

milestones

**Richmond Metropolitan Authority
2008-2009 Annual Report**

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Mission Statement

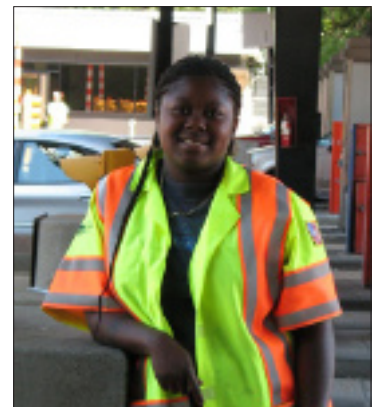
The mission of the RMA is to build and operate a variety of public facilities and offer public services, especially transportation-related, within the Richmond metropolitan area, each of which is operated and financed primarily through user fees. Our efforts are dedicated to the following constituents:

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 best be accomplished through the sound management of existing projects and consideration of additional projects as requested 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, while fairly compensating employees and offering financial safety to bondholders.



Greetings!

It is our pleasure to present the Richmond Metropolitan Authority 2008-2009 Annual Report to our customers, bondholders, government and elected officials, employees and other members of the Richmond metropolitan community.

During fiscal year 2008-2009, the RMA reached significant **Milestones** with the debut of the organization's largest construction project to date -- the Powhite Parkway Split Plaza/Open Road Toll facility. After eight years of planning, traffic studies and roadway construction, this highly-anticipated venture was fully completed in late 2008. As intended, the finished product successfully eliminated the morning and evening rush hour traffic choke points along the Parkway, thereby making for a quicker, less congested commute for our customers.

Another important organizational **Milestone** occurred early this summer, when the RMA began negotiations for a new baseball team for The Diamond. Following the departure of the Richmond Braves, the regional partners turned their focus to bringing baseball back to the Greater Richmond region. RMA officials provided tours of The Diamond to a number of baseball organizations for their possible relocation to the area. As a result, we are excited to welcome for the 2010 baseball season the former Connecticut Defenders to the area under their new moniker -- the Richmond Flying Squirrels.

The toll roads and The Diamond are not the only RMA facilities that reached a **Milestone** this year. The Expressway Parking Deck welcomed the Armada Hoffer construction company to the neighborhood as work began on the new Williams Mullen law firm building. The structure is immediately adjacent to the Deck, and is expected to have an impact in terms of an increase in parking demand for our facility.

As we are all aware, the nation reached an unfortunate **Milestone** late last year as the economy took a turn for the worse. We would be remiss if we did not note the effect the economy had on our toll business for the 2008-2009 fiscal year. The RMA had anticipated an overall decrease in traffic related to construction and the implementation of the toll increase in fall 2008. Additionally, traffic volumes in 2009 have also been below that experienced in 2008. In response to the decrease in traffic, we prepared a 2009-2010 budget that we feel will leave us well positioned for the future. We adjusted our spending to ensure that we can meet our obligations to our stakeholders, and we continue to look for additional cost savings going forward.

We at the RMA are excited about what we have accomplished over the past year with the support of our regional government partners. We are even more excited about what the future will bring as the Flying Squirrels make their debut at The Diamond, and we begin the planning process to bring Open Road Tolling to the Downtown Expressway.



A blue ink signature of James L. Jenkins.

Board Chairman James L. Jenkins

A blue ink signature of Robert Mike Berry.

General Manager Robert Mike Berry

History of the RMA

The Richmond Metropolitan Authority (RMA) was created to plan, finance, build and maintain a much-needed expressway system to relieve traffic congestion in the City of Richmond. The idea for the Authority dates back to the 1940s, when expressways for the city were first proposed. Expressways were needed to relieve traffic congestion on the narrow city streets due to the increase in automobiles and the demise of Richmond's 70-year-old streetcar system. The RMA was established in response to that need.

Following the development of the Richmond-Petersburg Turnpike in the 1950s, the Richmond Planning Commission appointed the Trafficways Committee to explore the feasibility of an expressway system connecting Richmond with its surrounding areas. After almost two years of study, the committee won the endorsement of the Richmond, Chesterfield, and Henrico members of the Virginia General Assembly. The RMA was created by an act of the General Assembly on March 30, 1966.

Initially, \$2.05 million was borrowed for operating money, 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 commitment led to the City having greater representation on the RMA Board of Directors.

With more than 900 businesses and residents displaced by the construction of the Downtown Expressway, the RMA, in cooperation with the Richmond Redevelopment and Housing Authority and the City Council Housing Committee, coordinated a massive relocation effort. Even so, numerous lawsuits, land acquisition negotiations and construction difficulties caused the completion of the expressway system to be delayed for several years.

In 1969, as construction on the expressway system continued, the RMA purchased the Boulevard Bridge for \$1.2 million. Soon after, the RMA began making several improvements to the bridge. Foremost was the installation of automated toll equipment to provide more efficient toll collection.



