



# **Annual Fiscal Plan, FY 2023**

## **Capital Budget, FY 2023-2028**

**Serving Chesterfield, Henrico, and Richmond, Virginia**

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# Introduction

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May 10, 2022

Board of Directors  
Richmond Metropolitan Transportation Authority  
Richmond, Virginia

Honorable Members of the Board:

I am pleased to submit for your review and consideration the fiscal year 2023 operating and capital budgets for the Richmond Metropolitan Transportation Authority (RMTA or Authority). The Richmond Region, like everywhere in the world, has faced challenges as a result of the COVID-19 pandemic. In these unprecedented times over the course of the last fiscal year, the RMTA has continued its history of fiscal conservatism and sound financial stewardship. As a result, the RMTA is in a strong financial position and has sufficient revenues and reserves to fund its operations, meet its debt obligations and continue to fulfill its mission of facilitating and providing a variety of transportation and public facilities that improve life in the Richmond Metropolitan Area. The RMTA has also in the face of the pandemic remained committed to delivering excellent customer service to our patrons while safeguarding our staff.

The FY 2023 Annual Budget demonstrates the Authority's continued ability to prudently manage its finances and provide for the necessary personnel and expenditures to operate and maintain the expressway system. You will find that the enclosed RMTA budget is provided on a per facility basis, with comparative prior year amounts broken out. Additionally, the budget is delineated by department to better allocate spending categories. This budget document is a useful tool which allows management to effectively plan with the Board of Directors how we intend to carry out our mission. As a political subdivision with fiduciary responsibilities to our bondholders, customers and staff, the budget provides a very important check and balance, an essential element in our management process. This document also serves as a budgetary link to the planning of RMTA's long-range capital and maintenance efforts for its infrastructure assets.

Although these are unique times, the RMTA's commitment to fiscal conservatism remains a priority. Primarily a commuter roadway, the Authority is optimistic that the COVID-19 pandemic is on the downswing and the Richmond region's workforce will incrementally be returning to work in the downtown area. We have seen Richmond area private sector employers return employees to work both hybrid and full time office schedules. On the public sector side, most recently, Governor Youngkin announced that State of Virginia employees will be required to return to offices on July 5, 2022. We remain optimistic, and this budget document conservatively projects that toll revenue will increase to approximately \$36.2 million or 14.0% increase over the FY 2022 budget as traffic begins to rebound from the COVID-19 virus pandemic. Our optimism is coupled with our continued monitoring of the impact of COVID-19 and the anticipated ongoing evolution of remote working options. Similar to our actions in the past, the RMTA's operating budget still allows for the RMTA to maintain its operations in a fiscally efficient manner while still providing first in class customer service.

The Authority advertised and procured a new Open Road Tolling (ORT) system project in 2021, the Electronic Toll Collection 2021 project (ETC – 2021). This new project will update all ORT zones, also known as Express Lanes, along the Downtown Expressway and Powhite Parkway. The project is currently

## Chief Executive Officer's Transmittal Letter

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in the early stages of system design and is on-going. From an infrastructure perspective, the RMTA has historically prided itself on a well maintained system of roads, bridges and assets. The maintenance of the RMTA Expressway System will continue to be a priority in FY 2023. The capital plan allows for the Expressway, one of the gateways to the city of Richmond, to continue to contribute to the region's economic strength.

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 2022 Annual Comprehensive Financial Report and receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association (GFOA), along with GFOA's Distinguished Budget Presentation Award. We will continue to pay close attention to traffic and revenue trends and identify what underlying factors impact revenue in the future and how fluctuations may have an effect on RMTA's long-term financial plan. A comparison to prior year's budget as well as detail of significant changes are noted in the Budget Overview section of this document.

I would like to recognize and thank executive staff for their tremendous contributions this year. I am fortunate to work with an exceptional team. First, I would like to thank Jim Madison, Director of Finance, as well as his team, for their efforts leading this budget process. I am appreciative of Jim's expertise and diligence in executing all of his responsibilities. I would also like to thank him for his steady leadership over the past couple of years as we navigated the fluctuation with our traffic and revenue. Theresa Simmons, Director of Operations, continues to keep the RMTA assets in excellent condition and operations running smoothly. Theresa remains committed to ensuring that we are an efficiently run operation. I am appreciative of her continued flexibility and leadership. Leslie Mehta, Chief of Staff and Counsel to the CEO, has proven to be a trusted advisor and provides sound and thoughtful counsel in relation to RMTA matters. Additionally, Leslie has continued to ensure the safety of our organization in her role as chair of the Coronavirus Protection Prevention Committee. Sheryl Johnson, Director of Human Resources, has continued to provide wise and trusted counsel in all matters Human Resources to not only the CEO, but also the Compensation and Benefits Committee. Sheryl has provided invaluable guidance and ensured that we effectively communicated with all employees of the RMTA as we have navigated these uncertain times. Paula Watson, who oversees Procurement and Internal Audit, is our most tenured member of senior staff and she touches and concerns all that we do at RMTA. I am grateful for her wise counsel and for all the careful attention that she pays to every aspect in the operation of the RMTA.

In closing, over the past couple of years, all of our lives have been changed and as we come through this pandemic, we have learned that we can extend grace and lead with gratitude. I am filled with immense gratitude for all of the RMTA staff. Our staff has worked tirelessly and has been flexible and nimble as we continue to navigate this new normal. I remain grateful every day for our staff that ensures that the RMTA provides the best customer service and most efficient operations in the region. It is because of everyone's hard work and dedication 365 days a year, 24 hours a day, that the RMTA is a successful organization.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joi Dean".

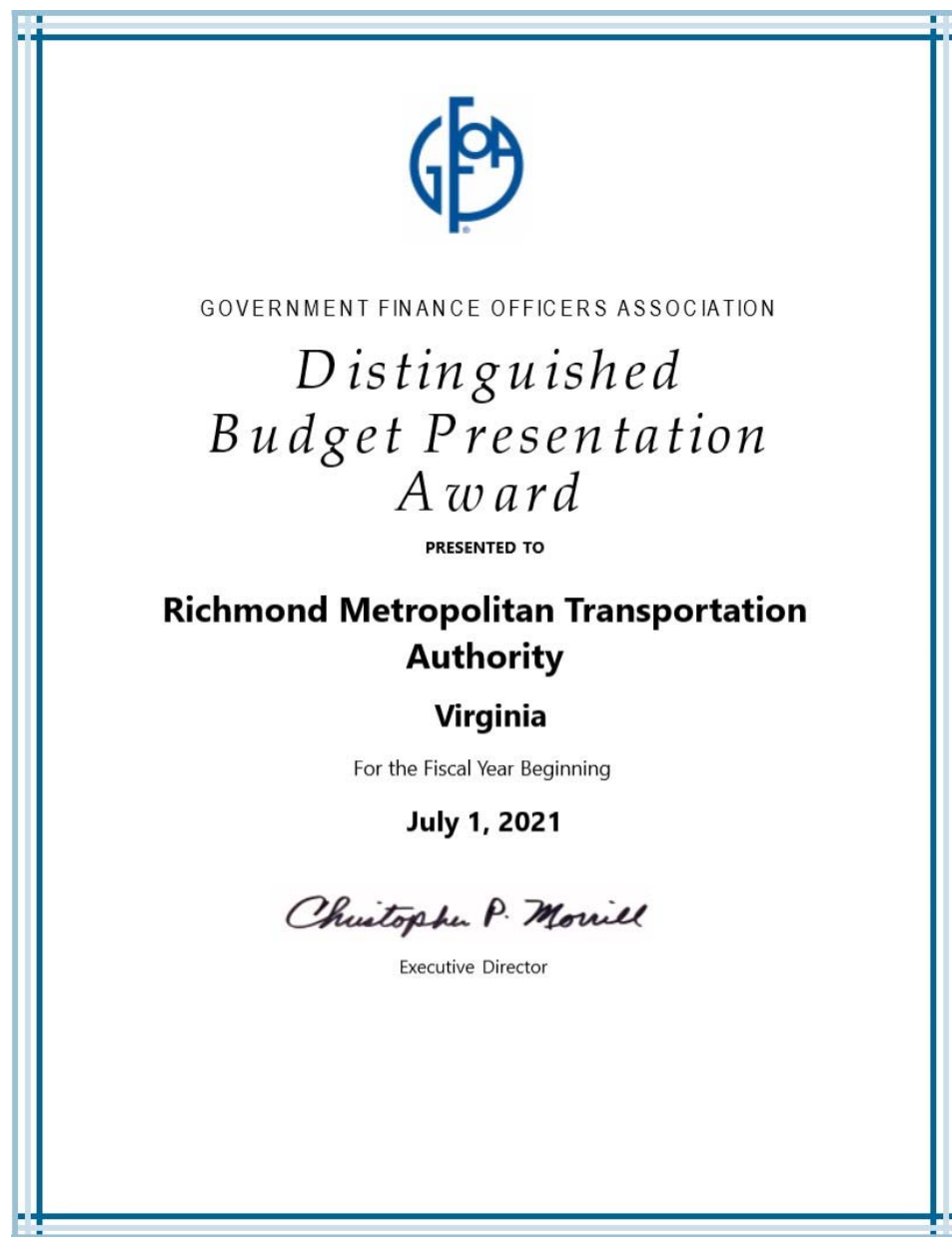
Joi Dean  
CEO

## Distinguished Budget Presentation Award

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The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Richmond Metropolitan Transportation Authority, Virginia, for its annual budget for the fiscal year beginning July 1, 2021. 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 the GFOA to determine its eligibility for another award.



## Budget Overview

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The Authority's 2023 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.

### Budget Overview

|                              | <b>FY2021<br/>Actual</b> | <b>FY2022<br/>Budget</b> | <b>FY2023<br/>Budget</b> | <b>FY2022 to FY2023</b> |              |
|------------------------------|--------------------------|--------------------------|--------------------------|-------------------------|--------------|
|                              |                          |                          |                          | <b>\$</b>               | <b>%</b>     |
| Revenues                     |                          |                          |                          |                         |              |
| Tolls                        | \$ 29,571,562            | \$ 31,726,000            | \$ 36,156,000            | \$ 4,430,000            | 14.0%        |
| Rentals                      | 52,493                   | 54,000                   | 54,000                   | -                       | 0.0%         |
| Other                        | 371,279                  | 425,000                  | 200,000                  | (225,000)               | -52.9%       |
| Subtotal                     | 29,995,334               | 32,205,000               | 36,410,000               | 4,205,000               | 13.1%        |
| Operating Expenses           |                          |                          |                          |                         |              |
| Salaries and Benefits        | \$ 5,268,372             | \$ 6,141,530             | \$ 6,075,131             | \$ (66,399)             | -1.1%        |
| Operations                   | 6,922,555                | 8,915,511                | 8,675,868                | (239,643)               | -2.7%        |
| Subtotal                     | 12,190,927               | 15,057,041               | 14,750,999               | (306,042)               | -2.0%        |
| <b>Net Operating Revenue</b> | <b>\$ 17,804,407</b>     | <b>\$ 17,147,959</b>     | <b>\$ 21,659,001</b>     | <b>\$ 4,511,042</b>     | <b>26.3%</b> |

### Toll Revenue

Toll revenue for FY 2023 is projected to increase to \$36.2 million or 14.0% as traffic begins to rebound from the COVID-19 virus pandemic. Toll rates were last increased in September 2008. The timing and extent of future rate adjustments will continue to be analyzed as projections are updated and revised based on actual results. 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. Other revenue primarily consists of investment income which is forecasted to decrease due to reduced interest rates.

## Budget Overview

### Compensation and Benefits

| Salaries & Benefits | FY2021              | FY2022              | FY2023              | FY2022 to FY2023   |              |
|---------------------|---------------------|---------------------|---------------------|--------------------|--------------|
|                     | Actual              | Budget              | Budget              | \$                 | %            |
| Salaries            | \$ 3,982,799        | \$ 4,694,296        | \$ 4,805,512        | \$ 111,216         | 2.4%         |
| Health Care         | 851,084             | 963,574             | 969,851             | 6,277              | 0.7%         |
| VRS Retirement      | 126,497             | 156,154             | 161,864             | 5,710              | 3.7%         |
| OPEB Contribution   | 100,000             | 50,000              | 50,000              | -                  | 0.0%         |
| Other               | 207,992             | 277,506             | 87,904              | (189,602)          | -68.3%       |
| <b>Total</b>        | <b>\$ 5,268,372</b> | <b>\$ 6,141,530</b> | <b>\$ 6,075,131</b> | <b>\$ (66,399)</b> | <b>-1.1%</b> |
| FTE Positions       | 110.0               | 86.5                | 79.5                | (7.0)              | -8.1%        |

Compensation and benefits are reviewed by the Compensation and Benefits Committee of the Board of Directors as part of the budget development process.

Salary expense increased in FY 2023 due to wage increases and is partially offset by a restructure of personnel. Health care program management remains a focus of the Authority's cost containment efforts. For FY 2023, health care expense increased due to higher insurance premiums. The premium increase will be shared by employees and the Authority. To encourage a healthier workforce, a premium contribution 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 FY 2023, the full actuarial recommended contribution rate is 1.12%. 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 VRSA/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 was fully funded in FY 2021.

Other compensation and benefits include items such as group life insurance, unemployment benefits, and disability insurance.

The Authority continues to evaluate staffing requirements against current and future needs. See additional detail in the Department Budget section and the Personnel Complement in the Supplemental Information section.



## Budget Overview

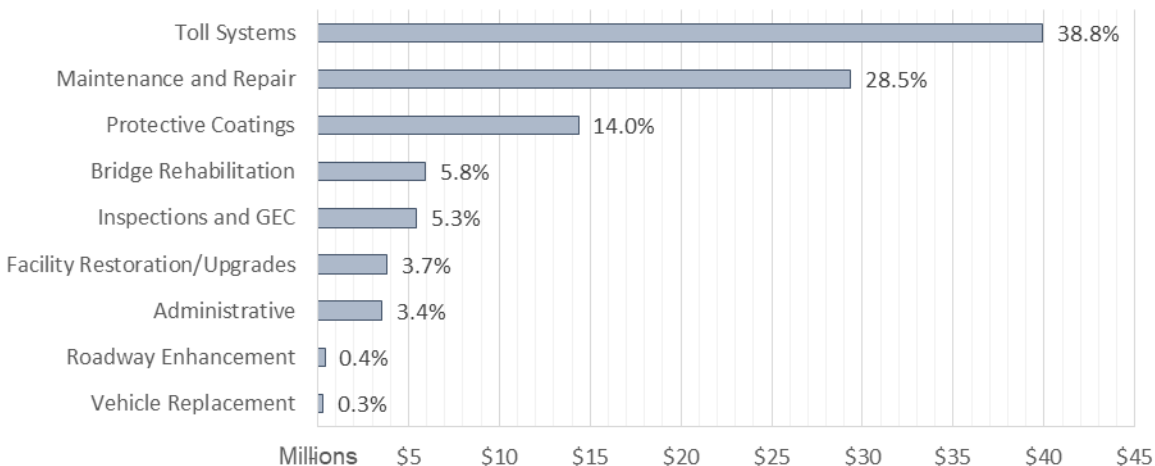
### Operations

| Operating       | FY2021<br>Actual    | FY2022<br>Budget    | FY2023<br>Budget    | FY2022 to FY2023    |              |
|-----------------|---------------------|---------------------|---------------------|---------------------|--------------|
|                 |                     |                     |                     | \$                  | %            |
| Toll Collection | \$ 4,550,037        | \$ 6,125,740        | \$ 5,717,958        | \$ (407,782)        | -6.7%        |
| Maintenance     | 1,196,277           | 1,415,641           | 1,472,000           | 56,359              | 4.0%         |
| SCOP            | 6,703               | -                   | -                   | -                   | 0.0%         |
| Administration  | 506,724             | 662,875             | 739,005             | 76,130              | 11.5%        |
| Engineering     | 19,765              | 27,130              | 30,000              | 2,870               | 10.6%        |
| Finance         | 590,098             | 623,375             | 625,580             | 2,205               | 0.4%         |
| Human Resources | 52,951              | 60,750              | 91,325              | 30,575              | 50.3%        |
| <b>Total</b>    | <b>\$ 6,922,555</b> | <b>\$ 8,915,511</b> | <b>\$ 8,675,868</b> | <b>\$ (239,643)</b> | <b>-2.7%</b> |

The overall budget decreases for FY 2023 by 2.7%. The E-ZPass processing costs are increasing due to the increase in traffic volume and increased road maintenance costs offset by decreases in armored car services, violation fees, and toll system parts. See the Department Budget and Budget Detail sections for additional discussion on the significant budgetary changes for FY 2023.

