

rma

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WORKING TOGETHER...LEADING TOGETHER

Message from Management –

As we approach our first year together as Board Chair and General Manager, we are proud to present the RMA's Annual Report for Fiscal Year 2012-2013. Since its inception, the RMA has always engaged in a "Forward Progress" mindset for the Richmond region. This past year has been no different. The RMA continues to play a vital role in our region's economic strength through its mandate to manage and operate transportation and sports facilities. During this past year, we have worked to both engage and educate the public on the role and history of the RMA, while also seeking a better understanding of the needs of our stakeholders. We continue to share the belief that the RMA is a tool that is primed and positioned to assist our constituent jurisdictions in addressing our regions current and future needs.

This fiscal year marked the expansion of the Open Road Tolling (ORT) to the Downtown Expressway in August. This project extends the benefits of ORT enjoyed by our Powhite Expressway customers. The expansion of the ORT to the Downtown Expressway has helped to relieve rush-hour traffic congestion and increase traffic flow thereby allowing our customers smoother rides to their destinations while simultaneously creating a safer environment for our employees to work. The ORT expansion is evidence of our commitment to provide value to our customers such as better roads, added convenience, and improved air quality and fuel economy. The RMA also transitioned to a new toll system for its traditional lanes this fiscal year. The system upgrade began in the fall of 2012, immediately following the debut of the Downtown Expressway ORT opening. This project consisted of the renovation and the replacement of systems and equipment at the end of their life cycle. The success of these two projects has led to the implementation of Phase II which will extend the same conveniences to the Powhite Parkway by the end of the next fiscal year.

Additionally, in this fiscal year, the RMA began migrating ownership and operation of individual parking decks and operations back to the City of Richmond. This planned transition started with the City electing to take control of parking operations for the Main Street Station and the transfer of ownership of the Carytown Parking Decks on June 28, 2013. The RMA anticipates completion of the transfer of parking operations by the next fiscal year. While the transfer of these assets impacted a number of staff overseeing these operations, we are fortunate to have avoided a reduction in workforce by moving our dedicated staff to similar positions directly involved with expressway operations.

This fiscal year, we focused efforts to create a vibrant Downtown Expressway so that it can serve as a true entranceway into the City through our Downtown Expressway Beautification Project. On the median between Cherry and Harrison Street overpasses, the south-side area of the Downtown Expressway plaza, and the eastbound grassy area on the right shoulder at the 2nd Street onramp, a variety of low maintenance blooming plants were added to visually enhance these areas. Thanks to our strong partnership with VDOT, we were also able to increase efforts in mowing and trimming of existing landscaping along the Expressway. The Downtown Expressway Beautification Project will be ongoing and include replacement of fencing, installation of new signage, and increased landscaping efforts.

Finally, we would be remiss if we did not acknowledge the retirement of General Manager Robert M. “Mike” Berry. We thank him for his numerous years of service and the key role he played in maintaining the strong foundation on which RMA stands on today. Secondly, it was with great sadness that RMA faced the unexpected loss of James Louis Jenkins, our long-time Board member and immediate past-chairman. Jim’s unwavering devotion to the RMA and leadership will not be forgotten, and serves as a reminder of the important role RMA serves to the Richmond region.

The RMA continues its path of Forward Progress, and we proudly embrace our strong past as we look forward to building a bright future.



A stylized, handwritten signature of Carlos Brown in black ink, featuring a long horizontal flourish extending to the right.

Carlos Brown
RMA Board Chairman



A handwritten signature of Angela L. Gray in black ink, written in a cursive style.

Angela L. Gray
RMA General Manager

EMBRACING

OUR PAST

LOOKING TOWARD

OUR FUTURE

OUR HISTORY IS

OUR STRENGTH

AIMING FOR EXCELLENCE

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

TO OUR CUSTOMERS we will provide safe, convenient, efficient facilities and excellent customer service, while maintaining the lowest feasible costs.

TO OUR EMPLOYEES we will promote a safe and pleasant work environment, provide an opportunity to advance according to their abilities and fairly compensate based on performance.

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

Our mission can 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 offering financial safety to bondholders.

Our History

The Richmond Metropolitan Authority (RMA) was created in 1966 by Act of the General Assembly of the Commonwealth of Virginia to plan, finance, build and maintain a much-needed expressway system to relieve traffic congestion in the City of Richmond.

Initially, \$2.05 million was borrowed for operating money, and \$20 million was guaranteed by the City of Richmond to cover the cost of planning, designing and acquiring the right of way for an expressway. This commitment led to the City having greater representation on the RMA Board of Directors.

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

In response to escalating demands for another route to cross the James River, the RMA built the Powhite Parkway. The Parkway opened on

Jan. 24, 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 RMA was amended to authorize the Authority to provide parking facilities for the Richmond metropolitan area. The City of Richmond provided the land, and the RMA borrowed the funds to begin building what was to become the Second Street Parking Deck.

Later that year, on July 2, 1973, the RMA 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.

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

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

In the late 1980s, at the request of the City of Richmond, feasibility studies were conducted on parking needs in the Carytown district and downtown. As a result, the RMA

constructed two, 110-parking space decks in Carytown. The decks opened in early 1991, providing free parking to visitors to the Carytown shopping district. The feasibility study also projected increased demands for parking in the downtown area. Again, at the request of the City of Richmond, the RMA responded by constructing a 1,000-parking space deck with convenient access to the Downtown Expressway and I-95. The Expressway Parking Deck opened on Feb. 14, 1992.

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

In June 1994, the RMA, 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 RMA and VDOT toll facilities.

As toll collection technology evolved and traffic volume began to grow, the RMA began to look more closely at utilizing the technology to increase capacity along the Powhite Parkway. Soon, 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), also known as express lanes. Once the new express lanes opened in 2008, the new configuration allowed motorists to travel at near highway speeds through the toll plazas using their E-ZPass. The result was the elimination of rush hour delays and backups primarily along the southbound Powhite Parkway bridge.

