

Richmond Metropolitan Transportation Authority

Celebrating 50 Years of Service (1966-2016)



Adopted Fiscal Plan and Capital Budget Fiscal Year 2016

Serving Chesterfield, Henrico, and Richmond, Virginia

Richmond **M**etropolitan **T**ransportation **A**uthority

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
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Richmond Metropolitan Transportation Authority

INTRODUCTORY SECTION

Richmond Metropolitan Transportation Authority

May 12, 2015

Board of Directors
Richmond Metropolitan Transportation Authority
Richmond, Virginia

Honorable Members of the Board:

Enclosed for your review and consideration is the fiscal year 2016 operating and capital budgets for the Richmond Metropolitan Transportation Authority (RMTA or Authority). Plans are provided for each RMTA facility, with comparative prior year amounts. This budget document is a critical tool used in RMTA's commitment to and realization of its mission. This document also serves as a budgetary link in the planning of RMTA's long-range capital and maintenance efforts for its infrastructure assets.

As we approach the Authority's 50th anniversary (1966-2016), we appreciate and honor the vision of our regional leaders in establishing an Expressway System that remains a vital transportation link for the Central Virginia region. The Authority was established by an act of the General Assembly in 1966, to plan, finance, build and maintain a much-needed east-west Expressway System to relieve traffic congestion in the Richmond region. The idea for an Expressway System dates back to the 1940's, as a solution to congestion on narrow City streets resulting from increasing automobile use, the demise of the City's seventy year old street car system in favor of buses, and the rapid growth of the suburban areas of Chesterfield and Henrico counties.

Since its inception, the Authority has provided a forum for the three jurisdictions to work together for the benefit of the entire metropolitan area. The Expressway System has contributed to the region's continued economic strength, and illustrates the benefits of working together collectively. The City was allocated the majority of Board seats in 1966 when the Authority was formed because it was the only participating jurisdiction that agreed to back the Expressway financing. The City contributed funding through 1992 when a financial restructuring allowed the Expressway System to become fully reliant on user fees. In 2012, the City's contributions to the Expressway were paid back by the Authority with interest (\$62 million).

With the debt effectively repaid to the City, discussion to equalize membership on the Authority's Board took hold. The desire to equalize board membership has been central to ensuring that all three jurisdictions would have a say in determining the Authority's role in addressing the region's mobility needs not only today but into the future. The Virginia General Assembly passed legislation in 2014 that embraced regional cooperation for the Richmond area by equalizing the Authority's board membership to five members from each of the three jurisdictions (for a total of sixteen members – with one member appointed from the Commonwealth Transportation Board) and changing RMA's name to Richmond Metropolitan Transportation Authority (RMTA).

Progress amongst the sixteen board members since the beginning of fiscal year 2015 may be noted through ongoing in-depth conversations as to RMTA's future and the potential role it can play in the Richmond region. Newly appointed board members from Chesterfield, Henrico and Richmond add a diversity of backgrounds with a specific focus on transportation, economic development and planning. With the

complement of sixteen board members representing the Richmond region, the RMTA is primed to work collaboratively with its local jurisdictions on determining the role it can play in regional mobility initiatives over the course of the next fifty years. The model of regional collaboration that worked so effectively resulting in the inception of the RMA and the projects the RMA had custodianship over has played a significant role in mobility solutions that resulted in economic viability in the Richmond region. The model used yesterday by our predecessors is still applicable today, and RMTA can continue to play a leading role as we collectively examine the regions' economic growth and mobility needs over the next fifty years.

While RMTA prides itself on a historically well-maintained system of roads, bridges, and assets, it is a well-known fact that the majority of the system is nearing fifty years since construction. The Boulevard Bridge alone is nearly one hundred years young. The challenge of balancing toll revenues to meet debt obligations, pay for daily operations and maintenance needs while creating a reserve fund to pay for anticipated and unanticipated capital infrastructure projects as the system ages must be constantly weighed with consideration for ensuring safe and reliable transport of our customers. Possible solutions ranging from utilizing federal and state funds, borrowing capital, and/or raising tolls, to procuring additional assets within RMTA's core competencies are tools that may help offset increasing costs. Each of these possibilities will need to be evaluated amongst the RMTA staff and board, and will likely require engagement amongst the leaders of the jurisdictions we serve.

This budget document provides one of the best means by which management can effectively plan with the Board of Directors as to how we intend to carry out our mission and strategize for the future. The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Richmond Metropolitan Transportation Authority, formerly known as the Richmond Metropolitan Authority, for its annual budget for the fiscal year 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only.

Not only does this budget create a record of RMTA revenue and expenses, it also offers the basis for an open dialogue between the staff and the Board as well RMTA's constituents. As a political subdivision with fiduciary responsibilities to our bond holders, customers and staff, the budget provides a very important check and balance which is an essential element in our management process. Open communication between Board members and the staff has always been one of the greatest strengths of the RMTA. We look forward to continuing to build upon the foundation established by our past budgets. We believe our fiscal year 2016 budget continues to conform to GFOA Distinguished Budget Presentation program requirements, and we will submit it to GFOA to determine its eligibility for another award.

The Budget Overview portion of this document provides an overview of significant budgetary items and trends, while detailed budgets by fund are presented in the Operating Budget and Capital Budget sections. The RMTA's fiscal year 2016 operating budget totals \$15.9 million, a modest 0.8% increase over the prior year. The operating budget considers the cost impact of items such as health insurance premium increases, E-ZPass processing rates as determined by VDOT, and the ongoing management of Main Street Station. The fiscal year 2016 Expressway Capital Budget totals \$10.7 million and includes \$5.6 million for routine maintenance needs and \$5.1 million for capital improvement projects.

As the staff's role in the fiscal year 2016 budget preparation phase comes to a close, I would like to once again recognize and thank Curtis Doughtie, Director of Finance, for his extraordinary efforts in leading this endeavor. His leadership and commitment made this budget a reality. Also, I am grateful to Theresa

Simmons, Director of Operations, for her hard work to further refine RMTA's comprehensive Long-Range Capital Plan for inclusion in the budget; a capital plan that cohesively and realistically outlines project needs and costs in a transparent manner serving as a decision making tool for infrastructure asset management for the Authority. Finally, Sheryl Johnson, Director of Human Resources, and Joi Dean, Chief of Staff, must both be commended for oversight and engagement in budget development in ways that have led to more efficient and effective administrative operations with staffing, benefits, and the tools necessary for the Authority to get the job done 365 days a year. All RMTA staff -- from the director level to our maintenance worker and even our toll attendants -- has shown great team spirit and a willingness to find ways to continuously improve our organizational and operational effectiveness. Staff stands ready to assist the RMTA Board in achieving its vision and looks forward to approval and implementation of this budget.

Sincerely,

A handwritten signature in blue ink that reads "Angela Gray". The signature is written in a cursive, flowing style.

Angela Gray
Chief Executive Officer



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Richmond Metropolitan Authority
Virginia**

For the Fiscal Year Beginning

July 1, 2014

Executive Director

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Budget Overview

Introduction

The Authority's 2016 Fiscal Plan and Capital Budget outlines a spending plan that covers operations, annual maintenance, and related capital projects of the Expressway System. This document also includes spending plans for the Authority's Central Administration function and Main Street Station operations.

Budget Overview (in thousands)

	2014	2015	2016	
	Audited	Adjusted	Adopted	%
	Actuals	Budget	Budget	Change
Tolls	\$ 37,715	\$ 37,787	\$ 38,362	1.5%
Rentals	313	304	206	-32.2%
Other	436	465	465	0.0%
City contribution (MSS)	677	892	819	-8.2%
	<u>39,141</u>	<u>39,448</u>	<u>39,852</u>	1.0%
Salaries and benefits	7,017	7,644	7,870	3.0%
Operations	6,451	8,185	8,079	-1.3%
	<u>13,468</u>	<u>15,829</u>	<u>15,949</u>	0.8%
Net revenue over expenses	<u>\$ 25,673</u>	<u>\$ 23,619</u>	<u>\$ 23,903</u>	1.2%

Toll Revenue

Budgeted toll revenue for fiscal year 2016 is projected to increase 1.5% over the prior year budget to \$38.4 million. This increase is driven by ridership growth, as toll rates were last increased in September 2008 and remain unchanged for the next fiscal year. Revenues cannot be commingled between the Authority's different operations (i.e. tolls generated from the Expressway System cannot be used to support any of the Authority's other facilities).

Rentals and Other Revenue

Rental revenue primarily consists of leasing several surface parking lots within the footprint of the Expressway System and rental revenue from Main Street Station from the leasing of office space and reservations for private events. The ongoing train shed renovation project at Main Street Station limits private event rentals to one month during fiscal year 2016, reducing available rental revenue by approximately \$99,000 (32.6%). See the Operating Budget section for additional information. Other revenue primarily consists of investment income.

City Contribution for Main Street Station

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

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Budget Overview

Salaries and Benefits (in thousands)

	2014	2015	2016	
	Audited	Adjusted	Adopted	%
Salaries and Benefits	Actuals	Budget	Budget	Change
Salaries	5,319	5,582	5,687	1.9%
Health care	935	1,240	1,361	9.8%
VRS retirement	332	396	403	1.8%
OPEB contribution	320	274	281	2.6%
Other	111	152	138	-9.2%
	<u>\$ 7,017</u>	<u>\$ 7,644</u>	<u>\$ 7,870</u>	3.0%

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

Health care program management remains a focus of the Authority's cost containment efforts. For fiscal year 2016, employee health care premiums increased by approximately 15.7%. Greater participation in the new high-deductible plan (50% actual vs. 10% budgeted in fiscal year 2015) helped reduce the budgetary impact of the premium increase to 9.8% in fiscal year 2016. To encourage a healthier workforce, a premium discount is available to employees who seek annual preventive care screenings.

The Authority participates in the Virginia Retirement System (VRS) to provide retirement benefits for eligible employees. VRS establishes the required contribution rates for two-year periods as a percentage of an employee's salary based on an actuarial recommendation. The Authority's Board formally approves the VRS contribution rate every two years; in May 2014, the Authority's Board voted to fund the fiscal year 2015 and 2016 VRS contribution at the full actuarial recommended rate of 7.2%. Employees are required to contribute an additional 5.0% towards their VRS retirement benefit.

The Authority provides retiree health care benefits as part of its overall benefit package. The Authority's Local Finance Board oversees and administers the investment of these Other Post-Employment Benefit (OPEB) funds through a contractual arrangement with VML/VACO Finance through participation in the Virginia Pooled OPEB Trust Fund. The Authority's contributions are based on a triennial actuarial study, last completed in January 2014. The Authority's contributions are structured so that the plan will be fully funded by fiscal year 2022.

Other salaries and benefits include items such as group life insurance, unemployment benefits, and disability insurance. The 9.2% decrease from prior year is primarily due to a decrease in group life insurance rates and lower anticipated unemployment claim payments in fiscal year 2016.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Budget Overview

The following table presents the budgeted positions by division for fiscal years 2014 through 2016:

Division	2014 Budget	2015 Budget	2016 Budget	2016 to 2015 Change
Operations	123	111	112	1
Administration	7	6	7	1
Human Resources	4	4	3	(1)
Finance	5	5	5	-
	<u>139</u>	<u>126</u>	<u>127</u>	<u>1</u>

The budgeted Operations decrease between 2014 and 2015 was primarily due to the elimination of ten positions in maintenance and parking operations after the planned transfer of three parking facilities to the City of Richmond in fiscal year 2014. Staff was directed by the Board to minimize layoffs to impacted personnel; as a result, vacancies on the Expressway were filled by parking employees where possible.

For fiscal year 2016, Operations added one supervisory position to the Authority's SCOPs (Special Conservators of the Peace), which provide toll enforcement, motorist assistance, and traffic control during construction on the Expressway System. Administration added an Administrative Support position to assist the Executive Staff with increasing information requests and research responsibilities. The position decrease in Human Resources is due to combining the Manager and Assistant positions after recent employee turnover. For additional detail by position, see the Personnel Complement in the Supplemental Information section.

Operations (in thousands)

Operations	2014 Audited Actuals	2015 Adjusted Budget	2016 Adopted Budget	% Change
Expressway	4,850	6,357	6,516	2.5%
Central Administration	866	917	813	-11.3%
Main Street Station	735	911	750	-17.7%
	<u>\$ 6,451</u>	<u>\$ 8,185</u>	<u>\$ 8,079</u>	-1.3%

The fiscal year 2016 budget includes total operating expenses of \$8.1 million, with an overall decrease of 1.3% from the prior year. Expressway operations increased by 2.5%, primarily due to increased E-ZPass processing fees (3.4%), due to a combination of processing rate increases and traffic growth.

The Authority's Central Administration and Main Street Station operating budgets decreased from the prior year by 11.3% and 17.7% respectively. Several factors led to the decrease in Central Administration, including the completion of the accounting system replacement project and savings attributed to switching data and telephone providers. Main Street Station expenses decreased primarily due to revised utility cost estimates during the ongoing train shed renovation project.

See the Operating Budget section for additional analysis on the year-to-year budget changes.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Mission Statement of the Authority



Downtown Expressway and City of Richmond

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

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

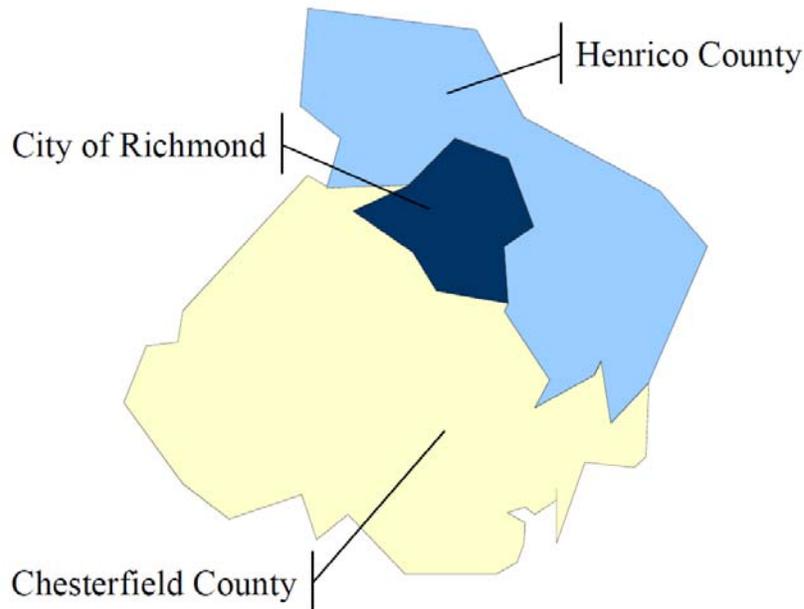
To our employees, we will promote a safe and pleasant work environment, provide an opportunity to advance according to their abilities and fairly compensate based on performance;

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

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

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
History

The Richmond Metropolitan Transportation Authority (the “Authority”), 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 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 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.

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Later that year, on July 2, 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.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
History



Expressway Parking Deck

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



Boulevard Bridge

On Aug. 17, 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 on October 30, 1993.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
History



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

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

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

In 2008 the Richmond Braves announced their relocation to Gwinnett County, Georgia, leaving The Diamond. Just one year later, it was announced that the newly minted Richmond Flying Squirrels would make their debut at The Diamond for the 2010 season. The Flying Squirrels immediately built a successful relationship with the community, finishing first or second in Eastern League attendance in each of their first four 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 extended maturity of the debt restructuring resulted in the Authority operating the Expressway System beyond the previously planned end date of 2022.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
History



Downtown Expressway, Express Lanes and Traditional Lanes

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

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

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

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.

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.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Principal Officials

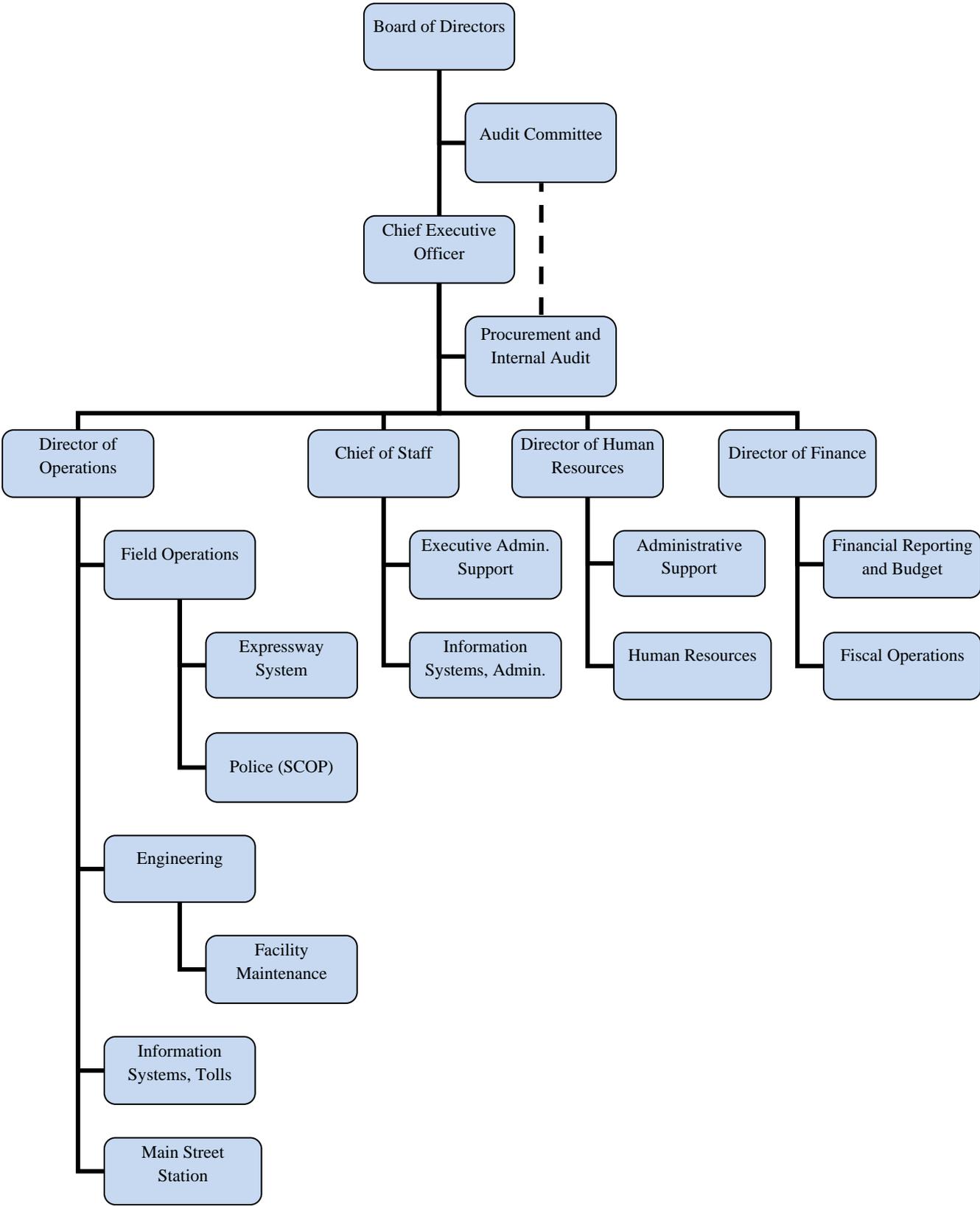
Board of Directors

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

Management and Counsel

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

Richmond Metropolitan Transportation Authority
 2016 Fiscal Plan and Capital Budget
 Organizational Chart



Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Division Descriptions

Overview

The Authority has four primary divisions: Operations, Administration, Human Resources, and Finance. Each division is led by a Director, with oversight provided by the Chief Executive Officer.

