

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
HELD MARCH 14, 2023**

A regularly scheduled meeting of the Board of Directors was held on the 14th day of March 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 Clark, DuFrane, Fountain, Hardiman, Hawthorne, Lynch, Millikan, Mulroy (entered at 12:10 p.m. via electronic communication), Story, West (exited at 12:45 p.m.) and Williams. Directors Brown, Dabney, Nelson, and Ramsey were absent.

Authority staff present were Mr. Burke, Ms. Dean, Ms. Johnson, Ms. Mehta, Mr. Owen, Ms. Simmons, and Ms. Watson. Also present in person were Heidi Abbott of Hunton Andrews Kurth and Belinda Jones of Christian and Barton. Cherie Gibson and Dan Papiernik of HNTB and Ram Jagannathan and Rosa Rountree of Atkins participated throughout the meeting electronically.

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 12:07 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 Board minutes of the Authority's meeting held on January 10, 2023 were approved, as previously distributed. Ms. Mehta conducted a roll call vote.

After the minutes motion, Chairman Tart turned to Director duFrane for her Audit Committee report. She noted that Rob Churchman of Cherry Bekaert presented the findings of the FY21 Audit at the February 22 Audit Committee meeting. Mr. Churchman informed the Committee that it had audited the Authority's basic financial statements as of and for the year ending June 30, 2021 and he expected to issue an unmodified ("clean") opinion on the basic financial statements and the Authority's compliance based on *Governmental Auditing Standards*. There were no corrected or uncorrected misstatements found during the Audit. Moreover, he noted that no new accounting policies were adopted by the Authority other than those to conform with the requirements of GASB No. 84, *Fiduciary Activities*, and noted no inappropriate accounting policies or practices. In summary, he noted that they encountered no significant difficulties in dealing with management in performing and completing the audit; there were no disagreements that arose with management during the course of the audit; and there were no difficult or contentious matters for which the Auditors consulted with others outside of the engagement team. Director duFrane informed the Board that Mr. Churchman plans to issue a letter regarding an internal control issue that is the result of staff turnover. She explained that Cherry Bekaert noted that this will be corrected by not only ensuring adequate checks and balances but also assessing staffing needs by the new Finance Director and staffing appropriately.

Director Mulroy joined the meeting in progress (via electronic communication). Therefore, at the request of Chairman Tart, the Board considered a motion for Director Mulroy to participate via electronic communication due to personal reasons (out-of-town on business) 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. The motion was duly moved, seconded, and approved by all Board members noted above as being present. Ms. Mehta conducted a roll call vote.

Next, Chairman Tart turned to Director Williams for the Compensation and Benefits committee meeting held that morning. Director Williams provided a summary of OneDigital consultant, Mary Jones's, presentation regarding health insurance benefits. Namely, he informed the Board that, to comply with IRS regulations, the health plan deductible will be adjusted from \$2,800/\$5,600 to \$3,000/\$6,000 and that several programs, including in-home addiction treatment and diabetes prevention, will be added to the plan. He also noted that Rick Campbell of PaypointHR shared preliminary information about the compensation study, focusing on the toll collector and maintenance worker positions. The data indicates that these positions should have a minimum rate of \$15 per hour to remain competitive with the market. Director Williams noted that PaypointHR will continue with a market analysis for all RMTA positions. He noted that Director Lynch recognized that the increase to \$15 per hour could lead to compression. As a result, he recommended a one-time incentive to address the compression issue resulting from the market increase. After Committee discussion, Director Williams informed the Board that the Committee had approved two resolutions. Ms. Johnson summarized the resolutions as follows:

- Resolution approving employee benefit plans for FY24:
 - Continue with TLC with understanding that there is an 8.9% increase to annual premiums (with a one-time 1.0% one-time TLC adjustment);
 - Maintain HSA and HRA contribution for employee and employee plus plans (\$1,000 for employees and \$1,500 for employee plus plans); and renew with WEX benefits for the administration of FSA for those enrolled in HSA.
- Resolution approving compensation plan for FY 23:
 - Implement salary adjustment effective April 1, 2023 to a minimum wage of \$15 per hour and provide a one-time incentive to remaining toll collectors and maintenance workers as follows: \$500 for employees with 2-5 years of service and \$1,000 for those with more than 5 years of service.