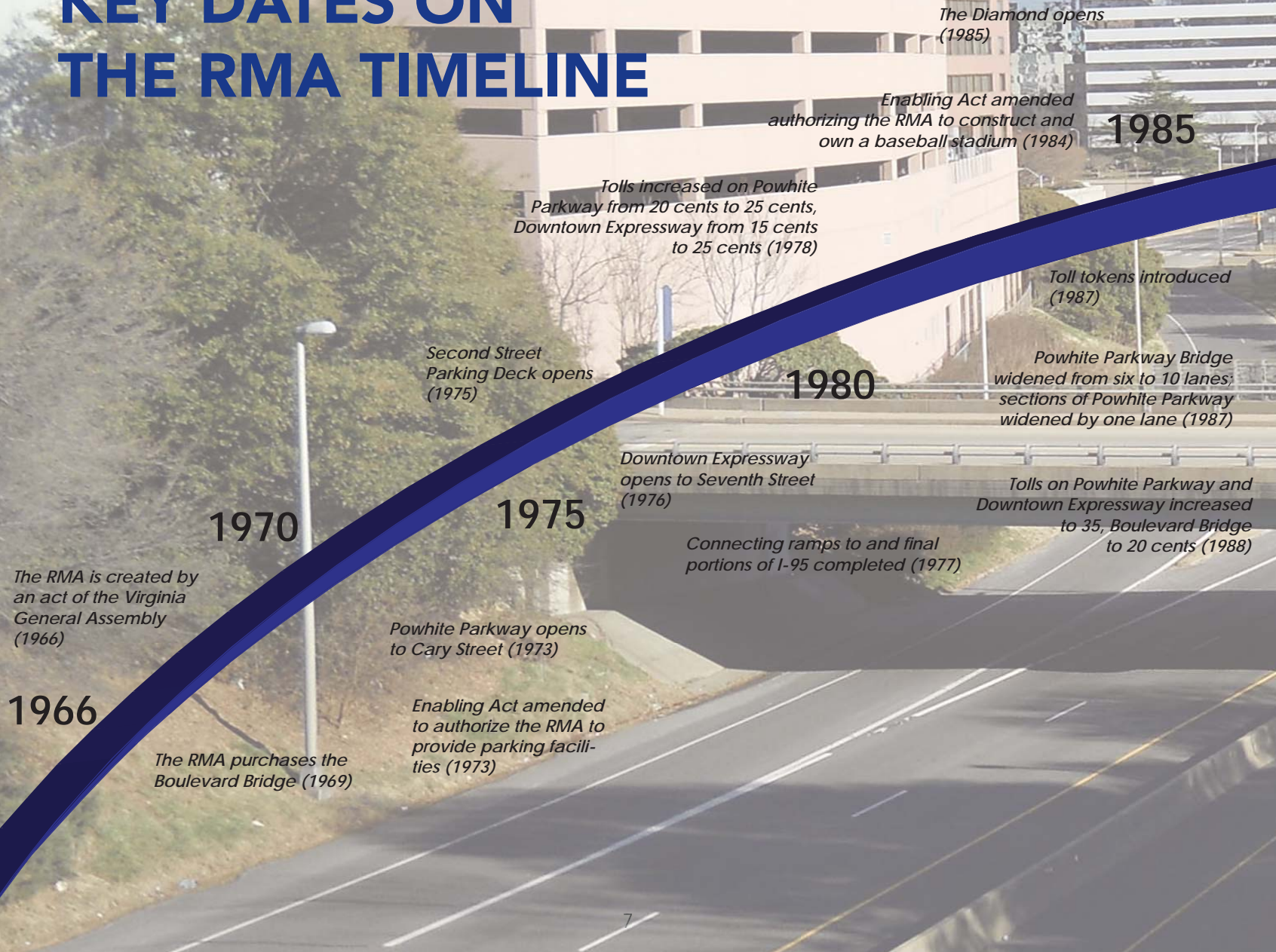
Additionally, in 2008 the Richmond Braves announced their relocation to

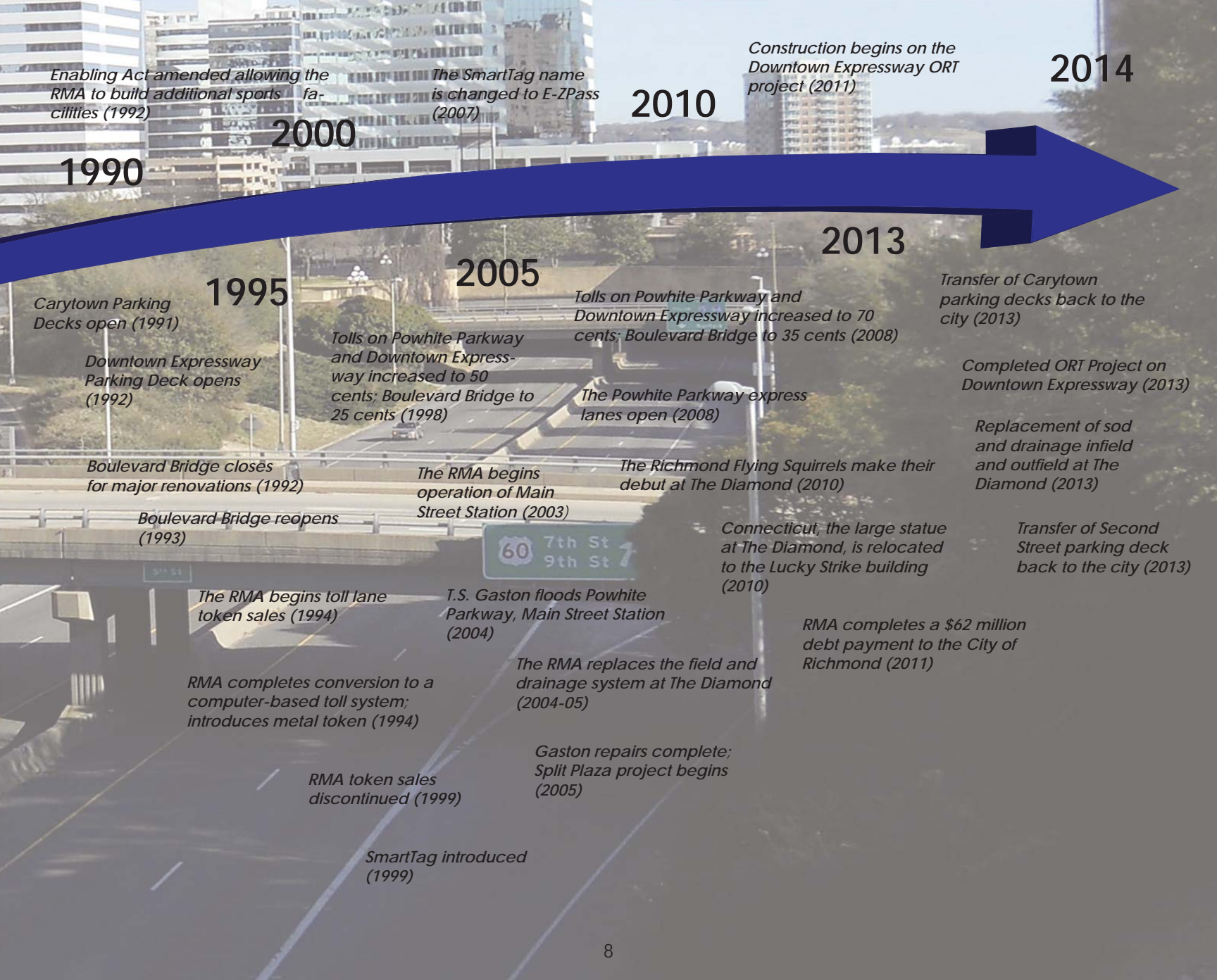
Gwinnett County, Georgia, leaving The Diamond. Just one year later, it was announced that the newly-minted Richmond Flying Squirrels would make their debut at The Diamond for the 2010 season.

