

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
HELD APRIL 11, 2023**

A regularly scheduled meeting of the Board of Directors was held on the 11th day of April 2023, at the RMTA Main Office, 901 East Byrd St., Ste. 1120, Richmond, Virginia, with access available electronically as well, pursuant to due notice.

The following Directors were present and acting throughout the meeting in person unless otherwise noted: Chairman Tart and Directors Brown (exited at 1:42 p.m.), Clarke, Dabney (via electronic communication), duFrane, Fountain (entered at 12:08 p.m.), Hardiman, Hawthorne (via electronic communication; entered at 12:31 p.m.), Lynch, Millikan, Mulroy (via electronic communication; exited at 1:30 p.m.), Ramsey, Story, West, and Williams. Director Nelson was absent.

Authority staff present were Ms. Dean, Ms. Johnson, Ms. Mehta, Mr. Owen, Ms. Simmons, and Ms. Watson. Also present were Heidi Abbott of Hunton Andrews Kurth (exited at 1:40 p.m.); Belinda Jones of Christian and Barton; Cherie Gibson (via electronic communication) and Dan Papiernik of HNTB; and Ram Jagannathan (via electronic communication; entered at 12:25 p.m.) and Rosa Rountree (via electronic communication; exited at 1:34 p.m.) of Atkins; Phil Eshelman (via electronic communication) of Stantec; and Jimmy Sanderson and Ty Wellford of Davenport.

Chairman Tart presided over the meeting, with Ms. Mehta acting as Secretary. There was a quorum throughout the meeting.

Chairman Tart called the meeting to order at 12:02 p.m.

First, he turned to the agenda item of the previous board minutes. Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Board members present, the amended Board minutes of the Authority's meeting held on March 14, 2023 were approved, as previously distributed. Ms. Mehta conducted a roll call vote.

After the minutes motion, Chairman Tart entertained a motion for Directors Dabney and Mulroy to participate via electronic communication both due to personal reasons pursuant to Virginia Code Sections 2.2-3707 and 3708.2 of the Virginia Freedom of Information Act and Article 3, Section 6 of the RMTA Bylaws. Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Board members present, Directors Dabney and Mulroy were allowed to participate via electronic communication. Ms. Mehta conducted a roll call vote.

Next, Chairman Tart turned to Committee Chair duFrane for her Audit Committee report. She reminded the Board that the FY21 Audit Findings were presented to the Audit Committee on February 22, 2023 and the Auditors informed the Committee that they expected to issue an unmodified (“clean”) opinion on the basic financial statements and the Authority’s compliance based on Governmental Auditing Standards. Staff received the final copy of the FY21 Annual Comprehensive Financial Report and emailed it to the Board members on April 5, 2023. She read the draft resolution to accept the Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2021.

Chairman Tart next entertained a motion to approve the Resolution to Accept the Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2021. Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Board members present, the Resolution to Accept the Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2021 was approved as distributed. Ms. Mehta conducted a roll call vote.

Next, Chairman Tart turned to Committee Chair Williams for the report of the Compensation and Benefits Committee. He explained that the Committee met on March 22 to propose performance-based pay increases. The Committee recommended the following: (1) a salary increase of 4% for employees who fully met or exceeded performance expectations in FY23 and (2) due to a realignment for health insurance versus actual, the FY24 budget will reflect a decrease in the total compensation. Upon motion duly made, seconded and carried (with a majority) by the affirmative votes of the Board members present, the Resolution Approving Compensation Plan for Fiscal Year 2024 was approved. Director West abstained from voting noting that, due to Staff's hard work and dedication, there should be a 5% increase instead.

After the Compensation and Benefits Committee report, Chairman Tart reported on the March 22 Operations and Finance Committee meeting. The Authority Board members engaged in a lengthy discussion about the proposed Toll Adjustment after Staff and Jimmy Sanderson of Davenport. Mr. Sanderson discussed the Authority's existing debt service. He noted that RMTA holds an A1 credit rating. He summarized Moody's rating overview including the rating methodology factors (market position; performance trends; and leverage and coverage). He also reminded the Board that Authority RMTA operating revenues have not returned to pre-pandemic levels (FY19: \$42.9 million; FY20: \$37.1 million; FY21 Est.: \$29.6 million; and FY22 Est.: \$33.5 million). Mr. Sanderson also shared that the Authority aggregate debt service coverage ratio has decreased since the pandemic (FY19: 2.0x; FY20: 1.6x; F21 Est.: 1.2x; and FY22 Est.: 1.4x). He also reminded the Board that, in addition to the Authority's bond documents and the Virginia Code, RMTA has adopted policies to guide financial decisions and maintain a strong financial position, including an objective to maintain a good reputation in the credit markets by maintaining and strengthening its credit rating; maintain debt service coverage ratios at least sufficient to comply

with current bond documents (1.20x) but a goal of 1.50x; maintain the system in good condition and repair; maintain adequate reserve levels; maintain balances on hand as of June 30 to fully fund the next fiscal year's capital plan; and maintain a balance of one to two years of the annual Expressway System operating budget. He then summarized projected Authority financial positions up to 2030 with no toll adjustment and under two toll adjustment scenarios (\$0.85 EZPass/\$1.00 Cash and \$0.90 EZPass/\$1.00 Cash).

Next, Chairman Tart entertained a motion for Director Hawthorne to participate via electronic communication due to medical reasons pursuant to Virginia Code Sections 2.2-3707 and 3708.2 of the Virginia Freedom of Information Act and Article 3, Section 6 of the RMTA Bylaws. Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Board members present, Director Hawthorne was allowed to participate via electronic communication. Ms. Mehta conducted a roll call vote.

