

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY  
HELD APRIL 14, 2015**

A regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 14<sup>th</sup> day of April, 2015, 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, Homer, Johnson, Kornblau, Tart, West, Whirley, White, and Woodfin. Directors Cole, Hazelett, Jolly, and Nelson were absent. Also present were Ms. Gray, Ms. Dean, Mr. Doughtie, Ms. Johnson, Ms. Simmons, and Mr. Ballou. Ms. Greta Ryan of the MPTO and Ms. Barbara Smith of Chesterfield County's Transportation Department were also in attendance.

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

Mr. Brown 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 March 10, 2015 were approved as previously distributed.

Noting a busy agenda, the Chairman turned to Mr. Johnson, standing in for Ms. Jolly, for the report of the Governance Committee. Messrs. Johnson and Ballou introduced the revised bylaws, a revised version of which had been distributed previously to the Board. Mr. Ballou commented on the various changes, most of which were self-explanatory. The Board discussed the provisions of the bylaws relating to the General Manager. The title of General Manager had

been discussed early in the Authority's history during the initial meetings of the Board. Mr. Ballou noted that there was no provision in the enabling act requiring use of the title "General Manager." Upon motion duly made and unanimously approved by all Directors noted above as being present, Article 4 Section 7 of the draft bylaws under discussion was amended to provide that the title of the Authority's principal executive officer be changed to "Chief Executive Officer," with the understanding that such change have no effect on duties and responsibilities of such officer, and that all contracts, agreements, resolutions and bond resolutions, financing arrangements and obligations, and similar instruments and grants of authority to the General Manager shall similarly apply to the Chief Executive Officer. Following, upon motion duly made and unanimously approved by all Directors noted above as being present, the draft bylaws were approved as so amended.

At the suggestion of Ms. West, the Board briefly discussed the location of their meeting, noting the temporary nature of the current site and whether this fit with the Authority's role and mission. Mr. Ballou stated that the site in and of itself was permissible under the Freedom of Information Act, provided that the Authority posted the proper notices required by FOIA and that he stationed staff at the building and office lobby locations to provide access to those wishing to attend the meeting.

Mr. Cannady gave the report of the Local Finance Board, which had met prior to the Board meeting and had been presented with the financial and performance reports as of December 31, 2014. The performance of the funds was tracking along with the projected/planned rate of a 7% return. The projected contribution under the 2016 fiscal year budget is approximately \$281,000, a bit more than in fiscal year 2015. There were no questions of Mr. Cannady.

Mr. Johnson gave the Operations Committee report, first turning to Ms. Simmons for a review of the April 1, 2015 meeting of the Operations Committee. The principal item discussed at that meeting was a proposed conveyance to the City of Richmond of a small area of land, located near the Expressway System's Forest Hill exit ramps, in connection with the City's undertaking of improvements along Forest Hill Avenue. The Operations Committee recommended this matter for the Board's approval. Ms. Simmons described the benefits of this proposal, which included improved drainage and lengthening the acceleration lane onto Forest Hill Avenue by approximately two hundred feet. It was noted that there was nominal consideration involved for the property, which has been determined by the Authority's engineers to be surplus under the provisions of the Authority's Bond Resolution and not needed in connection with the operation of the Expressway System. The Board discussed the proposed transaction, it being noted by Mr. Cannady that the Forest Hill widening project had raised some local concerns and appeared to be taking longer than planned. Following, upon motion duly made and seconded, the Board approved the resolution entitled "*Resolution Authorizing Conveyance of Certain Surplus Consideration*," in the form attached to these minutes, with Directors Brown, Hinson, Holland, Homer, Johnson, Kornblau, Tart, West, Whirley and Woodfin voting in the affirmative, and Directors Cannady and White abstaining.

Ms. West and Ms. Johnson gave the report of the Compensation and Benefits Committee, which had met on two occasions prior to the Board meeting to consider various pay increases and employment benefits. The Committee was recommending up to a 3% merit increase for all non-probationary employees and a one-time lump sum payment for employees who have exceeded performance expectations in fiscal year 2015 and have reached the top end of their job classification scale. Total budget impact for the fiscal year 2016 budget was approximately

\$141,000 (2.5%). Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Directors noted above as being present, the Board approved the Committee's recommendation for inclusion in the fiscal year 2016 budget.