### 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 FY 2023-2028, the Six-Year Plan totals \$103.0 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

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*Downtown Expressway and City of Richmond*

**Our mission** is to facilitate and provide a variety of transportation and public facilities that improve the quality of life in the Richmond metropolitan area. 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 supportive 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

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### Board of Directors

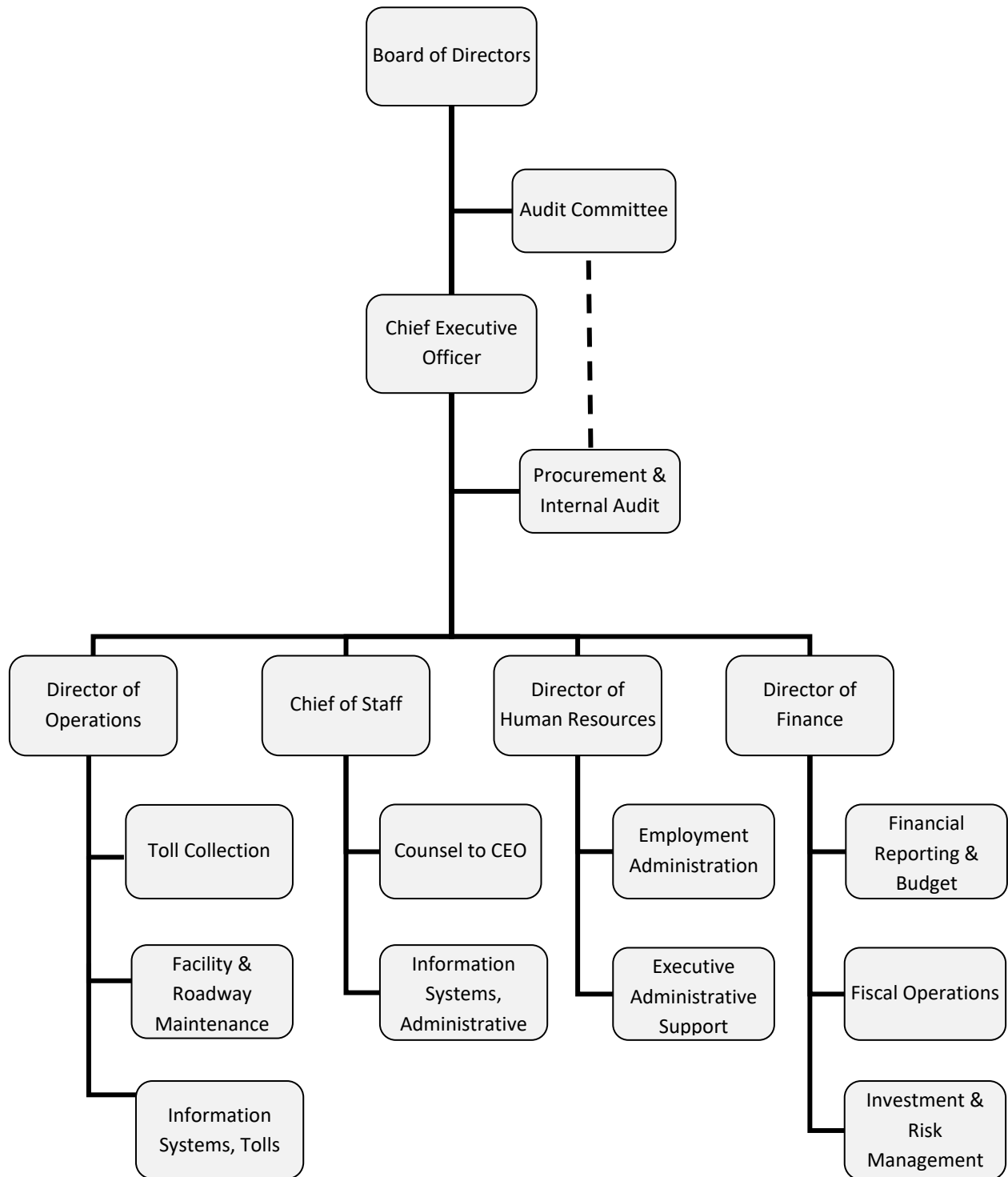
|                              |                                   |
|------------------------------|-----------------------------------|
| Marilyn West, Chair          | City of Richmond                  |
| Marvin Tart, Sr., Vice-Chair | Henrico County                    |
| Carlos M. Brown              | Commonwealth Transportation Board |
| Dr. Unwana Dabney            | City of Richmond                  |
| Jane duFrane                 | Henrico County                    |
| Stephen Elswick              | Chesterfield County               |
| Aubrey W. Fountain, III      | City of Richmond                  |
| Barrett Hardiman             | City of Richmond                  |
| Thomas A. Hawthorne          | Henrico County                    |
| Harvey Hinson                | Henrico County                    |
| Darius Johnson               | City of Richmond                  |
| Ian Millikan                 | Chesterfield County               |
| Tyrone Nelson                | Henrico County                    |
| Lane Ramsey                  | Chesterfield County               |
| Gregory A. Whirley           | Chesterfield County               |
| Donald Williams              | Chesterfield County               |

### Executive Management

|                 |                             |
|-----------------|-----------------------------|
| Joi Dean        | Chief Executive Officer     |
| Sheryl Johnson  | Director of Human Resources |
| James Madison   | Director of Finance         |
| Leslie Mehta    | Chief of Staff              |
| Theresa Simmons | Director of Operations      |

## Organizational Chart

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# 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)*

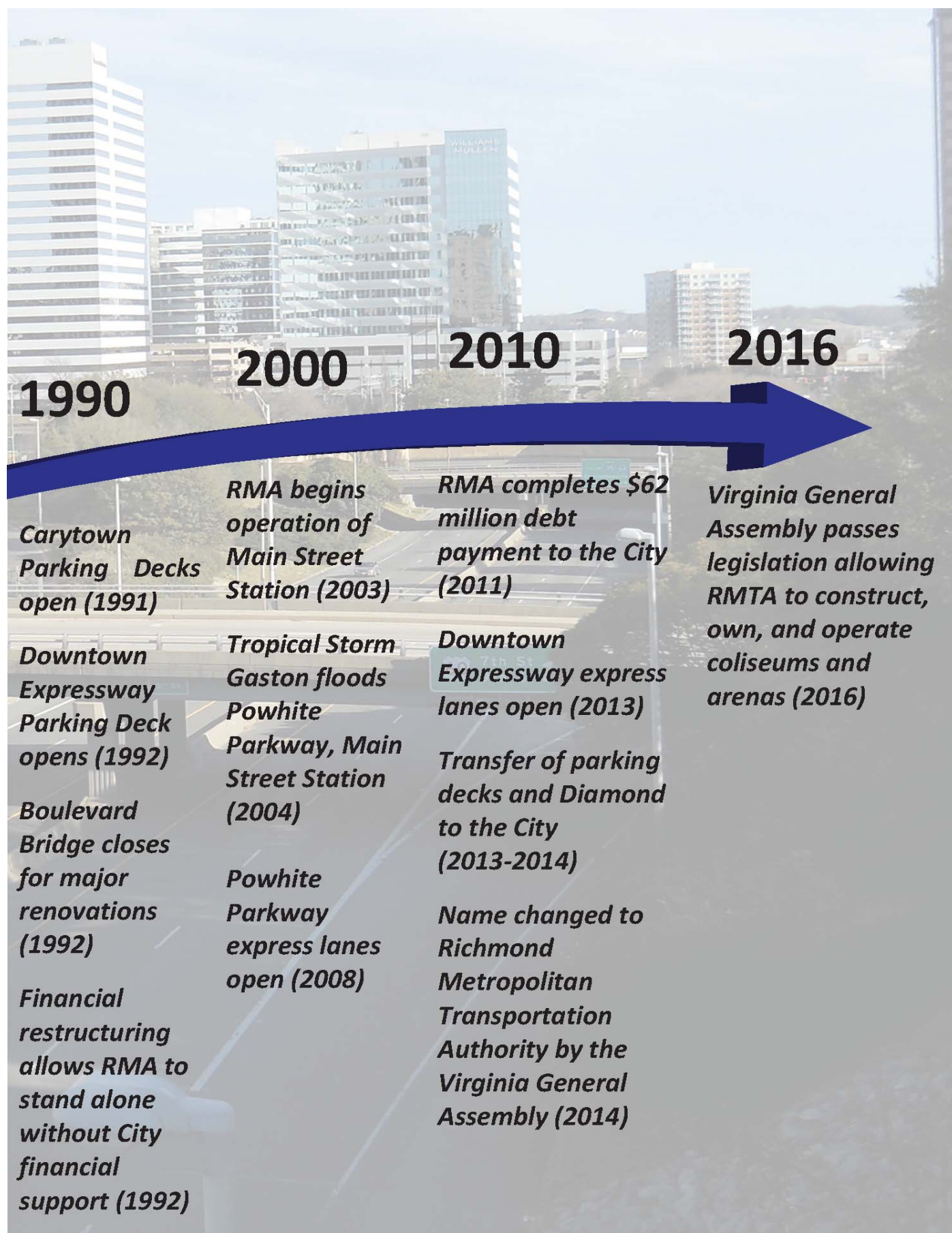
*Connecting ramps to and final portions of I-95 completed (1977)*

**1980**

*The Diamond opens (1985)*

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

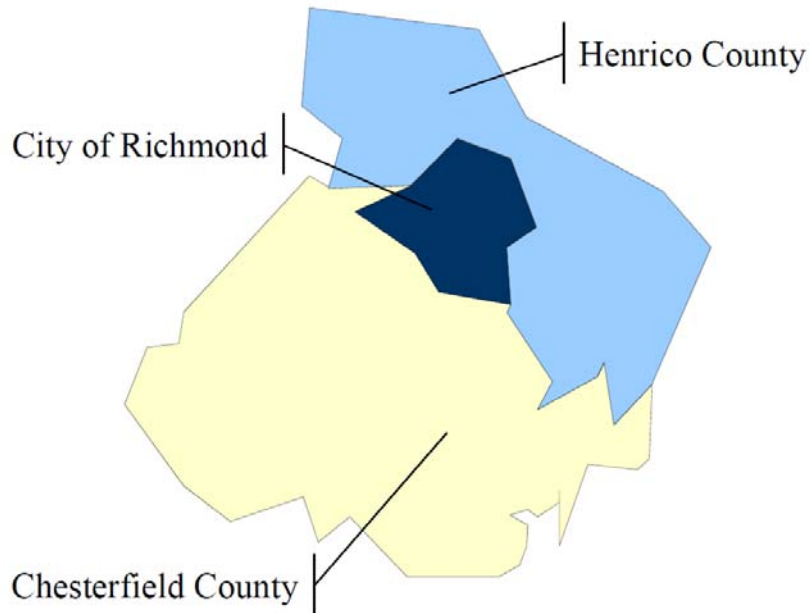




## History

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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.

## History

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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 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

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*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

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*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 ten 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

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*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

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*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.

In the 2020 General Assembly session, legislation was introduced that decreases from five to four the number of members of the Richmond Metropolitan Transportation Authority appointed by the Mayor of the City of Richmond and adds to the Authority one member of the City Council of the City of Richmond appointed by the president of the Council. This legislation was passed and becomes effective July 1, 2020.

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

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

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### **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 three enterprise funds: Expressway, Expressway Repair and Contingency (Capital), and Central Administration. 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 Finance department 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.

Board approval is needed to increase the total budgeted expense per fund or transfer budget authorization between expense categories.

The Finance department sends monthly traffic and revenue data to the Traffic and Revenue Consultant throughout the year. In January, the Director of Finance 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. Departmental objectives are reviewed to ensure resources are in alignment with the strategic plan and Board goals. Budget requests are provided to Finance for further evaluation and to compile into budgets by fund. The Executive Staff holds budget meetings 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.

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

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During March, budget amounts are finalized and the draft budget document is prepared. The draft document is reviewed by Executive staff before being finalized and presented to the 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 FY 2023, the budget development process followed the calendar of events as described below:

| <b>Date</b>                 | <b>Action</b>   |
|-----------------------------|---|
| January 10, 2022            | Finance coordinates with Traffic and Revenue Consultant to provide an updated current fiscal year projection and next fiscal year revenue estimate. |
| January 25, 2022            | Initial budget overview with Executive Staff, including review of budget calendar and required items.   |
| January 31, 2022            | Traffic and Revenue Consultant provides “Mid-Year Toll Certification”, including initial estimate of next year’s traffic and revenue projections.   |
| February 15, 2022           | Directors provide initial budget requests to Finance.   |
| February 22, 2022           | Initial budget review with Executive Staff.   |
| February 28, 2022           | Operating budget draft completed.   |
| March 8, 2022               | Compensation and Benefits Committee meeting to review salary and benefits.  |
| March 10, 2022              | Capital budget estimates reviewed by Executive Staff.   |
| March 18, 2022              | Capital budget draft completed.   |
| March 25, 2022              | Traffic and Revenue Consultant provides draft certificate of Expressway toll revenue.   |
| March 28, 2022<br>(Week of) | Budget workshop with Finance and Operations Committee to review operating and capital budget drafts and long-term financial plan update.            |
| April 7, 2022               | Final budget review with Executive Staff.   |
| April 8, 2022               | Proposed budget document complete.  |
| April 12, 2022              | Proposed budget presented to Board with comment period prior to adoption.   |
| May 10, 2022                | Board vote for budget adoption.   |

## Financial Policies

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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, statutory requirements, and recommended best practices from the Government Finance Officers Association (GFOA). Financial policies are reviewed periodically for updates and revisions. 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* – 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

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### **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

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4. Repair & Contingency Fund, Section 509 of Bond Resolution – maintain a balance as of June 30<sup>th</sup> 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.

*Annual Comprehensive Financial Report* – The Authority will prepare an Annual Comprehensive Financial Report 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 98% 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.

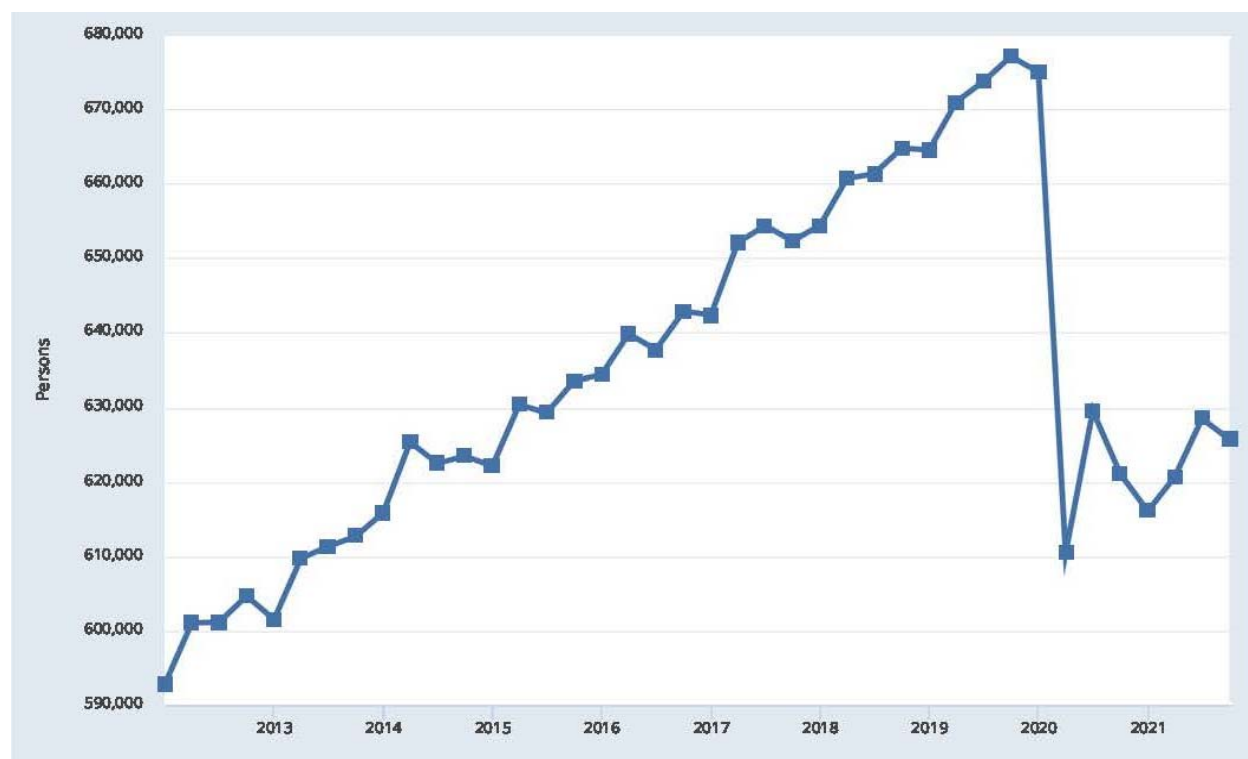
### Economic Conditions

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. Due to the COVID-19 pandemic, economic conditions deteriorated rapidly in 2020 and 2021 and traffic volume decreased significantly for the RMTA Expressway system. This impact and the gradual return of traffic volume has been factored in the FY 2023 budget with available information at the time of budget development.

### Employment

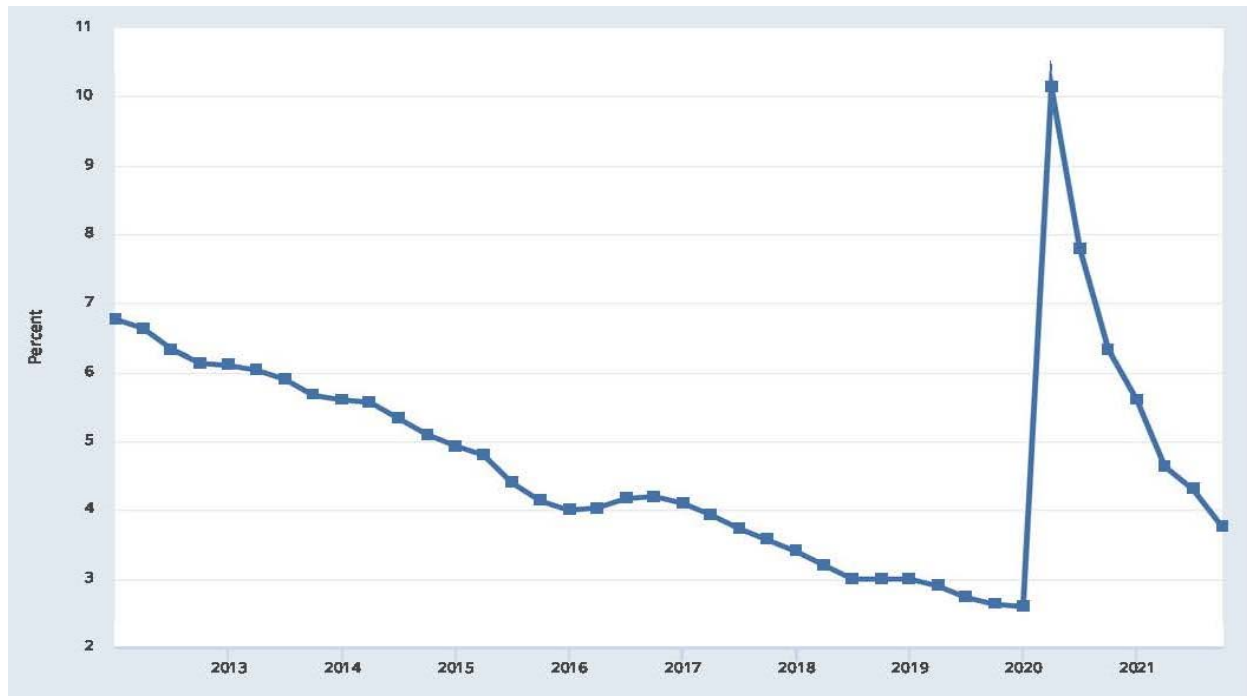
Employment data for the Richmond Metropolitan Statistical Area (MSA) from the Bureau of Labor Statistics (BLS) is historically correlated with RMTA traffic. As the RMTA is mostly a commuter facility, traffic is reasonably related to economic output and employment levels. The figures that follow show the historical employment levels for the Richmond MSA by quarter. The first is the number of employed persons over a 10-year period which allows for depiction of employment growth, the recent COVID-19 pandemic impact, and subsequent start of recovery. The second graph presents the unemployment rate over the same period.

