

**MINUTES  
DECEMBER 15, 2020  
BOARD OF DIRECTORS  
GRTC TRANSIT SYSTEM**

Members Present: Benjamin P. Campbell, Chair  
Gary Armstrong, Vice Chair  
Eldridge Coles, Secretary/Treasurer  
George P. Braxton  
Daniel K. Smith  
Ian Millikan

Others: Bonnie Ashley, General Counsel  
Julie Timm, Chief Executive Officer  
Sheryl Adams, Chief of Staff  
Joey Agee, Facilities Manager  
Dawn Bailey, Controller  
Tim Barham, Chief of Transportation  
Tony Byrd, Director of Maintenance  
Anthony Carter, Director of Risk Management  
Monica Carter, Claims Consultant  
Angela Malloy, Director of Human Resources  
Carrie Rose Pace, Director of Communications  
Rob Taggart, Director of Information Technology  
Tonya Thompson, Director of Procurement  
Von Tisdale, Executive Director of RideFinders  
Adrienne Torres, Director of Planning & Scheduling  
Leslie F. Roberts, Brown, Edwards & Company  
Danielle A. Nikolaisen, Brown, Edwards & Company

The meeting of the GRTC Transit System and RideFinders Board of Directors was called to order at 8AM, December 15, 2020, by the Chair, Mr. Campbell. To protect the safety of meeting attendees, this meeting was conducted through electronic communication means pursuant to and in compliance with City of Richmond Ordinance No. 2020-093, adopted April 9, 2020. This meeting was open to participation through electronic communication means by the public and closed to in-person participation by the public. Necessary GRTC Administrative Staff and presenters assembled electronically for this meeting, and all GRTC Board of Directors participated by videoconference via RingCentral. A quorum was present.

Public Comments - For the benefit of all attendees, Ms. Carrie Rose Pace explained how to participate in public comment at Board Meetings.

Video and audio of Board Meetings are streamed live online and recorded for later viewing at GRTC's YouTube channel at [youtube.com/user/ridegrtc](https://youtube.com/user/ridegrtc). Board Meeting notices, agendas and packets are available at GRTC's website [ridegrtc.com](https://ridegrtc.com) by clicking on Stats & Reports in the top navigation bar and selecting the first option in the drop-down menu, Board Reports. Citizens are welcome to provide their comments in writing in advance to [carrie.rosepace@ridegrtc.com](mailto:carrie.rosepace@ridegrtc.com). The person responsible for receiving comments in writing is Carrie Rose Pace, Director of Communications. All written comments received via email prior to 5:00 p.m. on the day preceding a meeting will be provided to all members of the Board the night before the meeting and will be included in the minutes of the meeting. During the Public Comments portion of the agenda, Carrie Rose Pace will read all comments received by the submission deadline, following the two-minute speaking time limit normally observed in Board Meetings.

Public Comments that were submitted before the 5pm deadline on December 14, 2020 were read by Carrie Rose Pace as follows:

1. Adam Lockett - Last month I was saddened to see a few residents continue to write to the administration demanding the severance of Route 77 on Grove Avenue. I am writing to you today in staunch support of the 77. Beyond connecting students and residents of the Fan to cultural and commercial destinations, I am concerned about service workers who rely on GRTC to get to their jobs at the connecting universities and hospitals.

In the past two years, service workers have been through so many changes to West End bus service. Five, to be exact, dating back to the 16 discontinuation, the limited 75 from Willow Lawn that changed twice at the request of these workers, the former 77's three-mile detour onto Monument Ave, and now the service we have today.

What is more difficult to hear is that "no one is riding the bus." This is not true because we have the data to show it. During the day, you can't even see through the tinted windows to guess if anyone is on board. Yes, we have to take the pandemic into account for limited ridership; however, the Route 111 opening during the shutdowns gives every indication that GRTC is a lifeline for tens of thousands of people in our region. What residents of this street don't see is our essential workers taking the first bus so early in the morning before the sun rises then on their way home well after we have come inside for the night. I know because I use to ride the Pulse out to Willow Lawn with these folks. Many of them would miss their bus every morning because they were forced to transfer.