In January 2011, the RMA began in-depth discussions with the City of Richmond administration on a plan to pay the City more than \$60 million for its previous financial support of the Expressway System. Later that year, the RMA successfully restructured its debt and was able to pay the subordinate debt of \$62.3 million. The extended maturity for the new debt will result in the RMA operating the Expressway System beyond the previously-planned end date of 2022.

The RMA broke ground in June 2011 for construction of the Downtown Expressway ORT lanes. This \$15.5 million project opened to traffic in August of 2012, and features three westbound Open Road Toll lanes at the plaza. At this time, Eastbound customers will continue to encounter gates due to roadway configurations on the City streets.

KEY DATES ON THE RMA TIMELINE





Enabling Act amended allowing the RMA to build additional sports facilities (1992)

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

Construction begins on the Downtown Expressway ORT project (2011)

2014

1990

2000

2010

2013

Carytown Parking Decks open (1991)

Downtown Expressway Parking Deck opens (1992)

Boulevard Bridge closes for major renovations (1992)

Boulevard Bridge reopens (1993)

The RMA begins toll lane token sales (1994)

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

RMA token sales discontinued (1999)

SmartTag introduced (1999)

1995

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

The RMA begins operation of Main Street Station (2003)

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

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

Gaston repairs complete; Split Plaza project begins (2005)

2005

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

The Powhite Parkway express lanes open (2008)

The Richmond Flying Squirrels make their debut at The Diamond (2010)

Connecticut, the large statue at The Diamond, is relocated to the Lucky Strike building (2010)

RMA completes a \$62 million debt payment to the City of Richmond (2011)

Transfer of Carytown parking decks back to the city (2013)

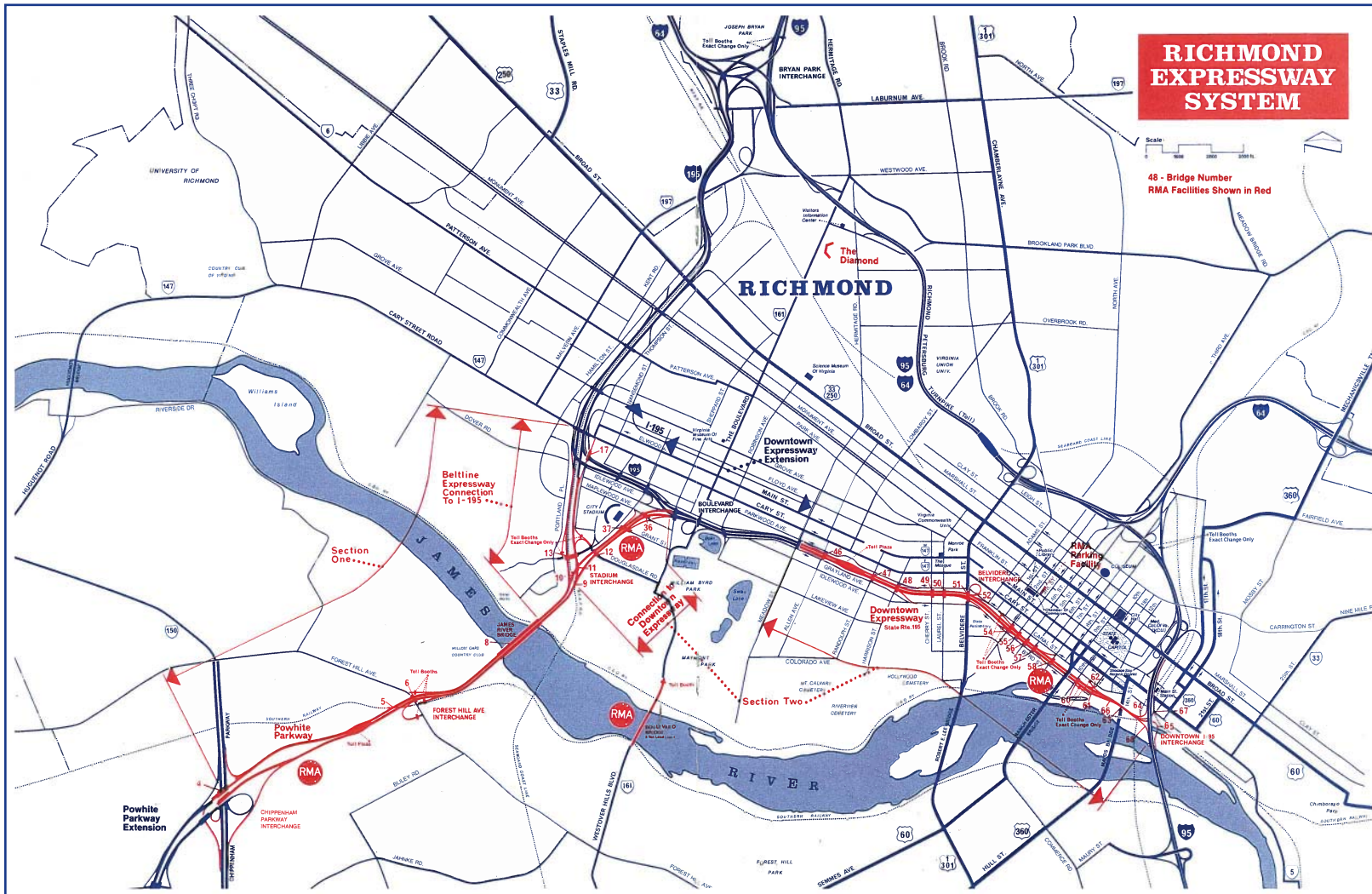
Completed ORT Project on Downtown Expressway (2013)

Replacement of sod and drainage infield and outfield at The Diamond (2013)

Transfer of Second Street parking deck back to the city (2013)

RICHMOND EXPRESSWAY SYSTEM

48 - Bridge Number
RMA Facilities Shown in Red



CHANGE IS CONSTANT...SO IS OUR COMMITMENT

We live in a rapidly changing world. Nearly everywhere you look, progress is being made. That statement is true for the Richmond Metropolitan Authority. As we entered the 2012-2013 fiscal year, Robert “Mike” Berry retired after 26 years as the RMA General Manager.

In February 2013, the RMA welcomed Angela Gray as the new RMA General Manager. Ms. Gray has more than 20 years of federal, state and local public sector service experience, most recently serving as budget officer for the District of Columbia Department of Transportation. There she was responsible for planning, development and execution of a \$128 million annual operating budget; leading policy planning and forecasting of the six year capital forecast of revenues and expenditures; and coordinating policy and financial operations for major roadway constructions process.

Additionally, Carlos Brown was elected the new chairman in June 2012, replacing Jim Jenkins who served as chairman for the previous 28 years. With these changes to RMA leadership, the RMA is well positioned for the future – an Expressway System that continues to meet the needs of our customers and a sound financial platform on which to build a strong legacy in modern transportation and asset management



DOWNTOWN EXPRESSWAY

POWHITE PARKWAY

The Powhite Parkway opened to traffic on Jan. 24, 1973. It was the first section of the RMA Expressway System to be completed.

