

BOARD OF SUPERVISORS
STAFFORD, VIRGINIA
DRAFT MINUTES
Transportation Work Session
June 4, 2019

Call to Order A transportation work session of the Stafford County Board of Supervisors was called to order by Gary Snellings, Chairman, at 5:45 p.m., on Tuesday, June 4, 2019 in the A/B/C Conference Room, George L. Gordon, Jr., Government Center, 1300 Courthouse Road, Stafford, VA.

Roll Call The following members were present: Gary Snellings, Chairman; L. Mark Dudenhefer, Vice Chairman; Ms. Bohmke, Jack R. Cavalier; Thomas C. Coen; Wendy E. Maurer; and Cindy C. Shelton.

Also in attendance were Thomas C. Foley, County Administrator; Fred Presley, Deputy County Administrator, Mike Smith, Deputy County Administrator; Cheryl Giles Chief Deputy Clerk; Assistant Deputy Clerk, Julia Holmes, associated staff and other interested parties.

Mr. Smith began his presentation by saying that they were going to discuss the Strategic Priorities of the Transportation CIP. He continued that they would cover the current status of the Transportation fund, and the proposed fiscal year 2020-2029 CIP. Mr. Smith said they would discuss and the possibility of a bond scenario, the steps required for a referendum, the board priority on project selection, a no bond scenario, and board direction on which way they would want to go. The Board directed staff to complete a comprehensive study as a part of the strategic priorities for responsive transportation system. That study was completed by staff, the board committee, and Mr. Dayton primarily, and was used to develop the proposed road projects. Staff continues to work on funding options. Mr. Smith stated that they would discuss the bond, and what additional information would be brought to the board in the fall. He reported that the Transportation Fund is projected to be sufficient to cover annual operating costs. Additional funding from the new floor tax (C-ROC) provides surplus operations revenue of approximately \$912K each year. The C-ROC provides about \$1.4M, but the amount above their operating will be about \$900K to \$1M, and they are using the \$912K each year in the CIP. The Proposed CIP shows a transfer of the remaining operations funds into Capital for Road Widening (Formerly referred to as Wedge Widening) and other safety projects. Funds available exceeding the VDOT planned paving schedule, could be used for safety studies and improvements. Mr. Smith stated that Funds available exceeding the VDOT planned paving schedule, could be used for safety studies and improvements. For an example Mr. Smith explained that Decatur is on the schedule, but many of the other roads were not, and that the other \$600k could be used for safety studies.

Mr. Dudenhefer said that in regards to working together with VDOT, that he thought VDOT would resist due to their. Mr. Dudenhefer continued that he thought VDOT would demand that

we follow them, and that the primary consideration was not safety, but the condition of the road. He said that we may have to go to Secretary Valentine and to say that we have an issue with road safety that could be worked on together.

Mr. Smith agreed and provided another option of performing safety studies with VDOT using the extra funding of \$350 - \$900K to remove trees, take other items out of the clear zone, and put up additional signage. Mr. Smith commented that had been done with Rock Hill Church Road, and the Southern end of Brook Road. He continued by saying that if the paving and road widening could not be done, that the funds could be used for other items. Mr. Smith said they hoped to convince VDOT to do their paving at the same time as the County's other safety projects.

Mrs. Maurer said that we have a lot of funding available through FAMPO (Fredericksburg Area Metropolitan Planning Organization), and asked if the board were to commit more matching funds, and we can only pay twenty percent, if those funds could be used for safety studies. Mr. Smith responded that the safety studies that he was talking about were conducted by staff of VDOT, and that it was in-house with minimal cost. Mrs. Maurer asked that if instead of saying study when staff is involved, if analysis could be used instead.

Mr. Smith replied that could be done. He continued to report that the existing project costs continue to escalate due to right of way, material, and labor costs. Funds have been identified to cover the expected overages. Future revenue is expected to maintain \$912K above operational expenses and \$1M in Positive Results of Operation (PRO) each year. Mr. Smith clarified that the PRO is surplus money at the end of the year, and that the board has identified that the first Million would go to the transportation fund. He continued by going over the proposed Transportation CIP, and said that there are Project Budget increases. Mr. Foley explained that the information the details of the CIP were summarized in Mr. Smith's PowerPoint presentation.

