



RICHMOND REGIONAL PLANNING DISTRICT COMMISSION
Minutes of Meeting
April 11, 2019

Members and Alternates (A) Present

Greg Baka.....	Henrico County
Nolen Blackwood.....	City of Richmond
Tim Davey.....	Chesterfield County
Steve Elswick.....	Chesterfield County
Kimberly Gray.....	City of Richmond
Mike Gray.....	City of Richmond
Leslie Haley.....	Chesterfield County
Jim Holland.....	Chesterfield County
Dorothy Jaeckle.....	Chesterfield County
Angela Kelly-Wiecek.....	Hanover County
Kristen Larson.....	City of Richmond
Susan Lascolette.....	Goochland County
Anne Marie Lauranzon.....	Hanover County
William Mackey, Jr.....	Henrico County
Tyrone Nelson, Vice Chair.....	Henrico County
Cynthia Newbille.....	City of Richmond
Larry Nordvig.....	Powhatan County
Patricia O'Bannon.....	Henrico County
Patricia Paige, Secretary.....	New Kent County
Canova Peterson.....	Hanover County
Randy Silber (A).....	Henrico County
George Spagna, Treasurer.....	Town of Ashland
Frank Thornton.....	Henrico County
Randy Whittaker.....	Hanover County
Christopher Winslow.....	Chesterfield County

Others Present

Eric Gregory.....	Hefty, Wiley and Gore
Jill Swinger.....	Warren Whitney

Staff Present

Martha Shickle.....	Executive Director
Mark Bittner.....	Director, Regional Planning & GIS
Diane Fusco.....	Office Manager
Chet Parsons.....	Director, Transportation

Call to Order / Pledge of Allegiance

Chairwoman Newbille called the regularly scheduled April 11, 2019 RRPDC meeting to order at approximately 9:00 a.m. in the RRPDC Board Room. She then led members in the pledge of allegiance to the flag.

Certification by Commission Executive Director of Meeting Quorum

Ms. Shickle, RRPDC Executive Director, reported that a quorum of members was present.

1. ADMINISTRATION

A. Request for Additions or Changes to the Order of Business

Chairwoman Newbille asked if there were any requests to change the agenda or order of business.

As there were no requests to change the agenda, Chairwoman Newbille said the agenda will stand as presented.

B. Open Public Comment Period

Chairwoman Newbille opened the public comment period, noting that if anyone wished to address the members they should please stand and provide his or her name, locality of residence, and, if appropriate, the name of any organization being represented.

As there were no requests from the public to address members of the Board, Chairwoman Newbille closed the public comment period.

C. Consent Agenda

Chairwoman Newbille reviewed the items on the consent agenda. Ms. O'Bannon requested that the cancellation of the May meeting be removed from the consent agenda so that she may ask a question regarding that item. Mr. Elswick moved to approve the remaining items and was seconded by Ms. Lascolette.

1. March 14, 2019 Meeting Minutes (Tab 1)

Ms. Kelly-Wiecek complimented Ms. Fusco on the completeness of the minutes but did have a change to the wording of a section regarding the addition of other localities. She would like the wording to be changed to reflect that she asked a question and was not necessarily in favor of the subject. It was discovered this section was in the Executive Committee minutes and Ms. Kelly-Wiecek will send an email to confirm the revision needed.

2. Environmental and Intergovernmental Reviews Summary (Tab 2)

3. Resolution authorizing application for Rural Transportation FY20 funding (Tab 3)

4. Cancellation of May 9, 2019 Meeting

Chairwoman Newbille asked Ms. Shickle to provide details on the cancellation request for the May 9th meeting. Ms. Shickle said last month she was notified by Richmond Region Tourism that the week of

May 6th is designated nationally as Tourism Week and there is an event on the morning of May 9th that conflicts with the meeting. She noted Chesterfield County is involved in this event and believes other members of the Board are as well.

Ms. Shickle believes it would be logistically difficult to try and relocate the Board meeting and advised Richmond Region Tourism she would ask Board members what they would like to do. She noted that last May the same conflict occurred, and the Board decided to cancel the May meeting. Chairwoman Newbille noted that the Executive Committee is recommending cancellation of the May 9th meeting.

Ms. O'Bannon asked if there was anything the Board needed to vote on at the May meeting. Ms. Shickle advised a preliminary budget would normally be presented at the May meeting which would be reviewed again in June for approval. She suggested the Finance & Audit committee could still send the preliminary budget out in May for the Board to have time to review. Ms. O'Bannon pointed out no reason for the May meeting cancellation request was on the agenda and this item should not have been included with the consent agenda. Ms. Shickle apologized and Chairwoman Newbille asked the Board to consider the cancellation request.

