

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN AUTHORITY
HELD MARCH 11, 2014**

The regular meeting of the Board of Directors of the Richmond Metropolitan Authority was held on the 11th day of March, 2014, at the Bull and Bear Club, One James Center, 901 East Cary Street, 21st Floor, pursuant to due notice.

The following Directors were present and acting during the meeting: Directors Brown, Hazelett, Johnson, Jolly, Schewel, West and White. Directors Brat, Cannady and Cole were absent. Also present were Ms. Gray, Ms. Simmons, Mr. Doughtie, Ms. Corbett, Ms. Dubinsky from the Richmond Regional Planning District Commission, 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.

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 February 11, 2014 were approved as previously distributed.

As to the Operations Report, Ms. Simmons noted that she had nothing to add to her written report contained in the Board materials distributed prior to the meeting. In response to a question from Mr. Schewel as to traffic flow in the vicinity of the new Gateway Plaza building project, she stated that traffic was as expected and that Jacobs was working with the City on this matter. Mr. Brown inquired as to the status of the traffic study with respect to the 7th Street on-ramp. Ms. Simmons reported that the matter was in its due diligence phase, awaiting lab results from soil borings and completion of the survey. HNTB had identified previous work that might assist in completing the report.

Mr. Doughtie gave the Finance Report. For February, total commuting/business days were similar to the prior year, but winter weather had an effect on February traffic volume. There were no significant weather events in February, 2013, but snow during the February 12 – 14 period resulted in a net reduction of approximately 200,000 vehicles. “Normalized” traffic volume for February was approximately 2% ahead of the prior year, which was a similar result as for the previous month. Monthly toll revenue decreased 2.6% from the prior year’s similar period and was 2.1% under projections (approximately \$59,000), primarily due to weather impacts. Cumulative toll revenue for the fiscal year to date was 3.1% ahead of budget which continues to position the Authority well to achieve its fiscal year-end budgeted targets. Expenses for the month were within budget. Mr. Schewel observed that the Authority’s financial results consistently seemed to make or exceed the budget and asked if the budget was too “easy.” Mr. Hazelett noted that it was appropriate for the Authority to operate on a conservative basis, since there were limited options, such as an abrupt toll increase, if the Authority were to be under budget in a significant way.

Mr. Hazelett gave the report of the Finance Committee, which had met on March 4, 2014, as part of a continuing series of workshops on the Authority’s budget and its financial policies. The Committee’s next meeting was scheduled for March 25th to review the draft fiscal year 2015 operating budget and capital plan update. At its March 4th meeting, the Committee approved and recommended the formal adoption of policies for the Authority’s financial planning and internal financial management, which policies represented a combination of ongoing practices under existing revenue bond instruments and recommended best practices of the Government Finance Officers Association (GFOA). Mr. Doughtie also noted that Board approval and adoption of these policies is required to submit the Authority’s fiscal year 2015 annual budget for

consideration for the GFOA Distinguished Budget Presentation Award. The Authority had received the GFOA award for its Comprehensive Annual Financial Report for the past nineteen years. Continuing, Messrs. Hazelett and Doughtie briefly described the policies, which covered financial planning, revenue and expense, debt management and reserve fund matters. Mr. Ballou also emphasized the portion of the policies related to “post issuance compliance” with respect to the ongoing tax requirements for the Authority’s tax-exempt indebtedness. It was also noted that the Committee recommended a further workshop/review session on these policies with the Board prior to December 31, 2014. Following a brief discussion, the resolution entitled “*Resolution Approving Certain Financial Policies,*” in the form attached to these minutes, was unanimously carried by the affirmative votes of all of the Directors noted above as being present.

Ms. West gave the report of the Compensation and Benefits Committee, which had met on March 4, 2014. It considered two agenda items, one relating to overall compensation levels and the other relating to medical benefits. As to the latter, Ms. West reviewed the recommendations of the Committee, as well as the request for proposals and negotiating process that the Authority and its employee benefits consultant (Willis of Virginia) had utilized in forming the Committee’s recommendations. The Committee recommended extension of the Anthem coverage under the Advantage One plans, with equal distribution of the 8.5% increase in monthly premiums between employee and Authority contributions. HRA contributions would be continued at the current rate. The Committee also recommended a change in dental coverage from Delta Dental to Anthem, which would result in a 10% decrease in monthly premiums, and an extension of the Unum long-term disability plan, with no change in monthly premiums.

As to the Committee’s recommendations, Mr. White respectfully disagreed, in that the increase in health coverage costs to employees was too great. Ms. West and Mr. Hazelett

responded that the increase was reasonable in light of the circumstances, including the approach followed by other jurisdictions in the current healthcare environment. The Board briefly discussed the foregoing, following which the resolution entitled “*Resolution Approving Employee Benefit Plans for Fiscal Year 2015*,” in the form attached to these minutes was unanimously carried by the affirmative votes of all of the Directors noted above as being present, except for Mr. White, who voted in the negative.

