

RICHMOND REGIONAL PLANNING DISTRICT COMMISSION
Minutes of Meeting
May 10, 2007

Members/Alternates Present

W.R. Britton, Jr. (A) County of Charles City
Malvern R. Butler (M)County of Goochland
Amy M. Cheeley (M).....County of Hanover
Richard W. Glover (M)..... County of Henrico
John E. Gordon, Jr. (M)County of Hanover
Kathy C. Graziano (M)City of Richmond
John C. Grier (M).....City of Richmond
Jerilynn T. “Jeri” Grigsby (M)..... County of Henrico
Harvey L. Hinson (A) County of Henrico
Russell E. Holland (M), ChairmanCounty of Powhatan
Michael L. Holmes (M), Treasurer County of Charles City
R. M. “Dickie” King, Jr. (M), Vice Chairman.....County of Chesterfield
Kelly E. Miller (M)County of Chesterfield
Elizabeth W. Moorhouse (M)County of Hanover
William J. Pantele (M), SecretaryCity of Richmond
George K. Roarty (M).....County of Chesterfield
Robert R. Setliff (M).....County of Hanover
Millard D. “Pete” Stith, Jr.(A)County of Chesterfield
Stran L. Trout (M)..... County of New Kent

Members Absent

Thomas M. Branin (M) County of Henrico
Robert R. Cosby (M).....County of Powhatan
James B. Donati (M) County of Henrico
Frank M. Hartz (M).....County of Goochland
Renny B. Humphrey (M)County of Chesterfield
David A. Kaechele (M)..... County of Henrico
Beverley C. Lacy (M)City of Richmond
Sherman W. Litton (M).....County of Chesterfield
Delores L. McQuinn (M)City of Richmond
Patricia S. O’Bannon (M) County of Henrico
Faye O. Prichard (M)Town of Ashland
Ellen F. Robertson (M)City of Richmond
Donald D. Sowder (M)County of Chesterfield
Brenda L. “Sam” Snyder (M) County of New Kent
Frank J. Thornton (M)..... County of Henrico
Arthur S. Warren (M)County of Chesterfield
David T. Williams (M)County of Powhatan

Others Present

John Amos RRPDC Legal Counsel
George Homewood County of New Kent

Staff Present

Paul E. Fisher Executive Director
Jo A. Evans Assistant Executive Director
Julie H. Fry Executive Secretary
Daniel N. Lysy Director of Transportation
Jackie S. Stewart Director of Planning/IS
Peter M. Sweetland Finance and Contracts Administrator
Patricia A. Villa Communications Coordinator

Call to Order

Chairman Holland called the regularly scheduled May 10, 2007 RRPDC meeting to order at approximately 1:10 p.m. in the RRPDC conference room. He then led the Commission in the pledge of allegiance to the flag.

I. ADMINISTRATION

A. Certification by Commission Executive Director of Meeting Quorum

Mr. Fisher certified that a quorum of 18 members/alternates was present.

B. Requests for Additions or Changes in Order of Business

Chairman Holland asked if there were any changes or additions to the order of business. No changes or additions were requested.

C. Open Public Comment Period

Chairman Holland asked if there was anyone from the public in attendance who wished to make a comment. As there were no requests from the public to address the Commission, Chairman Holland closed the public comment period.

D. Approval of Minutes – April 12, 2007 Meeting

Mr. Pantele, Secretary, presented minutes of the RRPDC meeting held on April 12, 2007. On motion made by Mr. Pantele and seconded by Mr. King, the minutes were unanimously approved as presented.

F. Approval of March 2007 Financial Report

Mr. Holmes presented the financial reports for March 2007. On motion made by Mr. Holmes and seconded by Mr. Pantele, the March 2007 financial report was unanimously approved as presented and accepted for audit.

G. Chairman's Report

Chairman Holland brought to the Commission's attention his written report under Tab 3 in the agenda book. A report on the office relocation will be deferred until later in the meeting.

