

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
HELD MAY 10, 2016**

The regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 10th day of May, 2016, at the Henrico County Training Center, 7701 East Parham Road, Room 2031, Henrico, Virginia, pursuant to due notice.

The following Directors were present and acting throughout the meeting: Directors Brown, Cannady, Hazelett, Hinson, Holland, Kaechele, Nelson, Tart, West, Whirley, White, and Woodfin. Directors Homer and Johnson arrived during the course of the meeting. Also present were Ms. Gray, Ms. Dean, Mr. Doughtie, Ms. Simmons, and Mr. Aida of the Authority, Stephanie McGuinn of Creative 2 Solutions (a website design firm), and Mr. Ballou.

The Chairman called the meeting to order at 12:30 p.m. and, noting the meeting's location in Henrico County, again recognized the purpose and nature of the Authority's recently adopted practice of rotating Board meetings among the member jurisdictions. Mr. John Vithoukias, the County Manager of Henrico County, welcomed on behalf of the County the Board to the first of such meetings in the County and extended an open invitation to the Board to meet and work with the County. The County was also looking forward to working with the Authority in its endeavors. Continuing, Mr. Vithoukias thanked the Chairman for the kind words regarding both the County Manager and the County, recognized Mr. Kaechele for his many years of service to the County, and again acknowledged the Authority for its long and distinguished history and the important role it played in bringing critical governmental services to the region. He looked forward to the Authority's upcoming presentation at the County's Board meeting at

the end of the month. The Chairman echoed many of these sentiments, especially with regard to the opportunity to participate regionally.

Following a slight correction by Mr. Kaechele, the minutes were approved as distributed. Mr. Homer joined the meeting as the Chairman began Board Committee reports.

Mr. Tart gave the report of the Audit Committee, which had met on April 29, 2016, and heard a report from Ms. Watson, the Authority's internal auditor, and considered the selection of the Authority's auditor following the distribution of an RFP for auditing services. Mr. Doughie stated that, following a wide distribution of the RFP on various media sources and on the eVirginia web-based procurement portal, the Authority interviewed two firms, with the Committee recommending that the Authority award the engagement to Cherry Bekaert LLP, the Authority's current auditor. Cherry Bekaert offered the lowest cost of services and had performed well during its current engagement. Following brief questions from Ms. West concerning the number of bids received and the composition of the firms submitting such bids, and upon motion duly made, the Board approved the resolution entitled "*Resolution Awarding Engagement for Professional Auditing Services*," in the form attached to these Minutes, by the unanimous vote of all Board members noted above as being present. Mr. Tart concluded his report by noting that the Audit Committee's Strategic Plan had been approved with no changes from the draft plan discussed and presented at the Retreat in the Fall.

Mr. Cannady gave the report of the Nominating/Governance Committee, which had met prior to the Board meeting. The Committee discussed the various officer positions and would be working with Board members in the next several weeks in presenting recommendations to the Board for its consideration at the Authority's annual meeting in June.

Turning to the CEO's comments, Ms. Gray noted the status of the budget and its consideration by the Operating and Finance Committee and distribution to the Board at the April meeting, along with a presentation as to same. Staff had received no questions concerning the budget, and upon motion duly made and seconded, the resolution entitled "*Resolution Approving Fiscal Year 2017 Budget*," in the form attached to these Minutes, was unanimously approved by all members of the Board noted above as being present.

She commented, relative to the budget, that the Authority had not received from VDOT the E-Z Pass electronic toll processing rate, which she hoped to receive by the June meeting.

She also highlighted the upcoming 50th Anniversary celebration of the Authority, set for Main Street Station on Thursday, June 16, from 2:00 to 5:00 p.m., and noted the GFOA's Distinguished Budget Award to the Authority and recognition from Senator Warner as to same, observing that a copy of the Senator's letter was in Board members' agenda packets.

Mr. Johnson joined the meeting in progress.

Ms. Gray next addressed the status of the Toll System RFP. The Board had approved the Toll System Plan at its March meeting. Staff was looking at various options with regard to the structure and scope of the RFP, particularly as to its scope. One particular aspect of this concerned the distinction between "Design-Build-Maintain" (DBM) and "Design-Build-Operate-Maintain" (DBOM), and she described the differences between the two, particularly as to the Authority's expressway operations as to such matters as personnel/staffing, upfront costs, control over toll rates and contracting, agreement terms, operating costs, and potential public relations. The Authority had used the Design-Build-Maintain in past toll equipment procurements. The Board discussed the same, including the number of Authority employees that might potentially be at risk and various risk allocations among the two options. Additionally, given its much

different nature, Design-Build-Operate-Maintain could well produce a delay in the preparation and distribution of the RFP. In light of the foregoing, Staff recommended that the Authority structure the RFP along Design-Build-Maintain lines.

