

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
HELD AUGUST 13, 2024**

The annual meeting of the Board of Directors was held on the 13th of August 2024, at the RMTA Main Office, 901 East Byrd Street, Suite 1120, Richmond, VA, pursuant to due notice and via electronic communication as noted below.

The following Directors were present and acting throughout the meeting in person unless otherwise noted: Chairman Lynch and Directors Clarke, Davis, duFrane (12:03 p.m.), Hardiman, Hawthorne, Millikan, Mulroy, Schneider, West, Williams, and Tart. The following Board members were present via electronic Zoom communication but not participating: Vice-Chairman Dabney and Directors Fountain (12:02 p.m.) and Story. Board members absent: Nelson.

Authority staff present were Ms. Dean, Ms. M. Johnson, Ms. S. Johnson, Ms. Murphy, Mr. Owen, Ms. Watson (via, Zoom), and Ms. White. Also present were Belinda Jones of Christian and Barton; Heidi Abbott of Hunton Andrews Kurth; Megan Gilliland of Kaufman & Canoles; Jimmy Sanderson and Ty Wellford of Davenport; Dan Papiernik, Cherie Gibson (via Zoom), and Brad Stimpson of HNTB; Rosa Rountree (via Zoom 12:29), Bob LaGotta (via Zoom 12:29), Danny Baiden of Atkins Realis; and two members of the public, students at St. Christopher's School, accompanying Ms. Jones as part of an internship program.

Chairman Lynch presided over the meeting with Ms. Jones acting as Secretary. There was a quorum present throughout the meeting.

Chairman Lynch called the meeting to order at 11:58 a.m. Ms. Jones conducted a roll call.

Chairman Lynch 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 June 11, 2024, were approved, as previously distributed.

Chairman Lynch then introduced Director Jessica Schneider, a new RMTA Board Member from Chesterfield County. Ms. Schneider provided her background, including her current role on the Board of Supervisors of Chesterfield County for the Clover Hill District. The Board enthusiastically welcomed Ms. Schneider.

Chairman Lynch called on Director Hawthorne to report on behalf of the Operations and Finance Committee. Director Hawthorne reported the Operations and Finance Committee met on August 1, 2024, to discuss a proposal from Davenport related to the defeasance of certain taxable bonds and the replacement of those bonds with tax-exempt bonds at a lower interest rate, resulting in savings over the life of the bonds. Director Hawthorne introduced Mr. Sanderson and Mr. Wellford from Davenport to report to the full Board. Mr. Sanderson noted the productive meeting with the Operations and Finance Committee and stated that Ms. Gilliland, serving as bond counsel, had prepared a Resolution for consideration following the presentation.

Mr. Sanderson noted that this bond transaction is similar to that in 2019. He reminded the Board that the RMTA has four series of bonds outstanding, two are taxable and two are tax-exempt. The taxable bonds may be redeemed at any time on a make-whole basis. The proposal includes using available cash in RMTA's Repair and Contingency Fund that would otherwise be used for capital projects to pay off the 2011D taxable bonds and then to borrow funds on a tax-exempt basis to be used for those capital projects. The outcome is reducing debt service by redeeming high interest rate bonds and replacing those with lower interest rate bonds.

Mr. Sanderson explained that the RMTA's debt service is level at approximately \$9.7 million per year. After consultation with staff, Mr. Sanderson reported that Davenport is comfortable using approximately \$10 million to pay off the 2011D taxable bonds through a strip-call of each maturity. Debt savings are estimated at \$65,000 per year. Total gross savings are estimated at \$1 million, with a net present value of approximately \$900,000. The percent of present value savings is estimated at 9.3%. Mr. Sanderson reported that when advising as to transactions, Davenport expects to see at least a 3% present value savings. Director Mulroy asked if the percent of present value savings has remained constant since the report to the Operations and Finance Committee. Mr. Sanderson replied that there has been variability in the interest rates since that time and the estimates in the presentation had not been updated to allow time for that variability to resolve.

Mr. Sanderson then reported on the schedule, including the submission of the non-binding application to VRA, which was submitted on August 2, 2024, following the Operations and Finance Committee meeting. Mr. Sanderson presented on upcoming meetings of Council for the City of Richmond and the Boards of Supervisors for Henrico and Chesterfield Counties. All localities are required to approve along with the Mayor for the City of Richmond. Two key dates are October 14, 2024, which is the latest funding date for the defeasance of the taxable bonds and October 29, 2024, the date the interest rate on the new bonds will be issued. RMTA is required to pay off the taxable bonds at least 15 days prior to the pricing of the new bonds. Davenport previously discussed with the Operations and Finance Committee having at least a 3% savings but has revisited that percentage to a higher minimum threshold of 4.5% of savings due to the potential market fluctuation between October 14 and October 29, 2024. Director Mulroy supported the change to 4.5% to provide a cushion and allowing the savings to remain

meaningful. Director West confirmed with Mr. Sanderson that there is flexibility in the schedule to obtain approval from the jurisdictions. Ms. Dean stated that she and Mr. Sanderson will work diligently to get on the calendars for the jurisdictions and are comfortable it can be achieved. Director Schneider inquired as to the potential for a rate change as a result of the election. Mr. Sanderson and Mr. Wellford responded that movement is anticipated. Director Williams supported the 4.5% cushion, but confirmed the decision date is October 14, 2024, 15 days prior to the issue date of the new bonds. Ms. Gilliland reported that this 15-day period also existed in the 2019 bond transaction.