Mr. Smith continued by saying that the CIP was changing from last year's proposed CIP because of Project Budget increases that included \$3.7M for Stefaniga/ Mountain View Road which was approved as a smart scale project, an increase of \$192K for Route 1/Enon Road, \$288K Berea Church for additional Right of Way, \$5M for Courthouse/Rt 1 Intersection for ROW etc., \$497K Onville because of added scope from doubling the length of the sidewalk which was at the request of VDOT, so TAP funding goes along with it. Mr. Smith also referenced ongoing projects that were funded in previous years that included the Juggins Road project which is to be finished soon, the Brook Road reconstruction project and Courthouse Road project that are both currently under construction. Mr. Smith discussed the Road Widening projects and said, these will be done in cooperation with VDOT, which will cost about half of doing ourselves, and that \$912K have been identified in the CIP, and in the SSYP \$100K have been put in holding which will be used upon board approval.

Mrs. Maurer inquired if the \$912K was for safety improvements and road widening. Mr. Smith responded correct. Mrs. Maurer mentioned the funding for the Road Widening list being at \$10M, and that \$9M is reached by using a Million dollars a year. Mrs. Maurer then asked if we were limited by VDOT timing, and if the \$912K a year was because of VDOT or because of funding.

Mr. Smith replied that the \$912K was because of funding, and that we would probably have more funding than VDOT has for projects, unless we can work with them to put our projects first, and it could take ten to fifteen years to get through the projects. There were an original forty projects in the study, but they were narrowed to thirty-five when the windshield analysis was done. He continued that if we coordinate with VDOT, then we would have enough to get them all done in those ten years with about a \$1 Million a year. Mr. Smith cited the work that has been done for widening Andrew Chapel Road where about 1.5-2 feet were added on each side.

Mrs. Maurer asked if we were planning on spending \$10 Million this next year on road improvements.

Mr. Smith said yes that that was the CIP that had been approved last year at \$10.9 Million. Mrs. Maurer asked if \$20M was to be spent in 2021 and then if there was a huge drop after that. Mr. Smith replied said that was correct because the projects had been finished, and that the Enon Road, Stefaniga, and Mountain View had been received in the out years, but new projects were not coming in due to a lack of funding.

Mr. Smith then moved forward to discuss a bond referendum and asked if there were any other questions regarding the CIP. Ms. Bohmke asked which projects were out as 2024 Smart Scale. Mr. Smith replied Enon Road, Stefaniga, and Mountain View Road projects.

Mr. Smith said if we move forward without a bond referendum this year, we would not have additional funding from a bond. A work team is identifying options for funding with information to be provided in the fall and that they may request the Board to identify some items as legislative priorities. This would not preclude the Board from considering a bond referendum in future years. We would continue to pursue the Road Widening if that is the Board's direction. No additional major construction projects will advance until additional funding or a bond is in place. Mrs. Maurer asked for clarification if bonds could be taken out without a referendum for transportation or if only cash can be used from operations. Mr. Smith explained that it is a GL Bond, and that a bond referendum would be needed.

Mr. Smith continued by saying that the board needs to identify a priority project list and a bond amount in order to request the Circuit Court to order a special election. As discussed in the CIP work session, there is available debt capacity for a \$50M bond or more. If the consensus is to move forward, Staff will bring an item to the June 18 meeting for discussion and a resolution for action requesting the Circuit Court order a special election. Staff would develop

an engagement plan to communicate information related to the projects and the proposed bond referendum, and that engagement plan would come back to the Board for approval on August 20th. Mr. Smith then reported on transportation project selection and said the Comprehensive Road study considered safety and congestion issues. The final report identified ten major construction projects and thirty-five roads eligible for safety improvement projects, or road widening. The ten major construction projects from the study address areas with both congestion and safety issues. The total cost of these projects is \$180M, this includes Rt 1/Enon which is in our current proposed CIP, and would drop the cost to \$172M. The Road Widening project list is focused on addressing safety concerns.

Mr. Smith moved on with County funding sources and said a bond referendum has a \$50M available debt capacity. The board could decide to move forward with a selected amount of study projects and the road widening list using a combination of funds. The roads on the study list are not included in the Impact Fee program. Impact Fees only apply to future road degradation – existing deficiencies, such as those outlined in the study would not be eligible for impact fees even if a new study is completed. Staff has prepared an RFP for a new Impact Fee study; however the research has uncovered opportunities, such as a Pro Rata program in Fairfax that could be included in the RFP. More information on those opportunities will be brought back in the fall. The Board has directed staff to set aside the first \$1M dollars each year from PRO for transportation capital. Funds could be used for major projects but would not be suitable for debt service as one-time funds. There is a Vehicle License Fee (VLF). The current VLF is \$23. Virginia Code states the fee cannot exceed the State Vehicle registration fee which is set at \$42.75. The Board could raise the VLF, which would generate as much as \$2.3 M for projects or debt service. The VLF is a flat tax fee that a lot of our constituents are not happy with, because it is not assigned to anything specific. General Fund Revenues could be used as pay as you go funding to supplement bond funds. Mr. Smith spoke about Revenue Sharing and said the current program allows a locality to apply for up to \$5M per year and \$10M per project. If the maximum is obtained each year, this will stretch the \$50 Million bond amount to \$100 Million worth of projects. Other funding such as Smart Scale could be used. With Smart Scale, some of the roads on the list such as Garrisonville are suitable, but others like Layhill would not. Regional Surface Transportation and Congestion Mitigation and Air Quality (CMAQ) could be available for some road projects. There are several programs such as the Federal Land Access Program (FLAP) and Commuter Choice program that might provide funding for the road projects to supplement the bond funds. The FLAP is for access to Federal Lands such as Quantico, and could be used to add for Onville Road to the project list with a small amount of local funds which would not affect the \$50M. The board could also add Leeland Road to the list and hope to get the Commuter Choice.

