

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY  
HELD APRIL 10, 2018**

The regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 10th day of April, 2018, 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 Hardiman, Hinson, Johnson, Ramsey, Tart, West, Whirley and White. Directors Dabney, Woodfin and Nelson arrived during the course of the meeting, while Directors Brown, Gurley, Holland, and Waller were absent. Staff present were Ms. Dean, Ms. Watson, Ms. Johnson, Mr. Madison, Ms. Mehta, and Ms. Simmons. Others present were Mr. 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 12:15 p.m. and observed that there was no quorum but that one was expected as various Board members would be arriving during the meeting. Hence, he would take up various agenda items in the appropriate order pending their arrival.

He first turned to Ms. West for the report of the Compensation and Benefits Committee. This Committee had met prior to the Board meeting. Ms. West expressed her appreciation to Staff, which had done an excellent job in undertaking a procurement for a compensation study, and asked that Ms. Dean and Ms. Johnson update the Board on the status of same, especially with regard to the strategic plan.

RMTA had posted the solicitation on eVA, and received eight responses, one of which was from a SWaM business and one of which was a disabled veterans firm. In Staff's evaluation, the top two proposals were submitted by The Gallagher Group (formerly The Titan Group) and Paypoint HR. Ms. Johnson reported that the Committee had endorsed the recommendation of Staff to select Paypoint HR to perform the compensation study – in their view, the Paypoint HR submission demonstrated a more tailored approach, with more interaction that featured staff interviews and focus groups, offered HR and benefit options, and the firm was SWaM qualified. During Ms. Johnson's remarks, Directors Nelson and Mr. Woodfin joined the meeting.

Ms. West concluded her report by noting that the Committee also considered the CEO's evaluation as would be reported on during Executive Session.

The Chairman next turned to the CEO and Mr. Madison to begin the presentation on budget matters. Summary pages of the budget were in the Board's agenda packet, and the full budget was available to each Director. The Board is expected to take action on the budget at the May meeting, following a final review by the Operations and Finance Committee. Mr. Madison commended the Operations and Finance Committee in their consideration of budget matters, as well as the Finance staff for their hard work in preparing the budget.

The budget's revenue numbers were derived in part from Jacobs Engineering, the traffic and revenue consultant, which firm projected an increase due to traffic growth of approximately 2.0% (or \$900k). Operating expenses were expected to increase approximately 12.8%, from \$14.9m. to \$16.8m. Major drivers of the expense increase included annual road maintenance costs (as the Authority began to contract directly for road maintenance rather than through VDOT), health insurance, rent payments under the office lease (during the current budget year,

RMTA had enjoyed 10 months of free rent), and E-ZPass fees. Following the application of operating revenue to the operating budget and to debt service (\$14.7m.), approximately \$12.1m. would be available for capital expenses. Continuing, Mr. Madison reviewed personnel expenses, commenting that salaries were approximately \$5.4m. and benefits were approximately \$2.3m. He reviewed the composition of the Authority's workforce and the benefit components and observed that VRS contribution costs were down, due to the Authority's funded status and VRS recent guidance to local governments on contribution rates for fiscal year 2019.

As to the Expressway System operating budget, E-ZPass processing costs, road maintenance, toll system maintenance, violations processing, property insurance, and armored car transport comprised most of the costs. As was generally the case, the final E-ZPass processing cost would not be known until later in April, and the current budget assumed a 4% increase. Mr. Whirley observed that this item was one that RMTA should maintain awareness of as VDOT was in the process of selecting a new E-ZPass processing firm. Mr. Madison reviewed violations processing fees, and Mr. Whirley similarly commented that RMTA should study these costs and the contract with VDOT to be more efficient and potentially realize cost savings. Following a brief overview of central administration expenses, Mr. Madison reported that the Main Street Station budget was a six-month budget, to match the expiration of the current agreement, and provided for an allocation of central administration costs. In response to a question from Ms. West, the CEO stated that there had been preliminary conversations regarding a new operating agreement with the City of Richmond for RMTA, but these were in the initial phase. Director Dabney joined the meeting during the review of the Expressway System operating budget.

