

RICHMOND REGIONAL PLANNING DISTRICT COMMISSION
Minutes of Meeting
May 8, 2014

Members (Alternates) Present

Jonathan T. Baliles	City of Richmond
Timothy M. Davey	Chesterfield County
Steve A. Elswick	Chesterfield County
Daniel A. Gecker, Secretary	Chesterfield County
Richard W. Glover	Henrico County
Kathy C. Graziano	City of Richmond
Russell J. Gulley	Chesterfield County
Dorothy Jaeckle	Chesterfield County
David A. Kaechele	Henrico County
Angela Kelly-Wiecek, Chairman	Hanover County
Eric Leabough	Henrico County
Floyd H. Miles	Charles City County
Patricia S. O'Bannon	Henrico County
C. Harold Padgett	Hanover County
Ken Peterson, Vice Chairman	Goochland County
W. Canova Peterson	Hanover County
Edward W. Pollard	New Kent County
Faye O. Prichard	Town of Ashland
Charles R. Samuels	City of Richmond
Frank J. Thornton	Henrico County

Members Absent

Parker C. Agelasto	City of Richmond
Daniel Arkin	City of Richmond
Karin Carmack	Powhatan County
Evan Fabricant	Hanover County
James M. Holland	Chesterfield County
Lynn McAteer	City of Richmond
John H. Mitchell	Henrico County
Tyrone E. Nelson	Henrico County
C. Thomas Tiller	New Kent County
Carson Tucker	Powhatan County
Arthur S. Warren	Chesterfield County
David Williams, Treasurer	Powhatan County

Others Present

John Amos RRPDC Legal Counsel
 Eldon Burton Office of Sen. Mark Warner
 Tyee Davenport Office of Sen. Tim Kaine
 Mary-Hufford Kegley..... Retail Merchants
 Delores Lee.....no affiliation provided
 Mike Schnurman Henrico County
 Nancy Thomas..... Retail Merchants
 John Vithoukias..... Henrico County

Staff Present

Robert A. Crum Executive Director
 Jo A. Evans.....Assistant Executive Director
 Julie H. Fry Executive Secretary
 Sulabh Aryal..... Associate Planner
 Chuck Gates Communications Coordinator
 Barbara Jacocks Principal Planner
 Jin Lee Senior Planner
 Kathy Robins..... Senior Planner
 Greta Ryan..... Senior Planner
 Jackie Stewart..... Director, Planning
 Peter M. Sweetland..... Finance and Contracts Administrator

Call to Order

Chairman Kelly-Wiecek called the regularly scheduled May 8, 2014 RRPDC meeting to order at approximately 9:10 a.m. in the RRPDC board room. She then led members in the pledge of allegiance to the flag.

I. ADMINISTRATION

A. Certification by Commission Executive Director of Meeting Quorum

Mr. Crum certified that a quorum of members was present.

B. Requests for Additions or Changes to the Order of Business

Chairman Kelly-Wiecek asked if there were any additions or changes to be made to the agenda. Chairman Kelly-Wiecek recognized Ms. O’Bannon.

Ms. O’Bannon said she would like to request that the March 2014 financial report be removed from the Consent Agenda. Chairman Kelly-Wiecek said if there were no

objections, the financial report would be removed from the Consent Agenda for discussion.

Ms. Prichard and Mr. Gulley both asked if they could know why this request was being made. Mr. O'Bannon said the Charter indicates that a budget is required to be agreed upon in December and she did not think this had been done.

Mr. Crum responded that in December, the RRPDC Board received a report during that meeting on the proposed FY 15 budget and the Board took action to approve the proposed FY 15 budget during the meeting. Mr. Crum said in May of each year, staff presents the budget again to ensure that there are no changes that need to be made prior to a final approval.

Chairman Kelly-Wiecek asked if Ms. O'Bannon would still like to remove the March financial report from the Consent Agenda. Ms. O'Bannon said she would like to remove the report for additional discussion. Chairman Kelly-Wiecek indicated she would like to consider Ms. O'Bannon's request as a motion to remove the March 2014 financial report from the Consent Agenda and asked if there was a second to the motion. Mr. Davey seconded the motion. All members voted to approve the request to remove the financial report from the Consent Agenda with the exceptions of Chairman Kelly-Wiecek, Ms. Prichard, and Mr. Gulley, who all voted against the motion.

