



Annual Fiscal Plan, FY2018 Capital Budget, FY2018-2023

Serving Chesterfield, Henrico, and Richmond, Virginia

Table of Contents

Introduction

Chief Executive Officer's Transmittal Letter	3
Distinguished Budget Presentation Award	7
Budget Overview.....	8
Mission Statement	11
Principal Officials.....	12
Organizational Chart	13
History.....	14

Budget Development

Fund Structure, Basis of Accounting and Budgeting, and Budget Process	25
Financial Policies	27
Revenue Sources and Forecasting Assumptions	30
Long-Term Financial Plan	34

Department Budgets

Expressway Operations.....	40
Special Conservators of the Peace (SCOPs)	42
Administration	44
Engineering	46
Finance	49
Human Resources	50
Main Street Station.....	52

Budget Detail

Department to Fund Crosswalk	55
Expressway Fund Budget	56
Central Administration Fund Budget	61
Main Street Station Fund Budget	64

Expressway Capital Budget

Capital Budget Overview	68
Executive Summary.....	69
Six-Year Plan.....	71
Bridge Management Life Cycle	73
Project Pages.....	75

Supplemental Information

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

Introduction





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

April 11, 2017

Board of Directors
Richmond Metropolitan Transportation Authority
Richmond, Virginia

Honorable Members of the Board:

Enclosed for your review and consideration is the fiscal year 2018 operating and capital budgets for the Richmond Metropolitan Transportation Authority (RMTA or Authority). Budgets are provided for each RMTA facility, with comparative prior year amounts. Additionally, the budget is also broken out by department to better allocate spending categories. This budget document is a critical tool used to fulfill RMTA's commitment to and realization of its mission. This document also serves as a budgetary link to the planning of RMTA's long-range capital and maintenance efforts for its infrastructure assets.

A considerable amount of time was spent this past year to lay the groundwork for a number of substantial projects the RMTA will undertake in the coming year as well as look to further improve customer service and operational efficiency. Our present Board Chairman, Darius Johnson (City of Richmond), tasked the Board to develop a three- to five-year strategic plan for the Authority. This extensive exercise was kicked off during the Annual Board Retreat in November 2016 with the goal of completion by the end of FY2017. Staff also worked closely with the Operations and Finance Committee to solidify the logistics for implementation of a new (upgraded) toll system as well as codify policy decision points pertaining to future tolling operations.

Mindful of the impact of rising costs to our patrons' bottom line, the RMTA worked diligently to stay a previously scheduled toll increase for FY2018. This was made possible by several factors: (1) continued efforts by RMTA staff to find operational savings and efficiencies as can be noted throughout the budgets over the last few years as well as for FY2018 and (2) continued increases to utilization of our toll roads. As a result, the capital projects scheduled (to include the toll system upgrades and rehabilitation to City bridges as noted) will be funded using cash on hand – no new borrowing or toll increase will be necessary at this time. However, as a commuter-based road, RMTA is reliant on the continued use by its patrons as well as economic growth in the Richmond region since tolls collected are the only source of funding available to pay for operational and capital needs.

Operationally, RMTA staff engaged in a number of activities this year that further demonstrated a commitment to excellence, transparency and collaborative efforts amongst our stakeholders. Following an analysis evaluating toll collection method alternatives for consideration, RMTA conducted its first industry forum which resulted in a better than expected response and turn-out. Interested vendors from all across the country exchanged ideas on All Electronic Tolling (AET), Open Road Tolling (ORT), interoperability, transit mobility options, and multi-protocol readers and transponders, to name a few, culminated into a Request for Proposals with intent to award late this summer. RMTA additionally

Chief Executive Officer's Transmittal Letter

conducted a travel survey of both its EZ-Pass and cash-paying customers to determine patterns in travel location/destination, peak usage times, and method of payment preferences. The information collected will be useful in determining which technologies are best suited to accommodate driving patterns today and into the future, in addition to EZ-Pass marketing efforts, while gaining valuable input from our customers on possible areas for improvement and outreach.

During this past year, RMTA rehabilitated the six deck ramps connecting the Downtown Expressway to I-95. This was the largest deck rehabilitation contract to date for RMTA with a total contract amount of nearly \$5.2 million; an important endeavor as RMTA continues to maintain high standards of quality in its toll road system so as to provide safe and efficient passage for its users. This project was completed on time and \$270,000 below budget. And as part of the 2016 Maintenance and Repair project, pavement at the Boulevard Bridge toll plaza and southbound approach was replaced with a more durable and long lasting Stone Matrix Asphalt. These efforts have brought the Expressway's mean pavement score up from 70.47% in FY2016 to 71.13% in FY2017, corresponding to a pavement rating of Group 2, or "very good condition to good condition".

This past fiscal year also included outfitting the RMTA's Special Conservators of the Peace (SCOPs) with vital equipment and technology, and certification for training needed to most efficiently conduct their work while performing their duties on the road. This small but dedicated team primarily comprised of part-time, retired police officers has made significant strides in increasing their presence on our toll facilities to ensure the safe passage of our patrons. Simultaneously, our SCOP team continues to strengthen its relationships with the Chesterfield and Richmond Police Departments as well as the Virginia State Police to ensure communication and response times are efficiently using limited resources available. Our maintenance team has its office situated in a double-wide trailer located at the Powhite South toll plaza. This office space has outlived its useful life and was recently replaced with a new unit. Additionally, the roof at the Boulevard Bridge office, nearly 30 years old, was replaced. Staffing changes on the road enabled us to implement our succession plans by promoting two supervisors to serve as the right hand to the Toll Road Superintendent.

Entering its second year, RMTA introduced a third party collections service for additional billing and collection efforts to reduce leakage and collect outstanding violations within the cash lanes (ISFs). To date, RMTA has realized a reduction in unpaid cash toll violations of over 27 percent. For unpaid E-ZPass tolls, improvements were made this past year by VDOT and the court system resulting in an increase of payments owed per the courts. RMTA continues to be hopeful that further savings may be realized once VDOT awards a new contract for its E-ZPass toll collection and violation processing services.

What lies ahead operationally for the RMTA during fiscal year 2018?

First and foremost will be the award and implementation of the toll system replacement contract that aligns with guiding principles such as reducing operational costs both in the near and long term future, considers future toll technology trends and industry best practices, minimizes operational risks and enhances resiliency of the toll collection system while maintaining toll system revenues in accordance with RMTA's existing bond covenants. Cyclical preventative maintenance activities as outlined in the capital plan will ensure RMTA's bridges, tunnels and roads, and office structures remain in good condition, retard future deterioration, and avoid large, unnecessary expenses tied to reconstruction and/or full replacement of assets. Plans for FY2018 include rehabilitation of half of the City Bridges crossing the Downtown Expressway for which RMTA is responsible for; the remaining City Bridges are slated to be rehabilitated in FY2019.

Chief Executive Officer's Transmittal Letter

The current office lease in the SunTrust Building located on East Main Street for RMTA's Central Administration is scheduled to expire June 2017. Efforts over the past year to consider opportunities to taking full advantage of the current market along with changing space requirements will result in a move back to our former home at the Riverfront Plaza West Tower where staff secured a ten-year lease with the option for two additional five-year periods. Space has been consolidated to just under 4,500 square feet (down from 8,300 square feet), saving the Authority over \$66,000 annually. This new location with turnkey tenant improvements totaling approximately \$180,000 and a ten-month rent free abatement, will provide direct access onto the 11th Street on- and off-ramps and a view of the eastern portion of the Downtown Expressway. The RMTA has also agreed to continue operation of the Main Street Station over this next fiscal year until the City has contracted with a new operator for both the existing facility and the newly completed train shed building in order to ensure the smooth transition of services.

Financially, RMTA staff will continue to seek operational savings where possible while maintaining excellence in financial services. This shall include obtaining an unmodified opinion on the Authority's FY 2017 Comprehensive Annual Financial Report (CAFR) and receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association (GFOA) for a 24th consecutive year, along with GFOA's Distinguished Budget Presentation Award for the fourth consecutive year. We fully believe this will be possible due to the continued improvements included in the FY2018 fiscal plan and capital budget. Not only will the reader find a more robust long-range capital budget through calendar year 2041 (scheduled date for repayment of existing debt), but the operational budget for this year includes an overview of the budget by each of the Authority's departments. Included in each department is a description of roles and responsibilities, operational priorities, fiscal year 2018 performance measures, and department accomplishments over the past fiscal year. A more robust department to fund crosswalk highlighting significant budgetary changes is also included. Finally, the Supplemental Information section provides the reader data on current and historical trends relating to toll rates. A watchful eye will continue to be maintained on traffic and revenue trends -- which fortunately, have been on the increase the last few years -- to identify what underlying factors may be behind this phenomenon, whether those factors are permanent, and the impact any fluctuations may have on RMTA's long-term financial plan. RMTA is fortunate to have excess cash flows while temporarily accessing only a small percentage from cash funded reserves to pay for its capital needs over the next two years. As a result, no additional debt or reliance on a toll increase is anticipated, but prudence is critical to continue monitoring traffic revenues and replace borrowed cash funded reserves as expeditiously as is feasible.

As the staff's role in the fiscal year 2018 preparation phase comes to a close, I would like to thank Jim Madison, Director of Finance, as well as his team, for their efforts leading this endeavor. Jim had a tall order to fill given that he joined RMTA this past January, but he rolled up his sleeves and quickly went to work to ensure this budget would be completed on time. A huge thanks to Theresa Simmons, Director of Operations, for continuing our efforts on asset management within RMTA's Long-Range Capital Plan not only within a six-year window but engaging a comprehensive evaluation of needs through 2041 when the final debt repayment is scheduled. To Joi Dean, Chief of Staff, for her work to extend the Main Street Station contract an additional fiscal year in order to ensure a smooth transfer to the City's new operations manager. Sheryl Johnson, Director of Human Resources, deserves an applause for her ongoing efforts to not only assist me in finding operational improvements as we work toward greater customer service and preparing staff for opportunities tied to succession planning but also for working hard to continue seeking cost containment measures to stave off rising health care costs. Lastly, Paula Watson who oversees Procurement and Internal Audit deserves recognition for her concerted efforts to streamline all contractual documents in one system while working closely with staff to monitor upcoming expirations,

Chief Executive Officer's Transmittal Letter

ensure insurance/bonding documents are up-to-date, and managing procurement activities for consistency and fairness during selection process. Paula was also instrumental in helping update various sections of the budget document and proof-reading for accuracy. In closing, I once again would like to express gratitude to all of the staff at RMTA who work tirelessly to provide the best customer service possible from toll collection, system maintenance, and safety, in addition to accounting, benefits oversight, answering calls and scheduling of meetings. It is because of their hard work and dedication 365 days a year, 24 hours a day, no matter the weather conditions, that we strive to make RMTA an environment where everyone's efforts are recognized and greatly appreciated. As always, staff stands ready to assist the RMTA Board in achieving its vision and looks forward to approval and implementation of this budget.

Sincerely,

A handwritten signature in purple ink, reading "Angela Gray". The signature is fluid and cursive, with the first name "Angela" being more prominent than the last name "Gray".

Angela Gray
CEO



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Richmond Metropolitan Transportation Authority, Virginia, for its annual budget for the fiscal year beginning July 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

Budget Overview

The Authority's 2018 Fiscal Plan and Capital Budget outlines a spending plan that covers operations, annual maintenance and related capital projects of the Expressway System. The Fiscal Plan also includes operating budgets for the Authority's Central Administration function and Main Street Station operations.

Budget Overview

	FY2016	FY2017	FY2018	FY2018 to FY2017	
	Actual	Budget	Budget	\$	%
Revenues					
Tolls	\$ 41,040,929	\$ 40,976,000	\$ 42,290,000	\$ 1,314,000	3.2%
Rentals	236,624	222,445	439,500	217,055	97.6%
Other	368,590	390,000	415,000	25,000	6.4%
City Contribution	610,241	782,171	1,102,450	320,279	40.9%
Subtotal	42,256,384	42,370,616	44,246,950	1,876,334	4.4%
Operating Expenses					
Salaries and Benefits	\$ 7,029,150	\$ 7,254,807	\$ 7,469,500	\$ 214,692	3.0%
Operations	7,796,756	8,729,425	9,425,690	696,265	8.0%
Subtotal	14,825,906	15,984,232	16,895,190	910,958	5.7%
Net Operating Revenue	\$ 27,430,478	\$ 26,386,384	\$ 27,351,760	\$ 965,376	3.7%

Toll Revenue

Toll revenue for FY2018 is projected to increase to \$42.3 million, driven by ridership growth. Toll rates were last increased in September 2008 and remain unchanged for the next fiscal year. Previous projections anticipated a toll rate adjustment in FY2018; however based on recent traffic growth, this adjustment is deemed unnecessary and has been removed from the current long-term financial plan. The timing and extent of future rate adjustments will continue to be analyzed as projections are updated and revised based on actual results. Revenues cannot be commingled between the Authority's different operations (i.e. tolls cannot be used to support any of the Authority's other facilities).

Rentals and Other Revenue

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

City Contribution for Main Street Station

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

The City notified the Authority of its plan to issue a comprehensive request for proposals for management services of the existing facility as well as the new train shed building currently under construction. It is anticipated that a provider will be selected before the end of the calendar year. The current operating agreement between the City and the Authority expires June 30, 2017 but is expected to be extended through December 31, 2018 or until the award of a contract by the city to a vendor to manage Main Street Station and the new shed building operations.

Budget Overview

Compensation and Benefits

	FY2016	FY2017	FY2018	FY2018 to FY2017	
	Actual	Budget	Budget	\$	%
Salaries	\$ 5,237,352	\$ 5,411,828	\$ 5,454,550	\$ 42,722	0.8%
Health Care	1,072,404	1,206,310	1,382,600	176,290	14.6%
VRS Retirement	320,519	226,976	217,000	(9,976)	-4.4%
OPEB Contribution	281,000	288,000	300,000	12,000	4.2%
Other	117,875	121,693	115,350	(6,343)	-5.2%
Total	\$ 7,029,150	\$ 7,254,807	\$ 7,469,500	\$ 214,692	3.0%
FTE Positions	122.5	117.0	117.0	-	0.0%

Compensation and benefits are reviewed by the Compensation and Benefits Committee of the Board of Directors as part of the budget development process. Similar to the prior year, the budget incorporates an employee pay adjustment via a merit matrix with a maximum merit of 3.0% and a one-time lump sum merit payment of the greater of 1.5% or \$500 for employees with extraordinary performance who are at the top of their pay scale. Both awards are based on employee performance and annual evaluation scores. Health care program management remains a focus of the Authority's cost containment efforts. For FY2018, employee health care costs increased by approximately 14.6% due to a 15.6% premium increase. Although costs increased overall, this was partially offset through continued employee migration to high deductible plans, transitioning from a health reimbursement account to a health savings account funding model, and an additional FY2018 plan offering of a second low-cost high-deductible plan. Encouraging employees to become actively involved in their own health care decisions is a vital component of keeping costs low. To encourage a healthier workforce, a premium discount is available for employees who seek annual preventive care screenings.

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

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

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

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

Budget Overview

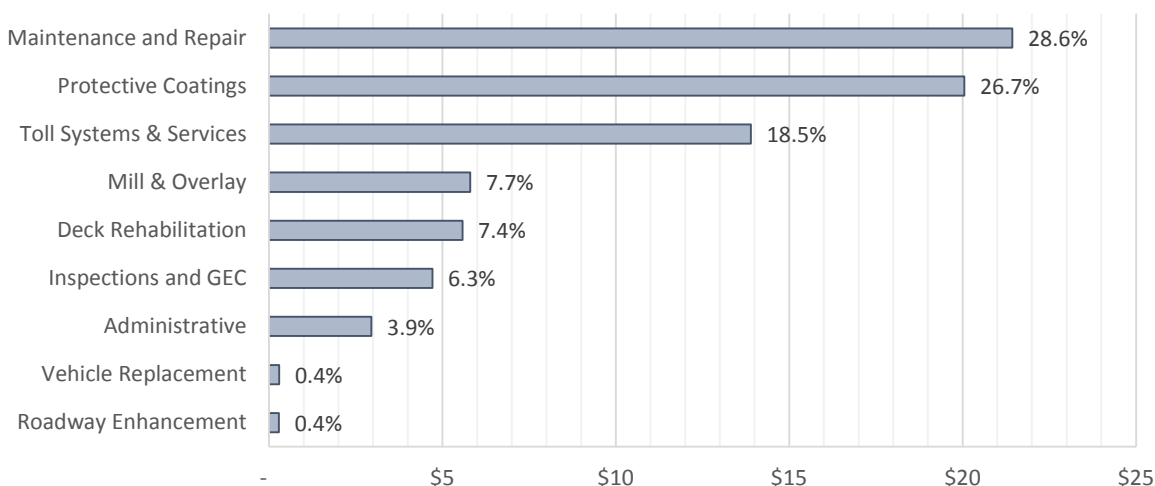
Operations

	FY2016 Actual	FY2017 Budget	FY2018 Budget	FY2018 to FY2017	
				\$	%
Toll Collection	\$ 5,412,196	\$ 5,802,100	\$ 6,230,600	\$ 428,500	7.4%
Maintenance	594,184	602,500	782,000	179,500	29.8%
SCOP	-	35,000	9,300	(25,700)	-73.4%
Administration	566,511	770,533	452,570	(317,963)	-41.3%
Engineering	12,958	18,200	17,250	(950)	-5.2%
Finance	571,457	672,200	640,500	(31,700)	-4.7%
Human Resources	96,898	103,700	145,370	41,670	40.2%
Main Street Station	542,552	725,192	1,148,100	422,908	58.3%
Total	\$ 7,796,756	\$ 8,729,425	\$ 9,425,690	\$ 696,265	8.0%

The overall budget increase for FY2018 is 8.0%, including the impact of the Main Street Station operating budget (3.4% without Main Street Station). E-ZPass processing costs (Toll Collection) and VDOT annual maintenance are the primary contributors to the budget increase. At the time of publishing the budget document, VDOT had not provided the FY2018 E-ZPass processing rates; therefore the FY2018 budget includes a \$370,000, 11.9% E-ZPass transaction processing cost increase based on forecasted transaction and E-ZPass participation growth. See the Department Budget and Budget Detail sections for additional discussion on the significant budgetary changes for FY2018.

