

MINUTES  
OF  
CALLED MEETING  
OF  
STATE HIGHWAY COMMISSION

Richmond, Virginia

January 3, 1974

A called meeting of the State Highway Commission was held in the Central Highway Office in Richmond, Virginia, on January 3, 1974, at 10:35 a.m. The Chairman, Mr. Douglas B. Fugate, presided.

Present: Messrs. Crowe, Eakin, Glass, Janney and Roos.

Absent: Messrs. Fralin, Hall and Landes.

Following presentation by Mr. Leo E. Busser, III, Management Services Officer, and discussion by the Commission, the following resolutions were adopted:

Moved by Mr. Crowe, seconded by Mr. Roos, that

WHEREAS, the General Assembly of Virginia has heretofore provided for the dissolution of the Richmond-Petersburg Turnpike Authority and the transfer of the Authority's powers, properties, covenants, obligations and agreements to the State Highway Commission, and

WHEREAS, the Commonwealth of Virginia Transportation facilities Bond Act of 1973, Chapter 230 of the Acts of the General Assembly of Virginia of 1973, authorizes the Treasury Board of the Commonwealth of Virginia, by and with the consent of the Governor of the Commonwealth of Virginia, to sell and issue, subject to the provisions of Section 9(c) of Article X of the Constitution of Virginia, at one time or from time to time, bonds of the Commonwealth, to be designated "Commonwealth of Virginia Transportation Facilities Bonds, Series . . . ." in an aggregate principal amount not exceeding One Hundred Three Million Dollars (\$103,000,000), the proceeds of such bonds to be used for the purpose of providing funds, with any other available funds, for paying the cost of enlarging and improving the existing Richmond-Petersburg Turnpike by the acquisition and construction of additional lanes and related improvements, and

WHEREAS, the Treasury Board by resolution adopted on December 4, 1973, authorized the issuance of \$103,000,000 Commonwealth of Virginia Transportation Facilities Bonds, Series 1973, said bonds maturing on June 1, in the following years and in the following amounts, respectively:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
1976	\$ 7,000,000	1980	\$ 8,750,000
1977	7,500,000	1981	7,500,000
1978	8,000,000	1982	8,500,000
1979	8,750,000	1993	47,000,000, and

WHEREAS, the Treasury Board by further resolution adopted on December 4, 1973, awarded said bonds to the successful bidder following the receipt of sealed bids, said bonds to be delivered on or about January 9, 1974, in New York City.

NOW, THEREFORE, BE IT RESOLVED, that:

Section 1. The State Highway Commission does hereby pledge the net revenues of the Richmond-Petersburg Turnpike to the payment of the principal of and the interest on said \$103,000,000 Commonwealth of Virginia Transportation Facilities Bonds, Series 1973.

Section 2. The State Highway Commission has determined that said net revenues will be sufficient to provide for the deposit in the sinking fund for said bonds the amounts necessary to pay the interest on all of said bonds and the principal of the bonds maturing in annual installments on June 1 in the years 1976 to 1982, inclusive, as the same shall become due, and in order to redeem or pay all the bonds maturing on June 1, 1993, by their maturity, the sum of \$47,000,000 in the following years and in the following amounts, respectively:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
1983	\$ 2,400,000
1984	2,650,000
1985	2,850,000
1986	3,100,000
1987	3,550,000
1988	4,050,000
1989	4,550,000
1990	5,200,000
1991	5,600,000
1992	6,200,000
1993	6,850,000

MOTION CARRIED

Moved by Mr. Crowe, seconded by Mr. Eakin, that

WHEREAS, the General Assembly of Virginia has heretofore provided for the dissolution of the Richmond-Petersburg Turnpike Authority and the transfer of the Authority's powers, properties, covenants, obligations, and agreements to the State Highway Commission; and

WHEREAS, the Commonwealth of Virginia Transportation Facilities Bond Act of 1973, Chapter 230 of the Acts of the General Assembly of Virginia of 1973, authorizes the Treasury Board of the Commonwealth of Virginia, by and with the consent of the Governor of the Commonwealth of Virginia, to sell and issue, subject to the provisions of Section 9(c) of Article X of the Constitution of Virginia, at one time or from time to time, bonds of the Commonwealth, to be designated "Commonwealth of Virginia Transportation Facilities Bonds, Series . . . .," in an aggregate principal amount not exceeding One Hundred Three Million Dollars (\$103,000,000), the proceeds of such bonds to be used for the purpose of providing funds, with any other available funds, for paying the cost of enlarging and improving the existing Richmond-Petersburg Turnpike by the acquisition and construction of additional lanes and related improvements; and

WHEREAS, the Treasury Board by resolution adopted on December 4, 1973, authorized the issuance of \$103,000,000 Commonwealth of Virginia Transportation Facilities Bonds, Series 1973; and

WHEREAS, the Treasury Board by further resolution adopted on December 4, 1973, awarded said bonds to the successful bidder following the receipt of sealed bids, said bonds to be delivered on or about January 9, 1974, in New York City; and

WHEREAS, it is appropriate to set forth in writing the duties of the Highway Commission and Treasury Board in managing the Turnpike project and the bond funds.