There were no other requests to change the agenda, and the agenda was accepted as changed.

C. Open Public Comment Period

As there were no requests from the public to address the Commission, Chairman Kelly-Wiecek closed the public comment period.

D. Chairman's Report

Chairman Kelly-Wiecek reported that during this morning's Executive Committee meeting, in lieu of appointing a Nominating Committee, members opted to accept the slate of officers based on the standing agreed upon rotation of jurisdictions to serve as officers. Those scheduled to serve are:

Goochland County	Chairman
Powhatan County	Vice Chairman
Chesterfield County	Treasurer
Charles City County	Secretary

Action on the slate of officers will be requested during the June RRPDC Board meeting.

E. Executive Director's Report

Mr. Crum brought members' attention to the staff activity report, which is included in the agenda book under Tab 1 and details work being advanced by staff on behalf of the localities. He said staff will be happy to address any questions on what is included in the report.

Mr. Crum reminded members that the Board took action in December to approve the Region's first Comprehensive Economic Development Strategy (CEDS). The CEDS was forwarded to the US Economic Development Administration (EDA) for approval. Mr. Crum reported that EDA has contacted staff to indicate that approval of the CEDS is forthcoming. This will allow the Region to be eligible to apply for federal sources of funding for which the Region previously had not been eligible. Mr. Crum thanked members for their support in this effort.

Each year, on a rotating basis, staff undertakes a Technical Assistance project for one of the four large jurisdictions. During the current year, staff is assisting the City of Richmond with a revitalization analysis of the Midlothian Turnpike corridor from Belt Boulevard to Chippenham Parkway. Support has been provided in the areas of data collection, mapping, and some analysis to support the City's planning department. A final report is scheduled to be completed by June 30.

In FY 15, Chesterfield County will be next in line for assistance with a project. The last time Chesterfield received this assistance, a study was done in conjunction with Ms. Jaeckle and County staff on the Jefferson Davis corridor. Mr. Crum said staff has reached out to Mr. Turner in the Chesterfield County planning department for ideas. Mr. Crum suggested that if Chesterfield County members had any ideas, they should provide those to Mr. Turner. Mr. Crum suggested a continuation of the Midlothian Turnpike corridor work might be an idea.

Mr. Crum reported that staff has been working with the City of Richmond (special assessment) on the City's food policy plan to bring together various partners to make progress in areas such as urban gardens and food deserts.

Staff is also assisting the Town of Ashland (special assessment) with their parks and recreation plan update.

F. Environmental and Intergovernmental Reviews

Chairman Kelly-Wiecek asked Mr. Crum to provide information on this item.

Mr. Crum said RRPDC staff contacts partner agencies to ask for comments regarding each review and then compiles the comments to return to the appropriate reviewing agency. This report is provided for members' information only and requires no action.

G. Regional Interest Items

Chairman Kelly-Wiecek noted that she and Mr. Crum discussed adding this item back to the agenda periodically. She said the suggested types of items to bring forward would be those issues or opportunities that impact two or more jurisdictions; items from a recent jurisdiction meeting that may be of regional interest; infrastructure projects; or potential items for future RRPDC meetings. She said these suggestions are being made in order to stay on topic and to be efficient in the use of members' time.

Topics brought forward by members:

- there was great cooperation between jurisdictions to ensure the Region's drinking water source remained safe following the train derailment in Lynchburg that resulted in an oil spill into the James River; the communications between the City of Richmond and Henrico County to the other jurisdictions was greatly appreciated
- ground breaking was held in Goochland County for a house being built by Eagle Construction; proceeds from the sale of this house will benefit FeedMore, which is based in Richmond and serves the entire Region
- the Region cooperates in many instances with regard to public safety that are not reported and these efforts are appreciated
- the City of Richmond and Chesterfield County arranged for a joint task force of the two police departments to patrol both sides of the border along Rt. 60, Rt. 360, and soon along Jefferson Davis Highway; these efforts are being well received; the City of Richmond has a similar joint effort with Henrico County
- Colonial Downs in New Kent County is undergoing some issues that may prevent it from opening this year; it will be appreciated if staff from RRPDC could reach out to see if there is any assistance that can be offered to New Kent County
- a project has been approved by the Commonwealth Transportation Board (CTB) that unites the University of Richmond, Henrico County, and the City of Richmond in a project that will improve safety through the University along Gambles Mill Road connecting River Road to Grove Avenue; this project will provide bike lanes, sidewalks, and a new traffic signal
- an announcement was made that Bob Atack has passed away, noting this is a great regional loss
- 32nd annual Shrimp and Suds event is being held at King's Dominion this afternoon
- Greater Richmond Association of Commercial Real Estate is hosting an event in June where preferred developers are being invited to give their perspectives on the Region's brand and success; more information will be circulated to members
- cooperative efforts between police departments in the City of Richmond and Henrico County, along with Virginia State Police, provided for a very safe and successful CapTech Cycling Collegiate Road Nationals bike race over the weekend
- City of Richmond and Chesterfield County staffs are working with RRPDC staff to address the jurisdictional borders to see how infrastructure projects can be coordinated
- Small Jurisdictions Committee will meet on May 20 to discuss economic development in the smaller jurisdictions

- Town of Ashland is currently working on a project in its downtown area to improve sidewalks and drainage that will help address the TMDL requirements as well as impact economic development
- during tonight's Flying Squirrels game, there will be Bad in Plaid Night beginning at 6:35 p.m.
- Sam Kornblau (Eagle/Markel) is in hospice care and Bob Atack has passed away; both developers have been great assets to the Region
- need to find ways to bring in more public awareness of the RRPDC and what the agency does within the Region; similar efforts are now underway with regard to the MPO

II. CONSENT AGENDA

Chairman Kelly-Wiecek said the Executive Committee recommended approval of the item listed on the Consent Agenda:

A. Approval of Minutes – April 10, 2014

There was no request to remove this item from the Consent Agenda and on motion made by Mr. Gecker and seconded by Mr. C. Peterson, the minutes were approved unanimously as presented.

II.A March 2014 Financial Report

In response to Ms. O'Bannon's request to have the March 2014 financial report removed from the Consent Agenda, Chairman Kelly-Wiecek asked Ms. O'Bannon what concerns she needed addressed regarding the financial report.

Ms. O'Bannon said this has been discussed during previous meetings. The RRPDC and MPO are two separate organizations and meet on separate days. Ms. O'Bannon noted that in the financial report, she sees legal expenses listed for the MPO. She said she thought these two budgets were going to be kept separate from each other.

Mr. Crum thanked Ms. O'Bannon for her question. He reported that during this morning's Executive Committee meeting, lengthy discussion was held on how to present the RRPDC and MPO budgets. Historically, staff has included MPO and RRPDC revenues and expenses in one report. There is a letter of understanding between the RRPDC and the MPO that names the RRPDC as the MPO's fiscal agent and that the RRPDC will provide staff support to the MPO.

The budget presentation that will take place later in today's meeting has been forwarded to the Commission Board by the Executive Committee for approval with the condition that during the June Executive Committee meeting, information will be provided in separate documents on the RRPDC and MPO budgets. The Executive Committee will review the two sets of revenues and expenses during their June meeting.

Chairman Kelly-Wiecek brought members' attention to information enclosed in the agenda packet under Tab 5 that provides a line item breakout for the MPO budget.

Ms. O'Bannon asked if there was a way to break down the personnel listing, not necessarily by name, but by title or job. Mr. Crum noted that this information was prepared and he asked Ms. Evans to provide a copy of the information to Ms. O'Bannon. He said the information can be provided to any Board member who wishes to have a copy.

Ms. O'Bannon thanked staff for listing the amount of sub-lease revenue that is being collected. She asked Mr. Crum if the sub-lease was working out as anticipated. Mr. Crum said it had not been possible to charge Leadership Metro Richmond a going market rate for the sub-lease amount. In discussions with the Executive Committee and Board at the time the sub-lease was negotiated, it was determined that any amount of income would be better than leaving the space vacant.

Mr. Crum said the biggest challenge faced by the RRPDC with regard to the current lease is the rate, which was negotiated when the market rates were high, for a ten-year lease period that includes a three percent annual escalator. Mr. Crum said the rent costs keep rising and revenues are staying basically the same. He said that in July, there will be three years remaining on the current lease. Mr. Crum indicated he would like to begin discussions with the Executive Committee and the Board on all options that will be available to the RRPDC – whether to remain in the current location or to find another location that may be more cost effective.