At the request of Chairman Tart, the Board considered motions to approve each of the Resolutions in turn as presented. Both motions were duly moved, seconded, and approved by all Board members noted above as being present. Ms. Mehta conducted a roll call vote.

Lastly, Director Hawthorne provided a report from the Operations and Finance Committee meeting held on February 15. He explained that Ms. Simmons provided an ETC – 2022 update to the committee in which she explained that the Downtown Expressway ETC was completed on January 30, 2023; Powhite Northbound ORT was scheduled for completion on February 27; and Powhite Southbound ORT was scheduled to be completed on March 27. He also noted that there will be a FY2024 Budget Workshop on March 22. He also summarized the discussions about the future of the RMTA Expressway System, including an overview of All Electronic Tolling (“AET”) and a potential Toll Adjustment and Differential. Immediate decisions for the board are (1) a toll rate adjustment; (2) whether to differentiate E-Z Pass versus cash pricing; (3) violation enforcement system expansion; and (4) full AET. Near term decisions include design and implementation of Powhite AET conversion; design and procurement of DTE AET conversion; roadway realignment changes for Powhite and DTE; back office and video billing options; and staffing post-AET. Director Hawthorne also shared that Mr. Owen led a discussion on the Authority’s financial outlook. He noted that, under the current rate structure, the RMTA will be unable to fund (cash flow) the annual capital and maintenance plan for FY 2023 forward. Thus, the consultant and RMTA forecasts show that cash and electronic rates need to be adjusted. And that a toll rate adjustment is necessary to meet bond covenants, ensure long-term financial viability, provide for proper maintenance of the system, and keep reserves available, if needed. He reminded the board that the last toll rate adjustment was in 2008. Director Hawthorne also shared that the traffic and revenue consultant, Phil Eschelman, explained that, although coverage levels are met

for FY 2023, it is understood that the future capital program over the next five years will require significant funding from reserves unless traffic increases by 15% next fiscal year and cumulatively 30% by 2030 (contextually, through the first six months of FY 2023, RMTA has grown 1.1% year over year). Director Hawthorne noted that there will be an April board meeting to review the information presented at the February committee meeting.

Director Hardiman complimented Staff on the work done to maintain the Authority's bridges and pavement in excellent condition and the noticeable difference between RMTA's bridges and VDOT's bridges in the downtown area.

Next, Chairman Tart turned to Ms. Dean for her comments. With regard to the General Assembly, she noted that there was only one bill the Authority had been tracking which would allow tolling authorities to access information of violators, including email addresses. The bill passed both houses and is awaiting the Governor's signature – which is anticipated to occur.

As for the CVTA update, Ms. Dean noted that the Technical Advisory Committee held a meeting on March 13. She noted that Director Clarke chairs that committee. The Committee is working on the allocation of CVTA funds. Ms. Dean also shared that CVTA's next meeting is March 24.

Ms. Dean also shared that a vehicle hit a TCA in one of the RMTA lanes. The employee is recovering from her injuries.

Next, Ms. Simmons provided the Operations Report, referring Board Members to the written report in the agenda packet. She emphasized that the Downtown Expressway and Powhite NB ORT zones are in revenue service and the final ORT zone, Powhite SB ORT zone would transition into full revenue service by Monday, March 27. She also explained to the Board

Members that upon completion of the installation of the new toll collection system in all the ORT zones the integrator, A-to-Be, would focus on completing punch list items, including but not limited to, additional reporting functionality and other non-essential toll revenue interfaces.