H. Executive Director's Report for April 2007

Mr. Fisher presented the written staff status report, a copy having been included in the agenda, and urged the Commission members to read the report which details activities staff has undertaken in each of the localities over the past month. He stated this is his last meeting with Commission members, and he thanked the Commission for the opportunity to serve as executive director over the past five years and ten months. He indicated he had learned a lot from the members about their localities and the region.

Chairman Holland thanked Mr. Fisher for his service.

II. OLD BUSINESS

A. Legislative Update

Chairman Holland recognized Ms. Villa, who gave a brief summary of legislative actions from the recently concluded General Assembly session. All members were provided with a copy of the annual *Yeas and Nays* report with their agenda packet. The report includes approximately 300 of the 950 bills approved by the General Assembly and signed into law by the governor this year.

Regarding urban development areas (UDA), all localities in the region, with the exception of the Town of Ashland and Charles City County, will be required to develop UDAs. These are areas set aside for high density.

A second area of interest was urban transportation service districts in Chesterfield County.

A third area of interest included secondary street standards and bringing these into the VDOT system. The Commonwealth Transportation Board will create regulations and standards, with public open comment periods until May 16. All localities have been contacted regarding this information.

Mr. Miller asked if there was anything in the legislation on secondary street standards that would prohibit localities from developing enhanced standards. Ms. Villa stated she did not believe so.

Mr. Glover asked if RRPDC could find out if there is any comparative information available regarding how much is being paid per lane mile for maintenance by localities. He said there is great disparity in the amounts received locally and those received in northern Virginia. Mr. Glover stated the governor had amended the transportation bill to reduce the amount being allocated to Henrico County without sufficient explanation. Mr. Glover stated that if localities were going to be responsible for their own roads maintenance, the localities should know how much they would be allocated to take care of the maintenance.

Chairman Holland asked if this was something that should be handled by the MPO instead of being undertaken by the RRPDC. Chairman Holland said he had no problem with RRPDC staff working on this issue if that was the desire of the Commission.

Mr. Glover said he was asking this of the RRPDC, because he is not a voting member of the MPO. He felt this was in line with RRPDC's ability to gather information regarding funding. The MPO would have knowledge in determining which roads were in need of repair. Mr. Glover stated that even though VDOT does the work, each jurisdiction should know the amount of money being allocated to do the repairs. He would like to know how each amount is set for the different localities around the state.

Chairman Holland asked if Henrico County staff could draft a letter for Chairman Holland's signature stating Mr. Glover's concerns.

Mr. Fisher asked if Mr. Glover would like RRPDC staff to work with Mr. Hinson to have an item ready for the June agenda. Chairman Holland said he didn't think this needed to be an agenda item; the questions could be sent out to the appropriate person for a reply.

Mr. Glover said he would like for all jurisdictions to know what is being allocated. Maintenance issues should be of the same concern for every locality.

Mr. Setliff asked if Henrico's overall allocation was cut. Mr. Glover said Henrico County is no longer viewed as a suburban county in determining the allocation. He said all localities need to know if the criteria for determining allocations is correct for each locality.

Ms. Villa clarified that the amendment in question had been made in order to bring Henrico County up to par with Arlington. This portion of the bill was removed by the governor.

Mr. Stith asked if funding to accomplish this would have been taken from other jurisdictions. Mr. Glover said Henrico County has been maintaining its own roads for many years and has not been compensated on an equal footing.

Mr. Holmes said it would be to the advantage of the Commission to have access to the comparative figures for roads maintenance. Mr. Glover indicated this is what he was asking RRPDC to do.

Mr. Setliff said he agreed that it would be beneficial to have information on state funding for road repairs. Once this information is obtained, the Commission should work together to form a comprehensive plan for roads maintenance that would be beneficial to the region.

Mr. Miller stated this would be a great opportunity for the Commission to be more aggressive and effective in its lobbying efforts to influence transportation issues.

Mr. Glover suggested a study on maintenance funding be made by the Commission through a subcommittee appointed by the Chairman.