Operations

The mission of the Operations division is to provide safe, convenient, efficient facilities and excellent customer service while maintaining the lowest feasible costs. Operations is responsible for the operations of the Authority's Expressway System, including asset preservation and capital maintenance, and the management of Main Street Station.

Recent accomplishments of Operations include:

- Northbound Powhite Bridge overlay completed on time and under budget.
- Completed underwater inspection of bridge piers (frequency: every 5 years).
- Performed in-depth/element level bridge inspections to comply with new State and Federal regulations.
- Continued rejuvenation of the Downtown Expressway through the Beautification Project.
- Completed the Chippenham ramps mill and overlay resurfacing.
- Led deployment of a new bridge management analytical software system. This system provides a means to collect and store bridge inspection data for State and Federal reporting purposes and allows Operations to track preservation and maintenance efforts.
- Realigned the long-range capital plan to match planned expenses with bridge life cycle estimates.
- Completed the transfer of The Diamond stadium to the City of Richmond.
- Completed the re-striping of the Powhite Parkway from 4" to 6" wide striping pursuant to new VDOT recommendation for limited access highways.

Fiscal year 2016 goals of Operations include:

- Complete the I-95 ramps deck overlay project for the inbound Downtown Expressway ramps.
- Complete the mill and overlay resurfacing of Maplewood off ramp, westbound Forest Hill on-ramp, and Cary Street off ramp from northbound Powhite Parkway.
- In preparation for the UCI 2015 World Cycling Championship, work with *Richmond 2015* to help inform RMTA patrons of the upcoming event, the impacts to RMTA facilities, and the impacts to patron travel times and overall experience.
- Work with E-ZPass/VDOT to encourage patrons to open E-ZPass accounts in order to reduce delays, including potential delays from the UCI Cycling Championship.
- Lead efforts to expand the use of the bridge management software to perform deterioration modeling, meet new element-level national inspection standards, examine resource-allocation decisions to best preserve and improve bridges, and create trade-off analyses to help guide the decision-making process toward the most cost-effective choices for bridge preservation and rehabilitation.
- Lead procurement for Miscellaneous Repairs, Deck Rehabilitation, and Protective Coatings contracts.
- Complete lane signage upgrades at Forest Hill ramps and Boulevard Bridge.
- Install traffic cameras on the Boulevard Bridge for increased monitoring and safety.
- Continue to work closely with the City of Richmond during the construction of the Idlewood roundabout and Forest Hill Avenue improvements.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Division Descriptions

- Once rescheduled, work closely with the City during the Joint Rehabilitation and Waterproofing project for the Riverside Plaza Park.
- Update internal Operations Manual to align with new Policy and Procedures Manual, and recent changes to maintenance and facility responsibilities.

Human Resources

The mission of the Human Resources division is to maintain a productive and highly-skilled workforce through recruitment, employment, compensation, benefits, employee relations and health & safety programs while ensuring compliance with state and federal employment laws and regulations.

Recent accomplishments of Human Resources include:

- Continued succession planning for key Operations positions.
- Completed revision of the personnel policies and procedures manual in October 2014, providing employees with one central reference for policies, procedures, and employee benefits.
- Conducted employee training sessions to explain new policies and procedures.
- Completed the second phase of performance management (S.M.A.R.T. goals) by including all toll road supervisors and managers.
- Provided extensive communication about consumer driven health care; as a result, enrollment in the high deductible plan and health reimbursement account increased from 11% in fiscal year 2014 to 50% in fiscal year 2015.
- Worked with Operations to create a new uniform policy as a first step to recreating the RMTA customer service brand.

Fiscal year 2016 goals of Human Resources include:

- Seek additional recruitment sources and skills assessment tools to enhance applicant tracking and selection criteria.
- Enhance employee communication to include Intranet and self-service kiosks for greater efficiency with employee reporting for benefits and other human resources related documents.
- Establish external partnerships to assist with wellness training initiatives encouraging preventive medical care and safety programs to evaluate risk management.
- Work with the Authority's benefits consultant to review and revise current retiree benefits policy, proposing changes based on industry practice.
- Complete implementation of human resources and time & attendance software that began in fiscal year 2015.

Administration

The mission of the Administration division is to provide 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 website updates.

Recent accomplishments of Administration include:

- Changed telephone and data providers, resulting in cost savings of over \$50,000 per year.
- Completed several information systems infrastructure upgrades, including Microsoft Exchange Server software and virtual storage hardware and software.
- Updated time & attendance software to include new paid time off category.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Division Descriptions

- Led rollout of BoardPaq software to streamline communication with the Board of Directors.
- Continued posting media advisories and Board meeting information on the Authority's website.

Fiscal year 2016 goals of Administration include:

- Upgrade Microsoft Office software on all desktop computers.
- Review current telephone system and research options for replacement or upgrade.
- Implement new domain name after the Authority's name change.
- Increase desktop computers at toll facilities in coordination with new time & attendance software.
- Archive Board information into BoardPaq for historical reference and easier accessibility.

Finance

The mission of the Finance division is to provide the expertise and analysis required for the proper fiscal management of the Authority. This includes establishing and maintaining effective internal controls, providing accurate and timely financial information, recommending financial policies to the Chief Executive Officer and Board of Directors, and ensuring compliance with financial requirements for debt and other agreements.

Recent accomplishments of Finance include:

- Received a credit rating upgrade from Fitch from A- to A in April 2014.
- Obtained the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the first time for the fiscal year 2015 budget.
- Completed the fiscal year 2014 Comprehensive Annual Financial Report (CAFR) with an unmodified ("clean") audit opinion and no material weakness or significant deficiency findings from the Authority's independent auditor.
- Obtained the GFOA Certificate of Achievement for Excellence in Financial Reporting for the fiscal year 2014 CAFR for the twenty-first consecutive year.
- Led development of several key financial policies, including financial planning, revenue and expense, debt management, and reserve funds, with formal Board adoption in March 2014. An additional policy for accounting and financial reporting was proposed by Finance and adopted by the Board in April 2015.
- Replaced obsolete accounting software with a modern cloud-based system, streamlining processing while reducing the reliance on internal information systems infrastructure.

Fiscal year 2016 goals of Finance include:

- Maintain or strengthen the Authority's credit rating.
- Obtain an unmodified ("clean") audit opinion with no material weakness or significant deficiency findings from the Authority's independent auditor.
- Obtain the GFOA Certificate of Achievement for Excellence in Finance Reporting (CAFR) and GFOA Distinguished Budget Presentation Award.
- Lead procurement efforts for banking, investment advisor, auditing, and armored transport and coin counting services.
- Update internal accounting procedures manual to align with new accounting system and other recent modernizations.

BUDGET DEVELOPMENT SECTION

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Fund Structure, Basis of Accounting and Budgeting, and Budget Process

Fund Structure

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

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

Basis of Accounting and Budgeting

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

Budget Process

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

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

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

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

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

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

Richmond Metropolitan Transportation Authority
 2016 Fiscal Plan and Capital Budget
 Fund Structure, Basis of Accounting and Budgeting, and Budget Process

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

For fiscal year 2016, the budget development process followed the calendar of events as described below:

Date	Action
January 5, 2015	Finance coordinates with Traffic and Revenue Consultant to provide an updated current fiscal year projection and next fiscal year revenue estimate.
January 15, 2015	Initial budget overview with Executive Staff (division Directors and Chief Executive Officer), including review of budget calendar and required items.
January 30, 2015	Traffic and Revenue Consultant provides “Mid-Year Toll Certification”, including initial estimate of next year’s traffic and revenue projections.
February 2, 2015	Division Directors provide initial budget requests to Finance.
February 6, 2015	Initial budget retreat with Executive Staff.
February 10, 2015	Budget workshop with Finance Committee to review existing financial policies and consider changes.
February 13, 2015	Operating budget draft completed.
February 19, 2015	Capital budget estimates reviewed by Executive Staff.
February 24, 2015	Budget workshop with Finance Committee to review operating budget draft.
February 27, 2015	Capital budget draft completed.
March 6, 2015	Traffic and Revenue Consultant provides draft certificate of Expressway toll revenue.
March 10, 2015	Budget workshop with Finance Committee and Operations Committee to review capital budget draft and long-term financial plan update.
March 17, 2015	Compensation and Benefits Committee meeting to review salary and benefits budget draft.
March 19, 2015	Final budget retreat with Executive Staff.
April 9, 2015	Proposed budget document complete.
April 14, 2015	Proposed budget presented to Board with comment period prior to adoption.
May 12, 2015	Budget adopted by Board.

Richmond Metropolitan Transportation Authority
 2016 Fiscal Plan and Capital Budget
 Revenue Sources and Underlying Assumptions

Revenue Sources

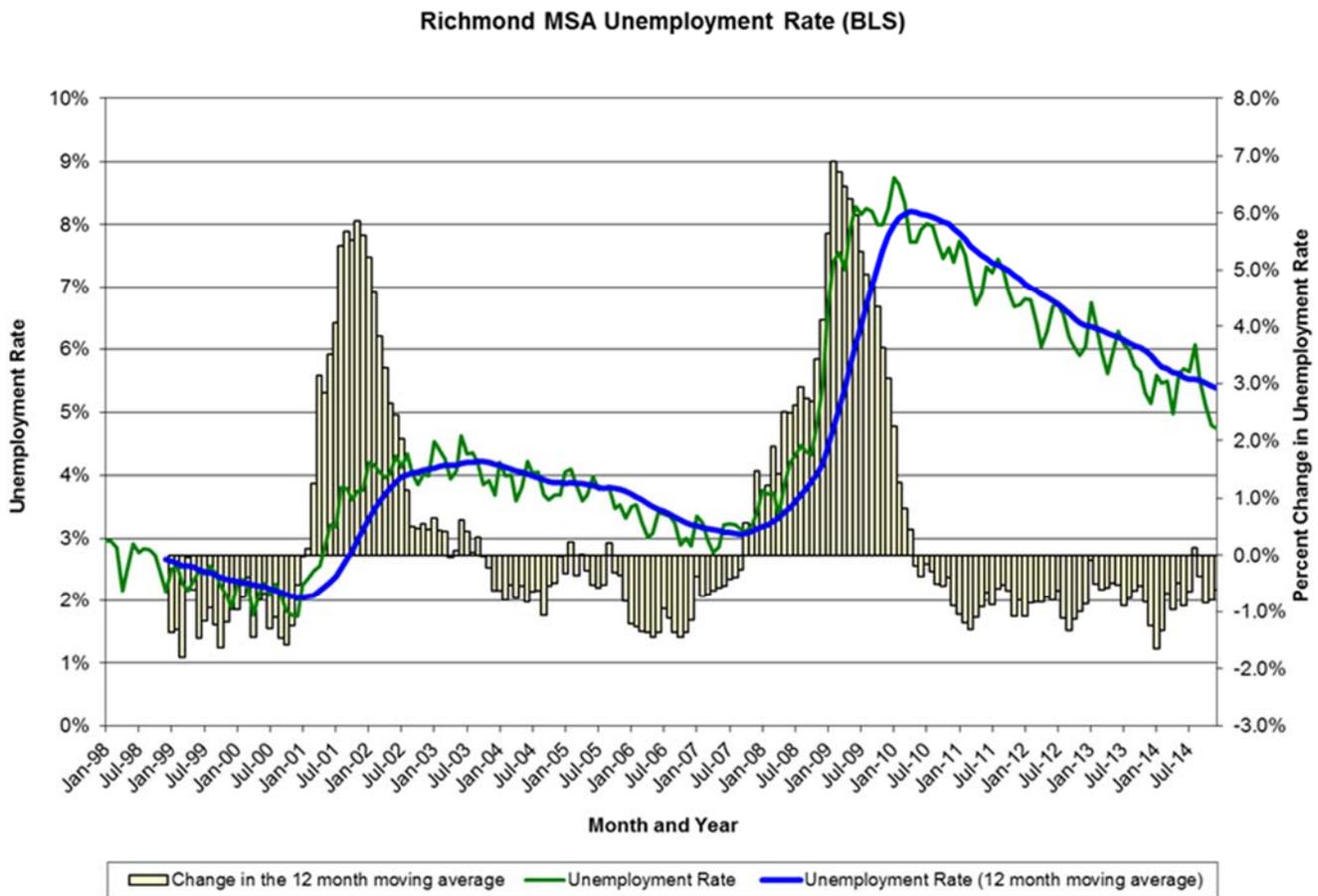
Toll revenue from the Expressway System represents over 95% of the Authority’s total revenue and is considered the Authority’s only major revenue source. The Authority’s Traffic and Revenue Consultant, Jacobs, Inc., prepares an annual traffic and revenue forecast, which is used as the basis for the Authority’s toll revenue budget. A summary of the fiscal year 2016 traffic and revenue forecast is presented below.

Economic Conditions

Area employment levels directly impact the number of daily commuter trips on the Authority’s Expressway System. The unemployment rate for the Richmond Metropolitan Service Area (MSA) from the Bureau of Labor Statistics from January 1998 to December 2014 is presented in *Figure 1*. The green line represents the unemployment rate by month, fluctuating based on seasonal variations of employment. The blue line is the 12 month moving average of the unemployment rate, essentially smoothing the curve to present a full picture of the Richmond economy while removing the seasonal movement.

Generally, since the end of recession in 2009 the unemployment rate has decreased slightly to the late 2014 rate of just below 5%, indicating a steady, slow recovery. Since May 2010, the 12 month moving average of the unemployment rate has decreased each of month, a more explicit sign of recovery.

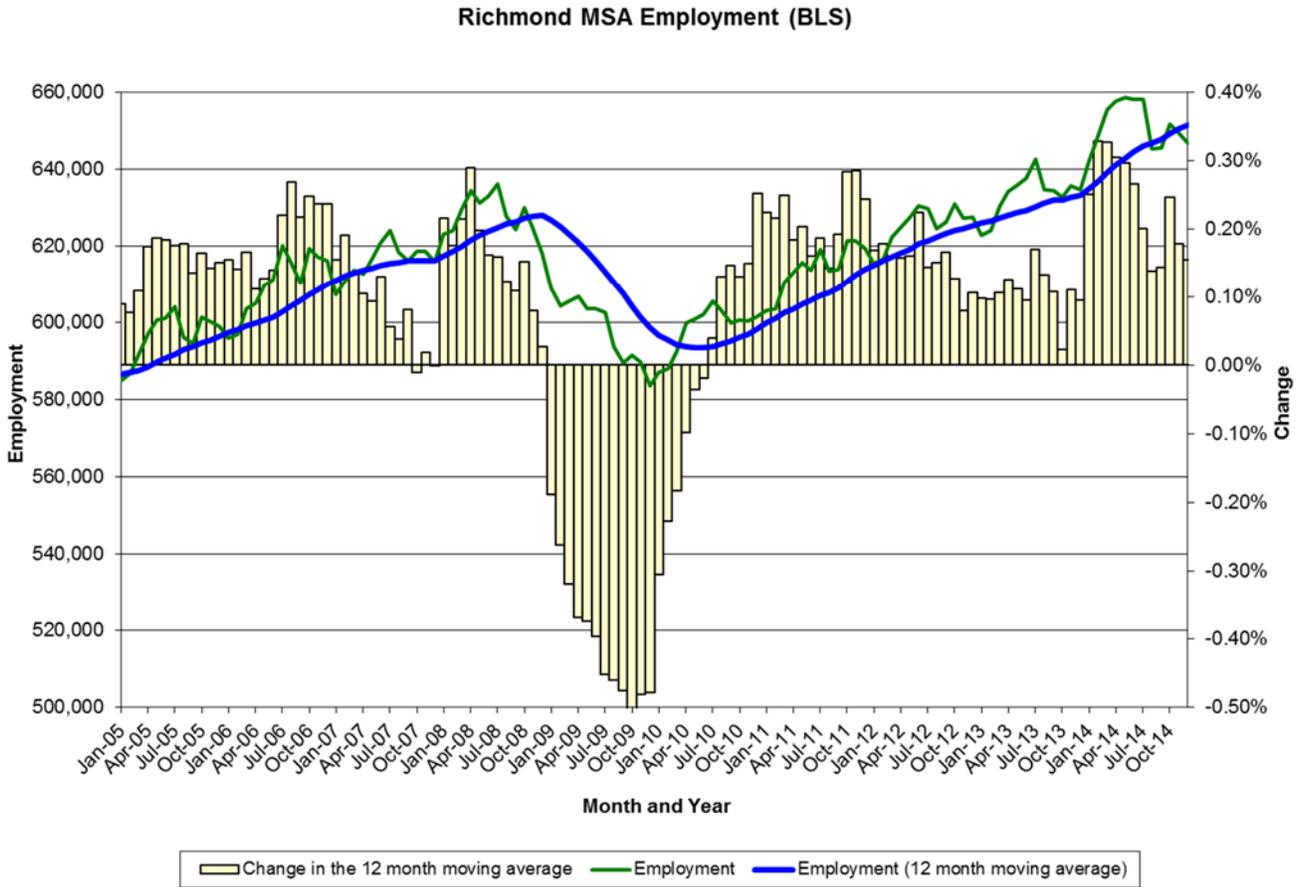
Figure 1: Richmond MSA Unemployment Rate, January 1998-December 2014



Richmond Metropolitan Transportation Authority
 2016 Fiscal Plan and Capital Budget
 Revenue Sources and Underlying Assumptions

While the unemployment rate indicates the general direction of the economy, the Traffic and Revenue Consultant advises that the Richmond MSA employment level (*Figure 2*) is a more appropriate economic indicator to correlate to the Authority’s traffic.