One of the parameters in the Resolution is that the final maturity should occur no later than July 15, 2041, but Mr. Sanderson and Mr. Wellford suggested changing to a calendar year date of December 31, 2041 to accommodate VRA's payment dates and further protecting the Authority.

Ms. Gilliland summarized "A Series Resolution Authorizing The Issuance And Sale To The Virginia Resources Authority Of A Richmond Metropolitan Transportation Authority Expressway Revenue Bond, In A Principal Amount Not To Exceed \$10,500,000, In Order To Fund Certain Expressway Improvement Projects; Providing For The Terms And Details Thereof; And Providing For The Defeasance Of Certain Previously Issued Bonds." She noted the Resolution as presented would be updated to reflect a final maturity date of no later than December 31, 2041 (rather than July 15, 2041), and a present value savings threshold of at least 4.5% (in lieu of 3.0%). The not to exceed amount of \$10,500,000 remains unchanged. The defeasance will occur no later than October 14, 2024, and VRA pricing will occur on or about October 29, 2024. The Resolution gives the Chair and Vice Chair discretion should any of the dates change slightly, which is not anticipated, and the documents are authorized for signature by

the Chair and Vice Chair. Director West inquired as to the logistics of the Resolution with the changed maturity date and savings threshold to which Ms. Gilliland responded that the Board would be asked to finalize those parameters in its motion adopting the Resolution. Director Schneider asked whether the 4.5% is less likely to occur than the previous 3% recommended. Mr. Sanderson replied the change is a result of the 15-day window and efforts to protect the Authority and ensure savings exist.

Thereafter, upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Directors present, by roll call vote conducted by Ms. Jones, the Board approved A Series Resolution Authorizing The Issuance And Sale To The Virginia Resources Authority Of A Richmond Metropolitan Transportation Authority Expressway Revenue Bond, In A Principal Amount Not To Exceed \$10,500,000, In Order To Fund Certain Expressway Improvement Projects; Providing For The Terms And Details Thereof; And Providing For The Defeasance Of Certain Previously Issued Bonds, to include a 4.5% savings threshold and final maturity date of no later than December 31, 2041. Director Williams commented on the good work of Davenport, counsel, and staff.

Chairman Lynch then turned to Ms. Dean for her CEO comments. Ms. Dean thanked everyone for their attendance and work to bring the Bond Resolution forward. She then reported on the All Electronic Tolling (“AET”) project, noting that weekly meetings continue. She commented the project is slightly ahead of schedule. Ms. Dean presented a rendering of the proposed gantry design. Ms. Dean reported that the Authority continues to develop its communications plan surrounding AET. Ms. Dean then announced that the team will be issuing a RFP for toll violation processing in January 2025.

Ms. Dean then reported that Ms. Mehta has resigned after achieving success in her primary race for the First Congressional District. Ms. Dean commented that Ms. Mehta will be missed. At that time, upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Directors present by roll call vote conducted by Ms. Jones, the Board elected Ms. Jones as Secretary of the RMTA Board.

By way of CVTA update, Ms. Dean reported the CVTA elected a new chairman and congratulated and thanked Director Clarke for her service as Chair of the Technical Advisory Committee. Lastly, Ms. Dean discussed the Board Retreat and after discussion it was decided the Board Retreat would be held on November 20, 2024. Ms. Dean commented that the Authority planned and was prepared to address any issues from the storm, which fortunately did not occur.

Chairman Lynch then turned to Mr. Stimpson for the Operations Report. Mr. Stimpson reported that the AET conversion project is progressing with focus on gantry design and site planning. As it relates to protective coatings, only two bridges remain in the original contract, in addition to some miscellaneous maintenance and painting. In regard to the Maintenance and Repair (MR) projects for 2024, the contractor has received a notice to proceed and work will begin within the next few weeks.


Next, Mr. Owen provided his traffic and revenue report – referring Board Members to the written report in the agenda packet. Regarding traffic highlights, year-to-date FY2024 traffic volumes system wide are 4.8% over the previous fiscal year YTD totals at the end of June. Year-to-date revenue is 108.4% of the annual projected budget at the end of June. Fiscal year 2024 toll revenue of \$47.6 million is just over 9.1% of the projected year-to-date toll revenue. Fiscal year-to-date expenses are slightly lower than budget expectations. Fiscal year 2024 revenue and expense amounts demonstrate compliance with debt coverage ratios. Cumulative YTD, through June,

EZPass usage decreased from 76.8% in FY2023 to 76.5% in FY2024. A question was posed as to the treatment of any surplus in revenue for the current fiscal year.

As to new business, Ms. Jones reported on the changes to FOIA effective July 1, 2024, which require the Authority to readopt its Board Policy Governing Remote Participation and All Virtual Meetings. A redline of the board policy was distributed for discussion and vote at the meeting in October 2024. Ms. Jones also reported on the change in FOIA concerning absence for a defined "disability" or when caregiving for someone with a "disability," which now may be counted purposes of establishing a quorum. Director Williams confirmed that the meaning of "disability" is a defined term and is not generally applicable to illness.

Chairman Lynch reminded Board members of their committee assignments and announced the next Board Meeting is scheduled for October 8, 2024.

Having no further business, the Board Meeting was adjourned at 12:54 p.m.



Secretary

APPROVED:



Chairman