110,440	97,545,418	
January 2024	384,305	407,660	-	232,799	187,857	1,212,621	-	9,045	9,045	98,748,994	
February 2024	409,458	457,693	-	142,860	262,823	1,272,834	-	1,482	1,482	100,020,346	
March 2024	441,926	722,609	-	53,550	373,631	1,591,716	7,566,843	43,732	7,610,575	94,001,487	
April 2024	559,464	691,577	-	53,412	361,523	1,665,976	-	12,954	12,954	95,654,509	
May 2024	559,049	870,840	-	34,784	374,076	1,838,749	3,895,262	5,436	3,900,698	93,592,560	
June 2024	548,667	1,272,517	-	46,445	363,249	2,230,878	3,139,994	71,031	3,211,025	92,612,412	
July 2024	608,157	1,490,838	-	39,643	376,988	2,515,625	-	827	827	95,127,211	
August 2024	530,480	1,328,982	-	44,873	378,041	2,282,376	-	4,745	4,745	97,404,842	
September 2024	589,418	867,043	-	34,253	358,777	1,849,491	-	35,999	35,999	99,218,334	
October 2024	494,073	633,634	20,000,000	136,188	354,414	21,618,309	4,919,578	2,880	4,922,458	115,914,186	
November 2024	509,917	498,450		99,905	330,418	1,438,690	292,655	600	293,255	117,059,621	
Total 12 Months	6,063,911	9,681,499	20,000,000	1,278,187	3,815,812	40,839,409	22,879,131	234,372	23,113,503		
Total	\$ 32,128,842	\$ 34,068,444	\$ 100,000,000	\$ 5,721,788	\$ 3,818,881	\$ 175,737,955	\$ 57,777,583	\$ 900,751	\$ 58,678,334		
Less Balance of Encumbered (through FY2030)										(91,483,262)	
Total Net Available										\$ 25,576,359	

Table 1 - Revenues
Hampton Roads Regional Transit Fund (HRRTF)
Fiscal Year 2025

Locality	Total FY2020 - FY2024	Previous FY2025	November 2024	FY 2025	YTD	Total
<i>Regional Taxes and Fees</i>						
Chesapeake	\$ 9,327,019	\$ 839,674	\$ 179,703	\$ 1,019,377	\$ 10,346,396	
Hampton	4,618,670	484,557	97,023	581,580	5,200,250	
Newport News	4,827,142	482,604	109,818	592,422	5,419,564	
Norfolk	9,074,825	994,886	209,590	1,204,476	10,279,301	
Portsmouth	2,284,757	212,454	42,236	254,690	2,539,447	
Virginia Beach	28,513,878	3,528,450	369,997	3,898,447	32,412,325	
Total	\$ 58,646,291	\$ 6,542,625	\$ 1,008,367	\$ 7,550,992	\$ 66,197,286	
Annual Recordation Tax Distribution	80,000,000	20,000,000	-	20,000,000	100,000,000	
Total Tax and Fees Revenue	\$ 138,646,291	\$ 26,542,625	\$ 1,008,367	\$ 27,550,992	\$ 166,197,286	
Interest	5,366,927	254,956	99,905	354,861	5,721,788	
Investments	2,020,242	1,468,221	330,418	1,798,639	3,818,881	
Total Revenue	\$ 146,033,460	\$ 28,265,802	\$ 1,438,690	\$ 29,704,492	\$ 175,737,955	
Project Expenses	(52,565,350)	(4,919,578)	(292,655)	(5,212,233)	(57,777,583)	
Operating Expense	(855,700)	(44,451)	(600)	(45,051)	(900,751)	
Modified Cash Position	\$ 92,612,410	\$ 23,301,773	\$ 1,145,435	\$ 24,447,207	\$ 117,059,621	
Less Balance of Encumbered	(33,385,143)				(91,483,262)	
Net Modified Cash Position	\$ 59,227,267				\$ 25,576,359	
Forecast	137,087,920	25,868,771	1,026,600	26,895,371	163,983,291	
Total Revenue - Forecast (under)/over	1,558,371	673,854	(18,233)	655,621	2,213,995	

Table 1A - Regional Transportation Improvement Fees
Hampton Roads Regional Transit Fund (HRRTF)
Fiscal Year 2025