Ms. Simmons reviewed the capital plan, beginning with bridge condition ratings and the requirements of the revenue bond resolution. The six year capital plan was similar to the preceding year, as updated through the fiscal year 2018 budget adjustments. She detailed the major elements of the long range capital plan, consisting of expansions and upgrades to the toll system, repairs and renovations to the Authority's buildings and facilities, and cyclical preventative maintenance activities, illustrating the nature of the Authority's ongoing maintenance work with pictures from previous projects.

Following the budget overview presentation and discussion, Ms. Dean updated the Board on the Pope's Alley litigation – the trial date had been continued from mid-April until mid-July. While preliminary pleadings and discovery were ongoing, the parties and counsel to the Authority were making an effort to keep legal expenditures low while working on settlement.

At the request of the Chairman, the Board considered a motion to convene in executive session pursuant to Va. Code § 2.2-3711.A(1) of the Virginia Freedom of Information Act, as relates to personnel issues, in order to discuss the evaluation and performance of a specific Authority employee, namely the Authority's CEO. Such motion was duly moved, seconded and approved by all Directors noted above as 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 noted above as being present.

Following the executive session, the Chairman noted the presence of a quorum and returned to the minutes from the previous meeting, 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 13, 2018 were approved as previously distributed. Mr. White departed the meeting.

Ms. Simmons gave the Operations report, referring Board members to her written report in the agenda packet, as she reviewed the status of the deck rehabilitation, protective coatings, and miscellaneous repair contracts. With respect to the flexible asset management solicitation, five well-established firms had attended the pre-bid meeting. Bids were due in late April, and she was hoping for good results. In response to a question from Mr. Tart, she stated that the contract was expected to cover non-major maintenance items, using the similar (and previous) VDOT procurement as a model.

With respect to the status of toll system replacement, the contractor (TransCore) had slipped further behind schedule -- as of the last meeting, the contractor was 33 days behind schedule but was now 110 days behind. The CEO and Ms. Simmons, along with HNTB, had escalated this matter to upper management, and were also working with TransCore to implement a recovery schedule to get back on track. Further details would be forthcoming at an upcoming workshop session of the Operations and Finance Committee. Ms. Simmons had also reminded TransCore of the liquidated damages in the contract and would be keeping the Board and the Committee updated on status. Reviewing the contract's milestones, she stated that the next two milestones were the backbone of the system. Mr. Whirley indicated that he was comfortable with this plan and that Staff's actions and letter were reasonable.

Ms. Simmons continued with the Forest Hill surplus property. HNTB had looked at future use of the property, and based on its location and configuration, concluded that there was no viable use other than residential, which was in compliance with the City's current Master Plan. Hence, Staff reiterated its recommendation as to disposition of the property to its previous owner, or successor, for consideration that would cover RMTA's out of pocket costs. Mr. Hinson maintained that he still felt uncomfortable with this approach, as the Authority would lose control over future use and the City's Master Plan or the current zoning could change. Mr. Tart noted that rezoning of this property in the City would be problematic. Mr. Ballou asked the Board if a deed restriction, such as requiring RMTA consent to a change from the property's residential use, would be acceptable. It was the sense of the Board that Mr. Ballou explore this option with the interested party.

Mr. Madison gave the Traffic and Revenue report, also referring Board members to the written report. Traffic for March, 2018 decreased by approximately 1.7% versus March, 2017, primarily due to weather conditions and a change in commuting days. On a normalized basis, traffic grew approximately 0.7%. For the fiscal year to date, gross traffic was approximately 1.4% ahead of the previous year. Toll revenue for the fiscal year to date through March is approximately 0.5% ahead of budget, while expenses were within budget.

With respect to new business, Staff distributed the toll equipment system plan handout to the Board. Ms. Dean reported that she had met with Mr. Vithoukias, the Henrico County manager, who invited Staff to a work session, followed by a tour of the County. She was working on scheduling meetings with the Chesterfield County administrator and the City's chief administrative officer and would keep the Board updated on these meetings.

The Chairman next announced that Mr. Hazelett had recently submitted his resignation, effective immediately, for personal reasons. The Board and Staff joined the Chairman in their sadness and regret at this unhappy news, in light of Mr. Hazelett's many contributions to the Authority and to the region.

There being no further items of new business or any further business to come before the meeting, the meeting was adjourned at 1:25 p.m.



Secretary

APPROVED:

  
Chairman

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