When I have taken the new 77, I have watched our operators drive with the utmost professionalism and skill. We had to go around many double-parked delivery trucks and I watch their eyes check every mirror before maneuvering. The razor-thin passing zone between the westbound and eastbound buses does not exist as described and I feel like there is ample room for all users of the road. Frankly, if neighborhood streets are not safe for buses, they are not safe for cars either. One thing I may suggest is getting the stop blades that display both the route number and directional on all the stop poles as soon as possible. This gives notice to people on the sidewalk about the bus and makes them feel confident in riding.

Terminating this service at Robinson or moving it to Main Street is not equitable. Two to five transfers just to get to work is not equitable. When the system was redesigned, the idea was to have fewer transfers and more one-seat rides. The current 77 is the closest thing we have to that vision thus far. I am respectfully asking this body to not recommend changes to Route 77. Please monitor its performance for the duration of the pandemic and into economic recovery where I believe buses will be at-capacity. Any modification would be the sixth change that riders would have endured in the past 2 years

2. Crist Berry - Note what other cities are having to do. Why is it that GRTC is adding a NEW and UNUSED route (Route 77) at the time others are having to cut. Do you have a secret source of funding that other cities do not?

*Transit officials across the U.S. brace for steep service cuts*

Public transit officials in cities across the country are pleading for federal help, as many brace for steep budget cuts in response to financial crises brought on by the coronavirus pandemic.

Read in Axios: <https://apple.news/AtbDm2TcdQLedNFsOwVhyMA>

3. Mathis Kirby Powelson - I have started a petition and have already had 139 people sign it. <http://chnq.it/GXW7Sjv4>

It states that we would like the route for Bus #77 to be changed. It should not go through the Fan on Grove from Robinson to Harrison. Our neighborhood has had several issues with it. The bus has been seen to drive through the red light at Lombardy on several occasions. It has almost clipped cars while turning onto Harrison. It takes up 16 parking spaces in the short distance of 4 blocks which are at a premium. My young neighbor who just had a baby can't even park in front of her home. Instead I have seen her struggling with a car seat and packages crossing the street from the other end of the block. The buses have no passengers and they never even stop at the bus stops. Parents who need to leave their children off at Ms. Babs Nursery need to now constantly watch their backs when removing their children for fear that a large wide bus will come by while their door is open. Multiple delivery trucks double parked force the buses to go around them. An accident is just waiting to happen. And meanwhile the ridership is about one passenger per bus. More often the bus is empty. What a waste of our taxpayer money and an assault on our environment. This bus should turn at Robinson when driving eastbound and go to Broad where it will go by retail stores where passengers might actually want to shop. It can then turn southbound on Belvedere and turn west onto Main and stop near VCU. It can continue to go down Main where again there are retail areas and then it can once again turn north onto Robinson and turn west back onto Grove. This would be a much more useful route.

Please reconsider this needless part of the route of Bus #77.

4. Wyatt Gordon - Transit is a lifeline for our city, our local economy, and our neighbors. Complaints about empty buses and headlines about the decline in transit ridership focus on those privileged few who can work from home. The vast majority of GRTC riders do not have this luxury and must commute to work each day at the hospitals, supermarkets, and other essential businesses that are keeping our country running.

Anyone complaining about a bus running down a city street over which they have no ownership should be ashamed of themselves. The 77 is not only a critical connection for residents of the Fan, the Museum District, VCU, the West End, and UR, it is a vital new component of Richmond's transportation network. Just since the 77 launched I have caught this bus several times as the most convenient, comfortable, and affordable transportation option for me to patron a local business or meet up with a friend. The bus is here to serve us all and we should cheer each additional connection at our doorsteps because transit is freedom.

5. Dr. Jeremy Hoffman - I am writing to support the route 77 on city streets. Thanks!

*The sixth comment was not received prior to the 5pm deadline; however, the Chair requested that it be read.*

6. Zeke Brody – I do not support any reduction in service on Route 77 or any other route.

There is a Change.org petition in favor of closing Route 77, and it's a disgrace. When wealthy Fan residents ask for reductions in service through their neighborhood, it affects every other user of the system – they do have that kind of power and should not be given that kind of power. Thank you.

Approval of Minutes: The Chair, Mr. Campbell, requested the following change in the Section, Chairman of the Board minutes. *Mr. Campbell stated that he is very proud of GRTC, proud of the CEO, grateful for a Board with experience and knowledge. He is prayerful that as GRTC moves into the upcoming year with the many opportunities presented by the development of the*

*CVTA and the potential of coverage of our City that support of public transportation will continue to expand.* Mr. Armstrong motioned to approve the November 17, 2020 Board meeting minutes, with the Chair's change, Mr. Coles seconded, and the motion carried unanimously.

