



Annual Fiscal Plan, FY2020 Capital Budget, FY2020-2025

Serving Chesterfield, Henrico, and Richmond, Virginia

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Introduction





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May 14, 2019

Board of Directors
Richmond Metropolitan Transportation Authority
Richmond, Virginia

Honorable Members of the Board:

Enclosed for your review and consideration is the fiscal year 2020 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 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.

Having received pointed direction from the RMTA Board through the completion of its strategic plan in 2017, RMTA leadership has used the strategic plan as a roadmap as we continue to plan for the future. The strategic plan has five strategic priorities that will guide the work that we do currently and in the future. They are: (1) Become the "go to" authority for transportation and other infrastructure projects and services in the region; (2) Provide world-class customer service through strong communications and best in class customer experience; (3) Ensure the security of existing revenue stream while evaluating alternative funding approaches to support new initiatives; (4) Take full advantage of new technologies to ensure safety, enhance customer experience, and operate efficiently; and (5) Attract and retain the best staff in the business.

The RMTA Board commissioned a Compensation Study in FY 19. The RMTA issued an RFP for the compensation study and selected Paypoint HR to complete the study which compared existing pay of all RMTA positions to compensation scales of comparator organizations within the Richmond Metropolitan area. Paypoint HR held employee focus groups to assist with both salary and non-salary recommendations. Staff worked with the Board Compensation and Benefits Committee to present a multi-phased approach to implementing some of the consultant's recommendations. Phase 1 included bringing employees to a minimum market rate of \$12.79/hour. Based on information collected in the employee focus groups, it was determined that employees would like to have more company functions. In an effort to receive feedback from employees, I established a "OneRMTA" Employee Engagement Committee which will consider and present ideas to promote employee morale.

A considerable amount of time was spent this past year in laying the groundwork for the largest capital project in the history of the RMTA, the implementation of a new (upgraded) toll system. Having selected Transcore as the implementer last fiscal year, the RMTA began its design phase, completed its initial

Chief Executive Officer's Transmittal Letter

design review and is in the process of its midpoint design review with the target of completing Factory Acceptance Testing at the beginning of FY 20 and implementation later in the winter. The implementation of the upgraded toll system will give the RMTA the ability to be primed for future technology needs that are in line with industry trends while maintaining an optimal level of customer service. As a commuter-based road, the RMTA is reliant upon continued use by its patrons as well as economic growth in the Richmond region. The implementation of the upgraded toll system is expected to improve the experience of our patrons.

During this past year, the Authority successfully completed the fourth phase of the comprehensive Deck Rehabilitation project which included fifteen (15) Authority owned City overpasses along the Downtown Expressway and Powhite Parkway. In addition, this contract also included the application of a protective coating on the concrete jersey walls, median islands and sidewalks for each of the structures. This project was completed on time and under budget. The Authority also successfully completed the second phase of the Mill and Overlay project this fiscal year. All mainline and ramp paving has been completed on the Powhite Parkway and only minor items remain to be completed with an anticipated completion date of May 2019. The RMTA continues to maintain high standards of quality in its toll road system so as to provide safe and efficient passage for its users.

The RMTA moved its Central Office in the beginning of FY 2018 from its location at the SunTrust Building located on East Main Street to Riverfront Plaza located on East Byrd Street. Upon moving into Riverfront Plaza, the space adjacent to the RMTA Central Office became available for lease. In an effort to secure a permanent Board Room and additional office and storage space for the Authority, the RMTA negotiated a new lease for the additional space and moved in to the space in the Fall of 2018. The acquisition of this space has proven to be a positive development providing guaranteed and consistent meeting space for the Authority's Board and additional office space for staff.

What lies ahead operationally for the RMTA during fiscal year 2020?

First and most important, the implementation of the toll system replacement contract that aligns with the RMTA's guiding principles of reducing operational costs both in the near and long term future, consider future toll technology trends and industry best practices, and minimize operational risks and enhance resiliency of the toll collection system while maintaining toll system revenues in accordance with RMTA's existing bond covenants. Preventative maintenance activities as outlined in the capital plan will ensure RMTA's bridges, tunnels and roads remain in good condition, delay future deterioration, and avoid large, unnecessary expenses tied to reconstruction and/or full replacement of assets.