Locality	Total FY2020 FY2024	Previous FY2025	November 2024	FY 2025	YTD	Total
<i>Regional Transit Improvement Fees</i>						
Chesapeake	\$ 6,473,029	\$ 435,347	\$ 102,982	\$ 538,329	\$ 7,011,358	
Hampton	2,607,605	245,965	40,852	286,817	2,894,422	
Newport News	2,958,146	259,829	75,956	335,785	3,293,931	
Norfolk	4,688,449	354,203	104,402	458,605	5,147,054	
Portsmouth	1,842,016	152,037	31,976	184,013	2,026,029	
Virginia Beach	<u>10,827,551</u>	<u>774,747</u>	<u>153,749</u>	<u>928,496</u>	<u>11,756,047</u>	
Total RTI Fees	<u>\$ 29,396,797</u>	<u>\$ 2,222,128</u>	<u>\$ 509,917</u>	<u>\$ 2,732,045</u>	<u>\$ 32,128,842</u>	
Forecast	<u>27,996,817</u>	<u>2,296,527</u>	<u>509,811</u>	<u>2,806,338</u>	<u>30,803,155</u>	
Total Revenue - Forecast (under)/over	1,399,980	(74,399)	106	(74,293)	1,325,687	

Table 1B - Transient Occupancy Tax
Hampton Roads Regional Transit Fund (HRRTF)
Fiscal Year 2025

Locality	Total FY2020 FY2024	Previous FY2025	November 2024	FY 2025	YTD	Total
<i>Transient Occupancy Tax</i>						
<i>Chesapeake</i>	\$ 2,853,990	\$ 404,327	\$ 76,721	\$ 481,048	\$ 3,335,038	
<i>Hampton</i>	2,011,065	238,592	56,171	294,763	2,305,828	
<i>Newport News</i>	1,868,996	222,775	33,862	256,637	2,125,633	
<i>Norfolk</i>	4,386,376	640,683	105,188	745,871	5,132,247	
<i>Portsmouth</i>	442,741	60,417	10,260	70,677	513,418	
<i>Virginia Beach</i>	<u>17,686,329</u>	<u>2,753,703</u>	<u>216,248</u>	<u>2,969,951</u>	<u>20,656,280</u>	
Total	<u>\$ 29,249,497</u>	<u>\$ 4,320,497</u>	<u>\$ 498,450</u>	<u>\$ 4,818,947</u>	<u>\$ 34,068,444</u>	
<i>Forecast</i>	29,091,102	3,572,244	516,789	4,089,033	33,180,135	
Total Revenue - Forecast (under)/over	158,395	748,253	(18,339)	729,914	888,309	

Table 2 - Allocations

Hampton Roads Regional Transit Fund (HRRTF)

Fiscal Year 2025

Project	Total FY2020 - FY2024	Previous FY2025	November 2024	FY 2025	YTD	Total
<i>Regional Transit System - 757 Express</i>						
Transit Bus Expansion (Group A) - Project 202101A	\$ 9,306,000	\$ -	\$ -	\$ -	\$ -	\$ 9,306,000
Transit Bus Expansion (Group B) - Project 202301H	5,149,662	-	-	-	-	5,149,662
Transit Bus Expansion - Project 202402H	2,936,431	-	-	-	-	2,936,431
Transit Bus Expansion - Project 202501H	-	2,198,000	-	2,198,000	-	2,198,000
<i>Bus Stop Amenity Program</i>						
- Project 202101B	3,265,000	-	-	-	-	3,265,000
- Project 202201F	5,326,000	-	-	-	-	5,326,000
- Project 202401F	1,065,000	-	-	-	-	1,065,000
- Project 202501F	-	2,753,000	-	2,753,000	-	2,753,000
<i>Regional Transit System Technology</i>						
- Project 202101C	80,000	-	-	-	-	80,000
- Project 202201G	518,000	-	-	-	-	518,000
<i>Regional Transit Services</i>						
Operations & Maintenance RTS - Project 202201C	3,523,222	-	-	-	-	3,523,222
Development & Support Services RTS - Project 202201D	1,923,442	-	-	-	-	1,923,442
Operations & Maintenance RTS - Project 202301C	7,993,505	-	-	-	-	7,993,505
Operations & Maintenance RTS - Project 202401C	25,975,300	-	-	-	-	25,975,300
Operations & Maintenance RTS - Project 202501C	-	25,307,000	-	25,307,000	-	25,307,000
<i>Net Center Replacement</i>						
- Project 202101D	62,000	-	-	-	-	62,000
Robert Hall Blvd (Chesapeake) - Project 202201A	100,000	-	-	-	-	100,000
Robert Hall Blvd (Chesapeake) - Project 202501A	-	500,000	-	500,000	-	500,000
Evelyn T. Butts (Norfolk) - Project 202201B	100,000	-	-	-	-	100,000
Evelyn T. Butts (Norfolk) - Project 202402B	4,500,000	-	-	-	-	4,500,000
Evelyn T. Butts (Norfolk) - Project 202501B	-	2,000,000	-	2,000,000	-	2,000,000
Orcutt Transfer Center - Project 202501D	-	258,000	-	258,000	-	258,000
<i>New Bus Operating Division - Southside</i>						
- Project 202101E	1,000,000	-	-	-	-	1,000,000
- Project 202201E	6,708,000	-	-	-	-	6,708,000
- Project 202301E	597,000	-	-	-	-	597,000
- Project 202401E	11,514,000	-	-	-	-	11,514,000
- Project 202501E	-	22,852,000	-	22,852,000	-	22,852,000
<i>Non-Revenue Fleet</i>						
- Project 202301J	1,243,421	-	-	-	-	1,243,421
- Project 202401J	35,941	-	-	-	-	35,941
- Project 202501J	-	5,920	-	5,920	-	5,920
<i>Paratransit Fleet</i>						
- Project 202301I	465,000	-	-	-	-	465,000
Total Allocations	\$ 93,386,924	\$ 55,873,920	\$ -	\$ 55,873,920	\$ 149,260,844	