Ms. O'Bannon said she knows of some people who entered into leases around the same time (2008-2009) who were able to renegotiate their lease rates down. She said she did not believe that had been done with the RRPDC lease. She said she thought some adjustment was made for not having new carpet installed. Mr. Crum said staff did approach the landlord to ask for a rent reduction based on the direction of the Board. The request was declined. However, by foregoing a paint and carpet refresh at mid-lease, a refund of approximately \$35,000 was returned to the RRPDC.

Mr. Crum said he believes that if staff indicates to the landlord that other options will be explored, that may make a difference in future rate negotiations. Ms. O'Bannon asked if it was possible to break the lease. Mr. Crum said penalties in the lease would make this very difficult.

Chairman Kelly-Wiecek and Mr. Crum thanked Ms. O'Bannon for her questions.

Chairman Kelly-Wiecek asked if there was other discussion. Mr. Glover said, with regard to the information listed for Urban Transportation on the budget sheet provided, basically the same employees are listed. However the hours listed for MPO and RRPDC work are different. He said this is the type of information he would like clarified. Mr. Glover said when an employee shows, for example, 25 days for 1.1 – MPO Maintenance

and Management, he does not know what work this entails. This is the type of information he is seeking.

Mr. Crum said this is the information that will be provided to the Executive Committee in June.

Chairman Kelly-Wiecek said if there is no other discussion, she would entertain a motion to approve the March 2014 financial report. Ms. Prichard so moved and the motion was seconded by Mr. Gulley. The motion carried unanimously with Mr. Glover abstaining from the vote noting that he would like to see the information that will be presented next month.

III. UNFINISHED BUSINESS

There was no Unfinished Business to bring before the Board.

IV. NEW BUSINESS

A. Richmond Retail Merchants Association

Chairman Kelly-Wiecek introduced Ms. Nancy Thomas, President and CEO of the Retail Merchants Association. Also present is Mary-Hufford Kegley, who serves as the Retail Merchants' Director of Government Relations. Chairman Kelly-Wiecek welcomed them on behalf of the Board.

Ms. Thomas thanked members for the opportunity to speak before them. She said that Ms. Kegley will be available to help answer any questions that might arise after the presentation.

Ms. Thomas said that the Retail Merchants Association is a trade organization that represents about 700 members. There is a copy of the current Resource and Membership Guide at each member's seat for their information. Most of the members, 70 percent, are retail members. The remaining 30 percent are retail partners – service industry members.

Ms. Thomas reviewed the Retail Merchants Association's vision, mission, and core values. She said the key is working together with all of the partners and community leaders.

Ms. Thomas reviewed retail sales, both regional and national, during the recent holiday season, which runs from Thanksgiving through the end of the year. She said some of the factors that impacted holiday sales this year included Hanukah and Thanksgiving being on the same day. She said to have both holidays on the same day can stifle retail sales. The weather also impacted sales this year. Through the first quarter of 2014, the weather impacted retail, manufacturing, construction, train/rail transportation, and many other service entities.

The survey on holiday sales provided by Ms. Thomas included representation from various retailers such as shoes/accessories, appliances, florists, furniture, gifts, hardware, home furnishings, jewelry, apparel, specialty foods, sporting goods, and toys.

Online sales, nationally, for the holiday season totaled \$95.7 billion. Ms. Thomas said online sales are a very big part of the retail industry. Holiday sales this year were up 9.3 percent over last year. Holiday sales do not include auto sales, gas/convenience, or restaurant sales.

Ms. Thomas noted that the retailers in the state are represented by the Virginia Retail Federation to lobby legislatures at both the state and federal levels. Currently there is a federal e-fairness bill under consideration which will require all online retailers to pay sales tax to localities. Ms. Kegley added that the bill is currently in the House Judiciary Committee where Congressman Goodlatte is proposing various policies and programs to incorporate into the legislation. She indicated the bill may not come up for action until next year because of the mid-term elections.

Mr. Kaechele asked if all online sales are tax free. Ms. Thomas said there are some states that have taken action to require that sales tax be paid. One example is that Amazon is now collecting sales tax. Virginia loses approximately \$30 million each year on uncollected sales tax for online sales. Ms. Thomas said the playing field must be leveled for brick and mortar stores to compete with online sales. She said “showrooming” is when a customer goes into a store to compare various items, take items home on approval, and then orders the item online in order to avoid paying sales tax.