Ms. Lascolette motioned to approve the request and Vice Chairman Nelson seconded the motion. The motion was passed unanimously.

2. STANDING COMMITTEE REPORTS

A. Audit, Facilities and Finance Committee – Dr. Spagna

i. February Financial Reports (Tab 4)

Action Requested: Motion to accept the monthly financial reports as presented.

Dr. Spagna advised members to review the financial report under Tab 4 in their packets. He said income was up for February, but so were expenses. The projection is that the agency is on track to be close to budget with a deficit of only about \$450.00. Dr. Spagna asked if there were any questions from the Board. Mr. Nordvig asked if there were any stand out items the Board should know about and Dr. Spagna noted the Finance & Audit Committee has not met since the last Board meeting.

Vice Chairman Nelson motioned to accept the monthly financial reports and Mr. Thornton seconded the motion which was carried unanimously.

ii. Public Outreach and Engagement Committee – Mr. Nordvig **Update Only:** No action is requested.

Mr. Nordvig provided an update on the Public Outreach and Engagement Committee meeting that was held on March 26. He noted the great work by Katherine Busser who is helping with the website update, marketing, and branding of the PDC and feels she is a great asset to the agency. He reviewed some highlights of the new website and the impressive features that will be available.

Mr. Nordvig noted the agency must have a public outreach and public participation plan, an emphasis on Title XI and diverse groups and consider various audience's levels of ability to access information. Mr. Nordvig said Ms. Busser has done a good job of pulling all these items together and the site looks very professional. Each jurisdiction is featured along with the transportation and emergency management organizations. The website features the collaboration that occurs between all nine localities and promotes all the good things happening at the PDC. Mr. Nordvig asked that once the

website is launched Board members go back to their own organizations and promote the new site and the PDC. He also mentioned the 50th anniversary and advised members to expect a series of events to celebrate this milestone.

Ms. Kelly-Wiecek asked about Ms. Busser's time spent on the website implementation. She asked if her time was being compensated and if so what amount she is being paid. Ms. Shickle noted Ms. Busser was brought on in a paid capacity last May and her main assignments were to manage the IT conversion, which included an RFP for a new vendor, and the website and branding project management. Ms. Shickle noted a test or prototype website is currently being reviewed by staff and changes are being implemented based on feedback. Regarding the IT project, user testing was kicked off April 1st and this conversion is expected to be complete by the end of April. Ms. Shickle said when these two projects are complete Ms. Busser is expected to end her time with the agency.

Ms. Kelly-Wiecek noted that the Board was originally told Ms. Busser was to stop working at the agency on March 31. Ms. Shickle noted Ms. Busser stopped working for the CRC at the end of March. Ms. Kelly-Wiecek asked about the budget for the website and if this included Ms. Busser's time. Ms. Shickle confirmed the website budget only included the contract with West Cary Group and they were not contracted to develop content for the website.

Ms. Kelly-Wiecek asked if Ms. Busser's time is captured with contractor expenses and Ms. Shickle clarified that Ms. Busser is included with the staff and salary line item of expenses. Ms. Kelly-Wiecek noted this is an example of a non-billable expense and the Board is considering the financial impact of these types of expenses along with what the agency is currently spending on projects.

Ms. Lascolette asked about the end date for Ms. Busser and Ms. Shickle said the target is May 15 but may extend to May 31. Mr. Elswick asked what the agency is paying Ms. Busser per hour and if the Executive Committee authorized her hiring. Ms. Shickle confirmed she hired Ms. Busser and reported the agency pays Ms. Busser \$100 per hour.

Mr. Nordvig noted that Ms. Busser also does work for the Virginia Department of Emergency Management and asked if this grant is responsible for part of her position. Ms. Shickle stated the majority of Ms. Busser's time is funded through indirect and the IT work is also funded through indirect. Ms. Shickle said some of the time spent on the Emergency Management section of the website is eligible to be charged to the VDEM grant.

Ms. Kelly-Wiecek noted one of the line items the Board will address is the fact the agency had to pay the VDEM grant back for \$31,000 of indirect costs that were not eligible for reimbursement. Chairwoman Newbille confirmed this would be addressed during Ms. Shickle's presentation and asked if there were any other questions directly related to this discussion.

Ms. O'Bannon mentioned Henrico County has a book about regional cooperation and offered to bring it to the next meeting. Ms. Shickle confirmed this book does exist electronically and that Chesterfield County has a similar book as well.