Expressway Capital

All Expressway System routine maintenance and major capital improvement projects are included in the Capital Budget, with a detailed Six-Year Plan for the upcoming and next five fiscal years. For FY2018-2023, the Six-Year Plan totals \$75.0 million for the following projects (shown in millions):



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

Mission Statement



Downtown Expressway and City of Richmond

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

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

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

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

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

Principal Officials



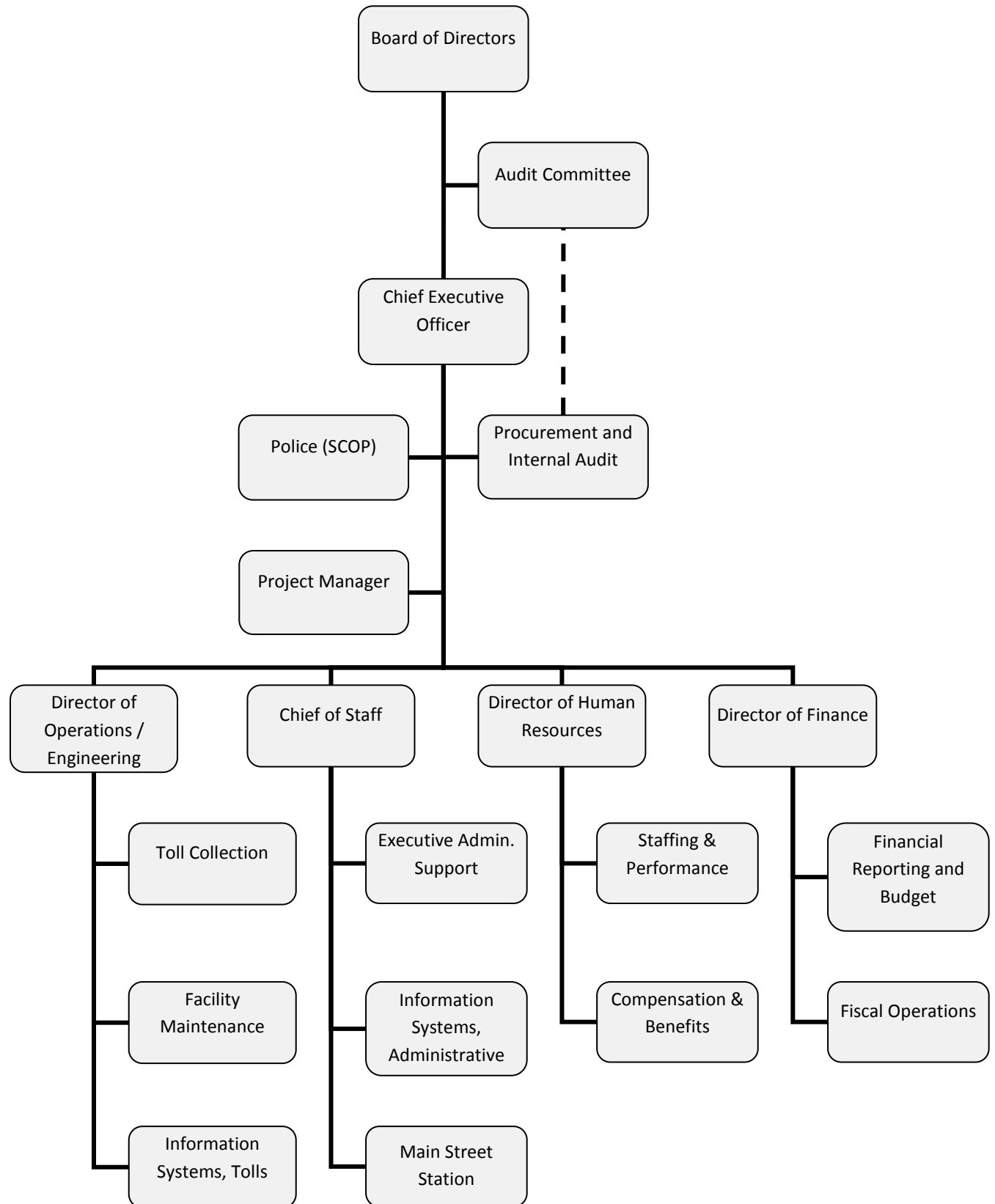
Board of Directors

Darius Johnson, Chairman	City of Richmond
Virgil Hazelett, Vice-Chairman	Henrico County
Carlos Brown	Commonwealth Transportation Board
Dr. Unwana Dabney	City of Richmond
James B. Gurley, Jr.	Henrico County
Harvey Hinson	Henrico County
James "Jim" Holland	Chesterfield County
Tyrone Nelson	Henrico County
Lane Ramsey	Chesterfield County
Marvin Tart, Sr.	Henrico County
Rodney Waller	City of Richmond
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
Sheryl Johnson	Director of Human Resources
James Madison	Director of Finance
Theresa Simmons	Director of Operations
Eric Ballou	Secretary and General Counsel

Organizational Chart



KEY DATES IN RMTA HISTORY

1966

RMA is created by the Virginia General Assembly (1966)

RMA purchases the Boulevard Bridge (1969)

Powwhite Parkway opens to Cary Street (1973)

1970

Second Street Parking Deck opens (1975)

Downtown Expressway opens to Seventh Street (1976)

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

1980

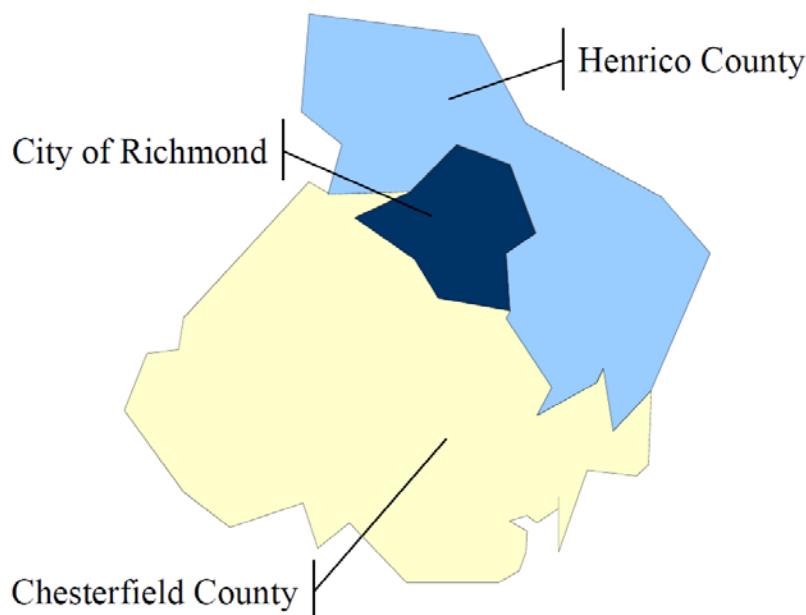
The Diamond opens (1985)

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



History

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



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

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

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

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

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

History

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



Downtown Expressway Opening Ceremony, 1976

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



The Diamond

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

History



Expressway Parking Deck

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



Boulevard Bridge

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

History



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

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

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

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

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

History



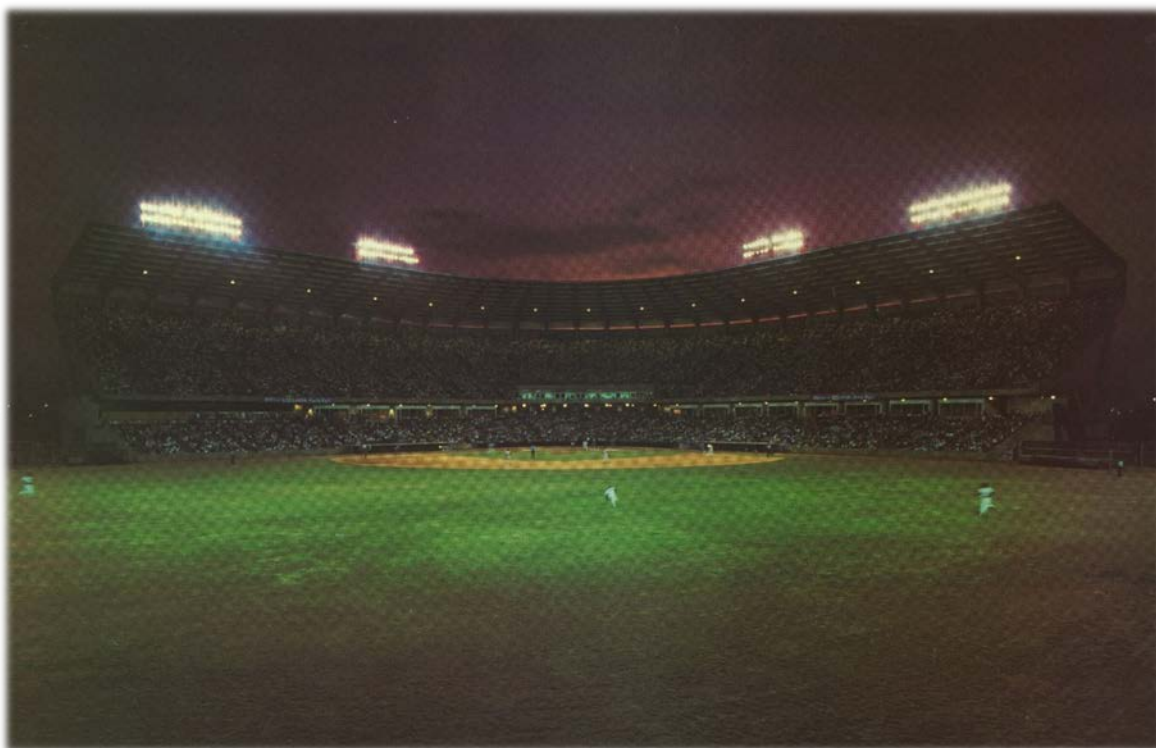
Downtown Expressway, Express Lanes and Traditional Lanes

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

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

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

History



Outfield view of The Diamond

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

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

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





Budget Development

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

Fund Structure

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

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

Basis of Accounting and Budgeting

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

Budget Process

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

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

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

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

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

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

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

For FY 2018, the budget development process followed the calendar of events as described below:

Date	Action
January 5, 2017	Finance coordinates with Traffic and Revenue Consultant to provide an updated current fiscal year projection and next fiscal year revenue estimate.
January 12, 2017	Initial budget overview with Executive Staff, including review of budget calendar and required items.
January 30, 2017	Traffic and Revenue Consultant provides “Mid-Year Toll Certification”, including initial estimate of next year’s traffic and revenue projections.
February 6, 2017	Directors provide initial budget requests to Finance.
February 10, 2017	Initial budget retreat with Executive Staff.
February 20, 2017	Operating budget draft completed.
February 24, 2017	Capital budget estimates reviewed by Executive Staff.
February 27, 2017 [week of]	Compensation and Benefits Committee meeting to review salary and benefits budget draft.
March 9, 2017	Capital budget draft completed.
March 13, 2017	Budget workshop with Finance and Operations Committee to review operating and capital budget drafts and long-term financial plan update.
March 24, 2017	Traffic and Revenue Consultant provides draft certificate of Expressway toll revenue.
March 28, 2017	Final budget retreat with Executive Staff.
April 3, 2017	Proposed budget document complete.
April 11, 2017	Proposed budget presented to Board with comment period prior to adoption.
May 9, 2017	Board vote for budget adoption.

Financial Policies

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

Financial Planning (adopted March 2014)

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

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

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

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

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

Revenue and Expense (adopted March 2014)

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

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

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

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

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

Financial Policies

Debt Management (adopted March 2014)

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

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

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

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

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

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

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

Reserve Fund (adopted March 2014, amended March 2016)

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

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

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

Financial Policies

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

Accounting and Financial Reporting (adopted April 2015)

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

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

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

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

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

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

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

Revenue Sources and Forecasting Assumptions

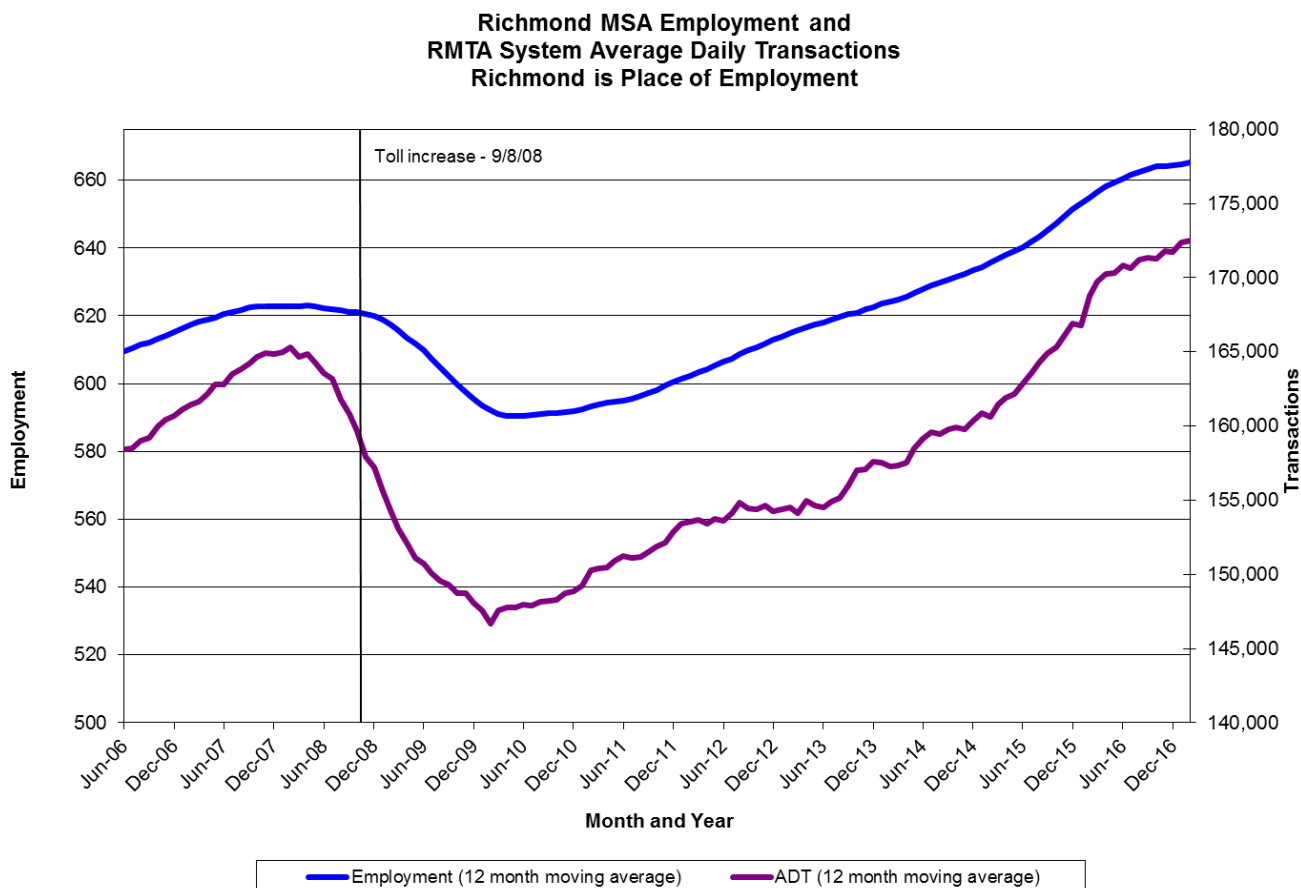
Revenue Sources

Toll revenue from the Expressway System represents over 96% of the Authority's total revenue and is considered the Authority's only major revenue source. The Authority's Traffic and Revenue Consultant prepares an annual traffic and revenue forecast, which is used as the basis for the Authority's toll revenue budget.

Economic Conditions

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

Figure 1: Richmond MSA Employment and RMTA System Average Daily Transactions – 12 month moving averages



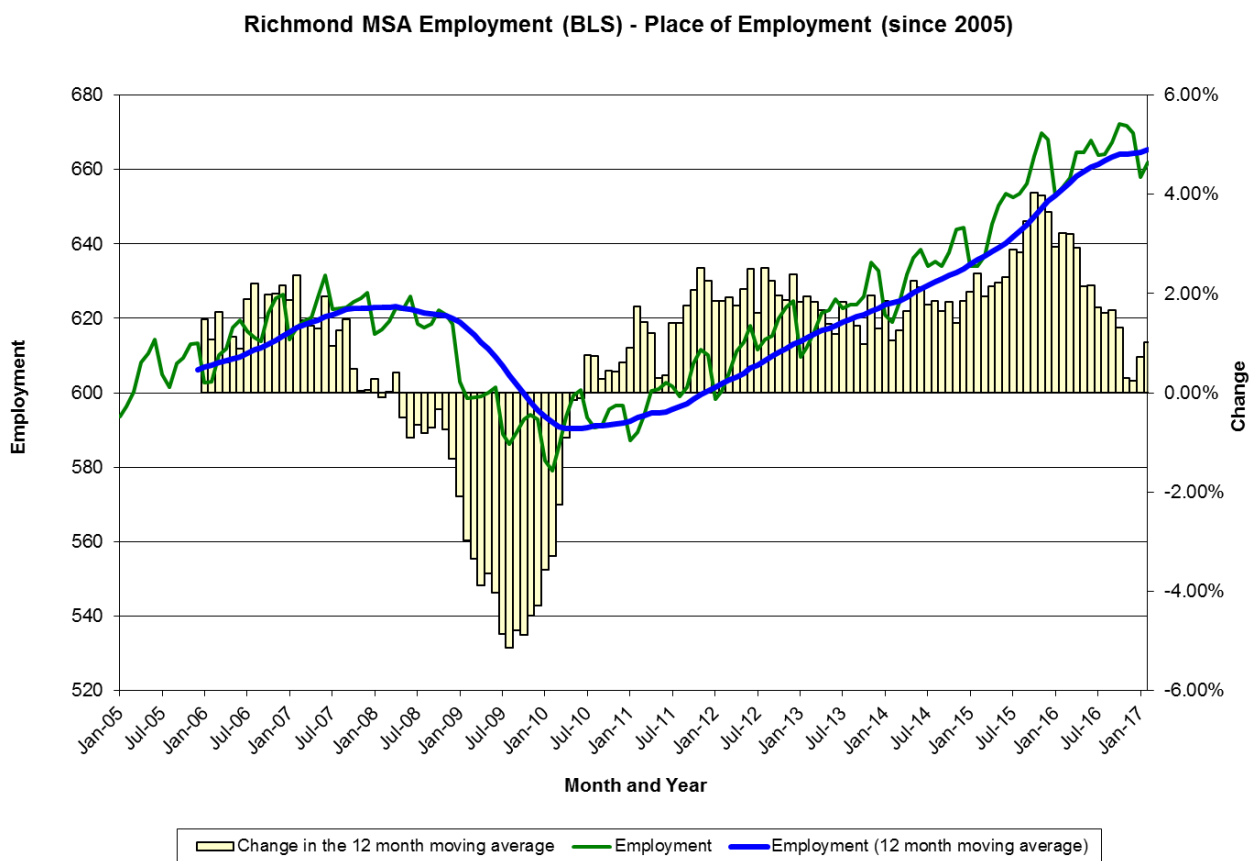
A portion of the drop in transactions in late 2008 is due to the timing of the September 2008 toll increase; traffic typically immediately drops after a toll increase before slowly rising. The 2008-2009 economic recession also impacted employment and traffic volumes during this time; while employment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

Revenue Sources and Forecasting Assumptions

Employment data for the Richmond Metropolitan Statistical Area (MSA) from the Bureau of Labor Statistics (BLS) is historically correlated with RMTA traffic. As the RMTA is mostly a commuter facility, traffic is reasonably related to economic output and employment levels. The figures that follow show the historical employment levels for the Richmond MSA by month (green line), the 12 month moving average of that monthly employment (blue line), and the annualized growth rate of the 12 month moving average (yellow bars). Two time periods are shown. The first is over ten years which allows for depiction of pre-recession employment growth, decreases in employment during the recession, and subsequent recovery. The second graph presents approximately the last 4 years to show the most recent experience.

