

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY  
HELD JULY 8, 2014**

A regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 8<sup>th</sup> day of July, 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, Hinson, Homer, Jolly, Johnson, Kornblau, Nelson, Tart, West and White. Director Hazelett was absent. Also present were Ms. Gray, Ms. Simmons, Mr. Doughtie, Ms. Corbett, Ms. Johnson, Mr. John Ramsey of the *Richmond Times-Dispatch*, 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., observing that this was the first meeting of the Richmond Metropolitan Transportation Authority by virtue of the recently-approved 2014 legislation. Following, 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 June 10, 2014 were approved as previously distributed.

In view of the Board's new members, the Chairman asked that Board members and Staff introduce themselves, which was duly accomplished, and then asked that Ms. Gray provide introductory remarks. Ms. Gray stated that Staff was there to provide information and education for Board members so that the Board could make better and more informed decisions. Ongoing projects included updating of the bylaws, conclusion of asset conveyances, updating of the

website/logo, and participating in long-range transportation planning where appropriate. She observed that the Expressway System was approaching its fifty-year service date and providing suitable operations and maintenance to such infrastructure was a principal task of the Authority. With regard to procedural matters, she noted the Authority's various committees, as to which some vacancies existed due to the expanded Board, which were expected to be filled in due course. Committee meetings were public meetings, and announcements were distributed to all Board members, who were welcome to attend. The Authority's annual Board Retreat was usually held prior to commencement of the budget preparation cycle in order to provide the Board with a framework for evaluating the budget, and Ms. Gray again alluded to the resources devoted to the Authority's aging infrastructure. She also highlighted the information flow provided by and during the budget cycle as well as through the Authority's Comprehensive Annual Financial Report (CAFR).

Continuing, she noted that the past year had been a busy one that included conveyance of parking decks to the City as the Authority focused on its core transportation mission, with its primary remaining operations consisting of the Expressway System and the operation of Main Street Station. Conveyance of The Diamond was expected by year-end. She recognized that the Authority's enabling legislation was expansive and permitted a wide range of undertakings with input and approval from the member jurisdictions. She looked forward to working with Board members to ensure that the Authority and Staff focused on the important information needed for performance of the Authority's mission, including the implementation of a more robust budget and long-range capital planning process. The past year had seen educational workshops for Board members during the budget process, which Ms. Gray envisioned would be repeated in the coming year.

The General Manager concluded her introductory remarks by noting that Staff would provide overviews of their various areas of responsibility and asked that Ms. Johnson cover human resources.

Ms. Johnson reported that the Authority had a total of 138 employees (105 full-time, 33 part-time), of which 16 were in the main office. Human resources highlights in the past year included open enrollment for and completion of progression to a high-deductible plan, with Ms. Johnson noting that over 50% of the Authority's employees had enrolled in the HRA-funded plan. Staff was actively engaged in succession planning and cross training, especially in light of the conveyance of the parking decks and The Diamond to the City, and the potential for upcoming retirements. The Authority was also undertaking a triennial compensation study with a planning meeting anticipated for the Fall, 2014 and recommendations for the 2016 budget cycle. She and the Chairman stated, as a policy of the Authority, that toll employees were paid slightly above the market rate in order to maintain employee longevity and reduce high employee turnover, with its consequential retraining costs. The current start rate for RMTA toll collectors is \$10.82 to \$11.13. Comparable market rates range from \$9.15 to \$10.50. In response to questions from Board members, Ms. Johnson answered that temporary employees are not eligible for benefits. Continuing, she observed that the average length of employment was twenty-four years, with some employees having been with the Authority for as long as thirty-six years. She concluded her report, in response to a question from Mr. Tart as to security for the Authority's property, by stating that the Authority's police force was appointed through the special conservator of the peace process provided under state law.

Mr. Doughtie gave the Finance Report. He noted that the monthly reports were distributed as part of the Board package and used a new "dashboard" format developed over the

past year to provide helpful information. Included were year to date traffic, revenue and expenses, budget to actuals for the Authority's operations, and the monthly activity report. The report for June, 2014 covered the full 2014 fiscal year, as to which revenue was at approximately 102-103% of budget and expenses at about 95% of budget. On a normalized basis, traffic for the month of June, 2014, was 3.3% ahead of June, 2013. The monthly report contained additional information on the Expressway System's operations and capital accounts as well as on other various operations funds, including Main Street Station and The Diamond.

Mr. Tart inquired as to the reason why spending on inspections was significantly greater than budgeted, as to which Ms. Simmons replied that this was due to requirements in the federal MAP-21 legislation regarding infrastructure condition inspections, which led to higher engineering and consulting costs for these inspections. This information was provided in the format prescribed by VDOT.

Mr. Doughtie continued by detailing the timeline for preparation of the budget and the annual financial report, with the Compensation and Benefits Committee reviewing salaries and benefits, the Financing Committee reviewing the operating budget and the Operations Committee reviewing the capital budget. The draft budget was presented to the Board in April of each year, with Board consideration in May. As to the external audit, preparation began in May with expected presentation to the Audit Committee in September. Mr. Doughtie then provided various highlights of the fiscal year 2015 budget, which included an increase of approximately 1.3% for operations expenses, and provided for approximately \$6.7 million for the Expressway System's capital plan. The principal ongoing items were the latex overlay project and the Authority's annual maintenance and repair contract.

