

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
HELD AUGUST 12, 2014**

A regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 12th day of August, 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, Cole, Hazelett, Hinson, Holland, Homer, Jolly, Johnson, Kornblau, Tart, Whirley, White and Woodfin. Director Nelson joined the meeting in progress, and Director West was absent. Also present were Ms. Gray, Ms. Simmons, Mr. Doughtie, Ms. Corbett, Ms. Johnson, Mr. Michael Martz of the *Richmond Times-Dispatch*, Mr. Jim McConnell of the *Chesterfield Observer*, Ms. Greta Ryan of 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., and upon motion duly made and seconded, the minutes of the Authority's regular meeting held on July 8, 2014 were approved as previously distributed. Directors Holland, Whirley and Woodfin abstained, inasmuch as they had not been in attendance at the July Board meeting.

As there were several Directors for whom this was their first Board meeting, the Chairman asked that Board members and Staff introduce themselves, which was duly accomplished.

Mr. Nelson joined the meeting.

The Chairman asked that Ms. Jolly provide the report of the Governance Committee. She referred to the communication distributed earlier to Board members seeking input regarding Orientation and Retreat matters and updated the Board on its status. Board members were asked to contact her with any questions regarding the questionnaire, in order to facilitate a robust discussion regarding the Authority at the Retreat. Board members complimented Ms. Jolly on the nature and details of the Retreat planning process.

Mr. Johnson gave the report of the Operations Committee, noting that it had met the previous week. He began with the office lease for the central administrative office in the SunTrust building. The current lease expired June 30, 2015, and Staff was proposing, after research of current rates for similar space, a two-year extension through June 30, 2017. Rental rates during the extended term were \$21.25/sq. ft. and \$21.89/sq. ft., respectively, as compared to the current rate of \$20.97/sq. ft., and prevailing rates in the Downtown area of approximately \$24/sq. ft. Board members inquired as to the use of SunTrust conference rooms for meetings, as to which Ms. Gray responded that SunTrust maintained a right of first refusal for such rooms and could pre-empt their prior reservation by the Authority. As to the availability of reserved parking spaces for Staff, Ms. Gray noted that some spaces were included in the lease. Mr. Holland asked about the trend of rate increases in the Downtown area, which Mr. Doughtie estimated to be in the 2% range, and also commented that perhaps matters of this nature could also be considered by the Finance Committee due to fiscal impacts. Following, Mr. Johnson referred to the resolution in the Board's agenda packet, and upon motion duly made and seconded, the resolution entitled "*Resolution Authorizing Extension of Central Administration Lease,*" in the form attached to these minutes, was unanimously carried by the affirmative votes of all of the Directors noted above as being present.

Mr. Johnson next turned to the budget adjustment with respect to electronic toll collection (ETC). By way of background, the Authority provided for the processing of its electronic toll collection through an agreement with VDOT, as did other toll facilities in the Commonwealth. In 2012, VDOT had introduced monthly customer account maintenance fees for E-ZPass holders, which ultimately resulted in a lower net ETC processing charge to the Authority. This arrangement at the VDOT level proved to be politically charged, and the 2014 General Assembly directed VDOT to eliminate the monthly account fees for E-ZPass holders. As a result, VDOT had recently advised the Authority, along with the other toll road operators in Virginia, of new and higher ETC processing fees.

With respect to the Authority's Expressway System operating budget, the new rate of \$0.071/transaction was an increase of approximately 66% and was roughly similar to the rates in place prior to the imposition of the monthly customer account maintenance fees (*i.e.*, in the 2007 - 2011 timeframe). A budget adjustment of approximately \$1.1 million, to increase Expressway System operating costs, reflected this change. It was noted that the Authority had sufficient reserves to pay for the increase but that using reserves to absorb the increase in operating costs in the short run would reduce funds for the Expressway System's capital maintenance in the long run. However, passing the increase on to the users of the Authority's expressways would necessarily require a toll increase.

The Board generally discussed the matter. Mr. Whirley provided background information as to the monthly account maintenance fee and the reasons for its implementation, in part relating to increased transponder costs for HOT lanes in Northern Virginia. Mr. Cole noted that the Authority had benefitted in 2012 when the monthly fees were instituted, and this in effect returned the Expressway System's financial status to that timeframe, and hence was

transparent to the Authority's patrons. Mr. Ballou and Ms. Gray explained the rate setting mechanism in the ETC Agreement, and Mr. Doughtie also provided a brief history of the ETC fees. It was also noted that, while the Authority had little choice in the short run as to the payment of the ETC fees, in the long run a toll adjustment may be necessary in light of the increased operating costs. Following, upon motion duly made and seconded, the resolution entitled "*Resolution Approving ETC Services Budget Amendment 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.

The next item was a discussion of new logos for the Authority. Ms. Gray presented several samples for the Board's consideration, remarking that colors had not been agreed upon. Board members commented on the samples, with several favoring some illustrative representation of the region or the jurisdictions. Others mentioned the need to rebrand the Authority, as well as the timeframe and the procedure for selection, with Ms. Gray observing that she would like to have a selection made by the end of the calendar year. Directors Homer and White inquired about the cost of the logos, to which Mr. Doughtie responded that the current budget included a public relations line item of \$50,000. Ms. Simmons and Mr. Doughtie estimated overall costs at approximately \$100,000. Mr. Homer asked for a detailed breakout of estimated costs, to include signage and the like. The Chairman concluded the discussion by referring the logo matter to the Governance Committee for further discussion at the Retreat.

