

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY  
HELD OCTOBER 14, 2014**

A regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 14<sup>th</sup> day of October, 2014, 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 Brown, Cannady, Hinson, Holland, Johnson, Jolly, Nelson, Tart, West, Whirley, White, and Woodfin. Directors Cole, Hazelett, Homer and Kornblau were absent. Also present were Ms. Gray, Ms. Corbett, Ms. Dean, Mr. Doughtie, Ms. Simmons, Ms. Greta Ryan of the MPTO, and Mr. Ballou.

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

The Chairman called the meeting to order at 12:30 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 regular meeting held on September 9, 2014 were approved as previously distributed.

Mr. White gave the report of the Audit Committee. The Authority's finance Staff and the external auditors, Cherry Bekaert, completed the draft comprehensive annual financial report, and Board members were provided a draft for review. The Audit Committee had met with the external auditors on September 25, 2014. Messrs. White and Doughtie emphasized that the auditors gave the Authority a "clean" opinion, with no reports of material weaknesses. In response to a question from Mr. Holland, they noted that the auditors had given an unqualified opinion with no management letter. Mr. Hinson inquired about the "Other Revenues" category, and Mr. Doughtie responded that it was comprised of miscellaneous items and had trended relatively flat in recent years. He also indicated that he would provide the Board greater detail of the various items in the category following the meeting.

Mr. White gave credit to Mr. Doughtie, Ms. Watson and the rest of the finance Staff for the positive report and concluded his report by noting that the Audit Committee had received the comprehensive annual financial report and approved its issuance.

The Board thanked Staff for the work involved in the audit, and the Chairman advised that the Audit Committee report, including the Authority's financial statements and the report of Cherry, Bekaert & Holland, L.L.P., thereon, was received as presented, in connection with which the resolution entitled "*Resolution to Accept the Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2014*" was duly moved, seconded and approved unanimously by all members of the Board noted above as being present. The report was distributed to Board members.

Mr. Johnson gave the report of the Operations Committee, which had met on October 8, 2014. The first item discussed was the application of remaining Expressway Funds following the end of Fiscal Year 2014, which comprised approximately \$1.02 million. The Operating Committee approved and recommended to the Board that approximately \$115,000 be applied under the Maintenance and Reserve contract for increased lane striping costs and the balance be applied to Expressway System contingency. As to the lane striping, the specific area affected was located between Cary Street and Chippenham Parkway and was generally attributable to wider striping requirements than specified in the contract. While the Committee considered the use of the remaining funds for the purchase of additional coin machines, it ultimately determined that this necessitated a broader discussion at the Board level and hence recommended transfer of the funds to Expressway System contingency. Mr. Hinson inquired as to whether the authority to use the contingency amount rested with the Board. Ms. Gray responded that previous management generally approved the expenditure of underbudget amounts at the conclusion of the fiscal year, but that she preferred in the interests of transparency to bring budget amendments to the Board for approval when the scope has changed or the request is to fund a new capital project. Following, upon motion duly made and seconded, the resolution entitled "*Resolution Approving Repair and Contingency Fund Budget Amendment for Fiscal Year 2015,*" in the form attached to these minutes was unanimously approved by the affirmative votes of all of the Directors noted above as being present.

Ms. Jolly gave the report of the Governance Committee, beginning with the prototype of the Retreat agenda that had been previously circulated to the Board. The Governance Committee was scheduled to meet again at the end of October, and she encouraged Board members to submit comments on the Retreat's direction.

Ms. West stated that she had been unable to attend the Governance Committee meeting regarding the agenda, but that she would prefer an alternative direction, one that encouraged the “stretch” of the organization. Mr. Hinson commented that he was relatively new on the Board and so preferred an approach that would enable him to learn as much as possible about the Authority and its operations. The Board generally discussed both approaches, with a walk through of the proposed agenda. The discussion concluded with an invitation to all Board members to attend the next meeting of the Governance Committee, which would establish the agenda. Ms. Jolly also reiterated that, due to a previous engagement, she would be unable to attend the Retreat but that Mr. Cannady would serve as Governance chair for the Retreat.

Ms. Jolly next noted that previous Board action provided for the election of officers to occur at November’s Board meeting. The Governance Committee recommended that the election of officers be continued until June, 2015, in order to give new Board members sufficient time to acclimate to the Authority. Following a brief discussion, such recommendation was duly approved by all Board members noted above as being present, with the exception of Mr. Brown, who abstained.

Ms. Jolly concluded her report by recommending a Communication and Branding Task Force, observing that she contemplated that this would not be a formal committee, but rather an informal grouping of Board members with expertise in marketing and similar matters. Board members Tart, West and Woodfin, along with Mr. Brown (through June, 2015) agreed to assist Ms. Jolly and the Governance Committee in this endeavor.

Ms. Gray gave the General Manager’s report, noting the update of monthly contracts acted upon. She also informed the Board that the Authority had recently received the Government Finance Officers Association Distinguished Budget Presentation Award. The Authority received the award on its first submittal, although she noted that it took most organizations several years of submissions prior to receiving this distinguished award. She particularly mentioned Ms. Simmons’ hard work on the capital budget sections as being instrumental in the Authority’s receipt of the award.

Continuing, she related that she had a good meeting with Mr. Silvestri concerning his earlier newspaper commentary about the violations enforcement process and “Big Brother.” While the meeting itself was not likely to be the subject of an article, Mr. Silvestri suggested that the Authority is welcome to provide an op-ed piece to the newspaper as to Authority matters.