Boulevard Bridge attendant



Downtown Expressway
groundbreaking

In response to escalating demands for another route to cross the James River, the RMA built the Powhite Parkway. The Parkway opened on Jan. 23, 1973, with approximately 6,000 vehicles utilizing the facility on the first day. The roadway provided residents of south Richmond a convenient route to the Carytown shopping area, and offered residents north of the river direct access to Chippenham Hospital and Cloverleaf Mall.

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

The Second Street Parking Deck opened on Nov. 28, 1975, providing 370 parking spaces to an area of the city that lacked parking facilities.

In 1976, the Downtown Expressway, linking Interstates 195 and 95, finally opened to the public. All connecting ramps and the remaining portions of Interstate 195 were completed in September 1977. When the Downtown Expressway opened, the average daily number of vehicles using it was approximately 8,000.

Also, on Aug. 13 of that year, the RMA refunded the \$2.05 million the City had lent the Richmond Trafficways Committee.

In 1984, another legislative amendment was passed allowing the RMA 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. Construction of The Diamond was swift. The project began in 1984 with Parker Field's demolition. The new stadium was completed before the beginning of the 1985 baseball season.

History of the RMA

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 RMA 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. Again, at the request of the City of Richmond, the RMA responded by constructing a 1,000-parking-space deck with convenient access to the Downtown Expressway and Interstate 95. The Expressway Parking Deck opened on Feb. 14, 1992.

On Aug. 17, 1992, the RMA closed the Boulevard Bridge for extensive renovations. The \$8.3 million project included replacing the concrete deck, which allowed the RMA to widen the lanes and construct a single walkway. The bridge reopened on Oct. 30, 1993.

In June 1994, the RMA, in conjunction with the Virginia Department of Transportation (VDOT), distributed more than 22,000 surveys to drivers on the Downtown Expressway, the Powhite Parkway and the Powhite Parkway Extension. The survey asked if customers would support an Electronic Toll Collection (ETC) system in the Richmond metropolitan area.

Based on the survey results, an extensive study was launched to explore the feasibility of adapting the revenue collection system to an ETC system.

SmartTag, Virginia's electronic toll collection system,



SmartTag store opening

debuted in the Richmond area in July 1999. This system revolutionized Virginia's toll road system and is used on all RMA and VDOT toll facilities. RMA customers embraced the technology, recording 25 million transactions in only two years. By spring 2003, SmartTag transactions outnumbered all other transactions at the RMA's mainline toll plazas during the weekday rush hours. In early 2007, VDOT retired the SmartTag name in favor of E-ZPass in an effort to better define transponder capabilities for customers.

In 2008, the Richmond Braves announced their relocation to Gwinnett County in Georgia, leaving The Diamond without a full-time tenant for the first time in 23 years. This fiscal year, RMA staff coordinated a number of Diamond tours for baseball organizations interested in filling the void left by the Braves with the objective being to have a new tenant at The Diamond for the 2010 season.

Nearly nine years ago, the RMA began to look more closely at increasing capacity along the Powhite Parkway due to the growing volume of traffic in the surrounding areas. As a result of this study, a long-range plan to ease congestion on both sides of the toll plaza was developed. Included in this plan was splitting the existing toll plaza into two separate plazas -- one for northbound traffic and one for southbound traffic. The northbound and southbound plans also incorporated implementation of Open Road Toll (express) lanes, which would allow patrons to travel at near highway speeds through the toll plazas using their E-ZPass. Cash lane patrons would continue to stop at the toll booths to pay.

In fall 2008, the northbound and southbound express lanes opened to strong, positive customer reviews and extensive media attention.

The "fully-functional" split plaza design includes video violation monitoring, a new revenue collection system, signage and additional E-ZPass readers. To date, toll violations are significantly lower than anticipated by the Authority's traffic and revenue consultants.

The Richmond Metropolitan Authority operates three toll roads, four parking decks, Main Street Station and The Diamond. The success of these projects is a direct result of regional cooperation among the City of Richmond and Henrico and Chesterfield Counties.

We truly value our customers who choose to utilize RMA facilities. And to our government partners -- we appreciate your trust in our organization



Downtown Expressway inaugural drive

RMA Timeline

The RMA is created by an act of the Virginia General Assembly (1966)

1966

The RMA purchases the Boulevard Bridge (1969)

1970

Powwhite Parkway opens to Cary Street (1973)

Enabling Act amended to authorize the RMA to provide parking facilities (1973)

Second Street Parking Deck opens (1975)

1975

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

Tolls increased on Powwhite Parkway from 20 cents to 25 cents, Downtown Expressway from 15 cents to 25 cents (1978)

Downtown Expressway opens to Seventh Street (1976)

1980

The new Powhite Parkway southbound toll plaza opens (2008)

Tolls on Powhite Parkway and Downtown Expressway increased from 50 cents to 70 cents; Boulevard Bridge from 25 cents to 35 cents (2008)

2008

The Powhite Parkway express lanes open (2008)

Board votes to increase tolls on RMA Expressway System (2008)

The SmartTag name is changed to E-ZPass (2007)

Gaston repairs complete; Split Plaza project begins (2005)

2005

The RMA replaces field and drainage system at The Diamond (2004-05)

