

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
HELD DECEMBER 12, 2017**

The regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 12th day of December, 2017, in the Riverfront Plaza East Tower Conference Room, 951 East Byrd Street, Richmond, Virginia, pursuant to due notice.

The following Directors were present and acting throughout the meeting: Directors Dabney, Gurley, Hardiman, Hinson, Holland, Johnson, Nelson, Ramsey, Tart, Whirley, and Woodfin. Directors Brown, Hazelett, Waller, West, and White were absent. Staff present were Ms. Dean, Ms. Johnson, Mr. Madison, Ms. Simmons, Ms. Watson, Ms. Gloria Harris, and Ms. Linda Diane Clemons. Others present included Mark Grossenbacher of HNTB and Mr. Ballou.

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

The Chairman called the meeting to order at 12:20 p.m. With respect to the draft of the Board's November retreat minutes that had previously been circulated, the Chairman proposed several edits to emphasize the Authority's potential role was in a regional context. Following, the minutes, as amended, were approved by unanimous vote of all of the Directors noted above as being present.

The Chairman continued with employee recognitions, in this case for recently retired employees. Ms. Gloria Harris had served the Authority as an Administrative Assistant from 1988 to 2017 and Ms. Linda Diane Clemons as a Toll Collection Attendant from 1979 to 2017. Ms. Johnson read aloud the commendation resolutions, which the Board duly approved by

acclamation, and the Chairman noted that these employees exemplified the Authority's public service mission. Ms. Harris and Ms. Clemons departed the meeting.

Mr. Hinson gave the report of the Compensation and Benefits Committee which had met prior to the Board meeting. Present at the meeting was Mr. White and attending telephonically Ms. West. The Committee discussed several items and would report to the Board at a later meeting when it had concluded its consideration of these matters.

Reverend Nelson and Mr. Madison provided the report of the Local Finance Board, which had also met prior to the Board meeting. Present were Reverend Nelson, Mr. Ramsey, Ms. Dean (in her capacity as CEO) and Mr. Madison (in his capacity as Director of Finance). The Local Finance Board supervises the administration of the Authority's "OPEB" trust (OPEB is a shorthand term for "other post-employment benefits", such as health insurance, for the Authority's employees upon their conclusion of employment with the Authority). While the target return rate for the trust was 7.5%, the trust had returned 12.4% over the last year. As of June 30, 2017, the actuarial study for the Authority's OPEB overall liability showed that the OPEB trust was 93% funded. By September 30, 2017, due to market returns, the trust was approximately 98% funded. Mr. Madison stated that the next actuarial study is slated for 2019 (*i.e.*, under GASB accounting guidelines, these studies are to be conducted every other year).

Continuing, Mr. Madison noted that items to consider as the Authority approached the potential of full funding of its OPEB liability included consideration of next steps should the OPEB trust achieve full funding and what happens upon conveyance of the Expressway to the City. Several Board members commented that market returns were likely to be volatile, and Mr. Holland noted he would like to see three years' worth of investment returns. Mr. Ramsey stated

that he had been with several organizations during his career and commended the Authority for being close to full funding for its OPEB obligations.

Messrs. Johnson and Hardiman referred to the previous discussion at the Board retreat with respect to an ad hoc committee that would consider various aspects of regionalism and transportation funding. Such committee, designated as the RVA Transportation Leadership Committee, consisted of Messrs. Hardiman, Holland, and Tart, joined by the Chairman, and had met on November 17, 2017.

Mr. Hardiman began by reminding the Board that the Central Virginia region was at risk of losing out on funding under the CTB's "SmartScale" process, which gave a higher score for those regional projects that had funding at the local and/or regional levels. The Northern Virginia and Hampton Roads areas benefitted from regional transportation authorities that deployed regional tax revenues. He noted in particular Mr. Brown's advocacy on this subject and his leadership during the transformative 2012-2014 era during which the HB 2313 regional transportation funding streams were implemented by the General Assembly. At that time, the Richmond region lacked a regional consensus in the General Assembly and so was excluded from this framework.