The Parkway covers 3.4 miles between Chippenham Parkway and the Cary Street ramps, and includes the 10-lane Powhite bridge crossing the James River.

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

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

The Douglasdale ramps north of the river have two un-manned lanes connected to the Parkway.

In 1996, the Powhite Parkway bridge underwent

an extensive \$2.8 million resurfacing project. The project involved replacing the deck surface with a concrete and latex mixture to extend the life of the facility. After re-striping, the number of north bound lanes on the bridge increased from four lanes to five.

In 2008, the RMA completed its largest project to date since the plaza's inception – the Split Plaza and Open Road Tolling (ORT) project. This plan encompassed relocating the southbound collection point, making way for six new ORT, also known as express travel lanes. The lanes allow E-ZPass customers to travel on the designated barrier-free thoroughfare at 45 mph.

Today, the road's north and southbound toll plazas have a total of 14 lanes, seven lanes in each direction. The Forest Hill interchange has a total of eight lanes at its on and off-ramps to the Powhite Parkway.

The Powhite Parkway is one of the most heavily traveled corridors in the Richmond metropolitan area. Weekday Powhite traffic has an average weekday number of 105,000 vehicles passing through and on certain peak days, there could be more than 115,000.



MAIN STREET STATION



Main Street Station began its life as Richmond's official train station more than a century ago in 1901. By the mid-20th century, however, area floods, the demise of the Shockoe Bottom district, the increasing popularity of air and auto travel, and the presence of the much-larger Broad Street Station (now the Science Museum of Virginia) led to the station's demise. Even after receiving recognition as a state and national historic landmark in 1970, the station could not survive.

This demise was further compounded by the flood associated with Hurricane Agnes in 1972, when the waters of the nearby James River flooded the station's first floor. Follow-

ing the last train service to the station in 1975, to further exacerbate any future the station had, a fire damaged the station in 1976.

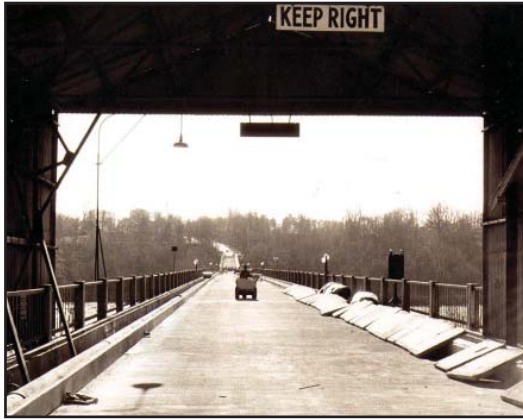
With the prospects of multi-modal transportation in Richmond's future, the City renovated and reopened Main Street Station to Amtrak service in 2003. Upon completion of the renovation, the RMA began operating and maintaining the station for the City, as well as the Station's event rentals and additional parking facilities in the vicinity.

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

In recent years, Main Street Station has become an award-winning venue for meetings, wedding receptions and other special events, garnering accolades from local publications and national wedding organizations.



BOULEVARD BRIDGE



The Boulevard Bridge, opened in 1925, was built by the Boulevard Bridge Corporation to make the Westover Hills residential community south of the James River more accessible for development. In November 1969, the RMA purchased the two-lane, 2,030-foot bridge. The toll was a dime then and remained so until 1988 when it increased to 20 cents. In January 1998, almost 10 years later, the toll rate increased five cents to 25 cents. In September of 2008, the toll increased to 35 cents in conjunction with the opening of Powhite ORT lanes.

Many native Richmonders still call the Boulevard Bridge the “Nickel” Bridge because of its initial five-cent toll before the RMA purchase.

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

During FY 2013, an average of 15,510 vehicles crossed the Bridge every day.



THE DIAMOND



The Diamond baseball stadium was constructed between the 1984 and 1985 baseball seasons to replace its predecessor, the aging Parker Field. The Diamond officially opened its gates on April 17, 1985 as home to the AAA Minor League Team, the former Richmond Braves. The stadium has a seating capacity of 9,200. Of those seats, 9,200 are stadium seats and 116 are in the 15 luxury Superboxes, available for lease by area corporations for employees and social events. The Braves announced their relocation to Gwinnett County, Georgia in 2008.

baseball team which is a part of the Eastern League and an affiliate of the San Francisco Giants major league club. The Squirrels have drawn record crowds to the facility, and during the 2013 season, set an attendance record for their conference with 422,408.

Since 2010, The Richmond Flying Squirrels have played at The Diamond as a Double-A minor league

Over the years, The Diamond has undergone a number of improvements and upgrades such as new lighting, an upgraded playing field and new fencing and gates. Major projects for FY2013 included replacing existing sod and soil with new engineered soil and the installation of a new under-drain system, thus restoring the outfield to its original condition.



PARKING DECKS



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



In January 1991, the Crenshaw Avenue Parking Deck in Carytown opened, followed by the Colonial Avenue Parking Deck just three months later. Before construction began, special care was taken in the deck design to ensure a smooth transition between residential and commercial areas. The two parking structures are virtually identical, each accommodating up to 110 vehicles. According to officials, since opening, these parking decks have played a significant role in bringing increased business to the Carytown area. Parking at both decks is free of charge. The RMA transferred ownership of the Carytown Parking Deck to the City of Richmond on June 28, 2013.

The Expressway Parking Deck, built at the request of the City of Richmond, officially opened for business on Feb. 14, 1992. The deck provides 1,000 parking spaces to the downtown Richmond financial district. Bordered by 9th, 10th, Byrd and Canal Streets, the deck is located, in part, over a depressed section of the westbound lanes of the Downtown Expressway. It is accessible from the Expressway and I-95 from various ramps to the adjacent street network. The Expressway Parking Deck is open for transient parking from 7 a.m. until 7 p.m. Monthly parkers, including the Williams Mullen customers, have access cards which gives them 24-hour access. The deck has nine levels; three of them underground. In spring 1993, the Expressway Parking Deck received the Merit Award for Excellence in Parking Design and Program Innovation from the Institutional and Municipal Parking Congress.



EVERYONE WITHIN
OUR ORGANIZATION
MAKES A DIFFERENCE

OPERATIONS DIVISION

The responsibility of the Operations Division is to provide safe, convenient, efficient facilities and excellent customer service, while maintaining the lowest feasible costs. The Operations Division works with various consultant firms to maintain and improve present facilities, and to design and construct new facilities. The Operations Division is divided into six sections: Toll Operations and Maintenance, Parking, Engineering, Information Systems, Main Street Station, and Public Relations.

