



**Annual Fiscal Plan, FY2017
Capital Budget, FY2017-2022**

Serving Chesterfield, Henrico, and Richmond, Virginia



Table of Contents

Introduction

Chief Executive Officer’s Transmittal Letter	3
Distinguished Budget Presentation Award	9
Budget Overview	10
Mission Statement	13
Principal Officials.....	14
Organizational Chart	15
History.....	16

Budget Development

Fund Structure, Basis of Accounting and Budgeting, and Budget Process	27
Financial Policies	29
Revenue Sources and Forecasting Assumptions	32
Long-Term Financial Plan	35

Department Budgets

Expressway Operations.....	41
Special Conservators of the Peace (SCOPs)	43
Administration	44
Engineering	46
Finance	48
Human Resources	50
Main Street Station.....	52

Budget Detail

Department to Fund Crosswalk	55
Expressway Fund Budget	56
Central Administration Fund Budget	61
Main Street Station Fund Budget	65

Expressway Capital Budget

Capital Budget Overview	69
Executive Summary.....	70
Six-Year Plan.....	72
Bridge Management Life Cycle	74
Project Pages.....	76

Supplemental Information

Estimated Population, Richmond Metropolitan Area	87
Principal Employers, Richmond Metropolitan Area	88
Expressway Toll Rates, Current and Historical.....	89
Operating Indicators	90
Personnel Complement, Budgeted Positions	91
Expressway Debt.....	92
Board of Directors, Committee Strategic Plans	94
Glossary.....	97

Introduction



919 East Main Street, Suite 600, Richmond, Virginia 23219
Telephone 804-523-3300 – www.rmaonline.org – Fax 804-523-3335

June 14, 2016
Board of Directors
Richmond Metropolitan Transportation Authority
Richmond, Virginia

Honorable Members of the Board:

Enclosed is the adopted fiscal year 2017 operating and capital budget for the Richmond Metropolitan Transportation Authority as approved by the Board of Directors at the May 10, 2016 meeting.

As discussed in the budget document, the Authority contracts with the Virginia Department of Transportation (VDOT) for the day-to-day operation of the E-ZPass program. At the time of presenting the budget for adoption, VDOT had not yet provided the FY2017 E-ZPass processing rates; therefore the FY2017 adopted budget includes a 6.6% budget increase based on forecasted transaction and E-ZPass participation growth for a total line-item cost of \$3.1 million.

Shortly after the budget was adopted, VDOT provided the FY2017 E-ZPass processing rates: the per-transaction component of the rate increased to \$0.0630 per transaction (up from \$0.0613 per transaction) and the percentage of revenue collected component of the rate increased to 1.983% (up from 1.756%). As a result of the rate increases, the FY2017 E-ZPass processing line-item cost will increase to \$3.2 million (approximately \$140,000 more than the adopted budget).

Due to the timing of the budget adoption and the notification of the new rates, a separate budget amendment will be submitted to the Board of Directors for approval during FY2017. It is worth noting that the additional cost does not materially change the long-term financial plan discussion included in this document. Please contact me with any questions.

Sincerely,

Angela Gray
Chief Executive Officer





919 East Main Street, Suite 600, Richmond, Virginia 23219
Telephone 804-523-3300 – www.rmaonline.org – Fax 804-523-3335

April 12, 2016
Board of Directors
Richmond Metropolitan Transportation Authority
Richmond, Virginia

Honorable Members of the Board:

Enclosed for your review and consideration is the fiscal year 2017 operating and capital budgets for the Richmond Metropolitan Transportation Authority (RMTA or Authority). Plans are provided for each RMTA facility, with comparative prior year amounts. This budget document is a critical tool used to fulfill RMTA's commitment to and realization of its mission. This document also serves as a budgetary link to the planning of RMTA's long-range capital and maintenance efforts for its infrastructure assets.

This past year has been a critical milestone for the RMTA. Reaching the Authority's 50th anniversary was not a matter to let pass by without a bit of reflection and celebration of our accomplishments and contributions to the Richmond region while laying the groundwork for our future. To honor our rich history, staff spent countless hours collecting, cataloguing and scanning photographs for which a number will grace our new website, make appearances during social media updates, and be present during the anniversary celebration scheduled for June 2016. You will even find a selection peppered throughout this budget document. But more than paying homage to our past, it is critical for a living, breathing organization to consider future potential opportunities for its relevancy over the next 50 years, and for this we must also recognize the hard work of our current Board members and staff which give us the fortitude to perform our very best as we explore new territories.

A considerable amount of time was spent this past year to lay the groundwork for such potential projects the RMTA may wish to undertake. Our present Board Chairman, James Holland (Chesterfield), tasked each Board committee to draft committee goals and objectives – an important means to further clarify roles and identify areas of importance to strive for excellence. These goals, in their current format, have been included in the Supplemental Information section of this budget document. The Board created the Regional Projects and Outreach committee to lead this effort; outlining how best to approach our three communities and begin an important conversation. Outreach efforts also included opportunities to engage our Richmond Regional Planning District partners (RRPD), Virginia Department of Transportation (VDOT), and various interest groups in order to better understand issues in the community, potential projects, and funding opportunities and constraints. And as a further gesture of RMTA's desire to be more open and inclusive, beginning January 2016, monthly Board meetings are now rotated quarterly amongst the Counties of Chesterfield and Henrico, and the City of Richmond.

As we look back over this past year, several key events stand out and have an impact on the future of RMTA. Delegate Manoli Loupassi submitted legislation during the 2017 General Assembly which would allow RMTA to build, construct and own coliseums and arenas. This legislation, passed by both the House and Senate, currently awaits the Governor's signature. Should this legislation receive the Governor's signature, the RMTA board and the three jurisdictions would need to engage in dialogue regarding the

Chief Executive Officer's Transmittal Letter

fruition of this project and how it would be funded using RMTA as a vehicle. What this measure does signal, more importantly, is a growing willingness to engage in conversations relating to transportation and economic development activities for the Richmond region, even 50 years following the establishment of the RMTA. Additionally, RMTA followed legislative amendments to toll violation and collection practices for their impact to current business practices.

RMTA staff engaged in a number of internal activities this year that further demonstrated a commitment to excellence, transparency and collaborative efforts amongst our stakeholders and neighbors. Most critical to roadway operations and collections, was the evaluation of the options for a next generation toll system. Tolls collected by the RMTA fund debt service, operations, maintenance, and capital projects for the Downtown Expressway, Powhite Parkway, Boulevard Bridge and associated facilities. Taking into consideration the age and condition of RMTA's tolling equipment, the report evaluated toll collection method alternatives, associated toll system and services requirements and limitations within the existing system and infrastructure. The resulting toll system replacement plan provides a framework for the RMTA to make both strategic and aligned decisions related to the future toll collection technology to be used across the RMTA system while taking into consideration opportunities to reduce operational costs both in the near and long term, alignment with future toll technology trends and industry best practices, and enhancing the resiliency of the toll collections system while maintaining toll system revenues in accordance with RMTA toll bond covenants. Intertwined with the toll system replacement plan, RMTA conducted its first industry forum which resulted in a better than expected response and turn-out. Originally planned two days, a third day was added to accommodate the overwhelming response from interested parties which included five of the largest toll system integrators. Interested vendors came from all across the country and the exchange of ideas on All Electronic Tolling (AET), Open Road Tolling (ORT), interoperability, transit mobility options, and multi-protocol readers and transponders, to name a few, was considered a huge success for the Authority and participating vendors who better understand that RMTA is open to fresh, innovative ideas.

Engineering highlights over the past year also included the completion of the two-year Mill and Overlay project for the Powhite Parkway and SR-146 Connector Road on and off ramps. The next large capital project undertaking involves the Interstate 95 ramp deck rehabilitation project that commenced in spring 2016. This will be the largest deck rehabilitation contract to date for RMTA with a total contract amount of nearly \$5.2 million; an important endeavor as RMTA continues to maintain high standards of quality in its toll road system so as to provide safe and efficient passage for its users.

Safety and reliability is not limited to ongoing maintenance of RMTA's assets, however. It also includes efforts from RMTA's Special Conservators of the Peace (SCOPs). This small but dedicated team primarily comprised of part-time, retired police officers investigated 33 traffic accidents on the Expressway over the past calendar year and made great strides in recovering approximately \$12,700 of repair expenses to the RMTA as a result of more diligent investigation efforts. For the first time, SCOPs also attended the VDOT Intermediate Work Zone Traffic Control training course, and all SCOPs employed by the RMTA are now trained and certified in the development, design, implementation, operation, inspection and enforcement of work zone related transportation management and traffic control, reducing the Authority's reliance on fiscally constrained local and state police operations. Per the 2015 General Assembly session, several legislative changes for SCOPs, including an additional layer of background checks, a new appointment process, and additional training requirements ensure that we are recruiting and hiring qualified individuals. These administrative changes to SCOP hiring practices required the RMTA team work closely with the Richmond Police Department and Virginia Department of Criminal Justice Services to streamline processes as mandated.

Chief Executive Officer's Transmittal Letter

Another crucial accomplishment undertaken this past year involved reviewing existing violation enforcement processes. For unpaid cash tolls, a more structured means to reduce leakage and collect outstanding violations within the cash lanes (ISFs) was implemented by utilizing a third party collections service to allow for additional billing and collection efforts not previously feasible due to the limited in-house resources at RMTA. To date, RMTA has realized a reduction in unpaid cash toll violations of over 25 percent. For unpaid E-ZPass tolls, improvements were made in the reporting and monitoring of data provided by VDOT and the court system as a result of several meetings with VDOT's administration. RMTA is now hopeful that further savings may be realized once VDOT awards a new contract for its E-ZPass toll collection and violation processing services.

What lies ahead operationally for the RMTA during fiscal year 2017?

First and foremost will be the implementation of the toll system replacement plan that aligns with guiding principles such as reducing operational costs both in the near and long term future, aligns with future toll technology trends and industry best practices, minimizes operational risks and enhances resiliency of the toll collection system while maintaining toll system revenues in accordance with RMTA's existing bond covenants. Cyclical preventative maintenance activities as outlined in the capital plan will ensure RMTA's bridges, tunnels and roads remain in good condition, retard future deterioration, and avoid large, unnecessary expenses tied to reconstruction and/or full replacement of assets. This year's efforts will also include replacement of the original roof for the Boulevard Bridge office building and an office space for RMTA's maintenance crew previously housed in a dilapidated double-wide work trailer. Additionally, the office lease for Central Administration is scheduled to expire June 2017; efforts will be underway to determine feasible options that take full advantage of the current market along with our space requirements. Funding in fiscal year 2017 has been included to provide SCOPs hardened laptop computers in their vehicles, upgrade police radios from analog to digital, and radar equipment. These equipment purchases will allow RMTA's SCOPs to improve their responsiveness, efficiency, and further ensure safe passage for our toll patrons. And while the original contract to operate Main Street Station is scheduled to expire in June 2016, the City of Richmond and RMTA have mutually agreed to extend the operating contract through December 2016 to allow for the smooth transition of services to a new operator for both the existing facility and the newly completed train shed building once selected.

Financially, RMTA staff will continue to seek operational savings where possible while maintaining excellence in financial services. This shall include obtaining an unmodified opinion on the Authority's FY 2016 Comprehensive Annual Financial Report (CAFR) and receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association (GFOA) for a 23rd consecutive year, along with GFOA's Distinguished Budget Presentation Award for the third consecutive year. We fully believe this will be possible due to the significant additions included in the FY2017 fiscal plan and capital budget. Not only will the reader find a more robust long-range capital budget through calendar year 2041 (scheduled date for repayment of existing debt), but the operational budget for this year includes an overview of the budget by each of the Authority's departments. Included in each department is a description of roles and responsibilities, operational priorities, fiscal year 2017 performance measures, and department accomplishments over the past fiscal year. A more robust department to fund crosswalk highlighting significant budgetary changes is also included. Finally, the Supplemental Information section introduces several new charts to better provide data on current and historical trends relating to toll rates. A watchful eye will continue to be maintained on traffic and revenue trends -- which fortunately, have been on the increase the last few years -- to identify what underlying factors may be behind this phenomenon, whether those factors are permanent, and the impact any fluctuations may have on RMTA's long-term financial plan.

Chief Executive Officer's Transmittal Letter

As the staff's role in the fiscal year 2017 preparation phase comes to a close, I would like to once again recognize and thank Curtis Doughtie, Director of Finance, as well as his team, for their efforts leading this endeavor. Curtis' commitment and willingness to engage with me on proposed changes to the budget format in order to push this budget document even further in terms of transparency as a communication device helped to make this budget a reality. A huge thanks to Theresa Simmons, Director of Operations, for her hard work to ensure that we have properly accounted for all capital needs pertaining to asset management within RMTA's Long-Range Capital Plan not only within a six-year window but engaging a comprehensive evaluation of needs through 2041 when the final debt repayment is scheduled. To Joi Dean, Chief of Staff, for continuing efforts to improve on the efficiencies of and find cost savings tied to our internal IT needs as well as her contributions to help extend the Main Street Station contract an additional six months in order to ensure a smooth transfer to the City's new operations manager. Sheryl Johnson, Director of Human Resources, deserves an applause for her ongoing efforts to not only assist me in finding operational improvements as we work toward greater customer service and preparing staff for opportunities tied to succession planning but also for working hard to find creative cost containment measures to stave off rising health care costs. A huge applause should go to Gonzalo Aida, Executive Assistant, for working his magic on the RMTA 50th Anniversary Logo and for helping organize countless boxes housing our historical photographs – many of which were selected to grace this year's budget document. And finally, Paula Watson who oversees Procurement and Internal Audit deserves recognition for her concerted efforts to streamline all contractual documents in one system while working closely with staff to monitor upcoming expirations, ensure insurance/bonding documents are up-to-date, and managing procurement activities for consistency and fairness during selection process. Lastly, I would like to express gratitude to all of the men and women who serve as accountants, maintenance workers, toll attendants and supervisors, and those that tirelessly answer questions from our customers that call in. It is because of their hard work and dedication 365 days a year, 24 hours a day, no matter the weather conditions that we strive to make RMTA an environment where everyone's efforts are recognized and greatly appreciated. As always, staff stands ready to assist the RMTA Board in achieving its vision and looks forward to approval and implementation of this budget.

Sincerely,



Angela Gray
Chief Executive Officer

Distinguished Budget Presentation Award



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Richmond Metropolitan Transportation Authority (formerly known as the Richmond Metropolitan Authority), Virginia, for its annual budget for the fiscal year beginning July 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. The Authority believes our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Budget Overview

The Authority's 2017 Fiscal Plan and Capital Budget outlines a spending plan that covers operations, annual maintenance and related capital projects of the Expressway System. The Fiscal Plan also includes operating budgets for the Authority's Central Administration function and Main Street Station operations.

Budget Overview

	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
Revenues					
Tolls	\$ 38,799,389	\$ 38,362,000	\$ 40,976,000	\$ 2,614,000	6.8%
Rentals	313,364	205,500	136,200	(69,300)	-33.7%
Other	359,405	465,400	382,700	(82,700)	-17.8%
City Contribution	582,113	818,600	460,900	(357,700)	-43.7%
Subtotal	40,054,271	39,851,500	41,955,800	2,104,300	5.3%
Operating Expenses					
Salaries and Benefits	\$ 6,793,710	\$ 7,869,800	\$ 7,239,200	\$ (630,600)	-8.0%
Operations	7,510,054	8,398,950	8,320,200	(78,750)	-0.9%
Subtotal	14,303,764	16,268,750	15,559,400	(709,350)	-4.4%
Net Operating Revenue	\$ 25,750,507	\$ 23,582,750	\$ 26,396,400	\$ 2,813,650	11.9%

Toll Revenue

Toll revenue for FY2017 is projected to increase to \$41.0 million. This increase is driven by ridership growth, as toll rates were last increased in September 2008 and remain unchanged for the next fiscal year. Revenues cannot be commingled between the Authority's different operations (i.e. tolls cannot be used to support any of the Authority's other facilities).

Rentals and Other Revenue

Rental revenue primarily consists of leasing several surface parking lots within the footprint of the Expressway System and rental revenue from Main Street Station from the leasing of office space and reservations for private events. Other revenue primarily consists of investment income.

City Contribution for Main Street Station

Since 2003, the Authority has managed Main Street Station on behalf of the City of Richmond via a management agreement, which requires the City to contribute funding to the Authority to the extent the facility's operating expenses exceed operating revenue. The City's contribution is budgeted so that net revenue over expenses equals zero for Main Street Station operations.

The City notified the Authority of its plan to issue a comprehensive request for proposals for management services of the existing facility as well as the new train shed building currently under construction. It is anticipated that a provider will be selected before the end of the calendar year. The current operating agreement between the City and the Authority expires June 30, 2016 but is expected to be extended through December 31, 2016; therefore, the FY2017 budget only includes anticipated activity through such date (half of the fiscal year).

Budget Overview

Compensation and Benefits

	FY2015 Actual	FY2016 Budget	FY2017 Budget	FY2017 to FY2016	
				\$	%
Salaries	\$ 5,186,489	\$ 5,694,400	\$ 5,398,700	\$ (295,700)	-5.2%
Health Care	910,139	1,346,000	1,206,000	(140,000)	-10.4%
VRS Retirement	320,290	403,300	226,900	(176,400)	-43.7%
OPEB Contribution	274,400	281,000	288,000	7,000	2.5%
Other	102,392	145,100	119,600	(25,500)	-17.6%
Total	\$ 6,793,710	\$ 7,869,800	\$ 7,239,200	\$ (630,600)	-8.0%
FTE Positions	120.0	122.5	117.0	(5.5)	-4.5%

Compensation and benefits are reviewed by the Compensation and Benefits Committee of the Board of Directors as part of the budget development process. Similar to the prior year, the budget incorporates an employee pay adjustment via a merit matrix with a maximum merit of 3.0% and a one-time lump sum merit payment of the greater of 1.5% or \$500 for employees with extraordinary performance who are at the top of their pay scale. Both awards are based on employee performance and annual evaluation scores.

Health care program management remains a focus of the Authority's cost containment efforts. For FY2017, employee health care costs increased by approximately 2.6%; although costs increased, the Authority is able to show budgetary savings through continued employee migration to high deductible plans, transitioning from a health reimbursement account to a health savings account funding model, and an additional FY2017 plan offering of a second low-cost high-deductible plan. Encouraging employees to become actively involved in their own health care decisions is a vital component of keeping costs low. To encourage a healthier workforce, a premium discount is available for employees who seek annual preventive care screenings.

Retirement benefits for eligible employees are provided through the Virginia Retirement System (VRS). VRS establishes required contribution rates for two-year periods as a percentage of an employee's salary based on an actuarial analysis. For FY2017 and FY2018, the full actuarial recommended contribution rate of 3.04% represents a 57.8% reduction in rates, resulting in FY2017 budgetary savings of over \$130,000. Employees are required to contribute an additional 5.0% towards their VRS retirement benefit.

In addition to retirement benefits through VRS, the Authority offers retiree health care benefits for eligible employees. The Authority's Local Finance Board oversees and administers the investment of these Other Post-Employment Benefit (OPEB) funds through a contractual arrangement with VML/VACO Finance through participation in the Virginia Pooled OPEB Trust Fund. The Authority's contributions are based on an actuarial analysis with contributions structured so that the plan will be fully funded in FY2022.

Other compensation and benefits include items such as group life insurance, unemployment benefits, and disability insurance. The 17.6% decrease from prior year is primarily due to a decrease in the uniform budget as the budget was increased in the prior year to update employee uniforms with the Authority's new name and logo.

The Authority continues to evaluate staffing requirements against current and future needs; as a result, the FY2017 budget includes a net reduction of 5.5 FTE positions compared to the prior year budget. See additional detail in the Department Budget section and the Personnel Complement in the Supplemental Information section.

Budget Overview

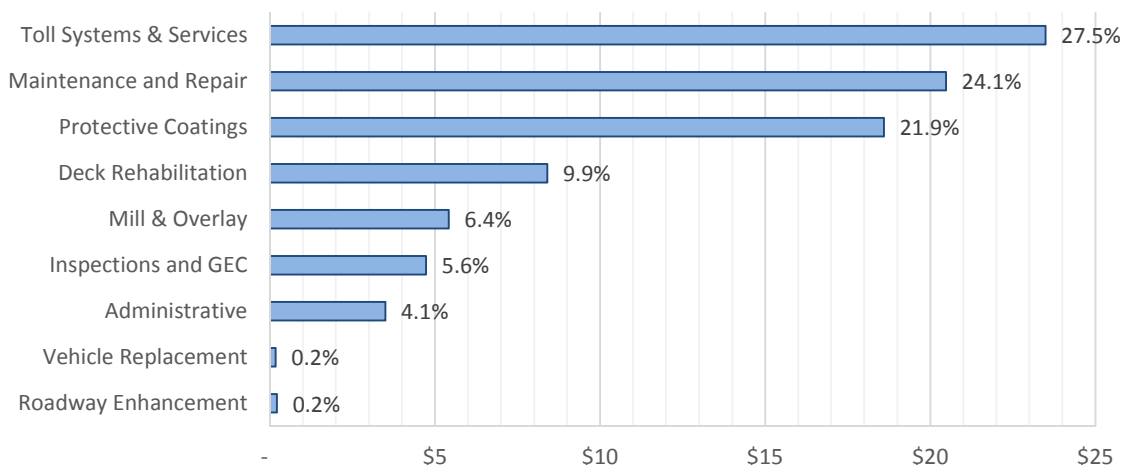
Operations

	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
Toll Collection	\$ 4,923,142	\$ 5,495,150	\$ 5,802,100	\$ 306,950	5.6%
Maintenance	542,778	607,500	602,500	(5,000)	-0.8%
SCOP	2,633	4,000	35,000	31,000	775.0%
Administration	731,573	794,875	696,200	(98,675)	-12.4%
Engineering	29,254	18,200	18,200	-	0.0%
Finance	539,999	635,400	672,200	36,800	5.8%
Human Resources	102,366	132,325	94,700	(37,625)	-28.4%
Main Street Station	638,309	711,500	399,300	(312,200)	-43.9%
Total	\$ 7,510,054	\$ 8,398,950	\$ 8,320,200	\$ (78,750)	-0.9%

As previously noted, the FY2017 operating budget for Main Street Station is reduced to account for operating the facility for only half of the fiscal year in anticipation of the City issuing a request for proposals with an expectation of a contract award by December 31. Removing the impact of Main Street Station, the overall budget increase for FY2017 is 3.0%, with E-ZPass processing costs (Toll Collection) as the primary contributor to the budget increase. At the time of publishing the budget document, VDOT had not provided the FY2017 E-ZPass processing rates; therefore the FY2017 budget includes a 6.6% E-ZPass transaction processing cost increase based on forecasted transaction and E-ZPass participation growth. See the Department Budget and Budget Detail sections for additional discussion on the significant budgetary changes for FY2017.

Expressway Capital

All Expressway System routine maintenance and major capital improvement projects are included in the Capital Budget, with a detailed Six-Year Plan for the upcoming and next five fiscal years. For FY2017-2022, the Six-Year Plan totals \$84.9 million for the following projects (shown in millions):



Additional detail on each project is included in the Expressway Capital Budget section. A long-term capital projection is also included to provide perspective on projected capital needs beyond the Six-Year Plan.

Mission Statement



Downtown Expressway and City of Richmond

Our mission is to build and operate a variety of public facilities and offer public services, especially transportation related, within the Richmond metropolitan area, each of which is operated and financed primarily by user fees. Our efforts are dedicated to the following constituents:

To our customers, we will provide safe, convenient, efficient facilities and excellent customer service while maintaining the lowest feasible costs;

To our employees, we will promote a safe and pleasant work environment, provide an opportunity to advance according to their abilities and fairly compensate based on performance;

To our bondholders, we will operate in a financially sound and prudent manner and meet all debt payments and other legally imposed requirements to insure the protection of their interest.

Our mission can be accomplished through the sound management of existing projects and consideration of additional projects as approved by the City of Richmond and the Counties of Chesterfield and Henrico. These projects are financed primarily through user fee schedules that offer the lowest possible costs to the public, fairly compensate employees, and offer financial safety to bondholders.

