

**RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
MINUTES OF THE COMPENSATION AND
BENEFITS COMMITTEE MEETING
HELD MARCH 8, 2022**

A Committee Meeting of the Compensation and Benefits Committee of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 8th day of March 2022, at the RMTA Main Office, 901 East Byrd St., Ste. 1120, Richmond, Virginia, pursuant to due notice.

Compensation and Benefits Committee Chairman Harvey Hinson and the following Committee members were present and acting throughout the committee meeting: Carlos Brown, Aubrey Fountain, Lane Ramsey, and Donald Williams. Board Chair Marilyn West was present as well.

Also in attendance were RMTA staff members Joi Dean, Sheryl Johnson, James Madison, Leslie Mehta, and Leah Moss. Paula Watson joined electronically through the video conferencing platform Zoom. OneDigital consultant Mary Jones was also present through the video conferencing platform Zoom (exited 11:37 am).

There was a quorum throughout the meeting.

Committee Chairman Hinson called the meeting to order at 11:00 am.

As Board Secretary, Leslie Mehta conducted a roll call of everyone present at the meeting.

Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Committee members present, the Committee minutes of the Authority's meeting held on October 11, 2021 was approved, as previously distributed.

Next, by way of her CEO comments, Ms. Dean introduced OneDigital consultant, Mary Jones, and explained that Ms. Jones would provide a benefits renewal analysis and then there would be a discussion of the Authority's compensation strategy to recruit and retain employees led by Ms. Johnson.

Ms. Jones began with a medical renewal summary. She noted that there is an annual medical trend of a 6.1% increase. Renewal information presented was based on enrollment and data from January 1, 2021 to December 31, 2021. She explained that Anthem applied a 1.0% credit to all TLC renewals including that of the Authority. The Local Choice ("TLC") increase from the previous fiscal year is 9.5% which includes the 1.0% one-time TLC credit. Regarding the renewal premiums breakdown, OneDigital recommends RMTA cost sharing with employees due to the future anticipated utilization and cost of care increase to avoid a larger employee percentage increase in FY24. OneDigital also recommends to keep HSA contributions flat. Below is a summary of the recommendation:

- Increase "employee only" monthly premium contributions to \$20.00 for the employee.
- Increase all other plans by 9.5% for both employee premiums and the Authority contributions.
- The overall projected impact to the RMTA (increase over FY22) is approximately \$50,000 per year (an 8.2% increase).

Ms. Jones noted that utilization has increased significantly. Utilization had decreased for approximately 12-18 months because of the pandemic and some had fallen behind on utilization and some are attempting to return to their "pre-COVID" baseline.

In terms of benchmarking, Ms. Jones noted that the RMTA is in line with the benchmarking for the following:

- HDHP Deductible \$2,800 individual/ \$5,600 family
- Out-of-pocket maximums \$5,000 individual/ \$10,000 family

RMTA is better than the benchmark for the following:

- Premium contributions
- Health Savings Account contributions

Ms. Jones noted that several of the larger surrounding cities and counties are self-funded which allows them more flexibility with plan designs and opportunity to mitigate renewal increases.

Ms. Jones explained that 87% of employees express that attending to employees' wellbeing is no longer a luxury. They expect their employers to support them in balancing work and personal commitments. She noted that there are several ways to promote wellness and engage:

- Financial wellbeing (retirement readiness education (saving from hire to retire)) and student loan repayment
- Desired/requested benefits such as pet insurance
- Wellbeing – enhance existing premium incentives through other initiatives such as gym memberships and wellness credits
- Mental health focus

Ms. Jones noted that the open enrollment decision is due to TLC by March 25, 2022.

Ms. Jones exited the meeting in progress.

Next, Ms. Johnson discussed compensation. She summarized other jurisdictional compensation proposals for FY23: both Henrico County and the City of Richmond plan to implement a 5% pay increase; Virginia State government plans to implement a 5% increase and a \$1,000 bonus; and Chesterfield County plans to raise the minimum wage from \$12 to \$16/hour and implement a 5% increase for all other positions.

Next, Mr. Madison discussed the financial impact of FY23 compensation increase:

- FY22 approved compensation budget was \$4,891,390;
- FY23 draft compensation budget without a wage increase is \$4,831,105;
- FY23 budget decrease is due to reduced staffing and adjusted schedules
- A 5% increase would increase the draft compensation budget by \$169,654 and the new total compensation budget for FY23 would be \$5,000,759, which is an increase to the Operation Expense budget of 1.21%.

Ms. Johnson also noted that Phase 2 of the 2019 Compensation Study as approved by the Board for FY21 still needs to occur because it was not implemented earlier due to a wage freeze because of the pandemic and the related loss in revenue. As a reminder, Ms. Johnson noted that there are four positions noted in the Compensation Study that are substantially below market.

The Authority plans to issue an RFP in the fall of 2022 for the triennial compensation study for implementation in FY24.

There were two resolutions:

- Resolution approving employee benefit plans for fiscal year 2023:
 - Continue with The Local Choice (Administered by Anthem): includes vision and dental coverage;
 - 9.5% increase to annual premiums;

- Maintain Health Savings Account (HSA) contribution for employee and employee plus plans (\$1,000 for employees; \$1,500 for employee plus plans);
- Annual authority contribution/premium: \$640,000 (8.2% increase over FY22);
- Renew with WEX benefits to include the limited purpose FSA for those enrolled in HSA for an annual authority contribution/premium of \$6,200
- Resolution approving compensation plan for fiscal year 2023
 - Implement the previously approved salary adjustment of the four previously identified positions that are substantially below market rate for those positions;
 - A salary increase of 5% for employees who fully met or exceeded performance expectations in FY22;
 - The overall impact to the FY23 budget is approximately \$169,654 (1.21% increase to the FY22 budget) – an increase of 1/3 of \$0.01 per toll transaction

The Committee considered a motion to approve each of the Resolutions. Both motions were duly moved, seconded, and approved by all Committee members noted above as being present.

Having no further new business, Committee Chairman Hinson adjourned the meeting at 12:07 p.m.