

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
HELD OCTOBER 10, 2017**

The regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 10th day of October, 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: Directors Dabney, Hardiman, Hazelett, Hinson, Johnson, Ramsey, Tart, West, Whirley, White and Woodfin. Director Holland and Reverend Nelson arrived during the course of the meeting as set forth below. Directors Brown, Gurley, and Waller were absent. Staff present were Ms. Dean, Ms. Johnson, Mr. Madison, Ms. Simmons, and Ms. Watson. Also present were Mr. Ballou and Mr. Grossenbacher of HNTB.

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

The Chairman called the meeting to order at 12:00 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 September 12, 2017 were approved as previously distributed.

The Chairman called on Mr. Hazelett for the report of the Regional Projects and Outreach Committee. Mr. Hazelett reported that the Committee had met October 6, in anticipation of this Board meeting and the upcoming Board Retreat. The Committee anticipated using the Strategic Plan as the basis for some of the Retreat sessions. The Committee had a robust discussion regarding Board consideration of Authority participation in various projects,

including such items as project selection and the extent of Authority participation, what does participation in a project consist of, project selection, the meaning of “transit”, and the like. The Committee was moving ahead in addressing these matters. There were no questions of Mr. Hazelett. Reverend Nelson joined the meeting during Mr. Hazelett’s report.

Mr. Tart gave the report of the Audit Committee, which had met recently to consider the 2017 Comprehensive Annual Financial Report (or CAFR). Cherry Baekert, the Authority’s external auditing firm, had done a good job with the audit. Staff and Cherry Baekert presented the Committee with the CAFR, along with a clean opinion of the auditors. The CAFR identified no deficiencies in internal control considered to be a material issue and no instances of noncompliance. Mr. Madison gave a brief overview of several items regarding the Authority’s financial performance for the period, including – as to revenues – the performance of the Expressway system and violations processing, which was up significantly over the prior year. As to expenses, capital expenditures were up significantly, due to the timing and nature of the deck rehabilitation and toll system replacement design costs. Personnel costs declined. Continuing, Mr. Madison described the effect of new reporting standards on the presentation of the Authority’s pension and OPEB liabilities, noting in particular, that the pension plan at VRS was slightly more than fully funded. Following a brief discussion, and upon motion duly made and unanimously approved by all those above noted as being present, the Board resolved that the “Authority’s Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017” be accepted.

During the CEO Comment portion of the Agenda, Ms. Dean noted that the Strategic Plan, the process for which had begun the previous November, is currently in its final stages, but would serve as a living document. The Chairman greatly thanked members of the Board and

Staff for their hard work in bringing this to a conclusion over the past year. Ms. West commented that this was a significant document and pondered whether this should be posted on the website and distributed to stakeholders. Mr. Holland joined the meeting in progress.

Continuing, Ms. Dean reported that the arrangements for the Board Retreat had been solidified, beginning with a dinner on November 2nd, followed by a brief Board meeting and the Retreat Session the following morning. The Retreat's focus would be on two of the strategic priorities set forth in the Strategic Plan – Regional Leadership and Innovation and Technology. Upcoming, she noted that the Fifth Annual Richmond Transportation Forum would occur at Main Street Station in November.

Ms. Simmons gave the Operations and Finance Committee report, referring the Board members to her written report, noting the ongoing work under the maintenance and repair and bridge and pavement inspection contracts. Staff was also working on preparation of the contract packages for bidding for the following year, with the intent of getting in front of VDOT's procurement cycle. The Authority had given Notice To Proceed for the Toll System Replacement contract, and the team had held its kick off meeting the previous week and was putting together schedules, vendor visits. The contractor (TransCore) had hit the ground running with a full slate of both weekly and monthly meetings. The Board briefly discussed dissemination of notice or information to the jurisdictions regarding the toll system replacement project.

Mr. Madison gave the Finance/Traffic report.

Referring to the written report, as to Expressway traffic, September traffic increased by approximately 1.9% over September, 2016, primarily due to improved weather conditions and offset by day of the week changes. On a normalized basis, he estimated traffic to have increased

by approximately 3.3% for the month and 2.0% for the fiscal year to date. Toll revenue for the first three months of the fiscal year was approximately 1.7% ahead of budget, while expenses were within budget, and financial indicators were looking good based on current conditions. Mr. Madison concluded his report by pointing out that page 12 of the Board Agenda package set forth the “Debt to Operating Revenue Ratio” leverage ratio (as presented in the Moody’s report and requested at the previous Board meeting). In terms of evaluation, smaller is better, meaning less debt versus operating revenues. In response to a question from Mr. Whirley, he stated that the debt service coverage ratio still remains a very important indicator of fiscal health and the Authority was well in compliance with the requirement set forth in the Bond Resolution.

There being no items of new business or any further business to come before the meeting, and the Chairman noting that the Board would not be conducting a regular meeting in November in light of the Retreat held early in the month, the meeting was adjourned at 12:35 p.m.



Secretary

APPROVED:



Chairman