Principal Officials



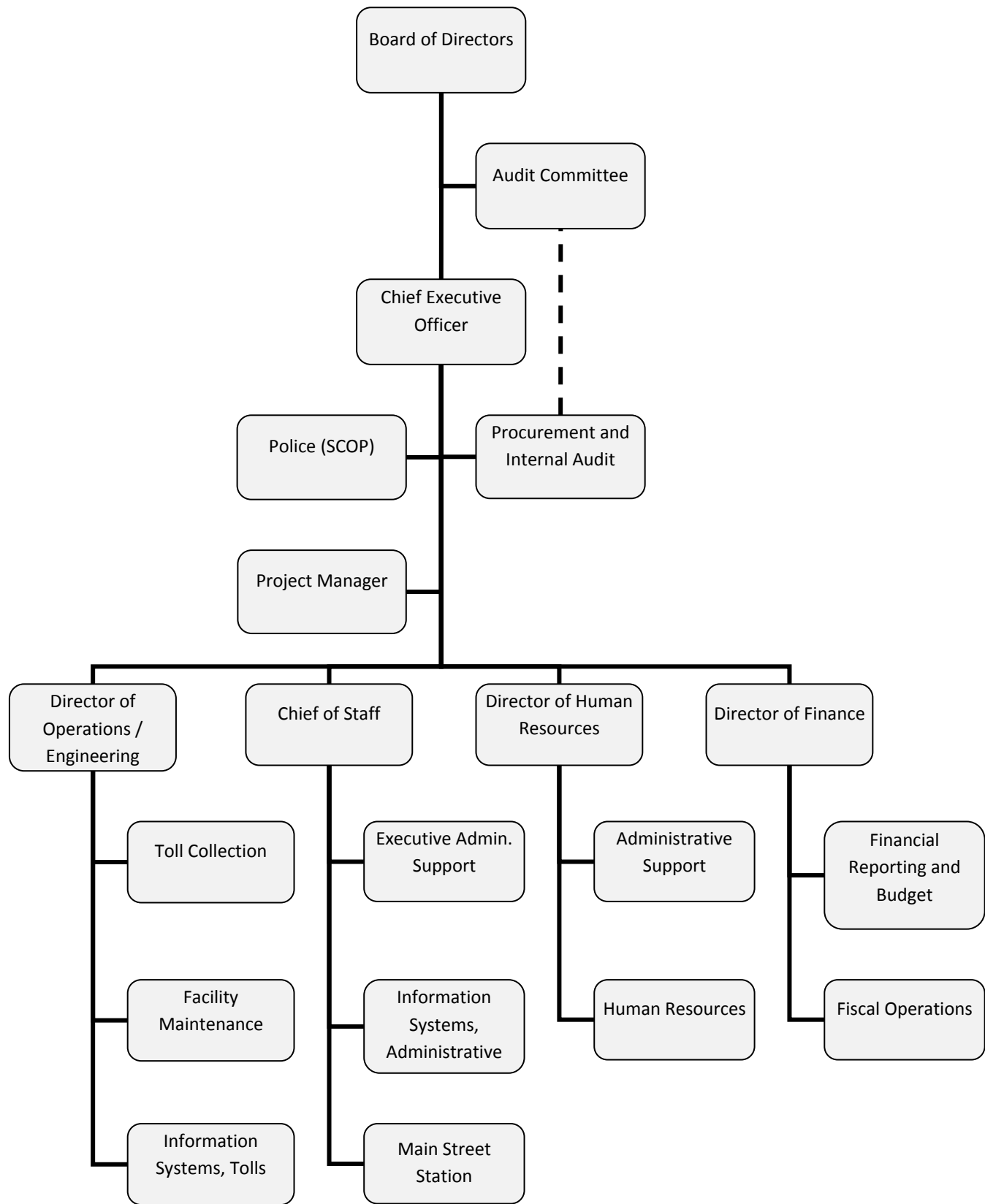
Board of Directors

James "Jim" Holland, Chairman	Chesterfield County
Darius Johnson, Vice-Chairman	City of Richmond
Carlos Brown	City of Richmond
Dale Cannady	Chesterfield County
Virgil Hazelett	Henrico County
Harvey Hinson	Henrico County
Pierce Homer	City of Richmond
David Kaechele	Henrico County
Tyrone Nelson	Henrico County
Marvin Tart, Sr.	Henrico County
Marilyn West	City of Richmond
Gregory Whirley	Chesterfield County
Charles R. White	Chesterfield County
Bill Woodfin	Chesterfield County
Vacant	City of Richmond
Vacant	Commonwealth Transportation Board

Management and Counsel

Angela Gray	Chief Executive Officer
Joi Dean	Chief of Staff
Curtis Doughtie	Director of Finance
Sheryl Johnson	Director of Human Resources
Theresa Simmons	Director of Operations
Eric Ballou	Secretary and General Counsel

Organizational Chart



KEY DATES IN RMTA HISTORY

1966

RMA is created by the Virginia General Assembly (1966)

RMA purchases the Boulevard Bridge (1969)

Powwhite Parkway opens to Cary Street (1973)

1970

Second Street Parking Deck opens (1975)

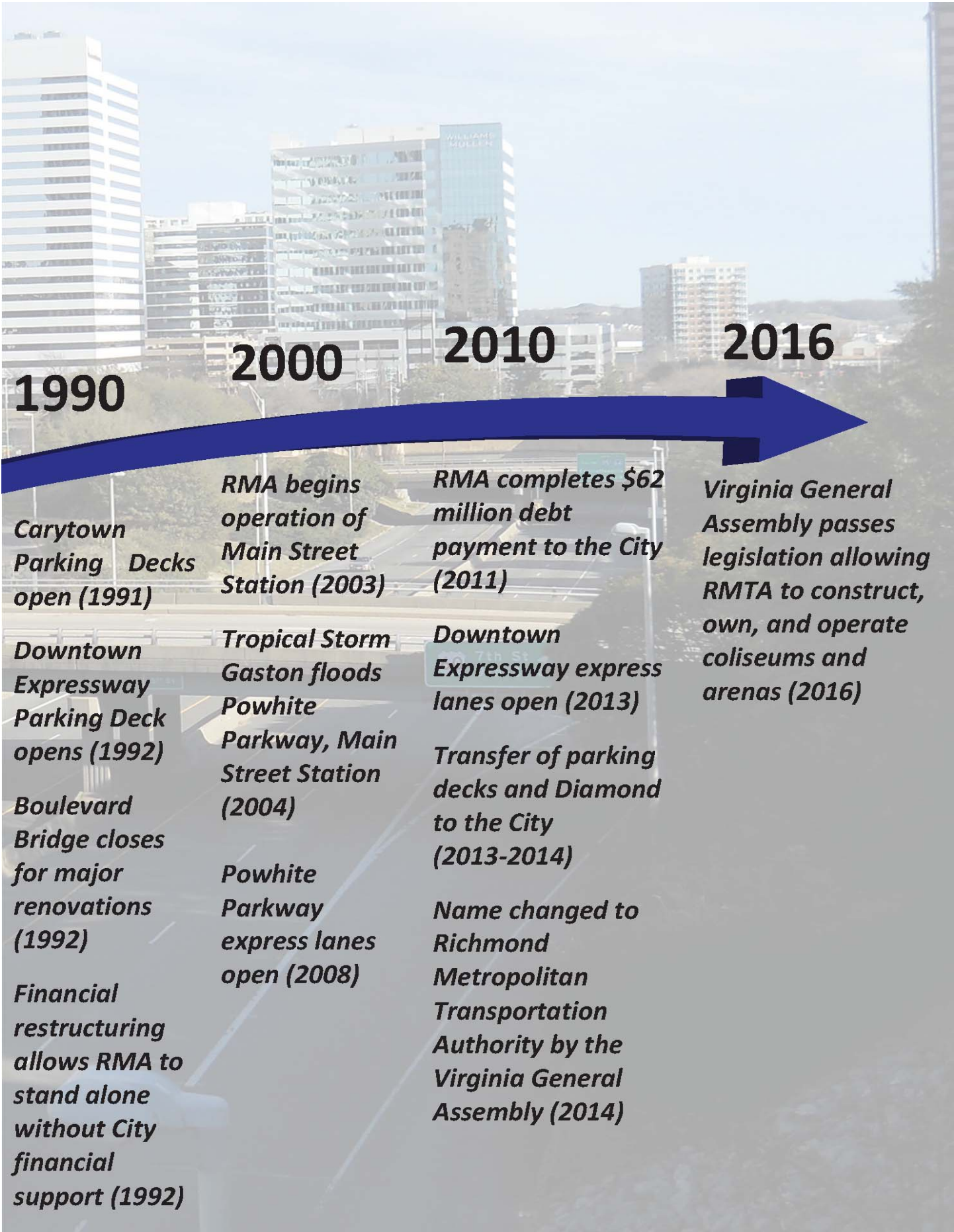
Downtown Expressway opens to Seventh Street (1976)

Connecting ramps to and final portions of I-95 completed (1977)

1980

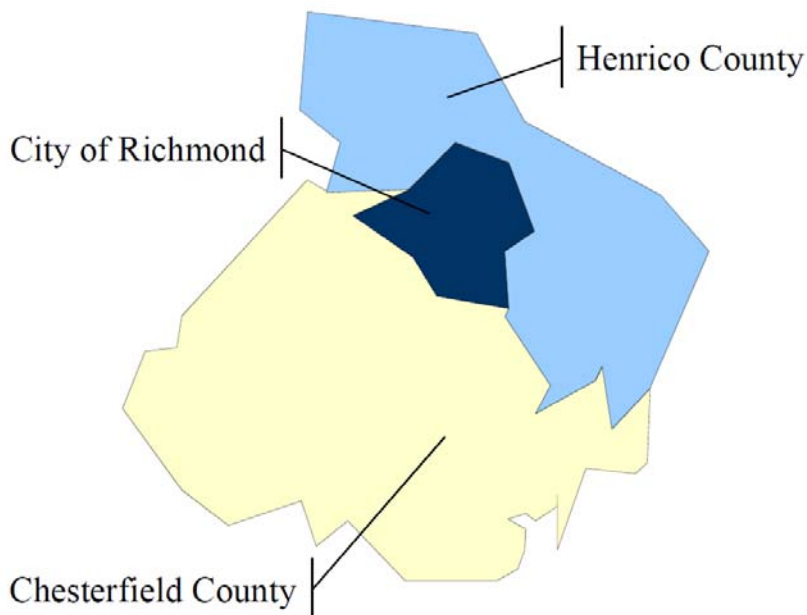
The Diamond opens (1985)

Powwhite Parkway Bridge widened from six to ten lanes; sections of Powwhite Parkway widened by one lane (1987)



History

The Richmond Metropolitan Transportation Authority (the “Authority” or “RMTA”), formerly known as the Richmond Metropolitan Authority, was created in 1966 by an Act of the General Assembly of the Commonwealth of Virginia to plan, finance, build, and maintain a much-needed expressway system to serve the Richmond metropolitan area.



Initially \$2.05 million was borrowed for operating funds and \$20 million was guaranteed by the City of Richmond to cover the cost of planning, designing and acquiring the right-of-way for an expressway. This initial financial commitment resulted in the City having greater representation on the Authority’s Board of Directors. The Board originally consisted of eleven members, six of whom were appointed by the Mayor of the City of Richmond, with the approval of City Council, and two each by the Boards of Supervisors of the counties of Chesterfield and Henrico. The Commonwealth Transportation Commissioner appointed the eleventh member from the Commonwealth Transportation Board.

In 1969, as construction on the Expressway System continued, the Authority purchased the Boulevard Bridge for \$1.2 million. Soon after, the Authority began making several improvements to the bridge, including the installation of automated toll equipment to provide more efficient toll collection. Many Richmond area natives still refer to the Boulevard Bridge as the “Nickel Bridge” because of its initial five cent toll.

In response to escalating demands for another route to cross the James River, the Authority built the Powhite Parkway. The Parkway opened in January 1973, with approximately 6,000 vehicles utilizing the facility on the first day.

Along with increased accessibility to the downtown area came the need for increased parking facilities. In 1973, the statute that created the Authority was amended to authorize the Authority to provide parking facilities for the Richmond metropolitan area. The City of Richmond provided the land and the Authority borrowed the funds to begin building what was to become the Second Street Parking Deck.

In July 1973, the Authority introduced the Parham Express Bus Service. The pilot program was introduced in cooperation with the City of Richmond, the County of Henrico, and the Virginia Department of

History

Highways. The service provided a comfortable bus ride over interstate routes between a commuter parking lot in suburban Henrico County and downtown Richmond. Seven buses provided morning and afternoon round trips. Full operation of the bus service was later passed on to the Greater Richmond Transit Company. Nevertheless, the Parham Express Bus Service was the first experiment with express transit in the Richmond area and became the model for future express bus services in the region.



Downtown Expressway Opening Ceremony, 1976

In 1976, the Downtown Expressway, linking Interstates 195 and 95, opened to the public. All connecting ramps and the remaining portions of I-195 were completed by September 1977. When the Downtown Expressway opened, average daily traffic was approximately 8,000 vehicles.



The Diamond

In 1984, another legislative amendment allowed the Authority to construct and own a new baseball stadium to replace the aging Parker Field. The existing ballpark was demolished and replaced with an \$8 million, state of the art baseball stadium called The Diamond. The new stadium was completed before the beginning of the 1985 baseball season.

History



Expressway Parking Deck

In the late 1980s, at the request of the City of Richmond, feasibility studies were conducted on parking needs in the Carytown district and downtown. As a result, the Authority constructed two, 110-parking space decks in Carytown. The decks opened in early 1991, providing free parking to visitors to the Carytown shopping district. The feasibility study also projected increased demands for parking in the downtown area. At the request of the City, the Authority constructed the Expressway Parking Deck, a 1,000-parking space deck with convenient access to the Downtown Expressway and I-95. The facility opened on February 14, 1992.



Boulevard Bridge

In August 1992, the Authority closed the Boulevard Bridge for extensive renovations. The \$8.3 million project included replacing the concrete deck, which allowed the Authority to widen the lanes and construct a single walkway. The bridge reopened in October 1993.

History



Powhite Parkway Plaza, Express Lanes (left) and Traditional Lanes (right)

In June 1994, the Authority, in conjunction with the Virginia Department of Transportation (VDOT), surveyed drivers on the Downtown Expressway, the Powhite Parkway and the Powhite Parkway Extension regarding support of an Electronic Toll Collection (ETC) system in the Richmond metropolitan area. What followed was the introduction of an ETC system called SmartTag in 1999. This system, later renamed E-ZPass, revolutionized Virginia's toll road system, and is currently used on all of the Authority's and VDOT toll facilities.

As toll collection technology evolved and traffic volume began to grow, the Authority began to look more closely at utilizing technology to increase capacity along the Powhite Parkway. A long-range plan was developed to ease congestion by splitting the existing toll plaza into two separate facilities – one for northbound traffic and one for southbound traffic – and implementing six Open Road Tolling (ORT) or express lanes. The new configuration resulted in an elimination of rush hour delays, allowing motorists to travel at near-highway speeds through the toll plazas.

In 2008 the Richmond Braves announced their relocation to Gwinnett County, Georgia, leaving The Diamond. Just one year later, it was announced that the newly minted Richmond Flying Squirrels would make their debut at The Diamond for the 2010 season. The Flying Squirrels immediately built a successful relationship with the community, finishing first or second in Eastern League attendance in each of their first five seasons at The Diamond.

Between 1970 and 1992, the City of Richmond contributed funding for the operation of the Authority's Expressway System. In 1992, the Authority underwent a financial restructuring that allowed the Expressway System to become fully reliant on user fees. In January 2011, the Authority began in-depth discussions with the City of Richmond administration on a plan to pay the City for its previous financial support. In November 2011, the Authority successfully restructured its debt and fully paid the subordinate debt due to the City of \$62.3 million. The debt restructuring extended the maturity of the Authority's outstanding debt from 2022 to 2041.

History



Downtown Expressway, Express Lanes and Traditional Lanes

The Authority broke ground in June 2011 for construction of the Downtown Expressway ORT Project. This \$15.5 million project opened to traffic in August 2012 and features three westbound ORT or express lanes at the plaza. Similar to the Powhite Parkway express lanes, this project resulted in a significant reduction of rush hour delays. Eastbound customers continue to encounter gates due to roadway configurations on the City streets.

Multiple times since 2007, members of the General Assembly introduced legislation proposing Board reallocation to provide equal representation from each of the Authority's three member jurisdictions, with a goal to encourage greater regional collaboration. Each time these bills failed, however during the 2013 legislative session all three jurisdictions supported the proposed bill.

In 2013, the Authority became more proactive in helping frame an environment for equalizing representation. In March 2013, the Authority's Board unanimously authorized the Chief Executive Officer to pursue negotiations to transfer ownership of City-funded assets to the City of Richmond. These assets included the Expressway Parking Deck, Second Street Parking Deck, and Carytown Parking Decks. The Diamond, which was built at the request of all three jurisdictions on City-donated land, was also considered for ownership transfer. The Authority and the City agreed to transfer the parking facilities to the City during 2013 and 2014, and The Diamond was transferred in December 2014.

History



Outfield view of The Diamond

In the 2014 General Assembly session, legislation was again introduced to equalize representation on the Authority's Board. In addition to equalization, the legislation included the following: an increase in Board membership from eleven to sixteen, with five members from each jurisdiction and one member appointed from the Commonwealth Transportation Board; a requirement that certain actions of the Authority receive approval from the local governing bodies and the Richmond Mayor, including debt issuance; an allowance for the governing body of each locality to appoint one of its own elected members to the Authority's Board; and the changing of the Authority's name to the Richmond Metropolitan Transportation Authority. This legislation passed with near unanimity, becoming effective July 1, 2014.

In the 2016 General Assembly session, legislation was introduced to expand the Authority's powers to include the construction, ownership and operation of coliseums and arenas. Similar to other projects, approval from the local governing bodies and the Richmond Mayor would be required. This legislation passed with little debate and becomes effective July 1, 2016.

The Authority remains a flexible vehicle for future regional initiatives and is committed to working with its member jurisdictions to meet transportation demands both today and in the future





Budget Development

Fund Structure, Basis of Accounting and Budgeting, and Budget Process

Fund Structure

The Authority is a self-supporting entity, depending solely on the revenues derived from operations and proceeds from the issuance of revenue bonds to fund the Expressway System. The resolutions authorizing the issuance of bonds prohibit the commingling of funds between the Authority's different operations, i.e. tolls generated from the Expressway System cannot be used to support any of the Authority's other facilities.

The Authority administers four enterprise funds: Expressway, Expressway Repair and Contingency (Capital), Central Administration, and Main Street Station. Each of these funds are considered major funds for budgetary presentation and are included in the Authority's annual audited financial statements.

Basis of Accounting and Budgeting

The "basis of accounting" and "basis of budgeting" determine when revenues and expenses are recognized for the purposes of financial reporting and budget control. All funds of the Authority are accounted for in the Authority's annual audited financial statements and annual budget using the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when earned and becomes measurable; expenses are recognized when an obligation to pay is incurred.

Budget Process

Section 701 of the Authority's 2011 Amended and Restated Bond Resolution requires a budget for the Expressway fund to be adopted no less than 30 days prior to the beginning of each fiscal year. In accordance with Section 708 of the 2011 Resolution, the Authority is required to engage a Traffic and Revenue Consultant for the purpose of preparing and certifying a schedule of tolls for the forthcoming budget year considered sufficient to pay operating expenses, debt service, and maintenance and repairs on the Expressway System as certified by the Authority's Consulting Engineers.

Many aspects of the budget development process occur throughout the fiscal year. Each month, the Authority prepares budget-to-actual and other financial reports for staff and the Board of Directors. Continual monitoring of the current year activity identifies any budget adjustments necessary.

The Chief Executive Officer may authorize adjustments to the adopted budget as requested by staff between individual line items within expense categories (compensation and benefits, operations, and capital). Board approval is needed to increase the total budgeted expense per fund or transfer budget authorization between expense categories.

The Authority sends monthly traffic and revenue data to the Traffic and Revenue Consultant throughout the year. In January, the Authority coordinates with the Traffic and Revenue Consultant to provide an updated current fiscal year projection and next fiscal year estimate.

Throughout January and February, the Executive Staff reviews the current fiscal year activity and determines the level of spending needed for the next fiscal year. Budget requests are provided to Finance for further evaluation and to compile into budgets by fund. The Executive Staff holds several budget retreats throughout the development process as budget estimates are revised and finalized. The Finance and Operations Committee and the Compensation and Benefits Committee of the Board of Directors meet to discuss significant budget items.

During March, budget amounts are finalized and the draft budget document is prepared. The draft document is reviewed by staff and the Chief Executive Officer before being finalized and presented to the

Fund Structure, Basis of Accounting and Budgeting, and Budget Process

Board as a proposed budget in April. The Board reviews the proposed budget and adjustments are made (if necessary) before formal Board adoption in May.

For FY2017, the budget development process followed the calendar of events as described below:

Date	Action
January 4, 2016	Traffic and Revenue Consultant provides an updated current fiscal year projection and next fiscal year revenue estimate.
January 15, 2016	Initial budget overview with Executive Staff, including review of budget calendar and required items.
January 21, 2016	Budget workshop with Finance and Operations Committee to review existing financial policies and consider changes.
January 29, 2016	Traffic and Revenue Consultant provides "Mid-Year Toll Certification", including initial estimate of next year's traffic and revenue projections.
February 1, 2016	Directors provide initial budget requests to Finance.
February 4, 2016	Initial budget retreat with Executive Staff.
February 15, 2016	Second budget retreat with Executive Staff.
February 16, 2016	Operating budget draft completed.
February 23, 2016	Budget workshop with Finance and Operations Committee to review operating budget draft.
February 24, 2016	Capital budget estimates reviewed by Executive Staff.
March 1, 2016	Capital budget draft completed.
March 7, 2016	Traffic and Revenue Consultant provides draft certificate of Expressway toll revenue.
March 8, 2016	Budget workshop with Finance and Operations Committee to review capital budget draft.
March 25, 2016	Final budget retreat with Executive Staff.
March 28, 2016	Compensation and Benefits Committee recommends compensation and benefits plan.
April 1, 2016	Budget workshop with Finance and Operations Committee to review long-term financial plan.
April 5, 2016	Proposed budget document complete.
April 12, 2016	Proposed budget presented to Board with comment period prior to adoption.
May 10, 2016	Board vote for budget adoption.

Financial Policies

The Authority's financial policies serve as guidelines for the financial planning and management of the Authority. These policies represent a combination of required practices under existing bond documents and recommended best practices from the Government Finance Officers Association (GFOA). The following financial policies have been adopted by the Authority's Board of Directors as noted.

Financial Planning (adopted March 2014)

Balanced Budget – The annual budget of the Authority will be considered balanced when all payments for operations, debt service, and annual capital plan needs do not exceed budgeted revenues.

Budget Adoption – The Board will adopt an annual budget no less than 30 days prior to the beginning of each fiscal year.

Budget Adjustments – The Chief Executive Officer may authorize adjustments to the adopted budget as requested by staff between individual line items within the expense categories of compensation and benefits, operating, and capital. Board approval is needed to increase the total budgeted expense per fund or transfer budget authorization between expense categories (compensation and benefits, operating, and capital).

Long-Term Financial Plan – Toll rate adjustments and borrowing decisions are identified within the context of the long-term financial plan. The long-term financial plan includes: estimated revenues, estimated operating expenses, debt service, funds available for the capital plan, debt service coverage ratios, and cash balances. The Authority will consult with its Consulting Engineer, Traffic and Revenue Consultant, and Financial Advisors to update its long-term financial plan.

Condition Assessment of Assets – Accurate inventories of capital assets, their condition, life spans, and cost will be maintained to ensure proper stewardship. Condition assessments of infrastructure assets will be performed to determine the amount needed to maintain and preserve the assets at the condition level established and disclosed by the Authority.

Revenue and Expense (adopted March 2014)

Revenue Sources – Each year the Board shall consider potential sources of revenue as part of the annual budget process.

Revenue Forecasts – Revenue forecasts shall use a conservative, objective, and realistic approach.

Service Rates – The Authority shall develop and maintain fair and equitable rates for all services while accomplishing funding requirements per debt covenants.

On-Going and One-Time Revenues – The Authority will only propose operating expenses which can be supported from on-going revenues. Before undertaking any agreement that would create fixed on-going expenses, the cost implications of such agreements will be fully determined for current and future years. The on-going operating expense impact resulting from the use of one-time revenue sources will be reviewed for compliance with this policy.

Monitoring – Directors are responsible for managing division expenses within the total adopted operating budget. Monthly monitoring reports will be presented to the Directors, Chief Executive Officer, and Board of Directors.

Financial Policies

Debt Management (adopted March 2014)

Management of Borrowing – The Authority will manage its debt obligations to keep debt service a predictable part of the operating budget, raise capital at the lowest cost unless other conditions or exigencies suggest otherwise, and support the Authority’s credit rating objective.

Credit Rating Objective – The Authority will maintain a good reputation in the credit markets by implementing and maintaining a sound capital program and managing the annual budget responsibly, with a goal of maintaining and/or strengthening its credit rating.

Appropriate Use of Debt – Long-term debt issued will not exceed the useful life of projects financed unless other exigencies dictate otherwise. Current operations will not be financed with long-term debt. Short-term borrowing will not be used for operating purposes.

Continuing Disclosure – The Authority will ensure compliance with continuing disclosure reporting requirements, including its obligation to inform the Municipal Securities Rulemaking Board through the EMMA website (Electronic Municipal Market Access), post-issuance IRS compliance, and IRS arbitrage regulations.

Post-Issuance Compliance – The Authority will maintain a post-issuance tax compliance policy for its debt obligations that are eligible for tax benefits under federal and state law. Such obligations may include tax exempt bonds and/or bonds eligible for tax credits.

Reserve Accounts – The Authority will maintain reserve accounts as required by applicable bond documents, and where deemed advisable by the Board.

Debt Service Coverage Ratio – The Authority will maintain debt service coverage ratios at least sufficient to comply with current bond documents. The long-term financial plan will be used to ensure sufficient funding for capital while maintaining an internal debt service coverage ratio goal of at least 1.50X.