The RMTA continued to operate Main Street Station under its 10th Amendment through FY 19. The City sought approval of its 11th Amendment in April 2019 to carry the RMTA's management of the station through the end of June. The City will bring the management of Main Street Station in house beginning in FY 20. The RMTA has worked with the City to ensure that there will be a 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 2019 Comprehensive Annual Financial Report (CAFR) and receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association (GFOA), along with GFOA's Distinguished Budget Presentation Award. We will continue to pay close attention to traffic and revenue trends and identify what underlying factors impact revenue in the future and how any

Chief Executive Officer's Transmittal Letter

fluctuations may have an effect on RMTA's long-term financial plan. A comparison to prior year's budget as well as detail of significant changes are noted in the Budget Overview section of this document.

I would like to recognize and thank executive staff for their tremendous contributions this year. First, I would like to thank Jim Madison, Director of Finance, as well as his team, for their efforts leading this budget process. Jim has committed a tremendous amount of time this year ensuring the steadiness of the finance department. I am appreciative of his expertise and diligence in executing all of his responsibilities. Theresa Simmons, Director of Operations, continues to keep the RMTA assets in excellent condition and operations running smoothly. Her attention to detail and strong leadership through the implementation of the new toll system is tremendous. Leslie Mehta, Chief of Staff, in her first year, has become a trusted advisor and provides sound and thoughtful counsel in relation to all RMTA matters. Additionally, Leslie has garnered the trust of our Board as evidenced by her being elected Secretary of the Board this fiscal year. Sheryl Johnson, Director of Human Resources, wise and trusted counsel in all matters Human Resources to not only the CEO, but also the Compensation and Benefits Committee. Sheryl's has lent her professionalism and knowledge as she guided the Compensation and Benefits Committee through the Compensation Study. Paula Watson, who oversees Procurement and Internal Audit, is our most tenured member of senior staff and she touches and concerns all that we do at RMTA. I am grateful for her wise counsel and for all the careful attention that she pays to our procurement process as well as the ability to navigate the nuances of Main Street Station. Her attention to detail and persistence have ensured a smooth transition to the City of Richmond.

In closing, I once again would like to express gratitude to all of the staff at RMTA who work tirelessly to ensure that the RMTA provides the best customer service and most efficient operations in the region. It is because of everyone's hard work and dedication 365 days a year, 24 hours a day, that the RMTA is a successful organization.