Ms. Simmons gave the Operations Committee report, referring to her written report and highlighting that the Authority had received the draft report of Collins Engineering for inspections of the James River Bridge underwater piers. The Authority inspected these piers every two years. The draft inspection reports for the four Authority bridges with underwater piers indicated that only the James River bridge piers would require repairs. These repairs include epoxy injection into the pier footings and would be made during the next year. During the next several weeks, the Authority would be undertaking fracture critical and elemental inspections of the Authority's bridges, including the James River bridge, the four railroad bridges and the I-95 ramps. She also mentioned upcoming repair work on the Downtown Expressway ramps to I-95. Mr. Tart commented that the recent pavement overlay work on the Powhite Bridge looked very good.


Mr. Doughtie gave the monthly Finance report. He referenced the written finance report and commented that it was early in the fiscal year but that the Authority's financial performance was on track. On a normalized basis, Expressway System traffic for September, 2014 was essentially flat as compared to the prior year, with year-to-date gross traffic up approximately 1.5% over the preceding year. Fiscal year-to-date revenue was approximately 0.8% ahead of budget, while expenses were tracking at approximately 95% of budget. Responding to a question from Mr. Johnson concerning the Authority's internal policy regarding the debt service coverage ratio, he noted that it had been discussed during the Spring, 2014 Budget Committee workshops as an item to be reviewed by the new Board as it settled in.

The Chairman entertained a motion that the Board convene in Executive Session pursuant to Va. Code § 2.2-3711.A(7) of the Virginia Freedom of Information Act, for consultation with legal counsel (1) pertaining to matters of actual or probable litigation, where such consultation in open meeting would adversely affect the negotiating or litigating posture of the Authority, and (2) specific legal matters requiring the provision of legal advice by such counsel, all of the foregoing relating to the conversion of open road tolling on the Powhite Parkway and the Authority's contract for same. The Board approved the foregoing motion by the unanimous vote of all the Directors noted above as being present and convened in Executive Session for such purpose.

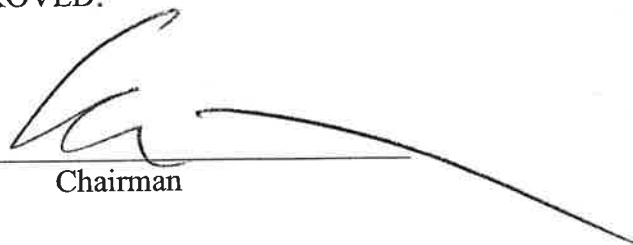
The Board reconvened in Open Session and considered a motion pursuant to Virginia Code Section 2.2-3712(D) that, to the best of each Director's knowledge, (i) only such public

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 Authority 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 business to come before the meeting, the same, upon motion duly made, seconded and unanimously carried, was adjourned at 2:25 p.m.

  
Secretary

APPROVED:

  
Chairman

#1661772

**RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY**

**RESOLUTION TO ACCEPT THE COMPREHENSIVE ANNUAL  
FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

October 14, 2014

**WHEREAS**, the Richmond Metropolitan Transportation Authority (the "Authority") has prepared a Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2014; and

**WHEREAS**, the Authority's staff provided a draft of the CAFR to the Board on September 18, 2014, together with a highlight summary, to allow an opportunity for questions or comments prior to finalizing the report; and

**WHEREAS**, the Authority's Audit Committee met September 25, 2014 with staff and the Authority's Independent Audit firm Cherry Bekaert (the "Auditor") to allow an opportunity to discuss questions or comments about the draft CAFR and the audit prior to finalizing the report; and

**WHEREAS**, it is the Auditor's responsibility to express opinions on the financial statements and on internal control over financial reporting and on compliance and other matters based on an audit of financial statements; and

**WHEREAS**, in the opinion of the Report of the Independent Auditor, the financial statements included in the CAFR present fairly, in all material respects, the financial position of the Authority in conformity with generally accepted accounting principles; and

**WHEREAS**, the Authority's Audit Committee on September 25, 2014 recommended acceptance of the audit and directed staff to finalize the fiscal year 2014 CAFR with a printed copy to be distributed at the October 14<sup>th</sup> Board meeting.

**NOW, THEREFORE, BE IT RESOLVED THE BOARD OF DIRECTORS OF THE RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY** adopts this resolution and accepts the CAFR for the fiscal year ended June 30, 2014.

**RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY**

**RESOLUTION APPROVING REPAIR AND CONTINGENCY FUND  
BUDGET AMENDMENT FOR FISCAL YEAR 2015**

(October 14, 2014)

**WHEREAS**, the Richmond Metropolitan Transportation Authority (the "Authority") ended fiscal year 2014 under budget by approximately \$1.02 million on various of its Expressway System projects;

**WHEREAS**, the Authority desires to amend the budget for its Repair and Contingency Fund to designate the application of such amount for fiscal year 2015;

**WHEREAS**, the Authority's adopted financial policies require approval of the Board of Directors to increase the total budgeted expense per fund or transfer budget authorization between the expense categories of salaries/benefits, operating, and capital; and

**WHEREAS**, Staff is proposing the following budget amendment for the Repair and Contingency Fund:

- Increase project authorization under the 2014 Maintenance and Repair project by \$115,000 to be used for wider and enhanced line striping;
- Apply the balance, approximately \$908,000, to contingency;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY THAT:**

1. The foregoing budget amendment is approved and adopted.
2. Staff shall include such amendment in the Authority's fiscal year 2015 adjusted budget.
3. This resolution shall take effect immediately.