

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY  
HELD MAY 8, 2018**

The regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 8<sup>th</sup> day of May, 2018, at the offices of Christian & Barton, L.L.P., in the Mutual Building (Conference Room 11-B), 909 East Main Street, Richmond, Virginia, pursuant to due notice.

The following Directors were present and acting throughout the meeting: Directors Gurley, Hardiman, Hawthorne, Hinson, Johnson, Tart, West, Whirley, and Woodfin. Directors Brown and Nelson arrived during the course of the meeting. Directors Dabney, Holland, Ramsey, Waller, and White were absent. Staff present were Ms. Dean, Ms. Watson, Ms. Johnson, Mr. Madison, Ms. Mehta, and Ms. Simmons. Others present were Messrs. Grossenbacher and Papiernik 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 upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Directors noted above as being present, except Mr. Hawthorne who abstained as he was not present, the minutes of the Authority's meeting held on April 10, 2018 were approved as previously distributed.

The Chairman introduced Mr. Hawthorne as a new appointee for Henrico County, to fill the remaining unexpired portion of Mr. Hazelett's term (*i.e.*, through June, 2018). Mr. Hawthorne had worked with VDOT for many years, including as District Engineer for the Richmond District. Members of the Board welcomed Mr. Hawthorne, and he in turn looked forward to working with the Board and Staff during his term.

Ms. West noted that Mr. Hazelett had retired and observed that a resolution of appreciation was in order. A brief discussion ensued, and it was the desire of the Board that a resolution of appreciation for Mr. Hazelett be presented at an ensuing meeting.

Mr. Whirley gave the report of the Finance and Operations Committee, which had met prior to the Board meeting, with a quorum in attendance. The Committee considered and approved the final Fiscal Year 2019 operating budget, with Mr. Whirley briefly reviewing for the Board the major elements of the budget, such as total revenues, operating expenses, net revenues, debt service, and capital spending amounts. Major expense increases included the results of the recent Expressway maintenance procurement, benefit costs, especially healthcare, the expanded office lease, and EZ-Pass fees. Together, these comprised an increase of approximately \$1.64m. Mr. Whirley also reviewed the capital plan for the next fiscal year, as to which adequate funding was in place for planned spending. Following a brief discussion, and upon motion duly made and seconded, the resolution entitled "*Resolution Approving Fiscal Year 2019 Budget,*" in the form attached to these Minutes, was unanimously approved by all members of the Board noted above as being present.

Mr. Whirley turned to the Authority's surplus property along Forest Hill Avenue, which had been discussed at previous meetings. Mr. Whirley briefly reviewed the matter, including VDOT's policy for property acquired but not used in road construction and the consideration for the transfer, which he anticipated would be in the range of \$2,500 to \$4,500. Mr. Ballou added that, as had been suggested at the last meeting, the seller had agreed to a deed restriction that would require the Authority's consent to change the property to an industrial or commercial use. Mr. Hinson stated that he thought this was useful, and following a brief discussion, upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Directors

noted above as being present, the resolution entitled “*Resolution Authorizing Conveyance of Certain Surplus Property*,” in the form attached to these Minutes, was approved.

Directors Brown and Nelson joined the meeting.

The Chairman confirmed that the Governance Committee would meet prior to the June annual meeting of the Board and that the Compensation and Benefits Committee was also expecting to meet at some point prior to the June Board meeting. The Chairman also observed that, in light of Mr. Hazelett’s resignation and the areas covered by Mr. Hardiman’s special committee, that the RVA Transportation Leadership Committee would be merged with and consolidated into the Regional Projects and Outreach Committee (previously chaired by Mr. Hazelett), with Mr. Hardiman as chair.

The CEO began her remarks with the Pope’s Alley matter. The parties were actively working on settlement discussions, although the mid-July trial date was rapidly approaching. All parties were expecting to meet the following week to see if a settlement could be achieved.

She had met with the Paypoint HR firm, which was handling the Authority’s compensation study. As she had not been involved in the procurement, this was a good opportunity to get to know the firm and convey the Authority’s expectations as to the work to be performed. Personnel of Paypoint HR were expected to be present at a future meeting of the Compensation and Benefits Committee to share their findings and provide recommendations. The study is projected to be completed in the fall.

In conclusion, Ms. Dean reported that she had attended the recent Intercity trip to Minneapolis/St. Paul with area leaders and stakeholders, during which she had worked to broaden and deepen the Authority’s relationships with same.

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, miscellaneous repair and flexible asset management contracts. The Authority's contractor on the tolling equipment contract had recently satisfied a milestone, which entitled it to a proportional payment, and its compliance with the schedule was now more positive.

Mr. Madison gave the Traffic and Revenue report, also referring Board members to the written report. Traffic for April 2018 decreased by approximately 1.7% versus April 2017, primarily due to weather conditions and a change in commuting days. On a normalized basis, traffic grew approximately 0.8%. For the fiscal year to date, gross traffic continued to be approximately 1.4% ahead of the previous year. Toll revenue for the fiscal year to date through April is approximately 1.0% ahead of budget, while expenses were within budget. In response to a question from Mr. Whirley, Mr. Madison reported that the Authority's recent revenue performance had increased, while expenses were within budget. The Authority's debt service coverage ratio, one indicator of its fiscal health, was on target, but less than the previous year due to higher expenses. Mr. Madison then reviewed the various components of the report that he prepared each month for the Board, including revenues, expenses (both operating and capital) and debt service coverage versus budget, with some prior year comparisons, another ratio of fiscal health – the debt to operating revenue ratio, traffic volume and EZ-Pass details, reserve balances, and Main Street Station activity. Messrs. Johnson and Brown also described the evolution of the financial dashboard reporting. Mr. Brown also inquired as to the declines in the debt service coverage ratio and overall traffic levels. Mr. Madison described the bond resolution requirement (not less than 1.20X) and the Authority's internal policy (not less than 1.5X), and noted that the estimated projection for the current fiscal year year-end was approximately 1.88X,

versus 2.15X for fiscal year 2017. As had been reported at previous meetings, annual traffic growth over the past several years had averaged approximately 2%. Management and the Authority's traffic and revenue consultant were projecting, on a conservative basis and based on recent Expressway performance, that traffic in future years may grow at a slower rate of 1.0 – 1.5%. This roughly correlated to the overall level of employment in the Richmond region.

There were no items of new business.

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.

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

2328498