Sincerely,

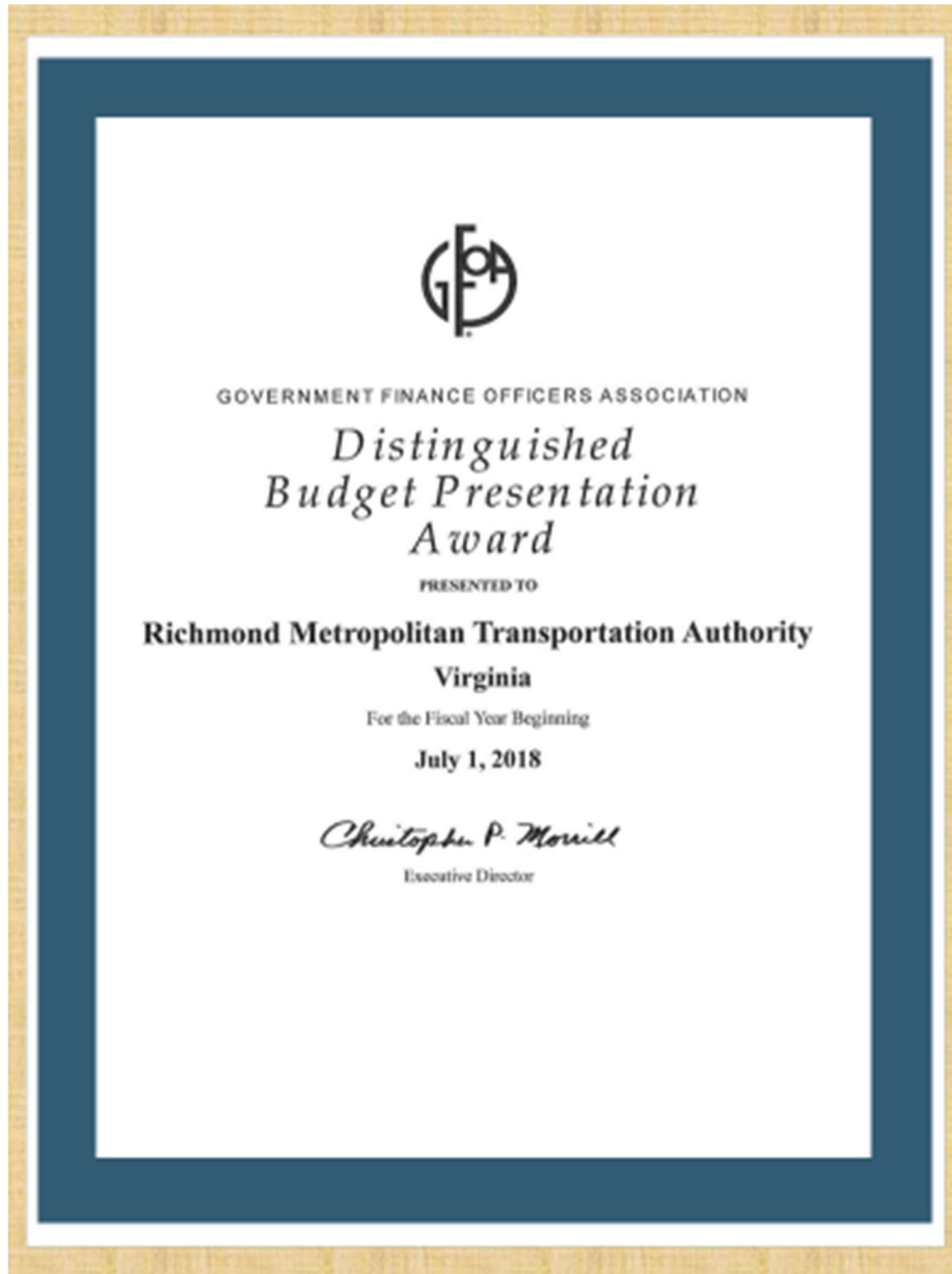
A handwritten signature in blue ink, appearing to read "Joi Dean". The signature is fluid and cursive, with the first name "Joi" being more prominent than the last name "Dean".

Joi Dean
CEO

Distinguished Budget Presentation Award

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, 2018. 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 2020 Fiscal Plan and Capital Budget outlines a spending plan that covers operations, annual maintenance and related capital projects of the Expressway System. The Fiscal Plan also includes operating budgets for the Authority's Central Administration function.

Budget Overview

	FY2018 Actual	FY2019 Budget	FY2020 Budget	FY2019 to FY2020	
				\$	%
Revenues					
Tolls	\$ 42,782,771	\$ 43,150,000	\$ 43,383,000	\$ 233,000	0.5%
Rentals	51,391	50,000	50,000	-	0.0%
Other	543,547	400,000	600,000	200,000	50.0%
Subtotal	43,377,709	43,600,000	44,033,000	433,000	1.0%
Operating Expenses					
Salaries and Benefits	\$ 6,728,213	\$ 7,787,200	\$ 7,861,824	\$ 74,624	1.0%
Operations	7,827,529	9,863,075	9,626,525	(236,550)	-2.4%
Subtotal	14,555,742	17,650,275	17,488,349	(161,926)	-0.9%
Net Operating Revenue	\$ 28,821,967	\$ 25,949,725	\$ 26,544,651	\$ 594,926	2.3%

Toll Revenue

Toll revenue for FY2020 is projected to increase to \$43.4 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. Other revenue primarily consists of investment income.