Mr. Peterson commented on the soft launch of the website by the end of the month and asked what plans are in place for a public launch to ensure the general public is aware of the new website. Ms. Shickle noted there are two parallel efforts.

She said at the last meeting Ms. Haley suggested reaching out to public information officers and a meeting has already occurred. Also, the Public Outreach & Engagement committee has met and will manage the strategy for the public launch. In addition, Ms. Shickle has met with the Richmond Times

Dispatch and is discussing the possibility of having a column in the paper about the launch and will also be in touch with other media outlets.

Mr. Peterson asked Ms. Shickle to confirm if Ms. Busser is an employee or consultant. Ms. Shickle said Ms. Busser is an employee paid an hourly rate with no benefits.

Mr. Elswick asked when the appropriate time is to request the Executive Committee look at the hiring of Katherine Busser at a rate that would be equivalent to a County Administrator. He would like the Executive Committee to review this and asked if a motion is necessary.

Chairwoman Newbille replied she does not believe a motion is needed, and the Executive Committee will include this item for discussion. Mr. Elswick voiced concern that the Board is being asked to consider a special assessment for the jurisdictions to restore the fund balance, yet the agency is paying a consultant at this rate.

Mr. Peterson asked if this can be considered for discussion during the fund balance policy presentation that is next on the agenda. Chairwoman Newbille replied this would not be necessary since the Executive Committee will be including this for discussion and the impact on the fund balance. A meeting will be planned for the Executive Committee only in May.

3. NEW BUSINESS (Tab 5)

a. Fund Balance Policy Discussion

Action requested: take action regarding Fund Balance Policy

Ms. Shickle provided an overview of the items Commissioners requested during the March meeting and handouts of slides were provided at the meeting.

Ms. Shickle noted her presentation would hit on these main points based on requests from the last meeting: drivers for FY18 yearend position, items put in place to improve financial position, discussion on fund balance policy in general and how it was put in place in 2004, and alternatives to actions that were discussed at meeting last month.

Ms. Jaeckle asked what the revenue shortfall was for 2018. Ms. Shickle asked Ms. Swinger if she could get that number from the audit. Ms. Shickle pointed out staff vacancies led to revenue shortfall when positions assigned to work funded by grants were not filled. Ms. Jaeckle asked who was in charge of making sure we didn't lose funding in the past. Ms. Shickle noted in the past there was an Assistant Executive Director and a Finance and Contracts Administrator that handled some of these tasks and managed the process.

Ms. Kelly-Wiecek asked if the Executive Assistant position vacated by Ms. Fry's retirement has been filled and Ms. Shickle confirmed that position has not been filled. Mr. Peterson asked how many staff the agency has now and how many were employed at the beginning of FY18. Ms. Shickle agreed to provide these numbers from the beginning of FY18.

Ms. Shickle confirmed not all staff that have left have been replaced and that historically about 50% of agency positions were grant funded and right now about 75% of total salary is grant funded. Ms. Shickle pointed out the majority of staff salaries are supported by grant revenues. She said grant funding sources are provided by transportation, environmental and emergency management programs.

Ms. Kelly-Wiecek asked about the FOLAR position and whether this has a fiscal impact to the agency. Ms. Shickle confirmed there is not a fiscal impact but there are some indirect costs that can't be charged back to the grant. Ms. Jaeckle asked about the fiscal impact of bringing on a new staff member that we can't charge indirect costs for and Ms. Shickle advised she would get back to her on this point.

Mr. Elswick asked about the payout for separation of employees who have an agreement and what this means. Ms. Shickle confirmed this is a case where we have an agreement with an employee to leave and we paid them as agreed in a severance package. Ms. O'Bannon stated this brings up the question of why employees leave, and Ms. Shickle stated there have been instances where employees have left for other jobs and cases where we have asked them to leave. Ms. O'Bannon said the Board received copies of employee surveys but would also like to see exit interviews. Ms. Shickle agreed to provide copies of exit interviews for review.

Ms. Kelly-Wiecek commented it would be helpful to see dollars in addition to percentages on the pie charts showing sources of revenue by program. Mr. Elswick asked about the previous comment about historical statistic of 50% of positions being grant funded and whether the intention was to get back to that number. Ms. Shickle stated her goal is to be at a number closer to 20% and currently the rate is around 25%.

Mr. Peterson asked about the \$1.8MM budget allocation on the financial statement for salary and wages. He stated this averages to over \$100,000 per employee and would like to know how this compares to what the jurisdictions are doing. Ms. Shickle offered to pull the full-time equivalent information since the number of full-time employees has fluctuated and that the agency currently has fewer employees in the higher salary range. Ms. Shickle said she would get information on staff salaries for review. Mr. Peterson said the agency should not be providing better benefits than the jurisdictions supporting the agency.