Mr. Pantele noted that a long range transportation plan was already being worked on by the MPO. He suggested the region should develop a list of regional transportation needs to take to area legislators. During previous meetings with local legislators, Mr. Pantele left these meetings with the impression that the legislators did not see there are any transportation problems within the Richmond region.

Mr. Butler stated that transportation is part of the planning process in northern Virginia and Hampton Roads. He suggested that the Commission should have a stronger lobbying position on transportation.

Chairman Holland said he will appoint a subcommittee to look into the concerns raised and ask the committee to report back to the Commission at an upcoming meeting.

B. Executive Director Search

Chairman Holland asked Mr. Pantele to give an update on the search process. Mr. Pantele stated that Chairman Holland has appointed Ms. Evans as the interim executive director. The search committee is still working to determine the process by which a new executive director will be hired. He noted it has been requested that discussions continue on organizational visioning. This will be on the agenda for the July meeting. At the April meeting, information on the work session held about a year and a half ago with Dr. Chandler had been given to the members with a request for feedback and suggestions on the agency's future to be given to Ms. Evans prior to today's meeting. As no comments were received, Mr.

Pantele asked that if any members had comments on the future direction for the Commission, to please forward those to Ms. Evans for discussion during an upcoming Commission meeting.

III. NEW BUSINESS

A. Report of Nominating Committee for FY 08 Officers

Chairman Holland asked Mr. Gordon to give a report from the Nominating Committee. Mr. Gordon reported that the committee, comprised of himself as chairman, with Stran Trout and Bill Pantele, would like to offer the following slate of officers, following the established jurisdictional rotation for officers:

Mr. King, Chairman (Chesterfield County)
Mr. Holmes, Vice Chairman (Charles City County)
Mr. Pantele, Treasurer (City of Richmond)
Mr. Donati, Secretary (Henrico County)

The Executive Committee approved this slate at its meeting earlier today. On motion made by Ms. Graziano and seconded by Mr. Setliff, the slate of officers was approved by Commission members as presented.

B. Review of Final FY 07 Budget and Work Program

Mr. Fisher reported this is the fourth time this information has been presented to members. The Executive Committee has recommended this budget be approved. He asked Ms. Evans to present information to the members on the final FY 07 budget.

Ms. Evans stated that the work program had been provided as a separate document in the agenda packet. A summary of changes was provided, and if there are questions, Mr. Lysy and Ms. Stewart are available to address these.

With regard to the final FY 07 budget, changes from what was presented to the Commission in December include:

- transfers of funds to FY 08
- funding for new office space with subleasing
- buyback of VRS service credit for current covered employees
- changes in staffing

Revenues

- transfer of funds to FY 08 (\$171,000 requested by RMTS consultant; \$85,950 requested by RRPDC staff)

Mr. Glover asked what was included in the transfer request made by staff. Ms. Evans stated it was comprised of funds not used as a result of two staff vacancies in Urban Transportation. Mr. Glover asked if these funds were allocated to an expense side of the budget. Ms. Evans stated the revenue that came in is allocated to personnel and any other direct costs associated with Urban Transportation planning program, printing of reports, advertising for public notices. Mr. Glover asked if Ms. Evans was referring to RRPDC staff and not MPO staff. Ms. Evans stated it referred to RRPDC staff that does urban planning for the MPO. Mr. Glover asked if RRPDC staff did planning for the MPO.

Mr. Fisher stated that was correct as Mr. Lysy and his staff are RRPDC employees. Mr. Glover stated he knew that an amount of five cents was received from member dues to pay for urban planning. He asked if this was planning money that was being transferred to RRPDC.

Mr. Fisher clarified that the term “request” is where the source of the need for the transfer came from. The \$171,000 is for the consultant working on the regional mass transit study to be used as the study continues in the next fiscal year.

Mr. Glover asked if this amount was coming from MPO funds. He thought he heard Ms. Evans say this would be from PL funds. Mr. Fisher stated this was correct. Mr. Glover asked where the \$85,950 would come from. Mr. Fisher said these are also PL funds which staff identified as needing to be transferred to next year for project purposes.