Chairman Kelly-Wiecek asked if information is available on how much sales tax is lost in the Richmond Region due to online sales. Ms. Thomas said she has tried to get this information but it is not yet available. When the information is available, she will forward it to Mr. Crum.

In 2014, it is projected that online sales nationally will total \$300 billion. Ms. Thomas also provided online sales projection figures through 2017. She said brick and mortar stores need to accept that online sales are here to stay and adapt their tactics in order to compete successfully. Ms. Thomas said brick and mortar stores need to improve the customer’s in-store experience. About 75 percent of consumers will research an item online before going into a store. If the store experience is good, the customer will complete the purchase in the store instead of online.

Online sales will count on mobile, shipping, and pricing. No sales tax collection is an advantage to online sales.

Ms. Thomas provided information on a regional survey of about 20 retailers conducted that measured four areas. The questions asked were:

1. So far in 2014, are sales up, flat, or down compared to the same time in 2013?
2. Is staffing for 2014 up, the same, or down compared to 2013?

3. Is store inventory up, the same, or down compared to the levels at the same time in 2013?
4. Is consumer confidence up, the same, or down compared with 2013?

Retailers feel that given the current economic times, being flat is just as good as being up.

Chairman Kelly-Wiecek asked if Ms. Thomas knew which types of businesses were seeing increases and which were seeing declines. Ms. Thomas said jewelry, apparel, and home furnishings are up. As construction of new homes picks up, consumers feel more confident with discretionary spending.

Retail sales nationally were up 1.1 percent in March. She said this is the largest increase since September 2012. The inventory to sales ratio is the worst it's been since 2009. Ms. Thomas indicated that retailers had a lot of inventory left over at the end of the holiday sale season due in part to weather, deep discounting, and delay in gift card use. She said that because Easter was late this year, it is anticipated that second quarter retail sales will show an increase.

Ms. Thomas said another factor to consider is that the last enclosed mall was built in 2006. Moving forward, retail will need to adapt to embrace the surge in outdoor malls.

Mr. Thornton asked about the typical lifespan of an enclosed mall. Ms. Thomas said enclosed malls were very successful in the 1980s and 1990s. Most enclosed malls have now been leveled or they've been opened up – like Willow Lawn. She said planners need to ensure that real estate is being used and developed to maximize utilization.

Mr. Thornton asked if the tastes of the public in general are changing. Ms. Thomas said that could be a factor, but people now want a shopping experience that can be enjoyed by the entire family. Ms. Thomas provide the example of Warby Parker, which sells eyeglass frames. This company has grown 150 percent since its inception. The experience customers have in the stores is creating success. Customers are allowed to sit in a photo booth with several pairs of frames and have photos taken. The photos can be taken home and shared online with family and friends.

Ms. Thomas said the new buzz word in retailing is “omni-channeling.” This means that information is taken from all aspects of a business to get the right product to the right market at the right time. She said the large retailers collect a lot of information on their customers to make sure products a customer wants are in the store where the customer shops when the customer wants the items. Retailers are catering to the specific needs of the consumer. Retailers who tweak their merchandise to their location, in addition to having an online presence, will be successful.

Ms. Thomas said Retail Merchants is also watching efforts to improve cyber security. She said security breaches can impact retailers negatively. Efforts are underway to have reimbursement levels on debit cards raised to the same level as credit cards when the debit card information is breached.

Ms. Kegley indicated Retail Merchants appreciated the cooperation of localities during the meals tax considerations to ensure that retailers have all of the information they need, especially in Henrico County where the new tax will go into effect later this year.

Chairman Kelly-Wiecek asked if Ms. Thomas knew what brought Wegman's to the Region. Ms. Thomas said Retail Merchants was not involved in this negotiation. She said the type of food shopping experience offered by Wegman's is what will draw in millennials. Chairman Kelly-Wiecek said she considered food pricing to be what grocers would consider in order to draw in those shopping for families. Ms. Thomas said grocers are trying to accommodate all social needs. Wegman's will set up its stores to reflect the areas where they are located. Whole Foods will open another 1,000 stores over the next few years, with a focus on low income areas – Detroit, Boise, and Brooklyn. Whole Foods is aware of the perception that consumers have that their prices are high.