Reserve Fund (adopted March 2014, amended March 2016)

Funding Policy – Adequate reserves are a necessary component of the Authority's overall financial management strategy and ensure sufficient funding is available to meet current and future operating, capital, and debt service obligations. Adequate reserves are a key factor in external agencies' measurement of the Authority's financial strength.

Current bond documents require certain accounts and prioritize their funding. Fund requirements are established, by either the provisions of the bond documents or Board policy, as follows:

1. Operating Fund, Section 504 of Bond Resolution – maintenance of a balance equal to the current and next month's budgeted Expressway System operating expenses; used to pay the operating costs of the Expressway System.
2. Parity Bond Fund, Section 505 of Bond Resolution – monthly transfers of 1/12th of annual principal and 1/6th of semi-annual interest to accumulate a sufficient balance for each debt service payment (January 15 and July 15).
3. Parity Bond Reserve Fund, Section 506 of Bond Resolution – maintenance of a balance equal to the lesser of: (a) 10% of the original sale proceeds on all parity bonds outstanding, (b) maximum annual debt service on all parity bonds outstanding, or (c) 125% of the average annual debt service on all parity bonds outstanding; used to cure shortfalls in debt service payment.

Financial Policies

4. Repair & Contingency Fund, Section 509 of Bond Resolution – maintain a balance as of June 30th at least equal to the next fiscal year's capital plan, as certified by the Consulting Engineers in accordance with Section 708 of Bond Resolution; used to pay the capital costs of the Expressway System.
5. Excess Balances Fund, Section 510 of Bond Resolution – no minimum funding level required per bond documents. In order to meet liquidity goals, this Board policy establishes the maintenance of a balance in such fund of between one and two years of the annual Expressway System operating budget. Use of amounts in the Excess Balances Fund is restricted to allowable purposes as defined under the Bond Resolution, including the redemption of outstanding debt and payment for capital costs of the Expressway. Any amounts drawn from the Excess Balances Fund shall require Board approval.

Accounting and Financial Reporting (adopted April 2015)

Accounting Standards – The Authority's financial statements will conform to Generally Accepted Accounting Principles (GAAP) as established by the Government Accounting Standards Board (GASB).

Accounting Records – The Authority will maintain an accounting system to allow for the accurate and timely preparation of financial statements.

Audit Requirement – An independent certified public accountant will perform an annual audit of the Authority's financial statements. Audit results will be presented to the Authority's audit committee and Board of Directors for acceptance.

Audit Committee – The Authority will maintain an audit committee consisting of members of its Board of Directors to provide independent review and oversight of the Authority's financial reporting process, internal controls and independent auditors.

Comprehensive Annual Financial Report – The Authority will prepare a Comprehensive Annual Financial Report (CAFR) in accordance with guidelines established by the Government Finance Officers Association (GFOA) in order to maintain the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

Annual Budget – The Authority will prepare an annual budget in accordance with guidelines established by the Government Finance Officers Association (GFOA) in order to maintain the GFOA's Distinguished Budget Presentation Award.

Presentation of Financial Reports – The Authority will use its website as a primary means of communicating financial information to its customers, bondholders and other interested parties.

Revenue Sources and Forecasting Assumptions

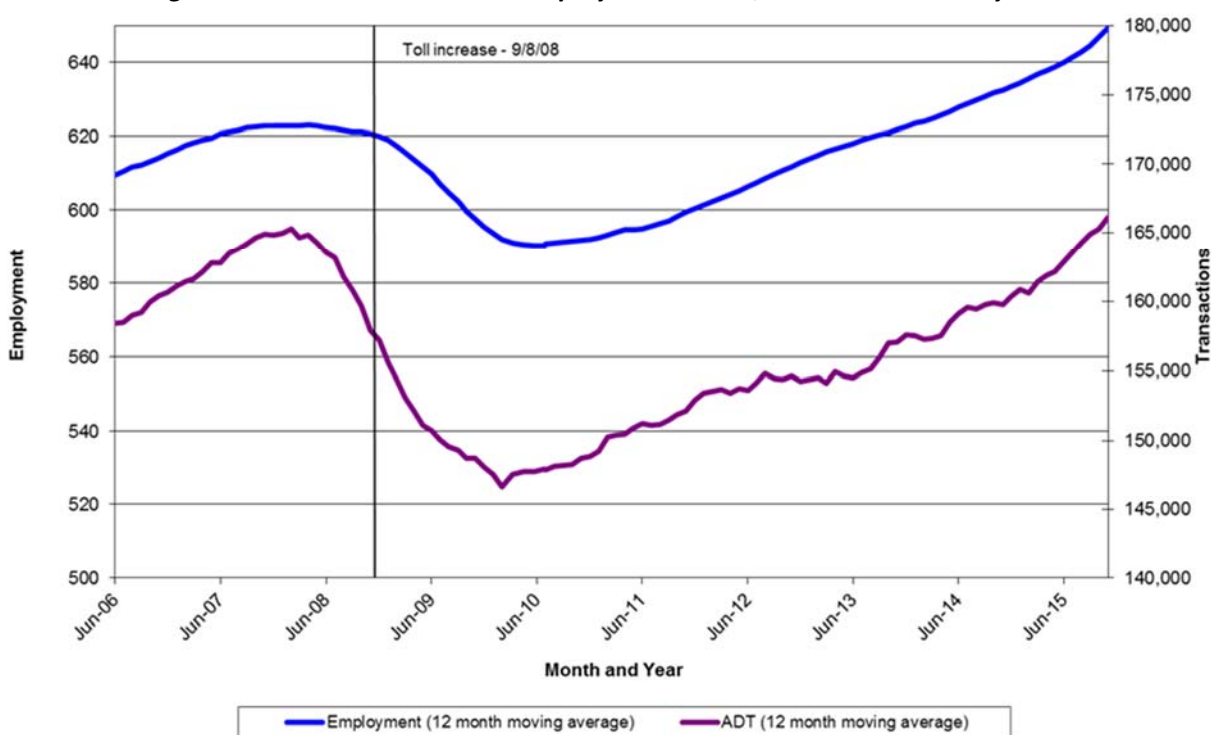
Revenue Sources

Toll revenue from the Expressway System represents over 97% of the Authority's total revenue and is considered the Authority's only major revenue source. The Authority's Traffic and Revenue Consultant prepares an annual traffic and revenue forecast, which is used as the basis for the Authority's toll revenue budget.

Economic Conditions

Traffic on the Authority's Expressway System is primarily commuter-based, with area employment levels directly impacting the number of daily commuter trips. While the unemployment rate indicates the general direction of the economy, area employment is a more appropriate economic indicator to correlate to the Authority's traffic. *Figure 1* compares the 12 month moving average of area employment to the 12 month moving average of daily transactions on the Expressway System:

Figure 1: Richmond MSA Total Employment Levels, June 2006-February 2016

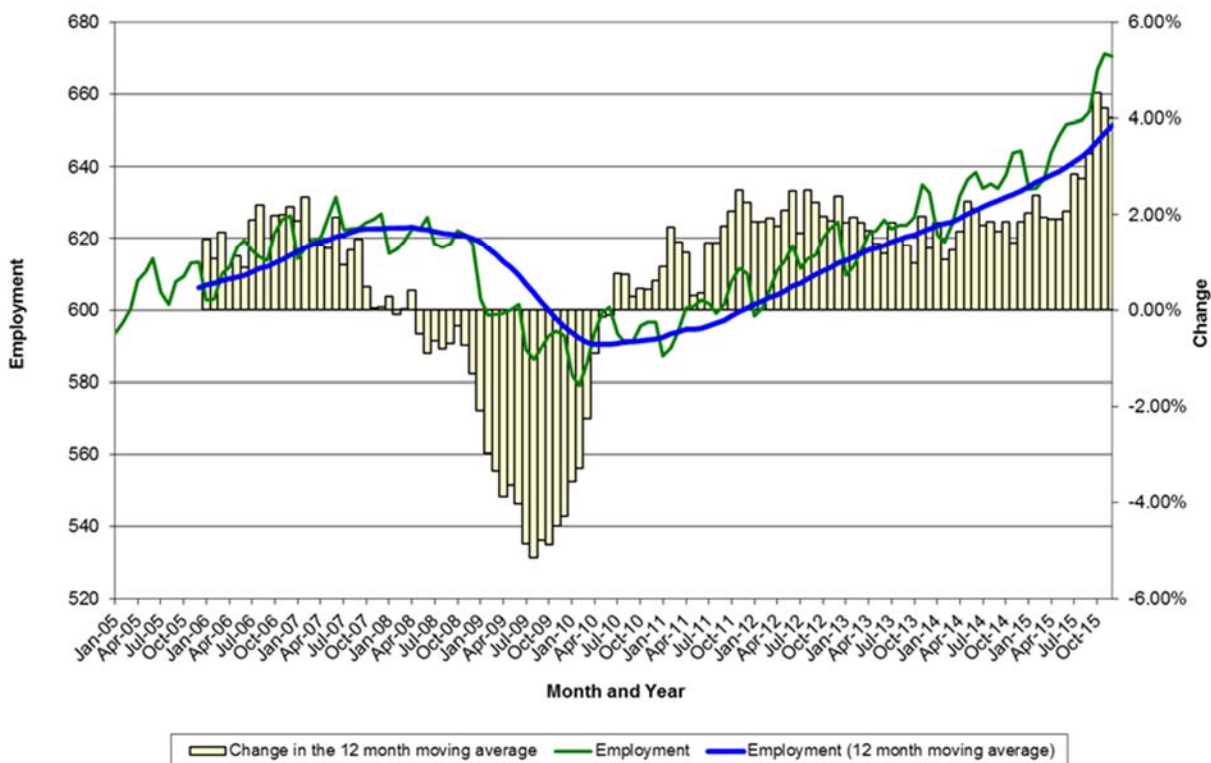


A portion of the drop in transactions in late 2008 is due to the timing of the September 2008 toll increase; traffic typically immediately drops after a toll increase before slowly rising. The 2008-2009 economic recession also impacted employment and traffic volumes during this time; while employment levels rebounded to pre-2008 levels by 2014, traffic volumes did not exceed pre-2008 levels until 2016.

Revenue Sources and Forecasting Assumptions

Employment data for workers in the Richmond Metropolitan Service Area (MSA) from the Bureau of Labor Statistics is presented in *Figure 2*. The green line represents employment by month, fluctuating based on seasonal variations. The blue line is the 12 month moving average of the employment rate, essentially smoothing the curve to present a full picture of the employment data while removing the seasonal movement. The yellow bars represent the percentage change in the 12 month moving average (blue line).

Figure 2: Richmond MSA Total Employment Levels, January 2005-February 2016



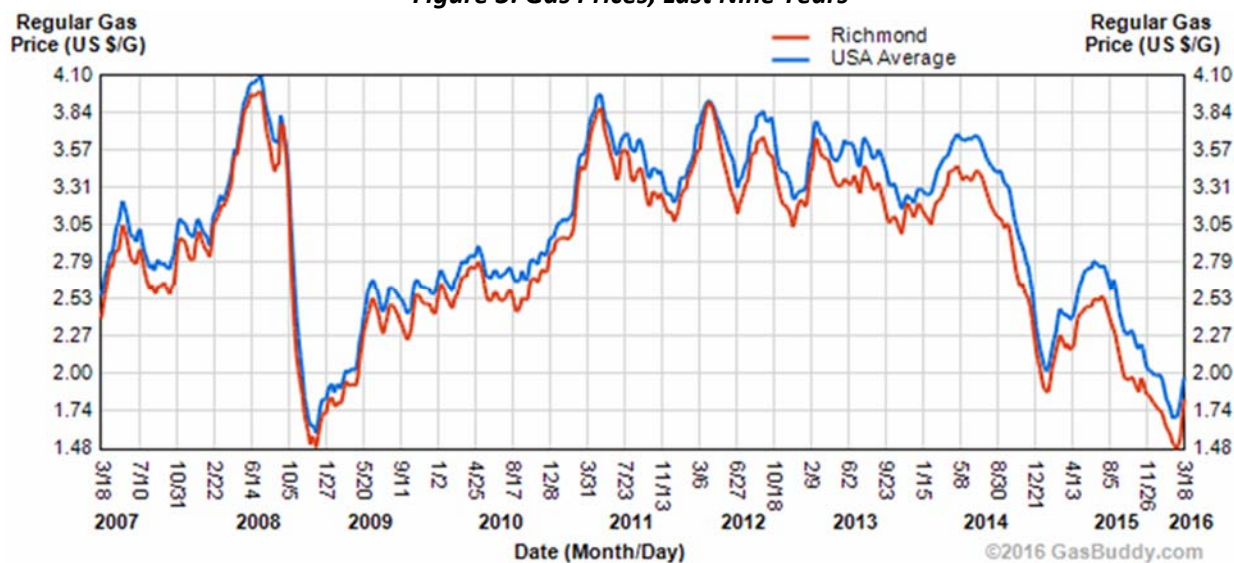
As a result of the 2008-2009 economic recession, employment levels (green line) for the Richmond MSA retreated to pre-2005 levels during 2009-2010. However since then employment levels have steadily increased, showing the Richmond area is set on a course of stable growth. Data from more recent months show employment levels continuing to increase and do not indicate a retreat into another recession in the short term for the Richmond area. The forecast assumes continual moderate employment growth at approximately 2/3rd the rate of recent employment growth.

Revenue Sources and Forecasting Assumptions

Gas Prices

The price of gasoline has been very volatile since 2007 and this represents a new normal. *Figure 3* shows current and historical Richmond and national gasoline prices:

Figure 3: Gas Prices, Last Nine Years



The forecast assumes a gradual rise in gas prices to about \$3 per gallon by the end of FY2018. It is estimated that gas prices would have to increase substantially higher than that of the summer of 2008 (over \$4 per gallon) and be sustained over many months to have a negative impact on the forecast.

FY2016 Projection and FY2017 Forecast

The FY2016 toll revenue projection of \$39.8 million would exceed the FY2016 budget of \$37.9 million by 5.0%; this level of growth is well above the historical growth rates of 1-2% seen on the Authority's Expressway System. As previously noted, projected traffic volume in 2016 will exceed the previous high traffic levels last seen in 2008. Accordingly, the forecast remains conservative and tempers recent growth.

FY2017 toll revenues are projected to total \$40.1 million with 62.4 million total transactions, representing a 0.8% increase in revenue and 0.7% increase in transactions from the FY2016 projection. Although gross traffic is expected to grow at 1.7%, the FY2017 base projection is reduced to account for atypical good weather in FY2016 and for the extra Leap Year day in FY2016. The FY2017 forecast assumes the current toll schedule will be in effect throughout the fiscal year.

While the Authority believes the traffic and revenue forecast is conservative, objective, and realistic, the forecast is stressed each year to determine how a decline in revenue would impact the Authority's financial position. Even in the event of a 10% loss in traffic and toll revenue, the Traffic and Revenue Consultant estimates that all debt service coverage requirements would be satisfied and no toll increase will be required during FY2017; in an extreme case of a 25-30% loss in traffic and toll revenue, FY2017 revenue would still be sufficient to pay for operations and required debt service.

Long-Term Financial Plan

Long-Term Financial Plan Overview

The Authority works closely with its Traffic and Revenue Consultant, Consulting Engineer, and Financial Advisor to develop a long-term financial plan for the Expressway that incorporates historical trends and assumptions regarding future traffic patterns, customer service demands, operating costs, debt requirements, and future capital needs. As stated in the Authority's financial policies, toll rate adjustments and borrowing decisions are identified within the context of the long-term financial plan.

The following contains a summary of the long-term financial plan, with a focus on the current and next six fiscal years. These projections are used for planning purposes only and may differ from actual results.

Current and Next Six Fiscal Year Projections (in millions)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Tolls	\$ 39.8	\$ 40.1	\$ 40.8	\$ 41.4	\$ 42.0	\$ 42.6	\$ 43.1
Other	1.2	1.3	1.3	1.3	1.4	1.4	1.4
Total revenue	41.0	41.4	42.1	42.7	43.4	44.0	44.5
Operating expense	(14.3)	(14.5)	(15.1)	(15.7)	(16.3)	(17.0)	(17.7)
Net revenue	26.7	26.9	27.0	27.0	27.1	27.0	26.8
Debt service	(12.8)	(12.8)	(14.8)	(14.8)	(14.8)	(14.8)	(14.0)
Available for capital	<u>\$ 13.9</u>	<u>\$ 14.1</u>	<u>\$ 12.2</u>	<u>\$ 12.2</u>	<u>\$ 12.3</u>	<u>\$ 12.2</u>	<u>\$ 12.8</u>
Projected DSCR	2.09	2.10	1.82	1.82	1.83	1.82	1.91

Toll Rates and Debt Issuance

The Authority's toll rates remain unchanged for FY2017. Previous projections anticipated a toll rate adjustment in FY2018; based on recent traffic growth, this adjustment has been removed from the current long-term financial plan. The timing and extent of future rate adjustments will continue to be analyzed as projections are updated and revised based on actual results. The Authority has no plans to issue additional debt at this time.

Debt Service Coverage Ratio

Debt service coverage ratio (DSCR) is an important consideration in the Authority's long-term financial planning efforts. The amount by which DSCR exceeds 1.00 illustrates the potential cash funding for capital, minimizing the need for borrowing. The Authority's bond resolution requires a DSCR of 1.20; a ratio below this level could place the Authority's bonds in default. The Authority's financial policies set an internal DSCR goal of at least 1.50. The Authority's FY2015 DSCR based on audited financial statements was 2.02. As illustrated in the projections above, the Authority expects to continue meeting its DSCR requirements for the foreseeable future.

Credit Rating

The confidence of financial markets in the Authority's performance is best illustrated through its credit rating. In October 2011, the Authority received credit ratings on its Series 2011-D Expressway revenue refunding bonds from three major credit rating agencies: Fitch, Moody's, and Standard & Poor's. This was the first time the Authority sought credit ratings from all three agencies.

Each rating agency periodically reviews the Authority's performance to determine if a rating action is needed. In April 2014, Fitch upgraded the Authority's initial rating from A- to A, citing the Authority's stable traffic, rate making flexibility, limited debt needs, and healthy infrastructure as key rating drivers.

Long-Term Financial Plan

During 2015, all three rating agencies affirmed their previous ratings: Fitch at A with a stable outlook (April 2015), Standard & Poor's at A+ with a stable outlook (July 2015), and Moody's at A1 with a stable outlook (August 2015).

DSCR and Credit Rating Comparisons

While differences between entities can make detailed comparisons difficult, the Authority's credit rating and DSCR are in line with local agencies and other toll agencies that rely on revenue bonds to fund capital:

Entity	Rating			DSCR
	Moody's	S&P	Fitch	
Richmond Metropolitan Transportation Authority	A1	A+	A	2.02x
<i>Other Local Entities</i>				
Capital Region Airport Commission	A1	A+	A+	NA
Greater Richmond Convention Center	A2	AA	A-	NA
<i>Toll Agencies</i>				
Bay Area Toll Authority, CA*	Aa3	AA	AA-	2.30x
Delaware River Port Authority, PA*	A3	A	NR	2.00x
Florida Turnpike Enterprise, FL	Aa3	AA-	AA-	2.80x
Harris County Toll Road Authority, TX	Aa2	AA-	AA	4.30x
Illinois State Toll Highway Authority, IL*	Aa3	AA-	AA-	2.40x
Kansas Turnpike Authority, KS	Aa3	AA-	NR	3.10x
Maine Turnpike Authority, ME*	Aa3	AA-	AA-	2.10x
Maryland Transportation Authority, MD*	Aa3	AA-	AA-	3.40x
Metropolitan Highway System, MA*	A3	A+	A+	1.00x
New York State Bridge Authority, NY*	Aa3	AA-	NR	2.60x
New York State Thruway Authority, NY*	A2	A	AA+	1.50x
Ohio Turnpike Commission, OH*	Aa3	AA-	AA	3.10x
Oklahoma Turnpike Authority, OK*	Aa3	AA-	AA-	1.80x
Pennsylvania State Turnpike Commission, PA	A1	A	A+	3.10x
Triborough Bridge & Tunnel Authority, NY*	Aa3	AA-	AA-	2.60x
West Virginia Parkways Authority, WV*	Aa3	AA-	NR	4.40x

NR/NA – Not rated or unavailable; 2015 data unless designated as 2014 data (*)

For reference, a summary of the rating scale for each rating agency (from highest to lowest):

Moody's	S&P	Fitch
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-

Lower ratings are non-investment grade

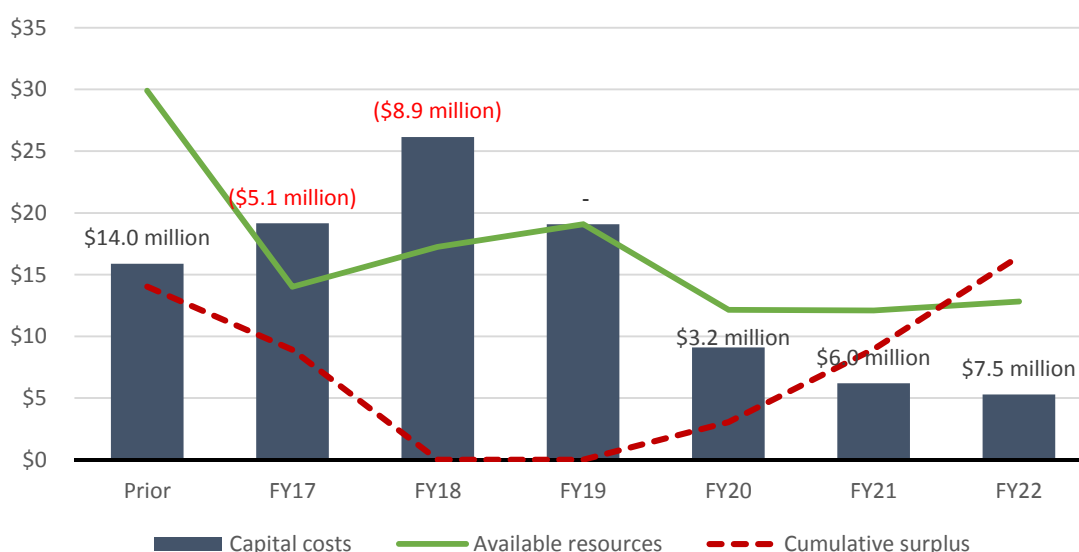
Long-Term Financial Plan

Capital Plan Funding

Capital needs must be compared to available resources to ensure capital funding is sufficient. In accordance with adopted financial policies, the Authority's goal is to have cash balances on hand as of June 30th to fully fund the next fiscal year's Capital Budget.

The following table and graph compares projected amounts available for capital after payments for operations and debt service against budgeted capital costs (in millions):

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Prior available for capital	\$ 16.0	\$ 14.0	\$ 8.9	\$ -	\$ -	\$ 3.2	\$ 9.2
Current available for capital	13.9	14.1	12.2	12.2	12.3	12.2	12.8
Use of reserves	-	-	5.0	6.9	-	-	-
Debt issuance	-	-	-	-	-	-	-
Capital budget	(15.9)	(19.2)	(26.1)	(19.1)	(9.1)	(6.2)	(5.3)
Available for future capital	<u>\$ 14.0</u>	<u>\$ 8.9</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3.2</u>	<u>\$ 9.2</u>	<u>\$ 16.7</u>



Current projections anticipate a combined \$11.9 million funding shortfall in FY2018 and FY2019 as amounts available for capital are less than projected capital costs. While no final decision has been made at this time, the long-term financial plan shows the use of reserves to fill this funding shortfall. The Authority's financial policies require Board approval for the use of reserves. Additional funding options, including a borrowing or toll rate adjustment, remain available for consideration. Based on the Authority's enabling legislation, approval from its local governing bodies and the Richmond Mayor would be needed to issue debt.

Excess Balances Overview

For budgetary purposes, fund balance or fund equity is defined as the cumulative difference between revenues and expenses over time. For the Authority's Expressway System, this cumulative difference is best represented by the Excess Balances fund. The Excess Balances fund was established by the

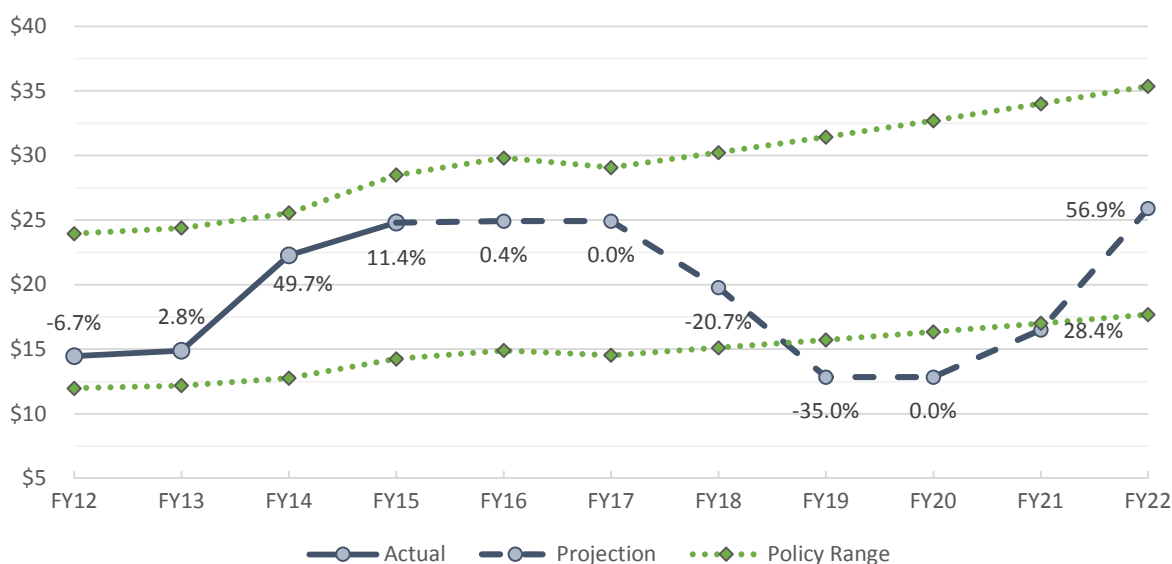
Long-Term Financial Plan

Authority's bond resolution and provides the only reserves available for the Expressway System with capital assets valued in excess of \$300 million.