Mr. Hinson did not see DBOM as a beneficial approach and emphasized the greater control afforded the Authority with the DBM approach. Messrs. Whirley, Hazelett and Tart had similar views, noting that DBOM posed greater risks to the Authority and its users. Mr. White asked if an RFP could advance both structures, although he looked favorably on other Board member's remarks as to maintaining Authority control and minimizing risk. Mr. Homer, commenting on the likely transition in coming years to an all-electronic tolling environment, observed that the Authority may wish to bid operations but at some point down the road. Mr. Brown noted that DBOM suited those toll road operators who were capital-constrained, and the Authority was not in this position. Further, P3 arrangements with relatively greater private emphasis, such as DBOM, had not generally proven beneficial to patrons/customers. It was the Board's general consensus that the Authority structure the toll equipment RFP in the nature of a DBM, Ms. Gray noting that the Authority would seek to include as much innovation as possible, while maintaining Authority control and minimizing risk to the Authority.

Ms. Gray next introduced Stephanie McGuinn of Creative 2 Solutions, a website design firm, who was joined telephonically by Shawn McGuinn, to illustrate the status of the proposed streamlining of the Authority's website. She illustrated a sample website, and various Board members commented on same. During the discussion Mr. White departed the meeting.

With regard to the Expressway Operations and Finance reports, Ms. Simmons highlighted and illustrated the deck rehabilitation project that was underway and otherwise referred Board members to her written report. Mr. Doughtie also pointed to his written report,

and briefly summarized that Expressway traffic for the year is up by 5.2% over 2015 and that year-to-date revenue is 5.6% over budget, with year-to-date expenses at 96% of budget.

With regard to New Business, the Chairman and Ms. Gray noted that jurisdictional meetings were scheduled for May 23 – 25, beginning with the City of Richmond, followed by Henrico County and then Chesterfield County. A meeting with the Mayor and City Staff was slated for May 16.

There being no further business to come before the meeting, the same, upon motion duly made, seconded and unanimously carried, was adjourned at 1:55 p.m.



Secretary

APPROVED:



Chairman

RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY

**RESOLUTION AWARDING ENGAGEMENT
FOR PROFESSIONAL AUDITING SERVICES**

May 10, 2016

WHEREAS, the Richmond Metropolitan Transportation Authority (the "Authority") issued its request for proposals ("RFP") for professional auditing services on January 14, 2016;

WHEREAS, the Authority has received proposals in response to the RFP;

WHEREAS, pursuant to the provisions of the Virginia Public Procurement Act, the Authority has considered the proposals that it has received in response to the RFP and has conducted negotiations with selected offerors deemed fully qualified and best suited among those submitting proposals; and

WHEREAS, the Directors of the Richmond Metropolitan Transportation Authority, after mature deliberation and upon the recommendations of Staff, deem it prudent and desirable to award the engagement for professional auditing services to Cherry Bekaert, L.L.P. (the "Auditor"), which, in the opinion of the Directors of the Authority, has made the best proposal.

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

1. The Chief Executive Officer of the Authority is hereby authorized and directed to enter into an engagement agreement with Cherry Bekaert, L.L.P., such contract to be upon such terms and conditions as specified in the RFP, including a term of three years with two additional one year renewal periods at the option of the Authority, the Auditor's proposal in response thereto, and as further negotiated in the RFP process and upon such further terms and conditions as the Chief Executive Officer, upon the advice of counsel to the Authority, may deem necessary and appropriate;
2. This resolution shall take effect immediately.

RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY

RESOLUTION APPROVING FISCAL YEAR 2017 BUDGET

May 10, 2016

WHEREAS, Staff has submitted to the Board of Directors (the "Board") proposed annual operating and capital budgets (together, the "Budget") for the Richmond Metropolitan Transportation Authority (the "Authority") for the fiscal year beginning July 1, 2016 and ending June 30, 2017, 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 Finance and 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 2017.

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

1. The Budget, consisting of the fiscal year 2017 annual operating and capital budgets of the Richmond Metropolitan Transportation 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, 2016.
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.