Mr. Glover asked how money can be taken from the RRPDC or MPO to pay for RRPDC staff when these are two separate organizations. The only charge of the RRPDC is to administer contracts for the MPO. Mr. Glover said funds are being co-mingled to use money from one organization that is administrative and advised by the Commission. Mr. Fisher asked if Mr. Amos would like to address this.

Mr. Amos stated he believed this was the same issue raised by Mr. Glover in 2001. He felt the issue was addressed adequately at that time. Mr. Glover said that he did not remember that the response was correct at that time. Mr. Glover stated that he knew PL funds were not to be used for RRPDC.

Mr. Fisher stated it was proper to use these funds for staff. Mr. Glover stated the PL funds were used to hire staff for the MPO and not RRPDC. Mr. Fisher responded that these are actually RRPDC staff members paid for with MPO funds. Mr. Glover stated he objected to this practice and knew it was not correct. He offered to provide proof to this should Mr. Amos care to meet with Henrico County attorneys. Mr. Amos stated he did not think this would be necessary.

Mr. Glover further stated he had learned about the MPO over the course of a year when there was no executive or assistant executive director in the agency. During that time he learned where the money came from and where it was supposed to

go. He said that unless the policies had changed without his knowledge, and he has been on the board since 1989, money from the MPO and RRPDC is currently being co-mingled.

Chairman Holland asked Ms. Evans to continue with her presentation.

Ms. Evans noted on the expense side, changes had been made as follows:

- + \$9,500 personnel (includes reduction in staffing and health insurance costs and impact of VRS service credit purchase)
- - \$135,000 MPO RMTS (transfer to FY 08 for RMTS consultant)
- - \$131,400 various remaining expense adjustments (based on FY 07 spending through February including one-time office relocation expenses)

Changes total \$256,900 less than what was anticipated when the revised budget was presented in December. Only \$7,300 will be taken from the unallocated fund, leaving a balance of \$1.8 million.

Chairman Holland asked if there were any questions. Mr. Holmes asked why on the revenue side there was an amount of \$171,000 for the RMTS consultant but on the expenditure side, the amount was listed as \$135,000. Ms. Evans said it was related to the matching of funds. RRPDC will need to match 10% of any funds received. There was also a reduction in PL funding that had been estimated in December. Mr. Glover asked who reduced the amount of PL funding. Ms. Evans stated it was done by the federal government. Mr. Glover asked if the amount received was based on what was used in the past. Ms. Evans stated it was based on a formula used to allocate funds to MPO regions. Mr. Glover asked if that formula had anything to do with what had been used in the past. Ms. Evans stated it did not and asked Mr. Lysy for clarification.

Mr. Glover asked Mr. Lysy if funds were rolled on a two year basis or if the funds were incorporated into RRPDC funds. Mr. Lysy stated funds not used in one year were transferred to the next year. Mr. Glover asked how this transfer was explained. Mr. Lysy replied the transfers were reported to VDOT. Mr. Glover asked if this was federal money. Mr. Lysy said it was federal and state money. Mr. Glover asked if this was reported quarterly and if money was reimbursed accordingly. Mr. Lysy said this was correct. Mr. Glover asked how the use of PL money was reported to the federal government. Mr. Lysy said it was reported directly to VDOT. Mr. Glover asked if the PL money received was for MPO projects. Mr. Lysy responded it was. Mr. Glover then asked how these funds were transferred to RRPDC for employees of the RRPDC. Mr. Lysy replied that VDOT contracts with RRPDC to administer the funds on behalf of the MPO. Mr. Glover said that was correct; however, this did not allow the agency to inter-mingle the funds. Mr. Lysy stated the funds are kept separate by use of work codes. There is a local match used for MPO projects. Mr. Lysy further stated the RRPDC is also allowed to charge for indirect support of administrative items such

as rent and utilities. Mr. Glover asked if PL funds were used for these charges. Mr. Lysy said they can be used. Mr. Glover stated he wanted to go on record as noting that funds are being co-mingled.