Mr. Smith said the total cost for the Major Road Project List was \$180M, and that all costs are based on very preliminary estimates. Bond funding could be used to leverage other funds such as Revenue Sharing, Smart Scale and others. Even with leveraging other funds, the completion

of all ten projects with \$50M bond may not be practical. In order to reduce the list to an amount that could be reasonably covered by the bond and leveraged funds staff looked at some additional considerations as suggested in the study which said "It should be recognized that given the wide disparity of costs, and the requirements for different funding sources, it may be impractical to address the projects by ranked order."

Mr. Foley explained that the discussion thus far was the background on Major Road Project possibilities, and that subsequent discussion would involve two possible project list options if the board were to decide to go with a bond referendum.

Mrs. Maurer stated that with Option 1, and because they were talking about \$1 Million a year, that she would prefer if it could be put on a bond referendum. Mr. Smith replied that the reason why he put the road widening projects there was because they would touch every corner of the county. He said that if the gas tax fund were to dry up, and the board were to decide that the safety projects were more important than some of the larger construction projects, they could continue that practice with bond funding. Mrs. Maurer stated that it gives them more roads to put on the list.

Mr. Smith reviewed Option 1 of the possible project list and said Morton Road and Layhill Road were taken out because they are relatively small roads, and that they are trying to optimize their money. Ms. Bohmke asked what Mr. Smith recommended for those roads. Mr. Smith responded that they did not currently have funding for those roads. Ms. Bohmke asked if those roads were to be moved to another list and discussed at a later time. Mr. Smith replied that if they can get enough funding, then the turn lanes, or similar items could be done with Smart Scale or other kinds of funding, but that with a bond project, he would not recommend those roads. Mr. Smith continued by saying that the board can make whatever choice they may like. Leeland Road was already being pursued through Commuter Choice funds, which the board had approved in the consent agenda. Onville Road could be improved through working with Quantico and to pursue it as a Federal Lands Access Program (FLAP) so it was removed, leaving them with Butler, Shelton Shop, Garrisonville, Mountain View Roads, and Road Widening. The Onville and Leeland projects were to utilize small amounts of local money, and could still be added to Option 1 and leave it as a \$50M bond.

Mr. Smith proceeded to review Option 2 which extends the bond to \$60M, includes Onville (\$3M), Leeland (\$1M), and Enon (\$1M) Roads to give the board flexibility. Because Butler Road is to be an \$18.9 Million project with right of way concerns, it could be replaced with White Oak. The main reason for going to \$60M bond was due to White Oak being so expensive. Mrs. Maurer inquired what we were doing because Butler is bad. Mr. Smith replied that Option 1 has Butler, Option 2 has White Oak, and that is the main difference, because the other roads could be put onto either option and could be completed with \$50 or \$60 Million because of relatively small amounts. If Federal Funding were to be had, then the projects

would have more flexibility, but there would be a choice if those road options would be included.

Ms. Bohmke stated that the reason for doing Butler and White Oak was to get people through the main intersection at Route 1 and Route 17, and she thought that by expanding Butler, that it would be done at a faster pace. Mr. Dudenhefer said that the issue is that you would have to either take down the church or the cemetery. Mr. Smith responded that VDOT did not take on that project because it is a big risk, and that it is something for the board to consider.

