

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
HELD JANUARY 13, 2015**

A regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 13th day of January, 2015, 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, Hazelett, Hinson, Johnson, Kornblau, Tart, West, Whirley, White, and Woodfin. Directors Cole, Holland, Homer and Jolly were absent. Director Nelson joined the meeting in progress. Also present were Ms. Gray, Ms. Corbett, Ms. Dean, Mr. Doughtie, Ms. Simmons, and Mr. Ballou. Also in attendance were Ms. Greta Ryan of the MPTO and Ms. Barbara Smith of Chesterfield County's Transportation Department.

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., and 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 December 9, 2014 were approved as previously distributed.

Mr. Cannady gave the report of the Authority's Local Finance Board, which had met prior to the Board meeting. The Local Finance Board elected Mr. Cannady as its Chairman and Mr. Hazelett as Vice Chairman. By way of background, the Local Finance Board oversees the investment of the Authority's "Other Post-Employment Benefits" for funding health benefits for the Authority's retirees. The Authority's OPEB trust funds are invested alongside those of

numerous other Virginia public bodies with the VML/VACO Finance Board. Mr. Cannady concluded his report by observing that investment returns were still in excess of the Authority's target rate of 7.5%. There were no questions of Mr. Cannady.

The General Manager began her report by observing that testing of the Trinity guardrail ends was underway. Initial reports showed that the product was in compliance with safety standards, but additional tests were ongoing. The Authority would continue to monitor the situation and was in communication with VDOT regarding its repair/replacement policy. Mr. White asked if the tests might establish the safety of the guardrail end, as to which the General Manager responded that it was too soon to ascertain that, based on available information, but that tests were continuing. Mr. Woodfin asked if Board approval was needed to replace the guardrail ends, and Ms. Gray and Ms. Simmons noted that, in such an event, guardrail end replacement would likely be covered in the annual Expressway maintenance and repair contract, but again the need for replacement remained to be seen. The Chairman and Ms. Gray also referenced the \$100,000 delegation in the standing contractual delegation resolution.

Continuing, she advised that the Authority would be holding three workshops in connection with budget preparation, a practice begun in 2014. The first of such meetings would be held on February 10, prior to the Board meeting, and would cover budget processes, policies and key factors. In late February, a second workshop would consider the operations portion of the budget, to be followed by a workshop prior to the March Board meeting on capital expenditures and the Authority's long-range financial plan. She anticipated that the Authority's financial advisor, Jimmy Sanderson of Davenport, would join the latter workshop.

The General Manager next noted the distribution of Jacob's 2014 traffic and toll revenue report. This was a requirement of the Authority's bond resolution. Salient elements in the report

included an increase in traffic of 2.6%, the largest portion of which occurred on the Downtown Expressway, and declining traffic on the Boulevard Bridge. Good weather, along with the lengthy bridge work and construction on Interstate 95 and its associated traffic diversion, were factors in the healthy traffic numbers. Traffic on the Authority's roads was primarily commuters and students, rather than transient vehicles. Ms. Gray anticipated that while some drivers would continue to use the Expressway system, others would revert back to the Interstates, and the Authority's conservative FY 2015 budget reflected this, with only an assumed projected growth rate of 1%. She also pointed out the continued incremental growth of E-ZPass, at approximately 63% of overall traffic. The graph on page 7 of the report illustrated the stairstep effect of the periodic toll increases. The Jacobs report pointed out that these infrequent toll increases resulted in toll rates that do not keep pace with inflation, and in real terms, tolls are "much lower" than they were in the past. Prior to 2008, the Authority's toll structure incentivized the use of E-ZPass.

Board members discussed various aspects of the Jacobs report. Mr. Woodfin asked about the effect on traffic of a toll increase, as to whether traffic first declined and then slowly resumed its growth rate and how long that might take. In response, Mr. Doughtie noted that the overall traffic on the Expressway was still at approximately 2008 levels, in light of the 2008 toll increase and the recession. Mr. White added that the opening of Route 288 also had an effect on traffic during this time period, and also noted that maintenance, upkeep and capital repairs had not suffered, even if "real" toll rates were not as high as in previous years. It was noted that recent refinancings did not generally reduce the total amount of outstanding indebtedness and also that the Authority did not have an active campaign like GRTC's Ridefinders that actively sought

users. Board members discussed marketing of the Authority's Expressway System to various classes of users.


Continuing, the General Manager noted the commencement of the General Assembly session, and as usual, the Authority was keeping an eye out for bills affecting its interests, including as to tolls, E-ZPass, violations processing and police. Mr. Brown discussed outreach efforts that included General Assembly members who had taken an interest in the Authority's affairs in previous years.

Ms. Simmons gave the Operations report. Work under the annual maintenance and repair contract was now complete, with final closeout items occurring. She referred the Board to her written report for other items.

Mr. Doughtie gave the Traffic and Revenue report. Monthly traffic was approximately 4.8% ahead of the previous year, primarily due to the lack of weather events and change in commuting days and holidays; on a normalized basis, the growth in traffic was approximately 1.3% and, in a fiscal year-to-date basis, traffic was approximately 1.5% ahead of the previous year. The Expressway System was on track to meet the fiscal year 2015 budget.

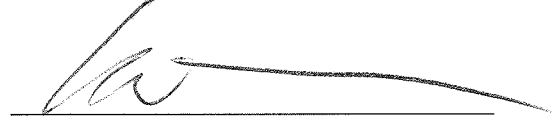
As to new business items, the Chairman stated that Mr. Cole had recently been ill but was on the mend. Board members expressed heartfelt best wishes for a speedy and complete recovery.

There being no further business to come before the meeting, the same, upon motion duly made, seconded and unanimously carried, was adjourned at 1:05 p.m.



Secretary

APPROVED:



Chairman

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