Table 3 - Expenditures

Hampton Roads Regional Transit Fund (HRRTF)

Fiscal Year 2025

Project	Total FY2020 - FY2024	Previous FY2025	November 2024	FY 2025 YTD	Total
<i>Regional Transit System - 757 Express</i>					
Transit Bus Expansion (Group A) - Project 202101A	\$ 9,099,298	\$ -	\$ -	\$ -	\$ 9,099,298
Transit Bus Expansion (Group B) - Project 202301H	4,487,893	-	-	-	4,487,893
Transit Bus Expansion - Project 202402H	-	-	-	-	-
Transit Bus Expansion - Project 202501H	-	-	-	-	-
<i>Bus Stop Amenity Program</i>					
- Project 202101B	3,265,000	-	-	-	3,265,000
- Project 202201F	3,417,711	77,285	-	77,285	3,494,996
- Project 202401F	-	-	-	-	-
- Project 202501F	-	-	-	-	-
<i>Regional Transit System Technology</i>					
- Project 202101C	79,732	-	-	-	79,732
- Project 202201G	438,865	-	-	-	438,865
<i>Regional Transit Services</i>					
Operations & Maintenance RTS - Project 202201C	3,523,222	-	-	-	3,523,222
Development & Support Services RTS - Project 202201D	1,923,442	-	-	-	1,923,442
Operations & Maintenance RTS - Project 202301C	7,993,505	-	-	-	7,993,505
Operations & Maintenance RTS - Project 202401C	12,556,013	3,767,908	-	3,767,908	16,323,921
Operations & Maintenance RTS - Project 202501C	-	905,569	292,655	1,198,224	1,198,224
<i>Net Center Replacement</i>					
- Project 202101D	61,869	-	-	-	61,869
Robert Hall Blvd (Chesapeake) - Project 202201A	-	-	-	-	-
Robert Hall Blvd (Chesapeake) - Project 202501A	-	-	-	-	-
Evelyn T. Butts (Norfolk) - Project 202201B	42,521	-	-	-	42,521
Evelyn T. Butts (Norfolk) - Project 202402B	-	-	-	-	-
Evelyn T. Butts (Norfolk) - Project 202501B	-	-	-	-	-
Orcutt Transfer Center - Project 202501D	-	-	-	-	-
<i>New Bus Operating Division - Southside</i>					
- Project 202101E	1,000,000	-	-	-	1,000,000
- Project 202201E	3,455,307	168,816	-	168,816	3,624,122
- Project 202301E	-	-	-	-	-
- Project 202401E	-	-	-	-	-
- Project 202501E	-	-	-	-	-
<i>Non-Revenue Fleet</i>					
- Project 202301J	786,960	-	-	-	786,960
- Project 202401J	-	-	-	-	-
- Project 202501J	-	-	-	-	-
<i>Paratransit Fleet</i>					
- Project 202301I	434,014	-	-	-	434,014
Total Expenditures	\$ 52,565,350	\$ 4,919,578	\$ 292,655	\$ 5,212,233	\$ 57,777,582