#### CVTA Update – Adrienne Torres

CVTA met on December 4 and adopted the administrative operating and expense budget, agreed to the VDOT Revenue Transfer Agreement, and authorized the Finance Committee to establish banking, advisory and audit services and develop policies and procedures for authority consideration.

The Regional Public Transportation Plan project kick-off meeting was held on December 3 with a tentative final plan to be completed by April 30. The Transit Governance Report scope was approved by CVTA on December 4. The next steps are Solicitation using DRPT Bench Contract. The CVTA TAC Technical Group selection committee (GRTC, Chesterfield, Henrico, Richmond) will recommend a preferred qualified consultant to the full Authority for approval and award on January 29.

The CVTA Finance Committee met on December 9 and approved Fiscal Agent Services and Financial Policies and Procedures.

#### Chesapeake Chapter of Association for Commuter Transportation (ACT) 2020 Best Online/Social Media Marketing Campaign Award – Von Tisdale

The Chesapeake Chapter of ACT covers the States of Virginia, Maryland, District of Columbia, and West Virginia. It holds an annual awards event where it recognizes and honors outstanding programs and achievements from member organizations.

RideFinders is the recipient of the 2020 Best Online/Social Media Marketing Campaign for its "Celebrate Earth Day, Every Day" Clean Air Campaign. The campaign emphasized "green" commuting and sustainable activities featuring two signature series which included "VISITS with Von" and "We Read Wednesdays" and partnerships developed and helped get the word out with impressive reach and results. This was all accomplished with no financial investments but with heavy staff engagement and utilization of multiple social media platforms such as LinkedIn, Facebook, Twitter, Instagram, and our website. Cherika Ruffin accepted the award virtually on behalf of RideFinders.

#### Operating Performance – Tim Barham

- The on-time performance was 65.60% for November. We are continuing to experience several detours in the area due to road and construction work; the two biggest impacts during November are General Assembly Building Project / Broad Street which impacted several routes and along Byrd Avenue near Willow Lawn where the Pulse Route goes for layover.
- Lost trips were at 1,385 for November which is almost twice as much as it was for October which was 670. The increase was primarily due to positive COVID cases and contact tracing.
- Lost time absenteeism rate for Operators is 16.70% for November compared to October which was 15.07%.
- Customer complaints were at 1.10 per 10,000 riders for November compared to October which was 1.65 per 10,000.
- Fixed route ridership for November is 1.45%. The Pulse is down 40.87%. Commuter service down 69.83%. Combined fixed route service was down 11.79%.

- CARE Service is 23.31% for November. CARE-On-Demand is 22.93% for November. Total fixed route and specialized overall is down 12.18%. For the fiscal year, it is down 18.53%.
- Specialized on-time performance is at 92% for November. There were ten complaints and three commendations for the month of November.
- COVID-19 continues to impact service and this past month has been the toughest since the pandemic started. We continue with COVID health protocols, have increased our efforts, and are making sure we have proper supplies on hand. Unfortunately, we did have six positive cases in the month of November. Our thoughts and prayers go out to those employees and their families who have been impacted by COVID, and we pray for a speedy recovery for each of them. We continue to make sure the safety of employees and customers are put first. During this we have solicited assistance from UZURV to cover increased missed trips, and we have extended hours in Customer Service to support riders who may have become stranded.
- Staffing – 269 full-time Operators, 18 part-time Operators and the budget numbers are 290 full-time Operators and 26 part-time Operators. Eight Operators are currently in training and four will graduate this month and five started November 30 that will graduate in January.
- In Maintenance, recruiting for one general utility position, mechanics, and bus cleaners.

### Safety Performance – Tony Carter

Tony Carter presented the safety report and highlighted that for November there were 28 accidents which decreased from October which was 30. There were 9 preventable and 19 non-preventable accidents. There was 16,805 miles between total accidents and there was 52,282 miles between preventable accidents for the month of November. The Operators should be commended; they have a lot to deal with out there on the streets and they are doing a remarkable job. Mr. Carter said that they are continuing with the de-escalation videos and driver safety training. We have had an increase in incidents with the riders refusing to wear masks; however, Operators are using the tools from the videos to help with de-escalate the tension they are experiencing on their buses.