Figure 1: Richmond MSA Employment – Long Term 2012- 2022



## Revenue Sources and Forecasting Assumptions

Figure 2: Unemployment Rates – Long Term 2012- 2022



### Gas Prices

For the FY23 forecast, it is estimated that gas prices will hover around \$4.00. As of March 2022, gas prices were averaging approximately \$4.10. Due to the inflationary impact on the economy, the prices could rise above \$5.00 temporarily. It should be noted that Richmond gas prices have been generally below those of the United States as a whole.

Figure 3: Price of Gasoline over the Past 36 months in Richmond, Virginia



## Long-Term Financial Plan

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### Long-Term Financial Plan Overview

The Authority works closely with its Traffic and Revenue Consultant and Consulting Engineer 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 conservative projections incorporate a sustained impact of the COVID-19 pandemic on commuting and traffic patterns. The projections are used for planning purposes only and may differ from actual results.

### Current and Next Six Fiscal Year Projections (in millions)

|                       | FY2022  | FY2023  | FY2024  | FY2025  | FY2026  | FY2027  | FY2028  |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|
| Tolls                 | \$ 33.6 | \$ 35.7 | \$ 36.7 | \$ 38.2 | \$ 38.6 | \$ 38.9 | \$ 39.3 |
| Other                 | 0.7     | 0.7     | 1.1     | 1.5     | 1.5     | 1.5     | 1.5     |
| Total revenue         | 34.3    | 36.4    | 37.8    | 39.7    | 40.1    | 40.4    | 40.8    |
| Operating expense     | (13.7)  | (14.8)  | (15.3)  | (15.9)  | (16.6)  | (17.2)  | (17.9)  |
| Net revenue           | 20.6    | 21.6    | 22.5    | 23.8    | 23.5    | 23.2    | 22.9    |
| Debt service          | (13.8)  | (9.8)   | (9.8)   | (9.8)   | (9.8)   | (9.7)   | (9.7)   |
| Available for capital | \$ 6.8  | \$ 11.8 | \$ 12.7 | \$ 14.0 | \$ 13.7 | \$ 13.5 | \$ 13.2 |
| Projected DSCR        | 1.49    | 2.20    | 2.30    | 2.43    | 2.40    | 2.39    | 2.36    |

### Toll Rates and Debt Issuance

The Authority's FY 2023 budget is based upon current toll rates. 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. As illustrated in the projections above, the Authority expects to continue meeting its DSCR requirements for the foreseeable future.

## Long-Term Financial Plan

### 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. In May 2019, Standard & Poor's affirmed a previous rating of A+ with a stable outlook. Moody's affirmed their previous rating at A1 with a stable outlook in October 2019. In February 2020, Fitch affirmed a previous rating of A with a stable outlook.

In March 2020 Standard & Poor revised the outlook from stable to negative for all transportation infrastructure due to the impact from COVID-19. In September 2021 Standard & Poor affirmed a rating of A+ for the Authority. In April 2022, Fitch affirmed a previous rating of A with a positive outlook.

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

### Capital Plan Funding

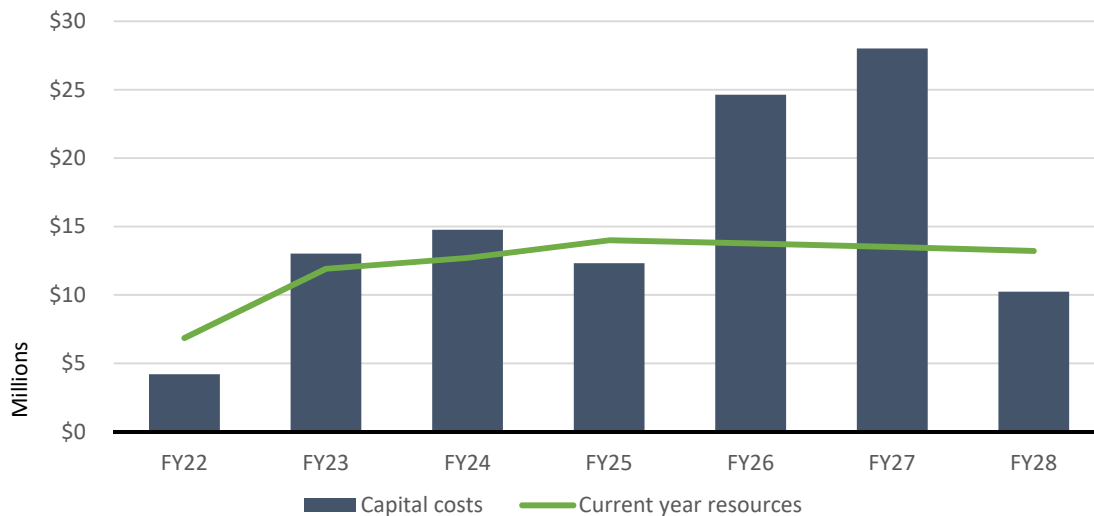
Capital needs must be compared to available resources to ensure capital funding is sufficient. In accordance with adopted financial policies, the Authority's goal is to have cash balances on hand as of June 30th to fully fund the next fiscal year's Capital Budget.

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

|                               | FY2022        | FY2023        | FY2024      | FY2025        | FY2026      | FY2027      | FY2028        |
|-------------------------------|---------------|---------------|-------------|---------------|-------------|-------------|---------------|
| Prior available for capital   | \$ -          | \$ 2.6        | \$ 1.4      | \$ -          | \$ 1.7      | \$ -        | \$ -          |
| Current available for capital | 6.8           | 11.8          | 12.7        | 14.0          | 13.7        | 13.5        | 13.2          |
| Debt issuance                 | -             | -             | -           | -             | -           | -           | -             |
| Use of reserves               | -             | -             | 0.7         | -             | 9.2         | 14.5        |               |
| Capital budget                | (4.2)         | (13.0)        | (14.8)      | (12.3)        | (24.6)      | (28.0)      | (10.2)        |
| Available for future capital  | <u>\$ 2.6</u> | <u>\$ 1.4</u> | <u>\$ -</u> | <u>\$ 1.7</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3.0</u> |

## Long-Term Financial Plan

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### Excess Balances Overview

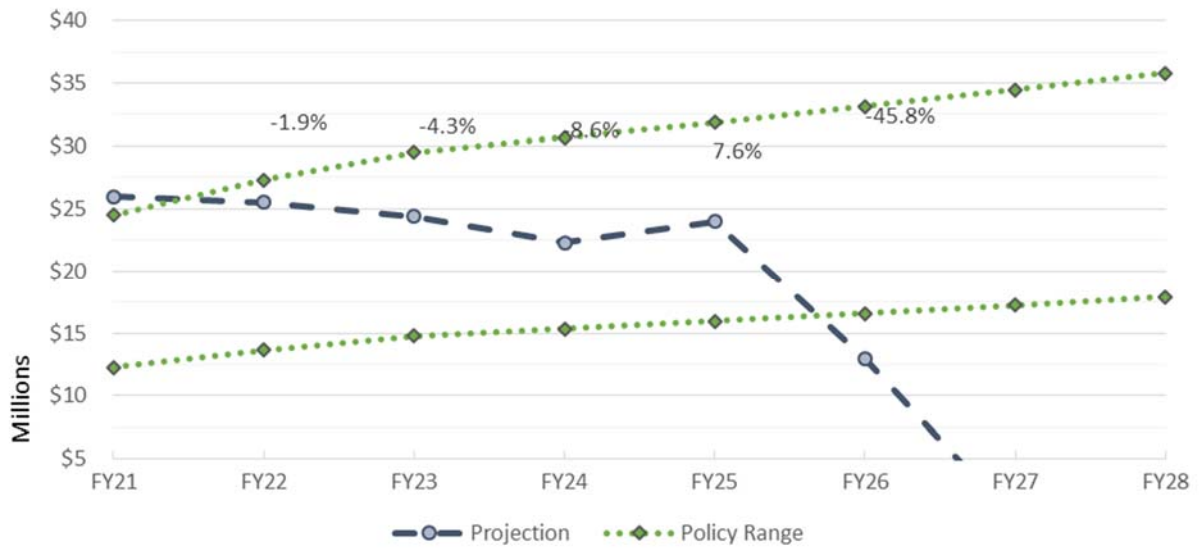
For budgetary purposes, fund balance or fund equity is defined as the cumulative difference between revenues and expenses over time. For the Authority's Expressway System, this cumulative difference is best represented by the Excess Balances fund. The Excess Balances fund was established by the Authority's bond resolution and provides the only reserves available for the Expressway System with capital assets valued in excess of \$350 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.

## Long-Term Financial Plan



The use of reserves is driven by the difference between capital cost estimates, operational expenses, and available revenue. While the current long-term financial plan shows the use of reserves in FY 2024-2028, the Authority continues to evaluate all available options to determine the appropriate action necessary to support its funding requirements.



## Department Budgets

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## 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 47.4 million customers in FY 2021 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 | <u>FY20</u> 74.0%<br><u>FY21</u> 74.6% |

### Financial Summary

|                           | FY2021              | FY2022              | FY2023              | FY2022 to FY2023    |              |
|---------------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| Toll Collection           | Actual              | Budget              | Budget              | \$                  | %            |
| Compensation and Benefits | \$ 3,314,697        | \$ 3,851,133        | \$ 3,577,799        | \$ (273,334)        | -7.1%        |
| Operating                 | 4,550,037           | 6,125,740           | 5,717,958           | (407,782)           | -6.7%        |
| <b>Total</b>              | <b>\$ 7,864,734</b> | <b>\$ 9,976,873</b> | <b>\$ 9,295,757</b> | <b>\$ (681,116)</b> | <b>-6.8%</b> |
| FTE Positions             | 87.0                | 66.0                | 60.0                | (6.0)               | -9.1%        |

|                           | FY2021              | FY2022              | FY2023              | FY2022 to FY2023 |             |
|---------------------------|---------------------|---------------------|---------------------|------------------|-------------|
| Maintenance               | Actual              | Budget              | Budget              | \$               | %           |
| Compensation and Benefits | \$ 309,683          | \$ 342,143          | \$ 348,080          | \$ 5,937         | 1.7%        |
| Operating                 | 1,196,277           | 1,415,641           | 1,472,000           | 56,359           | 4.0%        |
| <b>Total</b>              | <b>\$ 1,505,960</b> | <b>\$ 1,757,784</b> | <b>\$ 1,820,080</b> | <b>\$ 62,296</b> | <b>3.5%</b> |
| FTE Positions             | 6.0                 | 6.0                 | 6.0                 | -                | -           |

|                             | FY2021              | FY2022               | FY2023               | FY2022 to FY2023    |              |
|-----------------------------|---------------------|----------------------|----------------------|---------------------|--------------|
| Total Expressway Operations | Actual              | Budget               | Budget               | \$                  | %            |
| Compensation and Benefits   | \$ 3,624,380        | \$ 4,193,276         | \$ 3,925,879         | \$ (267,397)        | -6.4%        |
| Operating                   | 5,746,314           | 7,541,381            | 7,189,958            | (351,423)           | -4.7%        |
| <b>Total</b>                | <b>\$ 9,370,694</b> | <b>\$ 11,734,657</b> | <b>\$ 11,115,837</b> | <b>\$ (618,820)</b> | <b>-5.3%</b> |
| FTE Positions               | 93.0                | 72.0                 | 66.0                 | (6.0)               | -8.3%        |

FY 2023 compensation and benefits costs decreased due to restructured staffing schedules and operating hours offset partially by a wage increase. Employee health care expense increased due to higher premiums and offset by a restructure of personnel. FY2023 overall operating costs decreased due to decreases in armored car services, violation processing, and toll system parts expense offset by an increase to E-ZPass processing costs due to the increase in traffic volume and increased road maintenance costs.

## Expressway Operations

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### 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 FY 2006 to almost 75% in FY 2021. As of March 31, 2022, the peak morning and evening rush hours on the Powhite Parkway and Downtown Expressway, E-ZPass usage exceeds 82%.

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. The Authority estimates 77% of FY 2022 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. Toll system maintenance is performed by the current system integrator, The Revenue Markets, Inc. (TRMI), as well as the Authority's toll system maintenance team. The Authority and TRMI continue to work diligently to maintain the automatic coin machines (ACM), in-pavement sensors and overhead equipment throughout the Expressway System in good working order, while Authority staff works on the design and implementation of the recently procured new Open Road Tolling (ORT) electronic toll collection system. Upon notification and verification of reported equipment issues staff works quickly to resolve them. During FY 2021 there were approximately 36 reports regarding equipment issues that were received by the RMTA from customers. Each report was researched and if verifiable issues were found the toll system integrator was notified and would immediately repair the issues.

Beginning in late FY 2021 and continuing through FY 2022, the Authority has implemented several projects to update and upgrade its legacy toll collection system in order to extend the systems useful life and to meet the FHWA's MAP-21 directive for tolling interoperability. Authority staff has worked with TRMI to update the toll collection host system, disaster recovery and backup system and is currently working on upgrading computers and software in its 48 traditional toll lanes throughout the Expressway System. These projects will extend the system's useful life and help safeguard revenue. The Authority has also upgraded its electronic toll collection system to meet the new software specifications to meet national interoperability standards as required by FHWA and VDOT in all 57 toll lanes along the Downtown Expressway and Powhite Parkway. Additionally, the Authority has installed new multi-protocol transponder readers in 51 of its 57 lanes. The final 6 lanes will be converted to multi-protocol as part of the ORT electronic toll collection system project which is anticipated to be in its installation and testing phase during the 4<sup>th</sup> Quarter of 2022/1<sup>st</sup> Quarter of 2023.

The Expressway Operations department completed the conversion of the Powhite Parkway ORT zones from the TransCore system to the TRMI ORT solution. This conversion was implemented in order to bridge the gap until the new ORT electronic toll collection system project (ETC – 2021) can be completed. Authority staff and TRMI worked very closely with the VDOT Customer Service Center to ensure a smooth transition of the ORT zones. This work was completed over the course of two weekends in February 2022.

## Expressway Operations

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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 FY2022.

This was the fourth year the Authority would oversee its own snow and ice removal operations previously performed by VDOT. The table below details the number of events and annual costs associated with each fiscal year. Annual cost for snow and ice removal services are depended upon several variables – duration of event, severity of event, the amount of equipment and equipment operators needed to adequately respond to the event and also whether or not pre-treatment and post-treatment of the roadways is necessary.

| Fiscal Year | # of Snow/Ice Events | Total Cost |
|-------------|----------------------|------------|
| FY 2019     | 7                    | \$ 76,000  |
| FY 2020     | 1                    | \$ 4,000   |
| FY 2021     | 8                    | \$ 85,000  |
| FY 2022     | 8                    | \$105,000  |

The Authority completed the rehabilitation and repair of the salt sheds facility which included the installation of a new waterproofing member line, new asphalt, runoff detention pond and curb and gutter in the summer of 2020 and first used the site for operations during the 2020-2021 winter season. This facility was originally built and operated by VDOT beginning in the 1980s. VDOT terminated its snow and ice removal services for the Authority in 2017 at which time they abandoned the salt shed facility. A part of the rehabilitation of the salt sheds facility several groundwater monitoring wells for both the shallow water table aquifer and bedrock aquifer were installed beneath the site. The Authority performed groundwater sampling of the monitoring wells at the time of VDOT's departure, prior to completion of the repairs, and continues to perform quarterly groundwater sampling of site monitoring wells and surface water to monitor sodium and chloride concentrations. Sodium and chloride concentrations over the course of the last two quarters vary but appear to be generally trending downwards. It is noted that variation in concentrations within the water table aquifers can to some degree be correlated to the season rise and fall of the water table. Surface water samples collected during the summer and fall of 2021 do not exceed water quality standards for chlorides, indicating no measurable impact from site groundwater discharge to Powhite Creek, the closest offsite receptor. Authority staff will continue to operate the site in an environmentally sound way and continue to perform quarterly groundwater and surface monitoring.

Throughout this past year, the Authority's Expressway Operations department continued to respond to the Covid-19 pandemic with enhanced facility cleaning schedules and distribution of masks, face shields, gloves, hand sanitizer and disinfecting wipes to all field staff. Ongoing communications was provided to Operations staff, updating staff on information and guidance as it became available from the Center for Disease Control and the Virginia Department of Health. The Authority's Coronavirus Prevention Committee revised the Authority's Workplace Guidelines several times, in-line with the CDC, VHD and State government mandates.

## Expressway Operations

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In late January 2021 toll plaza operations were severely impacted by COVID-19 when at least two RMTA staff members and at least one contractor that had tested positive for COVID-19. Out of an abundance of caution and as a preemptive measure to help prevent the spread of COVID-19, the Authority, once again, suspended full service operations at the toll plazas and removed all toll attendants beginning January 28, 2021 at 9:30 PM until February 8, 2021 6:30 AM. During this time, the Expressway Operations maintenance department conducted a deep cleaning of all the toll booths and plaza facilities. Additionally, the Authority utilized an outside cleaning contractor to professionally sanitize all common areas utilizing electrostatic sprayers.

As calendar year 2021 came to a close and the impact of COVID-19 lessened, The Authority revised its Workplace Guidelines again, including but not limited to, removing the mask requirement and travel restrictions. Operations also increased staffing in the toll plaza lanes at the mainline plazas during morning and evening rush hours, when staff is available. Unfortunately, staffing remains problematic at times due to existing employee availability and turn-over and low recruitment of new employees. Operations continues to work with RMTA HR staff to mitigate these issues. Additionally, in October 2021, Expressway maintenance staff returned to its pre-COVID work schedule. All of the Operations department staff remains vigilant in the performance of their day to day operations to ensure the safety and health of all RMTA staff and customers.