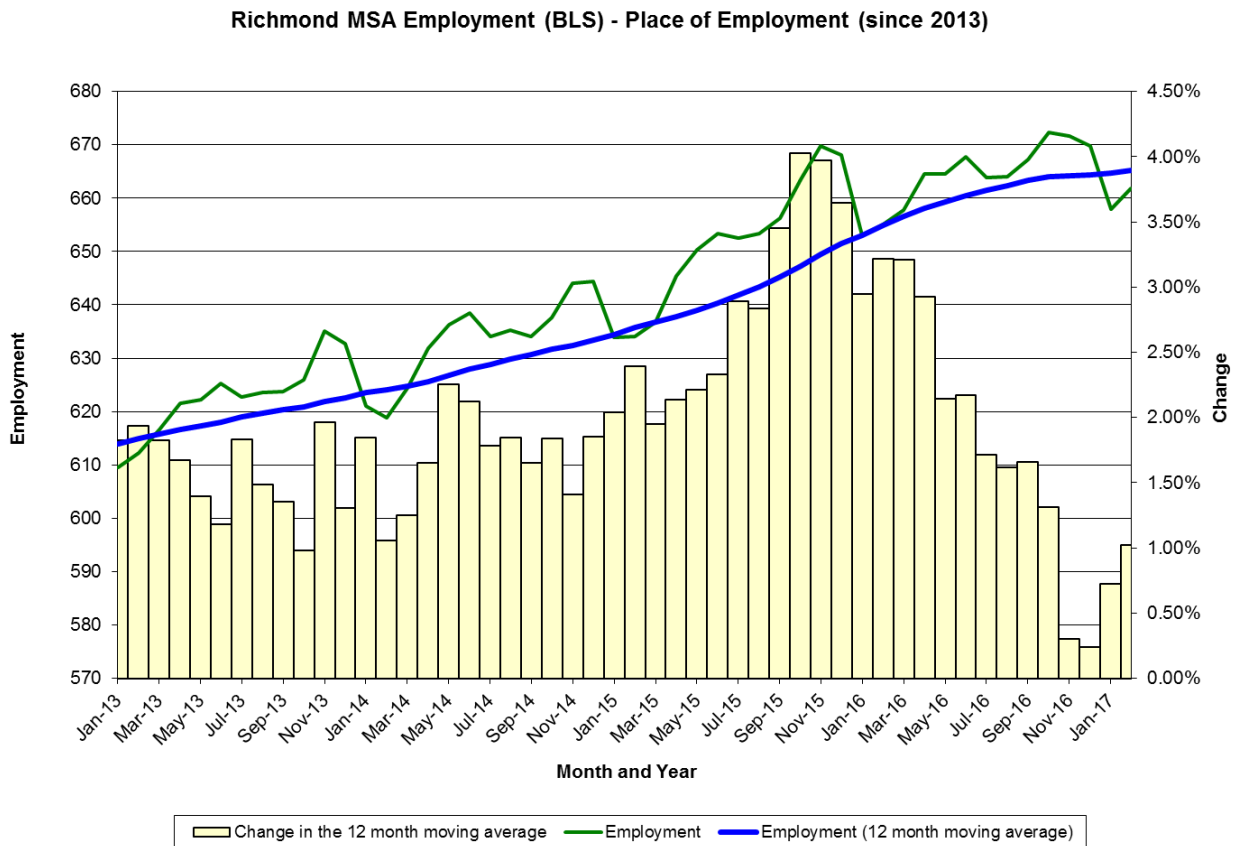
As can be seen from Figure 2, the recession of 2008 had a sizable impact on the region, with employment not coming back to pre-recession levels for 5 to 6 years (early 2008 to mid-2013). During FY16, growth hit the peak, with a bit of leveling off in FY2017. This can be seen with more clarity in Figure 3. From July 2015 to April 2016 the annualized growth of the 12 month moving average was 2.8 percent or higher. In the final 2 months of FY16 and through February of FY17, the growth rates have been 2.2 percent and below, with more recent months being below 1 percent.

Figure 2: Richmond MSA Employment – Long Term



Revenue Sources and Forecasting Assumptions

Figure 3: Richmond MSA Employment – Short Term

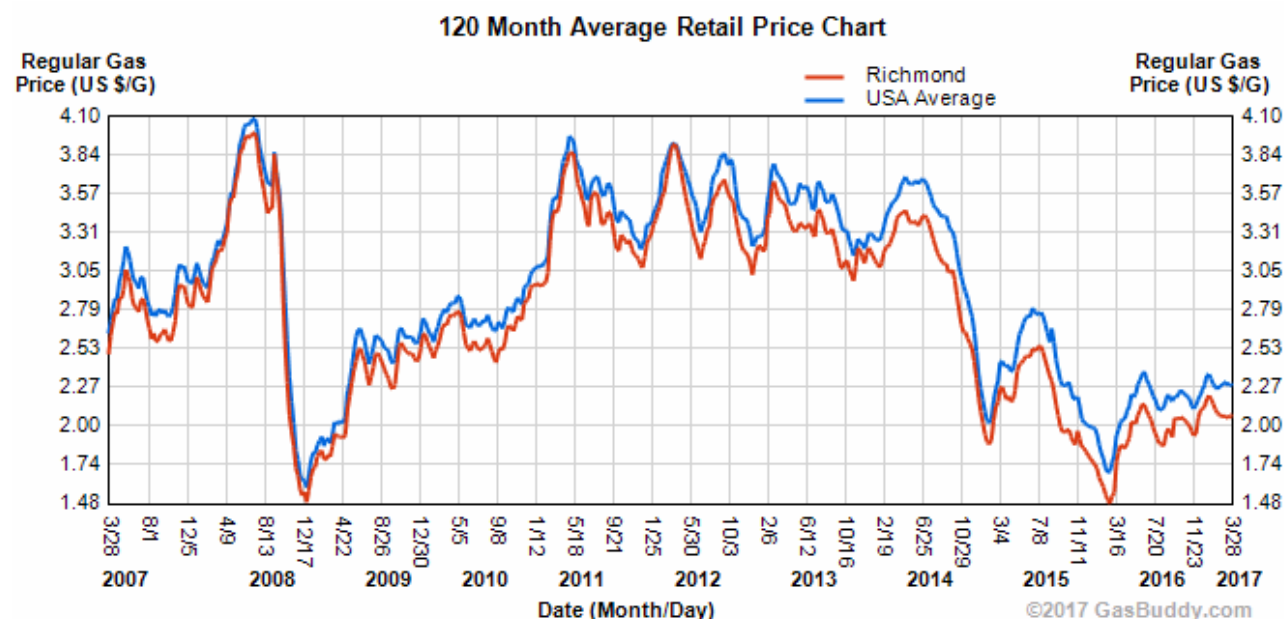


Revenue Sources and Forecasting Assumptions

Gas Prices

The price of gasoline has been very volatile since 2007 and this represents a new normal. *Figure 4* shows current and historical Richmond and national gasoline prices:

Figure 4: Price of Regular Gasoline per Gallon over the Past 120 Months



For the FY2018 forecast it is estimated that 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 to have a negative impact on the FY2018 forecast. Furthermore, those higher gas prices would have to be sustained for over the course of many months for people to begin changing behavior.

FY2017 Projection and FY2018 Forecast

The FY2017 toll revenue projection of \$40.7 million would exceed the FY2017 budget of \$40.1 million by 1.30%. FY2018 toll revenues are projected to total \$41.0 million with 63.6 million total transactions, representing a 0.9% increase in revenue and 0.9% increase in transactions from the FY2017 projection. The FY2018 forecast assumes the current toll schedule will be in effect throughout the fiscal year.

While the Authority believes the traffic and revenue forecast is conservative, objective, and realistic, the forecast is stressed each year to determine how a decline in revenue would impact the Authority's financial position. Even in the event of a 10% loss in traffic and toll revenue, the Traffic and Revenue Consultant estimates that all debt service coverage requirements would be satisfied and no toll increase will be required during FY2018; in an extreme case of a 25-30% loss in traffic and toll revenue, FY2018 revenue would still be sufficient to pay for operations and required debt service.

Long-Term Financial Plan

Long-Term Financial Plan Overview

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

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

Current and Next Six Fiscal Year Projections (in millions)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Tolls	\$ 40.7	\$ 41.0	\$ 41.4	\$ 42.0	\$ 42.6	\$ 43.1	\$ 43.7
Other	1.6	1.7	1.7	1.8	1.8	1.8	1.9
Total revenue	42.3	42.7	43.1	43.8	44.4	44.9	45.6
Operating expense	(14.5)	(14.9)	(15.5)	(16.1)	(16.8)	(17.5)	(18.2)
Net revenue	27.8	27.8	27.6	27.7	27.6	27.4	27.4
Debt service	(12.8)	(14.8)	(14.8)	(14.8)	(14.8)	(14.0)	(10.0)
Available for capital	\$ 15.0	\$ 13.0	\$ 12.8	\$ 12.9	\$ 12.8	\$ 13.4	\$ 17.4
Projected DSCR	2.17	1.88	1.86	1.87	1.86	1.96	2.74

Toll Rates and Debt Issuance

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

Debt Service Coverage Ratio

Debt service coverage ratio (DSCR) is an important consideration in the Authority's long-term financial planning efforts. The amount by which DSCR exceeds 1.00 illustrates the potential cash funding for capital, minimizing the need for borrowing. The Authority's bond resolution requires a DSCR of 1.20; a ratio below this level could place the Authority's bonds in default. The Authority's financial policies set an internal DSCR goal of at least 1.50. The Authority's FY2016 DSCR based on audited financial statements was 2.16. As illustrated in the projections above, the Authority expects to continue meeting its DSCR requirements for the foreseeable future.

Credit Rating

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

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

Long-Term Financial Plan

In March 2017, Fitch affirmed a rating of A with a stable outlook. November 2016, Standard & Poor's a rating of A+ with a stable outlook. Moody's affirmed their previous rating at A1 with a stable outlook in August 2015.

DSCR and Credit Rating Comparisons

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

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

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

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

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

Lower ratings are non-investment grade

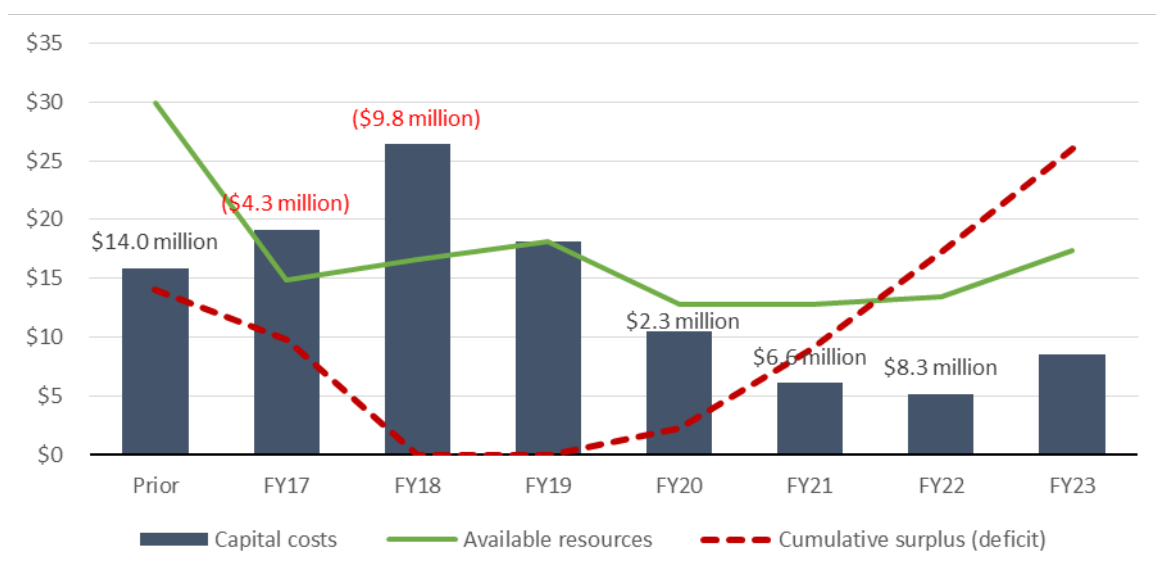
Long-Term Financial Plan

Capital Plan Funding

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

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

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Prior available for capital	\$ 14.0	\$ 9.8	\$ -	\$ -	\$ 2.4	\$ 9.1	\$ 17.3
Current available for capital	15.0	13.0	12.8	12.9	12.8	13.4	17.4
Debt issuance	-	-	-	-	-	-	-
Use of reserves	-	3.6	5.4	-	-	-	-
Capital budget	(19.2)	(26.4)	(18.2)	(10.5)	(6.1)	(5.2)	(8.5)
Available for future capital	<u>\$ 9.8</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2.4</u>	<u>\$ 9.1</u>	<u>\$ 17.3</u>	<u>\$ 26.2</u>



Current projections anticipate a combined \$8.9 million funding shortfall in FY2018 and FY2019 as amounts available for capital are less than projected capital costs. While no final decision has been made at this time, the long-term financial plan shows the use of reserves to fill this funding shortfall. The Authority's financial policies require Board approval for the use of reserves. Due to toll revenues exceeding prior year's forecast in conjunction with management's financial stewardship, the forecasted use of reserves has decreased significantly since prior year. Additional funding options, including a borrowing or toll rate adjustment, remain available for consideration. Based on the Authority's enabling legislation, approval from its local governing bodies and the Richmond Mayor would be needed to issue debt.

Long-Term Financial Plan

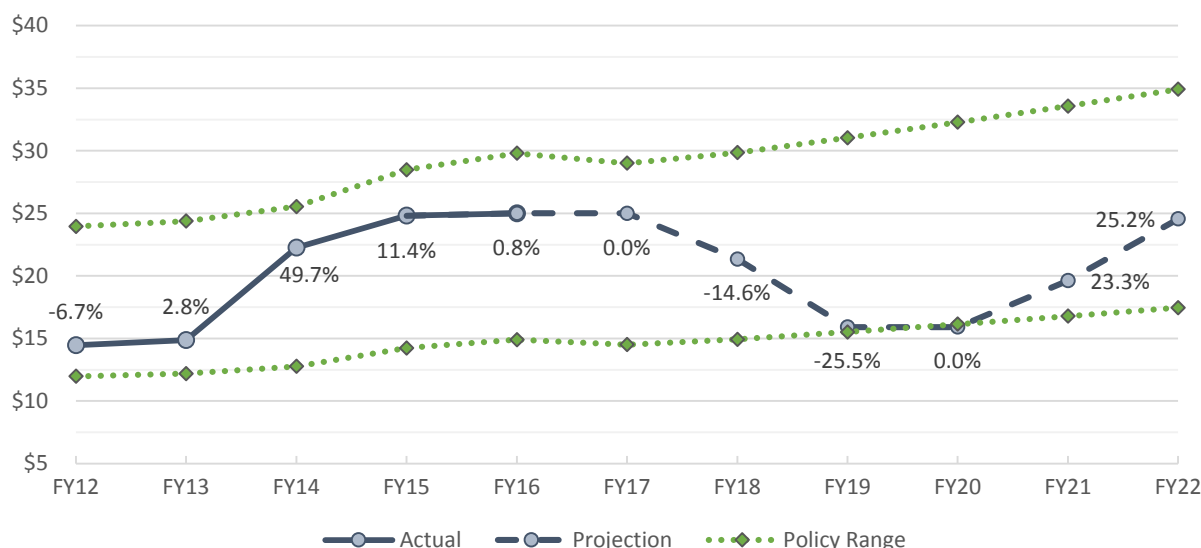
Excess Balances Overview

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. The Excess Balances fund was established by the Authority's bond resolution and provides the only reserves available for the Expressway System with capital assets valued in excess of \$300 million.

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

Actual and Projected Changes to Excess Balances (millions)

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



The FY2012 decrease of 6.7% was a result of unrealized fair market value losses during the 2011-2012 stock market decline. Contributions in FY2014 (\$6.6 million) and FY2015 (\$2.0 million) were driven by low capital needs for FY2015 and FY2016 compared to available revenue. The projected FY2017 ending balance of \$25.0 million is an increase of 0.8% from the prior year due to market value gains on investments (no contribution is anticipated).

The estimated use of reserves in FY2018 and FY2019 and contributions in FY2021 and FY2022 are driven by the difference between capital cost estimates and revenue available for capital as discussed on the previous pages. Due to toll revenues exceeding prior year's forecast in conjunction with management's financial stewardship, the forecasted use of cash from the Excess Balances fund has decreased from prior year and ensures RMTA remains within the policy range. While the current long-term financial plan shows the use of reserves in FY2018 and FY2019, the Authority continues to evaluate all available options to determine the appropriate action necessary to support its funding requirements.



Department Budgets

Expressway Operations

Description

The Expressway Operations department is responsible for the collection of toll revenue and facility maintenance. Toll collection remains the primary function of the Authority, serving over 62 million customers in FY2016 on the Authority's Expressway System, comprised of the Powhite Parkway, Downtown Expressway, and Boulevard Bridge.

Priorities

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

Performance Measures

Priority	Objective	Performance Measure	Result
1,2	Ensure public awareness of tolling programs and practices	Growth of E-ZPass penetration rates	66.5% (1.6% growth from prior year)

Financial Summary

Toll Collection	FY2016	FY2017	FY2018	FY2018 to FY2017	
	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 4,795,802	\$ 4,714,000	\$ 4,809,100	\$ 95,100	2.0%
Operating	5,412,196	5,802,100	6,230,600	428,500	7.4%
Total	\$ 10,207,998	\$ 10,516,100	\$ 11,039,700	\$ 523,600	5.0%
FTE Positions	93.5	91.5	91.5	-	0.0%

Maintenance	FY2016	FY2017	FY2018	FY2018 to FY2017	
	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 263,855	\$ 311,900	\$ 303,050	\$ (8,850)	-2.8%
Operating	594,184	602,500	782,000	179,500	29.8%
Total	\$ 858,039	\$ 914,400	\$ 1,085,050	\$ 170,650	18.7%
FTE Positions	6.0	6.0	6.0	-	-

Total Expressway Operations	FY2016	FY2017	FY2018	FY2018 to FY2017	
	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 5,059,657	\$ 5,025,900	\$ 5,112,150	\$ 86,250	1.7%
Operating	6,006,380	6,404,600	7,012,600	608,000	9.5%
Total	\$ 11,066,037	\$ 11,430,500	\$ 12,124,750	\$ 694,250	6.1%
FTE Positions	99.5	97.5	97.5	-	0.0%

FY2018 compensation and benefits costs increased primarily due to the increase in medical insurance premiums that was absorbed by the RMTA.

FY2018 operating costs increased primarily due to increased toll collection costs, led by increasing E-ZPass transaction processing costs due to traffic growth and increased E-ZPass participation.

Expressway Operations

Highlights

Since its initial implementation in 1999, customers continue to utilize E-ZPass as the preferred method of payment on the Authority's Expressway System. The success and convenience of E-ZPass is evident by the growing number of customers who pay via E-ZPass, from 44% in FY2006 to almost 67% in FY2016. During peak morning and evening hours on the Powhite Parkway and Downtown Expressway, E-ZPass usage exceeds 70%.

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

At the time of publishing the budget document, VDOT had not provided the FY2017 E-ZPass processing rates; therefore the FY2017 budget includes an 11.9% budget increase based on forecasted transaction and E-ZPass participation growth. The Authority estimates 42.9 million transactions or 68% of FY2017 transactions will be collected via E-ZPass.

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

Maintenance is responsible for the routine maintenance, miscellaneous repairs, and preventative maintenance of all toll plazas and facility grounds and buildings. Primary functions include but are not limited to daily janitorial duties, graffiti removal, landscaping throughout the Expressway System, and snow/ice removal at toll plazas buildings. As a result of the diligent work of the Maintenance employees, the Authority had no slip and fall incidents resulting in worker's compensation claims during the winter weather months in FY2017.

VDOT is evaluating the contract costs of performing annual road maintenance for the RMTA. There is an anticipated increase so \$190,000 additional expense has been added to the FY2018 budget as compared to FY2017. At the time of publishing the budget document, VDOT had not provided further details.

Special Conservators of the Peace (SCOPs)

Description

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

Priorities

1. Promote a safe travel environment

Performance Measures

Priority	Objective	Performance Measure	Result
1	Effective accident reporting and hit & run investigation	Number of hit & run accidents and recovered amount of repair expenses	6 incidents resulting in \$17,000 in damage; 100% recovered

Financial Summary

SCOPs	FY2016		FY2017		FY2018		FY2018 to FY2017	
	Actual		Budget		Budget		\$	%
Compensation and Benefits	\$ 115,164	\$	178,683	\$	177,300	\$	(1,383)	-0.8%
Operating	-		35,000		9,300		(25,700)	-73.4%
Total	\$ 115,164	\$	213,683	\$	186,600	\$	(27,083)	-12.7%
FTE Positions	2.0		3.0		3.0		-	-

FY2018 operating costs decreased due to several one-time equipment purchases in prior year.