T.S. Gaston floods Powhite Parkway, Main Street Station (2004)

Tolls on Powhite Parkway and Downtown Expressway increased from 35 cents to 50 cents; Boulevard Bridge from 20 cents to 25 cents (1998)

The RMA begins operation of Main Street Station (2003)

25 millionth SmartTag transaction performed (2001)

Downtown Expressway repaved (2000)

2000

The Diamond parking lot repaved (1998-99)

Powhite Parkway Bridge resurfaced (1996)

SmartTag introduced (1999)

RMA token sales discontinued (1999)

1995

RMA completes conversion to a computer-based toll system; introduces metal token (1994)

The RMA begins toll lane token sales (1994)

The RMA and VDOT survey commuters on electronic toll collection (1994)

Boulevard Bridge reopens (1993)

1990

Carytown Parking Decks open (1991)

Powhite Parkway Bridge widened from six to 10 lanes; sections of Powhite Parkway widened by one lane (1987)

Downtown Expressway Parking Deck opens (1992)

Toll tokens introduced (1987)

Tolls on Powhite Parkway and Downtown Expressway increased from 30 to 35, Boulevard Bridge from 10 cents to 20 cents (1988)

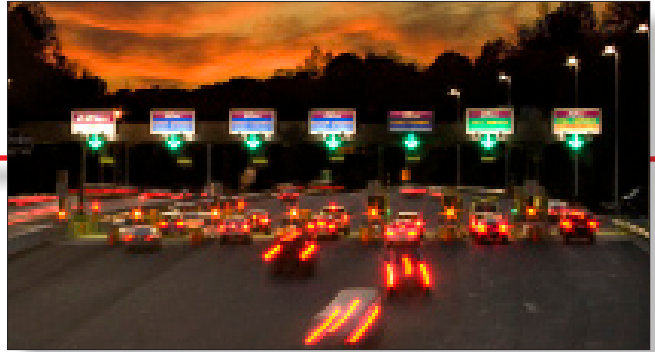
The Diamond opens (1985)

1985

Tolls on Powhite Parkway and Downtown Expressway increased from 25 to 30 (1986)

Enabling Act amended authorizing the RMA to construct and own a baseball stadium (1984)

Powwhite Parkway



The Powwhite Parkway opened to traffic on Jan. 24, 1973. It was the first section of the RMA Expressway System to be completed. The Parkway covers nearly three and a half miles between Chippenham Parkway and the Cary Street ramps, and includes the .4-mile-long, 10-lane Powwhite Bridge crossing the James River.

The Powwhite Parkway toll plaza was widened in September 1975 to accommodate increased traffic, and again in November 1988. At the same time, the Powwhite Bridge was widened, and a new northbound on-ramp was built at the Forest Hill interchange. Also in November 1988, VDOT opened the Powwhite Extension, which connects the RMA's Powwhite Parkway to western Chesterfield County.

In 1992, the Parkway was widened from three to four lanes northbound between Chippenham Parkway and the toll plaza. The number of lanes north of the bridge to Cary Street was increased from four to six.

From May until October 1996, extensive work to resurface the Powwhite Parkway Bridge took place. The \$2.8 million project involved replacing the deck surface with a concrete and latex mixture to extend the life of the facility. After re-striping, the number of northbound lanes on the bridge increased from four lanes to five.

In 2006, the RMA began physical construction on its largest project to date -- the Split Plaza and Open Road Tolling Project. This plan encompassed relocating the southbound collection point to make way for six new express lanes. The lanes allow E-ZPass customers to travel on the designated, barrier-free thoroughfare at 45 mph, thus eliminating the stop-and-go traffic they previously experienced.

The project was completed in fall 2008, to the delight of RMA Expressway System E-ZPass customers. The installation of the express lanes virtually eliminated rush hour traffic backups heading both north and southbound.

The road's north and southbound toll plaza has a total of 14 physical toll lanes and six express lanes. The Forest Hill interchange has a total of eight lanes to its on- and off-ramps to the Powwhite Parkway. The Douglasdale ramps north of the river have two un-manned lanes connected to the Parkway.

Today, the Powwhite Parkway is one of the most heavily-traveled corridors in the Richmond metropolitan area. More than 90,000 vehicles travel on the Parkway during the weekdays, with that figure rising to more than 100,000 during heavier time periods.

Downtown Expressway

The Downtown Expressway opened to traffic from I-195 (near Byrd Park) eastward to 7th Street on Feb. 3, 1976. The northbound connections to the former Richmond-Petersburg Turnpike (I-95) opened in August 1976, and the southbound connections were completed on Sept. 1, 1977.

Today, the two-and-a-half-mile Expressway begins at Meadow Street heading eastbound to the I-95 junction. It contains a barrier toll plaza with 12 lanes, encompassing four reversible lanes.

The roadway also includes four manned and unmanned toll booths at 11th Street, Canal Street, and two at Second Street.

In 1992, additional lanes were added to the 7th Street and 12th Street westbound on-ramps. At that time, the 11th Street on-ramp and Canal Street off-ramp were widened to two lanes each.