## Administration

### Description

The Chief Executive Officer leads the organization, providing operational direction 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 Info Line and Twitter                        | Staff monitors account activity  |
| 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                              | <u>FY21</u> 4 internal reviews performed - no significant findings<br><u>FY22</u> 4 internal reviews performed - no significant findings |
| 4        | Manage the procurement process for all contracts   | Number of contracts signed with oversight by the Internal Audit and Procurement Manager | <u>FY21</u> 10 contracts with value of \$8.6 million<br><u>FY22</u> 7 contracts with value of \$10.3 million                             |

### Financial Summary

| Administration            | FY2021<br>Actual    | FY2022<br>Budget    | FY2023<br>Budget    | FY2022 to FY2023  |             |
|---------------------------|---------------------|---------------------|---------------------|-------------------|-------------|
|                           |                     |                     |                     | \$                | %           |
| Compensation and Benefits | \$ 752,074          | \$ 884,047          | \$ 940,256          | \$ 56,209         | 6.4%        |
| Operating                 | 506,724             | 662,875             | 739,005             | 76,130            | 11.5%       |
| <b>Total</b>              | <b>\$ 1,258,798</b> | <b>\$ 1,546,922</b> | <b>\$ 1,679,261</b> | <b>\$ 132,339</b> | <b>8.6%</b> |
| FTE Positions             | 4.0                 | 5.0                 | 4.0                 | (1.0)             | -20.0%      |

FY 2023 compensation and benefits costs increased primarily due to increased salaries, healthcare premiums, and retirement contributions. FY 2023 operating expense increased due to increased consulting services and website development expense.

## Administration

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### Highlights

The Administration continues to assess the website to ensure that it is meeting the needs of our customers. The RMTA continues to increase social media presence since the website was redesigned in 2018. In an effort to further engage in social media, the RMTA twitter handles, added in 2018, directly link to the website. The website allows for our customers to submit comments regarding our customer service and roadway operation. During the COVID-19 coronavirus pandemic, the RMTA has used its website and social media presence to inform customers about Authority staffing reconfigurations and closures.

Like most organizations throughout the country this past year, the RMTA has now shifted to a hybrid office and telework environment. As employees shifted to this model, the Information Technology department worked to ensure employees' transition was seamless and the productivity was not reduced. Moreover, committee and board meetings have shifted to a hybrid approach. As a result, the Authority has enhanced its conference room sound system capabilities to ensure that those participating in-person as well as through a video conferencing platform are able to participate fully in the meetings.

The Information Technology department continues to work with Operations and HNTB, our engineering consultants, and, as of this year, A-to-Be on the Toll system upgrade to ensure the network is fully capable of handling the increased amount of data that will be moving across it and to ensure the communication between the toll equipment and the RMTA network is linked properly. The IT department also continues to work with our current Toll System provider, TRMI, to ensure that their equipment is working and communicating across the RMTA's network up to TRMI's headquarters.

The IT department upgraded switch and router replacements at two toll facilities/plazas and the Main Office to Cisco current standards. The IT department upgraded several laptops and desktop workstations and is in the process of updating servers thereby reducing the number of servers needed to ensure Microsoft compliance and to save the Authority the cost of Microsoft server licenses. The IT department also installed up-to-date video conferencing in the Main Office for board and committee meetings. The IT department also issued an RFP for IT technical services. In the current global environment, cyber security has become more important than ever. Consequently, the IT department purchased and installed the latest SentinelOne – a cyber security solution. This solution is ranked as one of the top two in the cyber security industry. With this solution, the Authority can better monitor the network and get quick notifications when attacks are initiated. RMTA also upgraded functions within the email filter software, Barracuda, which will assist with blocking scam emails. Also, the IT department secured Business SecurityEdge with our network carrier Comcast. It assists with protecting the Authority from cyber threats such as malware, phishing, and botnets.

In addition to examining daily operations, the Authority's internal auditor added procurement oversight during FY 2016. 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. In FY 2021, approximately 9 contracts were signed with a value of \$600,000. In FY 2022, approximately 7 contracts were signed with a value of \$10.3 million.



## 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  | <u>FY21</u> 100% complete<br><u>FY22</u> 100% complete |
| 1,2      | Maintain bridges at or above the established condition level  | % of bridges rated below Federal Highway Administration (FHWA) condition rating of 5 | <u>FY21</u> 0%<br><u>FY22</u> 0%                       |
| 1,2      | Maintain pavement at or above the established condition level | % of pavement with a PCR score less than 40  | <u>FY21</u> 0.0%<br><u>FY22</u> 0.0%                   |

### Financial Summary

|                           | FY2021            | FY2022            | FY2023            | FY2022 to FY2023 |              |
|---------------------------|-------------------|-------------------|-------------------|------------------|--------------|
| Engineering               | Actual            | Budget            | Budget            | \$               | %            |
| Compensation and Benefits | \$ 165,744        | \$ 298,688        | \$ 338,882        | \$ 40,194        | 13.5%        |
| Operating                 | 19,765            | 27,130            | 30,000            | 2,870            | 10.6%        |
| <b>Total</b>              | <b>\$ 185,509</b> | <b>\$ 325,818</b> | <b>\$ 368,882</b> | <b>\$ 43,064</b> | <b>13.2%</b> |
| FTE Positions             | 1.0               | 2.0               | 2.0               | -                | 0.0%         |

FY 2023 compensation and benefits costs increased primarily due to increased salaries, healthcare premiums, and retirement contributions. FY 2023 operating costs increased slightly due to increased maintenance software license expense.

### Highlights

The Authority completed the Maintenance and Repair 2020 (MR-20) project during FY 2022. MR-20 was slightly delayed due to contractor staffing issues resulting from COVID-19 exposures and illnesses. However, the project remained on-budget. The Maintenance and Repair 2021 (MR-21) remains on-going, as of this writing. Once again, the reduced traffic volumes and revenue during 2021 caused by the COVID-19 pandemic, the RMTA revised the Miscellaneous Repair 2021 project to include only critical repair items affecting the Authority's assets' condition ratings. All non-critical repair items were rescheduled to a future Miscellaneous Repair project. The main items addressed in the MR-21 project include steel repairs, concrete protective coatings, shotcrete repairs and bridge joint repairs, to name a few.

Despite the reduction of scope for the MR-20 and MR-21, the Authority has continued to maintain all assets above policy thresholds as set by the Authority's Board of Directors. During the FY 2022 assets inspections, the Authority identified decreased condition ratings in a small subset of its asset components,

## Engineering

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but not below the policy thresholds. All Authority assets remain in a “State of Good Repair” as required by the Authority’s Bond indenture. The decreased condition ratings resulted from the reduced scope in the MR-20 and MR-21 projects due to limited funds available for the Capital Plan. Staff continues to assure the continued structural integrity of all its assets, including 36 bridges, 2 culverts, 50.2 lane-miles of pavement and various ancillary structures. RMTA’s bridge management and pavement preservation program focuses on a planned strategy of cost-effective treatments to be performed to maintain bridges and pavement in good condition, preserve existing bridge elements or component conditions and retard future deterioration. Appropriate timing of planned preservation treatments and activities extend useful life of the assets at an overall lower lifetime cost.

The Authority advertised and procured a new Open Road Tolling (ORT) system project in 2021, the Electronic Toll Collection 2021 project (ETC – 2021). This new project will update all ORT zones, also known as Express Lanes, along the Downtown Expressway and Powhite Parkway. The project is currently in the early stages of system design and is on-going. The Authority’s dedication to its customers, regional stakeholders and member jurisdictions is further evidenced by its continued commitment to ensuring the final toll system design meets all system requirements, safeguarding revenue and capital project funds.

The Authority anticipates advertising the remaining protective coatings work that needs to be completed during the summer of 2022. This project includes the full bridge protective coatings for the bridges located on the Downtown Expressway, Route 146 and Powhite Parkway, 29 bridges in all. This project completes the protective coatings work on the remaining Authority bridges. This is another example of the Authority’s dedication to the appropriate timing of planned preservation treatments that help extend the life of its major assets in the most cost-effective manner as possible.

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 FY 2041, 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 and pavement 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   | FY19 Unmodified<br>FY20 Unmodified |
| 1,2,3    | Obtain the GFOA Financial Reporting Award     | Consecutive years receipt of award | FY19 26<br>FY20 27                 |
| 1,2,3    | Obtain the GFOA Budget Presentation Award     | Consecutive years receipt of award | FY21 7<br>FY22 8                   |

### Financial Summary

| Finance                   | FY2021<br>Actual  | FY2022<br>Budget    | FY2023<br>Budget    | FY2022 to FY2023 |             |
|---------------------------|-------------------|---------------------|---------------------|------------------|-------------|
|                           |                   |                     |                     | \$               | %           |
| Compensation and Benefits | \$ 404,972        | \$ 453,602          | \$ 501,577          | \$ 47,975        | 10.6%       |
| Operating                 | 590,098           | 623,375             | 625,580             | 2,205            | 0.4%        |
| <b>Total</b>              | <b>\$ 995,070</b> | <b>\$ 1,076,977</b> | <b>\$ 1,127,157</b> | <b>\$ 50,180</b> | <b>4.7%</b> |
| FTE Positions             | 4.5               | 4.5                 | 4.5                 | -                | -           |

FY 2023 compensation and benefits costs increased primarily due to increased salaries, healthcare premiums, and retirement contributions. FY 2023 operating expenses increased due to increased insurance policy premiums offset by reduced consultant costs.

### Highlights

Finance works closely with the CEO to identify revenue opportunities, implement cost savings, and improve financial reporting. Finance manages the portfolio of extensive investments to maximize returns while maintaining a conservative approach. Finance evaluates the Risk Management coverage annually for proper protection of RMTA assets and operational activities. Finance also communicates with the Traffic and Revenue consultant to monitor traffic statistics, revenues, funding, and overall financial performance.

In response to the COVID-19 pandemic Finance has taken steps to ensure that bond covenants and other financial obligations are met. Expenses have been reviewed extensively, making reductions wherever possible. Reserves and other financial resources have been aligned to provide liquidity as necessary. Staff attends online presentations on new federal legislation and provides information to industry organizations to support potential legislation for the Authority’s and tolling industry’s benefit. Additional

## Finance

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reporting and analytics are provided to internal departments to assist in the management and decision making process during the current environment.

Finance continues to provide accurate and excellent financial services as evidenced by receiving an unmodified (“clean”) audit opinion on the Authority’s FY 2020 Comprehensive Annual Financial Report. Finance also received the GFOA’s Distinguished Budget Presentation Award for the 8th consecutive year for the Authority’s FY 2022 budget and continues to make improvements to the budget document based on GFOA recommendations and industry best practices.

In 2019 Finance led an initiative to participate in the Virginia Resources Authority (VRA) Virginia Pooled Financing Program (VPFP) in order to lower debt servicing. The issuance of Series 2019B bonds in FY 2020 lowered total Authority debt service over \$4.2 million and provides in excess of \$160,000 annually in interest savings.

Finance managed the investment portfolio of the Authority with assets over \$70 million in FY 2021, ensuring maximum yields while maintaining security of funds.

In FY 2020 and FY 2021 with the outbreak of the COVID-19 pandemic, Finance provided updates on Authority finances and operations to credit agencies. In a testament to the Authority’s management, robust maintenance of capital assets, and sound financial stewardship, in September 2021 Standard & Poor affirmed a rating of A+ and in April 2022 Fitch affirmed the rating of “A” with a positive outlook for the Authority.

Finance is responsible for risk management of the Authority and annually reviews and updates insurance and liability coverages. In conjunction with the insurance provider, evaluations are made to ensure adequate asset protection is provided at the best premium rates.

In FY 2022, Finance has undertaken a system conversion project for the financial reporting application. This upgraded application will improve efficiency with a reduction in vendor cost. With the increase in working remotely, staff will also have the benefit of accessing the program via an easier configuration. Additionally, various internal processing costs will be eliminated.

## Human Resources

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### 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. Maintain 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        | Implement Compensation Study recommendations regarding updated compensation plan and to address competitive salary concerns as related to the market<br><br>Conduct RFP for a new compensation study to be reflected in FY24 | Completion of phase two of the 2019 compensation study; increase living wage for toll collectors based on market competition | July 2021; November 2021; July 2022; November 2022 |
| 1        | Evaluate benefit plans with benefits consultant and providers to ensure packages are consistent with the marketplace   | Annual review of benefit plans   | February 2022                                      |
| 1        | Work with Operations Team to evaluate and implement right-sizing   | Appropriate and effective staffing   | September 2021- ongoing                            |
| 2        | Implement an intentional diversity and inclusion program that reflects and fosters a workplace that celebrates differences   | Phase One: introductory interactive training sessions  | July 2021; November 2021; March 2022; ongoing      |
| 1        | Coordinate and implement an RMTA succession plan to prepare for future initiatives and staffing needs  | Completion and periodic review of plan   | September 2021; ongoing                            |
| 2        | Evaluate employee engagement and interest regarding health and wellness  | Completion of health and wellness survey   | May 2022   |
| 2        | Coordinate and conduct regular training and development programs/activities to enhance knowledge of employee policies and legislation  | Mandatory management training  | June 2022; September 2022                          |
| 3        | Review Personnel Policies and Procedures manual at least annually  | Revise policy manual   | April 2022   |

## Human Resources

### Financial Summary

| Human Resources           | FY2021<br>Actual  | FY2022<br>Budget  | FY2023<br>Budget  | FY2022 to FY2023 |              |
|---------------------------|-------------------|-------------------|-------------------|------------------|--------------|
|                           |                   |                   |                   | \$               | %            |
| Compensation and Benefits | \$ 321,202        | \$ 311,917        | \$ 368,537        | \$ 56,620        | 18.2%        |
| Operating                 | 52,951            | 60,750            | 91,325            | 30,575           | 50.3%        |
| <b>Total</b>              | <b>\$ 374,153</b> | <b>\$ 372,667</b> | <b>\$ 459,862</b> | <b>\$ 87,195</b> | <b>23.4%</b> |
| FTE Positions             | 3.5               | 3.0               | 3.0               | -                | 0.0%         |

FY 2023 compensation and benefits costs increased primarily due to increased salaries, healthcare premiums, and retirement contributions. FY 2023 operating costs increased due to additional consulting and training expenses.

### Highlights

Human Resources staff continued to maneuver through the challenges resulting from the recent pandemic. HR managed employee health/wellbeing and right-sizing throughout the organization. As a part of the RMTA Coronavirus Prevention and Protection Task Force, HR staff kept up with evolving federal and state coronavirus related legislation and assisted with providing the required training to employees on OSHA Standards. In accordance with RMTA guidelines and health department mandates, HR maintained employee vaccination documentation, appropriately reported positive cases to required agencies, and notified employees of potential exposure.

Employee engagement, enlightenment and recognition were a major focus again in FY22. Zoom calls were hosted to provide all RMTA employees with mandatory safety and policy update trainings. We were more intentional about communication: sent weekly wellness emails; provided opportunities for employee feedback; identified and recognized staff for exemplary contributions. HR staff successfully held the annual flu vaccination clinics. A virtual employee recognition service was held to recognize and celebrate fourteen long-tenured (5yrs to 40yrs) employees for their outstanding and dedicated contributions to the RMTA. Human Resources also hosted a virtual holiday party, with almost 75% participation.

Benefits consultant, OneDigital, worked with HR staff to facilitate a virtual Open Enrollment for FY22. We anticipate a hybrid open enrollment this year, with a minimal premium increase for FY23. The Compensation and Benefits Committee also decided that RMTA will continue to provide a contribution to employee HSA accounts. Additionally, we will introduce enhanced benefits options (i.e. pet insurance) for FY23. The pandemic prevented us from implementing a wellness committee and related projects as previously planned. OneDigital will assist HR staff with conducting a new wellness survey to gain feedback from employees on future wellness initiatives for FY23.

Human Resources implemented the first phase of an intentional diversity and inclusion program that reflects the RMTA's commitment to fostering a welcoming workplace that celebrates differences. We held two mandatory training sessions, facilitated by the Virginia Center for Inclusive Communities. Additional interactive sessions are being planned for later this year. HR plans to encourage broad employee participation on related committees and benefits review panels.

## Human Resources

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Phase 2 of the 2019 compensation study, previously approved but postponed due to the pandemic-related lost revenue, was implemented in FY 22. Human Resources continued to promote effective recruitment and retention activities: participated in targeted in-person job fairs, held virtual interviews for open positions, increased the starting pay for toll collectors to be more in-line with the current competitive recruitment market, and implemented a referral bonus for specific hard to fill positions.

Human Resources staff continues to navigate and implement the regulatory changes proposed by the U.S. Department of Labor. Staff attends regular training, review and analysis of the Fair Labor Standards Act (FLSA), Family and Medical Leave Act (FMLA), Workers' Compensation Act, Americans with Disabilities Act Amendments Act (ADAAA), and Equal Employment Opportunity Commission (EEOC) requirements to ensure consistent compliance with federal and state laws. The RMTA personnel policies and procedures manual has been updated to reflect several new laws.



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## Budget Detail

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## Department to Fund Crosswalk

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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 three enterprise funds: Expressway, Expressway Repair and Contingency (Capital), Central Administration. The Expressway Repair and Contingency budget is presented as the Expressway Capital Budget in this document.

A summary of the FY 2023 operating budget by department and a crosswalk to the budgets by fund can be found below.

|                 | <b>Expressway</b>    | <b>Central<br/>Administration</b> | <b>Total</b>         |
|-----------------|----------------------|-----------------------------------|----------------------|
| Toll Collection | \$ 9,295,757         | \$ -                              | \$ 9,295,757         |
| Maintenance     | 1,820,080            | -                                 | 1,820,080            |
| Administration  | 140,250              | 1,539,011                         | 1,679,261            |
| Engineering     | 23,000               | 345,882                           | 368,882              |
| Finance         | 583,400              | 543,757                           | 1,127,157            |
| Human Resources | -                    | 459,862                           | 459,862              |
|                 | <b>\$ 11,862,487</b> | <b>\$ 2,888,512</b>               | <b>\$ 14,750,999</b> |

|                          | <b>Expressway</b>    | <b>Central<br/>Administration</b> | <b>Total</b>         |
|--------------------------|----------------------|-----------------------------------|----------------------|
| Total Budget by Fund     | \$ 14,230,412        | \$ 2,888,512                      | \$ 17,118,924        |
| Central Admin Allocation | (2,367,925)          | -                                 | (2,367,925)          |
|                          | <b>\$ 11,862,487</b> | <b>\$ 2,888,512</b>               | <b>\$ 14,750,999</b> |

- (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

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### Description

The Expressway fund is used to account for all ongoing Expressway System operations, including toll collection and maintenance. 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 FY 2022 is projected to be over budget by approximately 10% due to increased traffic volume as the COVID-19 pandemic wanes. The budgeted toll revenue for FY 2023 is 17% greater than the FY 2022 budget. See the Revenue Sources and Forecasting Assumption section for a detailed discussion on the development of the FY 2023 forecast.
- *Compensation and benefits:* Compensation increased in FY 2023 due to increases in salaries and healthcare premiums offset by restructured staffing and operating hours.
- *E-ZPass processing fees:* The FY 2023 budget includes a 16% increase based on increased traffic volume and E-ZPass utilization rate.
- *Armored Transport & Coin Counting:* FY 2023 costs decreased \$148,000 due to new contractual terms and coin counting internal process.
- *Annual Road Maintenance – Roadways:* FY 2023 includes an estimated \$56,000 increase for the general maintenance of the expressway system, buildings, and the salt sheds.