After making required payments to fund operations, debt service and related reserves and the Capital Budget, any remaining revenue is transferred to Excess Balances at fiscal year-end. The Authority's financial policies establish the maintenance of a balance of between one and two years of the annual Expressway System operating budget in the Excess Balances fund. Any amounts drawn from Excess Balances requires the approval of the Board of Directors.

Actual and Projected Changes to Excess Balances (millions)

These projections are used by the Authority for planning purposes only. Future projections are based on cash balances on hand and may differ from actual results due to changes in revenue, operating expenses, or capital estimates, as well as the timing of cash receipts and payments.



The FY2012 decrease of 6.7% was a result of unrealized fair market value losses during the 2011-2012 stock market decline. Contributions in FY2014 (\$6.6 million) and FY2015 (\$2.0 million) were driven by low capital needs for FY2015 and FY2016 compared to available revenue. The projected FY2016 ending balance of \$24.9 million is an increase of 0.4% from the prior year due to market value gains on investments (no contribution is anticipated).

The estimated use of reserves in FY2018 and FY2019 and contributions in FY2021 and FY2022 are driven by the difference between capital cost estimates and revenue available for capital as discussed on the previous pages. While the current long-term financial plan shows the use of reserves in FY2018 and FY2019, the Authority continues to evaluate all available options to determine the appropriate action necessary to support its funding requirements.



Department Budgets

Expressway Operations

Description

The Expressway Operations department is responsible for the collection of toll revenue and facility maintenance. Toll collection remains the primary function of the Authority, serving over 59 million customers in FY2015 on the Authority's Expressway System, comprised of the Powhite Parkway, Downtown Expressway, and Boulevard Bridge.

Priorities

1. Provide efficient and convenient toll collection methods
2. Provide a high level of customer service

Performance Measures

Priority	Objective	Performance Measure	Result
1,2	Ensure public awareness of tolling programs and practices	Growth of E-ZPass penetration rates	64.9% (3.0% growth from prior year)

Financial Summary

Toll Collection	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 4,629,540	\$ 5,094,300	\$ 4,714,000	\$ (380,300)	-7.5%
Operating	4,923,142	5,495,150	5,802,100	306,950	5.6%
Total	\$ 9,552,682	\$ 10,589,450	\$ 10,516,100	\$ (73,350)	-0.7%
FTE Positions	93.5	95.0	91.5	(3.5)	-3.7%

Maintenance	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 255,950	\$ 320,400	\$ 311,900	\$ (8,500)	-2.7%
Operating	542,778	607,500	602,500	(5,000)	-0.8%
Total	\$ 798,728	\$ 927,900	\$ 914,400	\$ (13,500)	-1.5%
FTE Positions	6.0	6.0	6.0	-	-

Total Expressway Operations	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 4,885,490	\$ 5,414,700	\$ 5,025,900	\$ (388,800)	-7.2%
Operating	5,465,920	6,102,650	6,404,600	301,950	4.9%
Total	\$ 10,351,410	\$ 11,517,350	\$ 11,430,500	\$ (86,850)	-0.8%
FTE Positions	99.5	101.0	97.5	(3.5)	-3.5%

FY2017 compensation and benefits costs decreased primarily due to the removal of 3.5 FTE positions as the Authority continues to evaluate staffing requirements after employee turnover and retirements. Budgetary savings were also realized as a result of health care savings and retirement contribution rate reductions as described in the Budget Overview section.

Expressway Operations

FY2017 operating costs increased primarily due to increased toll collection costs, led by increasing E-ZPass transaction processing costs due to traffic growth and increased E-ZPass participation (see additional discussion below).

Highlights

Since its initial implementation in 1999, customers continue to utilize E-ZPass as the preferred method of payment on the Authority's Expressway System. The success and convenience of E-ZPass is evident by the growing number of customers who pay via E-ZPass, from 44% in FY2006 to 65% in FY2015. During peak morning and evening hours on the Powhite Parkway and Downtown Expressway, E-ZPass usage exceeds 70%.

The Authority contracts with the Virginia Department of Transportation (VDOT) for the day-to-day operation of the E-ZPass program. Services provided by VDOT as part of this contract include E-ZPass transaction processing, customer account management, and violations processing. VDOT uses a fee structure designed to recover the costs of operating the E-ZPass program.

At the time of publishing the budget document, VDOT had not provided the FY2017 E-ZPass processing rates; therefore the FY2017 budget includes a 6.6% budget increase based on forecasted transaction and E-ZPass participation growth. The Authority estimates 42.9 million transactions or 68% of FY2017 transactions will be collected via E-ZPass.

Additional focuses of the Toll Collection department include a commitment to providing excellent customer service through ongoing training efforts and proactive toll system maintenance to ensure accurate and reliable revenue collection.

The position reductions in Toll Collection include: the transfer of an Administrative Assistant employee to Main Street Station after a position vacancy; the reorganization of administrative functions after the recent retirement of the Toll Road Operations Manager, resulting in the removal of that position; and continued efforts to ensure the staffing levels of Toll Collection Attendants match the Authority's operational needs.

Maintenance is responsible for the routine maintenance, miscellaneous repairs, and preventative maintenance of all toll plazas and facility grounds and buildings. Primary functions include but are not limited to daily janitorial duties, graffiti removal, landscaping throughout the Expressway System, and snow/ice removal at toll plazas buildings. As a result of the diligent work of the Maintenance employees, the Authority had no slip and fall incidents resulting in worker's compensation claims during the winter weather months in FY2016.

Special Conservators of the Peace (SCOPs)

Description

Special Conservators of the Peace (SCOPs) are responsible for traffic law enforcement, accident investigations, assisting disabled vehicles, and providing construction work zone protection and lane closure assistance. SCOPs also conduct annual safety and robbery awareness training for all employees.

Priorities

1. Promote a safe travel environment

Performance Measures

Priority	Objective	Performance Measure	Result
1	Effective accident reporting and hit & run investigation	Number of hit & run accidents and recovered amount of repair expenses	6 incidents resulting in \$12,700 in damage; 100% recovered

Financial Summary

SCOPs	FY2015		FY2016		FY2017		FY2017 to FY2016	
	Actual		Budget		Budget		\$	%
Compensation and Benefits	\$ 114,097	\$	190,100	\$	177,000	\$	(13,100)	-6.9%
Operating	2,633		4,000		35,000		31,000	775.0%
Total	\$ 116,730	\$	194,100	\$	212,000	\$	17,900	9.2%
FTE Positions	2.0		3.0		3.0		-	-

FY2017 operating costs increased due to several one-time equipment purchases, including mobile data terminals (in-car computers), police radio upgrades (analog to digital), and radar equipment. This equipment will allow the Authority's SCOPs to improve responsiveness, efficiency, and ensure safe passage for toll patrons.

Highlights

During calendar year 2015, SCOPs investigated 33 individual traffic accidents on the Expressway of which 6 were hit and run accidents. As a result of their diligent investigations, approximately \$12,700 of repair expenses were recovered. In the prior calendar year, approximately 13 hit and run accidents yielded minimal repair expense recovery; the hiring of a full-time Lead SCOP in 2015 provided for additional resources to pursue expense recovery.

SCOPs routinely provide work zone protection assistance to contractors and engineering staff during scheduled construction activities and emergency repair actions. SCOPs attended the VDOT Intermediate Work Zone Traffic Control training course for the first time in 2015. In accordance with FHWA and VDOT, all SCOPs are now trained and certified in the development, design, implementation, operation, inspection and enforcement of work zone related transportation management and traffic control based on the most recent *Virginia Work Area Protection Manual*.

The 2015 General Assembly session included several legislative changes for SCOPs, including an additional layer of background checks, new appointment process, and additional training requirements. Staff worked closely with the Richmond Police Department and the Department of Criminal Justice Services to streamline the new background investigation process, which must be performed by a state or local law enforcement agency in addition to standard criminal history checks.

Administration

Description

The Chief Executive Officer leads the organization, providing operational direction to the department heads for the execution of policies established by the Board of Directors and for advising and recommending actions to the Board to meet the organization's needs. The CEO is the face of the organization in working and collaborating with local jurisdiction stakeholders and various transportation related partners.

Administration provides support services necessary to the Authority's daily operations, primarily through information systems and administrative support. Administration is also responsible for coordinating all external communications through press releases and web site updates. For budgetary purposes, internal audit and procurement functions are also classified under Administration.

Priorities

1. Coordinate all external communications with media and customers
2. Provide operational support through information technology services
3. Conduct internal audit reviews of Authority processes and procedures
4. Oversee the procurement and contractual process

Performance Measures

Priority	Objective	Performance Measure	Result
1	Manage the Authority's social media presence	Regular monitoring and updates of Facebook and Twitter	Staff monitors account activity daily
2	Archive Board and Committee meeting materials electronically	Archive all Board and Committee documents electronically	All meeting materials were uploaded
3	Routinely examine internal processes and procedures to ensure compliance and safekeeping of Authority assets	Number of internal audit examinations and related findings	7 audits performed with no significant findings
4	Manage the procurement process for all contracts	Number of contracts signed with oversight by the Internal Audit and Procurement Manager	15 contracts with value of \$6 million

Financial Summary

Administration	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 948,591	\$ 1,180,880	\$ 1,126,800	\$ (54,080)	-4.6%
Operating	731,573	794,875	696,200	(98,675)	-12.4%
Total	\$ 1,680,164	\$ 1,975,755	\$ 1,823,000	\$ (152,755)	-7.7%
FTE Positions	6.0	7.0	6.0	(1.0)	-14.3%

FY2017 compensation and benefits costs decreased as two positions included in the FY2016 budget went unfilled and were removed from the FY2017 budget, while an additional position for a Project Manager was added.

Administration

FY2017 operating costs decreased primarily due to budgetary savings upon the completion of recent rebranding and public relations efforts after the Authority's name change, offset by a budget increase to provide for funds for a potential office move.

Highlights

During FY2016, the CEO worked closely with the Board's Regional Projects and Outreach Committee to develop a plan to engage our member jurisdictions on the current status of the Authority, our importance to the region, and opportunities moving forward to strengthen partnerships to foster greater regional collaboration. Presentations to each jurisdiction are tentatively scheduled for spring 2016.

In addition to engaging our member jurisdictions on potential future projects, the CEO continues to provide strategic direction for the Authority's current operations. Funds are included in the FY2017 budget for a Project Manager position, who will initially be responsible for managing the toll system replacement project while providing capacity for future project support. Two positions (Research Assistant and Public Relations Manager) were removed from the FY2017 budget after the positions went unfilled during FY2016.

Administration continued to enhance outreach opportunities through an increased social media presence on Facebook and Twitter during FY2016. In conjunction with the Authority's name change and new logo development, staff engaged a web site development firm to redesign the Authority's web site and provide an updated domain name and email addresses.

Several significant information technology upgrades were performed, including the Microsoft Exchange Server software and virtual hardware upgrade and Microsoft Office upgrades. Staff also issued an RFP for network consulting services after the expiration of the existing contract.

Administration staff coordinates all communication with the Authority's Board of Directors, including meeting logistics. Through the use of the cloud-based software, staff continues to archive Board and Committee information into an easily accessible electronic portal for future reference.

In addition to examining daily operations, the Authority's internal auditor added procurement oversight during FY2016. This allows for a streamlined approach to procurement with enhanced accessibility of contracts and staff awareness of expiring and upcoming contract renewals. Additionally, vendors have a single procurement contact for all procurements. During FY2016, approximately 15 contracts were signed with a value of \$6 million under these new procedures.

Engineering

Description

Engineering provides the expertise required to preserve existing assets and facilities as directed by the Authority's bond covenants. Engineering considers the most sustainable, efficient and cost-effective approaches possible when planning for the future needs and demands of the Authority's assets.

Priorities

1. Maintain assets through preventative maintenance and rehabilitation
2. Develop a comprehensive and cost-effective asset preservation plan

Performance Measures

Priority	Objective	Performance Measure	Result
1	Perform annual inspections to identify asset needs timely	Annual facility inspections	100%
1,2	Maintain bridges at or above the established condition level	% of bridges rated structurally deficient	0%
1,2	Maintain pavement at or above the established condition level	% of pavement with a PCR score less than 40	0.54%

Financial Summary

Engineering	FY2015		FY2016		FY2017		FY2017 to FY2016	
	Actual		Budget		Budget		\$	%
Compensation and Benefits	\$ 210,051	\$	231,920	\$	140,300	\$	(91,620)	-39.5%
Operating	29,254		18,200		18,200		-	0.0%
Total	\$ 239,305	\$	250,120	\$	158,500	\$	(91,620)	-36.6%
FTE Positions			2.0		2.0		1.0	(1.0) -50.0%

FY2017 compensation and benefits costs decreased as a result of the removal of the Engineering Technician position after the position went unfilled during FY2016.

Highlights

The Authority successfully completed the two-year Mill and Overlay project for the Powhite Parkway and SR-146 Connector Road on and off ramps. The Mill and Overlay project removes and replaces approximately 1.5 – 2.0 inches of degraded asphalt roadway surface and replaces it with a more durable and long lasting Stone Matrix Asphalt (SMA). These efforts have brought the Expressway's mean pavement score up from 69.6% to 70.5% PCR rating. This PCR rating corresponds to Treatment Group 2 which is defined as "Very good condition to Good condition." The Boulevard Bridge is the only location where a small amount of pavement has a PCR rating below 40. There is approximately 0.27 mile of pavement rated below 40, located between Pumhouse Road and the toll plaza. This portion has a PCR rating equal to 25, which is defined as "Good condition to Fair" condition. This section of pavement will be addressed in the 2016 Maintenance and Repair project.

The Interstate 95 ramp deck rehabilitation project began in spring 2016. This will be the largest deck rehabilitation contract to date for the Authority with a total contract amount of approximately \$5.2 million. The 2014 deck rehabilitation of the North-bound Powhite Parkway over the James River was, at the time, the largest latex modified concrete (LMC) placement and longest continuous pour of LMC using hydro-demolition in the Commonwealth of Virginia; and to the best of the Authority's knowledge, an accomplishment that has not been surpassed.

Engineering

In June 2015, the Authority conducted its first ever three day industry-wide forum with overwhelming response, held one-on-one meetings with forum participants and issued a request for information (RFI) to toll system integrators and equipment manufacturers in preparation for a future procurement of a toll collection system, including toll violations enforcement, reporting and auditing solutions and other related services. There were thirty-two attendees representing sixteen firms, including the five largest toll system integrators. All of the attendees provided information on industry trends including All Electronic Tolling (AET), Open Road Tolling (ORT), interoperability, multiprotocol readers and transponders, regionalized hubs, mobility as a service (transit and tolling), cloud computing, connected vehicles, Roadway Usage Charge (RUC) and Vehicle Miles Traveled (VMT) and other new and upcoming technologies and equipment. Also included were discussions on ways to increase Electronic Toll Collection (ETC) penetration rates through various incentive programs, toll rate structures and social media integration.

The goal of the RFI was to seek input from the tolling industry in evaluating and developing a future procurement for the Authority's next generation tolling system. Seventeen written responses to the RFI were received, which included industry insight on the following: innovative approaches to interim maintenance and request for proposals structure; strategies for issuing current cash collection methods; maintenance of third-party source code; phased installation of tolling solutions; recommended approaches to expand violation enforcement systems; industry preferred model of engagement and compensation for implementation, operation and maintenance of tolling solutions, violations processing and back office services; effectiveness of video tolling (pay by plate) systems and available options for implementation; recommended strategies to reduce total cost of tolling system ownership and length of time to implement; adaptability of toll systems and equipment to change as government mandates occur and/or technology advances.

The Authority performed an assessment of its current toll collection methods and tolling points to evaluate alternatives for technical feasibility in order to develop recommendations on a path forward for a future generation toll system. This assessment was conducted in alignment with guiding principles such as reducing operational costs in both the near and long term, aligning with future toll technology trends and industry best practices, minimizing operational risks and enhancing resiliency of the toll collection system while maintaining toll system revenues in accordance with bond covenants. The resulting toll business plan was presented to and endorsed by the Board of Directors in April 2016. The toll business plan provides a framework for the Authority to make both strategic and aligned decisions related to future toll collection technology.

The Authority continues to review the capital budget, making adjustments based on the annual facility inspection reports and condition assessments. Over the past year staff has adjusted the long range capital plan to include anticipated capital needs through FY2041, including the addition of several missing items such as toll system expansions and upgrades, buildings and facility repairs and renovations, and cyclical preventative maintenance activities such as full protective bridge coatings, bridge deck overlays and mill & asphalt overlays. These cyclical preventative maintenance activities provide a planned strategy of cost-effective treatments to keep bridges in good condition, retard future deterioration and avoid large expenses such as reconstructions and/or full replacements of assets.

Finance

Description

Finance plans, organizes, and directs the financial activities of the Authority including note and bond financing, investment management, accounting, financial analysis, risk management, cash management, financial reporting and annual budgeting. Finance also provides fiscal operation support through the accounts payable, accounts receivable and payroll functions.

Priorities

1. Ensure fiscal compliance with financial policies, bond indentures, and other agreements
2. Establish and maintain an effective internal control environment
3. Prepare financial reports that are useful, timely and accurate

Performance Measures

Priority	Objective	Performance Measure	Result
1,2,3	Receive an unmodified (“clean”) audit opinion	External auditor’s audit opinion	Unmodified
1,2,3	Obtain the GFOA Financial Reporting Award (CAFR)	Consecutive years receipt of award	22
1,2,3	Obtain the GFOA Budget Presentation Award	Consecutive years receipt of award	2

Financial Summary

Finance	FY2015		FY2016		FY2017		FY2017 to FY2016	
	Actual		Budget		Budget		\$	%
Compensation and Benefits	\$ 273,588	\$	430,900	\$	410,400	\$	(20,500)	-4.8%
Operating	539,999		635,400		672,200		36,800	5.8%
Total	\$ 813,587	\$	1,066,300	\$	1,082,600	\$	16,300	1.5%
FTE Positions	4.5		4.5		4.5		-	-

FY2017 operating costs increased due to the full fiscal year impact of the investment advisor contract offset by savings from the recent banking and audit services procurements and savings gained as a result of the payroll, human resources and time management system replacement. Additionally, costs for the Authority’s financial advisor were shifted from the capital plan to the operating budget to more accurately reflect the nature of the expense.

Highlights

Finance led several procurement efforts during the year, including the procurement and replacement of an obsolete payroll, human resources and time management system with a modern cloud-based system, streamlining processing while reducing the reliance on internal information systems infrastructure. This process included the transition of all employees to direct deposit and implementing electronic leave requests, eliminating various paper forms throughout the process. Finance also led procurement efforts for banking, audit, and armored transport and coin counting services during FY2016, resulting in budgetary savings of over \$47,000.

In February 2015, Finance outlined a plan to solicit investment advisor services to the Authority’s Finance and Operations Committee; previously the Authority’s investment portfolio was managed in-house. Benefits of hiring an investment advisor include professional oversight and expertise, potential for enhanced earnings through a sophisticated investment strategy, and enhanced risk management. Initial

Finance

funds were included in the FY2016 operating budget, with the impact of a full year of services included in the FY2017 budget.

At the direction of the Chief Executive Officer, Finance performed a review of the existing violation enforcement process during FY2016. For unpaid cash tolls, Finance implemented a transition plan to utilize a third party collections service, allowing for additional billing and collection efforts that were previously not feasible with in-house resources. As a result of these changes, the number of unpaid cash tolls immediately declined by over 25%. For unpaid E-ZPass tolls, improvements were made in the reporting and monitoring of data provided by VDOT and the court system.

Finance continues to provide excellent financial services as evidenced by receiving an unmodified (“clean”) audit opinion on the Authority’s FY2015 Comprehensive Annual Financial Report (CAFR) and receipt of the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers’ Association (GFOA) for the 22nd consecutive year. Finance also received the GFOA’s Distinguished Budget Presentation Award for the 2nd consecutive year for the Authority’s FY2016 budget and continues to make improvements to the budget document based on GFOA recommendations and industry best practices. Significant additions to the FY2017 budget include budgets by department and additional capital detail not previously presented.

Human Resources

Description

Human Resources maintains a productive and highly-skilled workforce through recruitment, employment, compensation, benefits, employee relations and health and safety programs while ensuring compliance with laws and regulations.

Priorities

1. Develop competitive compensation and benefit plans while managing costs
2. Promote a positive and efficient working environment through employee communication and recognition
3. Comply with federal, state and local regulatory mandates and requirements

Performance Measures

Priority	Objective	Performance Measure	Result
1	Regularly evaluate employee compensation against comparative positions	Completion of a triennial compensation study	May 2016
1	Evaluate benefit plans with benefits consultant and providers	Annual review of benefit plans	February 2016
2	Coordinate annual employee meeting	Annual employee "Town Hall" meeting held	December 2015
3	Review Personnel Policies and Procedures manual at least annually	Annual review of policy manual	December 2015

Financial Summary

Human Resources	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 269,496	\$ 312,000	\$ 293,900	\$ (18,100)	-5.8%
Operating	102,366	132,325	94,700	(37,625)	-28.4%
Total	\$ 371,862	\$ 444,325	\$ 388,600	\$ (55,725)	-12.5%
FTE Positions	4.0	3.0	3.0	-	-

FY2017 operating costs decreased primarily due to reduced requests for participation in the employee tuition reimbursement program and efficiencies gained through streamlining the office supply purchase process.

Highlights

Human Resources staff led procurement efforts for benefits consulting services after the expiration of the existing contract in FY2016. Staff meets with the benefits consultants at least quarterly to review health care utilization and to develop strategies for promoting more employee awareness about their healthcare benefits.

Staff successfully coordinated the Holiday Reception and Town Hall meeting and recognized outstanding and dedicated staff and their contributions at the Employee Recognition Luncheon. Human Resources also publicly recognized employees at Board meetings to highlight employee certifications or awards aimed at enhancing job knowledge or promoting the mission and goals of the Authority. As a result of feedback obtained at the Town Hall meeting, staff worked on revamping the employee Safety Committee

Human Resources

to include employee participation and input in the development and assessment of safety policies and procedures.

Human Resources continues to expand employee access to information about their benefits through the new Health Advocate program, which will provide employees direct and unlimited professional assistance with resolving healthcare and insurance-related issues.

Staff worked with Finance to implement the human resources and time management system, promoting a paperless environment and streamlining processes through the full implementation of electronic time sheets and leave requests.

Human Resources staff continue to navigate and implement the regulatory changes as a result of national health care reform. Additional legislative changes impacting Human Resources include the changing legislation regarding the employment, screening, and training of Special Conservators of the Peace (SCOPs). Staff attends regular training, review and analysis of the Fair Labor Standards Act (FLSA), Family and Medical Leave Act (FMLA), and Americans with Disability Act Amendments Act (ADAAA) requirements to ensure consistent compliance.

Main Street Station

Description

The Authority contracts with the City of Richmond through an operating agreement to provide facility management services at Main Street Station, which include routine building and grounds maintenance and coordinating reservations for facility rentals. The operating agreement requires the City to pay all operating expenses in excess of revenues associated with the Authority's management of the facility. The Authority is not responsible for any facility debt or capital improvements and the facility remains property of the City.