Chairman Holland asked if there were any further questions or comments. Mr. Holmes indicated he saw the difference in funds per his previous question. On motion made by Ms. Graziano and seconded by Mr. King, the motion to accept the final FY 07 budget as presented was carried. Mr. Glover asked that his nay vote be recorded. Mr. Hinson also asked that his nay vote be recorded based on the fact that the 2001 opinion on the budget as issued by Mr. Amos appeared to be in response to one question regarding a shortfall in the Unified Work Program. Mr. Hinson said he does not believe the practice should have been continued. While Mr. Lysy's response to how funds are tracked is a good explanation, Mr. Hinson stated he questioned the continuation of budget preparation based on the 2001 opinion.

Chairman Holland stated this would be noted, and he would ask Mr. Amos to review the issue. Mr. Amos stated he did not see that the procedure needed to be reviewed as there have been internal audits, and the practices have never been questioned by the auditors, by the federal government, or by VDOT. This procedure has been in place for a long period of time. When Mr. Glover says the funds are being "co-mingled," Mr. Amos said this concerns him because the money is being tracked. When a change is made by the MPO in their plan, as part of that plan, the administrative costs must be paid to the Commission. Those funds have to be flowed through the Commission budget. There is no co-mingling of money in the sense of any inappropriate conduct. The funds have always been tracked, and there has never been a question regarding this.

C. Review of Revised FY 08 Budget and Work Program

Mr. Fisher stated this is the second look at the FY 08 budget, which was approved in December. He asked Ms. Evans to review the information.

Ms. Evans noted the work program was included in the agenda packet as a separate document and that a summary of changes had been included. If there are any questions, Mr. Lysy and Ms. Stewart are available to answer those.

Current population estimates and PL/5303 funding have been updated based on information received since December. Based on the updated population figures from Weldon-Cooper, member dues have been adjusted, and localities will receive invoices for these amounts later in June.

At its April meeting, the MPO approved its FY 08 UWP. In that document were funds allocated to the agency in the amount of \$98,700 in PL funds and \$13,400 in 5303 funds, more than previously reported.

Unrestricted fund use will increase to \$5,300, leaving the total unrestricted fund balance at \$1.8 million. There is an error on page 4, line 16.

- + \$1,900 local membership dues
- + \$98,700 FHWA/PL-Urban Transportation Planning (transfer from FY 07)
- + \$13,400 FTA/Section 5303-Urban Transportation Planning (increased from FY 07 funding level)
- + \$5,300 unrestricted fund balance (projected use of funds increased)

Regarding expenses, there are some staffing changes. It is assumed that the executive director's position will be filled by October 1. VRS service buyback impact is also included. Personnel costs have been reduced by \$44,700. This also assumes a 4% salary increase as of July 1 and full staffing by October.

Mr. Glover asked where the VRS expenses were shown. Ms. Evans stated these were included in the personnel costs. Mr. Glover asked Chairman Holland if these expenses could be broken out in subsequent years. Ms. Evans asked if the ICMA (secondary retirement plan) costs should also be listed. Mr. Glover said these funds should also be shown and that fluctuations should be explained. He stated this is done at the county level, and he would expect the same procedure to be followed by the Commission. Chairman Holland said this could be done in future budgets.

Ms. Evans continued to review other expense adjustments including the RMTS consultant costs and relocation expenses. This will result in a balanced budget by using \$71,900 of the unrestricted funds.

