

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
HELD MARCH 14, 2017**

The regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 14th day of March, 2017, 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, except as noted below: Directors Dabney, Hazelett, Hinson, Johnson, Ramsey, Tart, West, Whirley, White and Woodfin. Directors Holland and Waller arrived during the course of the meeting, while Directors Brown and Nelson were absent. Also present were Ms. Gray, Mr. Madison, Ms. Dean, Ms. Johnson, Ms. Simmons and Ms. Plutro of the Authority, and Mr. Ballou. Tamar Henkin was also in attendance, along with representatives of Kimley Horne and members of the family of former Director David Kaechele.

Mr. Johnson served as Chairman of the meeting, and Mr. Ballou as Secretary.

The Chairman called the meeting to order at 12:30 p.m., at which time he introduced members of the family of former Director David Kaechele. He read aloud the resolution of condolence regarding the recent death of Mr. Kaechele, which the Board approved by acclamation and which was followed by remarks of condolence and tribute from members of the Board and from the family.

The Chairman next asked for approval of the minutes of the Authority's meeting held on February 14, 2017. These were approved as previously distributed by the unanimous approval of all Directors noted above as being present.

Ms. West gave the report of the Compensation and Benefits Committee, which had met prior to the Board meeting. The Committee continued its previous discussions regarding the employee benefit and compensation matters. As described more particularly in the handout, the Authority's solicitation to the market on the employee benefit package did not produce a more favorable result than the Anthem discussions, and the Committee therefore recommended continuation with Anthem, as set forth and described in the draft resolution presented to the Board. Ms. West and Ms. Johnson briefly described the various elements of the Authority's health benefits, and 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 Board approved the resolution entitled "*Resolution Approving Employee Benefit Plans for Fiscal Year 2018*" in the form attached to these minutes and with the financial aspects to be included in the fiscal year 2018 budget. Ms. West then addressed employee compensation matters. The Committee was recommending up to a 3% merit increase for all non-probationary employees and a one-time lump sum payment of the greater of 1.5% or \$500 for employees who exceed performance expectations and have reached the top end of their job classification scale. Total budget impact for the fiscal year 2018 budget was approximately \$81,000 (1.4%). 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 as embodied in the attached resolution for inclusion in the fiscal year 2018 budget. The deferred compensation matter was pending analysis on feedback just recently received from the Virginia Retirement System. Ms. West again recognized Mr. White's contributions in guiding the Committee's discussions on these matters.

The Chairman next turned to the Authority's Strategic Plan. He introduced Tamar Henkin, who was present to continue the discussions from previous meetings, and he also commented that the Board had made significant progress to date by working through the Authority's mission statement, its core operating values and four focal areas. He challenged the Board to complete work on the Strategic Plan by June 30 (the end of the fiscal year).

During the Chairman's introductory remarks, Ms. West departed the meeting and Mr. Holland joined the meeting.

Ms. Henkin began her discussion by reviewing the development of the Strategic Plan to date, along with a look ahead to where the plan development process would be taking the Board and the means by which that objective would be achieved. The outline(s) developed to this point would serve as the basis for further development of the Strategic Plan, with further Board involvement through workshop meetings of the full Board or break-out groups. She hoped to engage the Board today for a decision regarding full group or small group sessions (or a combination of the two) and the timeline. She illustrated alternative approaches/timelines based on whether full Board meetings were involved or a combination of Board sessions with work groups.

Various Board members voiced their views, with Directors Hazelett, Hinson and Woodfin viewing full Board sessions as more productive, while Directors Whirley, Holland and Tart thought that a combination of full Board meetings and work sessions, with the benefit of small group dynamics and the use of Staff and consultants, was the best overall approach. Other Board members commented as well, with Dr. Dabney remarking on the benefits of committee input but that the focal areas did not fit the Authority's committee structure very well, and with Mr. Ramsey observing that a high level approach was merited, one that focused on the strategic

and philosophical level rather than “down in the weeds.” Mr. Johnson stated that a compromise approach might best serve, this approach comprising as many as two meetings per month, with significant attention at each regular Board meetings and the use of work sessions where needed.

Guided by the PowerPoint of the Strategic Plan’s outline, the Board and Ms. Henkin briefly discussed the “Core Operating Values” segment, with Mr. Ramsey commenting that perhaps the third bullet point (“Build and maintain RMTA as an incubator for innovation”) might be separated out. There were no comments on the “Focal Areas” segment.