The major projects for FY 13 are the following:

EXPRESSWAY SYSTEM

- Replacement of the conventional toll lane system to an Open Road Tolling (all electronic system) on the westbound side of the Downtown Expressway. Transition from the old system to the new system included improvements in reporting capabilities, more up-to-date user interfaces, and the use of current computer hardware and software technologies to ensure compatibility with the EZPass system. A ribbon cutting ceremony was well covered by the media and attended by several of our Board members, RMA staff, a representative from VDOT and members of the design and construction teams. The new lanes were opened after the festivities concluded and had an immediate and positive impact on reducing evening rush hour delays.
- RMA collaborated with the City on the rehabilitation of the "RMA Park" located next to the Expressway Parking Deck and above the Downtown Expressway System. The structural integrity of the area was restored making it less susceptible to reversible loads and displacements associated with earthquakes. This joint effort between RMA's operational staff and City staff and contractor resulted in an expedited process and savings to the City.
- Completion of RMA's Annual Fracture Critical bridge inspections with no significant findings.
- Completion of the bridge latex overlay for the southbound side of the Powhite bridge over the James River with the northbound side planned for the Spring of FY 2014. The ten lane bridge (five lanes southbound and five lanes northbound) is the widest bridge crossing of the James for its entire length. The five southbound lanes carry approximately 1.3 million vehicles in any given month. Typical useful expectancy for bridge latex overlays is fifteen years.

THE DIAMOND

- Installation of new sod and soil, and a new underdrain system for the infield and outfield. The cost of this effort was shared equally between the RMA, Squirrels and VCU.

Finally, the RMA Board formed a new Operations Committee this past year to increase Board awareness and understanding on operational activities including, but not limited to, financing, procurement and the Expressway capital program. Review of historical SWAM statistics resulted in recommendations to potentially improve contractor interest such as de-bundling the scope of some projects which was effectively utilized on RMA's annual Expressway maintenance project.

FINANCE DIVISION

The responsibility of the Finance Division is to provide the expertise and analysis required for the proper fiscal management of the Authority. This includes but is not limited to:

(1) Establishing and maintaining effective internal controls; (2) Providing accurate and timely financial information; (3) Coordinating the annual budget development and monitoring; (4) Managing relationships with service providers and consultants; (5) Recommending financial policies to the General Manager and Board of Directors; and (6) Ensuring compliance with financial requirements for debt and other agreements.

Finance is responsible for RMA's fiscal management and planning, including:

- Establishing and maintaining effective controls and compliance for the Authority's financial activities, including:
 - › Bank, debt trustee, other post employment benefits (OPEB) trust, coin counting services for toll vaults, and administrative office space lease vendor relationships.
 - › Accounts payable and payroll processing.
 - › Monthly traffic volumes and revenue.
 - › Investment.
 - › Procurement guidance.
 - › Debt management and compliance.
- Provide accurate and timely financial information including:

- › Monthly internal reporting.
- › Preparation of Comprehensive Annual Financial Report (CAFR).
- › Annual coordination with independent auditor for CAFR.
- › Quarterly OPEB trust reporting to Local Finance Board.
- Annual budget development coordination, including:
 - › Coordination with traffic and revenue consultant for annual certification of bond resolution requirements for debt service coverage will be satisfied, and no additional toll increases is required for following budget year.
 - › Coordination with financial advisor for long-term financial planning and funding available for capital plan.
- Managing relationships with financial service providers and consultants.
- Recommending financial policies to the General Manager and Board of Directors.
- Ensuring compliance with financial requirements for debt and other agreements.

RMA's fiscal year 2012 Comprehensive Annual Financial Report (CAFR) was completed on schedule and included an Independent Auditor's Report with the desired unqualified opinion. No internal control or compliance findings that were required to be reported under *Government Auditing Standards*. On March 26, 2013, for the nineteenth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Richmond Metropolitan Authority for its fiscal year 2012 CAFR. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

RMA's CAFR is available online at <http://www.rmaonline.org/news/annualreports.html>.

The Adopted Fiscal Plan and Capital Budget for Fiscal Year 2014 was reorganized from prior years to improve readability, and better align with the Government Finance Officer's Association (GFOA) budget program criteria. Changes include an enhanced Capital plan presentation, and additional sections for RMA history, fund overview and budget practices.

Finance also provided continued support on the Operations Division's projects for replacement of the traditional lanes toll system and Downtown Expressway ORT system implementation. During fiscal year 2013, as the new toll system became available for hands on testing, Finance evaluated that the system was

functioning as intended. Daily monitoring and balancing processes were adjusted to take advantage of new toll system features. The new TRMI system is used for all traffic reporting except for a separate system used for Powhite Expressway ORT lanes. Daily monitoring and reporting were temporarily modified to maintain financial controls as the transition to the new system occurred by plaza and by lane.

ADMINISTRATION DIVISION

The responsibility of the Administration Division is to provide support services necessary to the daily operation of the RMA. The Administration Division is divided into three sections: Human Resources, Training and Development and Administrative Support. Its primary mission is to ensure a productive and highly-skilled workforce through recruitment, employment, training, compensation, benefits, employee relations and health/safety programs in compliance with state and federal employment laws and regulations.

The human resources section supports the RMA by maintaining a productive and highly-skilled workforce through recruitment, employment, compensation, benefits, employee relations and health/safety programs, and by monitoring RMA's activities to ensure compliance with state and federal employment laws and regulations. The training and development section provides technical, managerial and professional development activities, coordinates the health wellness programs and events, and assists with various employee relations events. The administrative support section provides a variety of administrative and clerical services in the RMA's central administration office.

- Several projects were undertaken to help the RMA remain competitive with both benefits and compensation.

BENEFITS

After studying benefit packages in both private and public sector groups, as well as reviewing Healthcare Reform compliance requirements, several decisions were made:

- The Flexible Spending Account was rolled out, with much success.
- Additionally, a high deductible plan was implemented for fiscal 2014.
- Improved communication of RMA benefits and services:

- › Distributed a revised benefits booklet that provides general information about RMA benefits plans and policies.
- › The new RMA intranet was introduced as a vehicle that allows employees to have immediate access to pertinent forms, policies and benefit related links (i.e. VRS, medical and dental plans).
- Wellness program initiatives to assist employees in maintaining good health habits included:
 - › Annual flu shot clinic
 - › Health contract to promote health awareness, annual medical checkups, and personal fitness goals
 - › Lunch and learn programs
 - › Annual health fair to close out the year

Results from these efforts along with the Health Care Reform enabled the Authority to have a favorable insurance renewal.

COMPENSATION

The latest triennial compensation study was completed for inclusion in the fiscal 2013 budget. The study found that overall compensation was competitive to the Richmond area and suggested some changes.

- A pay adjustment budget to include a 1.5% longevity performance program for employees at the top of pay scale who meet performance guidelines.
- A merit matrix with an average of 3%.
- The Virginia Retirement System (VRS) mandate required RMA employees to pay a 5% member contribution, effective July 1, 2012.

Training and Development continued to partner with the Operations Division to provide operation systems and compliance training.

Conducted supervisory and Toll Collector Attendant training for the new TRMI toll system.

- › Training Coordinator and Toll Road Operations Manager were recognized by Virginia Municipal League for their efforts to be certified trainers and in improving the RMA's "Where the Rubber Meets the Road" program for RMA drivers.