### January 2021 Service Changes – Adrienne Torres

In April 2020, GRTC management and staff came to the board with the recommendation to make service modifications to help facilitate social distancing at the onset of the pandemic.

As GRTC continues to evaluate the service demand with the service levels, we must consider the current operator shortage. Due to this decrease in resources, due to retirement, sick leave, and COVID cases GRTC has had to miss trips on several routes over the last few months. To provide more reliable service for our customers, GRTC is recommending additional modifications to routes. GRTC has once again been mindful of access and coverage in all areas with the recommended changes and has been in communication with the jurisdictions about the continued and additional recommended modifications.

The January 2021 Proposed Service Modifications are:

- 4A and 4B - Maintain 30-minute frequency at peak on weekday and reduce off peak frequency from 30 minutes to 60 minutes. Decrease weekend frequency from 30 minute to 60 minute all day.
- 50, 76, 77 - Decrease frequency from 35 minutes to 40 minutes on weekday, Saturday and Sunday.

### Purchase of Paratransit Vehicles – Tony Byrd

To provide clean, safe and reliable transportation to GRTC's customers in the Richmond region, staff evaluates the age and condition of its fleet to identify vehicles eligible for replacement. Part of this evaluation is the consideration of funding and future replacement opportunities. There are 35 paratransit vehicles that will be eligible for replacement between now and February 2022. At this time staff would like to place an order for 35 Ford Starcraft Allstars with a staggered delivery timeline. The price for a 2020 Starcraft Allstar is \$103,414 for a total cost of \$3,619,490 for 35 vehicles. If approved, the Contractor will be given notice to produce 15 vehicles immediately, 12 more within 6 months after taking possession of the first 15, and 8 more vehicles after February 2022. It is staff's recommendation that the Board of Directors authorizes the CEO to issue a purchase order to Sonny Merryman, Inc. in the amount of \$3,619,490 for the purchase of 35 CNG-powered paratransit vehicles. Mr. Armstrong motioned to grant staff's request, Mr. Smith seconded, and the motion carried unanimously.

### Fleet Cleaning & Disinfecting Services – Julie Timm

To provide safe and reliable service and protect GRTC employees and riders during the rapid spread of the coronavirus, GRTC staff began more frequent cleaning of the fleet in March 2020 with a goal of cleaning and disinfecting the entire fleet daily. Existing staffing levels prevented GRTC from meeting this goal. In April 2020, contracted cleaning and disinfecting services were sought. At that time, staff utilized FTA's simplified acquisition threshold for purchases valued up to \$250,000 to purchase services and GRTC Board delegated authorization to the CEO and Board Chairman for approval of purchases up to \$250,000.

Original Building Services, Inc. (OBS) submitted the lowest quote for these services. Initially, staff requested assistance from OBS from May 11, 2020 to June 30, 2020 in the amount of \$68,879.03. With the ongoing spread of the virus, the CEO and Board Chair authorized a change order in the amount of \$123,187.50 to continue services through September 2020. Unfortunately, there was an oversight, and we did not bring that notification to the Board.

With expected COVID surges in the Fall and Winter of 2020, with the expectation that a COVID-19 vaccine would not be generally available until later in 2021, and with a commitment to a continue the higher level of cleaning and disinfecting post-COVID pandemic conditions, GRTC requested OBS continue the disinfecting services through January 2021 until an open RFP for these services could be completed and a recommended vendor brought to the Board for consideration and approval. An additional cost to continue services from October 2020 through January 2021 of \$164,250 (\$41,063 monthly) with a total contract value of \$356,317. This purchase is completely funded through Federal CARES Act funding.

Staff is requesting that the Board of Directors acknowledge and ratify the contract amendment to OBS for fleet cleaning and disinfecting services in the amount of \$164,250 bringing the total OBS vehicle cleaning contract value to \$356,317. Mr. Smith motioned to grant staff's request, Mr. Braxton seconded, and the motion carried unanimously.