Mr. White departed the meeting and Rev. Waller joined the meeting.

The discussion then turned to the “Strategic Priorities” segment of the Strategic Plan, again guided by the specific bullet points of the outline of the Strategic Plan. With respect to operational efficiencies and excellence, Ms. Henkin noted that such items as lighting, signage and brush clearance might be handled in the “homework materials” by the applicable workgroup. It was noted that “Strategic Scope Expansion” in essence was comprised of doing what was best to improve transportation in the region. As to Revenue Diversification, various Board members questioned if this was embraced within the Strategic Scope Expansion point. Others discussed whether this in some way constituted embracing an additional tax and the application of the Northern Va. Transportation Authority/Hampton Roads Transportation Accountability Commission/HB 2313 regional tax revenue model to the Authority. The Chairman stated that the phrasing might best be captured as positioning the Authority to develop regional transportation projects with new revenues. Mr. Ramsey added that working with the Transportation Planning Organization would appear to be covered by the “Revenue Diversification” point.

The Chairman and Ms. Henkin made brief concluding remarks as to the next steps and the items that would need to be reviewed in preparing for the next meeting. Staff would be working with Board members and Ms. Henkin as to formulating the timeline of meetings, scheduling the next meeting and preparing the appropriate materials in preparation for these. The Chairman thanked Board members and Ms. Henkin for their participation in a very productive discussion.

Mr. Whirley gave the report of the Operations and Finance Committee. The Committee reviewed the fiscal year 2018 operating budget, including pertinent revenue and expenditure line items, and was comfortable recommending the operating budget to the Board when it would be presented at the April meeting. The Committee also suggested several changes to the capital budget, comprising approximately \$200,000. The capital budget included the toll system equipment matter, as to which the RFP was expected to be distributed approximately March 24. April 6 was the scheduled pre-proposal meeting date and June 20 was the date on which proposals would be due. In connection with the foregoing, Mr. Whirley remarked that the Committee was working on documenting operational policy and procedures to help guide decision points as the Authority potentially considers all electronic tolling. The Chairman also commented that the Committee had discussed capital project matters, such as the impact of replacing a bridge versus proper and timely maintenance, along with available funding for such purposes. Part of the discussions included the efficacy of Authority debt issuance after 2022 (approximately) in light of the reversion trigger in the enabling legislation. This provided for conveyance of the limited access highways to the City following final retirement of the debt, currently scheduled for July 15, 2041.

Continuing, Mr. Whirley stated that VDOT had communicated its desire to increase the annual amount charged the Authority for routine maintenance of the Expressway System. These amounts were covered under a memorandum of understanding the Authority had with VDOT, which was reaching the end of its term. The CEO would be discussing this matter with VDOT, and Ms. Gray added that VDOT had certain sheds used for equipment and chemical storage situated on Authority property adjacent to the Powhite toll plaza. She anticipated bringing these up in discussions.

Beginning the CEO's portion of the agenda, Ms. Gray described various aspects of the employee recognition program, including the recent employee recognition luncheon, which was held on an annual basis. She also noted that the Authority, for the twenty-third consecutive year, had received the Government Finance Officer Association (GFOA) award for its Comprehensive Annual Financial Report.

Ms. Simmons gave the Operations report, stating that it had been a light month. As set forth in her written report, all work under the 2016 road contracts had been completed, with remaining matters consisting of final pay estimates, inspections, retainage, and the like. Work under the 2017 contracts had not yet commenced.

Mr. Madison gave the Finance report. He had no unusual items to report. On a normalized basis, monthly traffic growth was approximately 4.1% ahead of the prior year and traffic for the fiscal year was approximately 1.7% ahead of the prior year. Fiscal year revenue was ahead of budget by approximately 1.6%, while expenses were under budget for this period.

As there being no items of new business or any further business to come before the meeting, the meeting was adjourned at 2:05 p.m.