Priorities

1. Provide facility management services that exceed expectations
2. Maximize event revenue through public outreach and advertising

Performance Measures

Priority	Objective	Performance Measure	Result
1	Ensure the facility remains operational for Amtrak trains	Number of monthly Amtrak passengers	Average 3,609 per month
2	Advertise the Station's event capabilities to increase utilization	Number of event rentals	Average 5 per month

Financial Summary

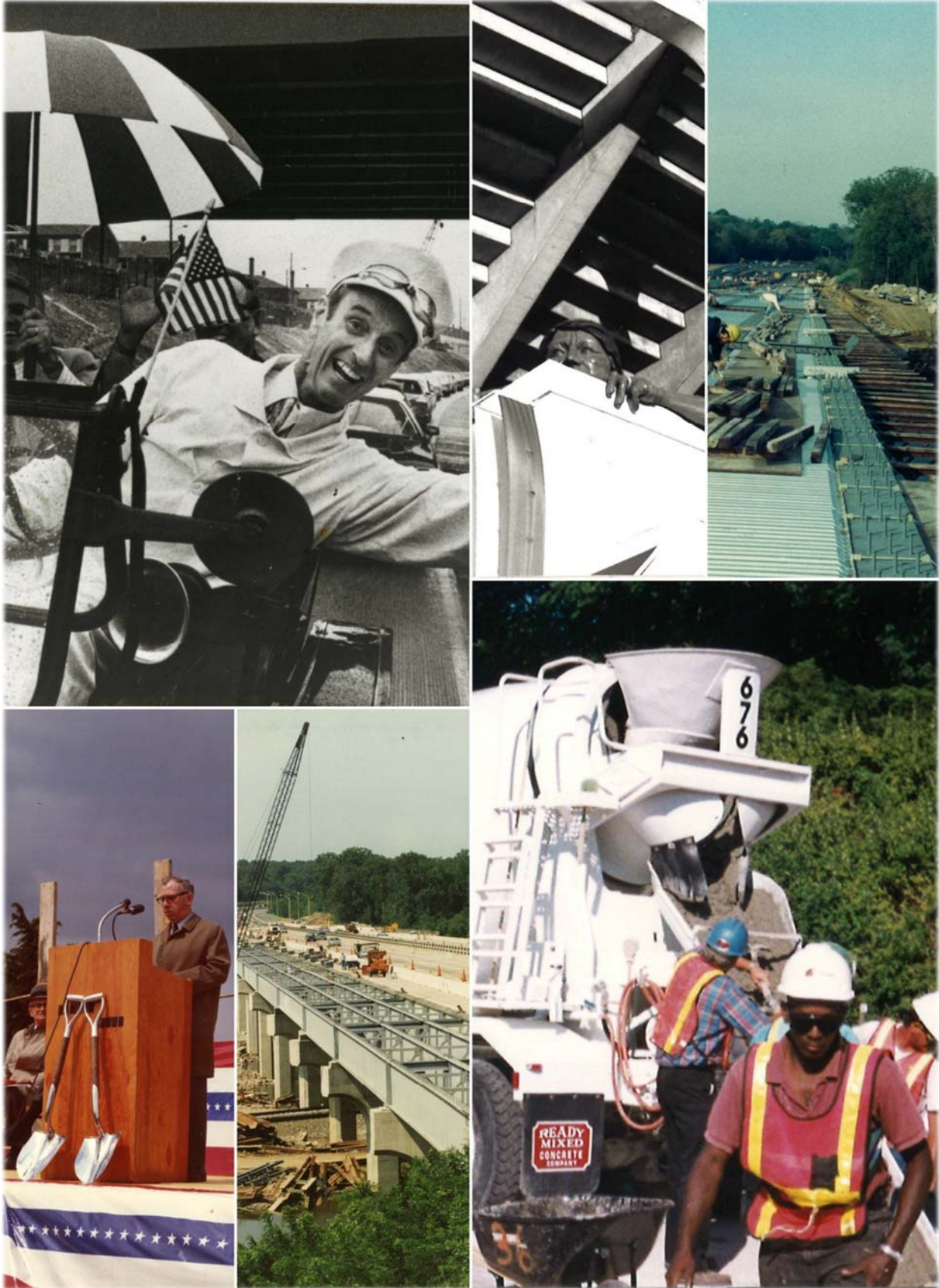
Main Street Station	FY2015		FY2016		FY2017		FY2017 to FY2016	
	Actual		Budget		Budget		\$	%
Compensation and Benefits	\$ 92,397	\$	109,300	\$	64,900	\$	(44,400)	-40.6%
Operating	638,309		711,500		399,300		(312,200)	-43.9%
Total	\$ 730,706	\$	820,800	\$	464,200	\$	(356,600)	-43.4%
FTE Positions	2.0		2.0		2.0		-	-

The FY2017 budget is reduced to account for operating the facility for only half of the fiscal year; see additional discussion below.

Highlights

In March 2012 the City announced a planned \$29 million project to renovate the train shed building attached to the facility. Construction was expected to begin in FY2014 however delays pushed the start of construction to FY2015. The renovation project remains ongoing and is expected to be complete during FY2017. The Authority has no direct involvement in the planning, financing or management of the renovation project.

The City notified the Authority of its plan to issue a comprehensive request for proposals for management services of the existing facility as well as the new train shed building. It is anticipated that a provider will be selected before the end of the calendar year. The current operating agreement expires June 30, 2016 but is expected to be extended through December 31; therefore, the FY2017 budget only includes anticipated expenses through such date when the City expects to award the contract for management services to include the train shed.



Budget Detail

Department to Fund Crosswalk

As shown in the previous section, expense budgets by department are developed in order to track costs by the Authority's main functions. In order to comply with bond indenture requirements and accounting principles, the Authority must separate department budgets into budgets by funds.

As discussed in the Fund Structure, Basis of Accounting and Budgeting, and Budget Process section, the Authority administers four enterprise funds: Expressway, Expressway Repair and Contingency (Capital), Central Administration, and Main Street Station. The Expressway Repair and Contingency budget is presented as the Expressway Capital Budget in this document.

A summary of the FY2017 operating budget by department and a crosswalk to the budgets by fund can be found below.

	Expressway	Central Administration	Main Street Station	Total
Toll Collection	\$ 10,516,100	\$ -	\$ -	\$ 10,516,100
Maintenance	914,400	-	-	914,400
SCOP	212,000	-	-	212,000
Administration	209,400	1,600,000	13,600	1,823,000
Engineering	15,000	143,500	-	158,500
Finance	581,000	490,100	11,500	1,082,600
Human Resources	-	388,600	-	388,600
Main Street Station	-	-	464,200	464,200
	\$ 12,447,900	\$ 2,622,200	\$ 489,300	\$ 15,559,400

	Expressway	Central Administration	Main Street Station	Total
Total Budget by Fund	\$ 14,532,300	\$ 2,622,200	\$ 555,800	\$ 17,710,300
Central Admin Allocation (1)	(2,084,400)	-	(66,500)	(2,150,900)
	\$ 12,447,900	\$ 2,622,200	\$ 489,300	\$ 15,559,400

- (1) Central Administration costs are recovered by allocating Central Administration expenses to the Authority's operating activity and capital plan. The allocation is based on estimated employee efforts towards the management of the Authority's operating activities and capital plan and is reviewed annually during budget development.

The following pages present a line-item detail budget by fund with a discussion of significant line item variances. Additional discussion can be found in the Department Budget section.

Expressway Fund Budget

Description

The Expressway fund is used to account for all ongoing Expressway System operations, including toll collection, maintenance, and the SCOP program. The Expressway System is comprised of the Powhite Parkway, Downtown Expressway, and Boulevard Bridge, providing a vital urban transportation link for the Richmond metropolitan area.

Significant Budgetary Changes

- *Toll Revenue:* Year to date toll revenue in FY2016 outpaced the budget by 5.0%; the forecasted revenue growth for FY2017 is 0.7%. See the Revenue Sources and Forecasting Assumption section for a detailed discussion on the development of the FY2017 forecast.
- *Violation Enforcement:* In conjunction with increasing traffic volume, both violation enforcement revenues and related expenses exceeded budgeted expectations in FY2016; actual revenue for FY2016 is projected at approximately 160% of FY2016 budget. Along with increasing volume, the Authority is also seeing increased payment activity for violations, driving the revenue increase.
- *Toll Payments – Collections and Collections Service:* For unpaid cash tolls, a new process was implemented during FY2017 to utilize a third party collections service, allowing for additional billing and collection efforts that were previously not feasible with in-house resources. The FY2017 budget includes the estimated impact of a full year of the new process.
- *Compensation and benefits:* Decreased due to the reduction of 3.5 FTE positions in Toll Collection as the Authority continues to evaluate staffing requirements after employee turnover and retirements. Budgetary savings were also realized as a result of health care savings and retirement contribution rate reductions as described in the Budget Overview section.
- *E-ZPass processing fees:* At the time of publishing the budget document, VDOT had not provided the FY2017 E-ZPass processing rates; therefore the FY2017 budget includes a 6.6% budget increase based on forecasted transaction and E-ZPass participation growth.
- *Utilities:* Budgeted amounts had not been increased since FY2011 and were increased in FY2017 to reflect recent utilization trends.
- *Toll System Parts and Supplies:* FY2017 costs include approximately \$26,000 for the upgrade of backup server equipment that is near capacity.
- *Materials and Supplies – Roadways:* FY2016 included an estimated \$34,000 increase for the periodic purchase of liquid deicing solution for use on the Boulevard Bridge, last purchased in FY2012; the next purchase is not anticipated for several years.
- *Vehicle Operations and Maintenance:* Additional \$15,000 in FY2017 costs related to the replacement of a new crash cushion on the Authority's crash truck.
- *Communications Equipment:* The FY2017 budget includes \$31,000 for several one-time equipment purchases for SCOPs, including mobile data terminals (in-car computers), police radio upgrades (analog to digital), and radar equipment.
- *Legal:* Budgeted amounts were increased in FY2017 to reflect recent utilization trends.
- *Audit and Accounting Services:* Savings were realized after a recent procurement upon completion of the Authority's existing audit services contract.
- *Financial Advisor:* FY2017 budget shifts costs for the Authority's Financial Advisor from the capital plan to the operating budget to more accurately reflect the nature of the expense.
- *Investment Advisor:* During FY2016, Finance led a procurement for hiring an investment advisor to provide professional oversight and expertise over the Authority's investment portfolio. Initial funds were included in the FY2016 operating budget, with the impact of a full year of services included in the FY2017 budget.

Expressway Fund Budget

Certificate

In accordance with Section 708 of the 2011 bond resolution, the Authority is required to engage a Traffic and Revenue Consultant for the purpose of preparing and certifying a schedule of tolls for the forthcoming budget year considered sufficient to pay operating expenses, debt service, and maintenance and repairs on the Expressway System as certified by the Authority's Consulting Engineer. The Authority has contracted with Jacobs as Traffic and Revenue Consultant and with HNTB as Consulting Engineer.

The certificate is presented as a draft for the proposed budget presentation; revenue and expense certifications are finalized upon budget adoption.

	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Projected	Budget	\$	%
Toll Revenue (1)	\$ 38,799,389	\$ 40,609,000	\$ 40,976,000	\$ 367,000	0.9%
Other Revenue (2)	<u>392,350</u>	<u>401,000</u>	<u>424,000</u>	<u>23,000</u>	5.7%
	39,191,739	41,010,000	41,400,000	390,000	1.0%
Operating Expenses	<u>13,079,511</u>	<u>14,300,000</u>	<u>14,532,300</u>	<u>232,300</u>	1.6%
Net Operating Revenue	<u>26,112,228</u>	<u>26,710,000</u>	<u>26,867,700</u>	<u>157,700</u>	0.6%
Debt Service	<u>(12,847,052)</u>	<u>(12,847,733)</u>	<u>(12,842,258)</u>	<u>5,475</u>	0.0%
Available for Capital	<u>\$ 13,265,176</u>	<u>\$ 13,862,267</u>	<u>\$ 14,025,442</u>	<u>\$ 163,175</u>	1.2%

(1) As estimated by Jacobs

(2) As estimated by the Authority

Revenue Certification



Richard Gobeille, P.E.
Jacobs Engineering Group, Inc.

Expense Certification



Nicholas Antonucci, P.E.
HNTB Corporation

Expressway Fund Budget

Expressway	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
Revenue					
Toll Revenue	\$38,164,487	\$37,857,000	\$40,116,000	\$2,259,000	6.0%
Violation Enforcement - CSC	534,982	450,000	750,000	300,000	66.7%
Violation Enforcement - Courts	99,920	55,000	90,000	35,000	63.6%
Toll Payments - Collections	-	-	20,000	20,000	0.0%
Parking Lot Rentals	50,449	49,000	49,000	-	0.0%
Interest Income	336,807	450,000	375,000	(75,000)	-16.7%
Miscellaneous Income	5,094	-	-	-	0.0%
Total Revenue	<u>\$39,191,739</u>	<u>\$38,861,000</u>	<u>\$41,400,000</u>	<u>\$2,539,000</u>	6.5%
Toll Collection					
Regular Pay	\$ 3,122,586	\$ 3,161,500	\$ 3,014,000	\$ (147,500)	-4.7%
Overtime	273,896	358,400	352,000	(6,400)	-1.8%
Payroll Taxes	252,393	269,300	258,000	(11,300)	-4.2%
Retirement	217,299	246,700	121,800	(124,900)	-50.6%
Health Insurance	692,630	966,100	886,900	(79,200)	-8.2%
Group Life Insurance	33,224	34,500	36,400	1,900	5.5%
Long Term Disability	2,208	2,300	2,400	100	4.3%
Unemployment Benefits	3,023	7,500	7,500	-	0.0%
Uniforms	10,297	23,000	10,000	(13,000)	-56.5%
Employee Mileage	21,984	25,000	25,000	-	0.0%
	4,629,540	5,094,300	4,714,000	(380,300)	-7.5%
E-ZPass Processing Fees	2,735,766	2,905,000	3,098,000	193,000	6.6%
Violation Enforcement - CSC	632,118	876,500	920,000	43,500	5.0%
Violation Appeals - Legal	6,000	5,000	5,000	-	0.0%
Collections Service	-	2,000	15,000	13,000	650.0%
Armored Transport & Coin					
Counting	267,576	287,600	285,000	(2,600)	-0.9%
Toll System Maint. - Transcore	205,032	216,000	226,600	10,600	4.9%
Toll System Maint. - TRMI	640,395	733,000	731,000	(2,000)	-0.3%
Currency Counter Maintenance	3,331	4,500	4,500	-	0.0%
Security System	10,582	11,000	12,000	1,000	9.1%
Communications Systems	174	1,000	1,000	-	0.0%
Traffic Camera Hosting	2,166	3,000	4,000	1,000	33.3%
Utilities	177,087	165,000	180,000	15,000	9.1%
Toll System Parts and Supplies	219,322	255,550	282,000	26,450	10.4%
(continued)					

Expressway Fund Budget

Expressway	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
Security System - Camera Maintenance	-	-	5,000	5,000	0.0%
Traffic Cameras - Maintenance	2,000	2,000	5,000	3,000	150.0%
Gate Claims	843	2,000	2,000	-	0.0%
Office Supplies and Printing	16,297	19,500	21,000	1,500	7.7%
Office Equipment	235	3,500	2,000	(1,500)	-42.9%
Communications Equipment	1,439	1,000	1,000	-	0.0%
Miscellaneous Expenses	2,779	2,000	2,000	-	0.0%
	<u>4,923,142</u>	<u>5,495,150</u>	<u>5,802,100</u>	<u>306,950</u>	5.6%
Toll Collection Total	<u>\$ 9,552,682</u>	<u>\$10,589,450</u>	<u>\$10,516,100</u>	<u>\$ (73,350)</u>	-0.7%
Maintenance					
Regular Pay	\$ 175,186	\$ 200,400	\$ 205,000	\$ 4,600	2.3%
Overtime	9,607	15,100	20,300	5,200	34.4%
Payroll Taxes	14,160	16,500	17,300	800	4.8%
Retirement	12,191	18,100	10,000	(8,100)	-44.8%
Health Insurance	42,755	63,300	54,600	(8,700)	-13.7%
Group Life Insurance	2,051	2,500	2,700	200	8.0%
Uniforms	-	4,500	2,000	(2,500)	-55.6%
	<u>255,950</u>	<u>320,400</u>	<u>311,900</u>	<u>(8,500)</u>	-2.7%
VDOT Annual Road Maintenance	360,000	360,000	360,000	-	0.0%
Building and Janitorial Services	16,893	16,000	18,000	2,000	12.5%
Materials & Supplies - Toll Plaza	4,358	5,500	9,500	4,000	72.7%
Materials & Supplies - Traffic Control	5,888	6,000	6,000	-	0.0%
Materials & Supplies - Grounds & Buildings	44,386	45,000	45,000	-	0.0%
Materials & Supplies - Roadways	37	35,000	9,000	(26,000)	-74.3%
Grounds & Building Maintenance	70,818	75,000	75,000	-	0.0%
Maintenance - Equipment Repair	3,361	5,000	5,000	-	0.0%
Vehicle Operations and Maintenance	37,037	60,000	75,000	15,000	25.0%
	<u>542,778</u>	<u>607,500</u>	<u>602,500</u>	<u>(5,000)</u>	-0.8%
Maintenance Total	<u>\$ 798,728</u>	<u>\$ 927,900</u>	<u>\$ 914,400</u>	<u>\$ (13,500)</u>	-1.5%

(continued)

Expressway Fund Budget

Expressway	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
SCOP					
Regular Pay	\$ 90,918	\$ 151,900	\$ 147,000	\$ (4,900)	-3.2%
Overtime	33	-	1,000	1,000	0.0%
Payroll Taxes	7,349	11,600	11,400	(200)	-1.7%
Retirement	6,327	4,600	2,600	(2,000)	-43.5%
Health Insurance	8,551	10,600	9,100	(1,500)	-14.2%
Group Life Insurance	410	700	800	100	14.3%
Long Term Disability	509	700	600	(100)	-14.3%
Uniforms	-	10,000	4,500	(5,500)	-55.0%
	114,097	190,100	177,000	(13,100)	-6.9%
Communications Systems	-	2,000	2,000	-	0.0%
Communications Equipment	-	-	31,000	31,000	0.0%
Training and Development	2,633	2,000	2,000	-	0.0%
	2,633	4,000	35,000	31,000	775.0%
SCOP Total	\$ 116,730	\$ 194,100	\$ 212,000	\$ 17,900	9.2%
Administrative					
Telecommunications	\$ 35,147	\$ 18,000	\$ 18,000	\$ -	0.0%
Data Communications	25,129	32,000	23,500	(8,500)	-26.6%
Computer Service Agreements	24,283	34,500	35,400	900	2.6%
Legal Services	104,592	70,000	120,000	50,000	71.4%
Computer Hardware	33,131	3,000	5,000	2,000	66.7%
Computer Software	2,365	12,700	7,500	(5,200)	-40.9%
Asset Management Software	25,600	15,000	15,000	-	0.0%
Insurance	335,743	346,500	355,000	8,500	2.5%
Trustee Services	17,864	24,000	23,000	(1,000)	-4.2%
Bank Fees	6,675	9,000	1,000	(8,000)	-88.9%
Traffic and Revenue Consultant	23,278	25,000	26,000	1,000	4.0%
Audit and Accounting Services	71,436	78,500	52,000	(26,500)	-33.8%
Credit Rating Fees	13,500	24,000	24,000	-	0.0%
Financial Advisor	-	-	40,000	40,000	0.0%
Investment Advisor	-	25,000	60,000	35,000	140.0%
Administrative Total	\$ 718,743	\$ 717,200	\$ 805,400	\$ 88,200	12.3%
Compensation and Benefits	\$ 4,999,587	\$ 5,604,800	\$ 5,202,900	\$ (401,900)	-7.2%
Operations	6,187,296	6,823,850	7,245,000	421,150	6.2%
Central Admin Allocation	1,892,628	2,473,700	2,084,400	(389,300)	-15.7%
Total Expenses	\$13,079,511	\$14,902,350	\$14,532,300	\$ (370,050)	-2.5%

Central Administration Fund Budget

Description

The Central Administration fund is used to accumulate and allocate administrative expenses, including costs associated with the Board of Directors, Chief Executive Officer, and department Directors. Costs are allocated to the Authority's operations based on estimated Central Administration employee efforts toward each operation. Department Directors review the cost allocation percentages each year during the budget process.

Significant Budgetary Changes

- *Compensation and benefits*: Decreased due to the net reduction of 2.0 FTE positions (1.0 FTE in Administration, 1.0 FTE in Engineering) as the Authority continues to evaluate staffing requirements. Budgetary savings were also realized as a result of health care savings and retirement contribution rate reductions as described in the Budget Overview section.
- *Web Site Development*: Funds were included in the FY2016 budget for the re-development of the Authority's web site after the recent name and logo change. FY2017 includes funds for additional development costs.
- *Board Expenses – Other*: No significant expenses are projected for FY2017, so the budget has been reduced to align with recent usage.
- *Administrative Office Move*: The Authority's current administrative office lease expires June 2017; based on preliminary analysis, the Authority may see significant cost savings by moving or negotiating a favorable long-term extension and reducing its space requirement by optimizing the office layout. The FY2017 budget provides funds for costs related to a potential office move.
- *Public Relations, Branding*: Costs were increased in the prior year as the Authority updated its logo and engaged in public outreach efforts after its recent name change; accordingly costs are reduced in FY2017.
- *Payroll Systems and Services*: Budgeted amounts for ongoing service costs for the payroll, human resources and time management system were reduced to align with current costs.
- *OPEB Actuarial Valuation*: Current accounting standards require a triennial actuarial analysis of the Authority's Other Post-Employment Benefits (OPEB) obligation, with the last study completed in FY2014.
- *Tuition Assistance*: The Authority's tuition assistance program is open to all employees who wish to pursue continuing education that will be mutually beneficial to the employee and the Authority; the FY2017 budget was reduced based on approved employee requests for the fiscal year.

Central Administration Fund Budget

Central Administration	FY2015 Actual	FY2016 Budget	FY2017 Budget	FY2017 to FY2016	
				\$	%
Administration					
Regular Pay	\$ 515,065	\$ 653,600	\$ 602,000	\$ (51,600)	-7.9%
Overtime	-	900	1,000	100	11.1%
Payroll Taxes	36,399	45,980	43,000	(2,980)	-6.5%
Retirement	37,514	59,600	50,600	(9,000)	-15.1%
Health Insurance	76,209	127,800	129,200	1,400	1.1%
Group Life Insurance	5,740	7,700	7,800	100	1.3%
Long Term Disability	3,264	4,300	5,200	900	20.9%
OPEB Trust Contribution	<u>274,400</u>	<u>281,000</u>	<u>288,000</u>	<u>7,000</u>	2.5%
	948,591	1,180,880	1,126,800	(54,080)	-4.6%
Telecommunications	29,453	8,100	13,000	4,900	60.5%
Data Communications	6,558	22,000	18,000	(4,000)	-18.2%
Computer Service Agreements	41,138	25,900	25,000	(900)	-3.5%
Legal Services	59,176	120,000	110,000	(10,000)	-8.3%
Office Lease and Parking	167,430	179,500	182,000	2,500	1.4%
Computer Hardware	11,125	4,000	3,500	(500)	-12.5%
Computer Software	2,855	12,700	8,000	(4,700)	-37.0%
Web Site Development	-	33,000	10,000	(23,000)	-69.7%
Board Attendance Fees	8,220	12,000	12,000	-	0.0%
Board Expenses - Other	24,850	26,700	12,000	(14,700)	-55.1%
Professional Memberships and Subscriptions	23,170	24,775	26,000	1,225	4.9%
Training and Development	15,795	17,700	13,700	(4,000)	-22.6%
Administrative Office Move	-	10,000	40,000	30,000	300.0%
Public Relations	67,749	50,000	-	(50,000)	-100.0%
Branding	-	45,000	-	(45,000)	-100.0%
Contractual Services	35,364	-	-	-	0.0%
50th Anniversary Celebration	-	5,000	-	(5,000)	-100.0%
Contribution to Non-Profit Organization	-	10,000	-	(10,000)	-100.0%
	<u>492,883</u>	<u>606,375</u>	<u>473,200</u>	<u>(133,175)</u>	-22.0%
Administration Total	<u>\$ 1,441,474</u>	<u>\$ 1,787,255</u>	<u>\$ 1,600,000</u>	<u>\$ (187,255)</u>	-10.5%

(continued)

Central Administration Fund Budget

Central Administration	FY2015 Actual	FY2016 Budget	FY2017 Budget	FY2017 to FY2016	
				\$	%
Engineering					
Regular Pay	\$ 160,474	\$ 161,400	\$ 106,000	\$ (55,400)	-34.3%
Overtime	-	-	-	-	0.0%
Payroll Taxes	11,340	12,320	8,100	(4,220)	-34.3%
Retirement	11,688	18,200	9,000	(9,200)	-50.5%
Health Insurance	23,744	36,600	14,700	(21,900)	-59.8%
Group Life Insurance	1,788	1,900	1,400	(500)	-26.3%
Long Term Disability	<u>1,017</u>	<u>1,500</u>	<u>1,100</u>	<u>(400)</u>	-26.7%
	210,051	231,920	140,300	(91,620)	-39.5%
Professional Memberships and Subscriptions	340	800	800	-	0.0%
Training and Development	<u>3,314</u>	<u>2,400</u>	<u>2,400</u>	<u>-</u>	0.0%
	3,654	3,200	3,200	-	0.0%
Engineering Total	<u>\$ 213,705</u>	<u>\$ 235,120</u>	<u>\$ 143,500</u>	<u>\$ (91,620)</u>	-39.0%
Finance					
Regular Pay	\$ 209,015	\$ 300,800	\$ 305,000	\$ 4,200	1.4%
Overtime	-	1,000	1,000	-	0.0%
Payroll Taxes	14,771	23,200	23,400	200	0.9%
Retirement	15,223	27,500	16,900	(10,600)	-38.5%
Health Insurance	30,926	73,100	58,600	(14,500)	-19.8%
Group Life Insurance	2,329	3,200	3,600	400	12.5%
Long Term Disability	<u>1,324</u>	<u>2,100</u>	<u>1,900</u>	<u>(200)</u>	-9.5%
	273,588	430,900	410,400	(20,500)	-4.8%
Bank Fees	3,538	3,600	500	(3,100)	-86.1%
Payroll Systems and Services	24,675	46,500	35,000	(11,500)	-24.7%
Accounting System and Services	18,123	26,400	27,000	600	2.3%
OPEB Actuarial Valuation	-	-	10,000	10,000	0.0%
Professional Memberships and Subscriptions	1,525	1,800	1,700	(100)	-5.6%
Training and Development	<u>4,613</u>	<u>5,500</u>	<u>5,500</u>	<u>-</u>	0.0%
	52,474	83,800	79,700	(4,100)	-4.9%
Finance Total	<u>\$ 326,062</u>	<u>\$ 514,700</u>	<u>\$ 490,100</u>	<u>\$ (24,600)</u>	-4.8%
(continued)					

Central Administration Fund Budget

Central Administration	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
Human Resources					
Regular Pay	\$ 199,361	\$ 207,400	\$ 213,000	\$ 5,600	2.7%
Overtime	-	-	1,000	1,000	0.0%
Payroll Taxes	14,088	15,900	16,400	500	3.1%
Retirement	14,520	21,800	13,800	(8,000)	-36.7%
Health Insurance	29,498	54,800	44,000	(10,800)	-19.7%
Group Life Insurance	2,222	2,500	2,800	300	12.0%
Long Term Disability	1,263	2,100	1,900	(200)	-9.5%
Unemployment Benefits	8,544	7,500	1,000	(6,500)	-86.7%
	269,496	312,000	293,900	(18,100)	-5.8%
Document Storage	1,878	4,000	3,000	(1,000)	-25.0%
Copier Lease	8,016	9,400	9,400	-	0.0%
Postage Machine	5,308	6,400	6,400	-	0.0%
Benefits Consultant	24,448	28,000	26,000	(2,000)	-7.1%
Office Supplies and Printing	11,182	15,000	10,000	(5,000)	-33.3%
Office Equipment	1,301	2,800	1,500	(1,300)	-46.4%
Miscellaneous Expenses	4,218	6,000	5,000	(1,000)	-16.7%
Professional Memberships and Subscriptions	679	1,125	1,000	(125)	-11.1%
Training and Development	1,537	7,900	7,900	-	0.0%
Personnel - Employment	7,313	5,000	5,000	-	0.0%
Personnel - Employee Relations	2,598	8,100	8,500	400	4.9%
Tuition Assistance	33,888	38,100	10,500	(27,600)	-72.4%
Safety Program	-	500	500	-	0.0%
	102,366	132,325	94,700	(37,625)	-28.4%
Human Resources Total	\$ 371,862	\$ 444,325	\$ 388,600	\$ (55,725)	-12.5%
Compensation and Benefits	\$ 1,701,726	\$ 2,155,700	\$ 1,971,400	\$ (184,300)	-8.5%
Operations	651,377	825,700	650,800	(174,900)	-21.2%
Total Expenses	\$ 2,353,103	\$ 2,981,400	\$ 2,622,200	\$ (359,200)	-12.0%

Main Street Station Fund Budget

Description

In June 2003, the City completed the renovation of Main Street Station and requested the Authority provide facility managements services, including routine buildings and grounds maintenance and coordination of reservations for facility rentals.

