

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN AUTHORITY
HELD MAY 13, 2014**

The regular meeting of the Board of Directors of the Richmond Metropolitan Authority was held on the 13th day of May, 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, Homer, Schewel, West and White. Directors Brat, Cannady, Cole, Johnson and Jolly were absent. Also present were Ms. Gray, Ms. Simmons, Mr. Doughtie, Ms. Corbett, Ms. Johnson, Ms. Ryan from the Richmond Regional Planning District Commission, and Ms. Gilliland.

Mr. Brown served as Chairman of the meeting, Ms. Gilliland as Secretary, standing in for Mr. Ballou.

The Chairman called the meeting to order shortly after 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 April 8, 2014 were approved as previously distributed.

Ms. Simmons gave the Operations Report. In addition to the matters set forth in her written report distributed with the Board's agenda packet, she reported that the 2014 Collegiate National Cycling Championship the first weekend in May had a minimal impact on toll traffic, likely due to increased full service staffing at the Downtown Expressway toll plaza and many local commuters working from home or taking the day off. Staff has already begun planning for

traffic matters resulting from the UCI World Cycling Championships to be held in Richmond in September, 2015.

Ms. Simmons then reported on the status of the westbound Downtown Expressway widening project, explaining that the conceptual construction cost for the project has decreased from \$7.12 million to \$6.7 million due to a reduction in the project contingency percentage based on actual site conditions. Ms. Simmons also explained that there was little the Authority can do within its right of way to address congestion at the 7th Street off ramp from the Downtown Expressway eastbound. Staff plans to approach the City of Richmond's traffic engineers to determine whether the City would be interested in a joint project with the Authority to improve the infrastructure.

Ms. Simmons next advised the Board as to a small deck failure that occurred at the intersection of the southbound Interstate 95 and westbound Downtown Expressway ramp. In response to a question from Mr. Brown, Ms. Simmons explained that the problem resulted from lack of proper support for the VDOT bridge deck, although there was no effect on the RMA bridge itself. There were no injuries or property damage reported from the incident, which from discovery took approximately nine hours to address before resumption of normal traffic patterns. In response to a question from Mr. Brown, Ms. Simmons reported that the Authority has emergency crews on call that are required to respond to any matters within 2 hours. VDOT crews repaired this particular deck failure since the underlying girder is part of VDOT's deck system. Ms. Simmons explained that a temporary patch has been put in place and the area will be permanently fixed in the upcoming maintenance and repair contract. Ms. Simmons provided in response to a question from Mr. Hazelett that the Authority has requested the engineering plans from VDOT to determine if this occurred due to a design flaw during the earlier deck

replacement by VDOT or due to a contractor error during the construction. The overall cost of the permanent fix is approximately \$8,000.

Mr. Doughtie gave the Finance Report, prefacing his remarks with the observation that total commuting days were similar for the prior year period and that there were no significant weather events in April. Monthly traffic increased approximately 1.3% over the prior year (compared to a 1.5% increase in March over the prior year). For the year to date, traffic is approximately 2.4% ahead of the budget estimate. Monthly toll revenue was 1.3% over the preceding year and was 7.3% over budget projections primarily due to a lack of weather events. Cumulative toll revenue was 3.0% ahead of budget for the year to date, which continued to position the Authority well to achieve fiscal year targets. Monthly expenses of \$1.0 million were within budget, with cumulative expenses 3.6% ahead of the prior year. The Authority was in compliance with required debt coverage ratios.

Mr. White gave the report of the Audit Committee. The Audit Committee met that day prior to the Board meeting in preparation for the fiscal year 2014 audit. The auditors would commence their field work on May 14th. There was a general discussion regarding the auditors providing a background of prior year audits to new Board members where appropriate.