### Facility Janitorial Services – Joey Agee

In January 2020, the Board of Directors authorized the CEO to enter a one-year agreement with Original Building Service, Inc. (OBS) in the amount of \$91,398 for facility janitorial services. Staff is pleased with OBS' performance and recommends exercising the first option to renew and requests authority to approve the remainder of the renewal options annually should OBS' performance continue to meet expectations. Option Years 1 thru 4 will remain at a firm fixed

price of \$91,398 for a total contract value of \$456,990. This contract will be funded completely from the operating budget. Staff is requesting that the Board of Directors authorizes the CEO to exercise each option year at her discretion following an annual clean assessment of performance and cost at an estimated remaining expenditure of \$365,592. Mr. Armstrong motioned to grant staff's request, Mr. Braxton seconded, and the motion carried unanimously.

#### First Transit Agency Safety Plan – Monica Carter

In July, GRTC presented to the Board an overview of our Agency Safety Plan, which was mandated by the FTA. A part of that process includes the Agency Safety Plan for First Transit. First Transit is a major contractor for GRTC and must adhere to some of the same safety regulations. GRTC is responsible for ensuring that the services that we contract are safe and that the contractor's actions are in compliance with all regulatory safety requirements.

First Transit's established safety policy indicates that they will not perform any service unless it can be done so safely for their employees, their passengers, and the public. Through this process, they follow the Safety Management System, which means that they have an established process for hazard identification and evaluation using a risk matrix to gauge the severity of the hazard and to determine the level of priority to mitigate the risk.

Claims Consultant, Monica Carter, presented an overview of First Transit's Agency Safety Plan. Staff is requesting that the GRTC's Board of Directors approve First Transit's Agency Safety Plan. Mr. Smith motioned to grant staff's request, Mr. Armstrong seconded, and the motion carried unanimously.

#### October Financial Report – Dawn Bailey

Dawn Baily provided an update of GRTC's Financial position starting with a review of aging accounts receivable and accounts payable. Nine percent of our accounts payable are over 30 days past due mainly due to delays in receiving vendor invoices. Once invoices are received into the system, they are logged per the date on the invoice versus date received. Finance typically pays invoices within a week of receipt. As of October 31, aging accounts receivable totaled \$10.2M including \$7.2M associated with delayed timing for submittal of our federal drawdowns. As mentioned in past board meetings, the finance team has been extremely focused on the year end audit and NTD reporting. The audit has been completed and the NTD reporting is complete; therefore, moving forward staff expects timely drawdowns of our federal funding. The balance of \$117,704 in accounts receiving over 91 days is due to damaged claims which has been turned over to the City Attorney and the balance due from the 2019 Jazz Festival Charter Service.

For the month of October total revenues are favorable by \$344,000. Total operating expenses were unfavorable by \$815,000 resulting in a net budget variance unfavorable in the amount of \$471,000. There are four cost centers with unfavorable variances. Every six months there will be a three-pay period month causing unfavorable variances and October was one of these months. The four cost centers affected were Maintenance, Transportation, General and Administration, and Taxes account for the payroll related expenses. The purchase of Specialized service continues to remain favorable at \$930,383.

#### Monthly Cash Flow Statement and Projections – Dawn Bailey

In July \$2.5M was transferred from the reserve to the operating cash account and in September \$1.5M was paid back; however, the \$1.5M was transferred back in October because it was needed for payment of three payrolls, two medical insurance invoices, and less than anticipated

federal funding. During November, \$1M was returned and \$1M is expected to be returned in December. Staff received the City of Richmond payment for the end of November and an invoice has already been sent for the 3<sup>rd</sup> quarter payment which is due in January. Depending on how it looks the end of December, it may be possible to return the remaining \$500,000 to the reserve.

Our federal drawdown and our state contributions remain conservative. We received word this morning that starting in January we will receive \$1,132,243 each month through June. Next months projections will reflect the increase on the state funding line. Currently, \$822,324 is being reflected.

#### Recent and Upcoming Procurements – Tonya Thompson

There were four procurements that fell within the \$50,000 - \$250,000 range between the November board meeting and today. They were for the Regional Transportation Plan, GRTC Park & Ride Study, Leadership Training, and the rental of Portable Toilets. Also, as explained earlier in the meeting, the Change Order for Fleet Cleaning Services was approved but was not listed on this document in October. The total purchase amount for all five procurements were \$518,498. One new procurement has been added to current and ongoing and that is for roof repair and is estimated to cost \$125,000 and we are in the planning stages.