With regard to employee health insurance, the Committee recommended a renewal with Anthem, while continuing to offer a low co-pay and a high deductible plan and funding of the health reimbursement account for employees (\$1,500 for individual coverage and \$3,000 for dependent units). The 15.7% premium increase would be distributed across all employees, and the Authority and the work force would share the premium increase. The total budgetary impact to the Authority was approximately \$116,000 (13.2% increase). Mr. White asked if the Authority had bid the health insurance, as to which Ms. Gray responded that it had done so the previous year, and that the Authority's consultant had negotiated with Anthem over the health insurance costs.

In Mr. Hazelett's absence, Mr. Doughtie gave the report of the Finance Committee, which had concluded its series of budget workshops. He presented a resolution regarding a financial policy in the areas of accounting and financial reporting, noting that the Authority was already following the procedures set out in the proposed resolution. He also clarified that the mention of the word "directors" in the existing policies referred to the various staff directors (and not Board members) and hence a non-substantive change in the wording from "directors" to "staff." Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Directors noted above as being present, the Board approved the resolution entitled "*Resolution Approving and Amending Certain Financial Policies,*" in the form attached to these minutes.

Staff next presented salient features of the proposed fiscal year 2016 budget, a draft of which had previously been provided to the Board. While the budget document contained significant budgetary details, the presentation today was of various budget highlights. Board action on the proposed budget was slated for May, 2015. Toll revenue was projected to increase approximately 1.5% due to traffic growth. Rental income was estimated to decrease substantially, due to the City's renovation work on the Main Street Station train shed. Overall salaries and benefits were projected to rise by approximately 3.0%, as to which Ms. Gray commented that the VRS contribution had been established the previous year. Previous Committee reports covered the OPEB contribution, pay increases and health insurance categories. Expressway operating expenses were estimated to increase by 2.5%, while central administrative expenses were estimated to decrease by 11% (approximately \$100,000), primarily due to the impact of a new accounting system and a renegotiated arrangement with the Authority's data provider. Main Street Station operating expenses were budgeted to decrease by approximately \$100,000 (nearly 18%) due to decreased utility costs. Security and custodial expenses were expected to remain flat.

Mr. Holland clarified that his understanding was that the budget did not contain a toll increase, as to which Ms. Gray responded that this was correct.

Staff next presented the proposed capital budget, describing the significant Expressway System projects over the next six years, which include a new toll system, deck replacement and protective coatings work, all as described in the "Capital Budget" section of the budget document. The proposed fiscal year 2016 budget breaks this out into various categories, such as maintenance and repair, deck rehabilitation, protective coatings, roadside enhancement and the like. Ms. Simmons described the major projects in the proposed fiscal year 2016 budget. She

also noted that the maintenance and repair contract included underwater repair work on the Authority's bridge piers.

Board members discussed various aspects of the foregoing. Mr. Homer complimented staff on the technology components of the toll system, while Mr. Johnson asked if the all-electronic tolling was contemplated for the toll system. Mr. Whirley commented on the planning process for a toll system and the timeline and budgeting for such process. Mr. Cannady commented on the 1 year vs. 6 year nature of the presentation as well as such items as replacement of bridges and whether the longer range plan for such assets would be to extend their life via inspection, maintenance and repair rather than to replace them. The existence of the legislative requirement to turn the Expressway System over to the City was noted, which would occur upon retirement of the debt associated with the Expressway System. Members of the Board also commented on an increase in tolls, the budget document having a toll increase in 2018 for financial modeling purposes, primarily due to such items as debt service and projected operating and capital expenses. Mr. Holland commented on strategic planning with the jurisdictions. Ms. Gray concluded the budget discussion by stating that further comments and questions were welcome prior to and during the next Board meeting, when the Board would consider the budget for adoption.

