

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
HELD APRIL 11, 2017**

The regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 11th day of April, 2017, at the offices of Christian & Barton, L.L.P., in the Mutual Building, 909 East Main Street, Conference Room 11-B, pursuant to due notice.

The following Directors were present and acting throughout the meeting, except as noted below: Directors Dabney, Hazelett, Hinson, Holland, Gurley, Ramsey, Tart, West, Whirley and Woodfin. Directors Nelson and White arrived during the course of the meeting, while Directors Brown and Waller was absent. The Chairman, Mr. Johnson, participated during the Executive Session portion of the meeting. Staff present were Mr. Madison, Ms. Dean, Ms. Johnson, Ms. Simmons, and Ms. Watson of the Authority, Ms. Fisher White of Christian & Barton, and Mr. Ballou.

Mr. Hazelett served as Chairman of the meeting, and Mr. Ballou as Secretary.

The Chairman called the meeting to order at 12:15 p.m., and upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Directors noted above as being present, the minutes of the Authority's meeting held on March 14, 2017 were approved as previously distributed.

Mr. Hazelett introduced new Board member Mr. James "J.B." Gurley, who gave brief introductory remarks. He also observed that the previously distributed agenda had been replaced with a revised agenda and that the Strategic Plan matter originally scheduled for the meeting would be deferred. Following a brief discussion as to whether the Strategic Plan would be

continued to either a special meeting or the May meeting, the scheduling was deferred to a subsequent date.

The Chairman turned to Mr. Madison to begin discussion of the budget. Mr. Madison commended members of his Finance staff on their hard work in preparing the budget. He noted that the budget's revenue numbers were derived from Jacobs Engineering, the traffic and revenue consultant, which firm projected an increase due to traffic growth of approximately \$537,000. Budget savings included savings from the office lease of approximately \$143,000, as well as reductions due to the office relocation, toll system parts, and legal. Other areas in which the Authority expected to realize savings were in valuation services, website development and bank fees. Budget increases were attributable to higher E-ZPass fees due to traffic growth and a rate increase (approximately \$370,000), greater maintenance costs stemming from a shift in maintenance under the VDOT arrangement (approximately \$190,000), increased health care costs (approximately \$137,000), and higher violation enforcement costs due to traffic growth (approximately \$95,000).

With respect to Main Street Station, the budget included a full year of activity pending extension of the current management arrangement with the City through the end of June, 2018, with a contract amendment to be presented to both the Authority's Board and to City Council prior to the end of the current fiscal year end.

Mr. Madison and Ms. Simmons updated the Board on VDOT's stated intention not to renew its current maintenance arrangement (covering routine Expressway System maintenance) with the Authority, the effect of which would be that the Authority would be required to provide normal maintenance services through a third party contractor. VDOT had communicated that it did not want to oversee day-to-day maintenance of the Expressway, but that it would assist

RMTA in either a joint procurement or a standby arrangement, and would also agree to a short month-to-month extension until the Fall, 2017. A complicating factor was the “salt sheds” owned by VDOT but situated on Authority property near the Powhite Toll Plaza and used by VDOT to provide and facilitate road maintenance in the Richmond region. While Staff would keep the Board advised as this matter developed, Ms. Simmons pointed out that the budget included \$550,000 in fiscal year 2018 for routine maintenance costs and that Staff was undertaking further analysis of these costs and of service providers.

Reverend Nelson joined the meeting in progress.

Continuing, Mr. Madison addressed the various uses of Expressway revenues for operating costs, debt service expenses, and capital costs, and illustrated various contributions from rentals, other fees and revenues, and the City contribution for Main Street Station. He also illustrated personnel expenses, and its components of salaries, health care, VRS retirement, and the OPEB contribution, as well as the elements of the E-ZPass processing fee. Ms. Dean noted that the City was working on the draft of an extension to the Main Street Station agreement. The Board briefly discussed continued RMTA’s management of Main Street Station and participation in the RFP process by the City as the train shed was placed into service.

In response to a question as to the status of OPEB funding, Mr. Madison responded that the Authority was current on its annual funding and, as to the funded ratio, while he would need to report back on the precise number, the Authority should be in relatively good shape as it had consistently been making annual required contributions and the investment performance of the OPEB fund had been reasonably good.

Mr. White joined the meeting in progress.

Ms. Simmons addressed the capital budget items, noting the Authority's use of bridge condition ratings and the nature of the bond resolution requirements pertaining to asset maintenance and condition. The Authority's operating guidelines required that no asset was to be in a poor or structurally deficient condition (a condition "four" or less under relevant standards), but she did point out that the Federal Highway Administration lists the Boulevard Bridge as structurally deficient due to design standards at the time it was originally constructed in the 1920s. The Authority has maintained a weight limitation on the bridge which triggered this condition assessment, but it remains safe as operated and was performing as expected, with the Authority making periodic inspections.