Figure 2: Richmond MSA Total Employment Levels, January 2005-December 2014

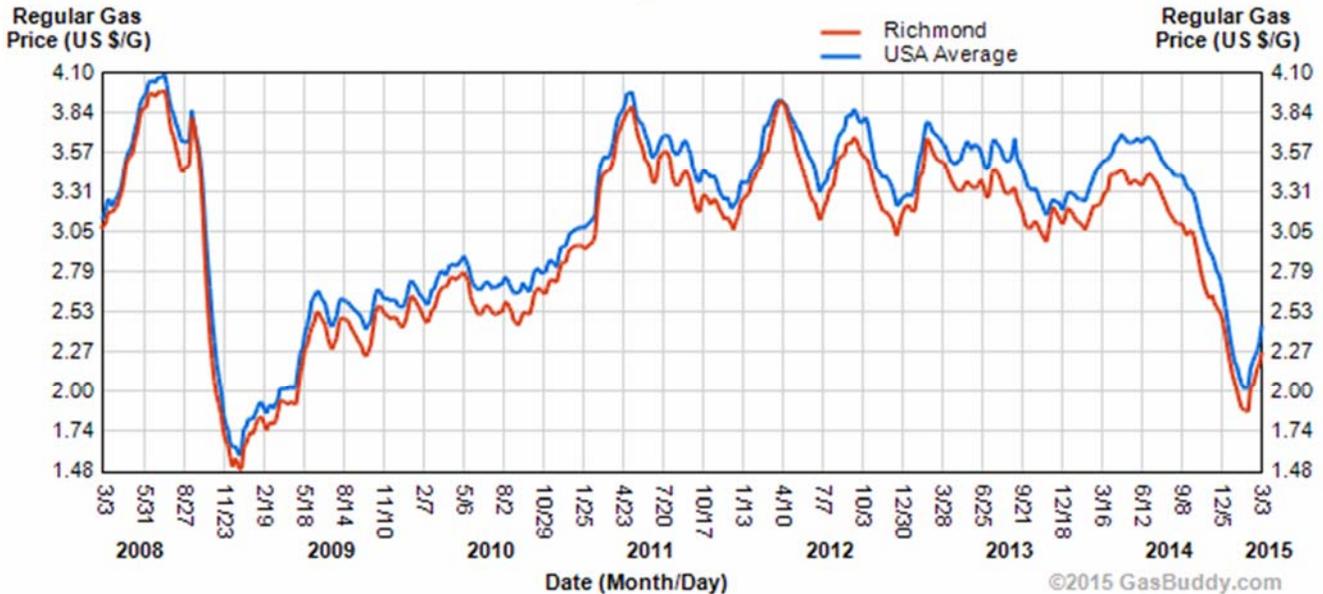


As a result of the 2008-2009 economic recession, employment levels for the Richmond MSA retreated to 2005-2006 levels by June 2010. However, since then the employment levels have increased every month, showing the Richmond area is set on a course of stable growth. There does not appear to be concern for retreating into another recession in the short term for the Richmond area.

Gas Prices

The price of gasoline has been very volatile since 2008 and this represents a new normal. *Figure 4* presents Richmond and national gasoline prices for the past 84 months illustrating this point.

Figure 4: Gas Prices, Last 84 Months
84 Month Average Retail Price Chart



The fiscal year 2016 forecast estimates gas prices will remain below \$4.00. It is estimated that gas prices would have to increase substantially higher than that of the summer of 2008 and be sustained over many months to have a negative impact on the fiscal year 2016 forecast. If those two things occur it is estimated that traffic volumes could potentially decrease between 5% and 10%. Even in the event of a 10% loss in traffic and toll revenue, the Traffic and Revenue Consultant estimates that all debt service coverage requirements would be satisfied and no toll increase will be required during fiscal year 2016; in an extreme case of a 25-30% loss in traffic and toll revenue, fiscal year 2016 revenue would still be sufficient to pay required debt service.

Fiscal Year 2016 Forecast

Gross toll revenues are projected to total \$37.9 million with 58.9 million total transactions for fiscal year 2016. This represents a 0.5% increase in toll revenue and 0.3% increase in toll transactions from the fiscal year 2015 projection. The fiscal year 2016 forecast assumes the current toll schedule will be in effect throughout the fiscal year.

The fiscal year 2016 forecast includes a revenue reduction of 0.3% from the estimated impact of the 2015 UCI Road World Championships taking place on September 19-27, 2015 in the Richmond area. Road closures required to ensure the safety of cyclists and spectators are expected to make travel in downtown Richmond difficult. As a result, the fiscal year 2016 forecast lowers traffic on the Downtown Expressway by 25% and on the Powhite Parkway by 10% for this nine day stretch. While it is anticipated that there will be some positive traffic impact from the visitors to the event, overall the event is expected to have a negative impact on revenue when weighted against lower commuter traffic.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Long-Term Financial Plan

Overview

The Authority works closely with its Traffic and Revenue Consultant (Jacobs), Consulting Engineer (HNTB), and Financial Advisor (Davenport) to develop long range forecasts for the Expressway System that incorporate historical trends and assumptions regarding future traffic patterns, customer service demands, operating costs, debt requirements, and future capital needs. These forecasts serve as the foundation for evaluating the Authority’s ability to maintain safety, customer service, and contractual commitments to customers and bondholders.

A portion of the Authority’s long-term financial plan is summarized in this document, with a focus on the upcoming fiscal year and succeeding five fiscal years. These projections are used by the Authority for planning purposes only and may differ from actual results.

Current and Next Six Fiscal Year Projections (in thousands)

	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
Tolls	\$ 37,671	\$ 37,857	\$ 38,680	\$ 48,522	\$ 48,984	\$ 49,452	\$ 49,925
Other	1,004	1,004	1,024	1,045	1,065	1,087	1,108
Total revenue	<u>38,675</u>	<u>38,861</u>	<u>39,704</u>	<u>49,567</u>	<u>50,049</u>	<u>50,539</u>	<u>51,033</u>
Operating expense	<u>13,900</u>	<u>14,595</u>	<u>15,179</u>	<u>15,786</u>	<u>16,417</u>	<u>17,074</u>	<u>17,757</u>
Net revenue over expenses	24,775	24,266	24,525	33,781	33,632	33,465	33,276
Debt service	12,847	12,848	12,842	14,845	14,845	14,846	14,847
Revenue available for capital	<u>\$ 11,928</u>	<u>\$ 11,418</u>	<u>\$ 11,683</u>	<u>\$ 18,936</u>	<u>\$ 18,787</u>	<u>\$ 18,619</u>	<u>\$ 18,429</u>
Projected DSCR	1.93	1.89	1.91	2.28	2.27	2.25	2.24

Toll revenue estimates are provided by the Authority’s Traffic and Revenue Consultant through the annual traffic and revenue forecast, while other revenue and operating expenses are estimated by the Authority. Debt service amounts are based on existing repayment schedules of outstanding debt.

Toll Rates and Debt Issuance

The Authority’s toll rates remain unchanged for fiscal year 2016, with the next scheduled increase in fiscal year 2018. At this time, the Authority has no plans to issue additional debt over the next 5 years.

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 the Capital Budget, minimizing the need for borrowing. The Authority’s bond resolution requires a DSCR of 1.20; a ratio below this level could place the Authority’s bonds in default. The Authority’s financial polices set an internal DSCR goal of at least 1.50. As illustrated in the projections above, the Authority expects to continue meeting its DSCR requirements for the foreseeable future.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
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 credit 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. The Authority's initial 2011 ratings from Moody's and Standard & Poor's have since been affirmed during their most recent review: Moody's at A1 with a stable outlook (March 2013), and Standard & Poor's at A+ with a stable outlook (February 2014).

The Authority's DSCR and credit ratings are comparable to other entities that rely on revenue bonds to fund their capital as shown in the table below:

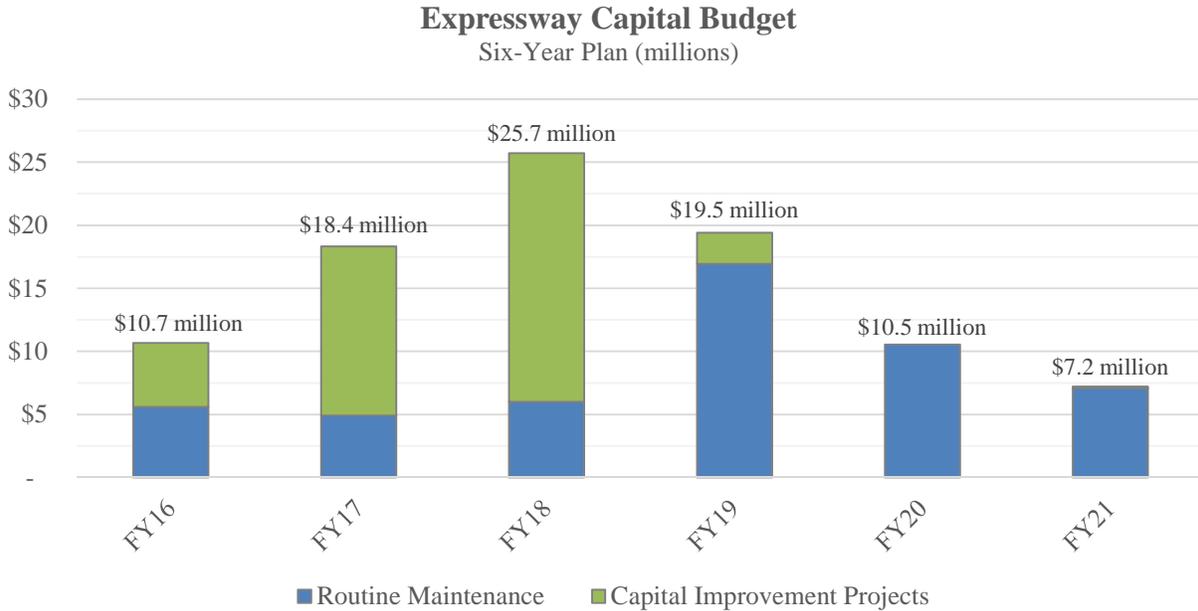
Revenue Bond Issuer	Rating			DSCR
	Moody's	S&P	Fitch	
Richmond Metropolitan Transportation Authority	A1	A+	A	1.96
<i>Other Local Entities</i>				
Capital Region Airport Commission	A2	NR	A-	NA
Greater Richmond Convention Center	A1	A+	A+	NA
<i>Toll Agencies</i>				
West Virginia Parkways Authority, WV	Aa3	AA-	NR	4.34
Massachusetts Dept. of Transportation, MA*	Aa1	AA+	A+	1.10
Pennsylvania State Turnpike Commission, PA	NR	A+	A+	3.53
New York State Bridge Auth, NY*	Aa3	AA-	NR	2.66
Illinois State Toll Highway Authority, IL*	Aa3	AA-	AA-	2.46
Delaware River Port Authority, DE*	A3	A	NR	3.28
Maryland Transportation Authority, MD	Aa3	AA-	AA-	3.42
Harris County Toll Road Authority, TX	Aa3	AA-	AA	3.35
Ohio Turnpike Commission, OH*	Aa3	AA-	AA	2.93
Maine Turnpike Authority, ME*	Aa3	AA-	AA-	2.70
Triborough Bridge & Tunnel Authority, NY	Aa3	AA-	AA-	2.64
Bay Area Toll Authority, CA	Aa3	AA	AA-	2.64
Kansas Turnpike Authority KS*	Aa3	AA-	NR	2.46
Florida Turnpike Enterprise, FL*	Aa3	AA-	AA-	2.51
Oklahoma Turnpike, OK*	Aa3	AA-	AA-	1.75
New York State Thruway Authority, NY*	A2	A	NR	1.66

NR/NA – Not rated or unavailable; *Data from 2013

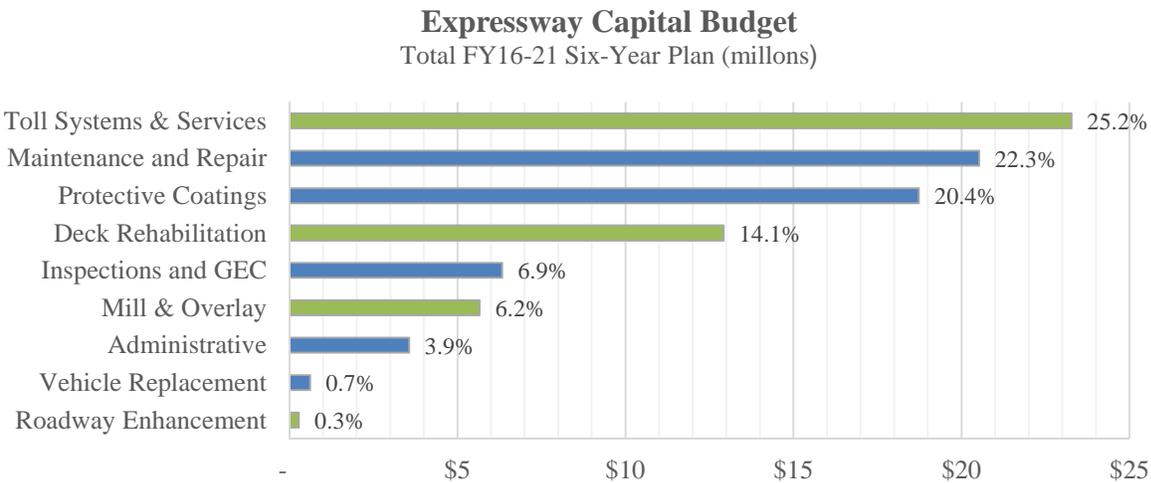
Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Long-Term Financial Plan

Expressway Capital Budget

The Capital Budget includes all Expressway System routine maintenance and major capital improvement projects. A summary of the Six-Year Plan for fiscal years 2016-2021 is presented below:



The Authority’s Six-Year Plan totals approximately \$91.9 million for fiscal years 2016-2021. The following graphic presents each project’s total cost in the Six-Year Plan as a percentage of the \$91.9 million total:



See the Expressway Capital Budget section for additional information on each project, including project descriptions, estimated useful life, and cost detail. A 20-Year Overview of the Capital Budget is presented in the Expressway Capital Budget section to provide perspective on the Expressway System’s long-term capital needs.

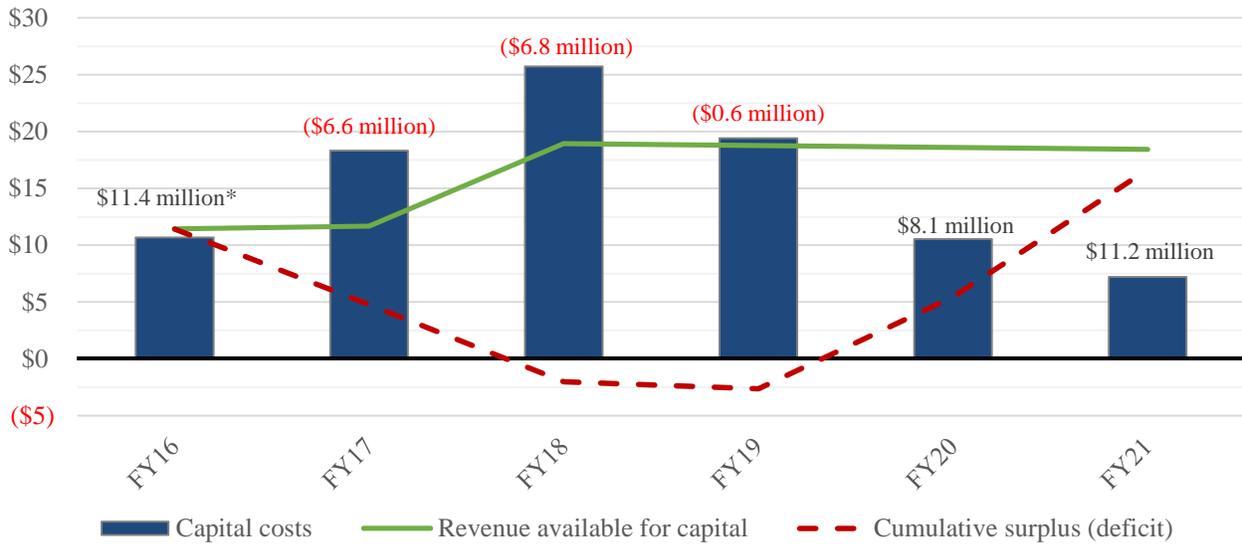
Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Long-Term Financial Plan

Capital Budget Funding

The Capital Budget must be compared to projected available revenues to ensure capital funding is sufficient. As stated in the Authority’s financial policies, the Authority’s goal is to have balances on hand as of June 30th to fully fund the next fiscal year’s capital plan. The Authority projects current revenues from fiscal year 2015 operations to fully fund the fiscal year 2016 Capital Budget estimate of \$10.7 million. This will allow the Authority to use fiscal year 2016 revenues for future capital needs.

The Capital Budget estimates for the Six-Year Plan are compared to projected revenue available for capital in the graph below. The annual surplus (deficit) between the Capital Budget and revenue available for capital is shown in the text above each blue bar, while the red dashed line represents the cumulative surplus/deficit.

Capital Budget vs. Available Revenue
Projections for planning purposes only (millions)



*FY16 capital costs are projected to be funded from FY15 revenues, leaving FY16 revenue available for future capital spending.

Current projections leave little flexibility to absorb negative changes to projected revenue, operating expenses, or capital costs without the use of reserve funds; the graph illustrates this through the potential use of reserve funds in fiscal year 2018 as the red dashed line approaches zero and crosses into the negative amounts. Ending fiscal year 2015 reserve balances are projected to be \$23.6 million; see the next page for additional information on available reserve funds and future reserve fund projections.

The Authority uses the long-term financial plan to consider factors such as revenue available for capital and available cash resources when considering future rate adjustments and borrowings. The Authority continues to evaluate its long-term financial plan projections to determine the appropriate actions necessary to support its operational and capital funding requirements.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Long-Term Financial Plan

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. Established by the Authority’s bond resolution, Excess Balances represents the only reserve available for the Expressway System, which has capital assets valued in excess of \$300 million.