Ms. Gray continued her report by noting that the Main Street Station contract had been finalized and with a reference to the various contracts that the General Manager had approved, executed or extended in recent months. She also referred to an analysis of Main Street Station

events, with a detailed revenue summary, and all of these various items were included in the Board's packet for the meeting.

Ms. Simmons gave a brief Operations Report, stating that the northbound Powhite Bridge overlay had been concluded on schedule and under budget. She briefly described progress to date on the annual maintenance and repair contract, and the E-ZPass cash reload (or replenishment) card, designed for the "un-banked" and "under-banked." Further information on the card, which served as a prepaid card, was included in the Board handouts.

Mr. Doughtie gave a brief Finance Report. On a gross basis, monthly traffic increased by approximately 3.4%, exceeding budget by 4.7%. On a normalized basis, monthly traffic was estimated to have grown by 2.5% over the similar period for the prior year. Monthly revenue was 1.7% ahead of budget, while monthly expenses were within budget.

The Chairman described the Authority's standing committees and referred to the handout regarding committee memberships. Board members with a particular interest in a committee were encouraged to contact the Chairman. The discussion widened into the Board's meeting calendar and potential dates for the Retreat.

Directors Homer and White departed the meeting.

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.

Ms. Gray and Mr. Ballou next presented the resolution entitled "*Resolution Approving Powhite ORT Conversion Budget Amendment For Fiscal Year 2015,*" in the form attached to these minutes. Following a brief discussion and upon motion duly made and seconded, such resolution was unanimously approved by the affirmative votes of all of the 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

RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY

**RESOLUTION APPROVING POWHITE ORT CONVERSION BUDGET
AMENDMENT FOR FISCAL YEAR 2015**

(August 12, 2014)

WHEREAS, the Richmond Metropolitan Transportation Authority (the “Authority”) desires to amend its adopted budget 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:

- Increase budget authorization by up to \$370,000 for the Expressway Repair and Capital fund to provide for increased costs related to the Powwhite ORT Conversion project, including the replacement of pavement loops.

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

1. The foregoing budget amendment is approved and adopted. The General Manager is authorized to provide for the work relating to the replacement of pavement loops under the Authority’s Agreement for Toll System and Services with The Revenue Markets Incorporated (TRMI) (as amended) with respect to the Powwhite ORT Conversion project, provided that TRMI is in compliance with all material terms and conditions of such agreement.
2. Staff shall include such adjustment in the Authority’s fiscal year 2015 adjusted budget.
3. This resolution shall take effect immediately.

RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY

**RESOLUTION AUTHORIZING EXTENSION
OF CENTRAL ADMINISTRATION LEASE**

(August 12, 2014)

WHEREAS, the Richmond Metropolitan Transportation Authority (the "Authority") has previously contracted with Parmenter 919 Main Street, LP, LLP ("Parmenter," as successor in interest to SunTrust Bank) for the provision of office space for the Authority's central administration;

WHEREAS, in connection with the upcoming expiration of the term of the Authority's existing lease on June 30, 2015, Parmenter has discussed with the Authority the terms and conditions of an extension to the current agreement (as previously extended) for an additional term of two years (July 1, 2015 through June 30, 2017);

WHEREAS, the Authority and Parmenter have agreed to the terms of a Second Amendment to Lease (the "Second Amendment") in order to implement the extension, and the form of the Second Amendment, including rental terms, has been presented to and reviewed by the Directors of the Authority and is deemed to be in the Authority's best interests;

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

1. The extension of the current lease agreement for an additional term of two years is hereby approved, and the General Manager, with the advice of counsel to the Authority, is authorized to execute and deliver the Second Amendment in substantially the form, and upon substantially the same terms and conditions, as presented to the Directors at this meeting, with such changes, completions, omissions or insertions as the General Manager, upon advice of counsel, may deem appropriate, such approval to be conclusively evidenced by the execution thereof.
2. This resolution shall take effect immediately.

RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY

**RESOLUTION APPROVING ETC SERVICES BUDGET
AMENDMENT FOR FISCAL YEAR 2015**

(August 12, 2014)

WHEREAS, the Richmond Metropolitan Transportation Authority (the "Authority") desires to amend its adopted budget 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:

- Increase budget authorization by approximately \$1,100,000 for the Expressway fund to provide for increased electronic tolling collection (ETC) services cost related to the fiscal year 2015 EZ-Pass processing rate increases implemented by VDOT due to elimination by the 2014 General Assembly of the monthly EZ-Pass account fee. When the 2014 General Assembly eliminated the monthly fee, VDOT passed along the budgetary effect to the tolling agencies.
- As previously authorized by virtue of that certain "Resolution Authorizing Execution of Electronic Toll Collection Agreement," approved December 9, 2013, the General Manager is authorized to renew the ETC Agreement for successive terms and report to the Board any such extensions.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RICHMOND METROPOLITAN 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.