Next, at the request of Director Lynch, Chairman Tart entertained a motion to carry over the discussion of a Toll Adjustment to the May meeting (instead of voting on whether to have a toll adjustment at this meeting) for Chesterfield board members to continue discussions with the Chesterfield jurisdictional partner. Upon motion duly made by Director Lynch, seconded by Director Ramsey, and carried (by the majority) by the affirmative votes of the Board members present, the motion to carry over the discussion of a Toll Adjustment to the May meeting was approved. Ms. Mehta conducted a roll call vote. The votes were as follows: Brown yes; Clarke no; Dabney no; duFrane no; Fountain yes; Hardiman no; Hawthorne no; Lynch yes; Millikan yes; Mulroy yes; Ramsey yes; Story no; Tart no; West yes; and Williams yes.

Mr. Owen summarized the FY24 operating budget. He highlighted differences between the current forecast and the budget for toll revenue and traffic. The difference between toll revenue

from FY23 current forecast to FY23 budget is -3.3% while the difference between traffic FY23 current forecast and FY23 budget is -2.1%. The difference between toll revenue FY24 budget and FY23 current forecast is 27.1% and the difference between traffic FY24 budget and FY23 current forecast is -0.2%. He also noted that operating expenses have increased 7.7% from the FY23 budget to the FY24 budget. He explained that there is a net increase of \$1.1 million in FY24 budget from FY23 budget. He noted that compensation and benefits are under budget by \$136,000 due to compensation increases being offset by reduced staffing and operating hours.

Ms. Simmons summarized the FY24 Capital Improvement Plan. It included a summary for the plan for FY23 to FY29 including deck rehabilitation, protective coatings, major bridge rehabilitation, mill and overlay, toll systems and services, maintenance and repair, and administrative costs. The FY24 estimated capital improvement plan total is \$19,466,772. Ms. Simmons also provided a summary of the long term capital plan for FY30 – FY41.

Next, Ms. Dean provided her CEO comments. She noted that the CVTA met on March 31 to prepare recommendations for project framework. Governor Youngkin will attend the June 1 CVTA meeting. She also noted that she attended the IBTTA HR/Legal conference in Norfolk along with Ms. Johnson, Ms. Mehta, Ms. Moss, and Ms. Simmons. Ms. Johnson participated in a panel discussion on “Upside Down Workplace”; outside counsel, Christian and Barton’s Lauren Fisher White, participated on the panel “Asking for a Friend”; and Ms. Dean participated in the “Workplace Culture” panel.

Next, Ms. Simmons provided the Operations Report, referring Board Members to the written report in the agenda packet. She added that there will be a closing of Boulevard Bridge on Saturday to address lighting issues.

Next, Mr. Owen provided the Finance Report, referring Board Members to the written report in the agenda packet. Regarding traffic highlights, year-to-date FY2023 traffic volumes system wide are 3.4% over the previous fiscal year YTD totals at the end of February with the same number of commuting days. Year to date revenue is 63.2% of the annual projected budget at the end of February. Fiscal year 2023 toll revenue of \$22.8 million is just under 3.3% of the projected year to date toll revenue. Fiscal year to date expenses are under budget expectations. Fiscal year 2023 revenue and expense amounts demonstrate compliance with debt coverage ratios.

Regarding new business, Chairman Tart noted that there will be a second Operations and Finance Committee Meeting Budget Workshop on April 26 at 10 a.m. and a board meeting on May 9 at 12 p.m.

Having no further business, the board meeting was adjourned at 1:43 p.m.

A handwritten signature in blue ink, appearing to read "Lisha C. Mant", written over a horizontal line.

Secretary

APPROVED:

A handwritten signature in blue ink, appearing to be initials, written over a horizontal line.

Chairman



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RESOLUTION TO ACCEPT THE ANNUAL COMPREHENSIVE
FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2021
(April 11, 2023)

WHEREAS, the Richmond Metropolitan Transportation Authority (the “Authority”) has prepared an Annual Comprehensive Financial Report (“ACFR”) for the fiscal year ended June 30, 2021; and

WHEREAS, the Authority’s staff provided a draft of the ACFR on April 5, 2023 to the Board of Directors (prior to the April 11, 2023 Board meeting), to allow an opportunity for questions or comments prior to finalizing the ACFR; and

WHEREAS, the Authority’s Audit Committee met on February 22, 2023 with staff and the Authority’s Independent Audit firm Cherry Bekaert (the “Auditor”) to allow an opportunity to discuss questions or comments about the draft ACFR and the audit prior to finalizing the report; and

WHEREAS, it is the Auditor’s responsibility to express opinions on the financial statements and on internal control over financial reporting and on compliance and other matters based on an audit of financial statements; and

WHEREAS, in the opinion of the Report of the Independent Auditor, the financial statements included in the ACFR present fairly, in all material respects, the financial position of the Authority in conformity with generally accepted accounting principles.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY that the ACFR for the fiscal year ended June 30, 2021 hereby be accepted.



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RESOLUTION APPROVING COMPENSATION PLAN FOR FISCAL YEAR 2024

(April 11, 2023)

WHEREAS, the Authority desires to approve performance-based pay increases, to be included in the Authority's annual budget for 2024; and

WHEREAS, the Authority's Compensation and Benefits Committee met on March 22, 2023 to propose performance-based pay increases, and recommend the following:

1. A salary increase of 4% for employees who fully met or exceeded performance expectations in FY23;
2. Due to a realignment for health insurance vs actual, the FY24 budget will reflect a decrease in the total compensation.

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

1. Employees not receiving the previously approved market adjustment and who fully met or exceeded performance expectations in FY23 will be eligible for a performance-based salary increase of 4% in FY24;
2. Staff and the Operations & Finance Committee shall include the foregoing increases in the development of the fiscal year 2024 budget;
3. This resolution shall take effect immediately.