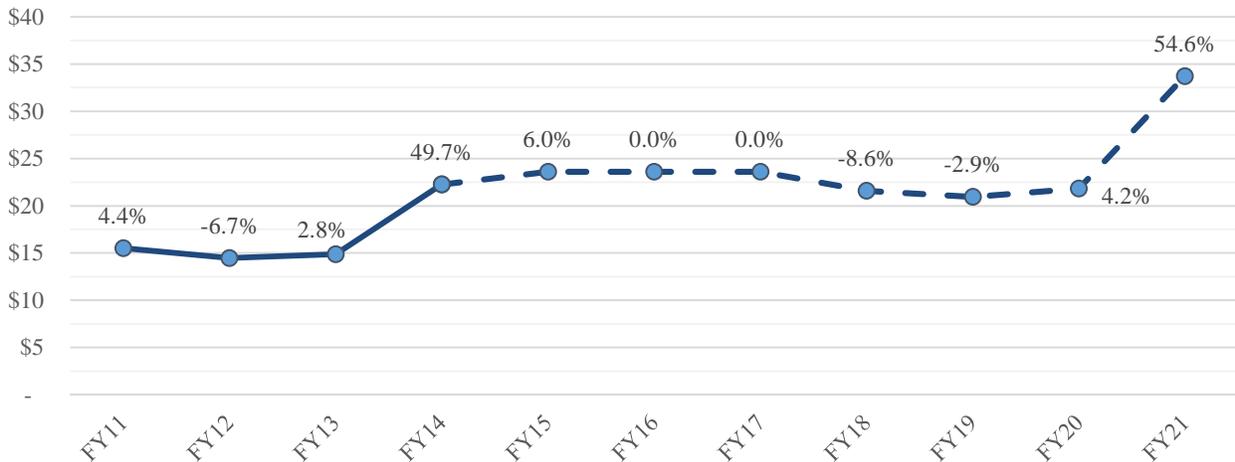
After making required payments to fund operations, debt service and related reserves, and the Capital Budget, any remaining revenue is transferred to Excess Balances at fiscal year-end. As stated in the Authority’s financial policies, any use of Excess Balances requires approval of the Board of Directors.

Actual and Projected Changes to Excess Balances

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 Budget estimates, as well as the timing of cash receipts and payments.

Projected Balance and Contributions (Uses) of Excess Balances

Last four actuals, current and next six fiscal year projections (millions)



The market value of investments held in Excess Balances decreased by 6.7% in fiscal year 2012 due to unrealized fair market value losses during the 2011-2012 stock market decline. A \$6.6 million contribution in fiscal year 2014 was driven by low fiscal year 2015 budgeted capital needs (\$6.9 million).

Projected fiscal year 2015 net cash available for capital is \$11.9 million vs. a fiscal year 2016 Capital Budget cost estimate of \$10.7 million, leading to a projected transfer to Excess Balances of \$1.2 million in fiscal year 2015. This would increase the ending fiscal year 2015 balance by 6.0% to a projected \$23.6 million.

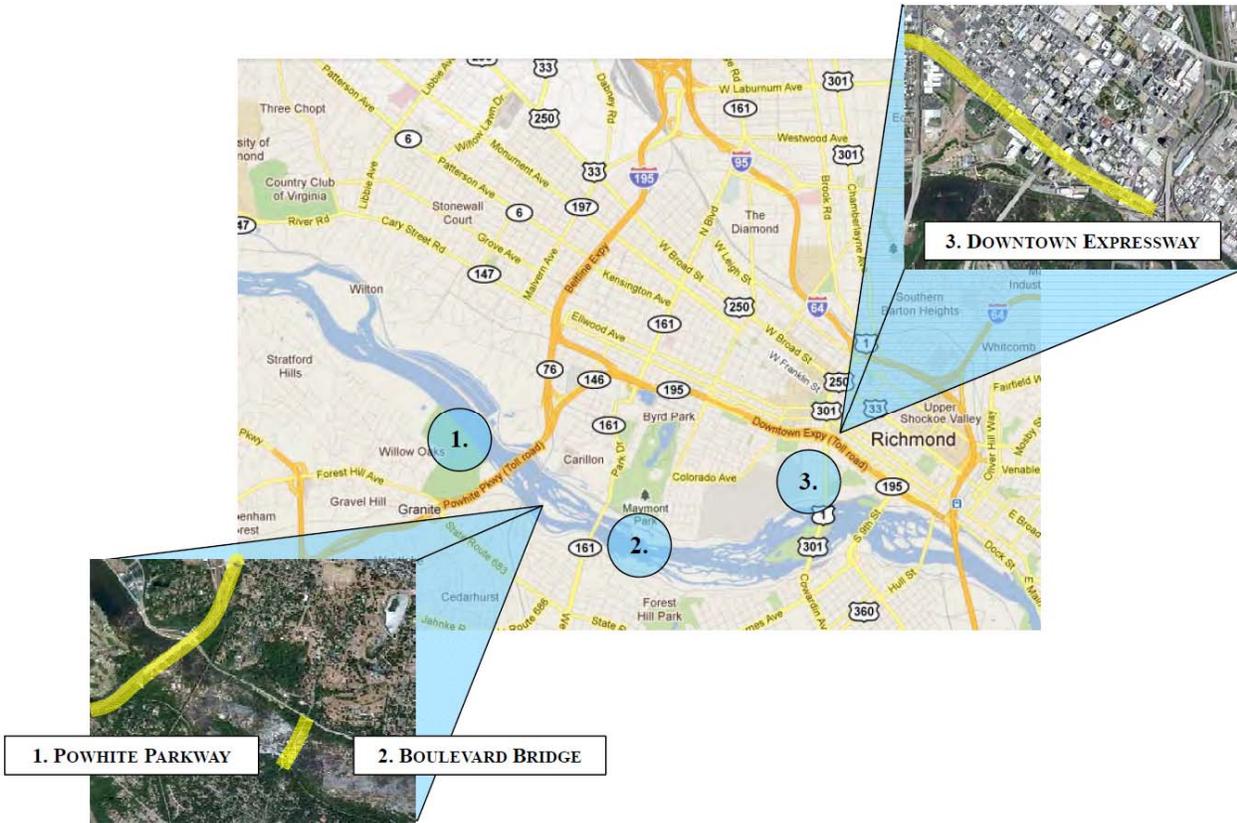
The estimated use of Excess Balances in fiscal years 2018 and 2019 and contributions in fiscal years 2020 and 2021 are driven by the difference between the Capital Budget cost estimates and revenue available for capital projections as discussed on the previous page.

OPERATING BUDGET SECTION

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Expressway

Description

The Expressway fund is used to account for ongoing Expressway System operations. Comprised of the Powhite Parkway, Downtown Expressway, and Boulevard Bridge, the Expressway System contains over 50 lane miles of roads and 37 bridges. The Expressway System continues to provide a vital urban transportation link for the Richmond metropolitan area, as annual traffic has grown from 17 million transactions in 1976 to over 58 million transactions in 2014.



Powhite Parkway – Opening in 1973, 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.

Downtown Expressway – Opening in 1976, the Downtown Expressway connects the Powhite Parkway to downtown Richmond and Interstate 95. The Downtown Expressway extends 2.5 miles from the Meadow Street Ramp in the west to I-95 in the east. The continuation of the Downtown Expressway to the west of Meadow Street is maintained by VDOT and offers a connection to I-195 to the north and the Powhite Parkway to the south.

Boulevard Bridge – Purchased in November 1969, the Boulevard Bridge was the first acquisition for the Authority. The steel truss bridge was built in 1925 to improve connectivity of the Westover Hills neighborhood south of the river to areas north of the river.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Expressway

Electronic Toll Collection and E-ZPass

Electronic Toll Collection (ETC) provides 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.

Since its initial implementation on the Authority's Expressway System in 1999, customers continue to migrate towards payment via E-ZPass. E-ZPass utilization has steadily increased in each of the past five years from 58% in 2010 to 63% in 2014. During peak morning and afternoon hours on the Powhite Parkway and Downtown Expressway, E-ZPass usage exceeds 70%.

The Authority contracts with the Virginia Department of Transportation's (VDOT) Customer Service Center (CSC) for the day-to-day operation of the E-ZPass program. Services provided by the CSC include electronic toll transaction processing, violation processing, and customer account management.

Funding of the CSC is accomplished through a fee structure tailored by VDOT to recover the costs of operations. The transaction processing fee for toll facilities has two components: a percentage of revenues collected and a fixed fee per toll transaction processed. Violation processing costs utilize the same fee structure with additional costs for violation image review, license plate lookups, creating and printing violation notices, and resolving customer payments or disputes.

In July 2012, VDOT revised the fee structure by assessing customers a monthly transponder maintenance fee (between \$0.50 and \$1.00) for new transponders while reducing the transaction processing fee charged to toll facilities. Legislation passed in the 2014 Virginia General Assembly session directed VDOT to implement a plan to eliminate the monthly transponder maintenance fee charged to customers. On June 30, 2014, VDOT informed the Authority and other Virginia toll facilities of an increase to fiscal year 2015 E-ZPass processing rates to \$0.0613 per transaction processed and 1.611% of revenue. This increased the Authority's cost by 66.1% or approximately \$1.1 million over the prior year. The Authority's Board approved a \$1.1 million budget adjustment in August 2014, reducing a planned contribution to reserves.

On April 1, 2015, VDOT provided toll agencies with the updated rates for fiscal year 2016: \$0.0613 per transaction processed (same as the prior year) and 1.756% of revenue (9.0% increase). Based on the new rates and projected traffic growth, the fiscal year 2016 budget for E-ZPass processing fees increased to \$2.8 million or 3.6% from the prior year. The Authority estimates 38.3 million transactions or 65.0% of total fiscal year 2016 transactions will be collected via E-ZPass.

Significant Budgetary Changes

- Toll revenue increased \$565,000 or 1.5%, primarily due to continued ridership growth, as toll rates were last increased in September 2008 and remain unchanged for the next fiscal year. See the Revenue Sources and Underlying Assumptions portion of this document for additional information on the basis of toll revenue projections.
- Salaries and benefits increased \$184,400 or 3.4%, primarily due to budgeted merit increases and health care premium increases. See the Budget Overview portion of this document for additional information on the salaries and benefits budget.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Expressway

Significant Budgetary Changes (continued)

- Operations increased by \$158,000 or 2.5% primarily due to the increase in E-ZPass processing costs (\$98,000) as discussed on the previous page. Other significant changes from the prior year include:
 - \$12,600 savings (25.7%) in telephone and data services by switching service providers.
 - \$31,300 decrease (86.2%) in computer hardware due to the cyclical purchase of servers and other equipment in the previous year.
 - \$9,700 increase (323.3%) in computer software to update Microsoft Office.
 - \$36,000 increase (39.3%) in audit and financial services, primarily for the procurement of investment advisor services to assist in the development of an investment policy and implementation of a more sophisticated investment strategy as approved by the Finance Committee of the Authority's Board of Directors.
 - The dues and subscriptions and travel budgets were shifted to the Central Administration fund to better align with employee usage.
 - \$62,000 increase (7.0%) in toll system maintenance due to contractual rate increases.
 - \$34,000 increase (1,700.0%) in materials & supplies – grounds and buildings due to the cyclical purchase of CF7 liquid deicing solution for use on the Boulevard Bridge, last purchased in fiscal year 2012.
 - \$20,000 reduction (25.0%) in vehicle operations and maintenance to align budget with recent actual costs.
 - \$10,600 decrease (41.4%) in asset management software as the software was purchased in the prior year and will now incur annual hosting costs of approximately \$15,000.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Expressway

Overview

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

Certificate

	2015 Adjusted Budget	2015 Projected Actual	2016 Adopted Budget
Toll Revenues (1)	\$ 37,292,000	\$ 37,671,000	\$ 37,857,000
Other Revenues (2)	994,000	1,004,000	1,004,000
Total Revenues	<u>38,286,000</u>	<u>38,675,000</u>	<u>38,861,000</u>
Operating Expenses (2)	<u>14,242,514</u>	<u>13,900,000</u>	<u>14,594,800</u>
Available for Debt Service and Capital	24,043,486	24,775,000	24,266,200
Required Debt Service	<u>12,847,052</u>	<u>12,847,052</u>	<u>12,847,733</u>
Available for Capital	<u>\$ 11,196,434</u>	<u>\$ 11,927,948</u>	<u>\$ 11,418,467</u>

(1) As estimated by Jacobs.

(2) As estimated by the Authority.

Revenue Certification



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

Expense Certification



Nicholas Antonucci, P.E.
HNTB Corporation

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Expressway

	2014 Audited Actuals	2015 Adjusted Budget	2016 Adopted Budget	\$ Change	% Change
<u>Operating Revenue</u>					
Toll Revenue	\$ 37,207,789	\$ 37,292,000	\$ 37,857,000	\$ 565,000	1.5%
Violation Enforcement - Imaging	468,346	440,000	450,000	10,000	2.3%
Violation Enforcement - Courts	38,827	55,000	55,000	-	0.0%
Parking Lot Rentals	47,971	49,000	49,000	-	0.0%
Interest	404,675	450,000	450,000	-	0.0%
Miscellaneous Income	8,578	-	-	-	N/A
	<u>\$ 38,176,186</u>	<u>\$ 38,286,000</u>	<u>\$ 38,861,000</u>	<u>\$ 575,000</u>	1.5%
<u>Salaries & Benefits</u>					
Salaries	\$ 3,555,723	\$ 3,801,300	\$ 3,887,400	\$ 86,100	2.3%
Payroll Taxes	265,064	290,800	297,400	6,600	2.3%
Retirement - Employer Contribution	226,924	263,500	269,400	5,900	2.2%
Group Life Insurance	34,291	41,000	37,700	(3,300)	-8.0%
Medical - Employer Contribution	737,358	950,500	1,039,900	89,400	9.4%
Unemployment Benefits	21,071	7,500	7,500	-	0.0%
Disability Insurance	2,325	2,800	3,000	200	7.1%
Uniforms	8,878	37,500	37,500	-	0.0%
Employee Mileage	21,810	25,500	25,000	(500)	-2.0%
	<u>\$ 4,873,444</u>	<u>\$ 5,420,400</u>	<u>\$ 5,604,800</u>	<u>\$ 184,400</u>	3.4%
<u>Administrative Charge</u>					
Central Administration Allocation	\$ 2,230,903	\$ 2,464,600	\$ 2,473,700	\$ 9,100	0.4%
<u>Operations</u>					
Utilities	\$ 176,643	\$ 160,000	\$ 160,000	\$ -	0.0%
Telephone Services	13,324	35,000	24,000	(11,000)	-31.4%
Data Communication Services	37,426	26,600	25,000	(1,600)	-6.0%
Office Equipment - Purchase	1,927	1,500	3,500	2,000	133.3%
Office Equipment - Maintenance	3,599	4,000	4,500	500	12.5%
Computer Hardware	28,444	36,300	5,000	(31,300)	-86.2%
Computer Software	-	3,000	12,700	9,700	323.3%
Computer Services Agreements	62,996	37,000	37,500	500	1.4%
Office Supplies & Printing	13,647	14,000	14,500	500	3.6%
Building and Janitorial Services	28,626	16,000	16,000	-	0.0%
Miscellaneous Expenses	13,150	2,000	2,000	-	0.0%
Insurance	313,005	353,700	360,000	6,300	1.8%
Trustee Services	19,880	28,000	24,000	(4,000)	-14.3%
Banking Services	5,741	7,500	7,500	-	0.0%
Traffic and Revenue Consultant	33,255	34,300	25,000	(9,300)	-27.1%
Audit and Financial Services	75,435	91,500	127,500	36,000	39.3%

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Expressway

	2014 Audited Actuals	2015 Adjusted Budget	2016 Adopted Budget	\$ Change	% Change
<u>Operations (continued)</u>					
Legal Services	27,828	75,000	75,000	-	0.0%
Dues and Subscriptions	20,240	23,000	-	(23,000)	-100.0%
Travel	15,542	25,000	-	(25,000)	-100.0%
E-ZPass Processing	1,561,639	2,706,800	2,805,000	98,200	3.6%
Violation Enforcement - Imaging	616,664	660,000	676,500	16,500	2.5%
Armored Car Service	97,697	105,000	108,100	3,100	3.0%
Coin Counting	163,951	174,300	179,500	5,200	3.0%
Toll System Maintenance - Transcore	217,485	204,000	216,000	12,000	5.9%
Toll System Maintenance - TRMI	610,738	683,000	733,000	50,000	7.3%
Toll System Equipment - Parts and Supplies	169,522	241,514	250,000	8,486	3.5%
Gate Claims	-	2,000	2,000	-	0.0%
Materials & Supplies - Toll Plaza	3,044	4,500	4,500	-	0.0%
Materials & Supplies - Traffic Control	2,516	5,300	6,000	700	13.2%
Materials & Supplies - Grounds & Buildings	25,137	44,700	45,000	300	0.7%
Materials & Supplies - Roadways	-	2,000	36,000	34,000	1700.0%
VDOT Annual Road Maintenance	360,000	360,000	360,000	-	0.0%
Vehicle Operation and Maintenance	51,640	80,000	60,000	(20,000)	-25.0%
Grounds & Buildings - Contractual Services	65,678	69,500	75,000	5,500	7.9%
Equipment Purchase - Radio System	-	1,000	1,000	-	0.0%
Equipment Maint. - Radio System	9,473	11,400	15,000	3,600	31.6%
Equipment Maint. - Grounds & Buildings	3,525	3,500	5,000	1,500	42.9%
Asset Management Software	-	25,600	15,000	(10,600)	-41.4%
	<u>\$ 4,849,417</u>	<u>\$ 6,357,514</u>	<u>\$ 6,516,300</u>	<u>\$ 158,786</u>	<u>2.5%</u>
 Total Operating Expense	 <u>\$ 11,953,764</u>	 <u>\$ 14,242,514</u>	 <u>\$ 14,594,800</u>	 <u>\$ 352,286</u>	 <u>2.5%</u>
 Available for Debt Service and Capital	 \$ 26,222,422	 \$ 24,043,486	 \$ 24,266,200	 \$ 222,714	 0.9%
Required Debt Service	<u>(12,732,077)</u>	<u>(12,847,052)</u>	<u>(12,847,733)</u>	<u>(681)</u>	<u>0.0%</u>
Available for Capital	<u>\$ 13,490,345</u>	<u>\$ 11,196,434</u>	<u>\$ 11,418,467</u>	<u>\$ 222,033</u>	<u>2.0%</u>

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Central Administration

Description

The Central Administration fund is used to accumulate and allocate central administration expenses, including costs associated with the Board of Directors, Chief Executive Officer, and the Division Directors of Operations, Administration, Human Resources, and Finance. See the Introductory Section for additional information on each division.

Costs are allocated to the Authority's operations as an Administrative Charge based on estimated Central Administration employee efforts towards each operation. Division Directors review the cost allocation percentages each year during the budget process.

Any assets or liabilities remaining in the Central Administration fund at year-end are reflected in the Expressway fund for financial reporting.