## Expressway Fund Budget

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### Certificate

In accordance with Section 701 of the 2011 bond resolution, the Authority is required to engage a Traffic and Revenue Consultant to certify that the budget has been prepared in accordance with the provisions of the Master Resolution and shall contain a certificate of the Consulting Engineers approving the same.

The Authority has contracted with Stantec Consulting Services Inc. as Traffic and Revenue Consultant and with HNTB as Consulting Engineer.

The certificate is presented as a draft in the proposed budget presentation to the RMTA Board of Directors; consultant revenue and expense certifications are finalized upon budget adoption.

|                              | <b>FY2021<br/>Actual</b>   | <b>FY2022<br/>Budget</b>   | <b>FY2023<br/>Budget</b>    | <b>FY2022 to FY2023<br/>\$</b> | <b>%</b> |
|------------------------------|----------------------------|----------------------------|-----------------------------|--------------------------------|----------|
| Toll Revenue (1)             | \$ 29,107,175              | \$ 30,466,000              | \$ 35,721,000               | \$ 5,255,000                   | 17.2%    |
| Other Revenue (2)            | <u>888,159</u>             | <u>1,739,000</u>           | <u>689,000</u>              | <u>(1,050,000)</u>             | -60.4%   |
|                              | 29,995,334                 | 32,205,000                 | 36,410,000                  | 4,205,000                      | 13.1%    |
| Operating Expenses (2)       | <u>12,190,927</u>          | <u>15,057,041</u>          | <u>14,750,999</u>           | <u>(306,042)</u>               | -2.0%    |
| Net Operating Revenue        | <u>17,804,407</u>          | <u>17,147,959</u>          | <u>21,659,001</u>           | <u>4,511,042</u>               | 26.3%    |
| Debt Service (3)             | <u>(14,575,739)</u>        | <u>(13,753,176)</u>        | <u>(9,751,920)</u>          | <u>4,001,256</u>               | -29.1%   |
| <b>Available for Capital</b> | <b><u>\$ 3,228,668</u></b> | <b><u>\$ 3,394,783</u></b> | <b><u>\$ 11,907,081</u></b> | <b><u>\$ 8,512,298</u></b>     | 250.7%   |

(1) As estimated by Stantec and the Authority

(2) As estimated by the Authority

(3) Per debt service schedule, advance funding basis

### Revenue Certification Stantec Consulting Services, Inc.

While the coverage levels are met for FY2023 per the calculation required in the Master Resolution, which only focuses on debt service and specific levels of funding for various reserve funds, it is understood that the future capital program over the next five years will require significant funding from reserves. These capital programs include standard maintenance and repair as well as larger renewal capital programs including protective coatings on roadways, major bridge rehabilitation, and updating the toll system. It does not appear that the existing toll schedule can fund such necessary future improvements even using all available cash reserves. Since these capital programs are directly related to the maintenance of the roadway and collection of toll revenue, Stantec will be carefully monitoring performance and longer-term outlook to anticipate the potential timing of future toll increases required to ensure the continued ability for RMTA to collect toll revenue on the System.



Richard Gobeille, P.E.  
Stantec Consulting Services, Inc.

## Expressway Fund Budget

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### Expense Certification HNTB Corporation

HNTB conditionally certifies the FY2023 budget has been prepared in accordance with the Amended and Restated Resolution 2011-D with an understanding that the RMTA Board of Directors will, in a timely manner, approve withdrawals from the Excess Balances Fund in amounts which are sufficient to cover any anticipated costs for Routine Maintenance and/or Capital Improvement Projects that would otherwise be in excess of amounts available within the Repair and Contingency Fund.



Christopher Lester, P.E.  
HNTB Corporation

## Expressway Fund Budget

| Expressway                         | FY2021<br>Actual    | FY2022<br>Budget    | FY2023<br>Budget    | FY2022 to FY2023    |              |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|--------------|
|                                    |                     |                     |                     | \$                  | %            |
| <b>Revenue</b>                     |                     |                     |                     |                     |              |
| Toll Revenue                       | \$ 29,107,175       | \$ 30,466,000       | \$ 35,721,000       | \$ 5,255,000        | 17.2%        |
| Violation Enforcement - CSC        | 132,728             | 1,000,000           | 150,000             | (850,000)           | -85.0%       |
| Violation Enforcement - Courts     | 204,505             | 225,000             | 250,000             | 25,000              | 11.1%        |
| Toll Payments - Collections        | 127,154             | 35,000              | 35,000              | -                   | 0.0%         |
| Parking Lot Rentals                | 52,493              | 54,000              | 54,000              | -                   | 0.0%         |
| Interest Income                    | 370,983             | 425,000             | 200,000             | (225,000)           | -52.9%       |
| Miscellaneous Income               | 296                 | -                   | -                   | -                   | 0.0%         |
| <b>Total Revenue</b>               | <b>\$29,995,334</b> | <b>\$32,205,000</b> | <b>\$36,410,000</b> | <b>\$ 4,205,000</b> | <b>13.1%</b> |
| <b>Toll Collection</b>             |                     |                     |                     |                     |              |
| Regular Pay                        | \$ 2,110,795        | \$ 2,490,548        | \$ 2,384,958        | \$ (105,590)        | -4.2%        |
| Overtime                           | 173,039             | 178,626             | 231,464             | 52,838              | 29.6%        |
| Payroll Taxes                      | 188,123             | 204,192             | 200,156             | (4,036)             | -2.0%        |
| Retirement                         | 44,253              | 55,224              | 49,417              | (5,807)             | -10.5%       |
| Health Insurance                   | 634,287             | 682,596             | 662,135             | (20,461)            | -3.0%        |
| Group Life Insurance               | 28,178              | 19,547              | 26,569              | 7,022               | 35.9%        |
| Long Term Disability               | 2,216               | 3,500               | 2,600               | (900)               | -25.7%       |
| Unemployment Benefits              | 116,547             | 200,000             | 5,000               | (195,000)           | -97.5%       |
| Uniforms                           | 6,817               | 2,900               | 2,500               | (400)               | -13.8%       |
| Employee Mileage                   | 10,442              | 14,000              | 13,000              | (1,000)             | -7.1%        |
| Compensation and Benefits          | 3,314,697           | 3,851,133           | 3,577,799           | (273,334)           | -7.1%        |
| E-ZPass Processing Fees            | 2,643,042           | 3,100,000           | 3,600,000           | 500,000             | 16.1%        |
| Violation Enforcement - CSC        | 30,959              | 1,000,000           | 250,000             | (750,000)           | -75.0%       |
| Collections Service                | 5,729               | 9,500               | 2,000               | (7,500)             | -78.9%       |
| Armored Transport & Coin Counting  | 156,351             | 250,000             | 102,100             | (147,900)           | -59.2%       |
| Toll System Maint. - A-to-Be /Tran | 409,776             | 400,000             | 316,094             | (83,906)            | -21.0%       |
| Toll System Maint. - TRMI          | 916,949             | 943,240             | 1,062,064           | 118,824             | 12.6%        |
| Currency Counter Maintenance       | 2,968               | 3,000               | 3,200               | 200                 | 6.7%         |
| Security System                    | 9,109               | 10,000              | 14,000              | 4,000               | 40.0%        |
| Traffic Camera Hosting             | 2,327               | 2,500               | 2,500               | -                   | 0.0%         |
| Utilities                          | 178,687             | 185,000             | 185,000             | -                   | 0.0%         |
| Toll System Parts and Supplies     | 129,091             | 180,000             | 125,000             | (55,000)            | -30.6%       |
| (continued)                        |                     |                     |                     |                     |              |

## Expressway Fund Budget

| Expressway                     | FY2021              | FY2022              | FY2023              | FY2022 to FY2023    |              |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|--------------|
|                                | Actual              | Budget              | Budget              | \$                  | %            |
| Security System - Camera       |                     |                     |                     |                     |              |
| Maintenance                    | 7,716               | 10,000              | 25,000              | 15,000              | 150.0%       |
| Traffic Cameras - Maintenance  | 4,653               | 5,000               | 5,000               | -                   | 0.0%         |
| Gate Claims                    | 16,864              | 6,500               | 5,000               | (1,500)             | -23.1%       |
| Office Supplies and Printing   | 14,057              | 15,000              | 15,000              | -                   | 0.0%         |
| Office Equipment               | 3,428               | 5,000               | 5,000               | -                   | 0.0%         |
| Miscellaneous Expenses         | 18,331              | 1,000               | 1,000               | -                   | 0.0%         |
| Personnel - Employee Relations | 2,900               | -                   | -                   | -                   | 0.0%         |
| Operating                      | 4,552,937           | 6,125,740           | 5,717,958           | (407,782)           | -6.7%        |
| <b>Toll Collection Total</b>   | <b>\$ 7,867,634</b> | <b>\$ 9,976,873</b> | <b>\$ 9,295,757</b> | <b>\$ (681,116)</b> | <b>-6.8%</b> |

### Maintenance

|  |                     |                     |                     |                  |             |
|--|---------------------|---------------------|---------------------|------------------|-------------|
| Regular Pay                                | \$ 207,783          | \$ 224,631          | \$ 241,944          | \$ 17,313        | 7.7%        |
| Overtime                                   | 31,738              | 29,283              | 18,648              | (10,635)         | -36.3%      |
| Payroll Taxes                              | 17,870              | 19,424              | 19,935              | 511              | 2.6%        |
| Retirement                                 | 3,719               | 5,616               | 5,963               | 347              | 6.2%        |
| Health Insurance                           | 40,468              | 57,334              | 55,512              | (1,822)          | -3.2%       |
| Group Life Insurance                       | 2,593               | 2,855               | 3,078               | 223              | 7.8%        |
| Uniforms                                   | 5,512               | 3,000               | 3,000               | -                | -           |
| Compensation and Benefits                  | 309,683             | 342,143             | 348,080             | 5,937            | 1.7%        |
| Annual Road Maintenance                    | 986,132             | 1,169,641           | 1,226,000           | 56,359           | 4.8%        |
| Building and Janitorial Services           | 22,260              | 25,000              | 25,000              | -                | 0.0%        |
| Materials & Supplies - Toll Plaza          | 8,831               | 7,500               | 7,500               | -                | 0.0%        |
| Materials & Supplies - Traffic Control     | 3,340               | 6,000               | 6,000               | -                | 0.0%        |
| Materials & Supplies - Grounds & Buildings | 45,436              | 65,000              | 65,000              | -                | 0.0%        |
| Materials & Supplies - Roadways            | 3,560               | 10,000              | 10,000              | -                | 0.0%        |
| Grounds & Building Maintenance             | 75,601              | 83,000              | 83,000              | -                | 0.0%        |
| Maintenance - Equipment Repair             | 7,418               | 7,500               | 7,500               | -                | 0.0%        |
| Vehicle Operations and Maintenance         | 43,699              | 42,000              | 42,000              | -                | 0.0%        |
| Operating                                  | 1,196,277           | 1,415,641           | 1,472,000           | 56,359           | 4.0%        |
| <b>Maintenance Total</b>                   | <b>\$ 1,505,960</b> | <b>\$ 1,757,784</b> | <b>\$ 1,820,080</b> | <b>\$ 62,296</b> | <b>3.5%</b> |



## Expressway Fund Budget

| Expressway                             | FY2021              | FY2022              | FY2023              | FY2022 to FY2023    |              |
|--|---------------------|---------------------|---------------------|---------------------|--------------|
|  | Actual              | Budget              | Budget              | \$                  | %            |
| <b>SCOP</b>                            |                     |                     |                     |                     |              |
| Regular Pay                            | \$ -                | \$ -                | \$ -                | \$ -                | 0.0%         |
| Overtime                               | -                   | -                   | -                   | -                   | 0.0%         |
| Payroll Taxes                          | -                   | -                   | -                   | -                   | 0.0%         |
| Retirement                             | -                   | -                   | -                   | -                   | 0.0%         |
| Health Insurance                       | -                   | -                   | -                   | -                   | 0.0%         |
| Group Life Insurance                   | -                   | -                   | -                   | -                   | 0.0%         |
| Long Term Disability                   | -                   | -                   | -                   | -                   | 0.0%         |
| Uniforms                               | -                   | -                   | -                   | -                   | 0.0%         |
| Compensation and Benefits              | -                   | -                   | -                   | -                   | 0.0%         |
| Communications Systems                 | 4,926               | -                   | -                   | -                   | 0.0%         |
| Communications Equipment               | 1,675               | -                   | -                   | -                   | 0.0%         |
| Materials & Supplies - Traffic Control | -                   | -                   | -                   | -                   | 0.0%         |
| Training and Development               | 102                 | -                   | -                   | -                   | 0.0%         |
| Safety Program                         | -                   | -                   | -                   | -                   | 0.0%         |
| Operating                              | 6,703               | -                   | -                   | -                   | 0.0%         |
| <b>SCOP Total</b>                      | <b>\$ 6,703</b>     | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>0.0%</b>  |
| <b>Administrative</b>                  |                     |                     |                     |                     |              |
| Telecommunications                     | \$ 20,013           | \$ 17,500           | \$ 19,250           | \$ 1,750            | 10.0%        |
| Data Communications                    | 32,972              | 36,500              | 39,000              | 2,500               | 6.8%         |
| Computer Service Agreements            | 43,452              | 36,500              | 42,000              | 5,500               | 15.1%        |
| Legal Services                         | 18,441              | 50,000              | 40,000              | (10,000)            | -20.0%       |
| Computer Hardware                      | 10,244              | 4,000               | -                   | (4,000)             | -100.0%      |
| Computer Software                      | 3,235               | -                   | -                   | -                   | 0.0%         |
| Asset Management Software Hosting      | 19,500              | 20,000              | 23,000              | 3,000               | 15.0%        |
| Insurance                              | 341,731             | 349,067             | 365,000             | 15,933              | 4.6%         |
| Trustee Services                       | 27,755              | 19,550              | 12,000              | (7,550)             | -38.6%       |
| Traffic and Revenue Consultant         | 49,282              | 49,908              | 52,000              | 2,092               | 4.2%         |
| Audit and Accounting Services          | 55,700              | 60,000              | 56,000              | (4,000)             | -6.7%        |
| Credit Rating Fees                     | 16,500              | 28,000              | 31,000              | 3,000               | 10.7%        |
| Financial Advisor                      | -                   | 10,000              | 10,000              | -                   | 0.0%         |
| Investment Advisor                     | 50,308              | 54,000              | 57,400              | 3,400               | 6.3%         |
| <b>Administrative Total</b>            | <b>\$ 689,133</b>   | <b>\$ 735,025</b>   | <b>\$ 746,650</b>   | <b>\$ 11,625</b>    | <b>1.6%</b>  |
| Compensation and Benefits              | \$ 3,624,380        | \$ 4,193,276        | \$ 3,925,879        | \$ (267,397)        | -6.4%        |
| Operations                             | 6,445,050           | 8,276,406           | 7,936,608           | (339,798)           | -4.1%        |
| Central Admin Allocation               | 2,132,328           | 2,032,665           | 2,367,925           | 335,260             | 16.5%        |
| <b>Total Expenses</b>                  | <b>\$12,201,758</b> | <b>\$14,502,347</b> | <b>\$14,230,412</b> | <b>\$ (271,935)</b> | <b>-1.9%</b> |

## Central Administration Fund Budget

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### 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*: Compensation is increased in FY 2023 due to increases in salaries, healthcare premiums, and retirement contributions.
- *Consulting services*: Increased due to strategic services and studies and website development
- *Training and Development*: Increase of \$25,000.
- *Legal*: FY 2022 decrease of \$10,000 reflects historical trend utilization.