NOW, THEREFORE, BE IT RESOLVED, the State Highway Commissioner is hereby authorized to execute, in the name of the State Highway Commission, the attached "Memorandum of Understanding between the Treasury Board and the State Highway Commission regarding the \$103,000,000 Commonwealth of Virginia Transportation Facilities Bonds, Series 1973, and the Richmond-Petersburg Turnpike."

MOTION CARRIED

MEMORANDUM OF UNDERSTANDING BETWEEN THE TREASURY BOARD AND  
THE STATE HIGHWAY COMMISSION REGARDING THE \$103,000,000  
COMMONWEALTH OF VIRGINIA TRANSPORTATION FACILITIES BONDS,  
SERIES 1973, AND THE RICHMOND-PETERSBURG TURNPIKE

1. A description of the bonds, the proposal for their public sale and other matters relating to the bonds and the Richmond-Petersburg Turnpike are set forth in the attached information for bidders, notice of sale and bid form, two resolutions of the Treasury Board adopted on December 4, 1973, and resolution of the State Highway Commission adopted on January 3, 1974.
2. The proceeds of the bonds, excluding the premium but including the accrued interest, will be deposited in the State Treasury in the Richmond-Petersburg Turnpike Construction Fund.
3. The Highway Fund will be reimbursed from the Construction Fund for (a) the amount paid on September 15, 1973 to retire at maturity a note of The Richmond-Petersburg Turnpike Authority in the amount of \$304,275 plus interest from March 15, 1973 at the rate of 3.12% per annum and (b) such other amounts as may have been advanced to the Turnpike for the widening and improvement program since June 1, 1973 when the Authority was dissolved and all of the powers, properties, covenants, obligations, and agreements of the Authority were transferred to the State Highway Commission. Interest on the bonds will initially be paid by the State Treasurer from the Construction Fund until such time as the outstanding turnpike revenue bonds of the Authority are retired, presently estimated to be on or about August 1, 1974, and the available net revenues of the Turnpike are sufficient to pay such interest.
4. The widening and improvement program will be administered by the State Highway Commission. All costs of the present program will be paid from the Construction Fund. Upon completion of the present program as determined by the State Highway Commission, the balance in the Construction Fund will be transferred to the Richmond-Petersburg Turnpike Sinking Fund in the State Treasury. The premium received on the sale of the bonds will be deposited in the Sinking Fund.
5. The moneys in the Construction Fund will be invested by the State Treasurer, the interest and any profit realized from such investment to be credited to the Construction Fund and any loss resulting from such investment to be charged to the Construction Fund.
6. After the retirement of the outstanding turnpike revenue bonds of the Authority, the balances remaining and held under the trust agreement securing said turnpike revenue bonds will be deposited in the State Treasury in the Construction Fund or in such other special funds as the Treasury Board and the State Highway Commission shall determine.
7. All tolls and other revenues arising thereafter from the operation or ownership of the Turnpike will be deposited by the State Highway Commission in the State Treasury in the Richmond-Petersburg Turnpike Revenue Fund. All expenses of maintenance, repair, and operation of the Turnpike will be paid by the State Highway Commission from the Revenue Fund upon appropriate requisitions transferring the designated amounts to the Richmond-Petersburg Turnpike Operating Fund.

8. Promptly in each month, the State Treasurer will transfer from the Revenue Fund the amount held in the Revenue Fund on the last day of the preceding month, after deducting such amount as the State Highway Commission then determine to be necessary as a reserve for the payment of such expenses of maintenance, repair, and operation to the following Funds in the following order:

(a) in the Sinking Fund, such amount as may be required to make the total amount then in the Sinking Fund equal to (i) the amount of interest which will become due within the next six months on all bonds then outstanding, (ii) the amount of principal of the bonds which will become due within the next twelve months, (iii) the amount provided for in the current fiscal year, plus the amounts provided for in all prior fiscal years, in order to redeem or pay all the bonds maturing on June 1, 1993 by their maturity, as follows:

<u>Fiscal Year</u> <u>Ending</u> <u>June 30</u>	<u>Amount</u>	<u>Fiscal Year</u> <u>Ending</u> <u>June 30</u>	<u>Amount</u>
1983	\$2,400,000	1989	\$4,550,000
1984	2,650,000	1990	5,200,000
1985	2,850,000	1991	5,600,000
1986	3,100,000	1992	6,200,000
1987	3,550,000	1993	6,850,000
1988	4,050,000		

less the amount of the bonds maturing on June 1, 1993 which have been previously retired by purchase and redemption, and (iv) the amount determined by the Treasury Board from time to time to be held as a reserve for the payment of such interest and principal;

(b) in the Richmond-Petersburg Turnpike Reserve Maintenance Fund, such amount as may be required to make the amount transferred in the current fiscal year to the Reserve Maintenance Fund equal to the amount set forth in the annual budget; and

(c) in the Sinking Fund, the balance available for transfer.