The operating agreement requires the City to pay all operating expenses in excess of revenues associated with the Authority's management of the facility. The Authority is not responsible for any facility debt or capital improvements and the facility remains property of the City.

In March 2012 the City announced a planned \$29 million project to renovate the train shed building attached to the facility. Construction was expected to being in FY2014 however delays pushed the start of construction to FY2015. The renovation project remains ongoing and is expected to be complete during FY2017. The Authority has no direct involvement in the planning, financing or management of the renovation project.

The City notified the Authority of its plan to issue a comprehensive request for proposals for management services of the existing facility as well as the new train shed building. It is anticipated that a provider will be selected before the end of the calendar year. The current operating agreement expires June 30, 2016 but is expected to be extended through December 31; therefore, the FY2017 budget only includes anticipated expenses through such date when the City expects to award the contract for management services to include the train shed.

Significant Budgetary Changes

As noted above, the FY2017 operating budget is reduced to account for operating the facility for only half of the fiscal year in anticipation of the City issuing a request for proposals with an expectation of a contract award by December 31.

Main Street Station Fund Budget

Main Street Station	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
Revenue					
Event Rental Fees	\$ 117,915	\$ 11,500	\$ 14,700	\$ 3,200	27.8%
Office Lease Revenue	145,000	145,000	72,500	(72,500)	-50.0%
Miscellaneous Income	17,504	15,400	7,700	(7,700)	-50.0%
Subtotal	280,419	171,900	94,900	(77,000)	-44.8%
City of Richmond Contribution	582,113	818,600	460,900	(357,700)	-43.7%
Total Revenue	\$ 862,532	\$ 990,500	\$ 555,800	\$ (434,700)	-43.9%
Operations					
Regular Pay	\$ 73,648	\$ 79,900	\$ 48,500	\$ (31,400)	-39.3%
Overtime	265	1,000	500	(500)	-50.0%
Payroll Taxes	5,935	6,300	3,800	(2,500)	-39.7%
Retirement	5,528	6,800	2,200	(4,600)	-67.6%
Health Insurance	5,826	13,700	8,900	(4,800)	-35.0%
Group Life Insurance	840	1,100	700	(400)	-36.4%
Long Term Disability	355	500	300	(200)	-40.0%
	92,397	109,300	64,900	(44,400)	-40.6%
Security System	1,466	2,100	1,100	(1,000)	-47.6%
Event Custodial	14,938	5,900	5,000	(900)	-15.3%
Event Security	15,820	5,900	5,000	(900)	-15.3%
Security	162,097	174,000	87,000	(87,000)	-50.0%
Custodial	90,185	90,000	45,000	(45,000)	-50.0%
Landscaping	15,403	15,000	7,500	(7,500)	-50.0%
HVAC	39,274	42,700	21,400	(21,300)	-49.9%
Elevator	5,840	8,000	4,000	(4,000)	-50.0%
Generator	1,720	2,600	2,600	-	0.0%
Pest Control	7,499	10,000	2,000	(8,000)	-80.0%
Sprinkler System	8,208	6,300	6,300	-	0.0%
Plants	780	900	500	(400)	-44.4%
Trash Removal	3,180	5,000	2,500	(2,500)	-50.0%
Miscellaneous	16,936	21,900	11,000	(10,900)	-49.8%
Plumbing	5,993	7,000	3,500	(3,500)	-50.0%
Electrical	17,200	30,000	15,000	(15,000)	-50.0%
Utilities	201,969	212,100	150,000	(62,100)	-29.3%
Office Supplies and Printing	3,010	3,500	1,300	(2,200)	-62.9%
Office Equipment	98	500	-	(500)	-100.0%
(continued)					

Main Street Station Fund Budget

Main Street Station	FY2015	FY2016	FY2017	FY2017 to FY2016	
	Actual	Budget	Budget	\$	%
Miscellaneous Expenses	975	33,600	700	(32,900)	-97.9%
Public Relations	5,120	20,000	20,000	-	0.0%
Triennial Inspection	10,045	-	-	-	0.0%
Clock Tower Maintenance	2,008	1,100	1,100	-	0.0%
Maintenance Supplies	3,118	3,500	1,800	(1,700)	-48.6%
Janitorial Supplies	5,427	9,900	5,000	(4,900)	-49.5%
	<u>638,309</u>	<u>711,500</u>	<u>399,300</u>	<u>(312,200)</u>	-43.9%
Operations Total	<u>\$ 730,706</u>	<u>\$ 820,800</u>	<u>\$ 464,200</u>	<u>\$ (356,600)</u>	-43.4%
Administrative					
Telecommunications	\$ 4,590	\$ 3,900	\$ 2,000	\$ (1,900)	-48.7%
Data Communications	2,160	4,500	2,300	(2,200)	-48.9%
Computer Service Agreements	100	1,100	600	(500)	-45.5%
Legal Services	5,782	7,300	8,000	700	9.6%
Computer Hardware	1,411	800	700	(100)	-12.5%
Computer Software	-	700	-	(700)	-100.0%
Insurance	7,157	6,000	5,000	(1,000)	-16.7%
Bank Fees	5,529	7,500	3,000	(4,500)	-60.0%
Audit and Accounting Services	6,343	6,100	3,500	(2,600)	-42.6%
Administrative Total	<u>\$ 33,072</u>	<u>\$ 37,900</u>	<u>\$ 25,100</u>	<u>\$ (12,800)</u>	-33.8%
Compensation and Benefits	\$ 92,397	\$ 109,300	\$ 64,900	\$ (44,400)	-40.6%
Operating	671,381	749,400	424,400	(325,000)	-43.4%
Central Admin Allocation	98,754	131,800	66,500	(65,300)	-49.5%
Total Expenses	<u>\$ 862,532</u>	<u>\$ 990,500</u>	<u>\$ 555,800</u>	<u>\$ (434,700)</u>	-43.9%

Expressway Capital Budget

Capital Budget Overview

Overview

The Expressway Capital Budget includes all preservation, capital maintenance, and major capital improvement projects for over 50 lane miles of roads and 37 bridges that comprise the Expressway System.

Asset Maintenance Approach

The Authority's asset maintenance philosophy centers on performing annual condition assessments and facility inspections, which identify preventive maintenance and rehabilitation required to maintain and preserve infrastructure assets. This provides for cost-effective maintenance while minimizing the need for full asset replacement. Barring significant regional growth or a disaster scenario, the Authority expects this approach to asset maintenance will continue to extend the useful life of its major infrastructure assets without the need for full asset replacement.

Capital Budget Development

The Authority utilizes its independent Consulting Engineer to perform annual condition assessments and facility inspections to identify required and recommended maintenance needs. The Capital Budget is developed by the Authority based on these recommendations. The Consulting Engineer is required to certify the final Capital Budget amounts per the Authority's 2011 bond resolution.

Grouping

Expenses within the Capital Budget are grouped into two broad categories: Routine Maintenance and Capital Improvement Projects. The Routine Maintenance group includes costs required to maintain facilities at or above established condition levels. Recurring Routine Maintenance projects include general maintenance and repair, protective coatings, and inspections. The Capital Improvement Projects group includes all other projects, such as the recent Downtown Expressway ORT project and the Powhite Bridge Overlay project.

Funding Sources

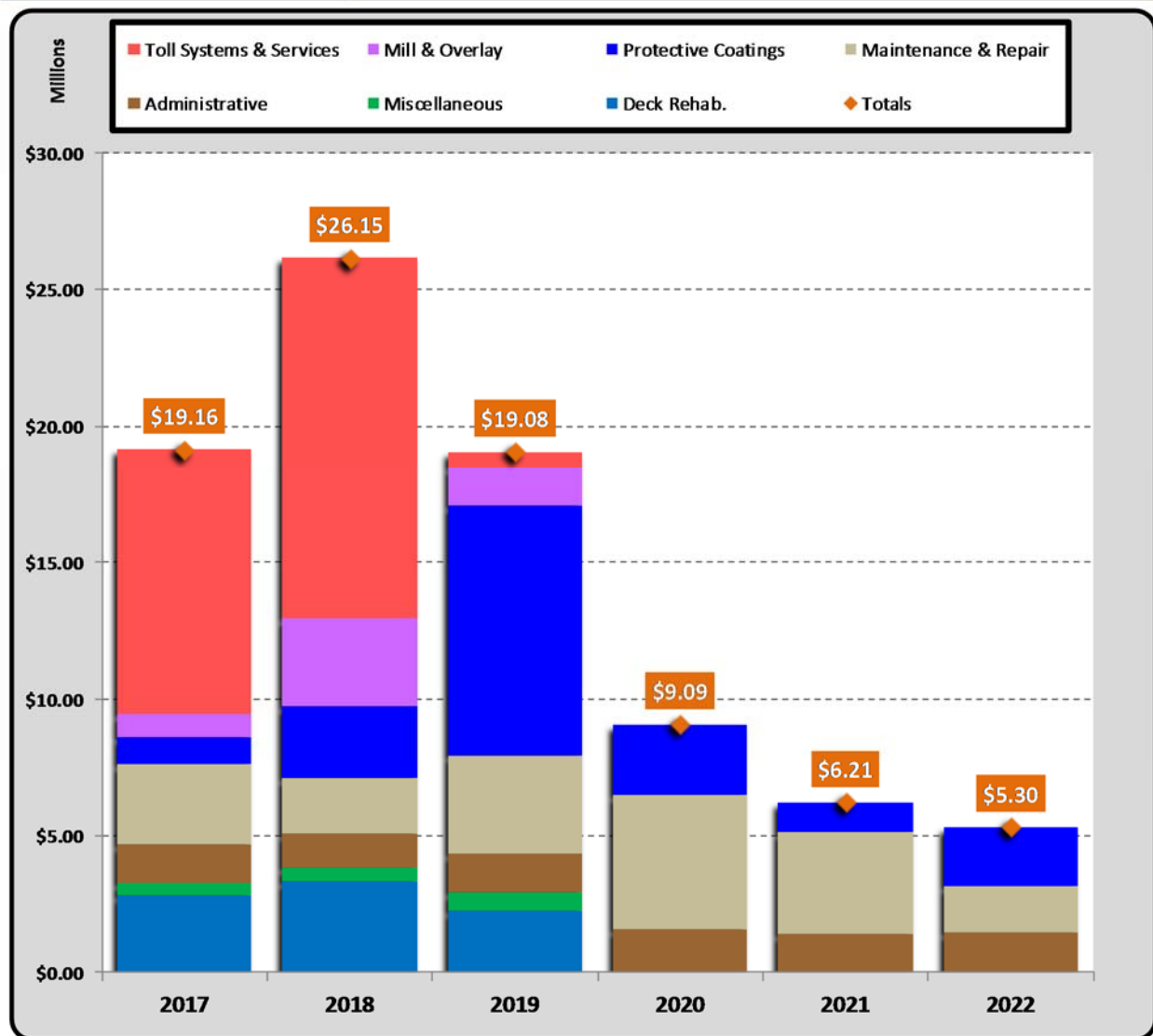
The Authority primarily funds its Capital Budget through current revenues, with debt funding used as appropriate. As indicated in its adopted financial policies, the Authority's goal is to have cash balances on hand as of June 30th to fully fund the next fiscal year's Capital Budget. See the Long-Term Financial Plan section of this document for additional information on the funding source for current and future year Capital Budgets.

Presentation

The Capital Budget is presented in this document in two components: a detailed Six-Year Plan and a Long-Term Overview. The Six-Year Plan allows for a detailed project by project review of the upcoming fiscal year and succeeding five fiscal years, while the long-term capital projection provides perspective on capital needs through 2041.

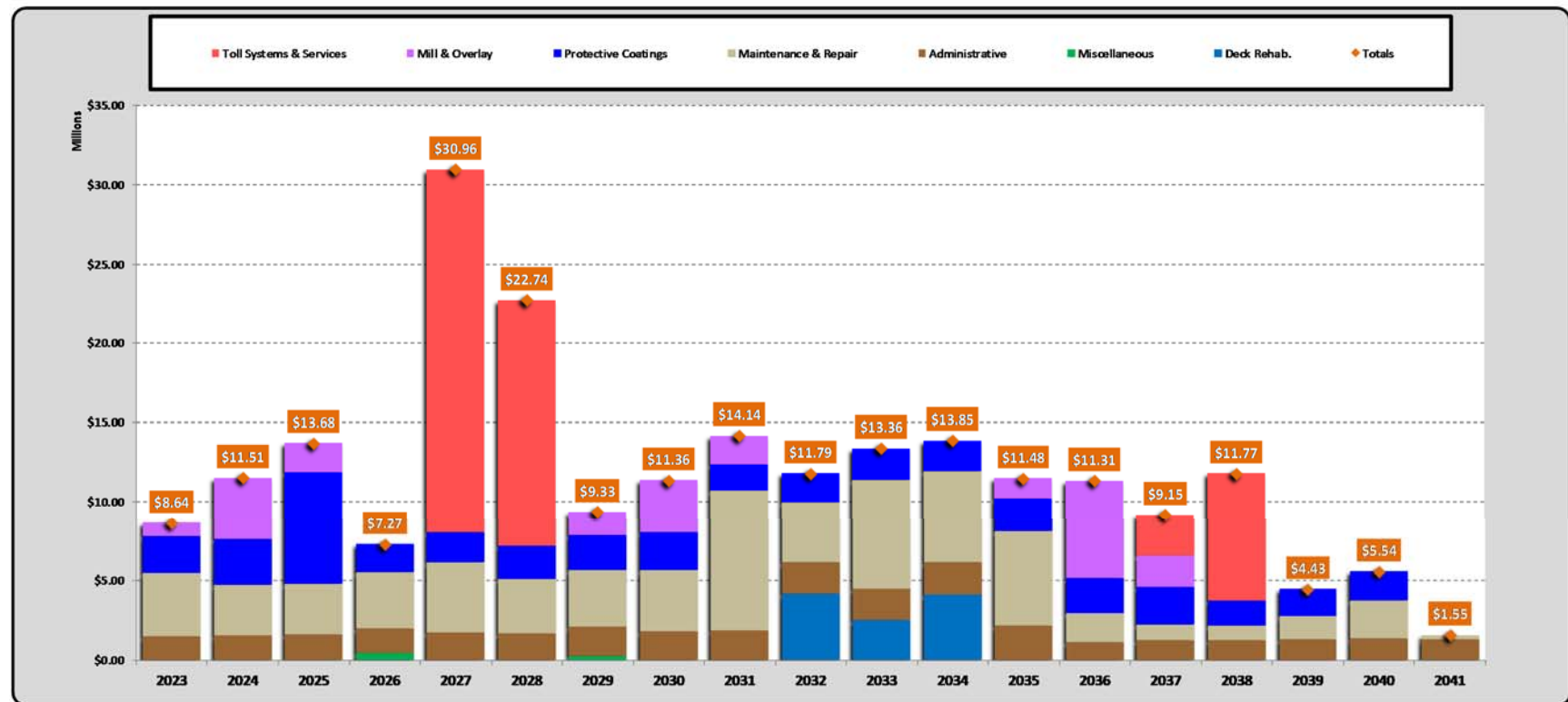
Executive Summary

Category	2017-2022						
	Totals	2017	2018	2019	2020	2021	2022
Deck Rehab.	\$ 8,400,069	\$ 2,821,816	\$ 3,315,524	\$ 2,262,729	\$ -	\$ -	\$ -
Maintenance & Repair	\$ 19,017,186	\$ 2,932,046	\$ 1,999,238	\$ 3,643,114	\$ 4,958,433	\$ 3,755,948	\$ 1,728,407
Protective Coatings	\$ 18,597,497	\$ 1,009,202	\$ 2,666,330	\$ 9,134,500	\$ 2,582,735	\$ 1,067,380	\$ 2,137,349
Mill & Overlay	\$ 5,417,269	\$ 823,463	\$ 3,208,705	\$ 1,385,101	\$ -	\$ -	\$ -
Toll Systems & Services	\$ 23,487,454	\$ 9,709,826	\$ 13,180,601	\$ 597,027	\$ -	\$ -	\$ -
Miscellaneous	\$ 1,672,571	\$ 461,158	\$ 515,877	\$ 695,535	\$ -	\$ -	\$ -
Expressway Admin.	\$ 3,493,835	\$ 558,023	\$ 552,974	\$ 569,563	\$ 586,650	\$ 604,249	\$ 622,377
Vehicles	\$ 176,249	\$ 65,512	\$ -	\$ 53,732	\$ -	\$ 57,005	\$ -
GEC & Inspection only	\$ 4,727,068	\$ 783,805	\$ 707,157	\$ 734,342	\$ 964,221	\$ 722,059	\$ 815,483
Administrative	\$ 8,397,152	\$ 1,407,340	\$ 1,260,131	\$ 1,357,637	\$ 1,550,871	\$ 1,383,313	\$ 1,437,860
	\$ 84,989,198	\$ 19,164,852	\$ 26,146,406	\$ 19,075,642	\$ 9,092,039	\$ 6,206,641	\$ 5,303,616



Executive Summary

Category	2023-2041																			
	Totals	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Deck Reha. b.	\$ 10,716,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,161,442	\$ 2,472,857	\$ 4,081,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance & Repair	\$ 67,933,959	\$ 3,987,515	\$ 3,198,326	\$ 3,142,433	\$ 3,516,055	\$ 4,387,911	\$ 3,433,821	\$ 3,536,836	\$ 3,818,969	\$ 8,838,576	\$ 3,864,796	\$ 6,938,646	\$ 5,760,140	\$ 5,932,944	\$ 1,731,586	\$ 951,644	\$ 942,493	\$ 1,396,466	\$ 2,311,139	\$ 243,664
Protective Coatings	\$ 42,012,729	\$ 2,342,599	\$ 2,877,020	\$ 7,124,208	\$ 1,763,926	\$ 1,921,662	\$ 2,076,201	\$ 2,227,591	\$ 2,375,878	\$ 1,680,738	\$ 1,831,035	\$ 1,978,286	\$ 1,959,263	\$ 2,102,126	\$ 2,242,061	\$ 2,379,110	\$ 1,570,823	\$ 1,711,290	\$ 1,848,911	\$ -
Mill & Overlay	\$ 22,588,100	\$ 843,935	\$ 3,912,777	\$ 1,793,284	\$ -	\$ -	\$ -	\$ -	\$ 1,489,916	\$ 3,346,965	\$ 1,763,983	\$ -	\$ -	\$ -	\$ 1,267,482	\$ 6,193,561	\$ 1,976,697	\$ -	\$ -	\$ -
Toll Systems & Services	\$ 49,138,802	\$ -	\$ -	\$ -	\$ -	\$ 22,930,118	\$ 15,579,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,589,950	\$ 8,039,060	\$ -	\$ -	\$ -
Miscellaneous	\$ 698,012	\$ -	\$ -	\$ -	\$ 440,982	\$ -	\$ -	\$ 257,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expressway Admin.	\$ 10,011,755	\$ 641,048	\$ 660,280	\$ 680,088	\$ 700,491	\$ 721,505	\$ 743,150	\$ 765,445	\$ 788,408	\$ 812,061	\$ 836,422	\$ 861,515	\$ 887,361	\$ 913,981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ 509,023	\$ 60,476	\$ -	\$ 64,159	\$ -	\$ 68,067	\$ -	\$ 72,212	\$ -	\$ 76,609	\$ -	\$ 81,275	\$ -	\$ 86,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GEC & Inspection only	\$ 20,253,811	\$ 766,032	\$ 862,750	\$ 874,375	\$ 851,750	\$ 930,243	\$ 903,621	\$ 984,117	\$ 1,030,169	\$ 970,387	\$ 1,095,941	\$ 1,029,483	\$ 1,159,464	\$ 1,175,087	\$ 1,144,680	\$ 1,250,168	\$ 1,214,391	\$ 1,322,571	\$ 1,384,461	\$ 1,304,119
Administrative	\$ 30,774,589	\$ 1,467,557	\$ 1,573,030	\$ 1,618,622	\$ 1,552,240	\$ 1,719,815	\$ 1,646,772	\$ 1,821,774	\$ 1,818,577	\$ 1,859,057	\$ 1,932,364	\$ 1,972,273	\$ 2,046,825	\$ 2,175,293	\$ 1,144,680	\$ 1,250,168	\$ 1,214,391	\$ 1,322,571	\$ 1,384,461	\$ 1,304,119
Totals	\$ 223,862,289	\$ 8,641,606	\$ 11,510,653	\$ 13,678,547	\$ 7,273,203	\$ 30,959,505	\$ 22,736,468	\$ 9,333,146	\$ 11,360,389	\$ 14,142,353	\$ 11,789,636	\$ 13,362,063	\$ 13,848,027	\$ 11,477,846	\$ 11,311,888	\$ 9,147,569	\$ 11,766,767	\$ 4,430,327	\$ 5,544,512	\$ 1,547,783



Six Year Plan

Six-Year Plan by Project (in thousands)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Routine Maintenance							
Maintenance and Repair	\$ 3,323	\$ 2,446	\$ 4,267	\$ 4,958	\$ 3,756	\$ 1,728	\$ 20,478
Protective Coatings	1,009	2,666	9,135	2,583	1,068	2,137	18,598
Inspections and GEC	784	707	734	964	722	816	4,727
Administrative	558	553	570	587	604	623	3,495
Vehicle Replacement	66	-	54	-	57	-	177
Subtotal	<u>5,740</u>	<u>6,372</u>	<u>14,760</u>	<u>9,092</u>	<u>6,207</u>	<u>5,304</u>	<u>47,475</u>
Capital Improvement Projects							
Deck Rehabilitation	2,821	3,316	2,263	-	-	-	8,400
Mill & Overlay	824	3,209	1,385	-	-	-	5,418
Toll Systems & Services	9,710	13,181	597	-	-	-	23,488
Roadway Enhancement	70	70	72	-	-	-	212
Subtotal	<u>13,425</u>	<u>19,776</u>	<u>4,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,518</u>
Total	<u>\$ 19,165</u>	<u>\$ 26,148</u>	<u>\$ 19,077</u>	<u>\$ 9,092</u>	<u>\$ 6,207</u>	<u>\$ 5,304</u>	<u>\$ 84,993</u>

Routine Maintenance

- Maintenance and Repair – routine repairs to prevent, delay, or reduce the deterioration of pavement and bridges; includes asphalt crack repairs, shotcrete repairs, and joint sealant replacement, as well as miscellaneous items such as sign overlays, pavement line markings, and facility maintenance and repairs.
- Protective Coatings – preservation and corrosion control of steel bridges through the application of a coating system; typically involves the full removal of lead-based paint.
- Inspections and GEC – annual pavement and bridge inspections and general engineering consulting (GEC) services provided by the Authority’s Consulting Engineer.
- Administrative – a portion of the Central Administration allocation and miscellaneous expenses related to the capital program.
- Vehicle Replacement – periodic replacement of vehicles used to support Expressway operations.