Secretary

APPROVED:



Chairman

2118801

**RICHMOND METROPOLITAN
TRANSPORTATION AUTHORITY**

RESOLUTION OF CONDOLENCE

DAVID A. KAEICHELE

March 14, 2017

WHEREAS, David A. Kaechele, the widely-respected former member of the Henrico County Board of Supervisors and Board member of the Richmond Metropolitan Transportation Authority, was taken from us on January 20, 2017;

WHEREAS, David Kaechele faithfully and tirelessly served the region, the County of Henrico and the Authority for more than thirty-five years in numerous capacities, including serving as Chair of the Board of Supervisors nine times before retiring in 2015 as the longest-serving member of the County Board on record;

WHEREAS, the County appointed David Kaechele to the Board of Directors of the Authority in January 2016, where he served with great distinction;

WHEREAS, the Authority had previously benefitted greatly from his even-tempered leadership and ability to foster cooperation through his position on the Stadium Operating Committee, where he served for eighteen years beginning in 1990;

WHEREAS, David. Kaechele worked tirelessly to further the goals and objectives of the region, including the Authority as a public body serving the interests of the entire Richmond metropolitan region;

WHEREAS, his effective stewardship and steadfast support of the Authority have resulted in strengthened relations among the Richmond area regional partners and the metropolitan community;

WHEREAS, throughout his distinguished career, David A. Kaechele was known for his hard work, honesty, collegiality, and fairness, and for his devotion to his family and his community, and he earned numerous awards

and accolades for his leadership and service; including induction into the *Richmond Times-Dispatch* Hall of Fame in 2015; and

WHEREAS, the Directors of the Richmond Metropolitan Transportation Authority desire to record their highest appreciation of the personal and official character of David A. Kaechele and for his outstanding contributions, meritorious service and years of faithful and devoted public service to this community through his distinguished service to the Authority and the Richmond metropolitan region;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Directors of the Richmond Metropolitan Transportation Authority does hereby express their great sorrow over the loss of the Authority's fellow Board Member and esteemed regional friend, and extends to the entire Kaechele family its deep and sincere sympathy and heartfelt condolences; and

BE IT RESOLVED FURTHER, that the Secretary prepare a copy of this Resolution for presentation to the family of David A. Kaechele, as an expression of the high regard in which his memory is held by the Board and Staff of the Richmond Metropolitan Transportation Authority.

Attest:

Secretary

Chairman



919 East Main Street, Suite 600, Richmond, Virginia 23219
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RESOLUTION APPROVING EMPLOYEE BENEFIT PLANS FOR FISCAL YEAR 2018

(March 14, 2017)

WHEREAS, the Richmond Metropolitan Transportation Authority (the “Authority”) desires to approve certain employee benefit plans for fiscal year 2018, to be included in the Authority’s annual budget for such period; and

WHEREAS, the Authority’s Compensation and Benefits Committee met on March 14, 2017 to consider such employee benefit plans, and recommended the following:

Coverage	Recommendation	Annual Authority Contribution/Premium*
Medical	a. Extend coverage with Anthem under the Advantage One plans: Advantage One \$2800/100% and Advantage One \$4500/40% plan as a lower premium option; b. \$121,801 (14.6%) increase to annual premiums; c. Continue Health Savings Account (HSA) contribution (\$1,000 Employee/\$1,500 Family), funded semi-annually (½ contribution July 2017; ½ contribution January 2018)	\$958,602
Dental	Extend coverage with Anthem Dental (0% increase to current)	\$70,495
FSA Administration	Renew with Discovery Benefits, to include the limited purpose FSA for those enrolled in HSA	\$5,340
Long-Term Disability	Extend current plan with Unum (0% increase to current)	\$10,908

*Approximate

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RICHMOND METROPOLITAN TRANSPORTATION 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 Chief Executive Office 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 Operations & Finance Committee shall include the foregoing rates and premiums in the development of the fiscal year 2018 budget.
3. This resolution shall take effect immediately.



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RESOLUTION APPROVING PERFORMANCE BASED AWARDS FOR FISCAL YEAR 2018

(March 14, 2017)

WHEREAS, the Richmond Metropolitan Transportation Authority (the “Authority”) desires to approve performance based awards for fiscal year 2018, to be included in the Authority’s annual budget for such period; and

WHEREAS, the Authority’s Compensation and Benefits Committee met on March 14, 2017 to consider such performance based awards, and recommended the following:

1. A merit increase of up to 3% for all non-probationary employees;
2. Continue with one-time lump sum payment for employees at the top of the scale for their job classification;
3. The overall impact to the budget is approximately \$81,000 (1.4%).

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

1. Non-probationary employees who fully meet or exceed expectations in FY18 will be eligible for the merit increase of up to 3%;
2. The greater of 1.5% or \$500 as a one-time lump sum payment will be awarded to employees who exceed performance expectations in FY18 and who are at the top of the scale for their job classification;
3. Staff and the Operations & Finance Committee shall include the foregoing increases in the development of the fiscal year 2018 budget.
4. This resolution shall take effect immediately.