Significant Budgetary Changes

- Salaries and benefits increased \$55,700 or 2.7% in fiscal year 2016, primarily due to budgeted merit increases and health care premium increases. See the Budget Overview portion of this document for additional information on the salaries and benefits budget.
- Operations decreased by \$104,000 or 11.3% primarily due to the following changes from prior year:
 - \$20,000 decrease (9.4%) in rent as the prior year budget included potential costs associated with renegotiating or exploring other office lease options. The central administration office lease was extended through June 2017 in fiscal year 2015.
 - \$29,700 savings (66.4%) in telephone and data services by switching service providers.
 - \$8,700 increase (217.5%) in computer software to update Microsoft Office.
 - \$23,100 (136.7%) increase related to hosting costs for the human resources, time, and attendance software system upgrade. This system was purchased in the prior year for approximately \$16,000, leaving a net impact to the budget of \$7,100.
 - \$27,600 decrease (51.1%) related to the accounting system, which was purchased in the prior year and will now incur annual hosting costs of approximately \$26,400.
 - \$20,000 reduction (14.3%) to legal costs to align the budget with recent actual costs.
 - \$50,500 in dues and subscriptions and travel costs were shifted to the Central Administration fund to better align with employee usage.
 - \$68,000 (100%) reduction in contractual services as the prior year included costs for consulting services during personnel transitions; no funds are included in the fiscal year 2016 budget for contractual services.
 - \$10,000 increase (100%) for Board requested funds to provide for marketing opportunities with non-profit organizations.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Central Administration

	2014 Audited Actuals	2015 Adjusted Budget	2016 Adopted Budget	\$ Change	% Change
<u>Salaries & Benefits</u>					
Salaries	\$ 1,325,130	\$ 1,303,600	\$ 1,325,000	\$ 21,400	1.6%
Payroll Taxes	93,345	96,000	97,400	1,400	1.5%
Retirement - Employer Contribution	98,964	124,900	127,100	2,200	1.8%
Group Life Insurance	13,469	16,800	15,300	(1,500)	-8.9%
Medical - Employer Contribution	180,516	265,100	298,900	33,800	12.7%
Unemployment Benefits	-	8,000	1,000	(7,000)	-87.5%
Disability Insurance	7,691	11,200	10,000	(1,200)	-10.7%
OPEB Trust	319,600	274,400	281,000	6,600	2.4%
	<u>\$ 2,038,715</u>	<u>\$ 2,100,000</u>	<u>\$ 2,155,700</u>	<u>\$ 55,700</u>	<u>2.7%</u>
<u>Operations</u>					
Rent - Building and Equipment	\$ 167,828	\$ 213,500	\$ 193,500	(20,000)	-9.4%
Telephone Services	18,628	27,700	7,000	(20,700)	-74.7%
Data Communication Services	17,525	17,000	8,000	(9,000)	-52.9%
Office Equipment - Purchase	3,267	2,000	2,000	-	0.0%
Office Equipment - Maintenance	14,178	11,950	11,800	(150)	-1.3%
Computer Hardware	31,047	10,500	5,000	(5,500)	-52.4%
Computer Software	3,351	4,000	12,700	8,700	217.5%
Computer Services Agreements	49,539	45,700	40,000	(5,700)	-12.5%
Payroll Systems and Services	14,930	16,900	40,000	23,100	136.7%
Accounting System and Services	14,905	54,000	26,400	(27,600)	-51.1%
HR, Time, & Attendance System	-	16,000	-	(16,000)	-100.0%
Office Supplies & Printing	12,412	17,000	15,000	(2,000)	-11.8%
Postage	3,094	5,000	4,000	(1,000)	-20.0%
Miscellaneous Expenses	3,671	6,000	6,000	-	0.0%
Directors Fees	7,100	12,000	12,000	-	0.0%
Board Expenses	15,254	26,700	26,700	-	0.0%
Banking Services	3,317	3,600	3,600	-	0.0%
Legal Services	232,801	140,000	120,000	(20,000)	-14.3%
Public Relations	18,374	50,000	50,000	-	0.0%
Branding	32,522	73,000	78,000	5,000	6.8%
Safety Program	-	500	500	-	0.0%
Dues and Subscriptions	5,145	7,000	28,500	21,500	307.1%
Travel	769	-	29,000	29,000	N/A
Tuition Assistance	2,616	32,800	30,000	(2,800)	-8.5%
Personnel - Recruiting & Selection	5,016	5,300	5,000	(300)	-5.7%
Personnel - Employee Relations	22,644	12,500	8,700	(3,800)	-30.4%
Personnel - Training	6,558	5,500	4,500	(1,000)	-18.2%
Personnel - Other	7,889	32,300	30,000	(2,300)	-7.1%
Contractual Services	151,402	68,000	-	(68,000)	-100.0%
Vehicle Operation and Maintenance	-	500	-	(500)	-100.0%
50th Anniversary Celebration	-	-	5,000	5,000	N/A
Contribution to Non-Profit Organization	-	-	10,000	10,000	N/A
	<u>\$ 865,782</u>	<u>\$ 916,950</u>	<u>\$ 812,900</u>	<u>\$ (104,050)</u>	<u>-11.3%</u>
Total Operating Expense	<u><u>\$ 2,904,497</u></u>	<u><u>\$ 3,016,950</u></u>	<u><u>\$ 2,968,600</u></u>	<u><u>\$ (48,350)</u></u>	<u><u>-1.6%</u></u>

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Main Street Station



Description

In June 2003, the City of Richmond completed the renovation of Main Street Station and related parking lots. Upon completion of the renovation, the Authority was requested by the City to provide management services for both the station and parking facilities. The Authority is not responsible for any facility debt and the facility remains property of the City.

The City agreed to pay all operating expenses in excess of revenues associated with the Authority's management of the facility – this contribution is budgeted so net revenue over expenses equals zero. The Authority submits monthly financial reports, annual budgets, and audited financial statements to the City. The Authority's operation of the facility is subject to periodic renewals of the operating agreement, with the current agreement expiring June 30, 2016.

Operating revenue has consisted of parking, rental for events, and office space lease. Starting May 2010, the City's Economic and Community Development Department began leasing available office space. During fiscal year 2013, the City elected to take control of facility parking and retain parking revenues. Redirecting parking revenue from the Authority, previously used to offset facility operating cost, increases the financial support necessary from the City.

Train Shed Renovation Project

In March 2012 the City announced a planned a \$29 million project to renovate the train shed building attached to the facility. Construction was expected to begin in fiscal year 2014, however construction delays pushed the start date to fiscal year 2015. The train shed renovation project is expected to be complete in July 2016. The Authority has no direct involvement in the planning, financing, or management of the project.

Based on preliminary information provided by the City, it is estimated annual utility costs could rise by approximately \$1 million as the facility will have five times the current conditioned building space after the renovation project is complete. It is unclear if additional revenue streams generated by the facility have been identified to offset these additional costs. Combined with expanded maintenance and operational expenses, the additional utility cost could require substantial increases to the City's required contribution under the management agreement beginning in fiscal year 2017.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Main Street Station

Event Rental Rates

A requirement of funding used by the City in the train shed renovation project requires the facility rental rates to be comparable to market rates of similar venues. The City asked the Authority to conduct a market rate analysis to examine the current fee structure. Based on this market analysis, it was found that facility rental rates were approximately 50% below market value. Additionally, comparable facilities bundled costs for rental, security, and janitorial into one fee to streamline the contractual process.

Based on this analysis, a new fee structure was developed so that facility rental rates were competitively aligned with similar venues in the Richmond area. The following rate structure was proposed by the Authority and approved by the City for all event rental contracts signed after October 2014:

- Weekend events (including all holidays): \$3,000 for a four-hour event, \$800 per additional hour, \$500 nonrefundable security deposit.
- Weekday events: \$1,500 for a four-hour event, \$400 per additional hour, \$500 nonrefundable security deposit.
- Photo session: \$100 with two-hour maximum use.
- City-sponsored events: \$250 use fee, \$50 per hour for security services, \$315 per event for custodial services.

Significant Budgetary Changes

- The facility will be unavailable for event rentals between August 2015 and July 2016 due to the progression of the train shed renovation; this will limit event bookings to one month during fiscal year 2016, reducing budgeted revenues (\$98,500) and related event security and custodial expenses (\$27,600). Event rentals are anticipated to resume following the grand opening in July 2016.
- Salaries and benefits decreased \$14,700 or 11.9% in fiscal year 2016, primarily due to savings from employee turnover, which offset fiscal year 2016 budgeted merit increases and health care premium increases. See the Budget Overview portion of this document for additional information on the salaries and benefits budget.
- Operations decreased by \$161,000 or 17.7% primarily due to the following changes from prior year:
 - \$100,000 decrease (28.6%) in the utility cost estimate as provided by the City for the estimate impact during the ongoing train shed renovation.
 - \$4,700 increase (361.5%) in miscellaneous costs related to the use of Main Street Station as a viewing site during the September 2015 UCI Road World Championship bike race.
 - \$14,800 increase (284.6%) in public relations as the City requested the Authority expand its advertising and promotion efforts of the Station as an event rental space in anticipation of the grand reopening after the train shed renovation.
 - \$30,000 decrease (10.2%) in contractual security and custodial services as these contracts expired in fiscal year 2014 and went through the procurement process in fiscal year 2015. The prior year included anticipated cost increases, however new contracted costs remained flat.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Main Street Station

	2014 Audited Actuals	2015 Adjusted Budget	2016 Adopted Budget	\$ Change	% Change
<u>Operating Revenue</u>					
Event Rental Fees	\$ 119,748	\$ 110,000	\$ 11,500	\$ (98,500)	-89.5%
Office Lease Revenue	145,001	145,000	145,000	-	0.0%
Miscellaneous Income	22,720	15,400	15,400	-	0.0%
	<u>287,469</u>	<u>270,400</u>	<u>171,900</u>	<u>(98,500)</u>	<u>-36.4%</u>
City of Richmond Contribution	676,569	891,600	818,600	(73,000)	-8.2%
	<u>\$964,038</u>	<u>\$ 1,162,000</u>	<u>\$ 990,500</u>	<u>\$ (171,500)</u>	<u>-14.8%</u>
<u>Salaries & Benefits</u>					
Salaries	\$ 74,173	\$ 83,500	\$ 73,700	\$ (9,800)	-11.7%
Payroll Taxes	5,944	6,400	5,700	(700)	-10.9%
Retirement - Employer Contribution	5,927	7,200	6,800	(400)	-5.6%
Group Life Insurance	850	1,100	900	(200)	-18.2%
Medical - Employer Contribution	17,396	24,800	21,700	(3,100)	-12.5%
Disability Insurance	410	600	500	(100)	-16.7%
Uniforms	-	300	-	(300)	-100.0%
Employee Mileage	8	100	-	(100)	-100.0%
	<u>\$ 104,708</u>	<u>\$ 124,000</u>	<u>\$ 109,300</u>	<u>\$ (14,700)</u>	<u>-11.9%</u>
<u>Administrative Charge</u>					
Central Administration Allocation	\$ 123,904	\$ 127,500	\$ 131,800	\$ 4,300	3.4%
<u>Operations</u>					
Utilities	265,074	350,000	250,000	(100,000)	-28.6%
Telephone Services	2,918	3,800	3,900	100	2.6%
Data Communication Services	3,938	3,400	4,500	1,100	32.4%
Office Equipment - Purchase	-	100	500	400	400.0%
Computer Hardware	587	1,500	800	(700)	-46.7%
Computer Software	-	200	700	500	250.0%
Computer Services Agreements	68	1,100	1,100	-	0.0%
Office Supplies & Printing	2,061	2,900	2,500	(400)	-13.8%
Security System	1,706	2,000	2,100	100	5.0%
Miscellaneous Expenses	1,530	1,300	6,000	4,700	361.5%
Insurance	4,841	7,200	6,000	(1,200)	-16.7%
Banking Services	5,992	6,700	7,500	800	11.9%
Audit and Financial Services	5,021	6,400	6,100	(300)	-4.7%
Legal Services	952	5,300	5,300	-	0.0%
Contract Advertising	3,401	-	-	-	N/A
Public Relations	3,504	5,200	20,000	14,800	284.6%
Event Security	16,128	14,300	2,500	(11,800)	-82.5%
Event Custodial	9,097	17,800	2,000	(15,800)	-88.8%
Contractual Services - Security	179,406	193,000	174,000	(19,000)	-9.8%
Contractual Services - Custodial	101,408	101,000	90,000	(11,000)	-10.9%

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Main Street Station

	2014 Audited Actuals	2015 Adjusted Budget	2016 Adopted Budget	\$ Change	% Change
<u>Operations (continued)</u>					
Triennial Inspection	-	25,000	-	(25,000)	-100.0%
Contractual Services - Landscaping	14,103	18,200	15,000	(3,200)	-17.6%
Contractual Services - HVAC	41,448	41,000	42,700	1,700	4.1%
Contractual Services - Elevator	7,499	10,000	8,000	(2,000)	-20.0%
Contractual Services - Generator	1,550	2,500	2,600	100	4.0%
Contractual Services - Pest Control	7,137	10,000	10,000	-	0.0%
Contractual Services - Sprinkler System	13,624	6,000	6,300	300	5.0%
Contractual Services - Plants	715	800	900	100	12.5%
Contractual Services - Trash Removal	2,482	2,500	5,000	2,500	100.0%
Contractual Services - Miscellaneous	10,285	20,500	21,900	1,400	6.8%
On-Demand Services - Plumbing	2,507	7,000	7,000	-	0.0%
On-Demand Services - Electric	14,519	30,000	30,000	-	0.0%
Clock Tower Maintenance	567	1,000	1,100	100	10.0%
Maintenance Supplies	3,672	3,300	3,500	200	6.1%
Janitorial Supplies	7,686	9,500	9,900	400	4.2%
	<u>\$ 735,426</u>	<u>\$ 910,500</u>	<u>\$ 749,400</u>	<u>\$ (161,100)</u>	-17.7%
 Total Operating Expense	 <u>\$ 964,038</u>	 <u>\$ 1,162,000</u>	 <u>\$ 990,500</u>	 <u>\$ (171,500)</u>	 -14.8%
 Net Revenue over Expenses	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 N/A

**EXPRESSWAY
CAPITAL BUDGET
SECTION**

Overview

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

Asset Maintenance Approach

The Authority's asset maintenance philosophy centers on performing annual condition assessments and facility inspections, which identify preventive maintenance and rehabilitation required to maintain and preserve its 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. See the Capital Budget detail section for a graphical representation of the cumulative result of current and past preventive maintenance efforts on the extended life of each major bridge asset.

Capital Budget Development

The Authority utilizes its independent Consulting Engineer, HNTB, 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.

Expense 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 balances on hand as of June 30th to fully fund the next fiscal year's Capital Budget.

The Authority projects current revenues from fiscal year 2015 operations will fully fund the \$10.7 million fiscal year 2016 Capital Budget estimate. See the Long-Term Financial Plan section of this document for additional information on the Capital Budget funding sources for both current and future years.

Presentation

The Capital Budget is presented in this document in two components: a detailed Six-Year Plan and a long-term 20-Year 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 20-Year Overview provides perspective on the Expressway System's long-term future capital needs.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Expressway Capital Budget Summary

Six-Year Plan (in thousands)

	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>Total</u>
Routine Maintenance							
Maintenance and Repair	\$ 2,938	\$ 2,575	\$ 1,824	\$ 3,861	\$ 5,305	\$ 4,024	\$20,527
Protective Coatings	1,328	1,009	2,798	9,680	2,763	1,153	18,731
Inspections and GEC	686	667	742	1,221	1,755	1,259	6,330
Administrative	537	558	580	604	628	653	3,560
Vehicle Replacement	110	103	80	111	87	120	611
Subtotal	<u>\$ 5,599</u>	<u>\$ 4,912</u>	<u>\$ 6,024</u>	<u>\$15,477</u>	<u>\$10,538</u>	<u>\$ 7,209</u>	<u>\$49,759</u>
Capital Improvement Projects							
Deck Rehabilitation	\$ 4,222	\$ 2,822	\$ 3,480	\$ 2,398	\$ -	\$ -	\$12,922
Mill & Overlay	-	823	3,368	1,468	-	-	5,659
Toll Systems & Services	787	9,710	12,775	-	-	-	23,272
Roadway Enhancement	67	70	73	76	-	-	286
Subtotal	<u>\$ 5,076</u>	<u>\$13,425</u>	<u>\$19,696</u>	<u>\$ 3,942</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$42,139</u>
Total	<u>\$10,675</u>	<u>\$18,337</u>	<u>\$25,720</u>	<u>\$19,419</u>	<u>\$10,538</u>	<u>\$ 7,209</u>	<u>\$91,898</u>

A brief description of each project is included below:

- 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 and pavement line markings.
- Protective Coatings – preservation and corrosion control of steel bridges through the application of a coating system. Typically involves the full removal of lead-containing 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, various professional services, and miscellaneous expenses related to the capital program.
- Vehicle Replacement – periodic replacement of vehicles used to support Expressway operations.
- Deck Rehabilitation – removal of damaged bridge deck surfaces and installation of an overlay as a cost-effective way to rehabilitate bridge decks.
- Mill & Overlay – removal and replacement of existing road surfaces in a more cost-efficient manner than a complete reconstruction.
- Toll Systems & Services – periodic replacement of the hardware and software systems used in toll collection as the equipment and systems near the end of its useful life.
- Roadway Enhancement – ongoing beautification project for the Downtown Expressway.

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

Richmond Metropolitan Transportation Authority
 2016 Fiscal Plan and Capital Budget
 Expressway Capital Budget Summary

Changes to Previous Fiscal Year 2016 Estimates (in thousands)

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Adjusted Budget</u>
Routine Maintenance			
Maintenance and Repair	\$ 2,751	\$ 187	\$ 2,938
Protective Coatings	1,328	-	1,328
Inspections and GEC	630	56	686
Administrative	537	-	537
Vehicle Replacement	110	-	110
Subtotal	<u>\$ 5,356</u>	<u>\$ 243</u>	<u>\$ 5,599</u>
Capital Improvement Projects			
Deck Rehabilitation	\$ 4,222	\$ -	\$ 4,222
Toll Systems & Services	-	787	787
Roadway Enhancement	67	-	67
Subtotal	<u>\$ 4,289</u>	<u>\$ 787</u>	<u>\$ 5,076</u>
Total	<u>\$ 9,645</u>	<u>\$ 1,030</u>	<u>\$ 10,675</u>

The fiscal year 2016 estimate as shown in the prior year budget requires certain adjustments due to timing, scope, or cost changes to reflect the appropriate adjusted budget needed for the upcoming fiscal year. The \$1.0 million increase for fiscal year 2016 is primarily due to the Toll System & Services (TSS) project. Approximately \$0.6 million is included for the TSS project to utilize an outside consultant to examine the Authority's current toll system and review replacement options. The fiscal year 2016 budget also includes additional funds for minor scope adjustments for the Maintenance and Repair project and Inspections and GEC project based on recent inspection findings.