More than 50,000 motorists travel along the Downtown Expressway during the weekdays.



Boulevard Bridge

The Boulevard Bridge, opened in 1925, was built by the Boulevard Bridge Corporation to make the Westover Hills residential community south of the James River more accessible for development.

In November 1969, the RMA purchased the 2,030-foot bridge. The toll was a dime then, and remained so until 1988 when it increased to 20 cents.

Many native Richmonders still call the Boulevard Bridge "The Nickel Bridge" because of its initial five-cent toll before the RMA purchase. In January 1998, almost 10 years later, the toll rate increased five cents to 25 cents.

The steel-truss bridge was closed on Aug. 17, 1992, for 14 months of renovation work. The renovation included replacing the concrete deck, widening the existing lanes on the bridge, and replacing the old toll building, booths, and equipment. A new reversible toll lane was installed to handle peak traffic from either direction. The bridge re-opened on Oct. 30, 1993.



The Diamond

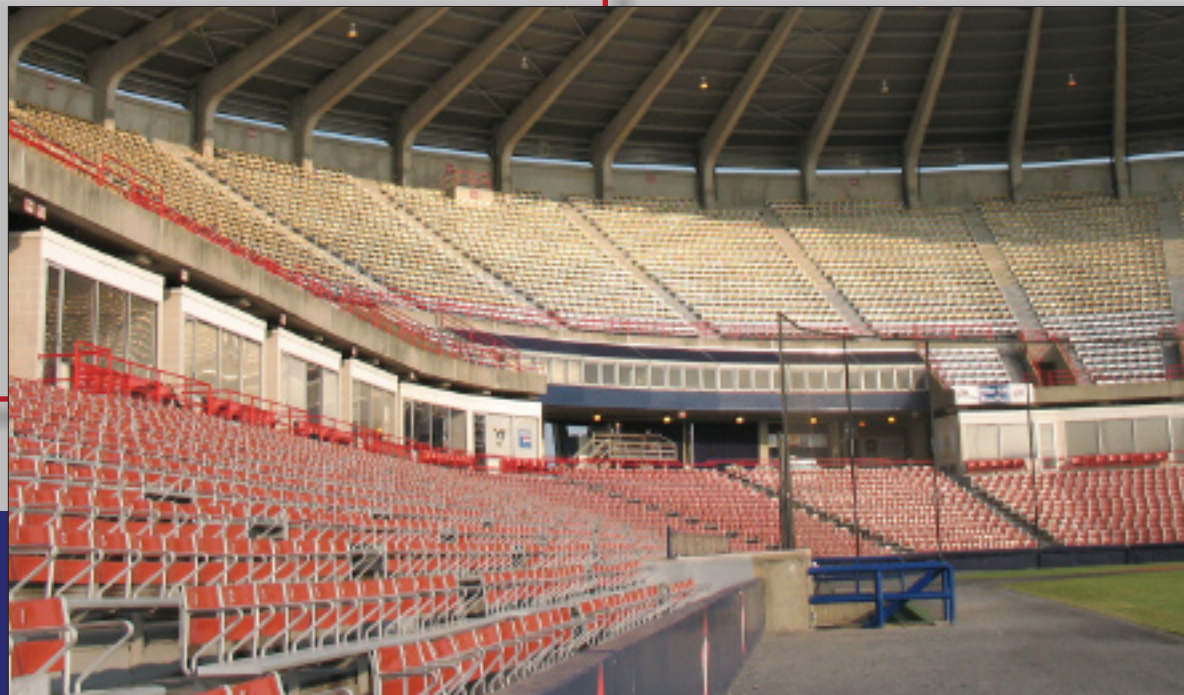
The Diamond baseball stadium was constructed between the 1984 and 1985 baseball seasons to replace its predecessor, the aging Parker Field. Prior to construction, the City of Richmond and the neighboring counties of Chesterfield and Henrico agreed to absorb any shortfall in operating revenue and debt repayment. The remaining funds were raised through private sector donations and lease of the facility's Superboxes.

The Diamond officially opened its gates on April 17, 1985. The stadium has a seating capacity of 12,148. Of those seats, 12,018 are stadium seats and 130 are in the 15 luxury Superboxes, available for lease by area corporations for employees and social events.

Over the years, The Diamond has undergone a number of improvements and upgrades such as new lighting, a drainage system, upgraded playing field and new fencing and gates.

Following the departure of the Richmond Braves to Gwinnett County in Georgia, The Diamond primarily served as the home field of the Virginia Commonwealth University baseball team.

In mid-2008, a number of baseball organizations toured the facility for possible relocation to the Richmond area.



Main Street Station



Main Street Station began its life as Richmond's official train station more than a century ago in 1901. By the mid-20th century, however, area floods, the decline of the Shockoe Bottom district, the increasing popularity of air and auto travel, and the presence of the much-larger Broad Street Station (now the Science Museum of Virginia) led to the station's demise. Even after receiving recognition as a state and National Historic Landmark in 1970, the station could not survive. This demise was further compounded by the flood associated with Hurricane Agnes in 1972. The last train service to the station was in 1975, followed by a damaging fire in 1976.