Highlights

During calendar year 2016, SCOPs investigated 29 individual traffic accidents resulting in Authority property damage on the Expressway of which 10 were hit and run accidents. However, 4 of the hit and run offenders were later identified using security camera footage and their insurance companies notified. As a result of their diligent investigations, approximately \$17,000 of repair expenses were recovered. In the prior calendar year, the 6 hit and run accidents yielded approximately \$12,000 in expense recovery; the hiring of a full-time Lead SCOP in 2015 provided for additional resources to pursue expense recovery. In addition to investigating RMTA property damage, our SCOP team provided the below listed services during the 2016 calendar year;

- Assisted 1454 motorists stopped on the side of the roadway
- Conducted 507 traffic stops
- Assisted with or investigated 186 traffic accidents
- Removed 235 pieces of debris from the roadway
- Provided protection for 279 lane closures / work zones
- Assisted Richmond Police / VA State Police with 250 incidents

The SCOP department completed several equipment upgrades & installations during FY2017. The Authority's radio system was updated from analog to digital. The analog equipment was outdated and

Special Conservators of the Peace (SCOPs)

parts were no longer available. The new digital radios also have more capabilities such as voice filtering, farther signal transmissions and increased band usage, reliability and battery life. Also, now each Authority police vehicle is equipped with dual radar units, the Stalker Dual SL. These units are known for the longest range in moving police radar. The new radar units set the standard in the industry for range and performance and allow the moving car to track traffic in 4 directions. All SCOPs went through a rigorous training class and are now certified in the State of Virginia for the use of dual antennas radar equipment.

In addition, all of the Authority's police vehicles are now equipped with in car computers. To help our SCOP's be more efficient, effective and be in a position to do the job of policing successfully, the in car computers allows them to quickly and easily get the time-critical information they need, without dispatcher involvement and waiting for a verbal response—while reducing support costs and radio traffic. The computers are connected directly to Richmond Police Department dispatch. The computers receive dispatched calls for service and expedites the Authority's SCOPs determination of how to respond to emergency calls, if an assisting unit is needed.

These computers also allow the SCOPs to complete crash reports thoroughly and more quickly with fewer errors. Since the Authority's SCOPs now investigate traffic accidents in addition to property damage, we have been granted access by the DMV to their system to obtain DMV records of the people involved in the traffic accidents.

During FY2017, our SCOP Supervisor became certified in several areas of training that will benefit the Authority with traffic incident management and safety awareness to all of our employees;

- Traffic Incident Management Instructor
- OSHA 30 hour General Construction Industry
- OSHA 30 hour General Industry

Because of the Traffic Incident Management Training, she has been added to the Central Virginia Safety Officer's Committee. This committee consists of fire representatives from Richmond, Henrico, Chesterfield, Hanover, Colonial Heights, Ashland and Goochland; law enforcement from VA State Police, and VDOT incident commanders.

They have also requested to use the RMTA as a model for quick clearance for incident management. In the near future, we will be using the Powhite Parkway to create a simulated accident where personnel from multiple jurisdictions' police, fire, and rescue departments, as well as VDOT and the towing industry and train in the response and management of traffic accidents.

Administration

Description

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

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

Priorities

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

Performance Measures

Priority	Objective	Performance Measure	Result
1	Manage the Authority's social media presence	Regular monitoring and updates of Facebook Info Line and Twitter	Staff monitors account activity daily
2	Archive Board and Committee meeting materials electronically	Archive all Board and Committee documents electronically	All meeting materials were uploaded
3	Routinely examine internal processes and procedures to ensure compliance and safekeeping of Authority assets	Number of internal audit examinations and related findings	5 audits performed with no significant findings
4	Manage the procurement process for all contracts	Number of contracts signed with oversight by the Internal Audit and Procurement Manager	11 contracts with value of \$8 million or more

Financial Summary

Administration	FY2016 Actual	FY2017 Budget	FY2018 Budget	FY2018 to FY2017	
				\$	%
Compensation and Benefits	\$ 970,990	\$ 1,126,800	\$ 1,149,600	\$ 22,800	2.0%
Operating	566,511	770,533	452,570	(317,963)	-41.3%
Total	\$ 1,537,501	\$ 1,897,333	\$ 1,602,170	\$ (295,163)	-15.6%
FTE Positions	6.0	6.0	6.0	-	0.0%

FY2018 compensation and benefits costs increased primarily due to the increase in medical insurance premiums that was absorbed by the RMTA.

Administration

FY2018 operating costs decreased primarily due to cost savings on a new office lease and a decrease in legal fees. The main office move was expensed in FY2017.

Highlights

The current office lease for Central Administration (located at the SunTrust Building on East Main Street) is scheduled to expire June 2017. Efforts over the past year to consider opportunities to take full advantage of the current market along with changing space requirements will result in a move back to our former home at the Riverfront Plaza west Tower where staff secured a ten-year lease with the option for two additional five-year periods. Space has been consolidated to just under 4,500 square feet (down from 8,300 square feet), saving the Authority over \$66,000 annually. This new location with turnkey tenant improvements totaling approximately \$180,000 and a ten-month rent free abatement, will provide direct access onto the 11th Street on- and off-ramps and a view of the eastern portion of the Downtown Expressway.

Administration continued to enhance RMTA customer outreach opportunities through the redesign of the RMTA website and an increased social media presence on Facebook and Twitter during FY2017. The new RMTA lease website allows customers to receive traffic alerts via email and/or text message. In an effort to further engage in social media, the RMTA added new twitter handles that directly link to the website. In conjunction with the redesign of the website, the RMTA changed its domain name and email addresses in order to create uniformity throughout the organization.

In continuing to ensure the integrity of the RMTA network, a number of significant information technology upgrades were performed. This included the implementation of a new anti-virus email, and web filtering system as well as upgrades to the RMTA firewall and intrusion detection. Staff was also provided with new Microsoft Office upgrades. On the telecommunications side, Information Technology realized cost savings by revisiting company cell phone usage and costs. Additionally, an upgrade to the current RMTA phone integrated system was performed ensuring that the RMTA has the ability to meet all of its telecommunications needs for years to come.

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

In addition to examining daily operations, the Authority's internal auditor added procurement oversight during FY2016. This allows for a streamlined approach to procurement with enhanced accessibility of contracts and staff awareness of expiring and upcoming contract renewals. Additionally, vendors have a single procurement contact for all procurements. During FY2016, approximately 15 contracts were signed with a value of \$6 million under these new procedures. In FY 2017, approximately 11 contracts were signed with a value of \$8 million or more.

Engineering

Description

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

Priorities

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

Performance Measures

Priority	Objective	Performance Measure	Result
1	Perform annual inspections to identify asset needs timely	Annual facility inspections	100%
1,2	Maintain bridges at or above the established condition level	% of bridges rated below Federal Highway Administration (FHWA) condition rating of 5	0%
1,2	Maintain pavement at or above the established condition level	% of pavement with a PCR score less than 40	0.42% (0.12% reduction from prior year)

Financial Summary

Engineering	FY2016 Actual	FY2017 Budget	FY2018 Budget	FY2018 to FY2017 \$	%
Compensation and Benefits	\$ 214,973	\$ 140,300	\$ 163,150	\$ 22,850	16.3%
Operating	12,958	18,200	17,250	(950)	-5.2%
Total	\$ 227,932	\$ 158,500	\$ 180,400	\$ 21,900	13.8%
FTE Positions	2.0	1.0	1.0	-	0.0%

FY2018 compensation and benefits costs increased primarily due to the increase in medical insurance premiums that was absorbed by the RMTA.

Highlights

The Authority successfully completed the Deck Rehabilitation project for the six (6) bridges linking the Downtown Expressway with I-95. This was the largest deck rehabilitation contract to date with total contract amount of approximately \$5.2 million. This project was completed on time and approximately \$270 thousand below contract amount due to project cost savings. The 2014 deck rehabilitation of the North-bound Powhite Parkway over the James River was, at the time, the largest latex modified concrete (LMC) placement and longest continuous pour of LMC using hydro-demolition in the Commonwealth of Virginia; and to the best of the Authority's knowledge, an accomplishment that has not been surpassed.

As part of the 2016 Maintenance and Repair project, the pavement at the Boulevard Bridge toll plaza and southbound approach was replaced. This 0.27 mile of pavement had a PCR rating equal to 25. This is below the RMTA Board approved maintenance policy which requires asphalt pavement to be maintained at optimum levels and that no subsection PCR score is less than 40. The Mill and Overlay operation removed approximately 1.5 – 2.0 inches of the degraded asphalt roadway surface and replaced it a more durable and long lasting Stone Matrix Asphalt (SMA). These efforts have brought the Expressway's mean pavement score up from 70.47% in FY2016 to 71.13% in FY2017. This PCR rating corresponds to Treatment Group 2 which is defined as "Very good condition to Good condition." In FY2017, The Authority will begin

Engineering

the Mill and Overlay 2017 project for the Downtown Expressway and Connector Roadway which links the Powhite Parkway to the Downtown Expressway. At the conclusion of this project it is anticipated that no subsections of pavement will be classified in Treatment Group 3 or Treatment Group 4.

Over the last 12 months, the Authority has been developing an RFP for its next generation tolling system. A Request for Information (RFI) was advertised in January 2017 seeking industry input on the draft toll collection system upgrade Request for Proposal (RFP). Eight (8) written responses to the RFI were received, which included industry insight on the following: innovative approaches to interim maintenance and request for proposals structure; strategies for issuing current cash collection methods; maintenance of third-party source code; phased installation of tolling solutions; recommended approaches to expand violation enforcement systems; industry preferred model of engagement and compensation for implementation, operation and maintenance of tolling solutions, violations processing and back office services; effectiveness of video tolling (pay by plate) systems and available options for implementation; recommended strategies to reduce total cost of tolling system ownership and length of time to implement; adaptability of toll systems and equipment to change as government mandates occur and/or technology advances.

The Authority advertised the toll collection system upgrade RFP on March 24, 2017. The toll system upgrade proposals are due on June 21, 2017. The Authority will evaluate and score each submitted proposal and conducted oral presentations with Proposers. From assessing the technical proposals as well as the price proposals and conducting oral interviews, the selection committee will determine, by consensus, two or more Proposers determined to be fully qualified, responsible and suitable with whom the Authority will conduct negotiations. The Proposers chosen will comprise the "Short List". In determining the Short List, the Authority will evaluate the proposals based on the following criteria, in order of importance: 1) Toll System Design and Technical Approach; 2) Design, Development, Implementation and Schedule Approach; 3) Firm Qualifications, Project Team, Capabilities and References; and 4) Systems Maintenance and Warranty Approach.

In following the requirements of the Virginia Procurement Code for "Competitive Negotiation," a selection committee, comprised of RMA employees was established in advance of the RFP's advertisement to determine the ranking of the responsible and responsive Proposers which appears to provide the greatest value to the Authority in accordance with the selection criteria stated in the RFP. During the procurement process, the Authority's consulting engineers will also review the original proposals; participate in the meetings for oral presentations and negotiations, as advisors to the selection committee. The consulting engineers will also provide a summary of comparisons and judgments or reasonableness reflecting its professional assessment of the information received from the proposers to aid in the ranking of "qualified and best suited" proposals. Upon final ranking, Staff and the Authority's consulting engineer shall recommend to the Authority's Board of Directors to approve a resolution which authorizes the CEO on behalf of the Authority to award the contract to the fully qualified, best suited Proposer that provides the best value to the Authority among all those submitting proposals.

The Authority continues to review the capital budget, making adjustments based on the annual facility inspection reports and condition assessments. Over the past year staff has adjusted the long range capital plan to include anticipated capital needs through FY2041, including the addition of several missing items such as toll system expansions and upgrades, buildings and facility repairs and renovations, and cyclical preventative maintenance activities such as full protective bridge coatings, bridge deck overlays and mill

Engineering

& asphalt overlays. These cyclical preventative maintenance activities provide a planned strategy of cost-effective treatments to keep bridges in good condition, retard future deterioration and avoid large expenses such as reconstructions and/or full replacements of assets.

Finance

Description

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

Priorities

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

Performance Measures

Priority	Objective	Performance Measure	Result
1,2,3	Receive an unmodified (“clean”) audit opinion	External auditor’s audit opinion	Unmodified
1,2,3	Obtain the GFOA Financial Reporting Award (CAFR)	Consecutive years receipt of award	23
1,2,3	Obtain the GFOA Budget Presentation Award	Consecutive years receipt of award	3

Financial Summary

Finance	FY2016		FY2017		FY2018		FY2018 to FY2017	
	Actual		Budget		Budget		\$	%
Compensation and Benefits	\$ 281,455	\$	410,400	\$	402,800	\$	(7,600)	-1.9%
Operating	571,457		672,200		640,500		(31,700)	-4.7%
Total	\$ 852,912	\$	1,082,600	\$	1,043,300	\$	(39,300)	-3.6%
FTE Positions	4.5		4.5		4.5		-	-

FY2018 compensation and benefits costs decreased due to decreased utilization of company provided medical insurance. FY2018 operating costs decreased due to savings from banking and payroll services. Additionally, FY2017 included the costs of a triennial actuarial valuation for the Authority’s Other Post Employment Benefits (OPEB) obligation.

Highlights

Finance continues to provide excellent financial services as evidenced by receiving an unmodified (“clean”) audit opinion on the Authority’s’ FY2016 Comprehensive Annual Financial Report (CAFR) and receipt of the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers’ Association (GFOA) for the 23rd consecutive year. Finance also received the GFOA’s Distinguished Budget Presentation Award for the 3rd consecutive year for the Authority’s FY2017 budget and continues to make improvements to the budget document based on GFOA recommendations and industry best practices.

Finance works closely with the CEO to identify and implement cost savings as well as improve reporting and realign costs to the respective departments. Finance also communicates with Jacobs, the Traffic and Revenue consultant and Davenport, the financial advisory firm to monitor traffic statistics, revenues, funding, and overall financial performance.

Human Resources

Description

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

Priorities

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

Performance Measures

Priority	Objective	Performance Measure	Result
1	Regularly evaluate employee compensation against comparative positions	Completion of a compensation study	June 2017
1	Evaluate benefit plans with benefits consultant and providers	Annual review of benefit plans	February 2017
2	Coordinate annual employee meeting	Annual employee "Town Hall" meeting held	December 2016
3	Review Personnel Policies and Procedures manual at least annually	Revised policy manual	March 2017
3	Reestablish RMTA Safety Program	Work with Lead SCOP to reorganize safety committee	April 2017

Financial Summary

Human Resources	FY2016 Actual	FY2017 Budget	FY2018 Budget	FY2018 to FY2017	
				\$	%
Compensation and Benefits	\$ 272,737	\$ 293,900	\$ 272,000	\$ (21,900)	-7.5%
Operating	96,898	103,700	145,370	41,670	40.2%
Total	\$ 369,636	\$ 397,600	\$ 417,370	\$ 19,770	5.0%
FTE Positions	4.0	3.0	2.0	(1.0)	(0.3)

FY2018 operating costs increased due to restructuring of the training and development budget. All training costs will be managed by Human Resources. Additionally, Compensation and Benefits costs decreased due to retirement of the receptionist.

Human Resources

Highlights

Human Resources staff worked with the benefits consultants to promote more employee awareness about their healthcare benefits and to introduce Health Savings Accounts (HSAs). Staff provided employees with education and assistance on how to use and manage their individual accounts, encouraging a more consumer driven approach to healthcare. This resulted in a 25% shift of employees from the more expensive plan to the qualified high deductible plan, reducing costs for RMTA.

Despite efforts by our Benefits Consultants to solicit more favorable rates, health insurance premiums for FY18 will increase by 15.6% due to higher utilization over the last few quarters. Staff worked with the Compensation and Benefits Committee to review and evaluate how the premium increase would impact employees. Because the RMTA continuously considers the well-being of employees, the Committee decided that RMTA will fully absorb the 15.6% increase.

Human Resources continues to expand employee access to information about their benefits through the Health Advocate program, which provides employees direct and unlimited professional assistance with resolving healthcare and insurance-related issues. Additionally, staff continues to promote the Employee Assistance Program for employees to receive confidential professional counseling services as needed.

Staff successfully coordinated the annual Holiday Reception and Town Hall meeting and recognized outstanding and dedicated staff and their contributions at the Employee Recognition Luncheon. Human Resources also publicly recognized employees at Board meetings to highlight employee certifications or awards aimed at enhancing job knowledge or promoting the mission and goals of the Authority.

Human Resources, in collaboration with executive staff, continues to evaluate each full-time vacancy to determine current need for that position or if greater efficiency and cost savings could be obtained by replacing with a different type or part-time position.

Human Resources continues to promote performance based merit increases through an annual evaluation process. Coinciding with the fiscal year, RMTA uses a common merit date for all employees. Since 2014, there has been a consistent 100% evaluation completion rate. Employees who fully meet expectations for their respective position are eligible to receive a merit increase unless they are at the top of the pay scale for their grade. Employees who are at the top of the scale and who exceed performance expectations receive a one-time lump sum award.

Staff worked with Finance to further a paperless environment by preparing employees to print their own W-2s for 2017. Work continues with the next phase to provide an intranet system through the HR/payroll system. This will streamline our communication process and provide a vehicle for online open enrollment in the future.

Human Resources staff continues to navigate and implement the regulatory changes as a result of national health care reform. Staff attends regular training, review and analysis of the Fair Labor Standards Act (FLSA), Family and Medical Leave Act (FMLA), Workers' Compensation Act, Americans with Disabilities Act Amendments Act (ADAAA), and Equal Employment Opportunity Commission (EEOC) requirements to ensure consistent compliance.