Any future timing, scope, or cost changes to the fiscal year 2017 estimate of \$18.3 million will be outlined in next year's budget document.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Expressway Capital Budget Summary

Current Budget Authorization (in thousands)

	FY14	FY15 Adopted	FY15	Total FY15
	<u>Carryforward</u>	<u>Budget</u>	<u>Adjustments</u>	<u>Authorization</u>
Routine Maintenance				
Maintenance and Repair	\$ 304	\$ 1,961	\$ -	\$ 2,265
Protective Coatings	-	478	-	478
Inspections and GEC	27	688	-	715
Administrative	126	516	-	642
Vehicle Replacement	29	79	-	108
Subtotal	<u>\$ 486</u>	<u>\$ 3,722</u>	<u>\$ -</u>	<u>\$ 4,208</u>
Capital Improvement Projects				
Deck Rehabilitation	\$ -	\$ 2,393	\$ -	\$ 2,393
Toll Systems & Services	1,787	-	370	2,157
Ramp Paving	532	479	-	1,011
DTE Widening	31	-	-	31
Roadway Enhancement	-	65	-	65
Subtotal	<u>\$ 2,350</u>	<u>\$ 2,937</u>	<u>\$ 370</u>	<u>\$ 5,657</u>
Contingency	<u>\$ 3,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,198</u>
Total	<u>\$ 6,034</u>	<u>\$ 6,659</u>	<u>\$ 370</u>	<u>\$ 13,063</u>

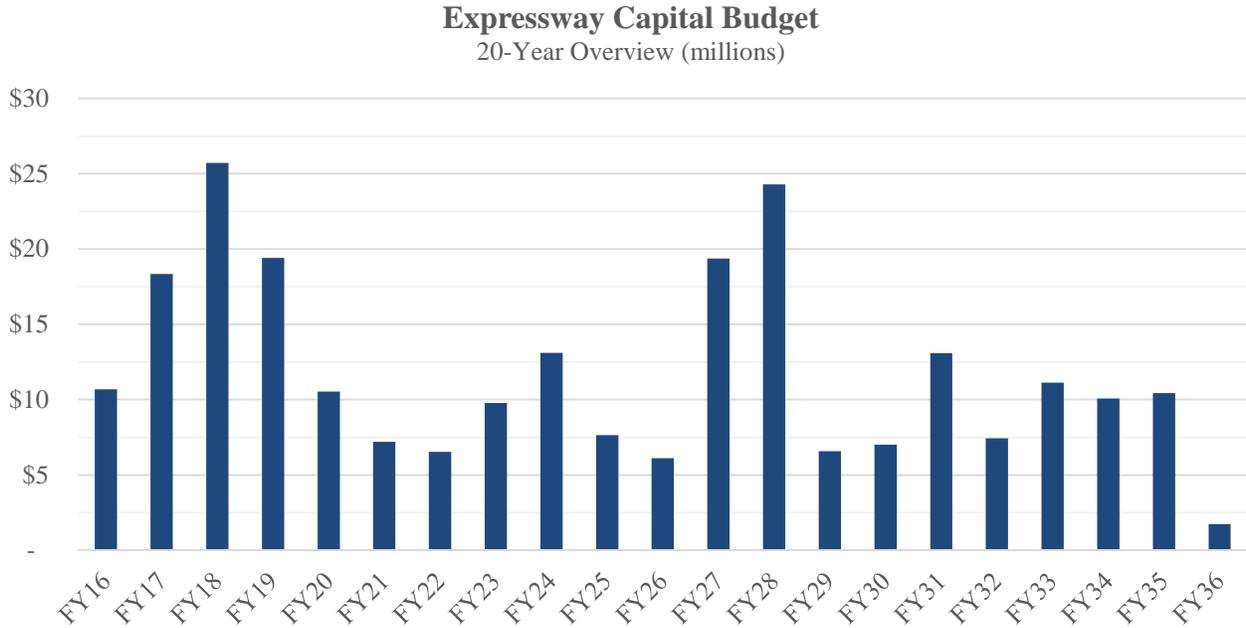
Due to timing differences between project spending and the Authority's fiscal year, projects may receive budget authorization in one fiscal year while spending occurs in a future fiscal year. Budget amounts in the Six-Year Plan are based on future needs in addition to any current budget authorization.

After each fiscal year end, staff reviews the Capital Budget to determine the status of each project. For ongoing projects, the remaining available project budget is carried forward to the next fiscal year's budget to reflect the total budget authorization. For closed projects, cost savings or overages in each project are combined to determine a net cost saving or overage. Staff presents this net result to the Operations Committee of the Authority's Board of Directors for review. All adjustments to the adopted Capital Budget are approved by the Authority's Board as needed during the fiscal year.

The amount of budget carry forward to fiscal year 2016 will depend on final fiscal year 2015 spending and remaining available project budgets. A full review of the fiscal year 2015 budget results will be performed as described above and presented in next year's budget document.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Expressway Capital Budget Summary

20-Year Overview



A 20-Year Overview of the Capital Budget is included to provide perspective on the Expressway System’s long-term capital needs. Additional information on projects for fiscal years 2016-2021 can be found on the Capital Budget Project Pages following this section.

Significant capital estimates beyond fiscal year 2021 include \$7.3 million for Mill & Overlay in fiscal years 2023-2025 for the Powhite Parkway and \$30.1 million in fiscal years 2027-2028 on Toll Systems & Services for a toll system replacement as the system nears the end of its useful life.

The Authority continues to evaluate and refine the cost and scope of its long-term capital needs. A wide range of factors, including technology upgrades, legislative mandates, and results of condition assessments and facility inspections can have a significant impact on future costs.

Additional Capital Budget Detail

The Authority continues to improve its Capital Budget by disclosing additional detail not previously presented in this document.

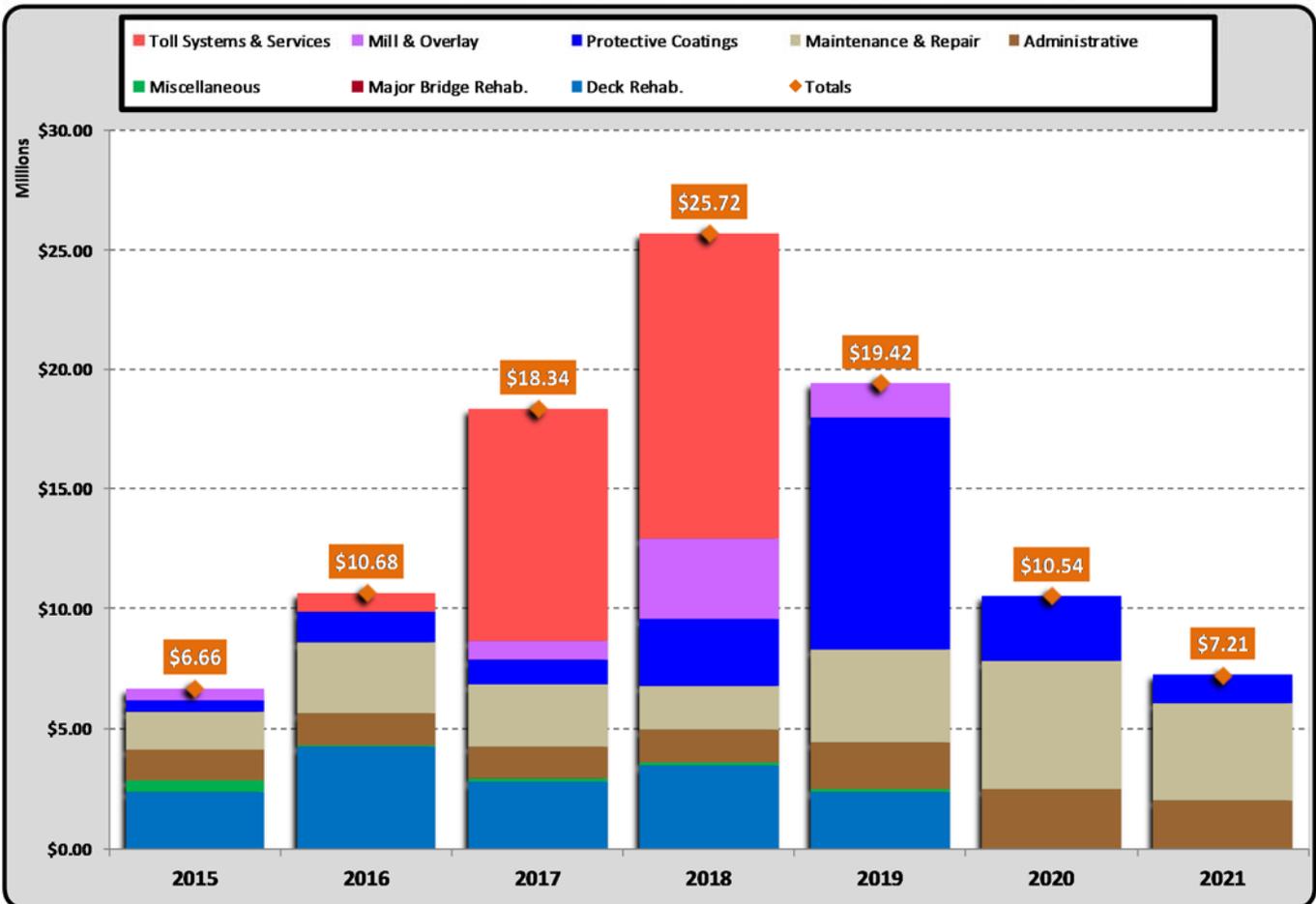
The *Executive Summary* includes a more detailed graphical overview of project costs by year and a cumulative total.

The *Bridge Management Life Cycle* chart includes a graphical representation of the cumulative result of current and past preventive maintenance efforts on the extended life of each major bridge asset.

The *Capital Budget Project Pages* include additional information on each project included in the Six-Year Plan, such as project descriptions, estimated useful life, operating budget impact, and additional cost detail.

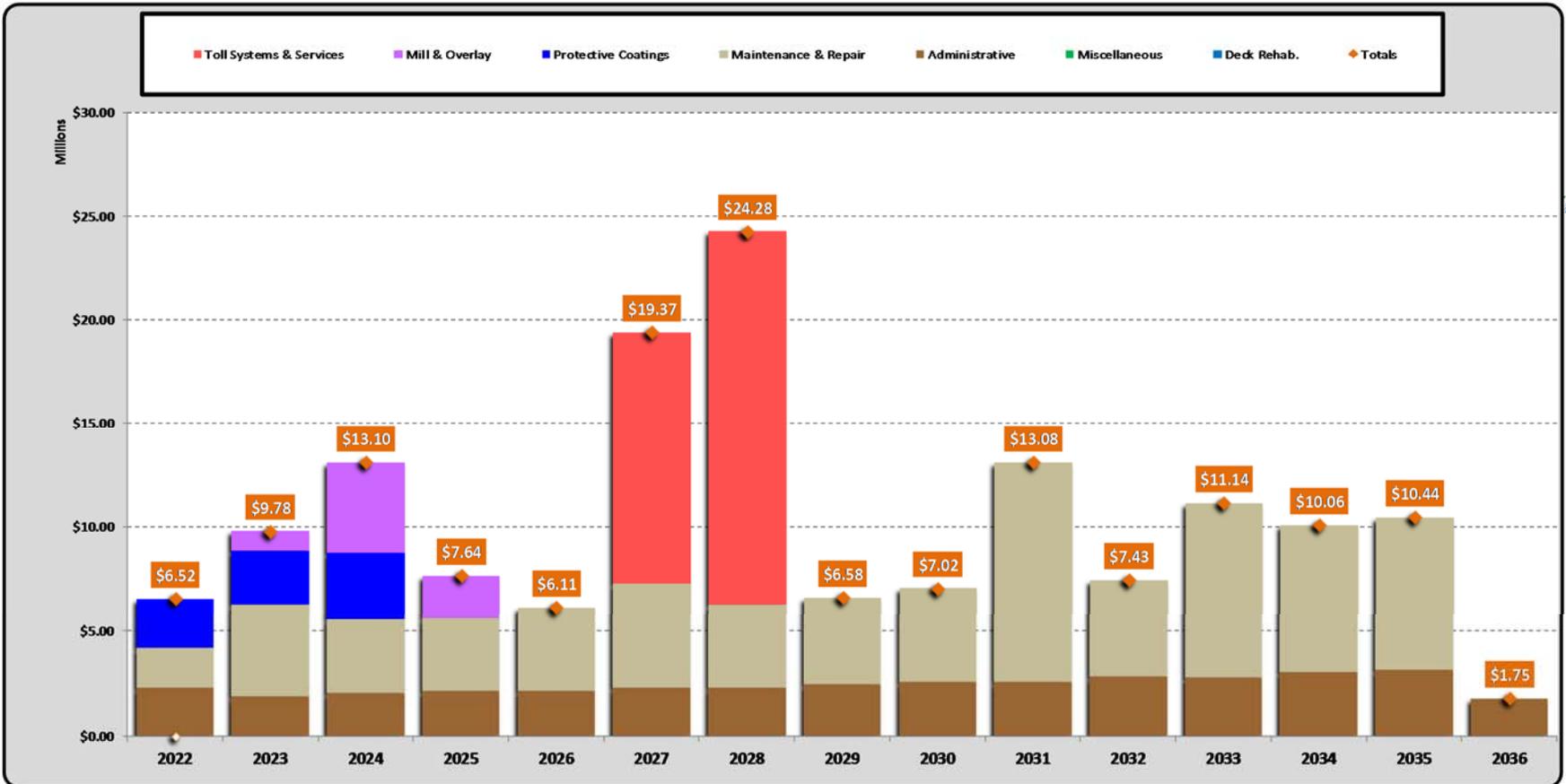
Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Executive Summary

Category	2015-2021							
	Totals	2015	2016	2017	2018	2019	2020	2021
Deck Rehab.	\$ 15,313,983	\$ 2,393,107	\$ 4,221,654	\$ 2,821,816	\$ 3,479,627	\$ 2,397,780	\$ -	\$ -
Maintenance & Repair	\$ 22,115,528	\$ 1,588,832	\$ 2,937,503	\$ 2,575,240	\$ 1,824,445	\$ 3,860,552	\$ 5,305,390	\$ 4,023,566
Protective Coatings	\$ 19,210,161	\$ 478,291	\$ 1,328,063	\$ 1,009,202	\$ 2,798,302	\$ 9,679,690	\$ 2,763,457	\$ 1,153,156
Mill & Overlay	\$ 6,138,135	\$ 479,380	\$ -	\$ 823,463	\$ 3,367,521	\$ 1,467,770	\$ -	\$ -
Major Bridge Rehab.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Toll Systems & Services	\$ 23,272,085	\$ -	\$ 787,405	\$ 9,709,826	\$ 12,774,855	\$ -	\$ -	\$ -
<i>Debris</i>	\$ 80,038	\$ 80,038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Roadway Enhancement Project</i>	\$ 351,498	\$ 64,896	\$ 67,492	\$ 70,192	\$ 72,999	\$ 75,919	\$ -	\$ -
<i>Sign</i>	\$ 292,032	\$ 292,032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 723,568	\$ 436,966	\$ 67,492	\$ 70,192	\$ 72,999	\$ 75,919	\$ -	\$ -
<i>Expressway Admin.</i>	\$ 4,074,913	\$ 515,923	\$ 536,560	\$ 558,023	\$ 580,343	\$ 603,557	\$ 627,699	\$ 652,807
<i>Vehicles</i>	\$ 691,074	\$ 78,957	\$ 110,237	\$ 102,948	\$ 80,299	\$ 111,348	\$ 86,851	\$ 120,434
<i>GEC & Inspection only</i>	\$ 7,018,655	\$ 687,941	\$ 686,167	\$ 666,819	\$ 742,158	\$ 1,221,033	\$ 1,755,453	\$ 1,259,084
Administrative	\$ 11,784,642	\$ 1,282,821	\$ 1,332,964	\$ 1,327,789	\$ 1,402,801	\$ 1,935,938	\$ 2,470,004	\$ 2,032,325
	\$ 98,558,102	\$ 6,659,398	\$ 10,675,081	\$ 18,337,528	\$ 25,720,550	\$ 19,417,649	\$ 10,538,850	\$ 7,209,047