The station experienced a hint of renewal in 1985 when a shopping mall opened in the train shed behind it. Flooding and economic hard times befell this venture as well, and the mall ceased operations two years later. In the early 1990s, the shed became home to state health offices for 650 employees.

With the prospects of multi-modal transportation in Richmond's future, the City renovated and reopened Main Street Station to Amtrak service in 2003. That month, the RMA began operating and maintaining the station for the City.

In recent years, Main Street Station has become a popular venue for meetings, wedding receptions and other special events.

In 2007, the facility also welcomed a new parking plaza adjacent to the property between Main and Cary Streets. The automated public parking area is highlighted by architectural details and a lighted walkway.

The RMA manages the Station's event rentals and additional parking facilities in the vicinity.

Parking Decks



The Expressway Parking Deck officially opened for business on Feb. 14, 1992. The deck provides 1,000 parking spaces to the downtown Richmond financial district. It is bordered by 9th, 10th, Byrd and Canal Streets, and is located, in part, over a depressed section of the westbound lanes of the Downtown Expressway. It is accessible from the Expressway and I-95 from various ramps to the adjacent street network. The Expressway Parking Deck is open for transient parking from 7 a.m. until 7 p.m. Monthly parkers have access cards which allow them to enter or leave the deck at any time. The deck has nine levels; three of them underground. In spring 1993, the Expressway Parking Deck received the Merit Award for Excellence in Parking Design and Program Innovation from the Institutional and Municipal Parking Congress.



The Second Street Parking Deck opened on Nov. 28, 1975. Built at the request of the City of Richmond, the deck provided 370 additional parking spaces to an area that needed more parking to support the retail and office market. In 1992, the RMA converted the deck's hourly parking to an honor park system. The deck is open from 7 a.m. until 7 p.m., Monday through Friday. Today, the majority of the deck's spaces are occupied by monthly renters, but a significant number of spaces remain available for transient parkers.



In January 1991, the Crenshaw Avenue Parking Deck in Carytown opened, followed by the Colonial Avenue Parking Deck just three months later. Before construction began, special care was taken in the deck design to ensure a smooth transition between residential and commercial areas. The two parking structures are virtually identical, each accommodating up to 110 vehicles. According to officials, since opening, these parking decks have played a significant role in bringing increased business to the Carytown area. Parking at both decks is free of charge.

Operations Division

Mission

The mission of the Operations Division is to provide safe, convenient, efficient facilities and excellent customer service, while maintaining the lowest feasible costs. We will work with various consultant firms to maintain and improve present facilities, and to design and construct new facilities. We will promote a safe and pleasant work environment and provide employees an opportunity to advance according to their abilities, and fairly compensate them based on performance. We will actively promote the use of all RMA facilities, and encourage a positive attitude about the Authority throughout the community.

Toll Operations and Maintenance

Toll operations and toll maintenance staff continued to work with toll equipment suppliers together with RMA consulting engineers during the on-going operation of the new Powhite Split Plaza and Open Road Tolling lanes configuration. Re-configured cash plazas opened during the first and second quarters of the fiscal year. E-ZPass transactions under the final configuration allow E-ZPass users to travel the Powhite Parkway without going through a barrier toll plaza. These transactions are expected to account for approximately 60 percent of all transactions on the Parkway.

Staff training was conducted utilizing one-on-one, classroom and independent study methodologies to keep staff up to date on systems, security and customer service. The RMA's Special Police Officers received all necessary training to maintain their state certification as Armed Conservators of the Peace.

Interaction with local jurisdictions played an integral part in the activities of toll operations and toll maintenance. The Virginia Department of Transportation, Richmond Police Department and Virginia State Police were among those with whom the department worked on common issues. The departments also supported organizations such as Richmond Sports Backers and Maymont on a variety of special events.

Parking

This fiscal year was a busy one for RMA Parking Operations. A new high rise building began to take shape adjacent to the Expressway Parking Deck. Due to the extensive construction process, approximately 300 parking customers were temporarily relocated to another nearby parking facility for a two-month period. The Expressway Deck also served as a parking venue for the Richmond Folk Festival and the annual Christmas Holiday Grand Illumination. Parking at The Diamond was available for groups attending events at the Arthur Ashe Center, as well as Sports Backers Stadium, Richmond Police Training Academy and Virginia Commonwealth University.

Safety Committee

The mission of the RMA Safety Committee is to encourage all departments throughout the organization to provide safe, efficient facilities for employees and customers; make recommendations to section supervisors or directors concerning safety issues; and develop meaningful training programs that promote safety at work and home. In keeping with the mission, the Committee observed National Safety Week in June. Daily activities included puzzles, slogan contest, posters and distribution of informative materials that highlighted specific safety topics (i.e. lane and construction safety, robbery awareness).

The Safety Committee also conducted safety inspections at various RMA locations that fulfilled the requirements of the Virginia Municipal League.

Employees participated in the Annual Robbery Awareness training by reviewing the related video and subsequent testing on the material. Additionally, robbery awareness handbooks were updated or replaced in all RMA facilities.