## Central Administration Fund Budget

| Central Administration                     | FY2021<br>Actual    | FY2022<br>Budget    | FY2023<br>Budget    | FY2022 to FY2023<br>\$ % |              |
|--|---------------------|---------------------|---------------------|--------------------------|--------------|
| <b>Administration</b>                      |                     |                     |                     |                          |              |
| Regular Pay                                | \$ 482,739          | \$ 619,431          | \$ 657,902          | \$ 38,471                | 6.2%         |
| Payroll Taxes                              | 32,527              | 43,684              | 46,148              | 2,464                    | 5.6%         |
| Retirement                                 | 50,822              | 54,377              | 59,661              | 5,284                    | 9.7%         |
| Health Insurance                           | 74,370              | 102,454             | 113,067             | 10,613                   | 10.4%        |
| Group Life Insurance                       | 6,552               | 8,074               | 8,578               | 504                      | 6.2%         |
| Long Term Disability                       | 4,798               | 6,027               | 4,900               | (1,127)                  | -18.7%       |
| Unemployment Benefits                      | 266                 | -                   | -                   | -                        | 0.0%         |
| OPEB Trust Contribution                    | 100,000             | 50,000              | 50,000              | -                        | 0.0%         |
| Compensation and Benefits                  | 752,074             | 884,047             | 940,256             | 56,209                   | 6.4%         |
| Telecommunications                         | 9,198               | 10,000              | 10,000              | -                        | 0.0%         |
| Data Communications                        | 2,980               | 3,500               | 4,000               | 500                      | 14.3%        |
| Computer Service Agreements                | 27,482              | 26,500              | 30,000              | 3,500                    | 13.2%        |
| Consulting Services                        | 285                 | 10,000              | 28,000              | 18,000                   | 180.0%       |
| Legal Services                             | 100,875             | 150,000             | 140,000             | (10,000)                 | -6.7%        |
| Office Lease and Parking                   | 193,050             | 208,600             | 214,400             | 5,800                    | 2.8%         |
| Miscellaneous Expenses                     | 116                 | 500                 | 500                 | -                        | 0.0%         |
| Computer Hardware                          | 6,176               | 4,000               | 5,000               | 1,000                    | 25.0%        |
| Computer Software                          | 2,892               | 5,000               | 1,000               | (4,000)                  | -80.0%       |
| Web Site Development                       | 150                 | 2,000               | 15,000              | 13,000                   | 650.0%       |
| Board Attendance Fees                      | -                   | 4,000               | 7,500               | 3,500                    | 87.5%        |
| Board Expenses - Other                     | 202                 | 3,000               | 38,000              | 35,000                   | 1166.7%      |
| Professional Memberships and Subscriptions | 32,292              | 33,975              | 31,055              | (2,920)                  | -8.6%        |
| Training and Development                   | 2,433               | 22,300              | 39,300              | 17,000                   | 76.2%        |
| Public Relations                           | 236                 | 30,000              | 30,000              | -                        | 0.0%         |
| Community Outreach                         | -                   | 5,000               | 5,000               | -                        | 0.0%         |
| Operating                                  | 378,367             | 518,375             | 598,755             | 80,380                   | 15.5%        |
| <b>Administration Total</b>                | <b>\$ 1,130,441</b> | <b>\$ 1,402,422</b> | <b>\$ 1,539,011</b> | <b>\$ 136,589</b>        | <b>9.7%</b>  |
| <b>Engineering</b>                         |                     |                     |                     |                          |              |
| Regular Pay                                | \$ 134,562          | \$ 237,543          | \$ 273,546          | \$ 36,003                | 15.2%        |
| Payroll Taxes                              | 10,245              | 18,172              | 20,926              | 2,754                    | 15.2%        |
| Retirement                                 | 8,932               | 11,964              | 12,471              | 507                      | 4.2%         |
| Health Insurance                           | 8,882               | 25,270              | 25,919              | 649                      | 2.6%         |
| Group Life Insurance                       | 1,795               | 3,183               | 3,320               | 137                      | 4.3%         |
| Long Term Disability                       | 1,328               | 2,556               | 2,700               | 144                      | 5.6%         |
| Compensation and Benefits                  | 165,744             | 298,688             | 338,882             | 40,194                   | 13.5%        |
| Professional Memberships and Subscriptions | 265                 | 630                 | 500                 | (130)                    | -20.6%       |
| Training and Development                   | -                   | 6,500               | 6,500               | -                        | 0.0%         |
| Operating                                  | 265                 | 7,130               | 7,000               | (130)                    | -1.8%        |
| <b>Engineering Total</b>                   | <b>\$ 166,009</b>   | <b>\$ 305,818</b>   | <b>\$ 345,882</b>   | <b>\$ 40,064</b>         | <b>13.1%</b> |

## Central Administration Fund Budget

| Central Administration                     | FY2021<br>Actual    | FY2022<br>Budget    | FY2023<br>Budget    | FY2022 to FY2023  |              |
|--|---------------------|---------------------|---------------------|-------------------|--------------|
|  |                     |                     |                     | \$                | %            |
| <b>Finance</b>                             |                     |                     |                     |                   |              |
| Regular Pay                                | \$ 317,024          | \$ 346,369          | \$ 371,866          | \$ 25,497         | 7.4%         |
| Overtime                                   | 6,861               | 1,815               | 3,721               | 1,906             | 105.0%       |
| Payroll Taxes                              | 23,175              | 26,636              | 28,732              | 2,096             | 7.9%         |
| Retirement                                 | 6,553               | 15,511              | 19,636              | 4,125             | 26.6%        |
| Health Insurance                           | 45,224              | 56,828              | 70,850              | 14,022            | 24.7%        |
| Group Life Insurance                       | 3,823               | 4,131               | 4,372               | 241               | 5.8%         |
| Long Term Disability                       | 2,312               | 2,312               | 2,400               | 88                | 3.8%         |
| Compensation and Benefits                  | 404,972             | 453,602             | 501,577             | 47,975            | 10.6%        |
| Bank Fees                                  | 5,726               | -                   | -                   | -                 | 0.0%         |
| Payroll Systems and Services               | 22,347              | 26,000              | 20,000              | (6,000)           | -23.1%       |
| Accounting System and Services             | 23,372              | 18,000              | 10,000              | (8,000)           | -44.4%       |
| OPEB Actuarial Valuation                   | 3,300               | 3,600               | 5,000               | 1,400             | 38.9%        |
| Professional Memberships and Subscriptions | 1,919               | 2,750               | 3,680               | 930               | 33.8%        |
| Training and Development                   | 89                  | 2,500               | 3,500               | 1,000             | 40.0%        |
| Operating                                  | 56,753              | 52,850              | 42,180              | (10,670)          | -20.2%       |
| <b>Finance Total</b>                       | <b>\$ 461,725</b>   | <b>\$ 506,452</b>   | <b>\$ 543,757</b>   | <b>\$ 37,305</b>  | <b>7.4%</b>  |
| <b>Human Resources</b>                     |                     |                     |                     |                   |              |
| Regular Pay                                | \$ 229,383          | \$ 235,084          | \$ 282,130          | \$ 47,046         | 20.0%        |
| Overtime                                   | 132                 | 812                 | 1,721               | 909               | 111.9%       |
| Payroll Taxes                              | 16,803              | 18,046              | 21,715              | 3,669             | 20.3%        |
| Retirement                                 | 12,218              | 13,462              | 14,716              | 1,254             | 9.3%         |
| Health Insurance                           | 47,853              | 39,092              | 42,368              | 3,276             | 8.4%         |
| Group Life Insurance                       | 3,064               | 3,150               | 3,487               | 337               | 10.7%        |
| Long Term Disability                       | 2,270               | 2,271               | 2,400               | 129               | 5.7%         |
| Unemployment Benefits                      | 9,479               | -                   | -                   | -                 | 0.0%         |
| Compensation and Benefits                  | 321,202             | 311,917             | 368,537             | 56,620            | 18.2%        |
| Document Storage                           | 1,529               | 2,000               | 1,500               | (500)             | -25.0%       |
| Copier Lease                               | 3,562               | 3,500               | 3,700               | 200               | 5.7%         |
| Postage Machine                            | 7,052               | 2,000               | 3,625               | 1,625             | 81.3%        |
| Benefits Consultant                        | 30,000              | 33,500              | 60,000              | 26,500            | 79.1%        |
| Office Supplies and Printing               | 2,881               | 4,500               | 3,500               | (1,000)           | -22.2%       |
| Office Equipment                           | -                   | -                   | -                   | -                 | 0.0%         |
| Miscellaneous Expenses                     | 290                 | 500                 | 500                 | -                 | 0.0%         |
| Professional Memberships and Subscriptions | 1,593               | 750                 | 1,000               | 250               | 33.3%        |
| Training and Development                   | (1,775)             | 1,500               | 8,500               | 7,000             | 466.7%       |
| Personnel - Employment                     | 2,688               | 4,000               | 3,500               | (500)             | -12.5%       |
| Personnel - Employee Relations             | 5,131               | 8,500               | 5,500               | (3,000)           | -35.3%       |
| Tuition Assistance                         | -                   | -                   | -                   | -                 | 0.0%         |
| Operating                                  | 52,951              | 60,750              | 91,325              | 30,575            | 50.3%        |
| <b>Human Resources Total</b>               | <b>\$ 374,153</b>   | <b>\$ 372,667</b>   | <b>\$ 459,862</b>   | <b>\$ 87,195</b>  | <b>23.4%</b> |
| Compensation and Benefits                  | \$ 1,643,992        | \$ 1,948,254        | \$ 2,149,252        | \$ 200,998        | 10.3%        |
| Operations                                 | 488,336             | 639,105             | 739,260             | 100,155           | 15.7%        |
| <b>Total Expenses</b>                      | <b>\$ 2,132,328</b> | <b>\$ 2,587,359</b> | <b>\$ 2,888,512</b> | <b>\$ 301,153</b> | <b>11.6%</b> |

## **Expressway Capital Budget**

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## Capital Budget Overview

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### Overview

The Expressway Capital Budget includes capital expenditures for all preservation, capital maintenance, and major capital improvement projects for over 50 lane miles of roads and 36 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

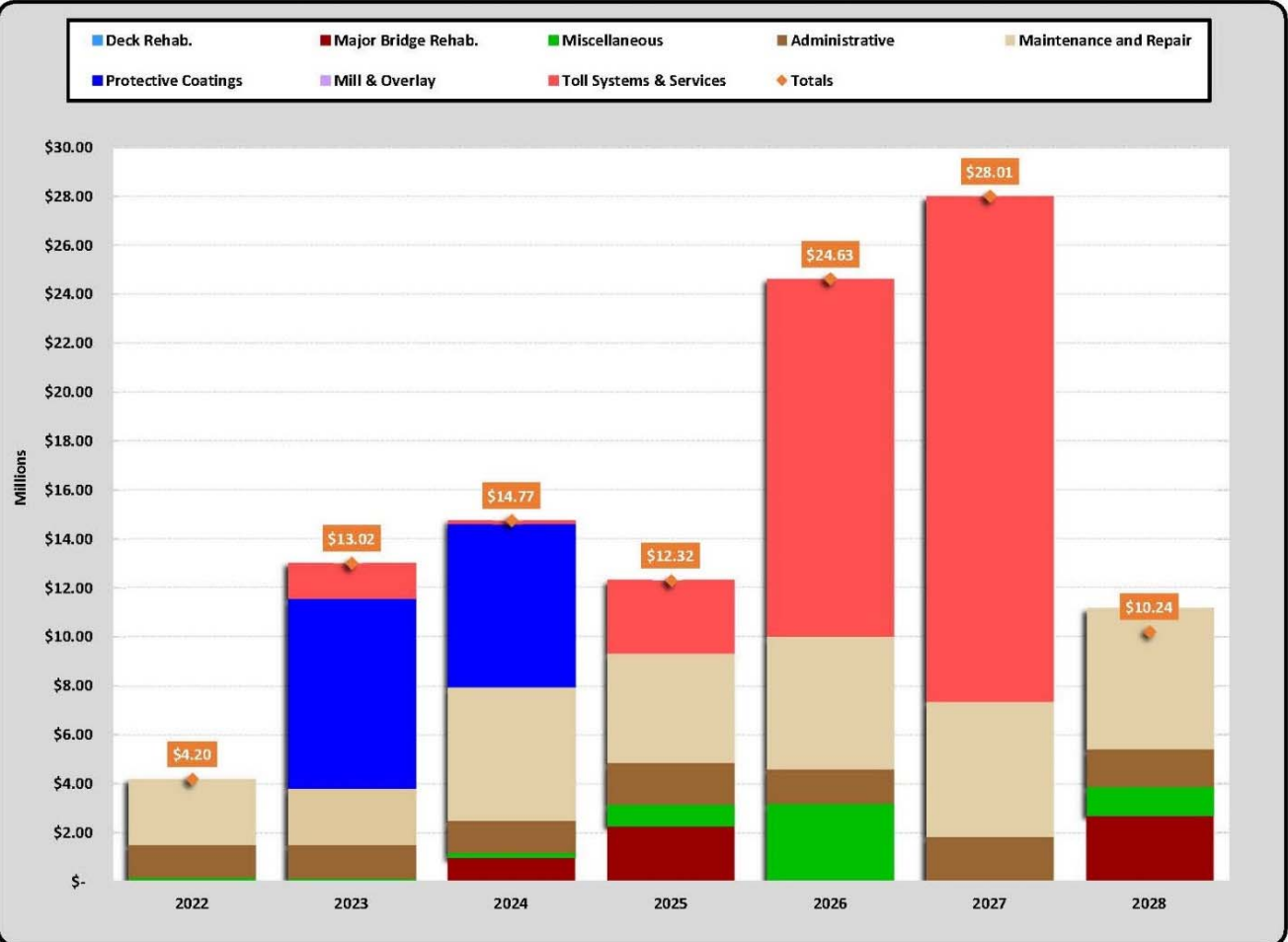
The Authority primarily funds its Capital Budget through current revenues, with debt funding used as appropriate. As indicated in its adopted financial policies, the Authority's goal is to have cash balances on hand as of June 30th to fully fund the next fiscal year's Capital Budget. See the Long-Term 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 by Category & Fiscal Year (2022 - 2028)

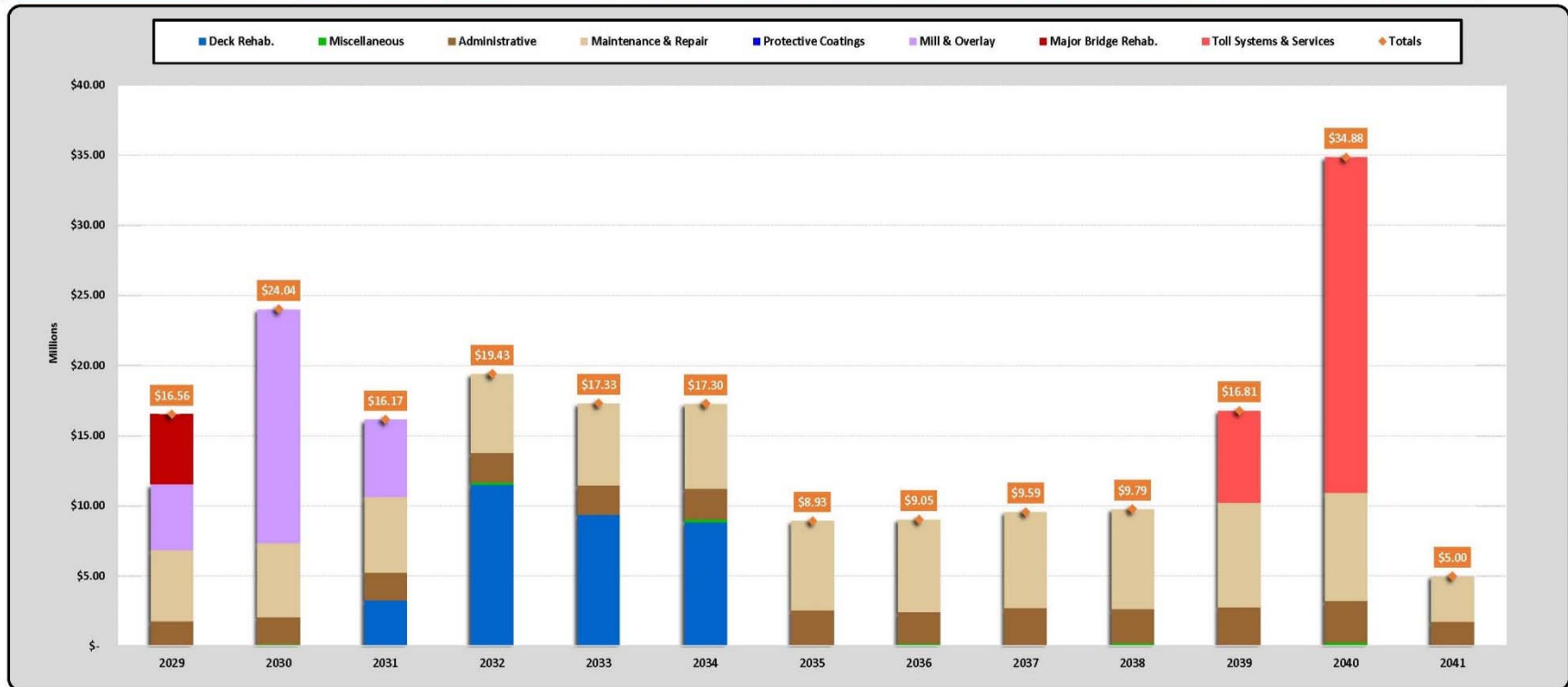
| 2022-2028                   |                | 2022         | 2023          | 2024          | 2025          | 2026          | 2027          | 2028          |
|-----------------------------|----------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Category                    | Totals         |              |               |               |               |               |               |               |
| Deck Rehab.                 | \$ -           | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Maintenance & Repair        | \$ 31,578,358  | \$ 2,681,676 | \$ 2,310,471  | \$ 5,456,688  | \$ 4,472,903  | \$ 5,380,643  | \$ 5,527,440  | \$ 5,748,537  |
| Protective Coatings         | \$ 14,369,958  | \$ -         | \$ 7,708,783  | \$ 6,661,175  | \$ -          | \$ -          | \$ -          | \$ -          |
| Mill & Overlay              | \$ -           | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Major Bridge Rehab.         | \$ 5,955,188   | \$ -         | \$ -          | \$ 973,322    | \$ 2,277,574  | \$ -          | \$ -          | \$ 2,704,292  |
| Toll Systems & Services     | \$ 39,938,505  | \$ -         | \$ 1,489,280  | \$ 162,240    | \$ 3,001,992  | \$ 14,640,827 | \$ 20,644,166 | \$ -          |
| Debris                      | \$ 580,164     | \$ 146,233   | \$ -          | \$ 132,615    | \$ -          | \$ 144,752    | \$ -          | \$ 156,564    |
| Roadway Enhancement Project | \$ 387,983     | \$ -         | \$ 58,493     | \$ 60,833     | \$ 63,266     | \$ 65,797     | \$ 68,428     | \$ 71,166     |
| Sign                        | \$ -           | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Under Water                 | \$ -           | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Misc.                       | \$ 3,843,304   | \$ -         | \$ 60,000     | \$ -          | \$ 822,457    | \$ 2,960,847  | \$ -          | \$ -          |
| Miscellaneous               | \$ 5,742,078   | \$ 146,233   | \$ 118,493    | \$ 193,448    | \$ 885,723    | \$ 3,171,396  | \$ 68,428     | \$ 1,158,357  |
| Expressway Admin.           | \$ 3,970,479   | \$ 517,437   | \$ 520,587    | \$ 541,411    | \$ 563,067    | \$ 585,590    | \$ 609,013    | \$ 633,374    |
| Vehicles                    | \$ 267,734     | \$ -         | \$ 70,192     | \$ -          | \$ 94,899     | \$ -          | \$ 102,643    | \$ -          |
| GEC & Inspection only       | \$ 6,300,965   | \$ 854,896   | \$ 801,353    | \$ 778,657    | \$ 1,024,910  | \$ 855,354    | \$ 1,060,642  | \$ 925,153    |
| Administrative              | \$ 10,539,177  | \$ 1,372,333 | \$ 1,392,132  | \$ 1,320,068  | \$ 1,682,875  | \$ 1,440,944  | \$ 1,772,298  | \$ 1,558,527  |
|                             | \$ 107,192,636 | \$ 4,200,242 | \$ 13,019,158 | \$ 14,766,941 | \$ 12,321,067 | \$ 24,633,810 | \$ 28,012,332 | \$ 10,239,086 |