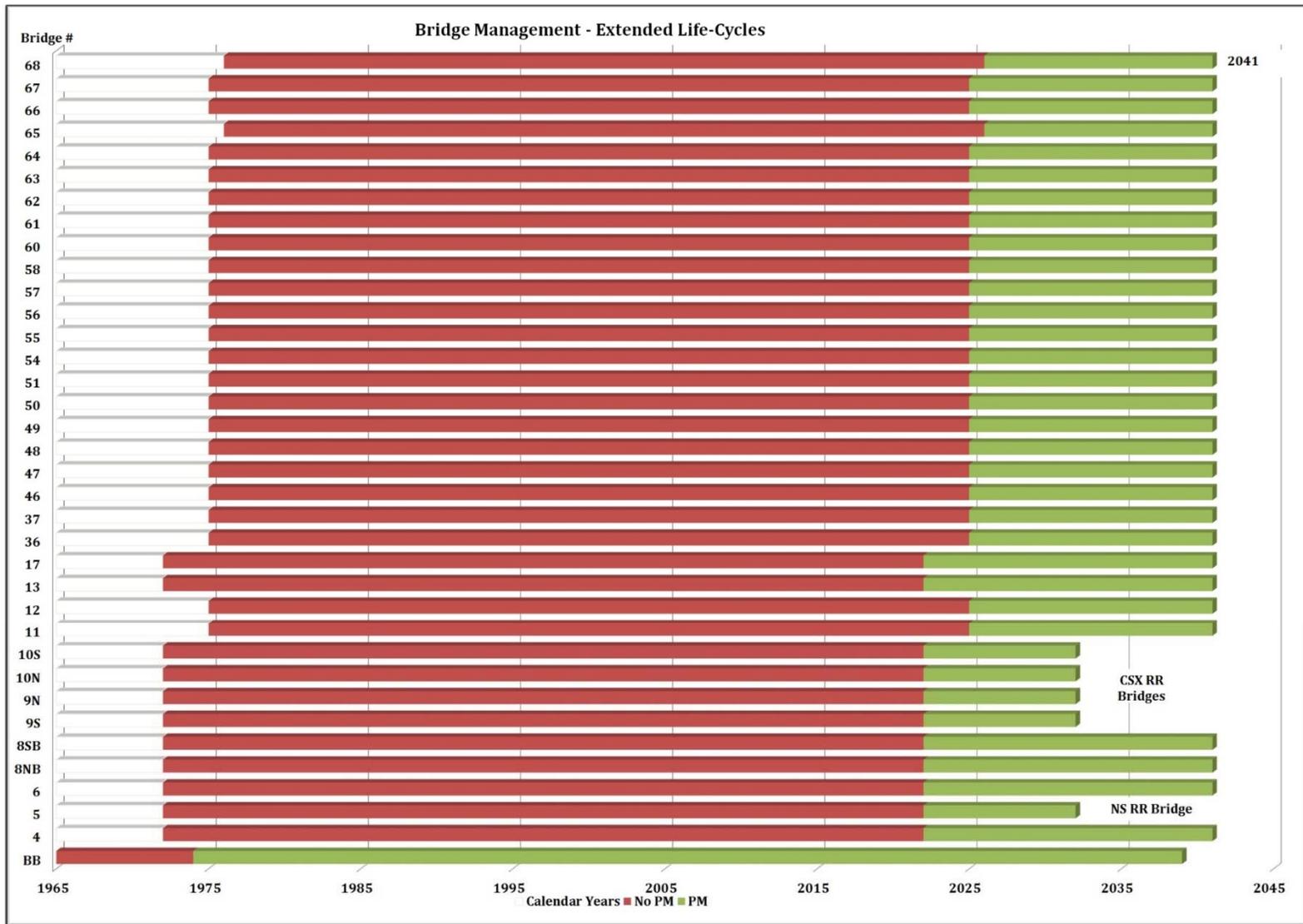


Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Executive Summary

Category	2022-2036															
	Totals	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Deck Rehab.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance & Repair	\$ 72,759,006	\$ 1,885,433	\$ 4,392,012	\$ 3,518,482	\$ 3,528,737	\$ 3,986,623	\$ 4,980,173	\$ 3,969,350	\$ 4,128,124	\$ 4,452,003	\$ 10,517,496	\$ 4,643,578	\$ 8,362,992	\$ 7,055,884	\$ 7,338,120	\$ -
Protective Coatings	\$ 8,111,394	\$ 2,331,527	\$ 2,580,234	\$ 3,199,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mill & Overlay	\$ 7,294,258	\$ -	\$ 929,545	\$ 4,350,978	\$ 2,013,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Toll Systems & Services	\$ 30,131,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,121,735	\$ 18,009,435	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expressway Admin.	\$ 12,418,739	\$ 678,920	\$ 706,077	\$ 734,320	\$ 763,692	\$ 794,240	\$ 826,010	\$ 859,050	\$ 893,412	\$ 929,149	\$ 966,314	\$ 1,004,967	\$ 1,045,166	\$ 1,086,972	\$ 1,130,451	\$ -
Vehicles	\$ 2,259,775	\$ 93,938	\$ 130,261	\$ 135,472	\$ 140,891	\$ 146,526	\$ 152,388	\$ 158,483	\$ 164,822	\$ 171,415	\$ 178,272	\$ 185,403	\$ 192,819	\$ 200,532	\$ 208,553	\$ -
GEC & Inspection only	\$ 21,317,565	\$ 1,530,060	\$ 1,037,310	\$ 1,160,808	\$ 1,191,230	\$ 1,183,483	\$ 1,291,431	\$ 1,280,055	\$ 1,393,570	\$ 1,468,792	\$ 1,419,630	\$ 1,592,292	\$ 1,535,472	\$ 1,718,279	\$ 1,763,311	\$ 1,751,844
Administrative	\$ 35,996,080	\$ 2,302,918	\$ 1,873,648	\$ 2,030,599	\$ 2,095,813	\$ 2,124,250	\$ 2,269,828	\$ 2,297,588	\$ 2,451,804	\$ 2,569,356	\$ 2,564,216	\$ 2,782,662	\$ 2,773,456	\$ 3,005,783	\$ 3,102,315	\$ 1,751,844
Totals	\$ 154,291,908	\$ 6,519,878	\$ 9,775,438	\$ 13,099,692	\$ 7,638,286	\$ 6,110,872	\$ 19,371,737	\$ 24,276,373	\$ 6,579,928	\$ 7,021,358	\$ 13,081,712	\$ 7,426,239	\$ 11,136,448	\$ 10,061,667	\$ 10,440,434	\$ 1,751,844



Richmond Metropolitan Transportation Authority
 2016 Fiscal Plan and Capital Budget
 Bridge Management Life Cycle



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

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Capital Budget Project Pages

Maintenance and Repair

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

In fiscal years 2016 and 2017, the M&R project includes approximately \$2.4 million for underwater pier & footing repairs, which consists of cleaning, chipping, sealing, and the pressure injection of a flexible epoxy into the cracks of submerged bridge pier footings. The epoxy crack injection is used to restore the structural integrity of the concrete by bonding the crack surfaces together or filling small void or honeycomb areas. This project also includes the removal of all loose sediment and debris in contact with the pier footing. A U.S. Army Corps of Engineers permit is required for this project. The underwater pier & footing repairs are performed on an as-needed basis as repairs are identified through facility condition inspections.

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.

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Planning/Design	\$ 122	\$ 431	\$ 117	\$ 184	\$ 192	\$ 199	\$ 215	\$ 1,460
Construction	2,001	2,267	2,199	1,480	3,432	4,860	3,584	19,823
Monitoring	142	240	259	160	237	246	225	1,509
<i>Total (thousands)</i>	\$ 2,265	\$ 2,938	\$ 2,575	\$ 1,824	\$ 3,861	\$ 5,305	\$ 4,024	\$ 22,792

Other Notes: Certain routine M&R items were shifted to fiscal years 2019-2021 to coordinate with the completion of the Bridge Rehabilitation project during fiscal years 2015-2019.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Capital Budget Project Pages

Protective Coatings

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

Location: As needed throughout the Expressway System.

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

Operating Budget Impact: None.

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

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Planning/Design	\$ 40	\$ 43	\$ -	\$ 122	\$ 190	\$ -	\$ 50	\$ 445
Construction	387	1,135	903	2,433	8,731	2,368	1,026	16,983
Monitoring	51	150	106	243	759	395	75	1,779
<i>Total (thousands)</i>	\$ 478	\$ 1,328	\$ 1,009	\$ 2,798	\$ 9,680	\$ 2,763	\$ 1,153	\$ 19,207

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

- Fiscal years 2016-2017 – Zone coatings only: limited to five feet on both sides of bridge piers and end diaphragms; encompasses various bridges and other miscellaneous coatings, including all new steel from steel repairs.
- Fiscal years 2018-2020 – Full bridge coatings: Interstate 95 (I-95) ramps (2018-2019) and Boulevard Bridge (2019-2020). The I-95 ramps had a full coating in 1991 (27 years between applications) and Boulevard Bridge had a full coating in 1993 (26 years between applications).

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Capital Budget Project Pages

Inspections and GEC

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

Operating Budget Impact: None.

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

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Inspections	\$ 336	\$ 292	\$ 258	\$ 316	\$ 335	\$ 571	\$ 301	\$ 2,409
GEC	379	394	409	426	886	1,184	958	4,636
<i>Total (thousands)</i>	\$ 715	\$ 686	\$ 667	\$ 742	\$ 1,221	\$ 1,755	\$ 1,259	\$ 7,045

Administrative

Description: The Administrative item consists of a portion of the Central Administration efforts towards the capital program as an Administrative Charge as well as cost estimates for professional services (legal, financial advisor) and miscellaneous expenses specifically related to the capital program. The Administrative line item is included annually in the Capital Budget based on projected needs.

Operating Budget Impact: None.

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

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Admin. Charge	\$ 319	\$ 363	\$ 378	\$ 393	\$ 408	\$ 425	\$ 442	\$ 2,728
Prof. Services	100	100	104	108	113	117	122	764
Miscellaneous	223	74	76	79	83	86	89	710
<i>Total (thousands)</i>	\$ 642	\$ 537	\$ 558	\$ 580	\$ 604	\$ 628	\$ 653	\$ 4,202

Vehicle Replacement

Description: The Vehicle Replacement project periodically replaces approximately 30 vehicles used to support Expressway operations. Vehicles are replaced as-needed, typically every 3-8 years.

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

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

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Vehicle Purchases	\$ 108	\$ 110	\$ 103	\$ 80	\$ 111	\$ 87	\$ 120	\$ 719
<i>Total (thousands)</i>	\$ 108	\$ 110	\$ 103	\$ 80	\$ 111	\$ 87	\$ 120	\$ 719

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Capital Budget Project Pages

Deck Rehabilitation

Description: Concrete bridge decks require periodic rehabilitation as bridges go through mechanical (deflection, freeze/thaw) and chemical (deicing) cycles. 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. This project provides for removal of old surfaces and new LMC overlays.

Location: Downtown Expressway (DTE), including approximately 10 bridge decks for Richmond City streets that cross over the DTE.

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

Operating Budget Impact: None.

Total Cost: \$15.3 million (westbound: \$3.5 million; eastbound: \$4.6 million; City bridges: \$7.0 million).

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Planning/Design	\$ 93	\$ 96	\$ 59	\$ 62	\$ -	\$ -	\$ -	\$ 310
Construction	2,195	3,674	2,313	3,102	2,151	-	-	13,435
Monitoring	105	452	450	316	247	-	-	1,570
<i>Total (thousands)</i>	\$ 2,393	\$ 4,222	\$ 2,822	\$ 3,480	\$ 2,398	\$ -	\$ -	\$ 15,315

Westbound DTE – BR-63, 64, 65 portion:

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Planning/Design	\$ 92	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92
Construction	1,984	1,033	-	-	-	-	-	3,017
Monitoring	63	295	-	-	-	-	-	358
<i>Total (thousands)</i>	\$ 2,139	\$ 1,328	\$ -	\$ 3,467				

Eastbound DTE – BR-66, 67, 68 portion:

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Planning/Design	\$ -	\$ 96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96
Construction	-	2,641	1,319	-	-	-	-	3,960
Monitoring	-	157	374	-	-	-	-	531
<i>Total (thousands)</i>	\$ -	\$ 2,894	\$ 1,693	\$ -	\$ -	\$ -	\$ -	\$ 4,587

City street bridge decks portion:

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Planning/Design	\$ -	\$ -	\$ 59	\$ 62	\$ -	\$ -	\$ -	\$ 121
Construction	-	-	994	3,102	2,151	-	-	6,247
Monitoring	-	-	76	316	247	-	-	639
<i>Total (thousands)</i>	\$ -	\$ -	\$ 1,129	\$ 3,480	\$ 2,398	\$ -	\$ -	\$ 7,007

Other Notes: Approximately \$0.3 million of prior budget authority was allocated to the Powhite Parkway bridge deck overlay, which was completed in fiscal year 2015 and is excluded from totals above. Eastbound costs are approximately \$1.1 million higher than westbound due to longer eastbound bridge deck spans (approximately 1,000 LF) and additional traffic control costs required for the eastbound Downtown Expressway to I-95 connector.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Capital Budget Project Pages

Mill & Overlay

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

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

Location: Downtown Expressway.

Estimated Useful Life: 15-20 years.

Operating Budget Impact: None.

Total Cost: \$5.6 million (\$4.5 million for the mill & overlay, \$1.5 million for the toll plaza concrete apron rehabilitation).

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Planning/Design	\$ -	\$ -	\$ 116	\$ 48	\$ -	\$ -	\$ -	\$ 164
Construction	-	-	578	3,005	1,392	-	-	4,975
Monitoring	-	-	129	315	76	-	-	520
<i>Total (thousands)</i>	\$ -	\$ -	\$ 823	\$ 3,368	\$ 1,468	\$ -	\$ -	\$ 5,659

Mill & overlay portion:

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Planning/Design	\$ -	\$ -	\$ 116	\$ -	\$ -	\$ -	\$ -	\$ 116
Construction	-	-	578	3,005	-	-	-	3,583
Monitoring	-	-	129	291	-	-	-	420
<i>Total (thousands)</i>	\$ -	\$ -	\$ 823	\$ 3,296	\$ -	\$ -	\$ -	\$ 4,119

Toll plaza concrete apron rehabilitation portion:

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Planning/Design	\$ -	\$ -	\$ -	\$ 48	\$ -	\$ -	\$ -	\$ 48
Construction	-	-	-	-	1,392	-	-	1,392
Monitoring	-	-	-	24	76	-	-	100
<i>Total (thousands)</i>	\$ -	\$ -	\$ -	\$ 72	\$ 1,468	\$ -	\$ -	\$ 1,540

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Capital Budget Project Pages

Toll System & 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. The Authority has included approximately \$0.6 million in fiscal year 2016 to utilize an outside consultant to examine the current toll system and review replacement options.

The TSS project also includes funds dedicated to the compliance of interoperability standards. Passed in 2012, Federal legislation (MAP-21) requires the tolling industry to develop national interoperability standards for toll payments via electronic transponders. Separately identified funds for interoperability are included in the cost detail section below.

Location: Throughout the Expressway System.

Estimated Useful Life: 7-10 years.

Operating Budget Impact: None for fiscal year 2016. The Authority anticipates potential operating budget changes to toll system maintenance and toll system equipment – parts and supplies once the new system implementation is complete, currently scheduled for fiscal year 2018-2019. The operating budget impact will continue to be evaluated as the Authority reviews replacement options.

Total Cost: \$24.5 million for the toll system replacement, \$0.9 million for interoperability.

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Planning/Design	\$ -	\$ 787	\$ 585	\$ -	\$ -	\$ -	\$ -	\$ 1,372
Construction	1,771	-	8,891	12,167	-	-	-	22,829
Monitoring	386	-	234	608	-	-	-	1,228
<i>Total (thousands)</i>	\$ 2,157	\$ 787	\$ 9,710	\$ 12,775	\$ -	\$ -	\$ -	\$ 25,429

Toll system replacement portion:

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Planning/Design	\$ -	\$ 562	\$ 585	\$ -	\$ -	\$ -	\$ -	\$ 1,147
Construction	1,771	-	8,189	12,167	-	-	-	22,127
Monitoring	386	-	234	608	-	-	-	1,228
<i>Total (thousands)</i>	\$ 2,157	\$ 562	\$ 9,008	\$ 12,775	\$ -	\$ -	\$ -	\$ 24,502

Interoperability portion:

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Planning/Design	\$ -	\$ 225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225
Construction	-	-	702	-	-	-	-	702
Monitoring	-	-	-	-	-	-	-	-
<i>Total (thousands)</i>	\$ -	\$ 225	\$ 702	\$ -	\$ -	\$ -	\$ -	\$ 927

Richmond Metropolitan Transportation Authority
 2016 Fiscal Plan and Capital Budget
 Capital Budget Project Pages

Roadway Enhancement

Description: The Roadway Enhancement project is an ongoing project to visually enhance the median and shoulders of the Downtown Expressway. Enhancements primarily consist of increased landscaping efforts, the planting of low maintenance blooming plants, and fencing replacement along the Downtown Expressway. The project began in fiscal year 2013 and is expected to continue through fiscal year 2019, where it will then resume periodically as necessary.

Location: Downtown Expressway.

Estimated Useful Life: Variable.

Operating Budget Impact: None.

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

	Prior	FY16	FY17	FY18	FY19	FY20	FY21	Total
Enhancements	\$ 65	\$ 67	\$ 70	\$ 73	\$ 76	\$ -	\$ -	\$ 351
<i>Total (thousands)</i>	\$ 65	\$ 67	\$ 70	\$ 73	\$ 76	\$ -	\$ -	\$ 351

SUPPLEMENTAL INFORMATION SECTION

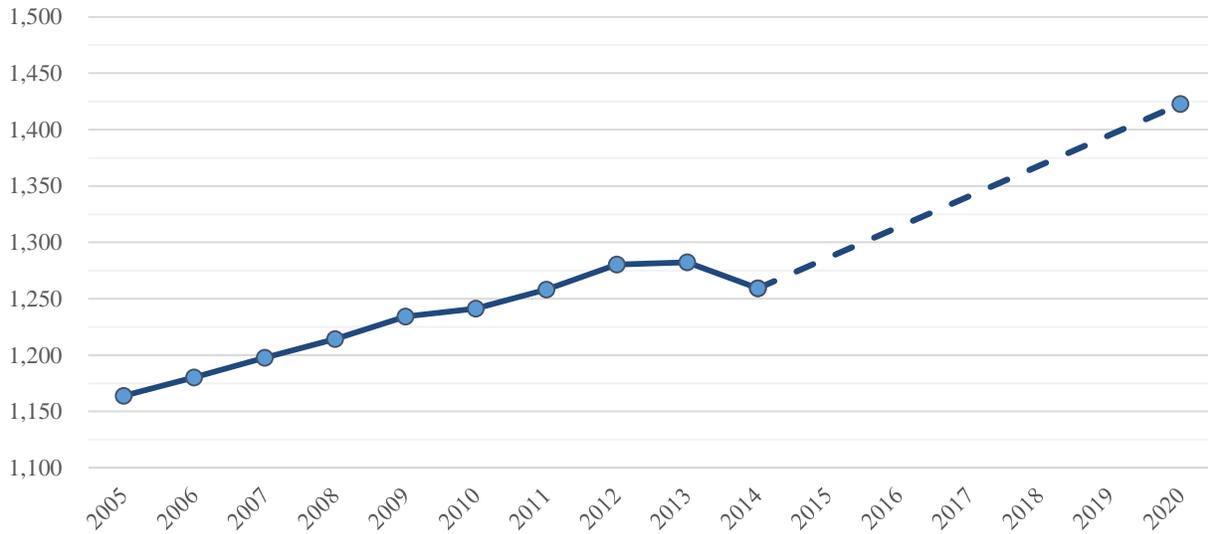
Richmond Metropolitan Transportation Authority
 2016 Fiscal Plan and Capital Budget
 Estimated Population, Richmond Metropolitan Area

Year	City of Richmond	Chesterfield County	Henrico County	Total Participating Jurisdictions	Other Service Area	Total Population
2005	195,400	284,400	283,800	763,600	400,200	1,163,800
2006	194,500	292,000	287,500	774,000	406,200	1,180,200
2007	197,000	297,400	291,400	785,800	411,800	1,197,600
2008	198,800	302,300	296,100	797,200	417,100	1,214,300
2009	201,300	308,400	300,200	809,900	424,300	1,234,200
2010	198,200	311,600	304,600	814,400	426,900	1,241,300
2011	204,200	316,200	306,900	827,300	430,900	1,258,200
2012	206,200	319,600	310,700	836,500	443,800	1,280,300
2013	208,800	322,400	314,900	846,100	436,400	1,282,500
2014	211,172	326,950	316,973	855,095	404,171	1,259,266
2020	206,674	388,894	352,577	948,145	474,574	1,422,719 (1)

(1) Population projection based on November 2012 estimate.