Ms. Gray began the General Manager's report by setting forth a strategy development process, during which Staff would present to the Board over the next year a series of options to address the Authority's funding needs for 2018 and beyond. The conveyance of the Expressway System to the City was noted, along with the relationship of the various topics to items raised and discussed during the Board retreat meetings in late 2014. Board members commented on these topics, with Ms. West asking about customer service and town hall meetings in connection

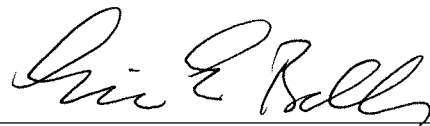
with the Authority's services and mission. Mr. Homer voiced similar concepts as to educating the public and other stakeholders. He noted the ambitious nature of pulling together the brainstorming aspects of topical workshops into a viable and coherent plan. Other Board members commented on the interests, goals and needs of the jurisdictions and the need to seek input from them in the preparation of a forward looking plan, the Authority's relationship with its member jurisdictions, especially in connection with planning for projects within the region, funding sources (whether current, proposed or desirable), the process, costs, resources and nature of the process for developing a strategic plan and how these various items would come together based on the topical items mentioned. Mr. Woodfin referenced the year 2042, when the Authority's current Expressway debt would be retired, and whether the Authority's planning extended beyond that event. He also pointed to the potential of grant funding and other sources of revenue in respect of Authority undertakings. Mr. Hinson commented on the need for organizations to have a long term plan, which would necessarily change in light of evolving conditions. He also referenced the previous discussions during the 2014 Retreat sessions, as to soliciting input from the member jurisdictions and other stakeholders, and whether the Authority should be pro-active or a reactive in thinking through the strategic planning process. Ms. West made a similar comment. Also mentioned were the desirability of input from VDOT and the process entailed by the recently enacted House Bill 2.

Following this broad discussion, Ms. Simmons gave a very brief Operations Report, pointing out as described in more detail in her written report that the Authority had rejected the one bid it had received for deck rehabilitation work as significantly over the budgeted estimate. The plan was to re-advertise the project in late Fall, 2015 for work commencing in early Spring, 2016.

Mr. Doughtie gave a similarly brief Expressway Traffic and Revenue report, with traffic and revenues at or exceeding budget and expenses within budget.

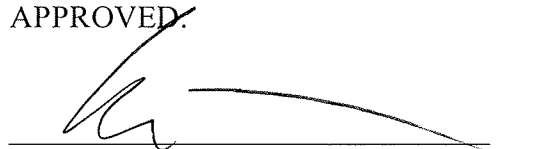
Ms. Gray ended the meeting by noting that Mr. Hazelett had undergone scheduled surgery, was on the mend and was expected to return shortly to the Authority's meetings.

There being no further business to come before the meeting, the same, upon motion duly made, seconded and unanimously carried, was adjourned at 2:15 p.m.



Secretary

APPROVED:

  
Chairman

#1752225



# **RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY**

## **RESOLUTION AUTHORIZING CONVEYANCE OF CERTAIN SURPLUS PROPERTY**

April 14, 2015

**WHEREAS**, the Richmond Metropolitan Transportation Authority ("RMTA") owns and operates the Powhite Expressway ("Expressway"), a portion of which includes certain real estate comprising approximately 0.41 acres and located adjacent to an Expressway ramp near Forest Hill Avenue (the "Property");

**WHEREAS**, the Property is not developable;

**WHEREAS**, the City of Richmond (the "City") desires to receive the Property from RMTA for use in improving Forest Hill Avenue; and

**WHEREAS**, HNTB Corporation, RMTA's consulting engineer, has advised that the Property may be declared surplus as it is not required for the Authority's use in operating the Expressway;

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the Board of Directors of RMTA that:

1. The Property is declared surplus, and the donation of the Property to the City is hereby found to be in the best interests of RMTA, provided the terms of the conveyance and the conveyance instrument are satisfactory to the General Manager and counsel to RMTA.

2. The conveyance of the Property is hereby approved, and the General Manager, with the advice of counsel, is hereby authorized to execute and deliver an appropriate deed and such other agreements, affidavits, settlement statements, certificates and other documents as are necessary or desirable to consummate the conveyance of the Property as described above.

3. This Resolution shall take effect immediately.

**RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY**

**RESOLUTION APPROVING AND AMENDING  
CERTAIN FINANCIAL POLICIES**

(April 14, 2015)

**WHEREAS**, the Richmond Metropolitan Transportation Authority (the “Authority”) desired 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**, financial policies in the areas of Financial Planning, Revenue and Expense, Debt Management, and Reserve Fund were approved and adopted by the Board on March 11, 2014;

**WHEREAS**, the Authority seeks to approve and adopt a financial policy in the area of Accounting and Financial Reporting; and

**WHEREAS**, the financial policy in the area of Accounting and Financial Reporting is attached hereto.

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

1. The attached “Financial Policy” is hereby approved and adopted.
2. This resolution shall take effect immediately.