## Executive Summary by Category & Fiscal Year (2029-2041)

| 2029-2041                   |                |               |               |               |               |               |               |              |              |              |              |               |               |              |
|-----------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|
| Category                    | Totals         | 2029          | 2030          | 2031          | 2032          | 2033          | 2034          | 2035         | 2036         | 2037         | 2038         | 2039          | 2040          | 2041         |
| Deck Rehab.                 | \$ 32,946,799  | \$ -          | \$ -          | \$ 3,282,116  | \$ 11,489,007 | \$ 9,351,053  | \$ 8,824,623  | \$ -         | \$ -         | \$ -         | \$ -         | \$ -          | \$ -          | \$ -         |
| Maintenance & Repair        | \$ 78,521,560  | \$ 5,010,627  | \$ 5,211,052  | \$ 5,419,494  | \$ 5,636,274  | \$ 5,861,725  | \$ 6,096,194  | \$ 6,340,042 | \$ 6,593,643 | \$ 6,857,389 | \$ 7,131,684 | \$ 7,416,952  | \$ 7,713,630  | \$ 3,232,854 |
| Protective Coatings         | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -          | \$ -          | \$ -         |
| Mill & Overlay              | \$ 26,928,413  | \$ 4,698,147  | \$ 16,722,715 | \$ 5,507,551  | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -          | \$ -          | \$ -         |
| Major Bridge Rehab.         | \$ 5,032,831   | \$ 5,032,831  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -          | \$ -          | \$ -         |
| Toll Systems & Services     | \$ 30,500,434  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ 6,573,369  | \$ 23,927,065 | \$ -         |
| Debris                      | \$ 1,247,288   | \$ -          | \$ 169,340    | \$ -          | \$ 183,158    | \$ -          | \$ 198,104    | \$ -         | \$ 214,269   | \$ -         | \$ 231,753   | \$ -          | \$ 250,664    | \$ -         |
| Roadway Enhancement Project | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -          | \$ -          | \$ -         |
| Sign                        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -          | \$ -          | \$ -         |
| Under Water                 | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -          | \$ -          | \$ -         |
| Misc.                       | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -          | \$ -          | \$ -         |
| Miscellaneous               | \$ 1,247,288   | \$ -          | \$ 169,340    | \$ -          | \$ 183,158    | \$ -          | \$ 198,104    | \$ -         | \$ 214,269   | \$ -         | \$ 231,753   | \$ -          | \$ 250,664    | \$ -         |
| Expressway Admin.           | \$ 11,724,577  | \$ 658,709    | \$ 685,057    | \$ 800,517    | \$ 832,537    | \$ 865,838    | \$ 900,472    | \$ 936,491   | \$ 973,950   | \$ 1,012,908 | \$ 1,053,425 | \$ 1,095,562  | \$ 1,139,384  | \$ 769,727   |
| Vehicles                    | \$ 817,715     | \$ 111,018    | \$ -          | \$ 120,077    | \$ -          | \$ 129,876    | \$ -          | \$ 140,474   | \$ -         | \$ 151,936   | \$ -         | \$ 164,334    | \$ -          | \$ -         |
| GEC & Inspection only       | \$ 17,158,143  | \$ 1,050,973  | \$ 1,246,957  | \$ 1,040,669  | \$ 1,290,432  | \$ 1,125,589  | \$ 1,278,669  | \$ 1,517,115 | \$ 1,266,135 | \$ 1,570,008 | \$ 1,369,452 | \$ 1,555,697  | \$ 1,845,802  | \$ 1,000,645 |
| Administrative              | \$ 29,700,438  | \$ 1,820,700  | \$ 1,932,015  | \$ 1,961,264  | \$ 2,122,969  | \$ 2,121,303  | \$ 2,179,141  | \$ 2,594,080 | \$ 2,240,085 | \$ 2,734,853 | \$ 2,422,877 | \$ 2,815,593  | \$ 2,985,186  | \$ 1,770,372 |
|                             | \$ 204,877,764 | \$ 16,562,305 | \$ 24,035,122 | \$ 16,170,425 | \$ 19,431,408 | \$ 17,334,081 | \$ 17,298,062 | \$ 8,934,122 | \$ 9,047,997 | \$ 9,592,242 | \$ 9,786,314 | \$ 16,805,914 | \$ 34,876,545 | \$ 5,003,227 |



Note: The Long Term Capital Plan is only a tool utilized for planning purposes and may change due to facility needs and Authority funding capacity

## Six Year Plan

### Six-Year Plan by Project (in thousands)

|                                     | FY2023                  | FY2024                  | FY2025                  | FY2026                  | FY2027                  | FY2028                  | Total                    |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| <b>Routine Maintenance</b>          |                         |                         |                         |                         |                         |                         |                          |
| Maintenance and Repair              | \$ 2,310                | \$ 5,589                | \$ 4,473                | \$ 5,525                | \$ 5,527                | \$ 5,905                | \$ 29,330                |
| Protective Coatings                 | 7,709                   | 6,661                   | -                       | -                       | -                       | -                       | 14,370                   |
| Inspections and GEC                 | 801                     | 779                     | 1,025                   | 855                     | 1,061                   | 925                     | 5,446                    |
| Administrative                      | 581                     | 541                     | 563                     | 586                     | 609                     | 633                     | 3,513                    |
| Vehicle Replacement                 | 70                      | -                       | 95                      | -                       | 103                     | -                       | 268                      |
| <b>Subtotal</b>                     | <b>11,471</b>           | <b>13,570</b>           | <b>6,156</b>            | <b>6,966</b>            | <b>7,300</b>            | <b>7,463</b>            | <b>52,927</b>            |
| <b>Capital Improvement Projects</b> |                         |                         |                         |                         |                         |                         |                          |
| Toll Systems                        | 1,489                   | 162                     | 3,002                   | 14,641                  | 20,644                  | -                       | 39,939                   |
| Facility Restoration/Upgrade:       | -                       | -                       | 822                     | 2,961                   | -                       | -                       | 3,783                    |
| Bridge Rehabilitation               | -                       | 973                     | 2,278                   | -                       | -                       | 2,704                   | 5,955                    |
| Roadway Enhancement                 | 58                      | 61                      | 63                      | 66                      | 68                      | 71                      | 388                      |
| <b>Subtotal</b>                     | <b>1,547</b>            | <b>1,196</b>            | <b>6,165</b>            | <b>17,668</b>           | <b>20,712</b>           | <b>2,775</b>            | <b>50,065</b>            |
| <b>Total</b>                        | <b><u>\$ 13,018</u></b> | <b><u>\$ 14,766</u></b> | <b><u>\$ 12,321</u></b> | <b><u>\$ 24,634</u></b> | <b><u>\$ 28,012</u></b> | <b><u>\$ 10,238</u></b> | <b><u>\$ 102,992</u></b> |

#### 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

- 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.
- Facility Restoration/Upgrade – upgrade and restoration of toll facilities
- Bridge Rehabilitation – removal of damaged bridge deck surfaces and installation of an overlay as a cost-effective way to rehabilitate bridge decks.
- 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, and operating budget impact.

## Six Year Plan

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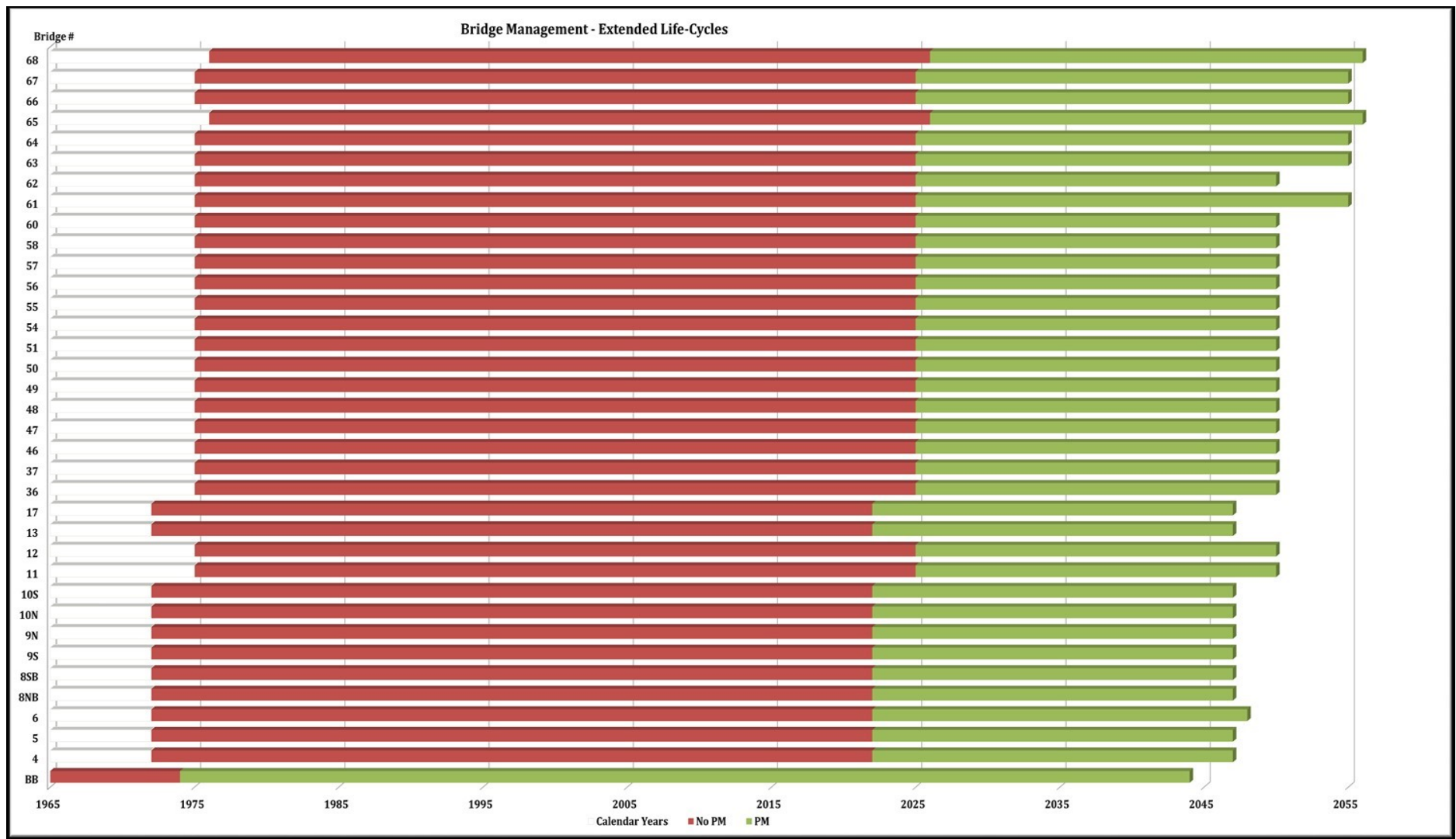
### Change to Previous FY 2022 Estimate

|                                     | FY2022 Prior Year<br>Estimate | Adjustments       | FY2022<br>Capital Plan |
|-------------------------------------|-------------------------------|-------------------|------------------------|
| Routine Maintenance                 |                               |                   |                        |
| Maintenance and Repair              | \$ 2,827,909                  | \$ -              | \$ 2,827,909           |
| Protective Coatings                 | -                             | 615,065           | 615,065                |
| Inspections and General Engineering | 854,896                       | 150,000           | 1,004,896              |
| Administrative                      | 517,437                       | -                 | 517,437                |
| <b>Total</b>                        | <u>\$ 4,200,242</u>           | <u>\$ 765,065</u> | <u>\$ 4,965,307</u>    |

The FY 2022 estimate as shown in the prior year budget (\$4.2 million) requires certain adjustments due to timing, scope, or cost changes to reflect the appropriate adjusted budget. The \$765k increase for FY 2022 is due to increased materials and commodity expense for planned Protective Coatings projects and associated inspections. This increase is offset by savings from Maintenance and Repair projects.

Any future timing, scope, or cost changes to the FY 2023 capital budget estimate of \$13.0 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

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### **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 includes the required steel repairs and retrofits as the needs are identified during the annual bridge inspections. These steel repairs are an integral part to the RMTA's asset management program which is driven by the RMTA policy goals and objectives that define the required condition of assets, the levels of performance, and the quality of services to meet customer needs. Routinely performing the necessary steel repairs and retrofits helps to extend the use life of the assets. These preservation activities typically cost much less than major reconstruction or replacement activities that delaying or forgoing the required steel repairs will result in.

Other major work items that are typically addressed with the M&R projects include shotcrete repairs for bridge columns, asphalt crack sealing, line striping, bridge deck sealing, high speed impact attenuators, overhead sign panel replacements as well as minor work such tree trimming, Right of Way fencing repairs, and drainage structure clean-out.

*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

### **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.

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

- FY 2023 – 2024 – Full bridge coatings: James River Bridge (Powhite Parkway). The last protective coatings work on this was for the interior fascia girder only performed in 2014. This bridge had a full protective coating in 1988 (36 years between applications)

## Project Pages

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### **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, bridge structures, and ancillary 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.

*Other Notes:* Inspection estimates for FY 2023 (\$801k) includes costs for element level inspections for Authority bridges and pavement.

### **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 and research studies.

*Operating Budget Impact:* None.

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

### **Vehicle Replacement**

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

*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 as needed in the Capital Budget based on replacement needs.

## Project Pages

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### **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 FY 2016 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.

*Total Cost:* \$39.9 million for the toll system replacement, \$0.9 million for interoperability.

### **Bridge 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.

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

*Operating Budget Impact:* None.

### **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 FY 2013 and continues 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.

## Project Pages

### Capital Projects Operating Costs Impact Summary

| Capital Improvement Projects: FY 2023 Operating Costs Impact |   |               |               |               |               |               |               |                     |
|--|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------------|
| <u>Description</u>   | <u>Long-term<br/>Operating Costs</u>                              | <u>FY2023</u> | <u>FY2024</u> | <u>FY2025</u> | <u>FY2026</u> | <u>FY2027</u> | <u>FY2028</u> | <u>6-Year Total</u> |
| Expressway Maintenance & Repair                              | No impact   |               |               |               |               |               |               |                     |
| Protective Bridge Coatings                                   | No impact   |               |               |               |               |               |               |                     |
| Vehicle Replacement  | No impact - fleet<br>maintenance is<br>budgeted                   |               |               |               |               |               |               |                     |
| Bridge Rehabilitation  | No impact   |               |               |               |               |               |               |                     |
| Facility Restoration/Upgrades                                | No impact   |               |               | \$ (30,000)   | \$ (50,000)   | \$ (50,000)   | \$ (50,000)   | \$ (180,000)        |
| Toll Systems and Services                                    | Increased maintenance<br>costs due to additional<br>equipment (1) | \$ 100,000    | \$ 150,000    | \$ 400,000    | \$ 550,000    | \$ 600,000    | \$ 500,000    | \$ 2,100,000        |
| Roadway Enhancement  | No impact   |               |               |               |               |               |               |                     |
| Total  |   | \$ 100,000    | \$ 150,000    | \$ 370,000    | \$ 500,000    | \$ 550,000    | \$ 450,000    | \$ 1,970,000        |

(1) estimate based on current trends and contracted maintenance

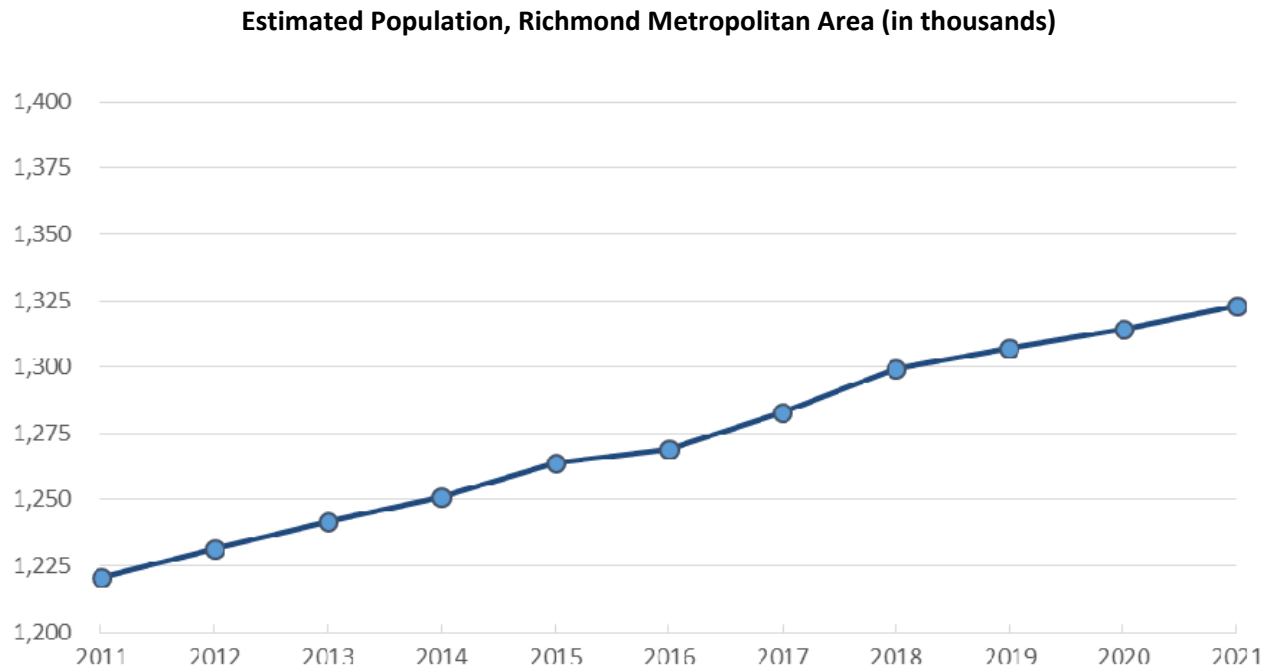


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## **Supplemental Information**