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

Richmond Metropolitan Area Population
 Last ten fiscal years and 2020 estimate (thousands)



Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Principal Employers, Richmond Metropolitan Area Current and Nine Years Prior (1)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Employer (2):										
Capital One Bank	2	3	3	4	4	4	4	2	1	1
Virginia Commonwealth University	4	4	4	3	1	1	1	1	2	2
Chesterfield County School Board	1	1	1	1	2	2	3	4	3	3
Henrico County School Board	3	2	2	2	3	3	2	3	4	4
HCA Virginia Health System	-	-	-	-	-	-	-	-	5	5
MCV Hospital	8	6	5	5	5	5	5	5	6	6
Wal-Mart	5	5	6	6	6	7	8	8	7	7
Bon Secours Richmond Health System	-	10	9	8	7	6	7	6	9	8
U.S. Department of Defense	7	8	8	7	8	8	6	7	8	9
Integrity Staffing Solution	-	-	-	-	-	-	-	-	-	10
Richmond City Public Schools	9	9	10	10	9	9	9	9	10	-
County of Henrico	-	-	-	-	-	-	-	10	-	-
City of Richmond	-	-	-	-	10	10	10	-	-	-
Philip Morris USA, Inc.	6	7	7	9	-	-	-	-	-	-
Ukrops	10	-	-	-	-	-	-	-	-	-
Total Richmond Metropolitan Area Employment (3)	585,981	596,413	610,065	616,145	627,972	598,563	598,434	614,008	625,287	633,289

(1) Final quarter data for calendar years 2004-2013.

(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) Total employment data obtained from the Bureau of Labor Statistics. Employment numbers are not seasonally adjusted. Total area employment numbers for 2010-2013 were updated in 2014 based on revised employment estimates released by the Bureau of Labor Statistics.

Source: Virginia Employment Commission, Bureau of Labor Statistics

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Toll Rates, Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 (1)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Two-axle vehicles:										
Powhite Parkway	0.50	0.50	0.50	0.50	0.70	0.70	0.70	0.70	0.70	0.70
Forest Hill Avenue	0.50	0.50	0.50	0.50	0.70	0.70	0.70	0.70	0.70	0.70
Douglasdale Road	0.15	0.15	0.15	0.15	0.20	0.20	0.20	0.20	0.20	0.20
Boulevard Bridge	0.25	0.25	0.25	0.25	0.35	0.35	0.35	0.35	0.35	0.35
Downtown Expressway	0.50	0.50	0.50	0.50	0.70	0.70	0.70	0.70	0.70	0.70
Second Street	0.25	0.25	0.25	0.25	0.35	0.35	0.35	0.35	0.35	0.35
Eleventh Street	0.20	0.20	0.20	0.20	0.30	0.30	0.30	0.30	0.30	0.30
Three-axle vehicles:										
Powhite Parkway	0.60	0.60	0.60	0.60	0.80	0.80	0.80	0.80	0.80	0.80
Forest Hill Avenue	0.60	0.60	0.60	0.60	0.80	0.80	0.80	0.80	0.80	0.80
Douglasdale Road	0.25	0.25	0.25	0.25	0.40	0.40	0.40	0.40	0.40	0.40
Boulevard Bridge	0.50	0.50	0.50	0.50	0.70	0.70	0.70	0.70	0.70	0.70
Downtown Expressway	0.60	0.60	0.60	0.60	0.80	0.80	0.80	0.80	0.80	0.80
Second Street	0.50	0.50	0.50	0.50	0.70	0.70	0.70	0.70	0.70	0.70
Eleventh Street	0.40	0.40	0.40	0.40	0.60	0.60	0.60	0.60	0.60	0.60
Four-axle vehicles:										
Powhite Parkway	0.70	0.70	0.70	0.70	0.90	0.90	0.90	0.90	0.90	0.90
Forest Hill Avenue	0.70	0.70	0.70	0.70	0.90	0.90	0.90	0.90	0.90	0.90
Douglasdale Road	0.25	0.25	0.25	0.25	0.40	0.40	0.40	0.40	0.40	0.40
Boulevard Bridge	-	-	-	-	-	-	-	-	-	-
Downtown Expressway	0.70	0.70	0.70	0.70	0.90	0.90	0.90	0.90	0.90	0.90
Second Street	0.50	0.50	0.50	0.50	0.70	0.70	0.70	0.70	0.70	0.70
Eleventh Street	0.40	0.40	0.40	0.40	0.60	0.60	0.60	0.60	0.60	0.60
Five-axle vehicles:										
Powhite Parkway	0.80	0.80	0.80	0.80	1.00	1.00	1.00	1.00	1.00	1.00
Forest Hill Avenue	0.80	0.80	0.80	0.80	1.00	1.00	1.00	1.00	1.00	1.00
Douglasdale Road	0.25	0.25	0.25	0.25	0.40	0.40	0.40	0.40	0.40	0.40
Boulevard Bridge	-	-	-	-	-	-	-	-	-	-
Downtown Expressway	0.80	0.80	0.80	0.80	1.00	1.00	1.00	1.00	1.00	1.00
Second Street	0.50	0.50	0.50	0.50	0.70	0.70	0.70	0.70	0.70	0.70
Eleventh Street	0.40	0.40	0.40	0.40	0.60	0.60	0.60	0.60	0.60	0.60

(1) Toll rates were last increased in September 2008 (fiscal year 2009)

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Operating and Capital Indicators, Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expressway Revenue:(1)										
Powhite Parkway	\$15,352,936	\$15,520,021	\$15,794,137	\$15,737,291	\$19,975,538	\$21,182,480	\$21,650,023	\$22,197,895	\$22,399,507	\$22,868,671
Downtown										
Expressway	8,189,028	8,308,342	8,678,668	8,789,276	11,009,880	11,421,500	11,791,817	11,900,320	12,210,502	12,823,395
Boulevard Bridge	1,434,740	1,250,758	1,244,659	1,238,805	1,583,822	1,610,910	1,607,330	1,583,026	1,555,089	1,515,723
Total	<u>\$24,976,704</u>	<u>\$25,079,121</u>	<u>\$25,717,464</u>	<u>\$25,765,372</u>	<u>\$32,569,240</u>	<u>\$34,214,890</u>	<u>\$35,049,170</u>	<u>\$35,681,241</u>	<u>\$36,165,098</u>	<u>\$37,207,789</u>
Expressway Traffic: (1)										
Powhite Parkway	32,727,627	33,185,285	33,893,494	33,937,909	31,381,386	31,057,461	31,787,393	32,666,065	32,842,238	33,554,196
Downtown										
Expressway	19,020,040	19,722,805	20,586,135	20,966,648	18,857,745	18,326,751	18,838,516	19,002,222	19,344,609	20,225,578
Boulevard Bridge	5,166,411	4,997,137	4,995,311	4,964,251	4,800,726	4,619,608	4,575,223	4,562,253	4,426,225	4,312,318
Total	<u>56,914,078</u>	<u>57,905,227</u>	<u>59,474,940</u>	<u>59,868,808</u>	<u>55,039,857</u>	<u>54,003,820</u>	<u>55,201,132</u>	<u>56,230,540</u>	<u>56,613,072</u>	<u>58,092,092</u>
Average Toll	\$0.44	\$0.43	\$0.43	\$0.43	\$0.59	\$0.63	\$0.63	\$0.63	\$0.64	\$0.64
ETC % (2)	40.4%	44.0%	47.1%	49.5%	55.5%	58.1%	59.6%	60.6%	62.0%	63.0%
Lane Miles	45.00	45.00	46.94	45.91	45.91	49.90	49.90	49.90	50.53	50.53

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

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

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Personnel Complement

Division/Group	Position	2014 Budget	2015 Budget	2016 Budget	15-16 Change
Operations					
Executive Staff	Director of Operations	1	1	1	-
Expressway System	Administrative Assistant	2	2	2	-
Expressway System	Floating Supervisor	2	2	2	-
Expressway System	Plaza Superintendent	2	2	2	-
Expressway System	Senior Toll Collection Attendant	8	8	8	-
Expressway System	Toll Collection Attendant	63	61	60	(1)
Expressway System	Toll Road Operations Manager	1	1	1	-
Expressway System	Toll Supervisor	16	16	16	-
Expressway System	Vault Attendant	4	4	4	-
Police (SCOP)	Lead Police Officer	1	1	1	-
Police (SCOP)	Special Police Officer	3	3	4	1
Engineering	Engineering Technician	-	1	1	-
Engineering	Engineer	1	-	-	-
Facility Maintenance	Lead Maintenance Worker	1	1	1	-
Facility Maintenance	Maintenance Supervisor	1	1	1	-
Facility Maintenance	Maintenance Worker	6	4	4	-
Info. Systems, Tolls	Toll Maintenance Administrator	1	1	1	-
Info. Systems, Tolls	Toll Maintenance Assistant	-	-	1	1
Main Street Station	Assistant Facility Coordinator	1	1	1	-
Main Street Station	Facility Coordinator	1	1	1	-
Parking Operations	Parking Operations	8	-	-	-
		<u>123</u>	<u>111</u>	<u>112</u>	<u>1</u>
Administration					
Executive Staff	Chief Executive Officer	1	1	1	-
Executive Staff	Chief of Staff	-	-	1	1
Administrative Support	Administrative Assistant	1	1	1	-
Administrative Support	Research Assistant	-	-	1	1
Info. Systems, Admin.	Information Systems Administrator	-	-	1	1
Info. Systems, Admin.	Information Systems Manager	1	1	-	(1)
Info. Systems, Admin.	Information Systems Analyst	1	1	-	(1)
Internal Audit	Internal Auditor	1	1	1	-
Public Relations	Public Relations Manager	1	-	1	1
Training	Training and Development Coordinator	1	1	-	(1)
		<u>7</u>	<u>6</u>	<u>7</u>	<u>1</u>
Human Resources					
Executive Staff	Director of Human Resources	-	-	1	1
Executive Staff	Director of Administration	1	1	-	(1)
Administrative Support	Receptionist	1	1	1	-
Human Resources	Employee Relations Manager	1	1	1	-
Human Resources	Human Resources Assistant	1	1	-	(1)
		<u>4</u>	<u>4</u>	<u>3</u>	<u>(1)</u>
Finance					
Executive Staff	Director of Finance	1	1	1	-
Fiscal Operations	Accounting Supervisor	1	1	1	-
Fiscal Operations	Accounting Technician	2	2	2	-
Fin. Reporting & Budget	Accounting & Financial Reporting Analyst	-	-	1	1
Fin. Reporting & Budget	Financial Systems Manager	1	1	-	(1)
		<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
	Total	<u>139</u>	<u>126</u>	<u>127</u>	<u>1</u>

Position counts are based on headcounts with the exception of Toll Collection Attendants, which are measured using FTE. See the Budget Overview section for an explanation of changes.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Expressway Debt

Overview

The Authority has issued the following bonds for the Expressway:

Series	Sale Date	Original Borrowing	Interest Rate to Maturity	Final Maturity	As of June 30, 2014		
					Outstanding Balance	Unamortized Premium	Deferred Loss on Refunding
1998	March 1998	80,705,000	3.65-5.25	July 2022	30,450,000	383,055	6,723,561
2002	April 2002	28,430,000	3.50-5.25	July 2022	23,975,000	530,812	1,355,614
2011 A, B, C	Nov. 2011	77,490,000	4.62-4.75	July 2041	77,490,000	2,933,108	2,532,989
2011 D	Nov. 2011	43,875,000	4.29	July 2041	43,875,000	-	-
Previously defeased debt		-	-	-	-	-	1,435,163
					<u>\$175,790,000</u>	<u>\$ 3,846,975</u>	<u>\$ 12,047,327</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 in order to refund \$76,725,000 of Series 1992 bonds. Certain of the 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 \$22.3 million in various construction projects, including the Downtown Expressway Open Road Tolling (ORT) project.

Expressway – Series 2011-D Bonds

Revenue bonds were issued and combined with other resources to pay off approximately \$22.8 million of subordinate notes and \$39.4 million accrued interest to the City of Richmond. The subordinate notes were originally issued for amounts paid into the Authority's reserve funds by the City between 1975 and 1991.

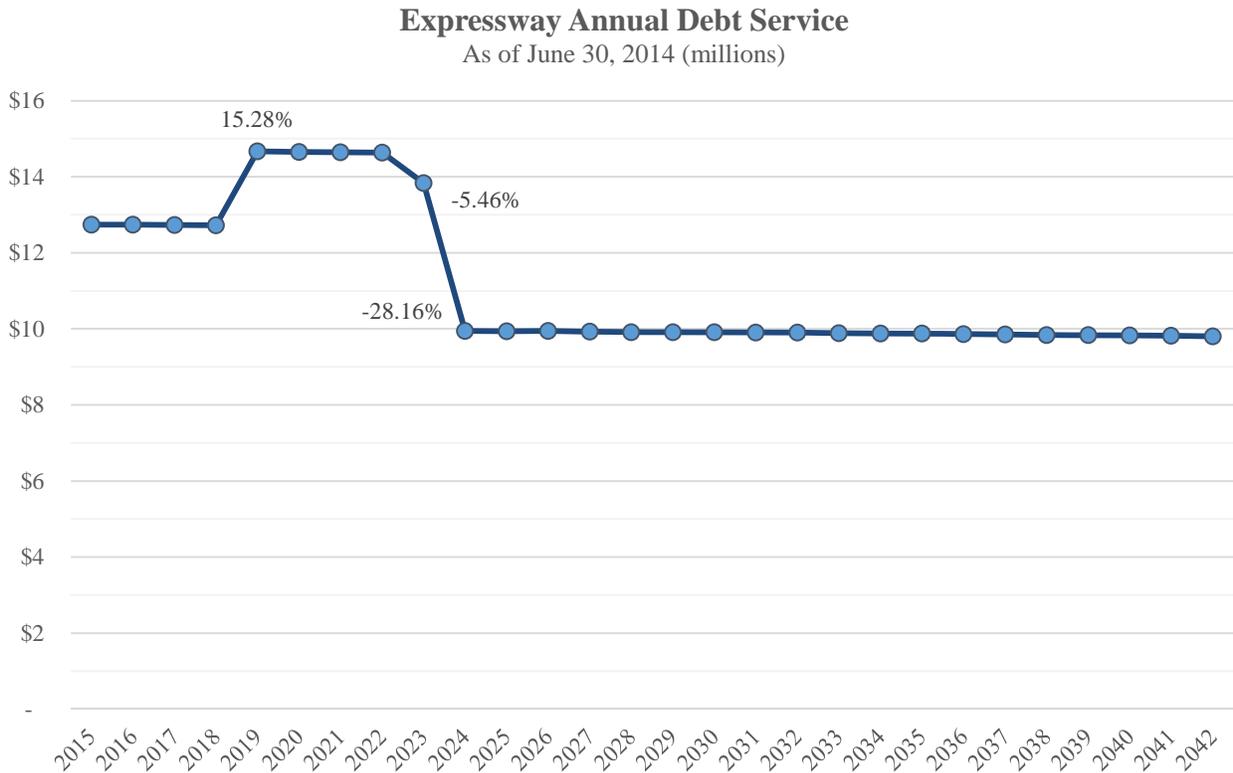
Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Expressway Debt

Future Debt Service Requirements

Future debt service on the Expressway debt is scheduled as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	3,960,000	8,781,396	12,741,396
2016	4,170,000	8,567,983	12,737,983
2017	4,390,000	8,343,283	12,733,283
2018	4,615,000	8,106,902	12,721,902
2019	6,860,000	7,805,683	14,665,683
2020-2024	34,440,000	33,279,345	67,719,345
2025-2029	23,165,000	26,471,923	49,636,923
2030-2034	29,375,000	20,102,255	49,477,255
2035-2039	37,480,000	11,783,194	49,263,194
2040-2042	27,335,000	2,109,676	29,444,676
	<u>\$ 175,790,000</u>	<u>\$ 135,351,640</u>	<u>\$ 311,141,640</u>

The table above shows annual debt service beyond 2020 in five-year totals; the chart below shows annual debt service for each fiscal year.



The debt service increase in 2018 was timed to coincide with the planned fiscal year 2018 toll rate adjustment. Decreasing debt service in 2022 is due to Series 1998 and Series 2002 maturities. All remaining Expressway debt (Series 2011A-D) is scheduled for final maturity in July 2041 (fiscal year 2042).

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Financial Policies

Overview

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

Financial Planning (adopted March 2014)

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

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

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

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Financial Policies

Debt Management (adopted March 2014)

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

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

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

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

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

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

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

Reserve Fund (adopted March 2014)

Funding Policy – Adequate reserve levels are a necessary component of the Authority’s overall financial management strategy and a key factor in external agencies’ measurement of the Authority’s financial strength. Funding priorities will be in the order of:

- A. Operating Fund – maintain a balance of the current and next month’s budgeted operating expenses.
- B. Parity Bond Fund – monthly transfer of 1/12th of annual principal and 1/6th of semi-annual interest so that balances will be sufficient to pay debt service on the next succeeding payment date.
- C. Parity Bond Reserve Fund – restore deficiency in required reserves if shortfall.
- D. Repair & Contingency Fund – monthly transfer of remaining revenue until the next fiscal year’s capital plan is fully funded.
- E. Excess Balances Fund – fiscal year end transfer of remaining revenue.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Financial Policies

Reserve Fund (continued)

Capital Plan Funding – Annual capital plan contributions to the Repair & Contingency Fund will be certified by the Consulting Engineers during the budget process for the next three fiscal years. The Authority’s goal is to have balances on hand as of June 30th to fully fund the next fiscal year’s capital plan.

Excess Balances Spending – All expenses drawn from the Excess Balances Fund require Board approval.

Accounting and Financial Reporting (adopted April 2015)

Accounting Standards – The Authority’s financial statements will conform to generally accepted accounting principles (GAAP) as established by the Government Accounting Standards Board (GASB).

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

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

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

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

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

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

Basis of Accounting/Budgeting

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

Bond Resolution

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

Capital Budget

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

CAFR

Comprehensive Annual Financial Report, which includes audited financial statements. The Authority's CAFR can be found online at <http://www.rmaonline.org>

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. Currently, the Authority has contracted with HNTB to be its Consulting Engineer.

Debt Service

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

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. Additional information can be found in the Authority's CAFR in Required Supplementary Information.

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.

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Glossary

Fiscal Year

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

Fund

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

GAAP

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

GASB

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

GFOA

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

HNTB

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

Jacobs, Inc.

The Traffic and Revenue Consultant retained by the Authority.

MSA

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

Operating Budget

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

ORT

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

OPEB

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

Richmond Metropolitan Transportation Authority
2016 Fiscal Plan and Capital Budget
Glossary

Traffic and Revenue Consultant

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

VDOT

Virginia Department of Transportation