Mr. Dudenhefer asked if a list and proposed bond referendum were sent to the Circuit court to be put on the ballot, and something changed in August or September, would the board be able to make changes. Ms. McClendon replied that you would not be able to change it. When are asking the Circuit Court to issue an order, it is for whatever is on the list, and so those are the projects that the county is restricted to. You are not required to do everything on the list, but you do have a time frame on the referendum. You cannot go outside of the list that you are sending when you go to authorize your bonds. Mr. Smith said that was one of the reasons why if Onville and Leeland were to be added; that it would need to be made clear to the public that the projects would be dependent upon Federal funding, and while it does give more flexibility, it also gives an understanding to citizens that the projects may not be done. Mr. Dudenhefer stated that it would be the same with the requests to move forward with State funding projects to get more bang for the money. Mr. Smith replied that with revenue sharing you can only do \$10M a year, and that Smart Scale would be pursued. If more Smart Scale were received, then revenue sharing or bond funds could go towards other projects. The additional projects are dependent on funding which is why he was not sure about releasing a full project list when it is unsure if all the projects would be able to be completed.

Mrs. Maurer said that for example if we went to Smart Scale, and we put in twenty percent of the money, or \$33 Million for White Oak, and we were to commit \$6M of it, it would rank us a lot higher on Smart Scale. Mr. Coen asked how guaranteed the revenue sharing matching funds would be. Mr. Smith replied that now the revenue sharing project is up to \$5M and everything that has been applied for has been received, and that we once were at \$10 Million and could have that again, but as Smart Scale grows, the revenue sharing may shrink. Mr. Coen asked what the process of racking and stacking would be. Mr. Smith responded that the board would be able to select projects that they feel are more important to the community than just the data. Ms. Shelton stated that only certain projects would be eligible for Smart Scale, and that it would make sense to choose something with a better opportunity to succeed. Ms. Bohmke stated that before she would make a decision on White Oak versus Butler that she would want to have a conversation with VDOT to understand the complexity. Mr. Smith responded that if the board would like to have a bond this year, then a decision on the project list would have to be made tonight in order to bring it back on the 18th. Mr. Dudenhefer said that it was put on New Business so that they could make sure it was moved to Unfinished Business, so that it may be voted upon. Mr. Smith said that he was looking for direction about

whether the board would like a bond or not, and understanding that on June 18th a bond amount and bond list would have to be picked.

Mr. Foley asked for clarification about the time frame and if the court would have to receive a request from the board by July 10th. Ms. McClendon stated that there would be a sufficient amount of time. Ms. McClendon continued that if board approval was had by the July meeting, then there would be enough time. Mr. Foley commented that was what he was trying to clarify and then said that getting analysis from VDOT would not likely be something that would be able to be accomplished before the next meeting, but that did not mean conversations could not be had. Mr. Smith said that the idea was to have guidance for a bond list and amount on June 18th, then on July 2nd there would be a resolution to be passed to go to the Circuit Court in order to have a special election.

Mr. Smith said that the board direction that staff was looking for was if the board was interested in a bond referendum, and if they were, that options will be brought back on June 18th for additional input. The options stand: as Option 1 with a \$50M bond that does not include White Oak Road, and Option 2 with a \$60M bond substitutes White Oak Road for Butler Road. Neither of the options included Morton or Layhill Road, and both options may include the roads with Federal funding. Mr. Foley said that the board would be to further consider the priorities, but that they were looking for direction on whether to proceed with the bond referendum or not.

Ms. Bohmke said that in her opinion if you were to go for a bond referendum that \$50 Million was not enough, that it should be for \$75M or \$100M. Mr. Smith said they had reviewed the options in going for \$75M or higher, but that the matching funds would not be available, so more local funds would be spent. Mr. Foley said that there is a cost to paying back bonds, and that they were trying to ensure a clear understanding of the increased tax rate for citizens as affiliated with each bond proposal. He explained that \$50M bond would equate to 2.5 cents, and would not be a large raise to the tax rate. Mr. Smith stated that \$60 Million bond would equate to \$5 Million spent a year, and 3.2 cents.

Mr. Cavalier asked if the smaller road widening projects were included, at \$912K per year over ten years, would that money be rolled back into debt service to pay off the bond. Mr. Smith said they planned to use cash for those projects. If that money were to dry up, the board would have the option to use bond funds for those projects, but that some of the larger projects would likely be forgone. Mr. Foley explained that he thought Mr. Cavalier's question was could we use the \$912K as revenue to use towards paying debt, and that he thought the answer was yes, but that it was not a certain a revenue source. Mr. Dudenhefer said that the money held over at the end of the year could be appropriated to pay debt service. Mr. Cavalier stated that if both funds were looked at, that around \$2M a year would be available to pay debt service which would be half of the requirement. Mr. Smith stated that if the vehicle license fee were to be increased, then there would be some portion of \$2.3M a year.