FINANCIAL HIGHLIGHTS

This section presents the financial highlights and analysis of the financial performance of the Richmond Metropolitan Authority (the "RMA") during the fiscal year ended June 30, 2013.

Changes for the 2013 fiscal year are noted by fund below and shown in total in the "Changes in Net Position" table.

OPERATING EXPENSES

Operating expenses of \$20.3 million increased by \$0.7 million or 3.7%, primarily due to Expressway System maintenance expense increasing by \$1.2 million to \$5.7 million. RMA expenses certain preservation and capital maintenance cost and does not report depreciation expense for selected Expressway System infrastructure. Preservation and capital maintenance expense routinely varies between years based on the timing and scope of planned Expressway System maintenance projects. The current year Expressway System infrastructure projects include \$5.4 million that was capitalized. The \$6.9 million increase in net position resulted from a combination of planned revenues applied to debt service and the accumulation of restricted resources for future Expressway System capital improvements and maintenance requirements.

EXPRESSWAY SYSTEM

- RMA's Expressway System provides a vital urban transportation link. The Powhite Parkway provides the only high-speed crossing of the James River located in the geographical center of the region. It links expressways running north-south and east-west through the heart of the metropolitan area. The Downtown Expressway connects the Powhite Parkway to downtown Richmond and Interstate 95. The Boulevard Bridge provides a two-lane river crossing serving a residential area south of the James River. By far, the largest portion of the RMA's financial activity is associated with the Expressway System fund, with \$103.3 million of total net position and a \$9.0 million increase in net position.
- Toll revenue of \$36.6 million increased \$0.5 million from the prior year due to increases in traffic volume.
- Traffic volume of 56.6 million vehicles was 0.5% ahead of the fiscal year projection provided by our traffic and revenue consultant, Jacobs, Inc.

- West bound open road tolling (ORT) lanes at the Downtown Expressway opened in August 2012, while a toll system replacement project continued in fiscal year 2013. Costs of \$4.6 million were capitalized for these projects in fiscal year 2013, along with capitalized interest of \$0.8 million.
- Investment earnings include a \$996,000 loss on the fair market value of investments. The majority of market value loss occurred in the last quarter of the fiscal year with rising interest rates on government agency notes. RMA typically holds all investments to maturity, and there were no losses from the sale of investments. At June 30, 2013, the fund's \$46.3 million investment fair value was \$638,000 less than cost.

STADIUM

- Fiscal year 2013 reflects the second half of the 2012 baseball season and the first half of the 2013 baseball season, as well as costs associated with maintaining the facility. As described at Note 14, the team is responsible for certain facility operations and expenses.
- Operating expenses of \$632,000 decreased \$144,000 or 18.6% from prior year, primarily due to decreased maintenance costs. The prior year had additional maintenance expense of \$113,000 for a biennial roof inspection by a consulting engineer and associated repairs. The next roof inspection is scheduled for fiscal year 2014.
- Based on sufficiency of reserve balances, the RMA did not receive any additional support from the localities during the current fiscal year.

MAIN STREET STATION

- Operating revenues decreased \$370,000 from the prior year to \$283,000, primarily due to the transfer of parking operations to the city of Richmond (the "City") in early fiscal year 2013.
- As described at Note 10 to the financial statements, the Authority manages Main Street Station for the City under an annual contract. The City agreed to fund all operating expenses in excess of operating revenues associated with facility operation. Non-operating revenue "support from localities" has been recognized to the extent operating expenses exceed operating revenue. Support necessary from the City of \$689,000 increased \$340,000 compared to the prior year, primarily due to transfer of parking operations to the City. Additional funding received under the agreement with City to provide operating cash is shown as an advance, and accordingly there are no net assets for this fund.

EXPRESSWAY PARKING DECK

- Operating revenues of \$1.3 million decreased 2.8% over prior year, with the primary revenue source (90%) from monthly rentals. Average monthly rentals of 959 spaces decreased 4.4% from the prior year. Transient parking revenue increased by \$11,000 or 8.1%.

SECOND STREET PARKING DECK (NON-MAJOR FUND)

- Operating revenues of \$137,000 decreased 3.8% from prior year.
- The Second Street Parking Deck continued to struggle financially. The 188 average monthly parkers for the current year is a slight decrease from 192 in fiscal year 2012. The deck's 350 spaces provide additional capacity should economic conditions near the location improve.
- Operations at the parking facility provide sufficient cash flow to cover operating expenses and interest on the Series 1974 bonds, but do not provide sufficient revenues to pay the principal amount due. In prior years, the City has authorized the transfer of funds from the Expressway Parking Deck to provide funds for the July 1 principal payment. In fiscal year 2013, the City sent the Authority \$220,000 for early retirement of the outstanding balance due to bondholders. See additional discussion at Notes 8, 9, and 20.

CARYTOWN PARKING DECKS (NON-MAJOR FUND)

- Expenses at the Carytown parking decks remained stable during the fiscal year 2013. Parking at these two facilities is free of charge. As described at Note 10 to the financial statements, the City provides funding for operation of the decks.
- As part of the City's effort to consolidate parking operations, the Authority transferred the facility to the City on June 28, 2013. All remaining fund assets, less estimated future administrative expenses necessary to close the fund, are recorded on the Authority's statements as a payable due to the City. The \$1.0 million of fund assets transferred to the City is separately listed on the Statement of Revenues, Expenses, and Changes in Net Position.

CHANGES IN NET POSITION

	June 30, 2013	June 30, 2012	Increase (Decrease)	% Change
Operating revenues:				
Tolls	\$ 36,585,702	\$ 36,111,774	\$ 473,928	1.3%
Parking	1,566,154	2,001,362	(435,208)	-21.7%
Rentals	514,207	495,949	18,258	3.7%
Other	18,188	19,452	(1,264)	-6.5%
Total operating revenue	38,684,251	38,628,537	55,714	0.1%
Operating expenses:				
Salaries and benefits	7,504,865	7,234,333	270,532	3.7%
Operations	6,108,233	6,853,911	(745,678)	-10.9%
Preservation and capital maintenance	5,703,506	4,515,538	1,187,968	26.3%
Depreciation	981,402	964,974	16,428	1.7%
Total operating expenses:	20,298,006	19,568,756	729,250	3.7%
Operating income	18,386,245	19,059,781	(673,536)	-3.5%
Nonoperating revenues (expenses):				
Investment earnings	(423,520)	233,663	(657,183)	-281.3%
Interest expense:				
Bonds	(11,020,426)	(11,016,816)	(3,610)	0.1%
Notes	(25,103)	(570,392)	545,289	-95.6%
Support from localities	1,029,990	469,793	560,197	119.2%
Total nonoperating revenues (expenses)	(10,439,059)	(10,883,752)	444,693	-4.1%
Change in net position before special items	7,947,186	8,176,029	(228,843)	-2.8%
Transfer of facilities	(1,021,935)	-	(1,021,935)	N/A
Capital contributions	-	25,000	(25,000)	N/A
Change in net position	6,925,251	8,201,029	(1,275,778)	-15.6%
Beginning	75,082,489	89,557,636	5,524,823	7.9%
Restatement	-	(2,676,206)	2,676,206	N/A
Ending	\$ 82,007,740	\$ 75,082,489	\$ 6,925,251	9.2%

Operating revenues of \$38.7 million increased \$0.1 million or 0.1%, primarily due to additional toll revenue from increased traffic volume. Tolls comprise 94.6% of operating revenues.