Mr. Kaechele asked if Ms. Thomas knew the percentage of retail sales completed online. Ms. Thomas said in 2014, the figure is expected to be about 12 – 14 percent. During the 2013 holiday season, it was 9.3 percent. About 20 percent of retailers' profitability is on the line during holiday seasons, and in some cases it is 40 percent.

There were no other questions, and Chairman Kelly-Wiecek thanked Ms. Thomas and Ms. Kegley for their time and presentation.

B. Review of FY 14 Budget and FY 15 Budget and Work Program

Chairman Kelly-Wiecek asked Mr. Crum to provide this presentation.

Mr. Crum reminded members that the budget process calls for staff to present budget information to the full RRPDC twice each year. In December, a mid-year budget revision was presented to the Board along with a preliminary budget for FY 15. In May, information is presented on a final revised budget for the current fiscal year, FY 14, as well as a proposed budget for the upcoming fiscal year that begins on July 1.

The RRPDC operates on a fiscal year that begins on July 1 and runs through June 30. The current fiscal year is FY 2014, which will end on June 30. Members will be asked today to approve the proposed FY 2015 budget, which will begin on July 1.

The information that will be reviewed today with members is enclosed in the agenda packet under Tab 5. The Executive Committee did recommend that the budget for FY 15 be approved today with a condition that will be discussed later in the presentation.

Mr. Crum said that several years ago, the Board took action to set a designated fund balance of \$1 million to accommodate cash flow needs of the agency. Most programs within the agency require that work be completed on a reimbursement basis with grant funds. Costs are incurred in advance and invoices are then provided to the appropriate state and/or federal agencies for reimbursement. It takes about \$280,000 each month to run the agency.

It is anticipated that on June 30, in addition to the designated fund balance of \$1 million, there will be an undesignated fund balance of approximately \$152,589. The total fund balance on June 30, 2014, is anticipated to be about \$1,152,589.

In 2006, financial projections were completed that forecast the agency would need to consider a dues increase by 2009 to maintain the \$1 million designated fund. Staff has worked very hard to avoid this situation and dues have remained steady.

Mr. Crum reviewed the FY 15 work program. The work program is broken down into tasks that are funded by grants and those tasks that are not funded by grants but by the agency's general fund.

Grant funded programs will generate about 74 percent of the agency's revenue in FY 15:

- Urban Transportation Program in support of the MPO – federal and state grants that support staff in the Urban Transportation Division in addition to some of Mr. Crum's time, Mr. Gates' time, finance work, and a few other staff members
- Emergency Management Planning – state grant allows assistance from one planner to 20 different localities
- Regional Indicators – funding through local foundations
- Coastal Zone Management – state funds used in assisting localities around environmental and TMDL planning
- Rural Transportation Program – for planning assistance in areas outside of the MPO study area
- Richmond Food Policy Implementation
- Town of Ashland Parks Plan

There are other work activities that are not grant funded. These include:

- Rotating Technical Assistance Program for the Large Jurisdictions – FY 15 with Chesterfield County
- Local Planning and Technical Assistance – Charles City County Comprehensive Plan, telecommunications study, and GIS services
- Liaison with other regional entities – intergovernmental reviews
- Support Regional Age Wave Program
- Richmond Region Energy Alliance
- Capital Region Collaborative – serves the function of the required regional strategic plan

Mr. Crum indicated there are more non-grant funded programs listed in the work program under Tab 5.

Mr. Crum moved on to review the FY 15 proposed budget. Some factors that will impact the FY 15 budget include:

- Last year of the Hanover Member Dues credit – \$6,900

- Anticipate Indirect and Benefits Rates to rebalance – for every work hour that can be charged to a grant program, an additional amount can be charged for overhead costs as determined during the annual audits; the rate has been reduced significantly from about 125 percent to almost 70 percent at this time; the loss of some grants will allow for a higher rate to be charged

Mr. Glover asked if the grants are separated as to which apply to MPO work and which apply to work done by the RRPDC. Mr. Crum said this is broken out in the list of revenues – FHWA, FTA, and VDOT. Mr. Glover asked what percentage of these is charged to the MPO. Mr. Crum said he can answer this question as he continues with his budget review.

