

**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.

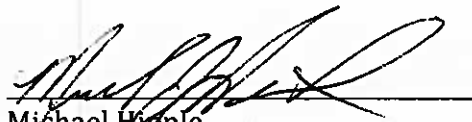
Information Item

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 Happle,
HRTAC Finance Committee Chair