#### FY2022 Operational Baseline Budget – Julie Timm/Soumya Vijayan

Ms. Timm presented a baseline operational budget for FY2022 to include an assessment of revenues and expenses and expected growth for both. This baseline budget is presented for policy direction. Discussion with board members on the priorities and underlying assumptions prepared by staff will provide GRTC staff clearer direction to develop a draft budget to be presented in April 2021. The adoption of the FY22 budget is expected during the June 2021 Board meeting.

Key assumptions built into the operational baseline budget with the expected growth in operational revenues include the following: fares would be reinstated by July 1, 2021; increase in 5307 federal funds from capital funds for ADA requirements; increase in State Operational Assistance based on the 2020 Transportation Omnibus bill; inflationary increases in funding from Richmond or Henrico; and expected CVTA funds authorized for use in FY22 for existing services. The baseline does not include \$2.15M of unbudgeted CARES Act Funds. Ms. Timm presented a FY22 baseline proposed budget for operating revenues and contributions of \$63,712,300; total operating revenues of \$8,104,945 and total operating contributions of \$55,607,255.

Key assumptions built into the expected grown in operational expenses include the following: no change to current service levels – maintain existing FY2021 service levels requested by Richmond and Henrico with considerations of general inflationary pressure; union wage and benefits updated per the ongoing negotiation with CBA; annual cost of living increases in salaries and wages for administrative staff; escalating healthcare costs; and increases in general liability premiums. The baseline also assumes expenses related to collection for fares beginning July 1, 2021 and assumes the permanent addition of expenses related to heightened use of PPEs and cleaning services to contain the spread of COVID and other communicable diseases. The FY22 baseline proposed budget for operating expenses is \$63,212,364.

The budget policy assumptions for discussion include the following: the baseline budget does not include funding or expenditures for service expansion of span, frequency, or geography of service levels in Richmond, Henrico, and Chesterfield service areas; and the baseline budget

does not include significant expansion of shelter or stop amenity program and therefore does not include expenses for maintenance of additional stops and shelters.

The next steps for the budget adoption are as follows:

- January 2021 - Board Discussion on FY22 Operational Growth Budget Scenarios, Budget Assumptions, and Policy Directors
- January 2021 - GRTC Presentation of Baseline Operating Budget to Richmond, Chesterfield, and Henrico
- February 2021 - Staff Presentation of Draft Capital and Operating Plans
- April 2021 – Staff Presentation of Draft FY22 Operating and Capital Budgets
- June 2021 – Board Adoption of Operating and Capital Budgets

#### Update on Union Negotiations – Julie Timm

Contract negotiations started in September 2020 and are ongoing. The last contract negotiation meeting scheduled was for December 9; however, on December 8 it was canceled by the Union due to unavoidable conflict. We are down to a few remaining items and Management is waiting for comments back from the Union on those items which are listed in your packet.

Of the tentative agreements that have been put in place, Management believes they have put a very strong and favorable package in place for the Union. Some of the key tentative agreements for the Union are very favorable for them, for example, fixing the Pension which was shown to be significantly underfunded for several years. Management wants to ensure that the Pension has an ongoing solvency for the protection of retirees and current staff. The Union and Management have both tentatively agreed to an increase Pension contributions year over year. Management has also tentatively agreed in a higher annual wage increase to 4% (which in past years has been 3%). The rationale for the higher increase for staff is because they would have a higher increase in their contribution to the Pension. This will provide wages that are adjusted for inflation and cost of living as well as the additional payment into the pension.

Discussions were also held regarding the high cost of health care premiums and the need to adjust the plan to control annual cost increases. Considering the current climate under COVID and possible changes to legislation under the upcoming Federal Administration, it was agreed that this was not the time to make changes. However, Management was clear that it will need to be addressed in the coming years.

The Union asked for specific language to give them assurances that as technology changes in the transit industry and those changes come to GRTC that the Union would have some assurance that GRTC would not outsource the work. Management provided language that gives reasonable assurance where practicable.

Language was also added to the contract that whenever there were laws that were enacted such as the CARES Act, Family First Corona Virus Relief Act or other laws that come out that impact the agency and our staff, GRTC would always make sure that we at a minimum comply with those local, federal, and state laws as they apply to GRTC and our staff. Union was satisfied and withdrew a request to add provisions for hazard pay.