- Staff salary increase of 1 percent
- Addition of a Senior Planner for Urban Transportation – to assist with public outreach and fully funded by federal and state transportation funds; this position will add about \$27,000 to the fund balance because the indirect rate can be charged

Mr. Glover asked if the 5303 funds are used for MPO work and not RRPDC work. Mr. Crum said those funds are used for RRPDC staff who are assigned to support MPO work. Mr. Glover asked if the total amount of the funds that will be used and the amount that will be rolled over to the next year was available. Mr. Crum said that each year staff receives notification from VDOT on how much PL and 5303 federal funding will be received. Ms. Evans indicated that for FY 15, the amount will be approximately \$1.8 million, which includes state, federal, and the 10 percent local match funds. Ms. Evans said all but about \$36,000 will be used which will be held in contingency. Following the audit in October, an exact amount will be known. Mr. Glover asked if the \$36,000 would be part of the funds that are rolled over every two years. Ms. Evans said if the funds are 5303 funds (transit planning), they will roll directly into the next fiscal year. If the funds are PL funds, these will skip a year.

Ms. Evans said she also had the more detailed information on RRPDC staffing time assigned to MPO work. Mr. Crum asked Ms. Evans to distribute that information at this time.

Mr. Crum provided information on the percentage of revenue for FY 15 that can be attributed to Urban Transportation and reviewed the other revenue sources.

Revenue Sources:

Urban Transportation	62.9%
Local Member Dues	23.6%
State Appropriation	4.2%
Emergency Management	3.8%
Community Indicators	2.9%
Rural Transportation	2.2%
Local Plans, Sublease, Misc.	2.1%

Environmental 1.3%

Mr. Crum provided information on how the RRPDC compares with other state PDCs with respect to the per capita local assessment that is charged. RRPDC's per capita assessment is 60 cents – 55 cents for the PDC and 5 cents for the MPO. Mr. Crum pointed out that some other PDCs have per capita assessments of \$2.00 or more. RRPDC has the fifth lowest per capita assessment in the state. Mr. Crum said staff works very hard to contain costs in order to keep the per capita assessment low. Mr. Crum said staff tries not to use all PL funds that are allocated to the agency. Keeping a contingency fund of unused PL funds can help if these funds are cut by the federal government.

Information was also provided on the ratio of staff to population for each of the state's PDCs. RRPDC employs 22 staff persons, which is one staff person for every 46,987 citizens. This is one of the lowest staff ratios of any PDC in the state. Mr. Crum said there are six other PDCs in the state that also provide staffing assistance to their MPOs. RRPDC has the lowest staff level of these PDCs that provide staff assistance to the MPO.

Mr. Crum provided information on member dues amounts for FY 15 based on the 60 cents per capita assessment according to the population in each locality.

Operating costs in FY 15 are anticipated to be:

Personnel	78.3%
Rent	12.6%
All Other	3.5%
IT Operations	2.6%
Training, Travel, Org. Dues	1.8%
Legal, Audit, Insurance	1.3%

About 90 percent of operating costs are for personnel and rent. Mr. Crum indicated that staff has taken cost cutting measures as much as possible in other areas, especially in professional development.

Mr. Crum said it is projected that at the end of FY 14, the total fund balance will be approximately \$1,152,589. Mr. Glover asked if this was all MPO funding. Mr. Crum said these are RRPDC funds that include MPO allocations.

At the end of FY 15, on June 30, 2015, staff anticipates that an addition to the fund balance of approximately \$77,700 will be made. This will give a projected total fund balance at the end of FY 15 of approximately \$1,230,289.

Mr. Crum said that action on the budget is required today. He stressed that the Executive Committee recommends approval of the budgets as presented with the condition that during the June RRPDC Executive Committee, staff will provide separate accounting of revenues and expenses for the MPO and the RRPDC.

Mr. Glover asked if the accounting was already separated out and then combined for this presentation. Mr. Crum said the request to have the budgets presented separately is a reasonable request.

Ms. O'Bannon said she finds it concerning that there are different staff members supporting the MPO but all of the financial information is comingled. She said the same things are not paid for in the same way. Mr. Crum said the information can be presented in a way that will be best for the members.