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## Estimated Population, Richmond Metropolitan Area



| Fiscal Year | City of Richmond | Chesterfield County | Henrico County | Total RMTA Member Jurisdictions | Other Service Area | Total     | % Change |
|-------------|------------------|---------------------|----------------|---------------------------------|--------------------|-----------|----------|
| 2011        | 206,238          | 319,641             | 310,742        | 836,621                         | 383,874            | 1,220,495 | 0.70%    |
| 2012        | 208,834          | 322,388             | 314,881        | 846,103                         | 385,127            | 1,231,230 | 0.88%    |
| 2013        | 211,172          | 326,950             | 316,973        | 855,095                         | 386,570            | 1,241,665 | 0.85%    |
| 2014        | 213,504          | 330,043             | 318,019        | 861,566                         | 389,477            | 1,251,043 | 0.76%    |
| 2015        | 217,938          | 333,450             | 320,717        | 872,105                         | 391,512            | 1,263,617 | 1.01%    |
| 2016        | 221,679          | 333,963             | 321,233        | 876,875                         | 392,254            | 1,269,129 | 0.44%    |
| 2017        | 222,853          | 340,020             | 324,395        | 887,268                         | 395,693            | 1,282,961 | 1.09%    |
| 2018        | 226,919          | 346,357             | 326,993        | 900,269                         | 399,001            | 1,299,270 | 1.27%    |
| 2019        | 226,841          | 350,760             | 328,999        | 906,600                         | 400,661            | 1,307,261 | 0.62%    |
| 2020        | 226,610          | 364,548             | 334,389        | 925,547                         | 388,887            | 1,314,434 | 0.55%    |
| 2021        | 226,623          | 369,943             | 336,226        | 932,792                         | 390,245            | 1,323,037 | 0.65%    |

Source: University of Virginia Weldon Cooper Center, Demographics Research Group (2021), Virginia Population Estimates

## Principal Employers, Richmond Metropolitan Area

|                                     | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Employer Ranking (1, 2)</b>      |         |         |         |         |         |         |         |         |         |         |
| Virginia Commonwealth University    | 1       | 2       | 2       | 2       | 1       | 1       | 1       | 1       | 1       | 1       |
| Henrico County School Board         | 3       | 4       | 4       | 3       | 3       | 3       | 7       | 7       | 2       | 2       |
| Chesterfield County School Board    | 4       | 3       | 3       | 4       | 5       | 5       | 6       | 6       | 3       | 3       |
| Capital One Bank                    | 2       | 1       | 1       | 1       | 2       | 2       | 3       | 2       | 4       | 4       |
| VCA Medical Center                  | 5       | 6       | 6       | 5       | 4       | 4       | 2       | 3       | 5       | 5       |
| Bon Secours Health System           | 6       | 9       | 8       | 7       | 7       | 7       | 4       | 4       | 7       | 6       |
| US Department of Defense            | 7       | 8       | 9       | 8       | 9       | 9       | 8       | 9       | 6       | 7       |
| CarMax                              | -       | -       | -       | -       | -       | -       | -       | -       | -       | 8       |
| Wal-Mart                            | 8       | 7       | 7       | 9       | 8       | 8       | 9       | 8       | 8       | 9       |
| Richmond City Public Schools        | 9       | 10      | -       | -       | -       | -       | -       | -       | 9       | 10      |
| City of Richmond                    | -       | -       | -       | -       | -       | -       | -       | -       | 10      | -       |
| HCA Virginia Health System          | -       | 5       | 5       | 6       | 6       | 6       | 5       | 5       | -       | -       |
| Amazon                              | -       | -       | -       | -       | 10      | 10      | 10      | 10      | -       | -       |
| Integrity Staffing Solutions        | -       | -       | 10      | 10      | -       | -       | -       | -       | -       | -       |
| County of Henrico                   | 10      | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| <b>Richmond Area Employment (3)</b> | 590,551 | 600,337 | 608,250 | 621,411 | 631,095 | 636,068 | 689,437 | 685,100 | 686,632 | 647,057 |

- (1) Final quarter data for the top ten employers shown based on the most recent calendar year (2012-2021).
- (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.
- (3) Annual amounts based on the most recent calendar year (2007-2019). Total employment data obtained from the Bureau of Labor Statistics. Employment numbers are not seasonally adjusted. Historical employment data was updated in fiscal year 2020 based on revised employment estimates.

*Source: Virginia Employment Commission, Bureau of Labor Statistics*

## Expressway Toll Rates, Current and Historical

| Two-Axle Vehicles            | Effective Dates |              |              |               |                 |               |
|------------------------------|-----------------|--------------|--------------|---------------|-----------------|---------------|
|                              | Original<br>(1) | July<br>1978 | Nov.<br>1986 | April<br>1988 | January<br>1998 | Sept.<br>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<br>(1) | July<br>1978 | Nov.<br>1986 | April<br>1988 | January<br>1998 | Sept.<br>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<br>(1) | July<br>1978 | Nov.<br>1986 | April<br>1988 | January<br>1998 | Sept.<br>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<br>(1) | July<br>1978 | Nov.<br>1986 | April<br>1988 | January<br>1998 | Sept.<br>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

|                     | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue (1):        |              |              |              |              |              |              |              |              |              |              |
| Powwhite Parkway    | \$22,197,895 | \$22,399,507 | \$22,868,671 | \$23,606,375 | \$24,796,353 | \$25,470,997 | \$25,721,280 | \$25,892,404 | \$22,700,737 | \$19,593,057 |
| Downtown Expressway | 11,900,320   | 12,210,502   | 12,823,395   | 13,061,678   | 13,674,656   | 13,979,051   | 14,216,747   | 14,359,468   | 11,738,154   | 8,456,042    |
| Boulevard Bridge    | 1,583,026    | 1,555,089    | 1,515,723    | 1,492,920    | 1,523,353    | 1,510,119    | 1,448,133    | 1,419,349    | 1,285,439    | 953,502      |
| Total               | \$35,681,241 | \$36,165,098 | \$37,207,789 | \$38,160,973 | \$39,994,362 | \$40,960,167 | \$41,386,160 | \$41,671,221 | \$35,769,331 | \$29,002,600 |
| Traffic:            |              |              |              |              |              |              |              |              |              |              |
| Powwhite Parkway    | 32,666,065   | 32,842,238   | 33,554,196   | 34,579,728   | 36,350,428   | 37,354,162   | 37,689,222   | 38,172,792   | 34,058,075   | 30,315,116   |
| Downtown Expressway | 19,002,222   | 19,344,609   | 20,225,578   | 20,623,336   | 21,561,269   | 21,863,219   | 22,452,344   | 22,701,568   | 18,820,763   | 14,236,125   |
| Boulevard Bridge    | 4,562,253    | 4,426,225    | 4,312,318    | 4,262,366    | 4,343,172    | 4,332,640    | 4,206,077    | 4,046,748    | 3,660,223    | 2,893,121    |
| Total               | 56,230,540   | 56,613,072   | 58,092,092   | 59,465,430   | 62,254,869   | 63,550,021   | 64,347,643   | 64,921,108   | 56,539,061   | 47,444,362   |
| Avg. Toll (2)       | \$0.63       | \$0.64       | \$0.64       | \$0.64       | \$0.64       | \$0.64       | \$0.64       | \$0.64       | \$0.63       | \$0.61       |
| E-ZPass % (3)       | 60.6%        | 62.0%        | 63.0%        | 64.9%        | 66.5%        | 68.6%        | 70.6%        | 72.0%        | 74.0%        | 74.6%        |
| Lane Miles          | 49.90        | 50.15        | 50.15        | 50.15        | 50.15        | 50.15        | 50.15        | 50.15        | 50.15        | 50.15        |

(1) Toll revenue excludes violation processing revenue. Toll rates were last increased in September 2008 (FY 2009).

(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                          | FY2021       | FY2022      | FY2023      | Change       |
|------------------------------|-----------------------------------|--------------|-------------|-------------|--------------|
| <b>Expressway Operations</b> |                                   |              |             |             |              |
| Toll Collection              | Floating Supervisor               | 1.0          | 1.0         | 2.0         | 1.0          |
| Toll Collection              | Plaza Superintendant              | 2.0          | 2.0         | 2.0         | -            |
| Toll Collection              | Senior Toll Collection Attendant  | 8.0          | 7.0         | 7.0         | -            |
| Toll Collection              | Toll Collection Attendant         | 53.0         | 33.0        | 25.0        | (8.0)        |
| Toll Collection              | Toll Collection Supervisor        | 16.0         | 16.0        | 15.0        | (1.0)        |
| Toll Collection              | Toll Maintenance Administrator    | 1.0          | 1.0         | 1.0         | -            |
| Toll Collection              | Toll Maintenance Assistant        | 1.0          | 1.0         | 1.0         | -            |
| Toll Collection              | Toll Operations Manager           | 1.0          | 1.0         | -           | (1.0)        |
| Toll Collection              | Toll Syatems Engineer             | -            | -           | 1.0         | 1.0          |
| Toll Collection              | Bridge Attendant                  | -            | -           | 2.0         | 2.0          |
| Toll Collection              | Vault Attendant                   | 4.0          | 4.0         | 4.0         | -            |
| <b>Toll Collection</b>       | <b>Total</b>                      | <b>87.0</b>  | <b>66.0</b> | <b>60.0</b> | <b>(6.0)</b> |
| Maintenance                  | Maintenance Supervisor            | 1.0          | 1.0         | 1.0         | -            |
| Maintenance                  | Maintenance Worker                | 5.0          | 5.0         | 5.0         | -            |
| <b>Maintenance</b>           | <b>Total</b>                      | <b>6.0</b>   | <b>6.0</b>  | <b>6.0</b>  | <b>-</b>     |
| SCOP                         | Lead Police Officer               | 1.0          | -           | -           | -            |
| SCOP                         | Special Police Officer            | 2.0          | -           | -           | -            |
| <b>SCOP</b>                  | <b>Total</b>                      | <b>3.0</b>   | <b>-</b>    | <b>-</b>    | <b>-</b>     |
| Administration               | Chief Executive Officer           | 1.0          | 1.0         | 1.0         | -            |
| Administration               | Chief of Staff                    | 1.0          | 1.0         | 1.0         | -            |
| Administration               | Information Systems Manager       | -            | 1.0         | -           | (1.0)        |
| Administration               | Information Systems Administrator | 1.0          | 1.0         | 1.0         | -            |
| Administration               | Internal Auditor                  | 1.0          | 1.0         | 1.0         | -            |
| <b>Administration</b>        | <b>Total</b>                      | <b>4.0</b>   | <b>5.0</b>  | <b>4.0</b>  | <b>(1.0)</b> |
| Engineering                  | Director of Operations            | 1.0          | 1.0         | 1.0         | -            |
| Engineering                  | Deputy Operations Director        | -            | -           | 1.0         | 1.0          |
| Engineering                  | Engineer                          | 1.0          | 1.0         | -           | (1.0)        |
| <b>Engineering</b>           | <b>Total</b>                      | <b>2.0</b>   | <b>2.0</b>  | <b>2.0</b>  | <b>-</b>     |
| Finance                      | Director of Finance               | 1.0          | 1.0         | 1.0         | -            |
| Finance                      | Controller                        | 1.0          | 1.0         | 1.0         | -            |
| Finance                      | Accounting Supervisor             | 1.0          | -           | -           | -            |
| Finance                      | Senior Accountant                 | -            | 1.0         | 1.0         | -            |
| Finance                      | Accounting Technician             | 1.5          | 1.5         | 1.5         | -            |
| <b>Finance</b>               | <b>Total</b>                      | <b>4.5</b>   | <b>4.5</b>  | <b>4.5</b>  | <b>-</b>     |
| Human Resources              | Director of Human Resources       | 1.0          | 1.0         | 1.0         | -            |
| Human Resources              | Administrative Assistant          | 1.5          | 1.0         | 1.0         | -            |
| Human Resources              | Employee Relations Manager        | 1.0          | 1.0         | 1.0         | -            |
| <b>Human Resources</b>       | <b>Total</b>                      | <b>3.5</b>   | <b>3.0</b>  | <b>3.0</b>  | <b>-</b>     |
| <b>Totals</b>                |                                   | <b>110.0</b> | <b>86.5</b> | <b>79.5</b> | <b>(7.0)</b> |

## Expressway Debt

### Overview

The following debt was outstanding for the Expressway System as of December 31, 2021:

| Series       | Sale Date     | Original<br>Borrowing | Interest<br>Rate | Final<br>Maturity | Outstanding<br>Balance |
|--------------|---------------|-----------------------|------------------|-------------------|------------------------|
| 1998         | March 1998    | \$ 80,705,000         | 3.65-5.25%       | July 2022         | \$ 4,135,000           |
| 2002         | April 2002    | 28,430,000            | 3.50-5.25%       | July 2022         | 3,460,000              |
| 2011-A, B, C | November 2011 | 77,490,000            | 4.62-4.75%       | July 2041         | 39,660,000             |
| 2011-D       | November 2012 | 43,875,000            | 4.29%            | July 2041         | 43,875,000             |
| 2017         | August 2017   | 19,735,000            | 4.50%            | July 2041         | 19,255,000             |
| 2019         | August 2019   | 17,985,000            | 2.85%            | July 2041         | 17,985,000             |
|              |               |                       |                  |                   | <u>\$ 128,370,000</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.

### Series 2017 bonds

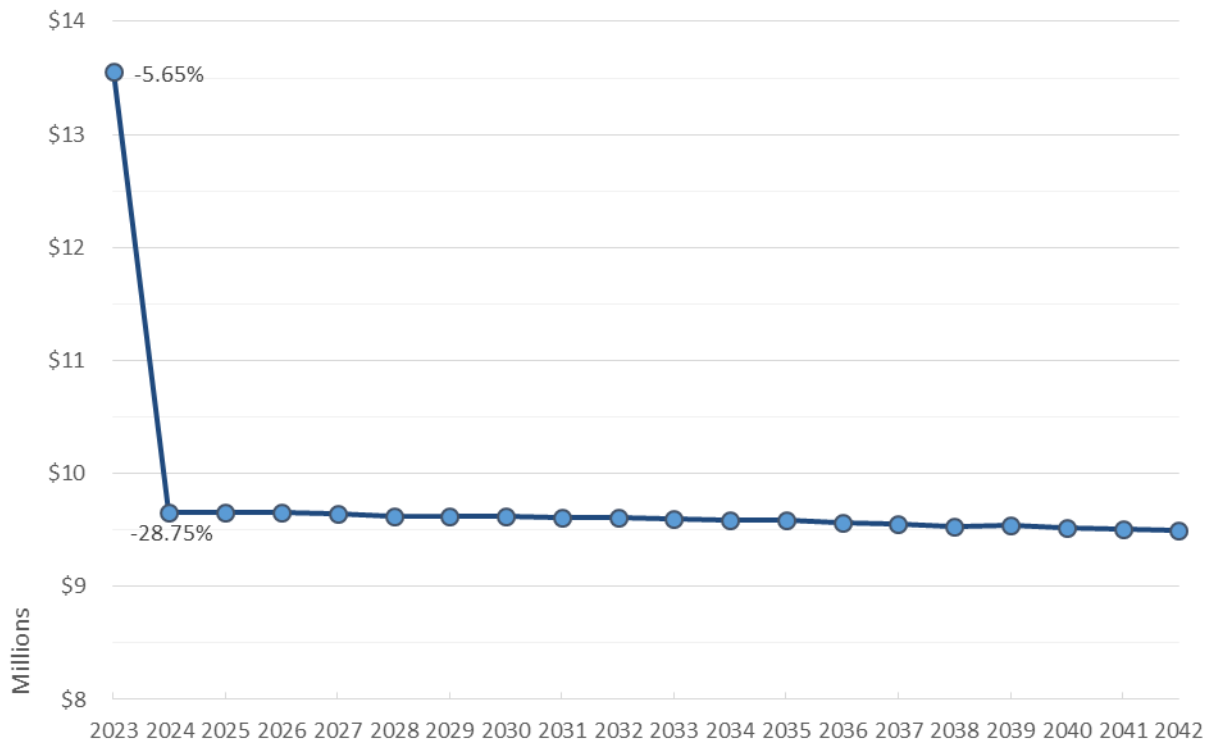
Revenue Bonds were issued to refund \$18,795,000 of the Series 2011-A bonds.

### Series 2019 bonds

Revenue Bonds were issued to fully refund \$19,035,000 of the Series 2011-A and Series 2011-B bonds.

## Expressway Debt

### Annual Debt Service Requirements (millions)



Debt service decreases in FY 2023 due to Series 1998 and Series 2002 maturities. All remaining Expressway debt is scheduled for final maturity in July 2041 (FY 2042).

| Fiscal Year | Principal | Interest  | Total      | Fiscal Year | Principal   | Interest   | Total       |
|-------------|-----------|-----------|------------|-------------|-------------|------------|-------------|
| 2023        | 7,650,000 | 5,902,548 | 13,552,548 | 2033        | 6,165,000   | 3,430,392  | 9,595,392   |
| 2024        | 4,050,000 | 5,606,562 | 9,656,562  | 2034        | 6,460,000   | 3,126,966  | 9,586,966   |
| 2025        | 4,245,000 | 5,408,217 | 9,653,217  | 2035        | 6,770,000   | 2,813,521  | 9,583,521   |
| 2026        | 4,455,000 | 5,199,891 | 9,654,891  | 2036        | 7,075,000   | 2,489,851  | 9,564,851   |
| 2027        | 4,660,000 | 4,981,438 | 9,641,438  | 2037        | 7,405,000   | 2,145,933  | 9,550,933   |
| 2028        | 4,875,000 | 4,747,645 | 9,622,645  | 2038        | 7,750,000   | 1,783,952  | 9,533,952   |
| 2029        | 5,125,000 | 4,501,648 | 9,626,648  | 2039        | 8,130,000   | 1,407,698  | 9,537,698   |
| 2030        | 5,375,000 | 4,247,584 | 9,622,584  | 2040        | 8,500,000   | 1,021,726  | 9,521,726   |
| 2031        | 5,625,000 | 3,984,787 | 9,609,787  | 2041        | 8,885,000   | 626,014    | 9,511,014   |
| 2032        | 5,890,000 | 3,714,632 | 9,604,632  | 2042        | 9,280,000   | 211,799    | 9,491,799   |
|             |           |           |            | Total       | 128,370,000 | 67,352,805 | 195,722,805 |



## Glossary

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### **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.

### **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

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### **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 1<sup>st</sup> through June 30<sup>th</sup>.

### **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 annual report and budget.

### **HNTB**

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

### **Stantec, 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 OPEB plan can be found in the Authority's annual report.

### **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 Stantec, Inc. to be its Traffic and Revenue Consultant.

### **VDOT**

Virginia Department of Transportation