Fire safety continued to be an emphasis for the Authority. Brochures highlighting fire safety tips were purchased and distributed to all employees.

Main Street Station

The RMA under contract with the City of Richmond is responsible for the operations of Main Street Station and its maintenance. The Station is a popular venue for special events such as meetings and wedding receptions, averaging more than one event per week. Included in Main Street Station's management responsibilities are three parking facilities surrounding the Station. The Station continued to experience an increase in Amtrak ridership. This year the RMA assisted the City in coordination of major repairs to the clock tower, which caused the tower to be encased in scaffolding for several months. Other projects at the Station included another archaeological dig at the Lumpkin's Jail site, and installation of a new parking sign in the plaza across from the station.

Public Relations

The public relations department continued to positively promote the RMA throughout the Richmond region by responding to media calls and engaging in pro-active and reactive public relations. This fiscal year the public relations department put into motion the final phases of its strategic communications and media relations plan for the northbound ORT lane openings and the toll increase implementation both in September. The RMA website continued to be a valuable tool in distributing timely information to its customers regarding construction alerts, roadway openings, toll increase news and available job opportunities. The department also planned and coordinated a number of Board events, including, the annual Board retreat and the annual Christmas event.

Engineering

The engineering department devoted much of the first half of the fiscal year on ensuring operability of the new Open Road Toll lanes along the Powhite Parkway mainline toll plaza. Staff served as the primary spokesperson for the project as media outlets continued to inquire about the new roadway's success and unexpected low violation rates. The Department consulted with the organization's general engineering firm on building construction and parking impacts and accommodations as Armada Hoffer began construction of a high-rise building adjacent to the Expressway Parking Deck. Finally, a number of contracts were awarded for various maintenance, repair and general engineering projects, including signage replacement, concrete repair and protective coatings.



Pictured above, left: RMA Director of Operations Jim Kennedy presents Tammy Wright with a free E-ZPass. Wright won a free E-ZPass for one year through an online contest with one of the Authority's media sponsors. Pictured above, right: The Williams Mullen building takes shape adjacent to the Expressway Parking

Finance Division

Mission

The Finance Division is committed to providing timely, accurate and complete information to our bondholders, and the management and staff of the Richmond Metropolitan Authority. Finance strives to be exemplary in all activities and to continuously exceed expectations. We encourage teamwork and personal development to ensure the highest level of competence, expertise, and satisfaction for our customers. The Division is responsible for information systems, budget, accounting, financial reporting, risk management, investments, debt management and long-range forecasting.

Accomplishments

Debt service coverage, as required by the bond indenture, is an important consideration in the Authority's long-range financial planning efforts. These forecasts served as the foundation for evaluating the Authority's ability to keep our safety, customer service and contractual commitments to our customers and bondholders. This practice was continued this year with several presentations to the Board of Directors, and a traffic volume and revenue stress test to determine the possible future impacts from the recession.

The global economic downturn arrived in the Richmond area during calendar year 2008 in the form of plant closings, rising unemployment, home foreclosures and uncertainty in the financial markets. While the impact on investment revenue was immediate, traffic remained at or above budgeted forecasts until the first and second quarters of fiscal year 2008-2009. It was during this period that unemployment began to reflect sharp increases, and correspondingly, the toll road began to experience variances in the monthly budget to actual revenue and traffic volume. To better understand the possible future financial consequences of this developing pattern, in addition to the annual revenue and traffic certification required by our bond resolution, we requested that our revenue consultant develop a scenario in which the economic downturn surpassed all expectations and the nation fell further into a recession. Generally, the analysis found that while revenues would be adversely impacted by an additional downturn in the economy, by implementing various operating and capital cost controls, revenues would be sufficient to satisfy all coverage ratios in accordance with the 1973 bond resolution.



This year, the RMA stepped into the future of electronic toll collection with the launch of the Open Road Toll (ORT) lanes on the Powhite Parkway. The southbound lanes opened Aug. 10, 2008, followed by the northbound lanes on Sept. 5. Considered the standard for all future toll facilities constructed throughout the world, ORT is a barrier-free system that allows for toll collection and violation enforcement under normal highway driving conditions. The new technology required that the Finance Division develop a variety of new procedures relative to internal controls, daily monitoring, reports and documentation relative to the new software and collection process. The process required coordination with the Operations Division, contractors and governmental agencies.

The Finance Division developed an investment strategy to complement the existing investment policy as adopted by the RMA Board of Directors in 1995. The document, which was prepared with input from the Operations Division, provides a detailed investment strategy for all checking and bond-related accounts. It also enhances and strengthens the existing system of internal controls relative to management overview and reporting.

On July 1, 2008 the Finance Division implemented a new chart of accounts. The new account structure redefined the old structure by building consistency across the various funds and eliminating complexity.

RMA implemented Positive Pay and ACH Block this fiscal year. Positive Pay and ACH Block provide effective tools for identifying and preventing bank account fraud. Before accounts payable checks are paid against the Authority's checking accounts, each transaction must be verified against a payment file provided to the bank by the Authority. As for ACH Block, only vendors that have been pre-authorized can process payment transactions against RMA bank accounts.