Ms. Gray gave the General Manager's report, first advising that Board action was required to determine the Authority's Virginia Retirement System contribution rate. Mr. Doughtie explained that Board action was warranted every two years in connection with the Commonwealth's biennial budget and that the Board has last approved a contribution rate of 7.24% in May 2012. The proposed contribution rate is slightly less at 7.2%. Following a brief discussion and 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*

Approving Fiscal Year 2015 and 2016 Employer Contribution Rates in Accordance with the 2014 Appropriation Act Item 468(H)” was approved in the form attached to these minutes.

Ms. Gray then turned to the fiscal year 2015 budget, which had been distributed to the Board prior to and discussed at the previous meeting. Ms. Gray and Mr. Doughtie noted that VDOT had not yet provided an updated E-ZPass processing fee structure for fiscal year 2015 and that the Board would be asked to consider a budget amendment in the event that the E-ZPass processing fees materially change. Following a brief discussion, the Board, upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Directors noted above as being present, approved the “*Resolution Approving Fiscal Year 2015 Budget*” in the form attached to these minutes, which approved the Authority’s proposed operating and capital budgets for Fiscal Year 2015.

Upon the request of Mr. Homer to discuss minority procurement matters, Mr. Brown moved to amend the meeting agenda accordingly. In addition, given Ms. Jolly’s absence from the meeting, Mr. Brown also simultaneously moved to remove from the agenda the report from the Governance Committee (which would be taken up at the Board’s regular June meeting) and to add an Executive Session item to the end of the meeting agenda. Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Directors noted above as being present, such amendments to the meeting agenda were approved.

A general discussion by the Board on minority procurement matters ensued, including whether a new committee should be established to consider minority procurement or whether the Operations Committee should consider the matter and make recommendations for the Board’s consideration. Mr. Hazelett noted that a new committee should be created to ensure that the matter was given the appropriate attention and emphasis. Mr. Brown then made a motion for the

Board to create a special committee or task force on the Authority's procurement program, with the following objectives: first, to hear from staff on the Authority's existing procurement program; second, to evaluate best practices for procurement programs; and third, to implement best practices going forward. Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Directors noted above as being present, the establishment of a procurement task force was approved. The Board generally discussed that the new committee would provide an interim report of its progress to the Board at the regular June meeting, with the understanding that implementation of any best practices would be held for consideration following the seating of the enlarged Board after July 1, 2014. Mr. Brown acknowledged that all Board members were welcome to participate on the new committee, with the Board agreeing that Mr. Homer would chair the committee and Mr. Hazelett and Ms. West would serve as members.

Mr. Homer next reported to the Board that he had received a question on a development matter that he understood was being considered by staff. Mr. Brown indicated that he had met with the developer of the proposed Parkway Crossings project to explain that staff needed certain information from the developer in order to evaluate the merits of the request. Ms. Gray mentioned that Mr. Ballou and Ms. Simmons had been in discussions with VDOT's chief engineers on the matter. Ms. Gray explained that VDOT had been asked for its view on whether VDOT/CTB approval of a break in the limited access highway was required under the Authority's enabling legislation, and she also pointed out that the developer had not yet gone through the proper approval channels with the City's engineers. She continued by explaining that without a detailed site plan, updated traffic projections and other relevant and concrete information regarding a new ramp providing ingress/egress to and from the Authority's Expressway System, including whether the new ingress/egress would be the only access to the


proposed development, it was difficult for staff to review the substance of the developer's request. There was a general discussion by the Board, including whether this request should be held for the Board to consider after the transition. Mr. Brown reported that staff had drafted a letter to send to the developer outlining the requested information. He also reported that he had notified the developer that a definitive decision by July 1st was highly unlikely. Mr. Schewel generally agreed, emphasizing that the Authority should not change its normal procedures for the review and consideration of such a request. Mr. Brown continued by acknowledging that staff did not have formal procedures for considering such a request, and staff has been asked to formulate best practices for the Board to consider. The Board concluded its discussion by agreeing that staff should communicate the foregoing process to the developer and when staff has received the relevant information from the developer and has had the opportunity to review and evaluate the merits of the request, then the Board would consider the matter.