Main Street Station

Description

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

Priorities

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

Performance Measures

Priority	Objective	Performance Measure	Result
1	Ensure the facility remains operational for Amtrak trains	Number of monthly Amtrak passengers	Average 3,661 per month
2	Advertise the Station's event capabilities to increase utilization	Number of event rentals	Average 2 per month

Financial Summary

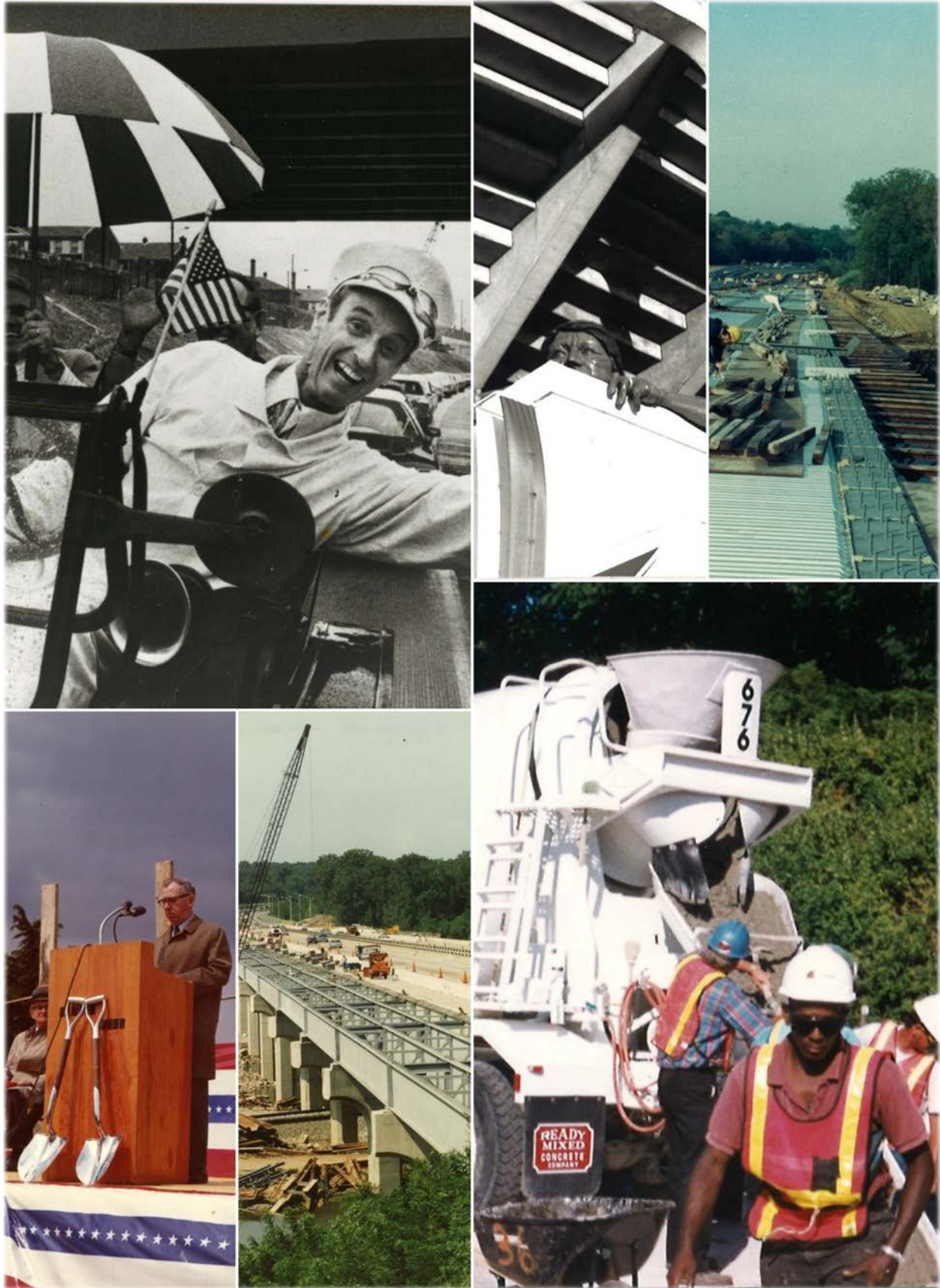
Main Street Station	FY2016 Actual	FY2017 Budget	FY2018 Budget	FY2018 to FY2017	
				\$	%
Compensation and Benefits	\$ 114,173	\$ 78,824	\$ 192,500	\$ 113,676	144.2%
Operating	542,552	725,192	1,148,100	422,908	58.3%
Total	\$ 656,725	\$ 804,016	\$ 1,340,600	\$ 536,584	66.7%
FTE Positions	2.0	2.0	3.0	1.0	0.5

FY2018 compensation and benefits costs increased primarily due to the increase in medical insurance premiums that was absorbed by the RMTA. Additionally, in preparation for the Shed becoming operational, additional staff will be added to Main Street Station as well as an increase in facility expenses. In FY2017, there was a decrease in the average number of events held at Main Street Station due to the ongoing construction of the Shed and a change in aesthetics of the event space.

Highlights

In March 2012 the City announced a planned \$29 million project to renovate the train shed building attached to the facility. Construction was expected to begin in FY2014 however delays pushed the start of construction to FY2015. The renovation project remains ongoing and is expected to be complete July 2017. The Authority has no direct involvement in the planning, financing or management of the renovation project.

The City notified the Authority of its plan to issue a comprehensive request for proposals for management services of the existing facility as well as the new train shed building. It is anticipated that a provider will be selected sometime during FY 2018. The current operating agreement expires June 30, 2017 but is expected to be extended through December 31, 2018 in order to ensure that there is an effective transition to the awarded management company.



Budget Detail

Department to Fund Crosswalk

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

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

A summary of the FY2018 operating budget by department and a crosswalk to the budgets by fund can be found below.

	Expressway	Central Administration	Main Street Station	Total
Toll Collection	\$ 11,039,700	\$ -	\$ -	\$ 11,039,700
Maintenance	1,085,050	-	-	1,085,050
SCOP	186,600	-	-	186,600
Administration	114,000	1,478,070	10,100	1,602,170
Engineering	16,500	163,900	-	180,400
Finance	579,400	460,400	3,500	1,043,300
Human Resources	-	417,370	-	417,370
Main Street Station	-	-	1,340,600	1,340,600
	\$ 13,021,250	\$ 2,519,740	\$ 1,354,200	\$ 16,895,190

	Expressway	Central Administration	Main Street Station	Total
Total Budget by Fund	\$ 14,948,850	\$ 2,519,740	\$ 1,507,450	\$ 18,976,040
Central Admin Allocation (1)	(1,927,600)	-	(153,250)	(2,080,850)
	\$ 13,021,250	\$ 2,519,740	\$ 1,354,200	\$ 16,895,190

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

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

Expressway Fund Budget

Description

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

Significant Budgetary Changes

- *Toll Revenue*: Year to date toll revenue in FY2017 outpaced the budget by 1.6%; the forecasted revenue growth for FY2018 is 0.9%. See the Revenue Sources and Forecasting Assumption section for a detailed discussion on the development of the FY2018 forecast.
- *Violation Enforcement*: In conjunction with increasing traffic volume, both violation enforcement revenues and related expenses exceeded budgeted expectations in FY2017; actual revenue for FY2017 is projected at approximately 160% of FY2017 budget. Along with increasing volume, the Authority is also seeing increased payment activity for violations, driving the revenue increase.
- *Toll Payments – Collections and Collections Service*: For unpaid cash tolls, a new process was implemented during FY2017 to utilize a third party collections service, allowing for additional billing and collection efforts that were previously not feasible with in-house resources. The FY2017 budget includes the estimated impact of a full year of the new process.
- *Compensation and benefits*: Rising health care premiums of 15.6% were the primary contributor to the increase. This increase was partially offset by employee migration to high deductible plans and employee retirements as described in the Budget Overview section.
- *E-ZPass processing fees*: At the time of publishing the budget document, VDOT had not provided the FY2018 E-ZPass processing rates; therefore the FY2018 budget includes an 11.9% budget increase based on forecasted transaction and E-ZPass participation growth.
- *Toll System Parts and Supplies*: FY2018 costs decreased \$62,000 due to anticipated fewer repairs based on historical activity and FY2017 included the purchase of backup server equipment.
- *VDOT Annual Road Maintenance – Roadways*: FY2018 includes an estimated \$190,000 increase as there is an anticipated increase based upon VDOT's re-evaluation of the current contract costs. At the time of publishing the budget document, VDOT had not provided further details.
- *Vehicle Operations and Maintenance*: FY2017 included costs related to the replacement of a new crash cushion on the Authority's crash truck which results in a \$20,000 decrease.
- *Communications Equipment*: FY2018 decrease of \$28,000 as several one-time equipment purchases for SCOPs, including mobile data terminals (in-car computers), police radio upgrades (analog to digital), and radar equipment were made in FY2017.
- *Legal*: Budgeted amounts were decreased in FY2018 to reflect recent utilization trends.

Expressway Fund Budget

Certificate

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

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

	FY2016 Actual	FY2017 Projected	FY2018 Budget	FY2018 to FY2017	
				\$	%
Toll Revenue (1)	\$ 41,040,929	\$ 41,880,582	\$ 42,290,000	\$ 409,418	1.0%
Other Revenue (2)	397,843	375,000	449,500	74,500	19.9%
	41,438,772	42,255,582	42,739,500	483,918	1.1%
Operating Expenses	13,720,496	14,500,000	14,948,850	448,850	3.1%
Net Operating Revenue	27,718,276	27,755,582	27,790,650	35,068	0.1%
Debt Service	(12,847,052)	(12,842,258)	(14,844,970)	(2,002,712)	15.6%
Available for Capital	\$ 14,871,224	\$ 14,913,324	\$ 12,945,680	\$ (1,967,644)	-13.2%

(1) As estimated by Jacobs and the Authority

(2) As estimated by the Authority

Revenue Certification



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

Expense Certification



Nicholas Antonucci, P.E.
HNTB Corporation

Expressway Fund Budget

Expressway	FY2016 Actual	FY2017 Budget	FY2018 Budget	FY2018 to FY2017	
				\$	%
Revenue					
Toll Revenue (1)	\$ 40,001,842	\$ 40,116,000	\$ 41,040,000	\$ 924,000	2.3%
Violation Enforcement - CSC	816,353	750,000	975,000	225,000	30.0%
Violation Enforcement - Courts	168,248	90,000	200,000	110,000	122.2%
Toll Payments - Collections	54,486	20,000	75,000	55,000	275.0%
Parking Lot Rentals	46,915	49,000	49,500	500	1.0%
Interest Income	307,672	375,000	400,000	25,000	6.7%
Miscellaneous Income	43,256	-	-	-	0.0%
Total Revenue	<u>\$41,438,772</u>	<u>\$41,400,000</u>	<u>\$42,739,500</u>	<u>\$1,339,500</u>	3.2%
Toll Collection					
Regular Pay	\$ 3,114,133	\$ 3,014,000	\$ 2,993,600	\$ (20,400)	-0.7%
Overtime	322,277	352,000	350,200	(1,800)	-0.5%
Payroll Taxes	255,195	258,000	255,800	(2,200)	-0.9%
Retirement	213,341	121,800	117,200	(4,600)	-3.8%
Health Insurance	802,338	886,900	1,014,700	127,800	14.4%
Group Life Insurance	32,819	36,400	38,900	2,500	6.9%
Long Term Disability	2,173	2,400	3,200	800	33.3%
Unemployment Benefits	2,894	7,500	7,500	-	0.0%
Uniforms	29,178	10,000	6,000	(4,000)	-40.0%
Employee Mileage	21,453	25,000	22,000	(3,000)	-12.0%
	4,795,802	4,714,000	4,809,100	95,100	2.0%
E-ZPass Processing Fees	2,965,797	3,098,000	3,468,000	370,000	11.9%
Violation Enforcement - CSC	838,401	920,000	1,000,000	80,000	8.7%
Violation Appeals - Legal	6,000	5,000	5,000	-	0.0%
Collections Service	12,697	15,000	30,000	15,000	100.0%
Armored Transport & Coin Counting	258,734	285,000	270,000	(15,000)	-5.3%
Toll System Maint. - Transcore	219,233	226,600	262,000	35,400	15.6%
Toll System Maint. - TRMI	682,218	731,000	746,000	15,000	2.1%
Currency Counter Maintenance	3,638	4,500	3,000	(1,500)	-33.3%
Security System	12,745	12,000	-	(12,000)	-100.0%
Communications Systems	174	1,000	-	(1,000)	-100.0%
Traffic Camera Hosting	3,000	4,000	2,500	(1,500)	-37.5%
Utilities	155,645	180,000	185,400	5,400	3.0%
Toll System Parts and Supplies	226,151	282,000	220,000	(62,000)	-22.0%
(continued)					

(1) As estimated by Jacobs

Expressway Fund Budget

Expressway	FY2016	FY2017	FY2018	FY2018 to FY2017	
	Actual	Budget	Budget	\$	%
Security System - Camera					
Maintenance	-	5,000	5,000	-	0.0%
Traffic Cameras - Maintenance	2,000	5,000	5,000	-	0.0%
Gate Claims	612	2,000	2,000	-	0.0%
Office Supplies and Printing	19,742	21,000	21,000	-	0.0%
Office Equipment	3,517	2,000	5,200	3,200	160.0%
Communications Equipment	232	1,000	-	(1,000)	-100.0%
Miscellaneous Expenses	1,660	2,000	500	(1,500)	-75.0%
	<u>5,412,196</u>	<u>5,802,100</u>	<u>6,230,600</u>	<u>428,500</u>	<u>7.4%</u>
Toll Collection Total	<u>\$10,207,998</u>	<u>\$10,516,100</u>	<u>\$11,039,700</u>	<u>\$ 523,600</u>	<u>5.0%</u>
Maintenance					
Regular Pay	\$ 174,712	\$ 205,000	\$ 195,300	\$ (9,700)	-4.7%
Overtime	11,304	20,300	20,500	200	1.0%
Payroll Taxes	14,317	17,300	16,600	(700)	-4.0%
Retirement	11,969	10,000	9,000	(1,000)	-10.0%
Health Insurance	49,527	54,600	55,700	1,100	2.0%
Group Life Insurance	2,026	2,700	2,600	(100)	-3.7%
Long Term Disability		-	600	600	0.0%
Unemployment Benefits		-	750	750	0.0%
Uniforms	-	2,000	2,000	-	0.0%
	<u>263,855</u>	<u>311,900</u>	<u>303,050</u>	<u>(8,850)</u>	<u>-2.8%</u>
VDOT Annual Road Maintenance	360,000	360,000	550,000	190,000	52.8%
Building and Janitorial Services	15,954	18,000	22,000	4,000	22.2%
Materials & Supplies - Toll Plaza	5,358	9,500	9,500	-	0.0%
Materials & Supplies - Traffic Control	5,633	6,000	6,000	-	0.0%
Materials & Supplies - Grounds & Buildings	44,315	45,000	48,000	3,000	6.7%
Materials & Supplies - Roadways	34,420	9,000	9,000	-	0.0%
Grounds & Building Maintenance	73,310	75,000	75,000	-	0.0%
Maintenance - Equipment Repair	5,000	5,000	7,500	2,500	50.0%
Vehicle Operations and Maintenance	50,194	75,000	55,000	(20,000)	-26.7%
	<u>594,184</u>	<u>602,500</u>	<u>782,000</u>	<u>179,500</u>	<u>29.8%</u>
Maintenance Total	<u>\$ 858,039</u>	<u>\$ 914,400</u>	<u>\$ 1,085,050</u>	<u>\$ 170,650</u>	<u>18.7%</u>
(continued)					

Expressway Fund Budget

Expressway	FY2016 Actual	FY2017 Budget	FY2018 Budget	FY2018 to FY2017	
				\$	%
SCOP					
Regular Pay	\$ 90,672	\$ 147,000	\$ 145,300	\$ (1,700)	-1.2%
Overtime	39	1,000	-	(1,000)	-100.0%
Payroll Taxes	7,431	11,400	11,200	(200)	-1.8%
Retirement	6,212	2,600	2,200	(400)	-15.4%
Health Insurance	9,905	9,100	10,800	1,700	18.7%
Group Life Insurance	405	800	700	(100)	-12.5%
Long Term Disability	501	600	200	(400)	-66.7%
Uniforms	-	6,183	6,900	717	11.6%
	115,164	178,683	177,300	(1,383)	-0.8%
Communications Systems	-	2,000	3,300	1,300	65.0%
Communications Equipment	-	31,000	3,000	(28,000)	-90.3%
Materials & Supplies - Traffic Control	-	-	3,000	3,000	0.0%
Training and Development	-	2,000	-	(2,000)	-100.0%
	-	35,000	9,300	(25,700)	-73.4%
SCOP Total	\$ 115,164	\$ 213,683	\$ 186,600	\$ (27,083)	-12.7%
Administrative					
Telecommunications	\$ 17,847	\$ 18,000	\$ 20,000	\$ 2,000	11.1%
Data Communications	29,605	23,500	24,000	500	2.1%
Computer Service Agreements	35,524	35,400	36,000	600	1.7%
Legal Services	79,409	120,000	30,000	(90,000)	-75.0%
Computer Hardware	2,798	5,000	4,000	(1,000)	-20.0%
Computer Software	12,426	7,500	-	(7,500)	-100.0%
Asset Management Software Hosting	11,000	15,000	16,500	1,500	10.0%
Insurance	345,549	355,000	354,900	(100)	0.0%
Trustee Services	24,164	23,000	24,000	1,000	4.3%
Bank Fees	8,865	1,000	500	(500)	-50.0%
Traffic and Revenue Consultant	23,026	26,000	25,000	(1,000)	-3.8%
Audit and Accounting Services	69,151	52,000	53,000	1,000	1.9%
Credit Rating Fees	14,000	24,000	24,000	-	0.0%
Financial Advisor	-	40,000	40,000	-	0.0%
Investment Advisor	9,165	60,000	58,000	(2,000)	-3.3%
Administrative Total	\$ 682,529	\$ 805,400	\$ 709,900	\$ (95,500)	-11.9%
Compensation and Benefits	\$ 5,174,821	\$ 5,204,583	\$ 5,289,450	\$ 84,867	1.6%
Operations	6,688,909	7,245,000	7,731,800	486,800	6.7%
Central Admin Allocation	1,856,766	2,084,400	1,927,600	(156,800)	-7.5%
Total Expenses	\$13,720,496	\$14,533,983	\$14,948,850	\$ 414,867	2.9%

Central Administration Fund Budget

Description

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

Significant Budgetary Changes

- *Compensation and benefits:* Rising health care premiums of 15.6% were the primary contributor to the increase. This increase was partially offset by employee migration to high deductible plans and employee retirements as described in the Budget Overview section.
- *Office Lease and Parking:* FY2018 realizes savings of \$142,000 due to an office move in FY2017 and the negotiation of 10 months free rent.
- *Web Site Development:* Funds were included in the FY2017 budget for the re-development of the Authority's web site after the recent name and logo change. Funds for additional development costs were reduced in FY2018 as the principal re-development costs were expensed in FY2017.
- *Board Expenses – Other:* The budget includes consultant costs for strategic plan development and has been increased to align with recent usage.
- *Administrative Office Move:* FY2017 included relocation expenses of \$50,000 that will not occur in FY2018.
- *Public Relations:* Costs are included in FY2018 for public outreach efforts in regards to the Toll System upgrade.
- *OPEB Actuarial Valuation:* FY2018 does not include the triennial actuarial analysis costs of the Authority's Other Post-Employment Benefits (OPEB) obligation, performed in FY2017.
- *Tuition Assistance:* The Authority's tuition assistance program is open to all employees who wish to pursue continuing education that will be mutually beneficial to the employee and the Authority; the FY2018 budget was reduced based on approved employee requests for the fiscal year.