She presented the six-year capital budget, which contained no major changes from the previous fiscal year. Details were on page 65 of the draft budget and included approximately \$270,000 in overall changes, one of which reflected a repair under the annual maintenance and repair contract for a joint between Interstate 95 and the Downtown Expressway.

Ms. Simmons provided a high level depiction of the capital budget and life-cycle maintenance costs through 2041, pointing out such items as the present toll equipment upgrade and the potential consideration of all electronic tolling and the scope of same.

In response to a question from Mr. Ramsey, it was noted that VDOT did not appear to be planning upgrades for the toll equipment on the Powhite extension.

There were no further questions of either Ms. Simmons or Mr. Madison, and Mr. Hazelett asked for Staff's routine reports.

Ms. Simmons gave the Operations report, referring to her written report and that she would be happy to answer questions concerning the report. With regard to the toll equipment procurement, thirteen firms had attended the mandatory pre-proposal meeting, including ones

from Spain and Portugal. Representatives at the pre-proposal meeting stated that the RFP was straightforward and the procurement timeline was fair.

In response to a question from Mr. Ramsey as to the ability to integrate operations on the Powhite Extension and the Expressway System, she observed that an upcoming VDOT procurement on “back-office” (electronic toll processing and violations enforcement) would bear on that subject, and Mr. Whirley commented that it was a seamless user experience but that it was unclear to the user who was operating the toll road.

Mr. Madison gave the Finance report. Referring to his written report, traffic was approximately 1.8% ahead of the previous fiscal year period. Revenues for the fiscal year exceeded budget by approximately 2.1%, while expenses for the period were approximately 3% under budget. Looking ahead to the month of April, he cautioned that, due to where Spring/Easter break fell in the calendar, there would likely be negative comparisons for April, 2017 vs. April, 2016. He also noted that the Board’s agenda packet included the periodic update report from Fitch Ratings, which among other factors, commented on the “healthy infrastructure” of the Expressway System, with approximately 99% of lane miles in at least good condition.

The Board then considered a motion to convene in Executive Session pursuant to Va. Code § 2.2-3711.A(1) and A(7) of the Virginia Freedom of Information Act, as relates to personnel issues, for the purpose of discussing the assignment, appointment, promotion, performance, demotion, salary, disciplining or resignation of a specific Authority employee, namely the Authority’s CEO, and the discussion and consideration of prospective candidates for employment, namely for the interim CEO position, and for consultation with legal counsel regarding such personnel matters. Such motion was duly moved, seconded and approved by all Directors noted above as being present. Mr. Johnson joined the meeting at this point pursuant to

the Authority's remote participation policy, which was duly approved by the members of the Board physically present.

The Board reconvened in open session and considered a motion pursuant to Virginia Code § 2.2 3712(D) that, to the best knowledge of each Director then present, (i) only such public business matters lawfully exempted from open meeting requirements, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Board and that a statement to such effect would appear in the minutes of the meeting. Such motion was duly made, seconded and approved in a roll call vote by all Directors noted above as being present, Mr. Johnson having ended his participation in the meeting during Executive Session. The Board then, upon motion duly made, seconded and approved by all Board members noted above as being present, approved an offer of appointment of the Authority's current chief of staff, Joi Dean, to the position of Interim Chief Executive Officer, with appropriate compensation to be finalized by the Compensation and Benefits Committee, and it further being noted that the Board's explicit desire was that such appointment not preclude in any way the consideration of any other employee of the Authority from consideration as CEO at the appropriate time during a search/hiring process for the new CEO. Directors Holland, Nelson and Ramsey departed the meeting.

The Board then reconvened in Executive Session under the identical wording relating to personnel matters as previously considered, which motion was also duly made, seconded and unanimously carried by the affirmative votes of all of the Directors then being present.

The Board reconvened in open session and considered a motion pursuant to Virginia Code § 2.2 3712(D) that, to the best knowledge of each Director then present, (i) only such public business matters lawfully exempted from open meeting requirements, and (ii) only such

public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Board and that a statement to such effect would appear in the minutes of the meeting. Such motion was duly made, seconded and approved in a roll call vote by all Directors then present. The Board then, upon motion duly made, seconded and approved by all Board members noted above as being present, supplemented its previous resolution, approved at its January, 2017 regular Board meeting and relating to the participation of the CEO in the Authority's Executive Deferred Compensation Program, by adding that in the alternative to payments within the existing plan, the Authority may also make payment to the CEO directly up to the substantial equivalent amount, as discussed in Executive Session.

As there were no items of new business or any further business to come before the meeting, the meeting was adjourned at 2:45 p.m.



Secretary

APPROVED:



Chairman