The Chairman entertained a motion that the Board convene in Executive Session pursuant to Va. Code § 2.2-3711.A(1) and (7) of the Virginia Freedom of Information Act, pertaining to personnel issues, for the purpose of discussing the assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of a specific Authority employee(s), and for consultation with legal counsel and briefings by staff members 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 to 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.

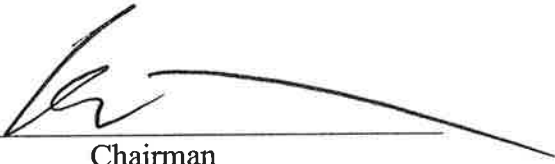
The Board reconvened in Open Session and considered a motion pursuant to Virginia Code Section 2.2-3712(D) that, to the best of each Director's knowledge, (i) only such public

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 1:45 p.m.


Secretary

APPROVED:


Chairman

#1591290

RICHMOND METROPOLITAN AUTHORITY

**RESOLUTION APPROVING FISCAL YEAR 2015 AND 2016
EMPLOYER CONTRIBUTION RATES
IN ACCORDANCE WITH THE 2014 APPROPRIATION ACT ITEM 468(H)**

May 13, 2014

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RICHMOND METROPOLITAN AUTHORITY, that the Richmond Metropolitan Authority (the "Authority") does hereby acknowledge that its contribution rates effective July 1, 2014 shall be based on the higher of a) the contribution rate in effect for FY 2014, or b) eighty percent of the results of the June 30, 2013 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2014-16 biennium (the "Alternate Rate") provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(I) resulting from the June 30, 2013 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT ALSO RESOLVED, that the Authority does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2014:

(Check only one box)

The Certified Rate of 7.20%

The Alternate Rate of 5.76% and

BE IT ALSO RESOLVED, that the Authority does hereby certify to the Virginia Retirement System Board of Trustees that it has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of any election made under the provisions of this resolution; and

NOW, THEREFORE, the officers of the Authority are hereby authorized and directed in the name of the Authority to carry out the provisions of this resolution, and said officers of the Authority are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the Authority for this purpose.



Chairman, Richmond Metropolitan Authority

RICHMOND METROPOLITAN AUTHORITY

RESOLUTION APPROVING FISCAL YEAR 2015 BUDGET

May 13, 2014

WHEREAS, Staff has submitted to the Board of Directors (the "Board") proposed annual operating and capital budgets (together, the "Budget") for the Richmond Metropolitan Authority (the "Authority") for the fiscal year beginning July 1, 2014 and ending June 30, 2015, which Budget has been reviewed by the Board;

WHEREAS, it is necessary to adopt the Budget and approve the expenditure of funds to cover the various elements included therein;

WHEREAS, as required by the Authority's bond resolution, the Authority's consulting engineer and revenue consultant have provided the requisite certifications of operating expenses, debt service, and maintenance and repairs on the Expressway System and schedule of tolls for the forthcoming fiscal year, respectively, as further described in the Budget;

WHEREAS, the Board's Operations Committee has reviewed the capital maintenance and repair projects recommended for the Expressway System; and

WHEREAS, the Board, in exercising its independent judgment, has considered the Budget and the availability of funds and contemplated expenses as set forth therein, and now desires to approve and adopt the Budget for fiscal year 2015.

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

1. The Budget, consisting of the fiscal year 2015 annual operating and capital budgets of the Richmond Metropolitan Authority for the funds and divisions described therein, be, and is hereby, approved and adopted as proposed on this date, subject to and contingent upon the availability of funds as indicated therein, such Budget to be in effect beginning July 1, 2014.
2. Staff of the Authority is hereby directed and authorized to do all things necessary or desirable to implement the Budget and the undertakings, projects, and matters therein authorized.
3. This resolution shall take effect immediately.