Central Administration Fund Budget

Central Administration	FY2016 Actual	FY2017 Budget	FY2018 Budget	FY2018 to FY2017	
				\$	%
Administration					
Regular Pay	\$ 509,071	\$ 602,000	\$ 613,100	\$ 11,100	1.8%
Overtime	-	1,000	1,500	500	50.0%
Payroll Taxes	36,271	43,000	43,100	100	0.2%
Retirement	39,506	50,600	50,200	(400)	-0.8%
Health Insurance	95,870	129,200	131,100	1,900	1.5%
Group Life Insurance	5,835	7,800	7,900	100	1.3%
Long Term Disability	3,437	5,200	2,700	(2,500)	-48.1%
OPEB Trust Contribution	281,000	288,000	300,000	12,000	4.2%
	970,990	1,126,800	1,149,600	22,800	2.0%
Security System	-	-	8,000	8,000	0.0%
Telecommunications	7,855	13,000	15,000	2,000	15.4%
Data Communications	19,638	18,000	18,000	-	0.0%
Computer Service Agreements	24,457	25,000	19,000	(6,000)	-24.0%
Legal Services	84,069	110,000	120,000	10,000	9.1%
Office Lease and Parking	168,127	182,000	39,470	(142,530)	-78.3%
Computer Hardware	4,051	3,500	10,000	6,500	185.7%
Computer Software	12,426	8,000	2,500	(5,500)	-68.8%
Web Site Development	-	15,833	5,000	(10,833)	-68.4%
Board Attendance Fees	7,432	12,000	14,000	2,000	16.7%
Board Expenses - Other	6,671	12,000	40,000	28,000	233.3%
Professional Memberships and Subscriptions	22,921	26,000	27,500	1,500	5.8%
Training and Development	8,153	13,700	-	(13,700)	-100.0%
Administrative Office Move	-	50,000	-	(50,000)	-100.0%
Public Relations	-	-	10,000	10,000	0.0%
Branding	2,917	45,000	-	(45,000)	-100.0%
50th Anniversary Celebration	7,121	5,000	-	(5,000)	-100.0%
	375,838	539,033	328,470	(210,563)	-39.1%
Administration Total	\$ 1,346,828	\$ 1,665,833	\$ 1,478,070	\$ (187,763)	-11.3%
Engineering					
Regular Pay	\$ 158,607	\$ 106,000	\$ 128,950	\$ 22,950	21.7%
Overtime	-	-	-	-	0.0%
Payroll Taxes	11,300	8,100	9,900	1,800	22.2%
Retirement	12,308	9,000	10,800	1,800	20.0%
Health Insurance	29,870	14,700	10,800	(3,900)	-26.5%
Group Life Insurance	1,818	1,400	1,700	300	21.4%
Long Term Disability	1,071	1,100	1,000	(100)	-9.1%
	214,973	140,300	163,150	22,850	16.3%
Professional Memberships and Subscriptions	251	800	750	-	0.0%
Training and Development	1,707	2,400	-	(1)	0.0%
	1,958	3,200	750	(2,450)	-76.6%
Engineering Total	\$ 216,932	\$ 143,500	\$ 163,900	\$ 20,400	14.2%

Central Administration Fund Budget

Central Administration	FY2016 Actual	FY2017 Budget	FY2018 Budget	FY2018 to FY2017	
				\$	%
Finance					
Regular Pay	\$ 206,583	\$ 305,000	\$ 311,600	\$ 6,600	2.2%
Overtime	1,456	1,000	1,100	100	10.0%
Payroll Taxes	14,719	23,400	24,000	600	2.6%
Retirement	16,031	16,900	10,500	(6,400)	-37.9%
Health Insurance	38,904	58,600	50,500	(8,100)	-13.8%
Group Life Insurance	2,368	3,600	3,700	100	2.8%
Long Term Disability	1,394	1,900	1,400	(500)	-26.3%
	281,455	410,400	402,800	(7,600)	-1.9%
Bank Fees	3,704	500	-	(500)	-100.0%
Payroll Systems and Services	31,214	35,000	30,000	(5,000)	-14.3%
Accounting System and Services	23,039	27,000	25,500	(1,500)	-5.6%
OPEB Actuarial Valuation	-	10,000	-	(10,000)	-100.0%
Professional Memberships and Subscriptions	1,127	1,700	2,100	400	23.5%
Training and Development	2,376	5,500	-	(5,500)	-100.0%
	61,461	79,700	57,600	(22,100)	-27.7%
Finance Total	\$ 342,916	\$ 490,100	\$ 460,400	\$ (29,700)	-6.1%
Human Resources					
Regular Pay	\$ 197,041	\$ 213,000	\$ 182,800	\$ (30,200)	-14.2%
Overtime	-	1,000	-	(1,000)	-100.0%
Payroll Taxes	14,038	16,400	14,000	(2,400)	-14.6%
Retirement	15,291	13,800	11,800	(2,000)	-14.5%
Health Insurance	37,108	44,000	60,400	16,400	37.3%
Group Life Insurance	2,259	2,800	2,400	(400)	-14.3%
Long Term Disability	1,330	1,900	600	(1,300)	-68.4%
Unemployment Benefits	5,670	1,000	-	(1,000)	-100.0%
	272,737	293,900	272,000	(21,900)	-7.5%
Document Storage	1,878	3,000	5,000	2,000	66.7%
Copier Lease	9,537	9,400	6,500	(2,900)	-30.9%
Postage Machine	2,019	6,400	5,000	(1,400)	-21.9%
Benefits Consultant	20,770	26,000	27,000	1,000	3.8%
Office Supplies and Printing	8,494	10,000	10,000	-	0.0%
Office Equipment	2,701	1,500	36,500	35,000	2333.3%
Miscellaneous Expenses	3,476	5,000	3,550	(1,450)	-29.0%
Professional Memberships and Subscriptions	502	1,000	500	(500)	-50.0%
Training and Development	795	16,900	33,720	16,820	99.5%
Personnel - Employment	3,991	5,000	5,000	-	0.0%
Personnel - Employee Relations	5,201	8,500	6,350	(2,150)	-25.3%
Tuition Assistance	37,534	10,500	4,250	(6,250)	-59.5%
Safety Program	-	500	2,000	1,500	300.0%
	96,898	103,700	145,370	41,670	40.2%
Human Resources Total	\$ 369,636	\$ 397,600	\$ 417,370	\$ 19,770	5.0%
Compensation and Benefits	\$ 1,740,156	\$ 1,971,400	\$ 1,987,550	\$ 16,150	0.8%
Operations	536,155	725,633	532,190	(193,443)	-26.7%
Total Expenses	\$ 2,276,311	\$ 2,697,033	\$ 2,519,740	\$ (177,293)	-6.6%

Main Street Station Fund Budget

Description

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

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

In March 2012 the City announced a planned \$29 million project to renovate the train shed building attached to the facility. Construction was expected to being in FY2014 however delays pushed the start of construction to FY2015. The renovation project remains ongoing and is expected to be complete during FY2018. The Authority has no direct involvement in the planning, financing or management of the renovation project.

The City notified the Authority of its plan to issue a comprehensive request for proposals for management services of the existing facility as well as the new train shed building currently under construction. It is anticipated that a provider will be selected before the end of the calendar year. The current operating agreement between the City and the Authority expires June 30, 2017 but is expected to be extended through December 31, 2018.

Significant Budgetary Changes

- *Compensation and benefits:* Rising health care premiums of 15.6%, employee turnover in FY2017, and the addition of 1 FTE are the primary contributors to the significant increase.
- *Security and Custodial:* Increased for anticipated events upon completion of the train shed construction.
- *HVAC:* FY2017 included the replacement of a major system. The FY2018 budget is reduced to reflect standard maintenance costs.
- *Utilities:* Increased due to anticipated facility usage upon completion of the train shed construction.
- *Public Relations:* Increased in FY2018 for marketing and public outreach efforts for the new train shed.
- *Triennial Inspection:* Inspection of facility due in FY2018.
- *Legal:* No anticipated expenses in FY2018.

Main Street Station Fund Budget

Main Street Station	FY2016 Actual	FY2017 Budget	FY2018 Budget	FY2018 to FY2017	
				\$	%
Revenue					
Event Rental Fees	\$ 44,708	\$ 28,445	\$ 245,000	\$ 216,555	761.3%
Office Lease Revenue	145,001	145,000	145,000	-	0.0%
Miscellaneous Income	17,662	15,000	15,000	-	0.0%
Subtotal	207,371	188,445	405,000	216,555	114.9%
City of Richmond Contribution	610,241	782,171	1,102,450	320,279	40.9%
Total Revenue	\$ 817,612	\$ 970,616	\$ 1,507,450	\$ 536,834	55.3%
Operations					
Regular Pay	\$ 91,680	\$ 59,700	\$ 126,300	\$ 66,600	111.6%
Overtime	395	2,450	-	(2,450)	-100.0%
Payroll Taxes	6,111	3,778	9,700	5,922	156.7%
Retirement	5,861	2,276	5,300	3,024	132.9%
Health Insurance	8,882	9,210	48,600	39,390	427.7%
Group Life Insurance	885	810	1,700	890	109.8%
Long Term Disability	359	600	900	300	50.0%
	114,173	78,824	192,500	113,676	144.2%
Security System	1,056	1,100	1,100	-	0.0%
Event Custodial	7,034	4,608	60,000	55,392	1202.0%
Event Security	6,146	5,235	30,000	24,765	473.0%
Security	172,051	218,000	240,000	22,000	10.1%
Custodial	91,015	96,000	325,000	229,000	238.5%
Landscaping	17,663	15,448	65,000	49,552	320.8%
HVAC	14,846	42,800	22,500	(20,300)	-47.4%
Elevator	5,161	8,400	7,000	(1,400)	-16.7%
Generator	1,554	2,600	2,500	(100)	-3.8%
Pest Control	5,901	4,000	5,000	1,000	25.0%
Sprinkler System	6,811	6,300	6,500	200	3.2%
Plants	715	1,000	1,000	-	0.0%
Trash Removal	3,130	5,500	7,500	2,000	36.4%
Miscellaneous	8,083	22,000	-	(22,000)	-100.0%
Plumbing	1,422	3,500	3,000	(500)	-14.3%
Electrical	9,504	25,000	30,000	5,000	20.0%
Utilities	122,829	225,000	275,000	50,000	22.2%
Office Supplies and Printing	3,569	3,000	5,000	2,000	66.7%
Office Equipment	-	500	-	(500)	-100.0%

Main Street Station Fund Budget

Main Street Station	FY2016	FY2017	FY2018	FY2018 to FY2017	
	Actual	Budget	Budget	\$	%
Miscellaneous Expenses	398	1,400	500	(900)	-64.3%
Maintenance -Equipment Repair	-	-	1,000	1,000	0.0%
Public Relations	11,200	20,000	30,000	10,000	50.0%
Triennial Inspection	9,150	-	16,500	16,500	0.0%
Clock Tower Maintenance	1,617	2,200	2,000	(200)	-9.1%
Maintenance Supplies	3,381	3,600	4,000	400	11.1%
Janitorial Supplies	6,012	8,000	8,000	-	0.0%
UCI Bike Race	32,304	-	-	-	0.0%
	542,552	725,192	1,148,100	422,908	58.3%
Operations Total	\$ 656,725	\$ 804,016	\$ 1,340,600	\$ 536,584	66.7%
Administrative					
Telecommunications	\$ 2,745	\$ 4,000	\$ 3,200	\$ (800)	-20.0%
Data Communications	3,870	4,600	4,800	200	4.3%
Computer Service Agreements	105	800	800	-	0.0%
Legal Services	5,609	12,000	-	(12,000)	-100.0%
Computer Hardware	735	700	800	100	14.3%
Computer Software	-	-	500	500	0.0%
Insurance	5,586	5,000	-	(5,000)	-100.0%
Bank Fees	5,530	3,000	-	(3,000)	-100.0%
Audit and Accounting Services	4,960	3,500	3,500	-	0.0%
Administrative Total	\$ 29,140	\$ 33,600	\$ 13,600	\$ (20,000)	-59.5%
Compensation and Benefits	\$ 114,173	\$ 78,824	\$ 192,500	\$ 113,676	144.2%
Operating	571,692	758,792	1,161,700	402,908	53.1%
Central Admin Allocation	131,796	133,000	153,250	20,250	15.2%
Total Expenses	\$ 817,661	\$ 970,616	\$ 1,507,450	\$ 536,834	55.3%

Expressway Capital Budget

Capital Budget Overview

Overview

The Expressway Capital Budget includes all preservation, capital maintenance, and major capital improvement projects for over 50 lane miles of roads and 36 bridges that comprise the Expressway System.

Asset Maintenance Approach

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

Capital Budget Development

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

Grouping

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

Funding Sources

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

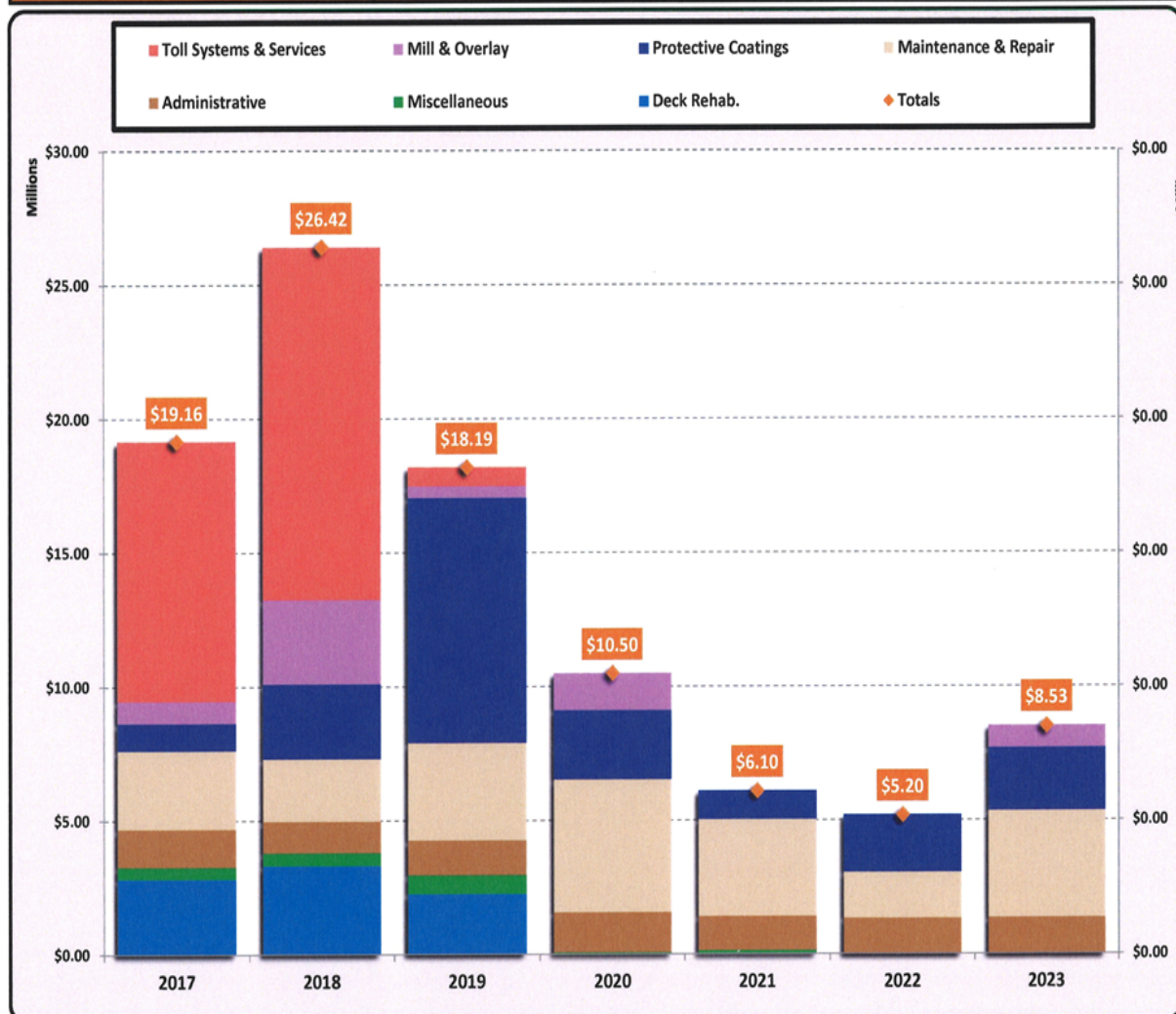
Presentation

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

Executive Summary

Executive Summary by Category & Fiscal Year (2017-2023)

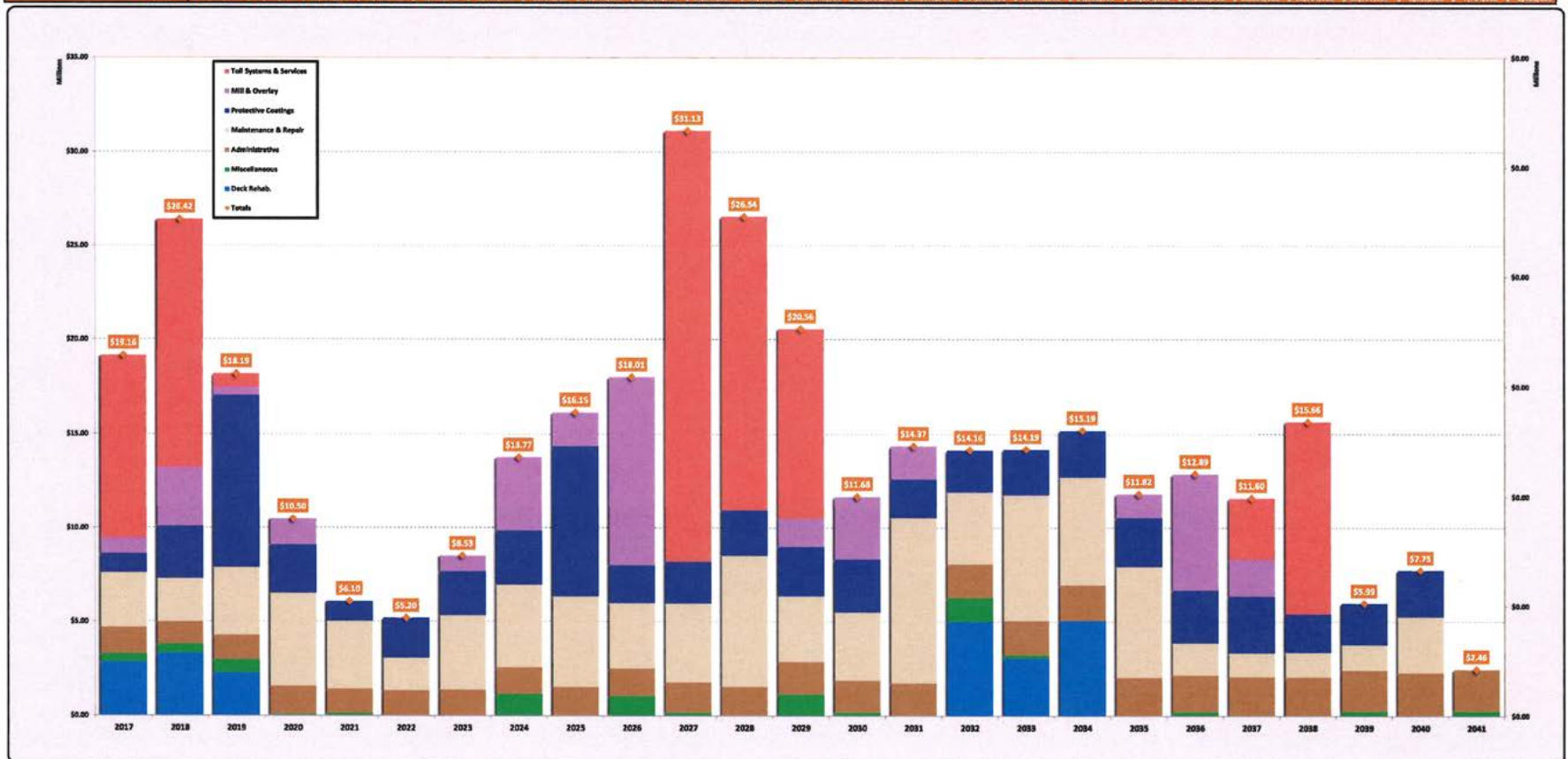
Category	2017-2023 Totals	2017	2018	2019	2020	2021	2022	2023
Deck Rehab.	\$ 8,400,069	\$ 2,821,816	\$ 3,315,524	\$ 2,262,729	\$ -	\$ -	\$ -	\$ -
Maintenance & Repair	\$ 23,198,091	\$ 2,932,046	\$ 2,327,539	\$ 3,643,113	\$ 4,958,433	\$ 3,621,037	\$ 1,728,407	\$ 3,987,515
Protective Coatings	\$ 21,056,023	\$ 1,009,202	\$ 2,782,258	\$ 9,134,500	\$ 2,582,735	\$ 1,067,380	\$ 2,137,349	\$ 2,342,599
Mill & Overlay	\$ 6,627,536	\$ 823,463	\$ 3,140,308	\$ 434,728	\$ 1,385,101	\$ -	\$ -	\$ 843,935
Toll Systems & Services	\$ 23,606,858	\$ 9,709,826	\$ 13,180,601	\$ 716,431	\$ -	\$ -	\$ -	\$ -
Debris	\$ 258,374	\$ -	\$ 123,463	\$ -	\$ -	\$ 134,911	\$ -	\$ -
Roadway Enhancement Project	\$ 285,184	\$ 70,192	\$ 69,556	\$ 71,643	\$ 73,792	\$ -	\$ -	\$ -
Misc.	\$ 1,301,779	\$ 390,967	\$ 286,920	\$ 623,892	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 1,845,337	\$ 461,158	\$ 479,939	\$ 695,535	\$ 73,792	\$ 134,911	\$ -	\$ -
Expressway Admin.	\$ 3,509,468	\$ 558,023	\$ 445,000	\$ 472,101	\$ 486,264	\$ 500,851	\$ 515,877	\$ 531,353
Vehicles	\$ 362,297	\$ 65,512	\$ 37,080	\$ 96,718	\$ 45,505	\$ 57,005	\$ -	\$ 60,476
GEC & Inspection only	\$ 5,493,100	\$ 783,805	\$ 707,157	\$ 734,342	\$ 964,221	\$ 722,059	\$ 815,483	\$ 766,032
Administrative	\$ 9,364,864	\$ 1,407,340	\$ 1,189,237	\$ 1,303,161	\$ 1,495,990	\$ 1,279,915	\$ 1,331,360	\$ 1,357,861
	\$ 94,098,777	\$ 19,164,852	\$ 26,415,405	\$ 18,190,198	\$ 10,496,052	\$ 6,103,243	\$ 5,197,116	\$ 8,531,911