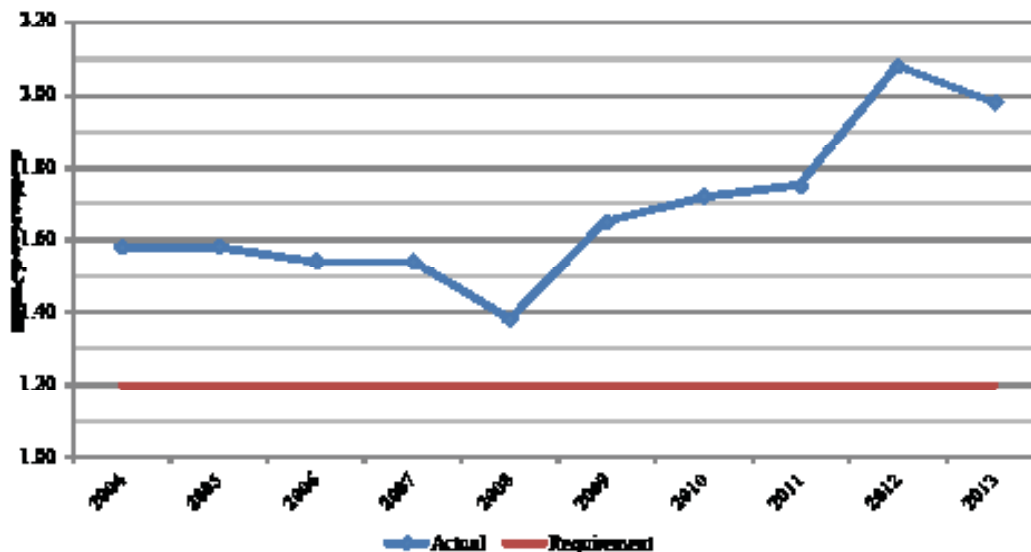
EXPRESSWAY SYSTEM, REVENUE BOND COVER | LAST TEN FISCAL YEARS

Fiscal Year	Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal (2)	Interest	Total	
2004	\$ 25,535,350	\$7,477,397	\$ 18,077,953	\$ 4,370,400	\$ 7,075,145	\$ 11,445,545	1.58
2005	25,047,668	7,554,357	17,493,311	4,291,090	6,780,930	11,072,020	1.58
2006	26,495,000	8,337,264	18,157,736	4,958,000	6,869,444	11,827,444	1.54
2007	27,510,653	9,069,133	18,441,520	5,678,000	6,268,291	11,946,291	1.54
2008	27,314,921	9,686,510	17,618,411	5,980,000	6,786,412	12,766,412	1.38
2009	34,409,168	11,866,709	22,542,459	6,810,000	6,860,225	13,670,225	1.65
2010	35,433,491	11,855,436	23,568,055	7,234,000	6,442,811	13,676,811	1.72
2011	36,291,178	12,360,824	23,930,354	7,590,000	6,071,349	13,661,349	1.75
2012	36,819,240	12,077,889	24,741,351	3,510,000	8,392,478	11,902,478	2.08
2013	37,203,037	11,752,204	25,450,833	3,725,000	9,130,096	12,855,096	1.98

(1) Excludes depreciation, unrealized gains/losses, and expenses from the Repair & Contingency Fund, which is funded after debt service requirements have been met.

(2) The Authority has used available funds in the Bond Retirement Account to retire bonds ahead of schedule.

**Expressway System Revenue Bond Coverage Ratio
Actual vs. Requirement, Last Ten Fiscal Years**



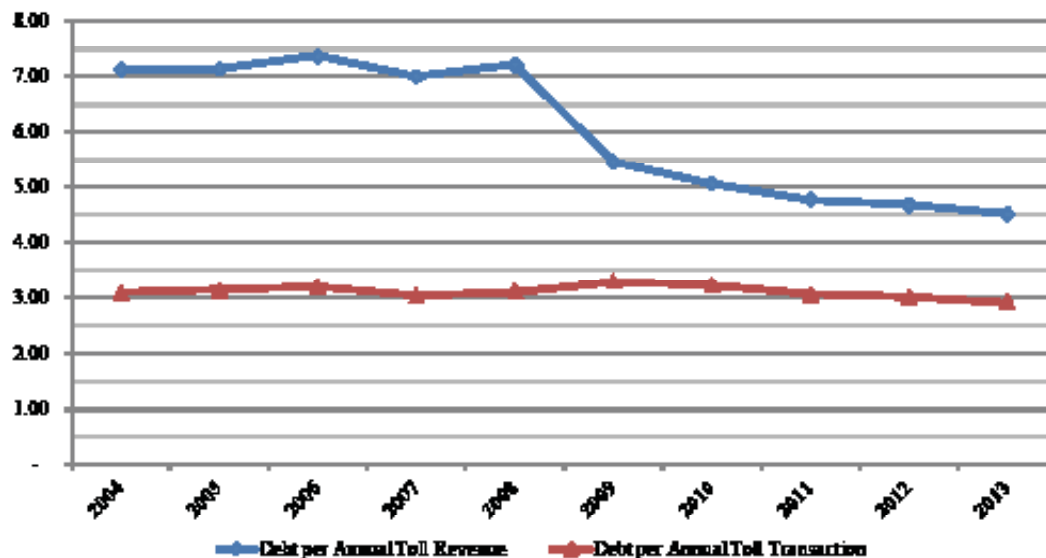
EXPRESSWAY SYSTEM, DEBT PER TOLL REVENUE & TOLL TRANSACTIONS | LAST TEN FISCAL YEARS

Year	Outstanding Bonds	Outstanding Subordinate Notes and Accrued Interest	Less: Debt Service Reserves	Total Debt, Net of Reserves	Debt per Annual Toll Revenue (1)	Debt per Annual Toll Transactions (2)
2004	\$ 141,170,000	\$ 52,656,838	\$ (12,364,539)	\$ 181,462,299	7.12	3.08
2005	136,435,000	53,914,692	(11,979,469)	178,370,223	7.14	3.13
2006	142,471,000	55,172,139	(12,926,451)	184,716,688	7.37	3.19
2007	137,513,000	56,302,583	(13,721,069)	180,094,494	7.00	3.03
2008	141,835,000	57,800,028	(13,838,921)	185,796,107	7.21	3.10
2009	135,855,000	59,102,305	(14,352,025)	180,605,280	5.45	3.28
2010	129,045,000	60,333,919	(14,848,238)	174,530,681	5.06	3.23
2011	121,811,000	61,561,294	(14,530,282)	168,842,012	4.77	3.06
2012	183,470,000	-	(14,680,321)	168,789,679	4.67	3.00
2013	179,520,000	-	(14,570,022)	164,949,978	4.51	2.91

(1) Total debt outstanding divided by annual toll revenue. See Table 12 for annual toll revenue.