Continuing, Mr. Hardiman outlined goals that the committee had identified, which included unifying the Richmond region around the need for a regional transportation funding program authorized, levied, and appropriated by the Commonwealth, establishing the Authority as the administrator for state funds collected through a regional funding program because of its bonding capabilities and contracting experience, building a coalition to lobby the General Assembly, collaborating with regional partners and the Commonwealth to achieve a regional transportation funding program for the region, leveraging existing regional cooperation through

the Richmond Regional Transportation Planning Organization, and expand the impact of revenues through Authority financing to maximize economic growth and improve quality of life in the region. He outlined a potential timeline and steps to the 2019 General Assembly session, and identified potential strategic partners, including local governments, business organizations, and quasi-governmental organizations.

Continuing, Messrs. Hardiman and Johnson sketched the outlines of a case study, as presented at the recent Richmond transportation forum at Main Street Station, and how the Authority added value to the region by assisting in the implementation of a regional transportation funding program to better compete for limited SmartScale project funding, and leveraging the existing work of the Richmond Regional Transportation Planning Organization. Board members discussed the foregoing, noting such issues as project selection, project funding, the involvement of additional governmental units in the Richmond Planning District (and the lack of overlap of such entities with the member jurisdictions of the Authority). Mr. Whirley noted his experience with HB 2313, and Mr. Hardiman added that other regions in the Commonwealth are considering and analyzing similar regional transportation concepts. Mr. Ballou outlined the particular tax revenues in the Northern Virginia and the Hampton Road authorities along with differences in how the projects were identified and funded. Other Board members commented on the importance of engaging the new administration, working collaboratively with the TPO and the region's local governments, and identifying particular projects and the relative loss of funds through lower SmartScale funding as selling points, but also noting the relative lack of congestion in the Richmond area. It was noted that Mr. Brown had presented various aspects of this concept at the recent Richmond Transportation Forum at which many local governments were present. The overall approach would be one of

collaboration with the region's many governmental and other organizations, especially the TPO, with emphasis that the Authority was not going it alone.

The CEO began her portion of the Agenda by noting the extension of the VDOT Maintenance Agreement through the end of the fiscal year-end and that the Authority was preparing a procurement for maintenance services. She noted the previous mentions of the Richmond Transportation Forum held at Main Street Station the previous week at which Secretary Layne and Mr. Brown were speakers. The Authority would be monitoring upcoming General Assembly matters, including periodic meetings of the Capital Caucus, co-chaired by Sen. McClellan and Del. Peace, at which area legislators, regional organizations, local governments and businesses discuss the work of the legislature and activities within the jurisdictions, with transportation and education expected to be among the themes this session.

As to the Authority's office expansion, the design had been solidified and Staff was working on buildout plans with the landlord, which she hoped would coincide with the term of the lease.

Ms. Dean concluded with a heartfelt thanks to the Executive Staff for their support during the busy holiday season.

Ms. Simmons gave the Operations and Finance Committee report, referring the Board members to her written report and also noting previous references to the upcoming procurement of a Flexible Asset Management Services (FAMS) arrangement to succeed the current maintenance arrangement with VDOT. Staff had released a Request For Information, with responses due back in the next week, and she anticipated that a formal solicitation would follow in January, with an anticipated start date under the resulting agreement of July 1. As to the Toll System Replacement contract, initial workshops had been held with the vendor (TransCore)

regarding software, reports, interfaces, and similar matters. Mr. Whirley commented favorably on the FAMS and Toll System matters, and also referred Board members to the upcoming near-term and long-term decisions points outlined at the November meeting.

Mr. Madison gave the Finance/Traffic report. Referring to his written report, as to Expressway traffic, November traffic increased by approximately 3.6% over the previous year period, primarily due to improved weather conditions, and was up 2.8% for the fiscal year to date. On a normalized basis, he estimated traffic to have increased by approximately 3.0% for the month. Toll revenue for the first four months of the fiscal year was approximately 1.3% ahead of budget, while expenses were at approximately 95% of budget, and financial indicators were looking good based on this data.

There being no items of new business or any further business to come before the meeting, the Chairman, joined by the entire Board, wished a happy holiday season to all present. The meeting was adjourned at 1:35 p.m.



Secretary

APPROVED:


Chairman

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