9. The interest on and the principal of the bonds will be paid by the State Treasurer from moneys in the Sinking Fund. Excess moneys in the Sinking Fund may be used by the Treasury Board for the accelerated retirement of bonds, either by purchase or redemption, the Treasury Board to determine the timing and the amount of such purchase or redemption of bonds. With the approval of the State Highway Commission and the Treasury Board, excess moneys in the Sinking Fund may be transferred to the Construction Fund for the completion of the present widening and improvement program.

10. The moneys in the Reserve Maintenance Fund will be used by the State Highway Commission for expenses not recurring annually such as resurfacing, major bridge painting, insurance, and equipment replacement upon appropriate requisitions transferring the designated amounts to the Operating Fund.

11. The moneys in the Revenue Fund, the Sinking Fund, and the Reserve Maintenance Fund will be invested by the State Treasurer, the interest and any profit realized from such investment to be credited to the Revenue Fund and any loss resulting from such investment to be charged to the Revenue Fund.

12. The State Highway Commission will establish and enforce reasonable rules and regulations governing the use of the Turnpike and the maintenance, repair and operation thereof.

13. The State Highway Commission will continue the present schedule of tolls for the Turnpike or will adopt a revised schedule of tolls either of which will at all times produce, without any State aid, net revenues sufficient to pay the interest on all bonds and the principal of serial bonds as they become due and payable and to provide for the payment of the term bonds on or prior to their maturity. The term "net revenues" shall mean the tolls and other revenues of the Turnpike, including the investment earnings credited to the Revenue Fund, less the expenses of maintenance, repair, and operation of the Turnpike and the transfers to the Reserve Maintenance Fund.

14. The State Highway Commission will classify tolls in a reasonable way to cover all traffic, so that the tolls may be uniform in application to all traffic falling within any reasonable class regardless of the status or character of any person, firm or corporation participating in the traffic. No reduced rate of toll will be allowed within any such class except through the use of commutation or other tickets or privileges based upon frequency or volume, and no free vehicular passage will be permitted over the Turnpike except to employees of the State Highway Commission engaged in the performance of duties directly related to the operation of the Turnpike, fire departments, rescue squads, and police officers while in the discharge of their official duties.

15. The State Highway Commission proposes to include in each biennium budget of the Department of Highways requests to the Governor and the General Assembly for two forms of aid to the Turnpike. First, the Department proposes to pay from regular highway funds the expenses of the State Police patrolling the Turnpike. Second, the Department proposes to pay from regular highway funds to the Revenue Fund \$2,500 per year per moving lane mile towards the maintenance of the Turnpike.

16. The State Highway Commission will determine what insurance coverage will be obtained in connection with the Turnpike and in what amounts.

17. The State Highway Commission will annually prepare a budget for the Turnpike for the ensuing fiscal year estimating the gross toll revenues and the expenses of maintenance, repair and operation, and setting forth the amount to be transferred to the Reserve Maintenance Fund. The Commission will prepare monthly and annual reports of operations. Copies of the annual budgets and the monthly and annual reports will be filed with the Treasury Board.

18. It is the intention of the Treasury Board and the State Highway Commission that all matters related to the Turnpike be handled in such manner that will ensure the Turnpike's becoming free of tolls as the earliest practical date. Any available federal, state, and local funds may be used to pay the expenses of maintenance, repair, and operation of the Turnpike, and the interest on and the principal of the bonds. Upon the freeing of the Turnpike from tolls, all balances in the Funds relating to the Turnpike, except those moneys held to pay the interest on and the principal of outstanding bonds, will be transferred to the Highway Fund.

19. A copy of this memorandum shall be filed in the Governor's office. Any future changes herein not approved by both the Treasury Board and the State Highway Commission must be approved by the Governor. Any disagreement between the Treasury Board and the State Highway Commission regarding the Turnpike and the bonds will be submitted to the Governor for resolution.

For the Treasury Board

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Frank B. Miller, Jr.  
Acting State Treasurer

For the State Highway Commission

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Douglas B. Fugate  
State Highway Commissioner

A preliminary feasibility report on the proposed outer roadways of the Dulles Access Road was submitted to the Commission for discussion at the next regular meeting.

No date has been set for the January Commission meeting.

The meeting was adjourned at 11:16 a.m.

Approved:

  
Chairman

Attested:

  
Secretary