Tentatively we also agreed to other minimum increases such as extra duty pay including when Union Maintenance staff steps in to take over a foreman's role for a day or when operators help with training new operators. Management also offered additional holiday dates to line up with federal, state, and local workers and allowed for two additional personal days.

As a balance for this very strong package for the Union and our staff, the one area where we are still in discussions with the Union comes down to Management's long standing rights to set

work rules. One of the business issues that GRTC has in providing service is high rates of unexcused absenteeism for operators (known as no shows not associated with vacation or sick leave). Current work rules allow for ongoing and perpetual absenteeism without reasonable terms for discipline and termination. This has been discussed with our partners and with the Union. This absenteeism It is not associated with sick pay, holiday pay, FMLA, vacation pay, or corona virus: it is specifically associated with “no shows”. When we have no shows, overtime costs increase dramatically and the reliability of our service decreases correspondingly with missed service when not enough operators volunteer for overtime. The Union would like further discussions on the drafted work rule changes, and we are waiting for their comments. This is the biggest hold up to getting a signed contract. We hope to get back to discussions soon.

#### GRTC FY2020 Financial Audit – Leslie Roberts and Danielle Nikolaisen, Brown, Edwards & Company

Ms. Roberts stated that overall, the audit went very well. Everyone at GRTC was available and helpful with the process and it was completed earlier than previously. Ms. Roberts stated that she wanted to point out that with the CARES Act funding and the lack of guidance on the procedures that there will be another compliance supplement that comes out and tells them what audit procedures they will need to do for the CARES funding. Therefore, they are not able to issue a final clean audit on that funding at this time; however, the work has been done around the single audit and they did not have any issues.

Ms. Roberts stated that Brown Edwards has a clean unmodified audit opinion on those audited financial statements. During the audit they did not identify any deficiencies in internal control that they consider to be material weaknesses; therefore, that is a clean opinion. The results of tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Ms. Nikolaisen reviewed the report to the Board of Directors. The auditing team is Leslie Roberts, Danielle Nikolaisen, and Christy Turner and they are available if there are questions or concerns regarding the audit and there contact information is in the letter. Ms. Nikolaisen gave an overview of what was done in the audit report. She discussed the accounting policies used by GRTC and that there were no new accounting policies adopted and the application of existing policies was not changed during 2020. No transactions entered by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. The financial statement disclosures are neutral, consistent, and clear. No difficulties were encountered in dealing with management in performing and completing the audit. Comments on Internal Control for Consideration are controls over IT Security, Disaster Recovery Plan, and Credit Card Approval. Ms. Timm stated that staff is not able to report out of these today; however, Mr. Taggart is aware and currently working on the IT Security and Disaster Recovery Plan and will have a resolution to those very soon. Regarding the credit card issued to the CEO, although rarely used and only used for Board approved items, Ms. Timm stated it would be canceled to avoid any possible future concerns regarding allowable uses.

Staff is requesting that the Board of Directors accepts Greater Richmond Transit Company's FY2020 Audit report as presented. Mr. Smith motioned to grant staff's request, Mr. Braxton seconded, and the motion carried unanimously.

#### GRTC 2021-2022 Health Insurance – Angela Malloy

GRTC has been with Cigna Healthcare since March 2016. Cigna's original renewal request was a 16.5% increase in premium. With the assistance of our broker, Marsh and McLennan we were able to negotiate a renewal rate of 6.5% for new plan year starting March 1, 2021 through February 2, 2022. After careful review it is recommended that we remain with Cigna. This

expense is funded completely from the Operating budget. The change in increase is \$486,691. Staff is requesting that the Board of Directors adopts these changes to GRTC's medical plan and authorizes the CEO to sign the contract with Cigna for plan year March 1, 2021 through February 28, 2022. Mr. Armstrong motioned to grant staff's request, Mr. Smith seconded, and the motion carried unanimously.

#### GRTC/VCU Contract, Second Amendment – Julie Timm

During the June 16, 2020 Board Meeting, the GRTC Board adopted the FY2021 Operational Budget. The annual budget included revenues from a contracted operational subsidy from VCU in the amount of \$1,656,912 with 50% of that amount, \$789,006.09, due on August 31, 2020. The operational budget also included a reserve fund of CARES Act dollars in the amount of \$3,620,112 for COVID related increases in expected expenses or decreases in expected revenues.