Executive Summary

Executive Summary by Category & Fiscal Year (2017-2041)

Category	All Years Totals	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Deck Rehab.	\$ 21,486,573	\$ 2,821,816	\$ 3,515,534	\$ 2,380,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,010,981	\$ 3,023,374	\$ 5,062,148	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance & Repair	\$ 94,339,051	\$ 2,512,046	\$ 2,337,539	\$ 3,661,113	\$ 4,958,433	\$ 3,621,037	\$ 1,738,407	\$ 3,987,515	\$ 4,424,003	\$ 4,850,063	\$ 3,516,855	\$ 4,226,830	\$ 7,034,510	\$ 5,536,836	\$ 3,642,941	\$ 8,838,576	\$ 3,864,796	\$ 6,746,295	\$ 5,760,140	\$ 5,932,944	\$ 1,709,399	\$ 1,380,369	\$ 1,818,677	\$ 1,958,238	\$ 1,802,798	\$ -
Protective Coatings	\$ 48,431,717	\$ 1,029,202	\$ 2,262,258	\$ 5,154,500	\$ 2,542,735	\$ 1,067,380	\$ 2,137,349	\$ 2,342,599	\$ 2,877,020	\$ 8,004,153	\$ 2,010,323	\$ 2,217,486	\$ 2,420,144	\$ 2,640,755	\$ 2,828,912	\$ 2,046,134	\$ 2,225,604	\$ 2,405,254	\$ 2,477,412	\$ 2,604,412	\$ 2,835,833	\$ 3,015,587	\$ 2,653,122	\$ 2,215,405	\$ 2,480,080	\$ -
Mill & Overlay	\$ 38,371,983	\$ 823,463	\$ 3,140,308	\$ 434,728	\$ 1,385,101	\$ -	\$ -	\$ 843,535	\$ 3,512,277	\$ 1,793,284	\$ 10,000,287	\$ -	\$ -	\$ 1,489,916	\$ 3,346,905	\$ 1,763,983	\$ -	\$ -	\$ -	\$ 1,267,482	\$ 6,193,561	\$ 1,976,897	\$ -	\$ -	\$ -	\$ -
Toll Systems & Services	\$ 85,682,453	\$ 9,709,826	\$ 13,180,401	\$ 716,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,930,118	\$ 15,579,674	\$ 10,064,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,265,864	\$ 10,235,478	\$ -	\$ -	\$ -
Debris	\$ 1,622,664	\$ -	\$ 223,463	\$ -	\$ -	\$ 134,912	\$ -	\$ -	\$ 347,421	\$ -	\$ -	\$ 361,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,351	\$ -	\$ -	\$ -	\$ -	\$ 228,677	\$ -	\$ 243,664	\$ -
Roadway Enhancement Project	\$ 285,184	\$ 70,182	\$ 69,556	\$ 73,643	\$ 73,782	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc.	\$ 5,765,099	\$ 390,967	\$ 285,920	\$ 623,892	\$ -	\$ -	\$ -	\$ -	\$ 1,001,218	\$ -	\$ 1,051,978	\$ -	\$ -	\$ 1,141,810	\$ -	\$ -	\$ 1,268,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 7,672,946	\$ 461,158	\$ 479,939	\$ 695,535	\$ 73,792	\$ 134,911	\$ -	\$ -	\$ 1,148,639	\$ -	\$ 1,051,978	\$ 161,091	\$ -	\$ 1,141,810	\$ 176,028	\$ -	\$ 1,268,313	\$ 192,351	\$ -	\$ -	\$ 214,058	\$ -	\$ -	\$ 228,677	\$ -	\$ 243,664
Expressway Admin.	\$ 16,375,054	\$ 538,023	\$ 445,000	\$ 472,101	\$ 486,264	\$ 505,851	\$ 515,877	\$ 531,351	\$ 547,294	\$ 563,713	\$ 580,624	\$ 598,043	\$ 615,884	\$ 634,464	\$ 653,498	\$ 673,103	\$ 693,296	\$ 714,095	\$ 735,518	\$ 757,583	\$ 787,886	\$ 811,523	\$ 833,869	\$ 860,843	\$ 886,773	\$ 913,876
Vehicles	\$ 810,844	\$ 65,517	\$ 37,080	\$ 96,718	\$ 45,505	\$ 17,005	\$ -	\$ 60,478	\$ -	\$ 64,159	\$ -	\$ 68,067	\$ 72,312	\$ 76,609	\$ 81,275	\$ 86,223	\$ 91,275	\$ 96,223	\$ 101,275	\$ 106,275	\$ 111,275	\$ 116,275	\$ 121,275	\$ 126,275	\$ 131,275	\$ 136,275
GEC & Inspection only	\$ 24,880,879	\$ 788,805	\$ 707,157	\$ 734,342	\$ 864,221	\$ 722,059	\$ 811,483	\$ 766,032	\$ 862,750	\$ 874,375	\$ 851,750	\$ 930,243	\$ 903,621	\$ 984,117	\$ 1,030,169	\$ 920,387	\$ 1,095,941	\$ 1,029,687	\$ 1,158,464	\$ 1,175,087	\$ 1,144,680	\$ 1,250,168	\$ 1,214,391	\$ 1,322,573	\$ 1,384,463	\$ 1,304,110
Administrative	\$ 42,184,777	\$ 1,407,340	\$ 1,189,237	\$ 1,303,161	\$ 1,495,990	\$ 1,279,915	\$ 1,331,300	\$ 1,357,861	\$ 1,410,045	\$ 1,502,247	\$ 1,432,374	\$ 1,596,352	\$ 1,519,605	\$ 1,690,793	\$ 1,683,667	\$ 1,720,099	\$ 1,789,237	\$ 1,824,853	\$ 1,894,982	\$ 2,018,895	\$ 1,932,567	\$ 2,061,691	\$ 2,050,260	\$ 2,183,516	\$ 2,271,234	\$ 2,217,495
Totals	\$ 358,043,516	\$ 19,546,852	\$ 24,815,496	\$ 18,180,188	\$ 30,496,052	\$ 11,101,243	\$ 11,107,116	\$ 13,551,311	\$ 13,772,063	\$ 16,148,747	\$ 18,011,067	\$ 21,131,867	\$ 26,545,039	\$ 20,584,379	\$ 11,673,513	\$ 14,368,851	\$ 16,158,936	\$ 14,182,122	\$ 16,194,661	\$ 11,823,733	\$ 12,896,018	\$ 11,604,106	\$ 15,857,337	\$ 1,996,835	\$ 7,754,112	\$ 2,461,158



Six Year Plan

Six-Year Plan by Project (in thousands)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Routine Maintenance							
Maintenance and Repair	\$ 2,738	\$ 4,267	\$ 4,958	\$ 3,756	\$ 1,728	\$ 3,988	\$ 21,435
Protective Coatings	2,782	9,135	2,583	1,067	2,137	2,343	20,047
Inspections and GEC	707	734	964	722	816	766	4,709
Administrative	445	472	486	501	516	531	2,951
Vehicle Replacement	37	97	46	57	-	60	297
Subtotal	6,709	14,705	9,037	6,103	5,197	7,688	49,439
Capital Improvement Projects							
Deck Rehabilitation	3,315	2,263	-	-	-	-	5,578
Mill & Overlay	3,140	435	1,385	-	-	844	5,804
Toll Systems & Services	13,181	716	-	-	-	-	13,897
Roadway Enhancement	70	71	74	-	-	-	215
Subtotal	19,706	3,485	1,459	-	-	844	25,494
Total	<u>\$ 26,415</u>	<u>\$ 18,190</u>	<u>\$ 10,496</u>	<u>\$ 6,103</u>	<u>\$ 5,197</u>	<u>\$ 8,532</u>	<u>\$ 74,933</u>

Routine Maintenance

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

Capital Improvement Projects

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

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

Six Year Plan

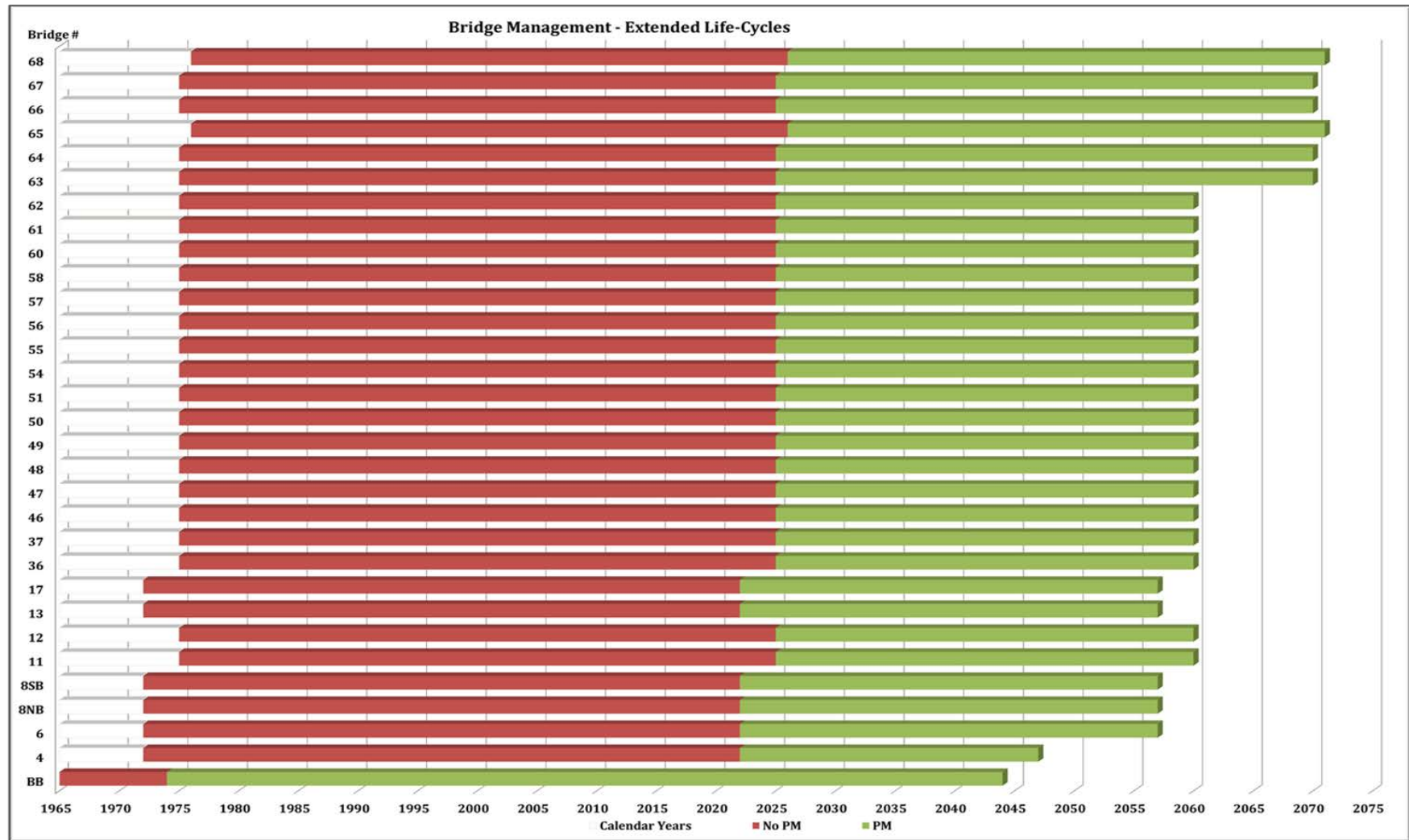
Change to Previous FY2018 Estimate

	FY2018 Prior Year Estimate	Adjustments	FY2018 Capital Plan
Routine Maintenance			
Maintenance and Repair	\$ 2,445,558	\$ 292,362	\$ 2,737,922
Protective Coatings	2,666,330	115,928	2,782,258
Inspections and General Engineering	707,157	-	707,157
Administrative	552,974	(107,974)	445,000
Vehicle Replacement	-	37,080	37,080
Subtotal	6,372,020	337,396	6,709,416
Capital Improvement Projects			
Deck Rehabilitation	3,315,524	-	3,315,524
Mill & Overlay	3,208,705	(68,397)	3,140,308
Toll Systems and Services	13,180,601	-	13,180,601
Roadway Enhancement	69,556	-	69,556
Subtotal	19,774,386	(68,397)	19,705,989
Total	\$ 26,146,406	\$ 268,999	\$ 26,415,405

The FY2018 estimate as shown in the prior year budget (\$26.1 million) requires certain adjustments due to timing, scope, or cost changes to reflect the appropriate adjusted budget needed for the upcoming fiscal year. The \$0.3 million increase for FY2018 is primarily due to the expanded scope of the Maintenance and Repair project to address Parapet wall protective coatings & bridge sliding plate joint replacements as well as a necessary vehicle replacement. These increases are offset by savings from Mill & Overlay projects and administrative costs.

Any future timing, scope, or cost changes to the FY2018 estimate of \$26.4 million will be outlined in next year's budget document.

Bridge Management Life Cycle



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



Project Pages

Maintenance and Repair

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

The M&R project also includes the required steel repairs and retrofits as the needs are identified during the annual bridge inspections. These steel repairs are an integral part to the RMTA's asset management program which is driven by the RMTA policy goals and objectives that define the required condition of assets, the levels of performance, and the quality of services to meet customer needs. Routinely performing the necessary steel repairs and retrofits helps to extend the use life of the assets. These preservation activities typically cost much less than major reconstruction or replacement activities that delaying or forgoing the required steel repairs will result in. In fiscal years 2016 and 2017, the M&R projects included approximately \$624,000 and \$250,000, respectively, in steel repairs. FY 2016 steel repairs were made to ten (10) bridges and included bearing repairs, stringer and girder stiffener repairs, sliding plate joint repair, stringer web repairs and repairs to truss lateral bracing at various locations. Steel repairs were completed on five (5) bridges as part of the M&R project in FY 2017 and included bearing repairs, girder stiffener repairs, girder diaphragm repairs and web plate repairs.

In FY 2018 the M&R project will include approximately \$303,000 for required steel repairs and retrofits. The upcoming scheduled steel repairs and retrofits include multiple lateral gusset plate repairs in various locations and a repair to a bridge floor beam and girder damaged by a recent strike by an over-height tractor trailer transporting construction equipment. In addition, an unanticipated failure of a sliding plate joint due to steel fatigue on the I-95 ramp from SB I-95 to WB DTE was added to the upcoming M&R program since the first draft of the proposed FY 2018 capital budget, adding approximately \$75,000 to the required steel repairs budget for the FY 2018 capital budget.

Other major work items that are typically addressed with the M&R projects include shotcrete repairs for bridge columns, asphalt crack sealing, line striping, bridge deck sealing, high speed impact attenuators, overhead sign panel replacements as well as minor work such tree trimming, Right of Way fencing repairs, and drainage structure clean-out. During FY 2016 and FY 2017 the M&R projects included approximately 7000 square feet of shotcrete (\$1.01 million), 33,000 square yards of deck sealant (\$250,000), four (4) high speed impact attenuators (\$125,000) and three (3) overhead sign panels (\$105,000).

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.

Project Pages

Six-Year Plan Total (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Planning/Design	\$ 228	\$ 176	\$ 181	\$ 186	\$ 198	\$ 194	\$ 215	\$ 1,151
Construction	2,733	2,332	3,862	4,542	3,359	1,348	3,666	19,109
Monitoring	362	230	224	230	199	186	106	1,175
Total	\$ 3,323	\$ 2,738	\$ 4,267	\$ 4,958	\$ 3,756	\$ 1,728	\$ 3,987	\$ 21,435

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

Project Pages

Protective Coatings

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

Location: As needed throughout the Expressway System.

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

Operating Budget Impact: None.

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

Six-Year Plan Total (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Planning/Design	\$ -	\$ 232	\$ 179	\$ -	\$ 48	\$ 49	\$ 81	\$ 588
Construction	903	2,319	8,239	2,214	950	1,911	2,128	17,761
Monitoring	106	232	716	369	70	177	134	1,699
Total	\$ 1,009	\$ 2,782	\$ 9,135	\$ 2,583	\$ 1,067	\$ 2,137	\$2,343	\$ 20,048

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

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

Project Pages

Inspections and GEC

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

Operating Budget Impact: None.

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

Six-Year Plan Total (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Inspections	\$ 287	\$ 301	\$ 316	\$ 534	\$ 279	\$ 359	\$ 296	\$ 2,085
GEC	497	406	418	430	443	457	470	2,625
Total	\$ 784	\$ 707	\$ 734	\$ 964	\$ 722	\$ 815	\$ 766	\$ 4,709

Other Notes: Inspection estimates in FY2019 (\$54,000) and FY2020 (\$55,000) include costs for periodic overhead sign inspections. Inspection estimate for FY2020 (\$200,000) includes cost for periodic underwater bridge inspections.

Administrative

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

Operating Budget Impact: None.

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

Six-Year Plan Total (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Allocation	\$ 470	\$ 445	\$ 472	\$ 486	\$ 501	\$ 516	\$ 531	\$ 2,951
Miscellaneous	88	50	50	50	50	50	50	388
Total	\$ 558	\$ 495	\$ 522	\$ 536	\$ 551	\$ 566	\$ 581	\$ 3,339

Project Pages

Vehicle Replacement

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

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

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

Six-Year Plan Total (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Purchases	\$ 66	\$ 37	\$ 97	\$ 46	\$ 57	\$ -	\$ 60	\$ 297
Total	\$ 66	\$ 37	\$ 97	\$ 46	\$ 57	\$ -	\$ 60	\$ 297

Deck Rehabilitation

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

Location: Downtown Expressway (DTE), including bridge decks for Richmond City streets that cross over the DTE. This two (2) phase project will rehabilitate nine (9) City street bridges in FY2018 (\$3.3 million) and ten (10) in FY2019 (\$3.4 million).

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

Operating Budget Impact: None.

Six-Year Plan Total (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Planning/Design	\$ 58	\$ 58	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58
Construction	2,313	2,956	2,030	-	-	-	-	4,986
Monitoring	450	301	233	-	-	-	-	534
Total	\$ 2,821	\$ 3,316	\$ 2,263	\$ -	\$ -	\$ -	\$ -	\$ 5,578

Project Pages

Mill & Overlay

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

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

Location: Downtown Expressway.