Mr. Doughtie focused particularly on E-ZPass charges – the 2014 General Assembly approved the elimination of accountholders’ monthly fees, and VDOT was seeking the lost revenue from the various tolling entities for which VDOT provided E-ZPass processing. VDOT had communicated the fee change to the Authority the preceding week, and it was expected that information on the impact of this change along with a Staff recommendation would be presented to the Board in August for its consideration. Mr. Doughtie concluded his report with a brief summary of other items, which included GFOA award considerations for the Authority’s budget and its CAFR, replacement of the accounting system, replacement of the payroll, HR and time/attendance system, and an upcoming RFP for the Authority’s traffic and revenue consultant, the engagement of which was required by the Authority’s bond resolution. In response to Board member questions, Mr. Doughtie advised that the traffic and revenue consultant contract was anticipated to have a term of three years with two one-year extensions and that the Staff would take into account during the RFP process the new “municipal advisor” rules applicable generally to financial advisors to local and state governments. Also in progress was extension of the Authority’s office lease and ongoing (quarterly) meetings of the local finance board for the Authority’s Other Post Employment Benefits (OPEB) trust. Such trust was approximately 54% funded, and the Authority hoped to fully fund the trust by the 2021-2022 timeframe.

Ms. Simmons next provided an operations overview, beginning with projects completed during fiscal year 2014. Among these were installation of security cameras at all plazas and ramps, lighting and ventilation system rehabilitation for the “tunnels” under the Downtown Expressway parking deck, protective coatings, biennial bridge inspections, and rehabilitation of the southbound James River Bridge on the Powhite Parkway. Ongoing projects during the current (2015) fiscal year included bridge inspections, pavement overlay for the northbound

lanes of the Powhite Parkway's James River Bridge, and the annual maintenance and repair contract (principal items for which were shotcrete, ramp deck, joint and concrete repairs, asphalt sealing, and debris removal). The Authority was also undertaking the replacement of the Powhite Parkway open road tolling system, which was optional work under the original contract for the Downtown Expressway toll system replacement. The goal of the project was to have the same toll equipment system at all toll plazas and realize benefits from consistent operations, maintenance and reporting. Finally, she described the second phase of the roadside enhancement project on the Downtown Expressway, which served as a "Gateway to Richmond" and as part of the region's preparations for the upcoming UCI 2015 championship races. She concluded her report by noting the anticipated conveyance of The Diamond by calendar year-end and the Authority's management of Main Street Station, which was in a two-year extension cycle under the management arrangement with the City.

Next, the Chairman, noting the departure of Mr. Brat from the Board in light of his electoral victory in a recent Congressional primary race, presented the resolution entitled *Resolution of Appreciation – David A. Brat*, which was duly approved in the form attached to these minutes by the unanimous and enthusiastic acclamation of all Board members present.

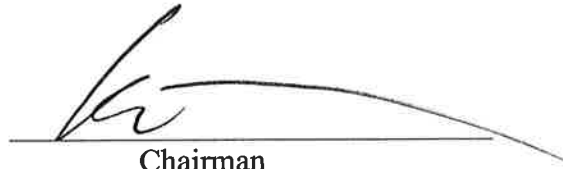
The meeting concluded with Mr. Johnson's observation of the postponement of the Authority's Annual Meeting for election of officers, normally held in June, and the updating of bylaws, to be done by November 1 following the Board Retreat, and the announcement of an upcoming meeting of the Governance Committee and perhaps the Operations Committee.

There being no further business to come before the meeting, the same, upon motion duly made, seconded and unanimously carried, was adjourned at 1:30 p.m.



Secretary

APPROVED:



Chairman

#1618934

**RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY**

**RESOLUTION OF APPRECIATION**

**DAVID A. BRAT**

July 8, 2014

**WHEREAS**, David A. Brat has faithfully served as a Director of the Richmond Metropolitan Authority from July 1, 2008 through June 30, 2014 and as member of the Authority's Local Finance Committee;

**WHEREAS**, through his astute leadership, prudent judgment and wise counsel, he has not only served the Authority and the Richmond metropolitan community with distinction, he has also furthered the Authority's objective of excellence in service to the community and to the bondholders and patrons of the Authority;

**WHEREAS**, his colleagues, the Directors of the Richmond Metropolitan Transportation Authority (formerly the Richmond Metropolitan Authority), now desire to express and record permanently in the minutes of the meetings of this Board their warm affection for David A. Brat, and their admiration for his many contributions and able leadership;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Richmond Metropolitan Transportation Authority hereby records its gratitude and great appreciation and that of the Richmond metropolitan community to David A. Brat for his outstanding contributions and many years of faithful and devoted public service to this community through his distinguished service as a member of the Board of Directors of the Richmond Metropolitan Authority.