- - \$44,700 personnel (service credit buyback by current VRS employees, addition of full time senior planner, full staffing last 3 quarters of fiscal year, and 4% salary increase July 1, 2007)
- + \$190,000 MPO RMTS (PL funds, consultant transfer from FY 07)
- - \$26,000 various adjustments (one-time relocation expenses, changes in anticipated program requirements or cost factors)

With regard to the unrestricted fund balance, Ms. Evans presented a slide showing use of the fund balance over selected years. Growth in the fund has resulted from fiscal prudence and aggressive investments. Ms. Evans stated this indicates the good financial position of the agency. She further reported that use of the fund balance had not been as great as had been projected when the long-term budget had been completed in 2001. At that time, it was anticipated that the \$1 million threshold would be reached in FY 09. Now it is anticipated this threshold will not be reached until FY 12. This has been accomplished through conservative forecasting of revenues and the assumption of little or no revenue growth. Expenditures are trended out based on what is actually being used.

Mr. Glover asked if information had been provided to the Commission on how unrestricted funds will be used each year. Ms. Evans stated projected use is based on little or no growth in revenue, and staff is being very conservative in revenue projections, and expenditures are tracked out as they actually occur. Mr. Glover asked if a copy of the methodology used in projecting unrestricted fund use could be provided to members. Ms. Evans replied that had been presented to Commission members a few months ago.

Mr. Miller asked what percentage of the budget was covered by the unrestricted fund use. Ms. Evans stated the budget is about \$2.5 million, and the unrestricted fund balance is approximately \$1.8 million. She stated the auditor had recommended, and the Commission had agreed, that \$1 million be kept in reserve to cover any expenses should the agency go out of business.

At this time, Mr. Pantele called for the question. Mr. Glover said the county capped its reserve at 18% of its budget. Ms. Evans stated the unrestricted funds were about 75% of the budget. Mr. Glover stated that while he understood Mr. Pantele's desire to move on with the agenda, he believed the Commission members needed to hear all the information that staff could present.

Ms. Evans noted that the Commission would review the budget again in November and December, including information on the proposed FY 09 budget.

Chairman Holland asked if there were any further questions. Mr. Butler stated that he appreciated seeing long term budget projections.

Mr. Setliff moved that the revised FY 08 budget and work program be approved as presented, with the stipulation that line item expenses for VRS/ICMA be provided. Mr. Glover stated that he wanted the breakout of retirement payments for his own information and if the other Commission members did not want to see these figures, they could be provided only to him. Mr. Glover further stated that he thought the information should be provided to everyone. Mr. Setliff replied that he included this in his motion because Mr. Glover had requested it. Chairman Holland called for a second to the motion. Ms. Graziano seconded the motion. Chairman Holland asked if there was any further discussion. There being none, the motion carried with Mr. Glover voting not to approve.

IV. OTHER BUSINESS

A. Committee Reports

Chairman Holland asked Mr. Amos to provide an update on the office relocation. Mr. Amos reported that staff learned two days ago that the new location would not be ready for occupancy on June 1. Staff has contacted the current landlord (Brandywine) and has been informed RRPDC can stay in the current location for the month of June. Brandywine indicated they would like to use the conference

room and furniture during the month of June. Brandywine has been asked to waive any holdover expenses. Staff is researching the situation and trying to ascertain what caused the delay. Staff has met all deadlines as proposed by the new landlord. It appears the electrical contractor did not provide paperwork in a timely fashion to the City of Richmond so that the occupancy permit could be finalized. Staff has spoken with the Stony Point landlord and asked that they make RRPDC whole with regard to any additional expenses (additional rent, movers, postage, telephone, etc.) incurred by RRPDC as a direct result of the delay. The new landlord has been asked to extend the offer to waive the first month's rent from June to July. Mr. Pantele has contacted the City of Richmond to explain the situation and ask if the permits in question could be expedited. Mr. Amos recommends that business continue as usual while this is being resolved.

B. Announcements

There were no announcements.

C. For Your Information

Included for the Commission's information was a copy of a letter written to the governor's scheduling director asking if the governor could address the Commission on transportation issues during a future meeting.

V. ADJOURNMENT

There being no further business to come before the Commission, on motion duly made and seconded, Chairman Holland adjourned the meeting at approximately 2:20 p.m.

Jo A. Evans
Interim Executive Director

Russell E. Holland
Chairman