Estimated Useful Life: 15-20 years.

Operating Budget Impact: None.

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

Six-Year Plan Total (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Planning/Design	\$ 117	\$ -	\$ 64	\$ -	\$ -	\$ -	\$ -	\$ 64
Construction	578	2,863	348	1,313	\$ -	\$ -	\$ -	4,524
Monitoring	129	277	23	72	\$ -	\$ -	\$ -	372
Total	\$ 824	\$ 3,140	\$ 435	\$ 1,385	\$ -	\$ -	\$ -	\$ 4,960

Mill & overlay portion (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Planning/Design	\$ 117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	578	2,863	-	-	-	-	-	2,863
Monitoring	129	277	-	-	-	-	-	277
Total	\$ 824	\$ 3,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,140

Toll plaza concrete apron rehabilitation portion (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Planning/Design	\$ -	\$ -	\$ 64	\$ -	\$ -	\$ -	\$ -	\$ 64
Construction	-	-	348	1,313	-	-	-	1,661
Monitoring	-	-	23	72	-	-	-	95
Total	\$ -	\$ -	\$ 435	\$ 1,385	\$ -	\$ -	\$ -	\$ 1,820

Project Pages

Toll Systems and Services

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

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

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

Location: Throughout the Expressway System.

Estimated Useful Life: 7-10 years.

Operating Budget Impact: None for FY2018. The Authority anticipates potential operating budget changes to two line items (toll system maintenance and toll system equipment – parts and supplies) once the new system implementation is complete. The operating budget impact will be considered when evaluating toll system replacement options.

Total Cost: \$25.5 million for the toll system replacement, \$0.7 million for interoperability.

Six-Year Plan Total (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Planning/Design	\$ 585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	8,891	12,399	656	-	-	-	-	13,055
Monitoring	234	782	60	-	-	-	-	842
Total	\$ 9,710	\$13,181	\$ 716	\$ -	\$ -	\$ -	\$ -	\$ 13,897

Toll system replacement portion (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Planning/Design	\$ 585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	8,189	12,399	656	-	-	-	-	13,055
Monitoring	234	782	60	-	-	-	-	842
Total	\$ 9,008	\$13,181	\$ 716	\$ -	\$ -	\$ -	\$ -	\$ 13,897

Interoperability portion (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	702	-	-	-	-	-	-	\$ -
Monitoring	-	-	-	-	-	-	-	\$ -
Total	\$ 702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Pages

Roadway Enhancement

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

Location: Downtown Expressway.

Estimated Useful Life: Variable.

Operating Budget Impact: None.

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

Six-Year Plan Total (thousands):

	Prior	FY18	FY19	FY20	FY21	FY22	FY23	Total
Enhancements	\$ 70	\$ 70	\$ 72	\$ 74	\$ -	\$ -	\$ -	\$ 216
Total	\$ 70	\$ 70	\$ 72	\$ 74	\$ -	\$ -	\$ -	\$ 216



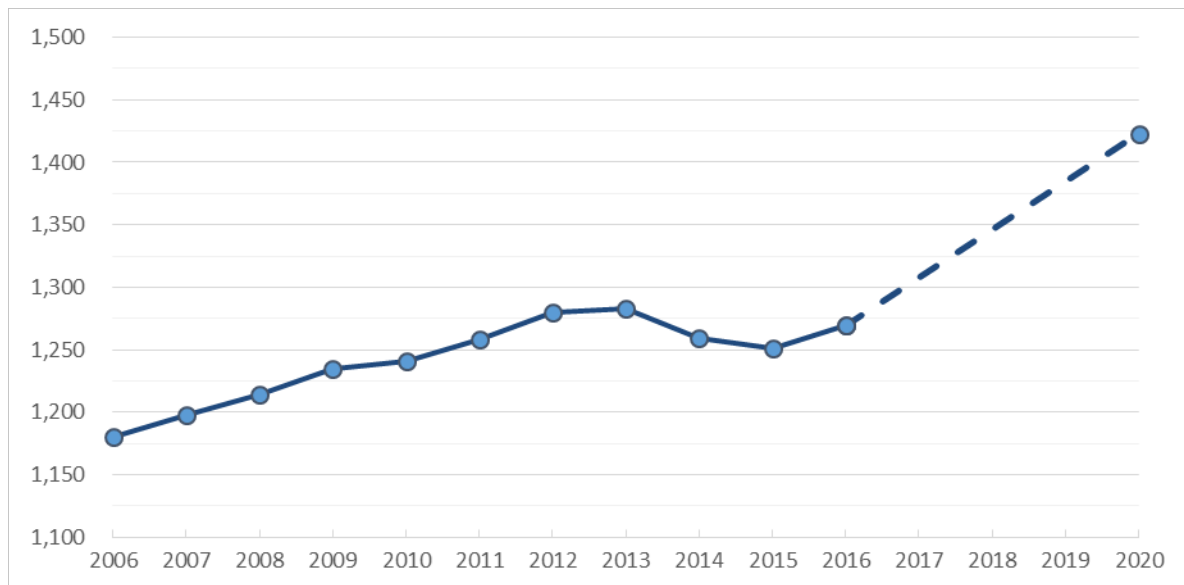




Supplemental Information

Estimated Population, Richmond Metropolitan Area

Estimated Population, Richmond Metropolitan Area (in thousands)



Year	City of Richmond	Chesterfield County	Henrico County	Total Participating Jurisdictions	Other Service Area	Total Population
2006	194,500	292,000	287,500	774,000	406,200	1,180,200
2007	197,000	297,400	291,400	785,800	411,800	1,197,600
2008	198,800	302,300	296,100	797,200	417,100	1,214,300
2009	201,300	308,400	300,200	809,900	424,300	1,234,200
2010	198,200	311,600	304,600	814,400	426,900	1,241,300
2011	204,200	316,200	306,900	827,300	430,900	1,258,200
2012	206,200	319,600	310,700	836,500	443,800	1,280,300
2013	208,800	322,400	314,900	846,100	436,400	1,282,500
2014	211,172	326,950	316,973	855,095	404,171	1,259,266
2015	213,504	330,043	318,019	861,566	389,477	1,251,043
2016	217,938	333,450	320,717	872,105		
2020 (1)	206,674	388,894	352,577	948,145	474,574	1,422,719

(1) Population projection based on November 2012 data.

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

Principal Employers, Richmond Metropolitan Area

Employer	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Capital One Bank	3	4	4	4	4	2	1	1	1	2
Virginia Commonwealth University	4	3	1	1	1	1	2	2	2	1
Henrico County School Board	2	2	3	3	2	3	4	4	3	6
Chesterfield County School Board	1	1	2	2	3	4	3	3	4	7
MCV Hospital	5	5	5	5	5	5	6	6	5	3
HCA Virginia Health System	-	-	-	-	-	-	5	5	6	4
Bon Secours Health System	9	8	7	6	7	6	9	8	7	5
US Department of Defense	8	7	8	8	6	7	8	9	8	8
Wal-Mart	6	6	6	7	8	8	7	7	9	9
Integrity Staffing Solutions	-	-	-	-	-	-	-	10	10	-
Richmond City Public Schools	10	10	9	9	9	9	10	-	-	-
Amazon Com KYDC										10
County of Henrico	-	-	-	-	-	10	-	-	-	-
City of Richmond	-	-	10	10	10	-	-	-	-	-
Philip Morris USA	7	9	-	-	-	-	-	-	-	-

- (1) Final quarter data for most recent calendar year (2007-2015), Third quarter data 2016
- (2) The Virginia Employment Commission does not disclose the actual number of employees, due to the Confidential Information Protection and Statistical Efficiency Act – Title V of Public Law 107-347. All employers have over 1,000 individuals employed.

Sources: Virginia Employment Commission

Expressway Toll Rates, Current and Historical

Two-Axle Vehicles

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

Three-Axle Vehicles

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

Four-Axle Vehicles

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

Five or More-Axle Vehicles

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

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

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

Operating Indicators

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue (1):										
Powhite										
Parkway	\$15,794,137	\$15,737,291	\$19,975,538	\$21,182,480	\$21,650,023	\$22,197,895	\$22,399,507	\$22,868,671	\$23,606,375	\$24,796,350
Downtown										
Expressway	8,678,668	8,789,276	11,009,880	11,421,500	11,791,817	11,900,320	12,210,502	12,823,395	13,061,678	13,674,656
Boulevard										
Bridge	1,244,659	1,238,805	1,583,822	1,610,910	1,607,330	1,583,026	1,555,089	1,515,723	1,492,920	1,523,353
Total	<u>\$25,717,464</u>	<u>\$25,765,372</u>	<u>\$32,569,240</u>	<u>\$34,214,890</u>	<u>\$35,049,170</u>	<u>\$35,681,241</u>	<u>\$36,165,098</u>	<u>\$37,207,789</u>	<u>\$38,160,973</u>	<u>\$39,994,259</u>
Traffic:										
Powhite										
Parkway	33,893,494	33,937,909	31,381,386	31,057,461	31,787,393	32,666,065	32,842,238	33,554,196	34,579,728	36,350,428
Downtown										
Expressway	20,586,135	20,966,648	18,857,745	18,326,751	18,838,516	19,002,222	19,344,609	20,225,578	20,623,336	21,561,269
Boulevard										
Bridge	4,995,311	4,964,251	4,800,726	4,619,608	4,575,223	4,562,253	4,426,225	4,312,318	4,262,366	4,343,172
Total	<u>59,474,940</u>	<u>59,868,808</u>	<u>55,039,857</u>	<u>54,003,820</u>	<u>55,201,132</u>	<u>56,230,540</u>	<u>56,613,072</u>	<u>58,092,092</u>	<u>59,465,430</u>	<u>62,254,869</u>
Avg. Toll (2)	\$0.43	\$0.43	\$0.59	\$0.63	\$0.63	\$0.63	\$0.64	\$0.64	\$0.64	\$0.64
E-ZPass % (3)	47.1%	49.5%	55.5%	58.1%	59.6%	60.6%	62.0%	63.0%	64.9%	66.5%
Lane Miles	46.94	45.91	45.91	49.90	49.90	49.90	50.15	50.15	50.15	50.15

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

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

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

Personnel Complement, Budgeted Positions

Department	Position	FY2016	FY2017	FY2018	Change
Expressway Operations					
Toll Collection	Administrative Assistant	2.0	1.0	1.0	-
Toll Collection	Floating Supervisor	2.0	2.0	2.0	-
Toll Collection	Plaza Superintendent	2.0	2.0	2.0	-
Toll Collection	Senior Toll Collection Attendant	8.0	8.0	8.0	-
Toll Collection	Toll Collection Attendant	57.0	55.5	54.5	(1.0)
Toll Collection	Toll Collection Supervisor	17.0	17.0	18.0	1.0
Toll Collection	Toll Road Operations Manager	1.0	-	-	-
Toll Collection	Toll Maintenance Administrator	1.0	1.0	1.0	-
Toll Collection	Toll Maintenance Assistant	1.0	1.0	1.0	-
Toll Collection	Vault Attendant	4.0	4.0	4.0	-
Toll Collection	Total	95.0	91.5	91.5	-
Maintenance	Maintenance Supervisor	1.0	1.0	1.0	-
Maintenance	Maintenance Worker	5.0	5.0	5.0	-
Maintenance	Total	6.0	6.0	6.0	-
SCOP	Lead Police Officer	1.0	1.0	1.0	-
SCOP	Special Police Officer	2.0	2.0	2.0	-
SCOP	Total	3.0	3.0	3.0	-
Administration	Chief Executive Officer	1.0	1.0	1.0	-
Administration	Chief of Staff	1.0	1.0	1.0	-
Administration	Administrative Assistant	1.0	1.0	1.0	-
Administration	Research Assistant	1.0	-	-	-
Administration	Information Systems Administrator	1.0	1.0	1.0	-
Administration	Internal Audit and Procurement Manager	1.0	1.0	1.0	-
Administration	Project Manager	-	1.0	1.0	-
Administration	Public Relations Manager	1.0	-	-	-
Administration	Total	7.0	6.0	6.0	-
Engineering	Director of Operations	1.0	1.0	1.0	-
Engineering	Engineering Technician	1.0	-	-	-
Engineering	Total	2.0	1.0	1.0	-
Finance	Director of Finance	1.0	1.0	1.0	-
Finance	Accounting Supervisor	1.0	1.0	1.0	-
Finance	Accounting Technician	1.5	1.5	1.5	-
Finance	Accounting & Financial Reporting Analyst	1.0	1.0	1.0	-
Finance	Total	4.5	4.5	4.5	-
Human Resources	Director of Human Resources	1.0	1.0	1.0	-
Human Resources	Receptionist	1.0	1.0	-	(1.0)
Human Resources	Employee Relations Manager	1.0	1.0	1.0	-
Human Resources	Human Resources Assistant	-	-	-	-
Human Resources	Total	3.0	3.0	2.0	(1.0)
Main Street Station	Assistant Facility Coordinator	1.0	1.0	2.0	1.0
Main Street Station	Facility Coordinator	1.0	1.0	1.0	-
Main Street Station	Total	2.0	2.0	3.0	1.0
Total		122.5	117.0	117.0	-

Expressway Debt

Overview

The following debt was outstanding for the Expressway System as of June 30, 2016:

Series	Sale Date	Original Borrowing	Interest Rate	Final Maturity	Outstanding Balance
1998	March 1998	\$ 80,705,000	3.65-5.25%	July 2022	\$ 25,400,000
2002	April 2002	28,430,000	3.50-5.25%	July 2022	20,880,000
2011 A, B, C	November 2011	77,490,000	4.62-4.75%	July 2041	77,490,000
2011 D	November 2011	43,875,000	4.29%	July 2041	43,875,000
					<u>\$ 167,645,000</u>

Legal Debt Limit

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

Series 1998 bonds

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

Series 2002 bonds

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

Series 2011-A, B, & C bonds

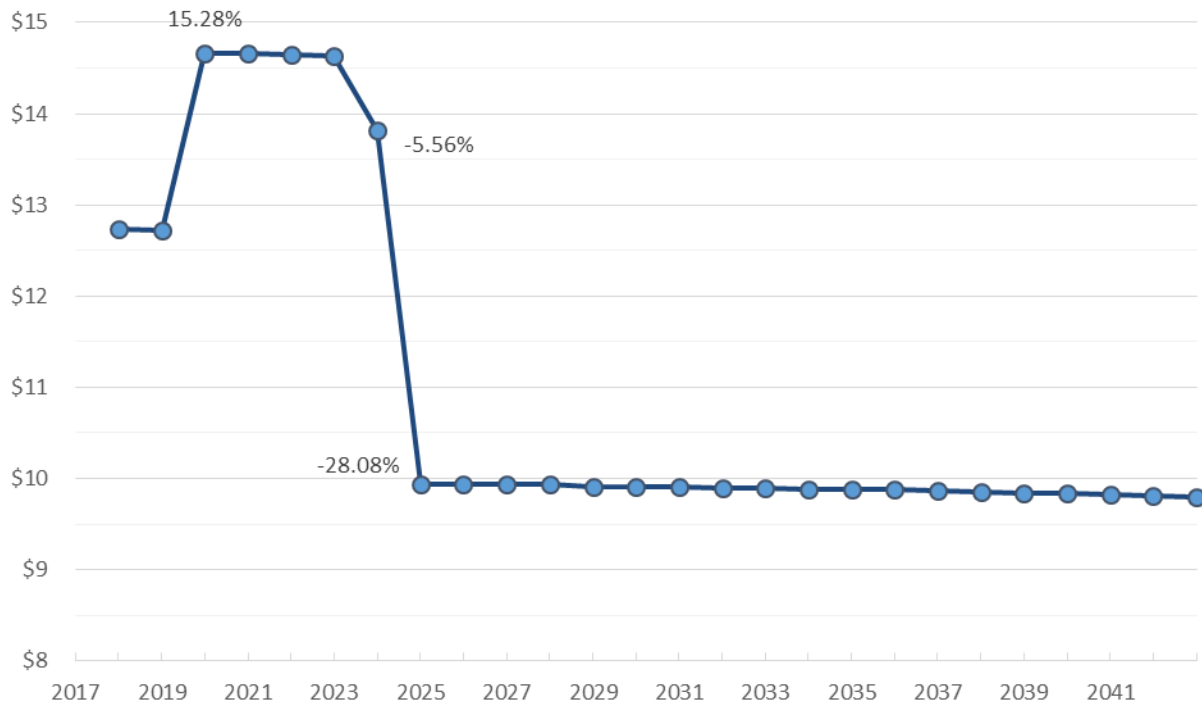
Revenue bonds were issued to refund a portion of Series 1998 and Series 2002 bonds; fully refund Series 1999, Series 2000, Series 2005, Series 2006, and Series 2008 bonds; and fund various construction of \$22.3 million, including the Downtown Expressway Open Road Tolling Project.

Series 2011-D bonds

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

Expressway Debt

Annual Debt Service Requirements (millions)



The debt service increase in FY2018 was timed to coincide with a planned FY2018 toll rate adjustment, however as noted in the Long Term Financial Plan Overview section; based on recent traffic growth, this adjustment has been removed from the current long-term financial plan. Debt service decreases in FY2023-2024 due to Series 1998 and Series 2002 maturities. All remaining Expressway debt is scheduled for final maturity in July 2041 (FY2042).

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

Fiscal Year	Principal	Interest	Total
2030	5,330,000	4,581,438	9,911,438
2031	5,585,000	4,316,313	9,901,313
2032	5,860,000	4,038,303	9,898,303
2033	6,145,000	3,741,493	9,886,493
2034	6,455,000	3,424,707	9,879,707
2035	6,785,000	3,091,832	9,876,832
2036	7,120,000	2,742,224	9,862,224
2037	7,475,000	2,375,184	9,850,184
2038	7,845,000	1,989,645	9,834,645
2039	8,255,000	1,584,309	9,839,309
2040	8,670,000	1,158,248	9,828,248
2041	9,105,000	710,709	9,815,709
2042	9,560,000	240,720	9,800,720
Total	167,645,000	117,997,143	285,642,143

Board of Directors, Committee Strategic Plans

Overview

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

Audit Committee

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

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

Board of Directors, Committee Strategic Plans

Compensation and Benefits Committee

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

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

Nominations and Governance Committee

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

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

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

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

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

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

Operations and Finance Committee

Goal 1: To exercise financial stewardship.

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

Goal 2: To ensure operating efficiency and effectiveness.

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

Board of Directors, Committee Strategic Plans

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

1. Provide guidance for the long-term capital budget development.
 - a. Review the long-term capital budget at least annually.
 - b. Examine condition assessments of infrastructure assets and evaluate the appropriate condition level of asset maintenance.
 - c. Prioritize capital maintenance projects to align with short-term and long-term resources.
 - d. Evaluate and implement (as appropriate) new tolling systems.

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

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

Regional Projects and Outreach Committee

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

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

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

Goal 4: Develop a process for reviewing project requests.

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

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

Glossary

Balanced Budget

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

Basis of Accounting/Budgeting

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

Bond Resolution

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

Capital Budget

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

CAFR

Comprehensive Annual Financial Report, which includes audited financial statements.

Consulting Engineer

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

Debt Service

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

Debt Service Coverage Ratio (DSCR)

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

E-ZPass

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

ETC

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

Established Condition Level

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

Excess Balances Fund

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

Expressway System

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

Glossary

Fiscal Year

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

Fund

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

GAAP

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

GASB

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

GFOA

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

HNTB

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

Jacobs, Inc.

The Traffic and Revenue Consultant retained by the Authority.

MSA

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

Operating Budget

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

ORT

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

OPEB

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

Traffic and Revenue Consultant

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

VDOT

Virginia Department of Transportation