Finance developed a series of monthly budget to actual expense reports with Directors, managers and supervisors in mind. Distributed to RMA management monthly, these reports were designed to enhance monthly monitoring and reporting by providing expenditure detail by account. The reports provide a process by which managers can monitor and report on monthly budget variances, which are reported to finance and the RMA Board.

The Division conducted an inventory of its Non-Revenue Cards, which allows for business-related travel on the RMA Expressway System. The process involved the inventory of approximately 2,805 cards that had been issued to 41 organizations. Letters were sent to each organization to establish a contact and to validate outstanding cards. To date the response and cooperation have been excellent. As a result of this effort, approximately 1,451 cards were cancelled as they were no longer required.

Information Systems Accomplishments

The Information Systems (IS) department implemented a number of initiatives this fiscal year that added an additional layer of security for the Authority's technology systems. Hard-drive encryption programs were installed on laptops to secure resident information. In the event a laptop is lost or stolen, the files and information stored on the hard-drive is encrypted and cannot be accessed by unauthorized individuals.

IS staff conducted an audit with each department to review files and data stored on RMA servers. Files and folders were rearranged to segregate confidential information and data. Departments analyzed employee access requirements and security access levels were modified accordingly.

RMA's technology and internet usage policy was rewritten to reflect changes in technology, and how RMA uses new technology such as SmartPhones and social networking applications. The Voice Over IP phone system was upgraded in May. The upgraded system provides conference call capabilities, as well as adding features such as video calling. In addition, staff performed a review and analysis of RMA phone lines. Based on this, RMA removed several phones and phone circuits from use, resulting in cost savings.

IS staff provided technical assistance relative to the implementation of the Powhite Split Plaza project and the resulting Open Road Tolling technology. IS staff worked closely with contractors, TransCore, Intrans and VDOT to complete the deployment of the new traffic systems.

Awards

For the 15th consecutive year, the Government Finance Officers Association of the United States and Canada, awarded a Certificate of Achievement for Excellence in Financial Reporting to the Richmond Metropolitan Authority for its fiscal year 2008 financial report. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

Staff Development

The Authority is pleased to announce that various Finance and IS staff have, or are in the process of obtaining certifications and advanced degrees, while other staff members have been active in speaking at national conferences and participating in best practices committees.

Administration Division

MISSION

The mission of the Administration Division is to provide support services necessary to the daily operation of the RMA, as well as to the accomplishment of both short-term and long-term plans. Support services include human resources, training and development and administrative support sections.

The human resources section supports the RMA by maintaining a productive and highly-skilled workforce through recruitment, employment, compensation, benefits, employee relations and health/safety programs, and by monitoring RMA's activities to ensure compliance with state and federal employment laws and regulations. The training and development section provides technical, managerial and professional development activities, coordinates the health wellness programs and events, and assists with various employee relations events. Customer service skills are reinforced through training, the Mystery Driver program and Customer Service Week activities. The organization believes that the focus on customer service will positively impact both customer and employee relations. The administrative support section provides a variety of administrative and clerical services in the RMA's central administration office, including coordinating telephone, office equipment, office supply and building maintenance activities.

Training and Development

Human Resources ramped up its customer service training just prior to the toll increase along the RMA Expressway System. The mandatory training workshop focused on delivering consistent, quality service, promoting "proactive" problem solving, and characteristics of a winning customer service directive.

Eligible employees are encouraged to sign up for the RMA's annual CPR training classes. These classes are held in house, and conducted by a certified CPR instructor.

Customer Service Initiatives

Customer Service Week was held in October. The theme was Connecting with Our Customers. Various events were held during the week, including a customer service contest titled "Customer Service Champions." Three winners were recognized by the General Manager with certificates and a feature in the employee newsletter. Each employee also received an RMA bag and squeezable, themed stress reliever.



Now, in its 10th year, the organization's Mystery Driver program recognized six employees for their excellent customer service skills.

Human Resources Service Recognition

A luncheon was held at the Bull and Bear Club in November to recognize 20 employees celebrating five, 10, 20 and 30 years of service. Each honoree received a commemorative plaque, service year pin and a gift card.

Wellness

The training and development department revised the former Wellness Program, aptly titled, "Let's Get Physical." The campaign was designed to encourage employees to increase their physical activity and make healthier food choices. "Let's Get Physical" replaces the previous wellness contract that encouraged employee participation in other health-related events, including doctor visits and health screenings.

In November 2008, a survey was conducted to gauge employees' attitudes about exercise and their overall health. Once the surveys were tallied, the wellness committee went to work. The group created wellness stations tailored to certain work locations. These stations incorporate hand weights, bike peddlers, a DVD library of exercise videos, nutritional information, as well as a reference book for the entire program. Also included were suggested exercise ideas for each location. Nearly 30 employees signed up for the program by completing the wellness log and continue towards their fitness goals.



Benefits

The RMA has been a participant in the State of Virginia deferred compensation program for approximately 10 years. During fiscal year 2008-2009, the state completed a request for proposals process for its 457 plan. ING was named the plan administrator. The RMA will continue to match full-time employees' contributions up to \$20 per pay period.