Also, during the June 16, 2020 Board Meeting, the GRTC Board authorized CEO Julie Timm to enter into Contract Agreements with local funding partners in the amounts approved in the adopted FY2021 Budget. Subsequent to that Board meeting, Ms. Timm negotiated a contract amendment with VCU under the VCU/GRTC Three Year Service Agreement originally entered into on August 1, 2019. The amendment decreased the first payment from VCU due on August 31, 2020 under the second year of the contract from \$789,006.09 to \$394,503.04, a 50% reduction in the contracted service contribution for the six-month payment period. This reduction was jointly agreed upon in recognition of the following considerations: the University has determined as a result of the Pandemic that it may be necessary to operate the University in a limited capacity, which may include classes being taught online and a significant portion of its workforce working remotely, thus resulting in a significantly reduced need for the transportation services; and GRTC is receiving relief funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, to assist with its operating costs; and the University and GRTC wish to amend the Agreement to address these effects of the Pandemic; and the one-time 50% reduction in the VCU service contribution is consistent with reductions approved in the GRTC FY2021 Operations Budget for other Local Funding Partners in the FY2021 budget.

Due to the ongoing State of Emergency under COVID-19 and the continuation of the above conditions into the 2021 calendar year, VCU has requested a second contract amendment consistent with the first amendment ratified by the GRTC Board in July 2020. The second amendment would decrease the second payment from VCU due on February 28, 2021 under the second year of the contract from \$789,006.09 to \$394,503.04, a 50% reduction in the contracted service contribution for the six-month payment period.

GRTC CEO requests that the Board of Directors approve a second amendment to the VCU Contract for a reduction of service contributions from VCU by another \$394,503.05 for FY2021 and that the Board of Directors authorize the use of CARES Act reserve funding in the FY2021 budget in the amount \$394,503.05 to balance this reduction in revenue. Mr. Armstrong motioned to grant staff's request, Mr. Smith seconded, and the motion carried unanimously.

#### Chief Executive Officer's Report – Julie Timm

- There has been a surge in COVID cases at GRTC and we believe it is related to the Thanksgiving holiday. Twelve or thirteen cases are unrelated to each other and a few were related. We have been very active with quarantine procedures which is why we have seen almost no clusters with GRTC staff. As the community cases continue to surge, we will see the surges here at GRTC. We understand that everyone is tired of quarantining, everyone is longing for the holidays and for the celebration with family and friends and this is very challenging for our staff. The Governor has put strictly compliances in place as of

December 14, and we hope it will cut down on the surge in the community. We have been working closely with the Health Department associated with getting a vaccination to COVID on site here at GRTC for our Operators. We understand supplies are limited and that they should go to healthcare workers first. We have requested and received assurances that transit workers will be among the first to receive the vaccination after healthcare workers.

- We are closely watching the Family First Corona Virus Act deadline for December 31. If that is not extended, my intention is to continue to provide that same paid sick leave to anyone who becomes ill with the virus even though we will no longer be required to and that we use whatever CARES Act money that we have to be able to support our staff and their families until the vaccine is fully deployed. We hope that will be by the middle of next year but could be until the end of next calendar year.
- There are layoffs and buyouts of employees at agencies across the country being considered. If the agencies do not receive economic relief, they will have to reduce service and layoff staff. These are agencies that have a very high dependency of farebox revenues that are associated with light rail and heavy rail that are associated with large numbers of commuters who can telework; and, therefore, the revenues they would normally provide to the farebox has been cut by the ridership drop of 95%.
- We are in December and will possibly have service disruptions as the bad weather hits.

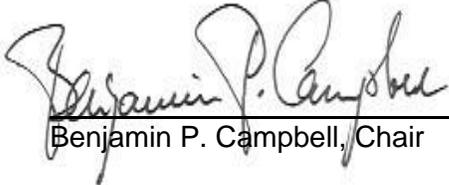
#### Chairperson Report – Ben Campbell

The Chairman thanked Ms. Timm and the GRTC staff. He stated that this next years brings us two very important changes: the Governance report recommendations, which is very important to all of us and this agency; and the plan for CVTA funded expansion of service to begin to make this truly a metropolitan system.

#### Other Business

There being no further business, the meeting adjourned at adjourned 10:20 a.m.

APPROVED:

  
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Benjamin P. Campbell, Chair

January 19, 2021

Date