Ms. Gray and Mr. Ballou provided a brief overview of House Bill 597 (Del. Loupassi’s bill), which had been approved by the General Assembly and was awaiting signature by the Governor. The Board generally discussed the implementation of the legislation, including the role of the current Board pending the installation of the re-constituted Board approved by the General Assembly, the development of a transition plan and a Governance Committee meeting in April to assist in formulating recommendations for the Board, with the consensus of the Board that the Governance Committee bring a report to the Board for consideration regarding the Authority’s implementation of the General Assembly’s 2014 legislation pertaining to the Authority.

Mr. Ballou continued with a brief summary of failed legislation concerning special conservators of the peace, which is the process that the Authority follows in appointing its police officers. The legislation, SB 495, changed the laws addressing the powers of special conservators of the peace, and, as written, would preclude the use of the word “police” by the Authority’s special conservators of the peace. As the bill was continued to the 2015 General Assembly, this area might well continue to receive General Assembly attention in coming years.

Ms. Gray next reported on the subject of electronic toll collection and “interoperability,” which was a hot topic especially with her working group among the IBTTA (International

Bridge, Tunnel and Turnpike Association). The federal highway legislation known as “MAP-21” (the “Moving Ahead for Progress in the 21st Century Act,” signed into law in July, 2012), requires that all Federal-aid highway toll facilities implement technologies or business practices that provide for the interoperability of electronic toll collection by October 1, 2016 (four years after the enactment of MAP-21’s new tolling requirements). This was also an area that could have a significant impact on the Authority in the next several years, with the potential for changes in such areas as transponders and enforcement.

The General Manager concluded her report with the upcoming Collegiate Cycling Championship races, scheduled for May 2 – 4 in Richmond. These races would serve as a preliminary test for the UCI World Cycling Championships in September, 2015. She advised the Board of the race courses, none of which were on the Authority’s expressway system, and the potential for traffic issues. The latter was potentially significant for the region as a whole, and she noted the Authority’s inclusion in bi-weekly working groups that were preparing for the event. There were no questions from the Board.

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. The Board approved the foregoing motion by the unanimous vote of all the Directors noted above as being present and, joined by Mr. Harless, 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

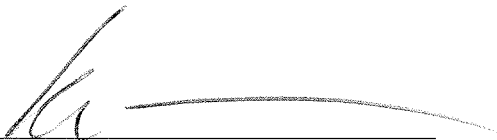
business matters lawfully exempted from open meeting requirements, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Authority and that a statement to such effect would appear in the minutes 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 1:50 p.m.



Secretary

APPROVED:



Chairman

#1563934

RICHMOND METROPOLITAN AUTHORITY

**RESOLUTION APPROVING
CERTAIN FINANCIAL POLICIES**

(March 11, 2014)

WHEREAS, the Richmond Metropolitan Authority (the “Authority”) desires to adopt a set of financial policies to serve as guidelines for the Authority’s financial planning and internal financial management, such policies representing a combination of required practices under existing revenue bond instruments and recommended best practices of the Government Finance Officers Association (GFOA);

WHEREAS, approval and adoption of these policies by the Board is required to submit the Authority’s fiscal year 2015 annual budget for consideration for the GFOA Distinguished Budget Presentation Award, which the Authority seeks to do; and

WHEREAS, attached hereto are financial policies for the following areas:

- Financial Planning;
- Revenue and Expense;
- Debt Management; and
- Reserve Fund

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

1. The attached “Financial Policies” are approved and adopted.
2. The Board recommends holding an in-depth financial workshop to review these policies and their implementation prior to December 31, 2014;
3. This resolution shall take effect immediately.

RICHMOND METROPOLITAN AUTHORITY
RESOLUTION APPROVING EMPLOYEE
BENEFIT PLANS FOR FISCAL YEAR 2015

(March 11, 2014)

WHEREAS, the Richmond Metropolitan Authority (the “Authority”) desires to approve certain employee benefit plans for fiscal year 2015, to be included in the Authority’s annual budget for such period; and

WHEREAS, the Authority’s Compensation and Benefits Committee met on March 4, 2014 to consider such employee benefit plans, and recommended the following:

Coverage	Recommendation	Annual Authority Contribution/Premium*
Medical (Option 2)	a. Extend coverage with Anthem under the Advantage One plans: Advantage One \$2,500/100% and Advantage One 25/500/80%; b. Equal distribution of 8.5% increase to monthly premiums for employee and RMA contribution; c. Continue HRA contribution (\$1,500 Employee/\$3,000 Family)	\$902,300
Long-Term Disability	Extend current plan with Unum	\$15,400
Dental	Change from Delta Dental to Anthem (subject to final offer from Delta Dental)	\$67,300

* Approximate.

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

1. The extension and implementation, as appropriate, of the foregoing employee benefit plans and coverages are hereby authorized and approved, together with the payment by the Authority of the corresponding contribution levels, and the General Manager is authorized to take such action as is necessary to procure and implement such employee benefit coverage, including without limitation execution of all necessary documentation and payment of related premiums and amounts on behalf of the Authority and plan participants.
2. Staff and the Finance Committee shall include the foregoing rates and premiums in the development of the fiscal year 2015 budget.
3. This resolution shall take effect immediately.