

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

The regular meeting of the Board of Directors of the Richmond Metropolitan Authority was held on the 11th day of February, 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 Brat, Brown, Cannady, Cole, Johnson, Jolly, Schewel, West and White. Directors Hazelett and Homer were absent. Also present were Ms. Gray, Mr. Akers, Mr. Doughtie, 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 January 14, 2014 were approved as previously distributed.

Ms. Gray gave the Operations Report in the absence of Ms. Simmons, who was attending an IBTTA leadership conference. The new Expressway "Thank You" sign had been installed on the Downtown Expressway. Installation of the new open road tolling equipment on the Powhite Parkway was proceeding smoothly. There were no questions concerning the Operations Report.

The Chairman noted that this was Mr. Akers' last meeting with the Authority as he was moving on to a new position with Chesterfield County. On behalf of the Board, he congratulated Mr. Akers and wished him well in his new endeavors. He thanked him for his years of service to the Authority and for his dedicated work on the Authority's behalf in matters both great and

small. Other Board members joined the Chairman in applauding Mr. Akers' many contributions to the Authority.

Mr. Akers stated that he had very much enjoyed his work with the Authority and then turned the Finance Report over to Mr. Doughtie. For February, total commuting/business days were similar to January but transactions were affected by winter weather events and the timing of holidays. "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 0.6% from the prior year's similar period and was 0.5% under projections. Cumulative toll revenue was 3.7% ahead of budget which continues to position the Authority well to achieve its fiscal year-end budgeted targets. Expenses were within budget.

At the end of Mr. Doughtie's report, Mr. Akers commented that Mr. Doughtie was the author of the "dashboard" format of the written finance report, and Board members thanked Mr. Doughtie for his contributions.

Ms. Gray gave the General Manager's Report, beginning with budget workshops with the Finance Committee that had commenced the preceding week and were to continue in the first week of March. She referred to the following budget calendar:

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| February 4 | -- | Finance Committee Workshop, Overview |
| March 4 | -- | Finance Committee Workshop, Policies |
| April 14 | -- | Proposed Budget to Board |
| May 13 | -- | Board Action on Budget |

The preceding week, she and Mr. Cole had met with the Richmond Metropolitan Planning Organization for a joint presentation in conjunction with representatives of the Capital Region Airport Commission and Greater Richmond Transit Company. The groups discussed their respective roles and responsibilities, prospects for collaboration and related items. Mr. Cole stated that the presentation seemed to have been well received. Many of the questions raised at

the MPO meeting pertained to GRTC. She and the new GRTC Chief Executive Officer would schedule a meeting to discuss these matters.

Continuing, she advised that she and the Chairman were slated for an upcoming speaking engagement at the Richmond First Club. Also ongoing were conversations with the Chamber of Commerce. She noted the upcoming rollout and demonstration of "BoardPAQ" which was designed to keep Board members up to date with Authority matters. She anticipated that this would be demonstrated at the March meeting of the Board.

She continued her report by referencing an RFP recently issued by VDOT for staffing for toll collection services on VDOT's Powhite Parkway Extension. As examined by the General Manager and Staff, it was not in the Authority's interest to submit a proposal as it appeared that VDOT was looking for temporary staffing only and not full-blown operational matters. In response to a question from Mr. Schewel as to whether VDOT expected the Authority to submit a proposal, Ms. Gray reported that she was unaware of any such expectation.

Mr. Cole asked about the Governor's proposal to eliminate the E-ZPass account service charge and the effect on the Authority. Mr. Akers responded that this would result in an approximate doubling of the \$0.03 per transaction handling fee that VDOT presently charged under the ETC servicing arrangement. When the service fee was reduced in recent years, the Authority had received an unanticipated benefit of approximately \$1 million. In the current operating environment, enactment of the Governor's proposal would add approximately \$1.8 million to the Authority's operating expenses, and it does not appear that the Governor's budget has an alternate source of revenue to replace this. As an approximation of the fee's magnitude, Mr. Akers indicated that the aggregate amount of the fees comprised approximately 45% of total

operating revenues for the Customer Service Center. Staff was modelling the effect of this change. There were no further questions from the Board.

The Chairman asked that Mr. Ballou provide the Board with an update on House Bill 597. Mr. Ballou began with the status of the bill, which had recently been reported with amendments from the House Cities, Counties and Towns committee and was slated for consideration by the full House. If approved by the House, it would “cross-over” to the Senate, with an anticipated assignment to the Local Government committee. He briefly gave an overview of the legislation, including the expanded Board membership (an amendment in the House committee), and noted that various members of the Board had expressed concerns regarding the provision in the bill that required jurisdictional approval for an Authority borrowing. In that particular regard, this was not strictly speaking a legal matter, in the views of both Mr. Ballou and the Authority’s bond counsel, Mr. William Derry of the Troutman Sanders law firm, but more a financial one. Davenport, the Authority’s financial advisor, was of the opinion there were credit implications with this provision, inasmuch as the rating agencies, especially Fitch, had maintained the nature of the “regional conversation” about the Authority in their rating analysis. Continuing, Mr. Ballou stated that the debt approval would reduce the Authority’s flexibility in debt issuance, and could impact the long term planning of those projects that required substantial funding amounts, all or a portion of which might be provided with debt. The Capital Region Airport Commission had a similar debt approval requirement in its legislation. He also noted the insurance coverage of the Expressway System against casualty losses, the Authority’s current accumulated cash balances, and the various roles played by HNTB, Jacobs and Davenport in providing on a periodic basis, respectively, reports on the current and anticipated future condition of the Expressway System, current and future traffic

projections and an overall financial modeling. He also noted the Authority did not anticipate the issuance of debt in the near or medium term. Concluding, Mr. Ballou advised that comments to limit the reach of the debt approval provision and other technical matters had been delivered to and discussed with various of the jurisdictions prior to the commencement of the session, to Delegate Loupassi's office, and following the amended version reported from the House Committee, to all of the jurisdictions and to Del. Loupassi. 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.

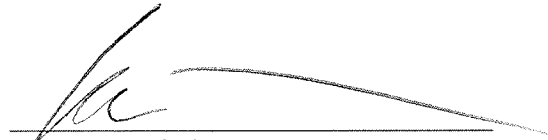
The Board reconvened in Open Session and considered a motion pursuant to Virginia Code Section 2.2-3712(D) that, to the best of each Director's knowledge, (i) only such public business matters lawfully exempted from open meeting requirements, and (ii) only such public business matters as were identified 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 2:00 p.m.



Secretary

APPROVED:



Chairman

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