Capital Improvement Projects

- Deck Rehabilitation – removal of damaged bridge deck surfaces and installation of an overlay as a cost-effective way to rehabilitate bridge decks.
- Mill & Overlay – removal and replacement of existing road surfaces in a more cost-efficient manner than a complete reconstruction.
- Toll Systems & Services – periodic replacement of the hardware and software systems used in toll collection as the equipment and systems near the end of its useful life.
- Roadway Enhancement – ongoing beautification project for the Downtown Expressway.

See the Project Pages for additional information on each project, including detailed project descriptions, estimated useful life, operating budget impact, and additional cost detail.

Six Year Plan

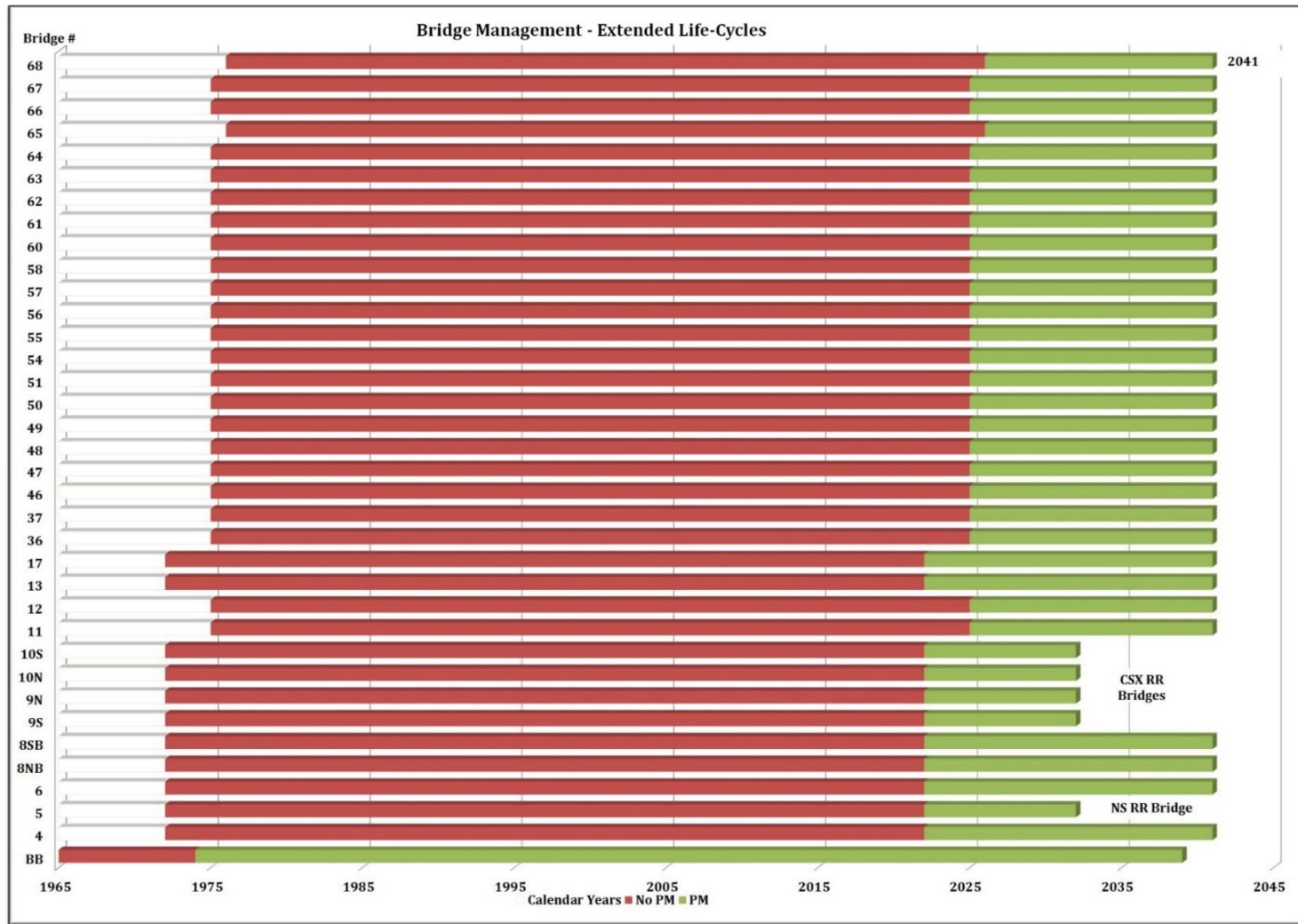
Change to Previous FY2017 Estimate

	FY2017 Prior Year Estimate	Adjustments	FY2017 Capital Plan
Routine Maintenance			
Maintenance and Repair	\$ 2,575,239	\$ 747,774	\$ 3,323,013
Protective Coatings	1,009,202	-	1,009,202
Inspections and General Engineering	666,819	116,986	783,805
Administrative	558,023	-	558,023
Vehicle Replacement	102,948	(37,436)	65,512
Subtotal	4,912,231	827,324	5,739,555
Capital Improvement Projects			
Deck Rehabilitation	2,821,816	-	2,821,816
Mill & Overlay	823,463	-	823,463
Toll Systems and Services	9,709,826	-	9,709,826
Roadway Enhancement	70,192	-	70,192
Subtotal	13,425,297	-	13,425,297
Total	<u>\$ 18,337,528</u>	<u>\$ 827,324</u>	<u>\$ 19,164,852</u>

The FY2017 estimate as shown in the prior year budget (\$18.3 million) requires certain adjustments due to timing, scope, or cost changes to reflect the appropriate adjusted budget needed for the upcoming fiscal year. The \$0.8 million increase for FY2017 is primarily due to the expanded scope of the Maintenance and Repair project to address steel retrofits across several of the Authority's bridges identified in the most recent inspection (\$0.3 million). An additional \$0.4 million was also added to FY2017 cover toll plaza building renovations and repairs. FY2017 budget savings were realized upon development of a comprehensive vehicle replacement program, leading to fewer replacements needed in FY2017.

Any future timing, scope, or cost changes to the FY2018 estimate of \$26.1 million will be outlined in next year's budget document.

Bridge Management Life Cycle



This chart shows a graphical representation of the cumulative result of current and past preventive maintenance efforts on the extended life of each major bridge asset. The red bars indicate the bridge life cycle as if no preventative maintenance had been done since the structure was built. The extension of the green bars represent the cumulative result of current and past preventive maintenance efforts on the extended life of each major bridge asset.



Project Pages

Maintenance and Repair

Description: Maintenance and Repair (M&R) is an ongoing project for routine maintenance actions that prevent, delay, or reduce the deterioration of the Expressway System's pavement and bridges. This project bundles individually small maintenance items into one large project to facilitate the lowest possible cost to the Authority. The M&R project includes asphalt crack repairs, shotcrete repairs and joint sealant replacement, as well as miscellaneous items such as sign overlays and pavement line markings.

The M&R project also periodically includes underwater pier & footing repairs as repairs are identified through facility condition inspections; approximately \$2.4 million for underwater pier & footing repairs are included in the M&R project in FY2016 and FY2017. Underwater pier & footing repairs consist of cleaning, chipping, sealing, and the pressure injection of a flexible epoxy into the cracks of submerged bridge pier footings. The epoxy crack injection is used to restore the structural integrity of the concrete by bonding the crack surfaces together or filling small void or honeycomb areas. This project also includes the removal of all loose sediment and debris in contact with the pier footing. A U.S. Army Corps of Engineers permit is required for this project.

Location: As needed throughout the Expressway System.

Estimated Useful Life: Varies based on the repair type.

Operating Budget Impact: None.

Total Cost: Renewed on an annual basis with adjustments to project scope as needed.

Six-Year Plan Total (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Planning/Design	\$ 688	\$ 228	\$ 176	\$ 181	\$ 186	\$ 198	\$ 194	\$ 1,851
Construction	2,267	2,733	2,076	3,805	4,542	3,349	1,348	20,120
Monitoring	336	362	194	281	230	209	186	1,798
Total	\$ 3,291	\$ 3,323	\$ 2,446	\$ 4,267	\$ 4,958	\$ 3,756	\$ 1,728	\$23,769

Other Notes: Certain routine M&R items were shifted to FY2019-2021 to coordinate with the completion of the Deck Rehabilitation project during FY2015-2019.

Project Pages

Protective Coatings

Description: Protective Coatings (PC) is an ongoing project for the preservation and corrosion control of steel bridges through the application of a coating system. The coating system prevents or slows corrosion through rust inhibitors in the coating pigments. This project typically involves the full removal of lead-containing paint as well as the design and construction of containment structures for the abrasive blasting operations. Adherence to the strict environmental regulations for the containment and disposal of all lead-based paints and spent blasting materials is required.

Location: As needed throughout the Expressway System.

Estimated Useful Life: 20-25 years, with up to 40 years in less severe salt containing environments.

Operating Budget Impact: None.

Total Cost: Renewed on an annual basis with adjustments to project scope as needed.

Six-Year Plan Total (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Planning/Design	\$ 43	\$ -	\$ 116	\$ 180	\$ -	\$ 48	\$ 50	\$ 437
Construction	1,552	903	2,318	8,239	2,214	950	1,910	18,086
Monitoring	169	106	232	716	369	70	177	1,839
Total	\$ 1,764	\$ 1,009	\$ 2,666	\$ 9,135	\$ 2,583	\$ 1,068	\$ 2,137	\$ 20,362

Other Notes: The scope of the PC project varies between fiscal years as different levels of coatings are required:

- FY2016-2017, FY2021-2022 – Zone coatings only: limited to five feet on both sides of bridge piers and end diaphragms; encompasses various bridges and other miscellaneous coatings, including all new steel from steel repairs.
- FY2018-2020 – Full bridge coatings: Interstate 95 ramps (2018-2019) and Boulevard Bridge (2019-2020). Interstate 95 ramps had a full coating in 1991 (27 years between applications) and Boulevard Bridge had a full coating in 1993 (26 years between applications).

Project Pages

Inspections and GEC

Description: The Inspections and GEC project includes funding for annual pavement, bridge, and overhead sign inspections as well as general engineering consulting (GEC) services provided by the Authority's Consulting Engineer. Condition assessments and facility inspections are performed each year on pavement and bridge structures to provide the basis for determining the maintenance needs of the Expressway System.

Operating Budget Impact: None.

Total Cost: Included annually in the Capital Budget based on projected needs.

Six-Year Plan Total (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Inspections	\$ 605	\$ 287	\$ 301	\$ 316	\$ 534	\$ 279	\$ 359	\$ 2,681
GEC	394	497	406	418	430	443	457	3,045
Total	\$ 999	\$ 784	\$ 707	\$ 734	\$ 964	\$ 722	\$ 816	\$ 5,726

Other Notes: Inspection estimates in FY2016 (\$160,000) and FY2020 (\$195,000) include costs for periodic underwater bridge inspections.

Administrative

Description: The Administrative item consists of a portion of the Central Administration efforts towards the capital program as an administrative allocation as well as miscellaneous expenses specifically related to the capital program, such as legal costs for capital plan activity.

Operating Budget Impact: None.

Total Cost: Included annually in the Capital Budget based on projected needs.

Six-Year Plan Total (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Allocation	\$ 363	\$ 470	\$ 483	\$ 498	\$ 513	\$ 528	\$ 545	\$ 3,400
Miscellaneous	358	88	70	72	74	76	78	816
Total	\$ 721	\$ 558	\$ 553	\$ 570	\$ 587	\$ 604	\$ 623	\$ 4,216

Vehicle Replacement

Description: The Vehicle Replacement project periodically replaces vehicles used to support Expressway operations, including maintenance and SCOP vehicles.

Operating Budget Impact: Routine vehicle maintenance costs are included in the annual operating budget. No significant change to the operating budget is expected as a result of vehicle replacements.

Total Cost: Included annually in the Capital Budget based on replacement needs.

Six-Year Plan Total (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Purchases	\$ 196	\$ 66	\$ -	\$ 54	\$ -	\$ 57	\$ -	\$ 373
Total	\$ 2,265	\$ 66	\$ -	\$ 54	\$ -	\$ 57	\$ -	\$ 373

Project Pages

Deck Rehabilitation

Description: Concrete bridge decks require periodic rehabilitation to reduce the impacts of gaining weathering and aggressive chemical solutions. A cost-effective way to rehabilitate bridge decks that are structurally sound is to remove the damaged wearing surface and install a latex-modified concrete (LMC) overlay, which prevents or retards corrosion of reinforcing steel and deterioration of the concrete bridge deck. This project provides for removal of old surfaces and new LMC overlays.

Location: Downtown Expressway (DTE), including bridge decks for Richmond City streets that cross over the DTE.

Estimated Useful Life: 25 years; no previous overlays have been performed.

Operating Budget Impact: None.

Total Cost: \$14.8 million (westbound: \$3.5 million; eastbound: \$4.6 million; City bridges: \$6.7 million)

Six-Year Plan Total (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Planning/Design	\$ 188	\$ 58	\$ 58	\$ -	\$ -	\$ -	\$ -	\$ 304
Construction	5,868	2,313	2,957	2,030	-	-	-	12,958
Monitoring	515	450	301	233	-	-	-	1,499
Total	\$ 6,361	\$ 2,821	\$ 3,316	\$ 2,263	\$ -	\$ -	\$ -	\$14,761

Westbound DTE – BR 63, 64, 65 portion (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Planning/Design	\$ 92	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92
Construction	3,017	-	-	-	-	-	-	3,017
Monitoring	358	-	-	-	-	-	-	358
Total	\$ 3,467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,467

Eastbound DTE – BR 66, 67, 68 portion (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Planning/Design	\$ 96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96
Construction	2,641	1,319	-	-	-	-	-	3,960
Monitoring	157	374	-	-	-	-	-	531
Total	\$ 2,894	\$ 1,693	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,587

City street bridge deck portion (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Planning/Design	\$ -	\$ 58	\$ 58	\$ -	\$ -	\$ -	\$ -	\$ 116
Construction	-	994	2,957	2,030	-	-	-	5,981
Monitoring	-	76	301	233	-	-	-	610
Total	\$ -	\$ 1,128	\$ 3,316	\$ 2,263	\$ -	\$ -	\$ -	\$ 6,707

Other Notes: Eastbound costs are higher than westbound costs due to longer eastbound bridge deck spans (approximately 1,000 LF) and additional traffic control costs required for the eastbound Downtown Expressway to I-95 connector.

Project Pages

Mill & Overlay

Description: The Mill & Overlay project consists of milling (removing) and replacing approximately two inches of the existing road surface with stone matrix asphalt (SMA). This technique extends the life of the roadway in a more cost-efficient manner than a complete reconstruction. SMA is used instead of conventional hot mix asphalt because of its increased rut resistance and improved durability, leading to more cost-effective repairs.

This project also includes the removal and replacement of the concrete apron connecting the asphalt lanes to the toll plaza. Rehabilitation includes subgrade excavation and stabilization prior to the placement of the new concrete base and pavement, including all dowel bars, tie bars, joint materials and sealant, and replacement of pavement marking.

Location: Downtown Expressway.

Estimated Useful Life: 15-20 years.

Operating Budget Impact: None.

Total Cost: \$5.4 million (\$3.9 million for the mill & overlay, \$1.5 million for the toll plaza concrete apron rehabilitation).

Six-Year Plan Total (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Planning/Design	\$ -	\$ 117	\$ 45	\$ -	\$ -	\$ -	\$ -	\$ 162
Construction	-	578	2,863	1,313	-	-	-	4,754
Monitoring	-	129	301	72	-	-	-	502
Total	\$ -	\$ 824	\$ 3,209	\$ 1,385	\$ -	\$ -	\$ -	\$5,418

Mill & overlay portion (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Planning/Design	\$ -	\$ 117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117
Construction	-	578	2,863	-	-	-	-	3,441
Monitoring	-	129	277	-	-	-	-	406
Total	\$ -	\$ 824	\$ 3,140	\$ -	\$ -	\$ -	\$ -	\$ 3,964

Toll plaza concrete apron rehabilitation portion (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Planning/Design	\$ -	\$ -	\$ 45	\$ -	\$ -	\$ -	\$ -	\$ 45
Construction	-	-	-	1,313	-	-	-	1,313
Monitoring	-	-	24	72	-	-	-	96
Total	\$ -	\$ -	\$ 69	\$ 1,385	\$ -	\$ -	\$ -	\$ 1,454

Project Pages

Toll Systems and Services

Description: The Toll Systems & Services (TSS) project includes the periodic replacement of the hardware and software systems used for toll collection. The TSS project is periodically necessary to update components of the current system that are nearing the end of their useful life.

Approximately \$0.6 million in FY2016 was budgeted to utilize an outside consultant to examine the current toll system and review replacement options. In April 2016, the results of the consultant were presented to the Board of Directors as a Toll System Replacement Plan; the Board subsequently adopted a resolution approving and accepting the plan, authorizing staff to move forward with initial steps for implementation including the development of a request for proposals for a toll system integrator.

The TSS project also includes \$0.9 million in funding dedicated to the compliance of interoperability standards. Passed in 2012, Federal legislation (MAP-21) requires tolling facilities to implement technologies or business practices that provide for national interoperability of electronic toll collection systems.

Location: Throughout the Expressway System.

Estimated Useful Life: 7-10 years.

Operating Budget Impact: None for FY2017. The Authority anticipates potential operating budget changes to two line items (toll system maintenance and toll system equipment – parts and supplies) once the new system implementation is complete. The operating budget impact will be considered when evaluating toll system replacement options.

Total Cost: \$25.5 million for the toll system replacement, \$0.9 million for interoperability.

Six-Year Plan Total (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Planning/Design	\$ 787	\$ 585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,372
Construction	1,771	8,891	12,399	537	-	-	-	23,598
Monitoring	386	234	782	60	-	-	-	1,462
Total	\$ 2,944	\$ 9,710	\$13,181	\$ 597	\$ -	\$ -	\$ -	\$26,432

Toll system replacement portion (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Planning/Design	\$ 562	\$ 585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,147
Construction	1,771	8,189	12,399	537	-	-	-	22,896
Monitoring	386	234	782	60	-	-	-	1,462
Total	\$ 2,719	\$ 9,008	\$13,181	\$ 597	\$ -	\$ -	\$ -	\$25,505

Interoperability portion (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Planning/Design	\$ 225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225
Construction	-	702	-	-	-	-	-	702
Monitoring	-	-	-	-	-	-	-	-
Total	\$ 225	\$ 702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 927

Project Pages

Roadway Enhancement

Description: The Roadway Enhancement project is an ongoing project to visually enhance the median and shoulders of the Downtown Expressway. Enhancements primarily consist of increased landscaping efforts, the planting of low maintenance blooming plants, the removal and/or trimming of aged plants, and fencing replacement along the Downtown Expressway. The project began in FY2013 and is expected to continue through FY2019, where it will then resume periodically as necessary.

Location: Downtown Expressway.

Estimated Useful Life: Variable.

Operating Budget Impact: None.

Total Cost: Included annually in the Capital Budget based on projected needs.

Six-Year Plan Total (thousands):

	Prior	FY17	FY18	FY19	FY20	FY21	FY22	Total
Enhancements	\$ 67	\$ 70	\$ 70	\$ 72	\$ -	\$ -	\$ -	\$ 279
Total	\$ 67	\$ 70	\$ 70	\$ 72	\$ -	\$ -	\$ -	\$ 279



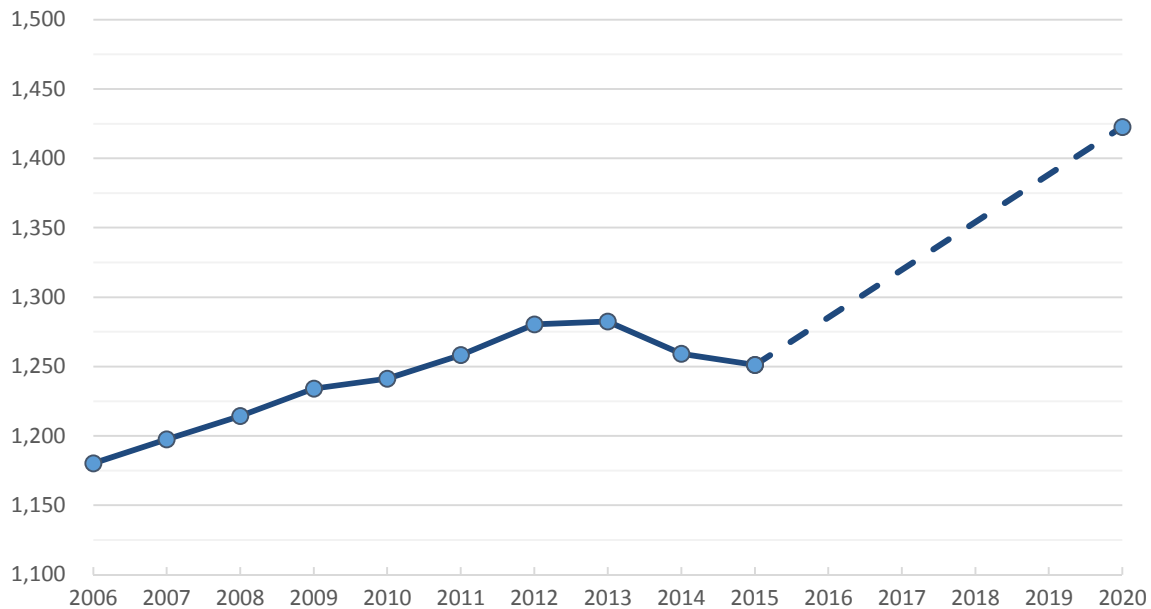




Supplemental Information

Estimated Population, Richmond Metropolitan Area

Estimated Population, Richmond Metropolitan Area (in thousands)



Year	City of Richmond	Chesterfield County	Henrico County	Total Participating Jurisdictions	Other Service Area	Total Population
2006	194,500	292,000	287,500	774,000	406,200	1,180,200
2007	197,000	297,400	291,400	785,800	411,800	1,197,600
2008	198,800	302,300	296,100	797,200	417,100	1,214,300
2009	201,300	308,400	300,200	809,900	424,300	1,234,200
2010	198,200	311,600	304,600	814,400	426,900	1,241,300
2011	204,200	316,200	306,900	827,300	430,900	1,258,200
2012	206,200	319,600	310,700	836,500	443,800	1,280,300
2013	208,800	322,400	314,900	846,100	436,400	1,282,500
2014	211,172	326,950	316,973	855,095	404,171	1,259,266
2015	213,504	330,043	318,019	861,566	389,477	1,251,043
2020 (1)	206,674	388,894	352,577	948,145	474,574	1,422,719

(1) Population projection based on November 2012 data.

Source: Weldon Cooper Center for Public Service, University of Virginia

Principal Employers, Richmond Metropolitan Area

Employer	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Capital One Bank	3	3	4	4	4	4	2	1	1	1
Virginia Commonwealth University	4	4	3	1	1	1	1	2	2	2
Henrico County School Board	2	2	2	3	3	2	3	4	4	3
Chesterfield County School Board	1	1	1	2	2	3	4	3	3	4
MCV Hospital	6	5	5	5	5	5	5	6	6	5
HCA Virginia Health System	-	-	-	-	-	-	-	5	5	6
Bon Secours Health System	10	9	8	7	6	7	6	9	8	7
US Department of Defense	8	8	7	8	8	6	7	8	9	8
Wal-Mart	5	6	6	6	7	8	8	7	7	9
Integrity Staffing Solutions	-	-	-	-	-	-	-	-	10	10
Richmond City Public Schools	9	10	10	9	9	9	9	10	-	-
County of Henrico	-	-	-	-	-	-	10	-	-	-
City of Richmond	-	-	-	10	10	10	-	-	-	-
Philip Morris USA	7	7	9	-	-	-	-	-	-	-

- (1) Final quarter data for most recent calendar year (2014-2015)
- (2) The Virginia Employment Commission does not disclose the actual number of employees, due to the Confidential Information Protection and Statistical Efficiency Act – Title V of Public Law 107-347. All employers have over 1,000 individuals employed.