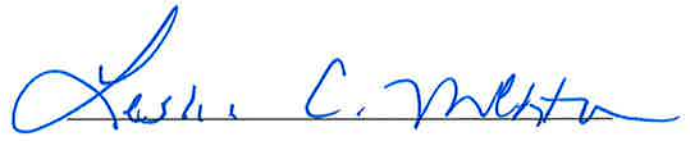
Next, Mr. Owen provided the Finance Report, referring Board Members to the written report in the agenda packet. Regarding traffic highlights, year-to-date FY2023 traffic volumes system wide are 3.3% over the previous fiscal year YTD totals at the end of January with the same number of commuting days. Year to date revenue is 56.1% of the annual projected budget at the end of January. Fiscal year 2023 toll revenue of \$20.4 million is just under 1.6% 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.

Chairman Tart noted that RMTA Staff provided him with a tour of the Expressway and invited other board members to take a Staff-led tour as well.

Chairman Tart also shared a thank you card from Director West in relation to the loss of her husband.

Regarding new business, Chairman Tart noted that there will be a Budget Workshop on March 22 at 10 a.m.; a board meeting on April 11 at 12 p.m.; a 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 1:27 p.m.



Secretary

APPROVED:



Chairman



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RESOLUTION APPROVING EMPLOYEE BENEFIT PLANS FOR FISCAL YEAR 2024

(March 14, 2023)

WHEREAS, the Richmond Metropolitan Transportation Authority (the “Authority”) desires to approve certain employee benefit plans for fiscal year 2024, to be included in the Authority’s annual budget for such period; and

WHEREAS, the Authority’s Compensation and Benefits Committee met on March 14, 2023 to consider such employee benefit plans, and recommended the following:

Coverage	Recommendation	Annual Authority Contribution/Premium*
Medical	a. Continue with The Local Choice (Administered by Anthem): includes vision and dental coverage b. 8.9% increase to annual premiums c. Maintain Health Savings Account (HSA) contribution for employee and employee plus plans, (\$1k for employees; \$1.5k for employee plus plans)	\$734,000 (9.9% increase over FY23)
FSA Administration	Renew with WEX Benefits, to include the limited purpose FSA for those enrolled in HSA.	\$ 6,500

*Approximate

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

1. The extension and implementation, as appropriate, of the foregoing employee benefit plans and coverages are hereby authorized and approved, together with the payment by the Authority of the corresponding contribution levels, and the Chief Executive Officer is authorized to take such action as is necessary to procure and implement such employee benefit coverage, including without limitation, execution of all necessary documentation and payment of related premiums and amounts on behalf of the Authority and plan participants.
2. Staff and the Operations & Finance Committee shall include the foregoing rates and premiums in the development of the fiscal year 2024 budget.
3. This resolution shall take effect immediately.



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RESOLUTION APPROVING COMPENSATION PLAN FOR FISCAL YEAR 2023
(March 14, 2023)

WHEREAS, the Authority desires to implement phase one of the 2023 compensation study to address entry-level positions that were identified by the Consultant as substantially below the market, and to be effective April 1, 2023; and

WHEREAS, in light of the competitive pressures for recruitment, and because the net effect of the increase will have a minimal impact to the current budget (FY23); and

WHEREAS, the Committee recognizes the compression issues that will result with this increase, and seeks to incentivize the remaining toll collectors and maintenance workers;

WHEREAS, the Authority's Compensation and Benefits Committee met on March 14, 2023 to recommend the following:

1. Implement the salary adjustment of employees who are substantially below market rate;
2. Provide a one-time incentive to the remaining toll collectors and maintenance workers;

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

1. Twenty-five identified employees will receive an adjustment to their salary, increasing to \$15/hr, based on the market rate as defined by the Consultant in the 2023 Compensation Study;
2. The other toll collectors and maintenance workers will receive a one-time incentive as follows: \$500 for employees with 2-5 years of service; and \$1,000 for those with more than 5 years of service.
3. Staff shall include the foregoing increases and incentives, effective April 1, 2023.