Mr. Elswick said that there is about a \$30,000 difference in the budget that was just presented compared to the budget that was provided for members' review in December. Mr. Crum said this relates to the Senior Planner position that will be added in the Urban Transportation Division. Mr. Crum said three interns have also been added to staff for FY 15 that will be funded by the federal PL/5303 funds. These staff additions will help increase the amount of indirect rate that can be reimbursed by the grants.

Mr. Glover asked if there was already a Senior Planner on staff. Mr. Crum said there are Senior Planners on staff. The proposed additional Senior Planner will be focused on working with Mr. Gates to promote outreach for MPO projects.

Chairman Kelly-Wiecek said if there are no additional questions, she would entertain a motion to approve the final FY 14 budget and the proposed FY 15 budget and work program as presented by staff and recommended by the Executive Committee with the stipulation that separate MPO and RRPDC budgets be brought to the RRPDC Executive Committee for review during the June Executive Committee meeting.

Ms. O'Bannon noted that some members have left the meeting. She said that since a vote is being taken on a budget, she would suggest that all votes be recorded. She said in the past, she has been asked by members of the media why she had voted for a particular item when in fact, she had left the meeting and not been present for the vote. She said it is important to list who votes on important items such as budgets. Ms. O'Bannon said she has also brought this up during MPO meetings.

Ms. Graziano said she would make the motion as stated by Chairman Kelly-Wiecek. The motion was seconded by Mr. Gulley.

Chairman Kelly-Wiecek said for accuracy in the minutes, a roll call vote will be taken by the Executive Secretary.

<u>Member</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>	<u>Left Meeting Prior to Vote</u>
Agelasto				X	
Arkin				X	
Baliles	X				
Carmack				X	
Davey	X				
Elswick	X				

Member	Yes	No	Abstain	Absent	Left Meeting Prior to Vote
Fabricant				X	
Gecker	X				
Glover	X				
Graziano	X				
Gulley	X				
Holland				X	
Jaeckle	X				
Kaechele	X				
Kelly-Wiecek	X				
Prichard					X
Leabough	X				
McAteer				X	
Miles	X				
Mitchell				X	
Nelson				X	
O'Bannon	X				
Padgett	X				
Peterson, C.					X
Peterson, K.	X				
Pollard					X
Samuels	X				
Thornton	X				
Tiller				X	
Tucker				X	
Warren				X	
Williams				X	

Ms. Fry indicated that no voting alternates were present.

Chairman Kelly-Wiecek reported that based on the roll call vote, the motion carried.

Ms. O'Bannon commented that the Charter stipulates that the annual budget must be approved by three-quarters of the voting members who are present. She said she believed that requirement was met.

V. **OTHER BUSINESS**

Chairman Kelly-Wiecek recognized Ms. O'Bannon.

Ms. O'Bannon said that she did not mean her comments as criticism, but this is also something she's brought up at the MPO meetings. She said she assumes the RRPDC follows *Roberts Rules of Order*. She said a Consent Agenda indicates that the items listed on it are simple items that can be passed easily. Once a person asks for an item to be removed from the Consent Agenda, there is no longer a Consent Agenda. It becomes a Dissent. She said the item can simply be removed without a vote being taken. Ms.

O'Bannon said she knows this is at the discretion of the Chairman and means no disrespect. She said a Consent Agenda implies there is no problem with the item. When there is dissent, there is no longer a Consent Agenda. The person requesting that the item be removed from a Consent Agenda is not required to justify the request. That will be addressed later when the item is discussed.

Ms. O'Bannon said during this morning's meeting, the removal of the financial report was voted on and there was no need to vote to remove the item from the Consent Agenda. She said that she hopes someone will follow up with *Roberts Rules of Order* as she assumed this is what was being followed. She said the Chairman does have leeway in running the meeting.

Chairman Kelly-Wiecek thanked Ms. O'Bannon for the clarification. Chairman Kelly-Wiecek said anyone can call a point of order at any time during the meeting, and she encouraged members to do so.

Ms. O'Bannon said when items are removed from a Consent Agenda, this should be easy to do. She is also discussing this at the MPO meetings.

VI. ADJOURNMENT

There was no additional business to bring before the Board, and Chairman Kelly-Wiecek adjourned the meeting at approximately 10:40 a.m.

Robert A. Crum, Jr.
Executive Director

Angela Kelly-Wiecek
Chairman