Sources: Virginia Employment Commission

Expressway Toll Rates, Current and Historical

Two-Axle Vehicles

	Effective Dates					
	Original (1)	July 1978	Nov. 1986	April 1988	January 1998	Sept. 2008
Powhite Parkway Mainline	\$ 0.20	\$ 0.25	\$ 0.30	\$ 0.35	\$ 0.50	\$ 0.70
Forest Hill Ramps	0.20	0.25	0.30	0.35	0.50	0.70
Douglasdale Ramps	0.10	0.10	0.10	0.10	0.15	0.20
Downtown Expressway Mainline	0.15	0.25	0.30	0.35	0.50	0.70
Second Street Ramps	0.10	0.10	0.10	0.20	0.25	0.35
Eleventh Street Ramps	0.10	0.10	0.10	0.15	0.20	0.30
Boulevard Bridge	0.10	0.10	0.10	0.20	0.25	0.35

Three-Axle Vehicles

	Effective Dates					
	Original (1)	July 1978	Nov. 1986	April 1988	January 1998	Sept. 2008
Powhite Parkway Mainline	\$ 0.30	\$ 0.35	\$ 0.40	\$ 0.45	\$ 0.60	\$ 0.80
Forest Hill Ramps	0.30	0.35	0.40	0.45	0.60	0.80
Douglasdale Ramps	0.20	0.10	0.10	0.20	0.25	0.40
Downtown Expressway Mainline	0.25	0.35	0.40	0.45	0.60	0.80
Second Street Ramps	0.15	0.20	0.20	0.40	0.50	0.70
Eleventh Street Ramps	0.15	0.20	0.20	0.30	0.40	0.60
Boulevard Bridge	0.20	0.20	0.20	0.40	0.50	0.70

Four-Axle Vehicles

	Effective Dates					
	Original (1)	July 1978	Nov. 1986	April 1988	January 1998	Sept. 2008
Powhite Parkway Mainline	\$ 0.40	\$ 0.45	\$ 0.50	\$ 0.55	\$ 0.70	\$ 0.90
Forest Hill Ramps	0.40	0.45	0.50	0.55	0.70	0.90
Douglasdale Ramps	0.20	0.10	0.10	0.20	0.25	0.40
Downtown Expressway Mainline	0.30	0.45	0.50	0.55	0.70	0.90
Second Street Ramps	0.20	0.20	0.20	0.40	0.50	0.70
Eleventh Street Ramps	0.20	0.20	0.20	0.30	0.40	0.60
Boulevard Bridge	0.20	0.20	0.20	0.40	N/A (2)	N/A (2)

Five or More-Axle Vehicles

	Effective Dates					
	Original (1)	July 1978	Nov. 1986	April 1988	January 1998	Sept. 2008
Powhite Parkway Mainline	\$ 0.50	\$ 0.55	\$ 0.60	\$ 0.65	\$ 0.80	\$ 1.00
Forest Hill Ramps	0.50	0.55	0.60	0.65	0.80	1.00
Douglasdale Ramps	0.20	0.10	0.10	0.20	0.25	0.40
Downtown Expressway Mainline	0.35	0.55	0.60	0.65	0.80	1.00
Second Street Ramps	0.25	0.20	0.20	0.40	0.50	0.70
Eleventh Street Ramps	0.25	0.20	0.20	0.30	0.40	0.60
Boulevard Bridge	0.20	0.20	0.20	0.40	N/A (2)	N/A (2)

(1) Original RMTA opening dates: Boulevard Bridge in 1969, Powhite Parkway in 1973, Downtown Expressway in 1976.

(2) Vehicles over three axles are no longer permitted on the Boulevard Bridge.

Operating Indicators

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue (1):										
Powwhite										
Parkway	\$15,520,021	\$15,794,137	\$15,737,291	\$19,975,538	\$21,182,480	\$21,650,023	\$22,197,895	\$22,399,507	\$22,868,671	\$23,606,375
Downtown										
Expressway	8,308,342	8,678,668	8,789,276	11,009,880	11,421,500	11,791,817	11,900,320	12,210,502	12,823,395	13,061,678
Boulevard	1,250,758	1,244,659	1,238,805	1,583,822	1,610,910	1,607,330	1,583,026	1,555,089	1,515,723	1,492,920
Bridge										
Total	<u>\$25,079,121</u>	<u>\$25,717,464</u>	<u>\$25,765,372</u>	<u>\$32,569,240</u>	<u>\$34,214,890</u>	<u>\$35,049,170</u>	<u>\$35,681,241</u>	<u>\$36,165,098</u>	<u>\$37,207,789</u>	<u>\$38,160,973</u>
Traffic:										
Powwhite										
Parkway	33,185,285	33,893,494	33,937,909	31,381,386	31,057,461	31,787,393	32,666,065	32,842,238	33,554,196	34,579,728
Downtown										
Expressway	19,722,805	20,586,135	20,966,648	18,857,745	18,326,751	18,838,516	19,002,222	19,344,609	20,225,578	20,623,336
Boulevard										
Bridge	4,997,137	4,995,311	4,964,251	4,800,726	4,619,608	4,575,223	4,562,253	4,426,225	4,312,318	4,262,366
Total	<u>57,905,227</u>	<u>59,474,940</u>	<u>59,868,808</u>	<u>55,039,857</u>	<u>54,003,820</u>	<u>55,201,132</u>	<u>56,230,540</u>	<u>56,613,072</u>	<u>58,092,092</u>	<u>59,465,430</u>
Avg. Toll (2)	\$0.43	\$0.43	\$0.43	\$0.59	\$0.63	\$0.63	\$0.63	\$0.64	\$0.64	\$0.64
E-ZPass % (3)	44.0%	47.1%	49.5%	55.5%	58.1%	59.6%	60.6%	62.0%	63.0%	64.9%
Lane Miles	45.00	46.94	45.91	45.91	49.90	49.90	49.90	50.15	50.15	50.15

(1) Toll revenue excludes violation processing revenue. Toll rates were last increased in September 2008 (FY2009).

(2) Average toll is determined by dividing toll revenue by traffic volumes.

(3) Transactions paid via Electronic Toll Collection (ETC, or E-ZPass) as a percentage of total traffic.

Personnel Complement, Budgeted Positions

Department	Position	FY2015	FY2016	FY2017	Change
Expressway Operations					
Toll Collection	Administrative Assistant	2.0	2.0	1.0	(1.0)
Toll Collection	Floating Supervisor	2.0	2.0	2.0	-
Toll Collection	Plaza Superintendent	2.0	2.0	2.0	-
Toll Collection	Senior Toll Collection Attendant	8.0	8.0	8.0	-
Toll Collection	Toll Collection Attendant	56.5	57.0	55.5	(1.5)
Toll Collection	Toll Collection Supervisor	17.0	17.0	17.0	-
Toll Collection	Toll Road Operations Manager	1.0	1.0	-	(1.0)
Toll Collection	Toll Maintenance Administrator	1.0	1.0	1.0	-
Toll Collection	Toll Maintenance Assistant	-	1.0	1.0	-
Toll Collection	Vault Attendant	4.0	4.0	4.0	-
Toll Collection	Total	93.5	95.0	91.5	(3.5)
Maintenance	Maintenance Supervisor	1.0	1.0	1.0	-
Maintenance	Maintenance Worker	5.0	5.0	5.0	-
Maintenance	Total	6.0	6.0	6.0	-
SCOP	Lead Police Officer	0.5	1.0	1.0	-
SCOP	Special Police Officer	1.5	2.0	2.0	-
SCOP	Total	2.0	3.0	3.0	-
Administration	Chief Executive Officer	1.0	1.0	1.0	-
Administration	Chief of Staff	-	1.0	1.0	-
Administration	Administrative Assistant	1.0	1.0	1.0	-
Administration	Research Assistant	-	1.0	-	(1.0)
Administration	Information Systems Administrator	-	1.0	1.0	-
Administration	Information Systems Analyst	1.0	-	-	-
Administration	Information Systems Manager	1.0	-	-	-
Administration	Internal Audit and Procurement Manager	1.0	1.0	1.0	-
Administration	Project Manager	-	-	1.0	1.0
Administration	Public Relations Manager	-	1.0	-	(1.0)
Administration	Training and Development Coordinator	1.0	-	-	-
Administration	Total	6.0	7.0	6.0	(1.0)
Engineering	Director of Operations	1.0	1.0	1.0	-
Engineering	Engineering Technician	1.0	1.0	-	(1.0)
Engineering	Total	2.0	2.0	1.0	(1.0)
Finance	Director of Finance	1.0	1.0	1.0	-
Finance	Accounting Supervisor	1.0	1.0	1.0	-
Finance	Accounting Technician	1.5	1.5	1.5	-
Finance	Accounting & Financial Reporting Analyst	1.0	1.0	1.0	-
Finance	Total	4.5	4.5	4.5	-
Human Resources	Director of Human Resources	1.0	1.0	1.0	-
Human Resources	Receptionist	1.0	1.0	1.0	-
Human Resources	Employee Relations Manager	1.0	1.0	1.0	-
Human Resources	Human Resources Assistant	1.0	-	-	-
Human Resources	Total	4.0	3.0	3.0	-
Main Street Station	Assistant Facility Coordinator	1.0	1.0	1.0	-
Main Street Station	Facility Coordinator	1.0	1.0	1.0	-
Main Street Station	Total	2.0	2.0	2.0	-
	Total	120.0	122.5	117.0	(5.5)

Expressway Debt

Overview

The following debt was outstanding for the Expressway System as of June 30, 2015:

Series	Sale Date	Original Borrowing	Interest Rate	Final Maturity	Outstanding Balance
1998	March 1998	\$ 80,705,000	3.65-5.25%	July 2022	\$ 27,415,000
2002	April 2002	28,430,000	3.50-5.25%	July 2022	23,305,000
2011 A, B, C	November 2011	77,490,000	4.62-4.75%	July 2041	77,490,000
2011 D	November 2011	43,875,000	4.29%	July 2041	43,875,000
					<u>\$ 171,815,000</u>

Legal Debt Limit

While the Authority has no legal debt limit, current bond documents require compliance with certain covenants, including a minimum debt service coverage ratio of no less than 1.20. A ratio below this level could place the Authority's bonds in a default status.

Series 1998 bonds

Revenue bonds were issued to refund \$76,725,000 of Series 1992 bonds. Certain 1998 bonds are subject to mandatory redemption at par plus accrued interest beginning in July 2013 continuing through the final maturity date in July 2022.

Series 2002 bonds

Revenue bonds were issued to refund a portion of Series 1992 bonds. The Series 2002 bonds may not be redeemed until maturity.

Series 2011-A, B, & C bonds

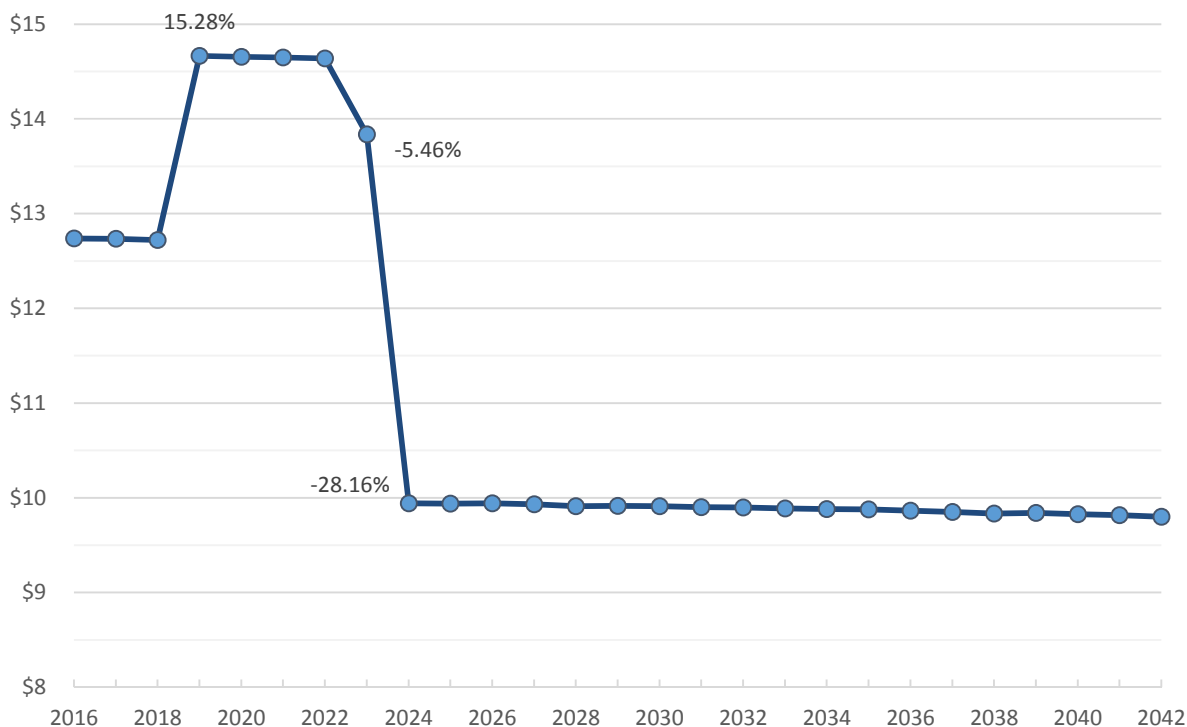
Revenue bonds were issued to refund a portion of Series 1998 and Series 2002 bonds; fully refund Series 1999, Series 2000, Series 2005, Series 2006, and Series 2008 bonds; and fund various construction of \$22.3 million, including the Downtown Expressway Open Road Tolling Project.

Series 2011-D bonds

Revenue bonds were issued and combined with other resources to pay off \$22.8 million of subordinate notes and \$39.4 million of accrued interest (totaling \$62.2 million) to the City of Richmond. The Authority issued debt in 1975 to construct the Expressway System with a Moral Obligation from the City to cover debt service short falls. Between 1975 and 1991, the Authority issued subordinate notes to the City for amounts equal to the City's contributions.

Expressway Debt

Annual Debt Service Requirements (millions)



The debt service increase in FY2018 was timed to coincide with a planned FY2018 toll rate adjustment. Debt service decreases in FY2023-2024 due to Series 1998 and Series 2002 maturities. All remaining Expressway debt is scheduled for final maturity in July 2041 (FY2042).

Fiscal Year	Principal	Interest	Total
2016	\$4,170,000	\$8,567,196	\$12,737,196
2017	4,390,000	8,342,496	12,732,496
2018	4,615,000	8,106,114	12,721,114
2019	6,860,000	7,804,896	14,664,896
2020	7,220,000	7,435,296	14,655,296
2021	7,600,000	7,046,271	14,646,271
2022	8,000,000	6,636,771	14,636,771
2023	7,595,000	6,227,402	13,822,402
2024	4,010,000	5,930,850	9,940,850
2025	4,205,000	5,731,706	9,936,706
2026	4,420,000	5,522,551	9,942,551
2027	4,625,000	5,306,142	9,931,142
2028	4,835,000	5,077,272	9,912,272
2029	5,080,000	4,834,253	9,914,253

Fiscal Year	Principal	Interest	Total
2030	5,330,000	4,581,438	9,911,438
2031	5,585,000	4,316,313	9,901,313
2032	5,860,000	4,038,303	9,898,303
2033	6,145,000	3,741,493	9,886,493
2034	6,455,000	3,424,707	9,879,707
2035	6,785,000	3,091,832	9,876,832
2036	7,120,000	2,742,224	9,862,224
2037	7,475,000	2,375,184	9,850,184
2038	7,845,000	1,989,645	9,834,645
2039	8,255,000	1,584,309	9,839,309
2040	8,670,000	1,158,248	9,828,248
2041	9,105,000	710,709	9,815,709
2042	9,560,000	240,720	9,800,720
Total	171,815,000	126,564,339	298,379,339

Board of Directors, Committee Strategic Plans

Overview

Each member of the Authority's Board of Directors serve on one or more committees of the Board: Audit, Compensation and Benefits, Local Finance Board (OPEB), Nominations and Governance, Operations and Finance, and Regional Projects and Outreach. During FY2016, each committee was tasked with developing a strategic plan including goals, objectives and tasks; these plans are presented below. Note that some plans remain in draft form until formally adopted.

Audit Committee (Approved April 2016)

Goal: To assist the Board of Directors in fulfilling its oversight responsibilities for the integrity of the Authority's financial statements, implementation and effectiveness of internal controls, the internal audit function, and the external auditors.

1. Ensure financial statements are understandable, transparent, and reliable.
 - a. Review significant accounting and reporting issues and understand their impact on the financial statements.
 - b. Discuss the annual audited financial statements with management and the external auditors.
 - c. Ensure management has prepared the financial statements in accordance with the Authority's Accounting and Financial Reporting policy.
2. Achieve an organization-wide commitment to strong and effective internal controls.
 - a. Understand the scope of the external auditor's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
 - b. Review key internal controls with the internal auditor and understand how these controls will be tested during the year.
3. Evaluate the internal audit work plan, reports, and significant findings.
 - a. Review the internal audit work plan for strategic direction, reinforcement, and accountability at least annually.
 - b. Ensure there are no unjustified restrictions during the internal auditor's examinations.
 - c. Review the results of the internal audit work plan at least annually.
4. Ensure the internal auditor's access to the audit committee.
 - a. On a regular basis, meet with the internal auditor to discuss any matters that the committee or internal auditor believes should be discussed in executive session.
5. Approve the appointment, replacement, reassignment, or dismissal of the internal auditor.
 - a. Hold meetings as necessary to address any issues with the internal auditor's employment.
6. Establish a direct reporting relationship with the external auditors.
 - a. Review the external auditors' proposed audit scope and approach.
 - b. At least annually, meet with the external auditor to discuss any matters that the committee or external auditor believes should be discussed in executive session.
7. Ensure routine public procurement of audit services.
 - a. Ensure staff issues a request for proposal for audit services at least every five years.
 - b. Exercise final approval on the appointment or discharge of the external auditor.

Compensation and Benefits Committee (Approved March 2016)

Goal: To recommend and advise the Board on matters of compensation and benefits, while ensuring the Authority is aligned with the budget in competitively meeting employee needs.

Board of Directors, Committee Strategic Plans

1. Establish criteria to evaluate and define the scope of work for consultants to ensure benefits and compensation packages are consistent with the marketplace.
2. Conduct an annual review of benefits.
3. Create a process that helps ensure compensation and benefits studies are reliable.
4. Assure that compensation packages meet the requirements of federal and state regulations.
5. Expand employee access to information about their benefits and total compensation.
6. Explore and develop innovative ways to provide quality benefits through diversification of offerings and employee cost sharing.

Nominations and Governance Committee (Draft)

Goal 1: To be responsible for overseeing the Board's adherence to its governing documents and adopted policies.

1. Ensure there is a process that provides for Board meeting rotation through member jurisdictions.
2. Ensure the Board plans for and holds an annual retreat.

Goal 2: On an annual basis the Committee shall function as a Nominating Committee to recommend Directors to serve as the Authority's Board Chair, Vice-Chair, and Secretary.

1. Develop a Board member demographic and skills profile to aid in identifying future officers and committee members.

Goal 3: Oversee the orientation of new Directors and assist the Board in assessing its effectiveness in carrying out its duties.

1. Develop an evaluation tool that provides for an annual assessment of the Board and Board member performance.
2. Review the effectiveness of and oversee the new Board member orientation.

Operations and Finance Committee (Approved April 2016)

Goal 1: To exercise financial stewardship.

1. Monitor the short-term and long-term financial health of the Authority.
 - a. Review the monthly financial reports.
 - b. Provide direction to staff during the development of the annual budget.
 - c. Review the long-term financial plan at least annually.
 - d. Evaluate toll rate adjustments and borrowing decisions within the context of the long-term financial plan.

Goal 2: To ensure operating efficiency and effectiveness.

1. Review operating procedures and practices to ensure continuous improvement.
 - a. Evaluate the feasibility of potential alternative sources of revenue (other than tolls).
 - b. Examine existing financial policies at least annually and revise policies as needed.
 - c. Lead the development of new financial policies.
 - d. Coordinate with the Audit Committee to share implementation/policy recommendations.
 - e. Identify areas to leverage resources with other organizations where appropriate.

Goal 3: To oversee the maintenance and preservation of assets.

1. Provide guidance for the long-term capital budget development.
 - a. Review the long-term capital budget at least annually.

Board of Directors, Committee Strategic Plans

- b. Examine condition assessments of infrastructure assets and evaluate the appropriate condition level of asset maintenance.
- c. Prioritize capital maintenance projects to align with short-term and long-term resources.
- d. Evaluate and implement (as appropriate) new tolling systems.

Goal 4: To provide the resources needed to assist the Regional Project and Outreach Committee.

- 1. Provide financial and operational analysis of proposed projects.
- 2. Utilize in-house resources and existing contracted resources (Financial Advisor, Consulting Engineer, Traffic & Revenue Consultant, etc.) when appropriate.
- 3. Procure resources as needed to assist in the analysis.
- 4. Share recommendations with the Board of Directors.

Regional Projects and Outreach Committee (Draft)

Goal 1: Ensure that all board members understand our governing legislation and how the region's transportation needs are currently met.

Goal 2: Meet with our regional partners to ensure their understanding of the legislation, the scope of our current operations, our capital needs, and the importance of resolving the 2041 reversion issue.

Goal 3: Seek funding for identifying regional transportation opportunities for review with our regional partners.

Goal 4: Develop a process for reviewing project requests.

Goal 5: Presentation of an assessment of regional transportation needs for review with our regional partners.

Goal 6: Identify initial project opportunities for discussion with our regional partners.

Glossary

Balanced Budget

The budget is considered balanced when all payments for operations, debt service, and annual capital plan needs do not exceed budgeted revenues.

Basis of Accounting/Budgeting

The method of accounting used to track and report revenues and expenses. The Authority uses the accrual basis for its accounting and budget basis. Under the accrual basis of accounting, revenue is recognized when earned and becomes measurable while expenses are recognized when an obligation to pay is incurred.

Bond Resolution

A contract between the Authority and its bondholders that establishes rights and obligations of both parties, including the pledging of toll revenue to the bondholders and revenue and expense certification by the Traffic and Revenue Consultant and Consulting Engineer, respectively.

Capital Budget

The portion of the Authority's annual budget that provides for the funding of preservation, replacement, repair, renewal, reconstruction, modification, and improvements of the Authority's Expressway System.

CAFR

Comprehensive Annual Financial Report, which includes audited financial statements.

Consulting Engineer

The firm retained by the Authority for the purpose of carrying out the duties imposed on the Consulting Engineer by the Bond Resolution and such other duties as assigned.

Debt Service

Payment of principal, interest, and other obligations associated with the retirement of debt.

Debt Service Coverage Ratio (DSCR)

Net revenue available after operations and debt service divided by debt service; the amount by which DSCR exceeds 1.0x illustrates the potential cash funding for the capital budget.

E-ZPass

Form of electronic toll collection accepted on the Authority's Expressway System.

ETC

Electronic Toll Collection; an electronic means for patrons to pay toll charges without using coins or currency. Patrons attach an electronic signal device, known as a transponder, to their windshield to automatically deduct the toll charges as they drive through a toll plaza. The Authority accepts ETC payments via E-ZPass.

Established Condition Level

The Authority annually inspects roads and bridges to determine the condition assessment of the Authority's Expressway System. The Authority must maintain its assets at a certain condition level.

Excess Balances Fund

Represents the only reserve available for the operation of the Expressway System and provides a manner to accumulate funding for long-term future capital needs associated with the Expressway System.

Expressway System

Comprised of the Powhite Parkway, Downtown Expressway, the Boulevard Bridge, and associated on/off ramps.

Glossary

Fiscal Year

A 12-month period for which an organization plans the use of its funds, which does not necessarily correspond to a calendar year. The Authority's fiscal year is from July 1st through June 30th.

Fund

An account established by the Bond Resolution or other legal document to track revenues and expenses for a specific program.

GAAP

Generally Accepted Accounting Principles; standard of framework of guidelines for financial accounting.

GASB

Governmental Accounting Standards Board; source of GAAP used by state and local governments in the United States.

GFOA

Government Finance Officers Association; professional organization of state and local government finance officers. The GFOA sponsors award programs for financial documents including the CAFR and annual budget.

HNTB

Howard, Needles, Tammen, and Bergendoff; the Consulting Engineer retained by the Authority.

Jacobs, Inc.

The Traffic and Revenue Consultant retained by the Authority.

MSA

Metropolitan Service Area; geographical region with a relatively high population density and close economic ties throughout the area. The Richmond MSA includes the Cities of Colonial Heights, Hopewell, Petersburg, and Richmond, and the Counties of Amelia, Caroline, Charles City, Chesterfield, Cumberland, Dinwiddie, Goochland, Hanover, Henrico, King and Queen, King William, Louisa, New Kent, Powhatan, Prince George, and Sussex.

Operating Budget

The portion of the budget that provides for the day-to-day operations of the Authority, including compensation and benefits, services, materials, and other expenses.

ORT

Open-Road Tolling; a barrier-free system that allows for electronic toll collection (ETC) and violation enforcement under normal highway driving conditions.

OPEB

Other-Post Employment Benefits; benefits offered to retirees outside of a pension. The Authority's OPEB includes retiree health care. Additional information on the Authority's OPEB plan can be found in the Authority's CAFR.

Traffic and Revenue Consultant

The Engineer or firm of Engineers retained by the Authority for the purpose of carrying out the duties imposed on the Traffic and Revenue Consultant by the Bond Resolution and such other duties as assigned. The Authority has contracted with Jacobs, Inc. to be its Traffic and Revenue Consultant.

VDOT

Virginia Department of Transportation