(2) Total debt outstanding divided by annual toll transactions. See Table 20 for annual toll transactions.

**Expressway System, Debt per Annual Toll Revenue and Annual Toll Transactions
Last Ten Years**



A TEAM OF LEADERS WORKING TOGETHER

Each Board Member is a long-time resident and professional from the Richmond region. Great Leaders come from a multitude of backgrounds, and The RMA is fortunate to have some of the most skilled and dedicated leaders on their Board of Directors. Their ability to harness their individual talents and experience for the greater public good is teamwork at its best.

RMA Board of Directors



Carlos Brown was appointed to the Board as a City of Richmond representative in February 2011 and elected chair in 2012. Brown is the Director of Alternative Energy Solutions Business Development and for Dominion Resources Services, Inc, a subsidiary Dominion Resources, Inc., one of the nation's largest energy companies. Prior to his current role Brown served as Senior Counsel for Dominion, where he was responsible for the legal execution of the company's intellectual property, capital markets, merger and acquisition, and venture capital transactions. Prior to joining Dominion Resources, he co-founded and served as managing partner of Brown Martin, PC, advising private corporations, non-profits and limited liability companies on organization, strategic transactions, governance and shareholder dispute issues. Brown earned his Bachelor's of Arts and his Juris Doctorate from the University of Virginia.



David A. Brat was appointed to the Board in July 2008 as a representative of Henrico County. He currently serves as Chairman of the Department of Economics and Business, Director of the BB&T Ethics Program at Randolph-Macon College in Ashland, Virginia, and as member at large for the Governor's Board of Economic Advisors and Accounting. Brat also worked for Arthur Andersen, the World Bank and the Army. His degrees include a BA in Business from Hope College in Michigan, a Masters degree in Divinity from Princeton Seminary and a PhD in Economics from The American University in Washington D.C.



Roger Cole was appointed to the Board in February 2012 and serves as the representative of the Commonwealth Transportation Board. In June 2013, Cole was appointed Vice Chair of the Board. Cole was President and CEO of Highway Ventures Services, Inc., which owned and operated four major travel center facilities in the Mid-Atlantic States. He was named Chairman of the Board of the National Association of Truck Stop Operators in 2004 and 2005 and continues serving on their Steering Council. For the past seven years, he has served on the Virginia Leadership Council of the National Federation of Independent Businesses and in 2011, chaired the Governor's Small Business Advisory Board. He is a graduate of Miami University in Oxford, Ohio with a degree in Public Administration.



Dale Cannady was appointed to the Board in July 2008 as a representative of Chesterfield County. He retired from SunTrust Bank in 2007 after 36 years of service, serving the last 10 as Regional President of Central Virginia. Cannady's community service includes Chair of the 2001 Richmond area United Way Campaign, Chair of Hospital Hospitality House, Chair of Prevent Blindness Mid-Atlantic, and President of Leadership Metro Richmond as Interim President for one year. He graduated with a degree in economics from Hampden Sydney College.



Virgil Hazelett was appointed to the Board in April 2013 as a representative of Henrico County. Hazelett initially served as Henrico County's first Traffic Engineer, progressing through various positions until becoming County Manager and serving in that capacity for 21 years. Hazelett has a MS in Civil Engineering from West Virginia University as well as a BS in Civil Engineering from West Virginia Institute of Technology.



Pierce Homer was appointed to the Board of Directors as a City of Richmond representative in September 2013. Mr. Homer is currently the Transportation Director at Moffatt & Nichol. Previously, Mr. Homer was the longest serving Secretary of Transportation for the Commonwealth of Virginia and in that role he led a \$4.5 billion annual program spanning all modes of transportation and employing more than 10,400 employees. Mr. Homer is a graduate of University of Texas at Austin Lyndon B. Johnson School of Public Affairs where he received his M.P.A. He received his B.A. from Haverford College.



Darius Johnson was appointed to the Board as a City of Richmond representative in July 2010. As President of Premier Bank, Inc.. since 2009, Johnson oversees the Central and Eastern Virginia markets of the Bank, serving as the local Commercial and Retail Banking Executive. Johnson received a BA from the University of Virginia and a MBA from the E. Claiborne Robins School of Business at University of Richmond and a graduate degree from the Stonier Graduate School of Banking at the University of Pennsylvania.



Betty Jolly was appointed to the Board in July 2010 as a representative of the City of Richmond. Jolly is the Senior Vice President of Administration at George Mason University as well as the Director of Government Relations. She developed government relations programs for three state universities and has in-depth experience in public policy and politics in municipal governments. Jolly received her BA in Linguistics from Tennessee Tech University and a MA in English from names Madison University.



Michael Schewel was appointed to the Board of Directors as a City of Richmond representative in September 2012. He joined McGuireWoods law firm in 1979 with practice areas focusing principally on corporate law. In 2002, Schewel was appointed Virginia's Secretary of Commerce and Trade where he was responsible for 16 state agencies. He is a graduate of Princeton University and University of Virginia School of Law.



Marilyn West was appointed to the Board in September 2012 as representative of the City of Richmond. West is Chairwoman And CEO of M.H. West & Co., Inc., which is a 22 year old Virginia-based consulting company specializing in management, planning and education services. West has over 30 years of experience working with CEOs, executive management, and governance of public and private sector businesses. She holds a bachelor's degree in mathematics from Waynesburg College in Pennsylvania and a masters degree from the University of Pittsburgh School of Public Health.



Dick White was appointed to the Board in July 1998 as a representative of Chesterfield County. White is a managing partner of Cowan, Kouri & White, LLC, an employee benefits and insurance brokerage firm. He is a member of Chesterfield County's Comprehensive Plan Steering Committee and the 360 Corridor Committee. White is a graduate of the Tennessee Technological University.



Eric E. Ballou has served as RMA's General Counsel since 2003; Christian & Barton, however, has served as RMA's General Counsel since 1966. Mr. Ballou is a partner in the firm's Business Law department and has overall responsibilities for its public finance sector. Mr. Ballou's primary practice focuses on public finance, transportation and local government matters, including traditional governmental finance, securities, state and local government law and public/private partnerships. He not only represents public sector clients on a transactional basis, but also serves in a general counsel capacity to local and regional governmental entities. Mr. Ballou's areas of practice include: Public Finance, Municipal Governance, Business Organizations and Corporations. Mr. Ballou received both a Bachelor's degree and his law degree from University of Virginia School of Law, J.D.

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

EXECUTIVE STAFF

Angela L. Gray

General Manager

Theresa Simmons

Acting Director of Operations

Greg L. Akers

Director of Finance

Paulette S. Cook

Director of Administration

Appreciation is given to Marian Corbett, Executive Assistant, as well as Copy Cat Printing for their dedication and hard work to make this annual report a reality.