A retirement planning meeting was held in March. A representative from ING presented information about their 457 deferred compensation plan. Employee participation in the 457 plan has increased to more than 60 percent.

With the rise in health insurance costs, changes were made to both the health and dental plans. Mandatory open enrollment meetings were held on May 13 and 15 to discuss plan changes.

In the spring, the Division convened a committee to review proposals for a new benefits consultant. As a result, Willis HRH, began a two-year contract with the RMA just as the fiscal year ended.



Pictured, page left: RMA employees attend a workshop on how to handle stress. Pictured above, top: RMA Director of Administration Paulette Cook presents Supervisor George King with a holiday gift basket that he won at the annual holiday party for employees. Pictured above, bottom: RMA Chairman Jim Jenkins (left) and General Manager Mike Berry (right) pose for a photo with seasoned employees Claude Hines and Gloria Harris at the company's annual service anniversary luncheon.



Main Street Station

Board of Directors

On July 1, 1966, a Board of Directors was formed to govern the RMA. The Board consists of 11 members. Six are appointed by the mayor of the City of Richmond, with the approval of the Richmond City Council. The Boards of Supervisors of Chesterfield and Henrico Counties each appoint two members, and one ex-officio member is appointed by the Commonwealth of Virginia Transportation Board. In addition to the 11 board members, the RMA is assisted by a Secretary and General Counsel who takes the minutes of the meetings and provides legal assistance as needed.

Directors

James L. Jenkins, Chairman
Henrico County

David P. Baugh, Vice Chairman
City of Richmond

Charles Breckenridge Arrington
City of Richmond

David A. Brat
Henrico County

Beverly A. Burton
City of Richmond

A. Dale Cannady
Chesterfield County

D. Mychael Dickerson
City of Richmond

Jacqueline G. Epps
City of Richmond

Gerald P. McCarthy
Commonwealth Transportation Board

Corey M. Nicholson
City of Richmond

Charles R. White
Chesterfield County

Eric E. Ballou
Secretary

Executive Staff

Robert Mike Berry
General Manager

James. B. Kennedy
Director of Operations

Larry D. Clark
Director of Finance

Paulette S. Cook
Director of Administration

Richmond Metropolitan Authority

30-Year Expressway System Vehicle Traffic By Fiscal Year

<u>Fiscal Year</u>	<u>Powhite Parkway</u>	<u>Boulevard Bridge</u>	<u>Downtown Expressway</u>	<u>Total</u>
1979	14,298,958	6,389,514	9,146,862	29,835,334
1980	14,658,008	6,240,340	9,377,191	30,275,539
1981	15,293,288	6,146,860	10,079,216	31,519,364
1982	16,077,193	5,772,375	10,761,889	32,611,457
1983	17,493,136	6,019,006	11,502,286	35,014,428
1984	19,186,849	6,083,672	12,491,478	37,761,999
1985	20,468,194	6,318,763	13,477,534	40,264,491
1986	21,960,987	6,280,412	14,761,386	43,002,785
1987	22,448,585	6,468,931	14,940,854	43,858,370 (1)
1988	22,672,228	6,778,408	14,979,860	44,430,496
1989	24,756,727	5,919,925	14,868,113	45,544,765 (2)
1990	25,928,525	5,451,376	15,841,955	47,221,856
1991	25,536,454	5,182,383	15,685,539	46,404,376
1992	26,881,535	4,630,670	15,779,105	47,291,310
1993	28,806,062	651,111 (3)	15,412,826	44,869,999
1994	28,853,917	2,654,403 (4)	16,343,200	47,851,520
1995	29,437,725	4,412,948	17,275,983	51,126,656
1996	29,620,000	4,520,588	17,122,383	51,262,971
1997	30,735,425	4,850,331	17,525,897	53,111,653
1998	30,036,225	5,046,300	17,051,919	52,134,444
1999	29,343,068	5,335,716	16,432,803	51,111,587 (5)
2000	30,627,361	5,290,849	16,841,337	52,759,547
2001	32,481,885	5,331,493	17,809,228	55,622,606
2002	33,735,578	5,321,892	18,037,150	57,094,620
2003	33,767,965	5,068,404	17,947,925	56,784,294
2004	35,112,800	5,102,544	18,751,860	58,967,204
2005	32,727,627	5,166,411	19,020,040	56,914,078
2006	33,185,285	4,997,137	19,722,805	57,905,227
2007	33,893,494	4,995,311	20,586,135	59,474,940
2008	33,937,909	4,964,251	20,966,648	59,868,808
2009	31,381,286	4,800,726	18,857,745	55,039,857 (6)

(1) Toll increase implemented in 1986. (2) Toll increase implemented in 1988. (3) Final connection to 1-95 completed September 1, 1977. (4) Boulevard Bridge closed August 17, 1992 for rehabilitation and reopened October 30, 1993. (5) Toll increase implemented in 1998. (6) Toll increase implemented in 2008. Source: Richmond Metropolitan Authority Internal Accounting System.



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