Ms. O'Bannon pointed out the salary analysis has been done in the past. Ms. Wiecek agreed this information had been sent out in February and included title, salary, benefits, and department and suggested updating the information to include a column that would show what percentage of time can be charged to grant funded projects. Ms. Lascolette noted this should include how much of an employee's total expense can be funded not just their time.

Ms. Kelly-Wiecek asked about the HR position that was vacated by Ms. Cannaday and expressed concern over not having an HR Professional to handle certain situations. Ms. Shickle confirmed Ms. Cannaday was previously working on a part time basis and currently some aspects of benefits administration are being handled by Ms. Fusco. The employee relationship side is not currently filled but there is an RFP for the agency's commercial insurance and this could be included as part of that offering.

Ms. Shickle reviewed the process associated with the 2004 fund balance policy and designation of a \$1,000,000 fund balance which followed an approximately four-month long process at the time. The methodology considered existing liabilities and funding sources and local assessment rates, which remain unchanged. Ms. Bannon shared her recollections of the initial establishment of the fund balance and consideration of what it would take if the PDC had to close at that time. She noted it was not intended to be used for the needs of the agency, but a reserve to be set aside for emergencies.

Ms. Shickle stated staff recommendation is to establish a new fund balance policy based on prior 4 years' expenses projected for three and six months. The proposed methodology was detailed on slides shown to the Board.

Mr. Peterson asked about using the last 4 years as basis for expenses and Ms. Shickle said this was used because from a revenue and expense perspective they are the most similar to now than from a prior period. She noted that since 2004 the agency has been slowly diminishing the fund balance.

Chairwoman Newbille agreed to take two more questions before determining if the Board has enough information to make a decision. Ms. Lascolette pointed out most localities set their fund balance based on a percentage of the budget and if this is something the agency can consider. Ms. Shickle said this has been considered and when comparing the numbers localities use the threshold is too low.

Mr. Holland pointed out current by-laws require the agency to stay in the City of Richmond and unreimbursed expenses should be considered in the budget review.

Chairwoman Newbille noted options are to continue with policy as it is now, which means agency is not in compliance, or proceed with the option that includes floor of \$720,000 and ceiling of \$1,400,000 which would require policy change.

Mr. Elswick said expenses still need to be brought under control and would prefer to fix this problem rather than arbitrarily setting a number.

Ms. Gray commented that the Finance & Audit committee has looked at expenses and many of the expenses are pass-through expenses and feels the \$1,000,000 fund balance is reasonable and believes the agency is on the right track.

Ms. Larson confirmed that the agency is trending to build the balance back up and Ms. Shickle said the Finance & Audit committee is confident that in FY2020 \$50,000 will be available for the fund balance and the question is what the expected pace will be to build the balance back up. Ms. Larson asked about staff recommendation to defer discussion to the regular budget cycle and Ms. Shickle said the conversation is happening off cycle now not at end of November which would be the normal timeframe.

Mr. Peterson confirmed the Finance & Audit committee had set the timing at two years for recovering the fund balance and Mr. Holland agreed this is the case as Dr. Spagna had already left the meeting. Mr. Holland said expense management does need to occur as well.

Ms. Kelly-Wiecek asked if being out of compliance will be part of the agency audit findings and if this was a previous audit finding. Ms. Shickle confirmed this is not something tested or considered in the audit because they are testing internal controls, but this non-compliance would be noted in the management letter.

Chairwoman Newbille asked if the Board is ready to confirm and move forward with the Finance & Audit Committee recommendation. Mr. Peterson reiterated the committee's recommendation includes that 50% of the current fund balance gap be corrected by agency operations and a onetime assessment to the localities that would occur over a 2-year period.

Chairwoman Newbille asked for a motion to accept the recommendation of the Finance & Audit Committee. Vice Chairman Nelson so moved and Mr. Thornton seconded the motion.

There were five No's to the motion presented by Larry Nordvig, Angela Kelly-Wiecek, Steve Elswick, Dorothy Jaeckle, and Leslie Haley.

Dr. Spagna was not present.

The motion carried with a majority of members approving the motion.

4. OTHER BUSINESS / ANNOUNCEMENTS

No other business was identified to bring before the Board.

5. ADJOURN

Chairwoman Newbille thanked members for their time and adjourned the meeting at approximately 10:35 a.m.

Martha Shickle
Executive Director

Cynthia Newbille
Chair