Mr. Dudenhefer said he would support whatever bond referendum was moved forward, but that stated that you always have to consider selling it to the public. When \$100M for a bond is put forward for a referendum as opposed to \$70M, or similar amounts, more concern is raised. For every \$10M over \$60-70M, the ground swell of people who will come out against us will grow. While we have \$100M plus worth of projects, we have to be careful so it does not fail. Ms. Shelton asked if the board could go for the \$70M bond so that there could be a buffer. Mr. Smith replied that the board can do whatever it would like, but that the \$50M bond was introduced because it is pretty much assured that matching funds would be received. The \$60M which would include White Oak Road would mean more county funds would go towards the project. Mr. Dudenhefer stated that you have to go more than that.

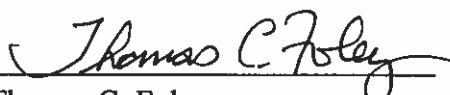
Ms. Bohmke stated that aspersions are thrown at the schools when they have money left at the end of the year, and here we are planning for debt service payments to be used from Positive Results of Operation. Mr. Smith said no that the PRO would go towards capital projects like Layhill Road because they cannot be relied upon for debt service. Ms. Bohmke replied that we have called it PRO and that \$100M in their budget it quite a bit. Mr. Smith replied that it is less than one percent. Ms. Bohmke remarked that we need to be cognizant of what is said to the schools when we are doing similar things. Mr. Foley clarified by saying that was a decision that had been made several years ago. Mrs. Maurer stated that from a budgeting and accounting perspective, there should be one to two percent left over, and she would question their financial management if it was not left over. Ms. Bohmke agreed but said they should be careful of what is said in regards to how the schools manage their budget.

Mr. Snellings asked Mr. Smith what he needed to know to move forward. Mr. Smith stated that it would be nice to have two options to bring the board for projects. Mr. Snellings asked if there was a consensus to move forward with the bond referendum. The board had consensus.

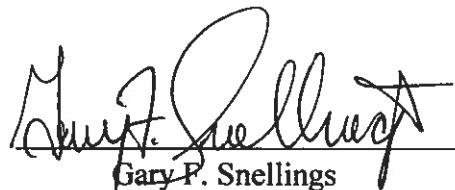
Mr. Foley remarked that all that was left was priority setting between the two options and the other discussion. Mr. Snellings questioned if that was needed tonight. Mr. Smith said that both options could be brought to the board. Mrs. Maurer asked if they could have three levels of \$75, \$60, \$50M. Mr. Smith replied that was okay but there would not much sharing, but that more local money would be spent. He continued by saying that at \$60M, you can get matching funds, but above that, you are unable to get revenue sharing. Mr. Dudenhefer said that we were assuming a static world, and said that you would not know what could happen in ten years. Mr. Smith replied that was why he suggested adding Onville Road, Leeland Road, and Enon Road in case Federal funding were to fall through, there would be more flexibility to do those roads. Mrs. Maurer remarked that she liked that. Ms. Bohmke said she thought the Citizen Transportation Board was voting on Enon Road this month. Mr. Smith replied correct. Ms. Bohmke asked where the Federal funding part would fall through. Mr. Smith said there was no Federal funding for Enon Road. They are asking for Federal funding for Leeland Road, that it was trans urban funding, then also FLAP, but Enon is now \$10.4 M due to cost escalation. Ms. Bohmke remarked that this was a stop gap. Mr. Coen said that his concerns

reflected what had been said earlier, that just because we have the money, doesn't mean that we need to find a project. Mr. Coen was concerned about how they would pay for the project, and that the public would not be able to communicate their thoughts on the options within two weeks. Mr. Dudenhefer said that the public would communicate with the board in November. Mr. Coen continued that he was apprehensive that this was being rushed through. Mr. Dudenhefer stated that he wanted to counter what Mr. Coen said by stating that we are not rushing anything though, and that this was being discussed before their August meeting because of the deadline from the court, and that any delay on the board's part would mean waiting a year. He continued that they were not voting on anything, and that the public would get a chance to vote in November. Mr. Cavalier asked if a list of the road widening projects could be included next time, in case any adjustments are needed. Mrs. Maurer wanted clarification about what was included in the \$10 Million. Mr. Cavalier said he would like a list by road name. Mr. Smith said they could have the information like that, and a backup sheet. Ms. Bohmke asked Mr. Snellings if they could add in a map of the county not just by district, but where each road project is located.

Adjournment At 6:50 p.m., the Chairman adjourned the June 4, 2019 Transportation work session of the Stafford County Board of Supervisors.



Thomas C. Foley
County Administrator



Gary P. Snellings
Chairman

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