Compensation and Benefits

	FY2018 Actual	FY2019 Budget	FY2020 Budget	FY2019 to FY2020	
				\$	%
Salaries	\$ 5,118,616	\$ 5,518,485	\$ 5,794,981	\$ 276,496	5.0%
Health Care	1,051,168	1,726,390	1,507,193	(219,197)	-12.7%
VRS Retirement	170,130	135,225	138,175	2,950	2.2%
OPEB Contribution	300,000	300,000	300,000	-	0.0%
Other	88,300	107,100	121,475	14,375	13.4%
Total	\$ 6,728,213	\$ 7,787,200	\$ 7,861,824	\$ 74,624	1.0%
FTE Positions	112.5	113.0	112.0	(1.0)	-0.9%

Budget Overview

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%. 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 FY2020, employee health care premiums remained flat with a slight increase to dental premiums and employee contributions. 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 FY2020, the full actuarial recommended contribution rate of 1.15% represents a 62% reduction in rates and a budgetary savings in FY2020 of \$67,000. 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 FY2020.

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

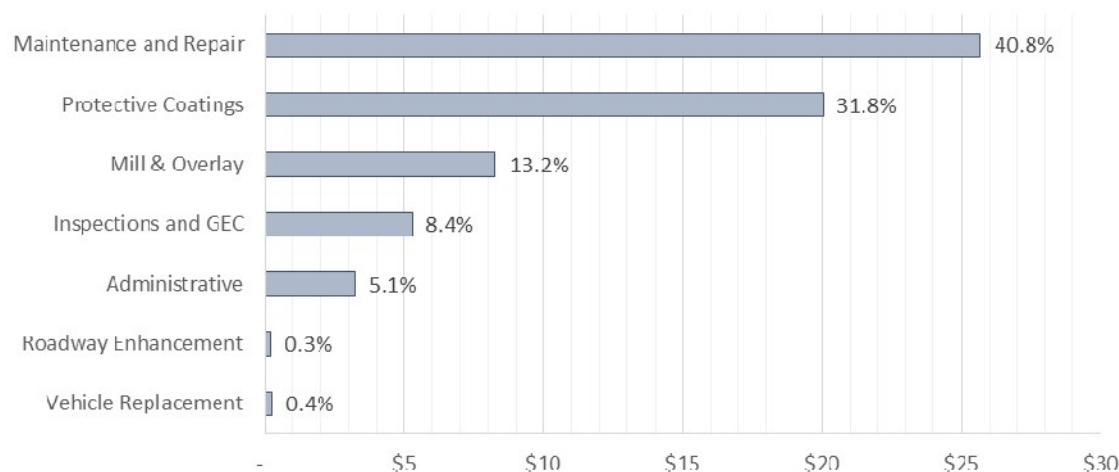
Operations

	FY2018 Actual	FY2019 Budget	FY2020 Budget	FY2020 to FY2019	
				\$	%
Toll Collection	\$ 6,112,093	\$ 6,466,900	\$ 6,893,801	\$ 426,901	6.6%
Maintenance	454,903	1,773,000	1,183,000	(590,000)	-33.3%
SCOP	14,410	17,000	41,900	24,900	146.5%
Administration	558,900	832,500	726,525	(105,975)	-12.7%
Engineering	13,940	24,750	26,250	1,500	6.1%
Finance	565,506	621,075	655,750	34,675	5.6%
Human Resources	107,776	127,850	99,300	(28,550)	-22.3%
Total	\$ 7,827,529	\$ 9,863,075	\$ 9,626,525	\$ (236,550)	-2.4%

The overall budget decrease for FY2020 is 2.4%. Annual road maintenance is the primary contributor to the budget decrease along with a forecasted decrease in legal expenses. The expiration of the VDOT maintenance agreement necessitated the procurement of expressway maintenance which realized savings in 2019 over preliminary estimates and has resulted in reduced 2020 budget expense. E-ZPass processing costs and contractual maintenance for the toll system (Toll Collection) are primary contributors to offsetting expense increases for the budget. See the Department Budget and Budget Detail sections for additional discussion on the significant budgetary changes for FY2020.

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 FY2020-2025, the Six-Year Plan totals \$62.9 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 facilitate and provide a variety of transportation and public facilities that improve the quality of life in the Richmond metropolitan area. Our efforts are dedicated to the following constituents:

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

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

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

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

Principal Officials



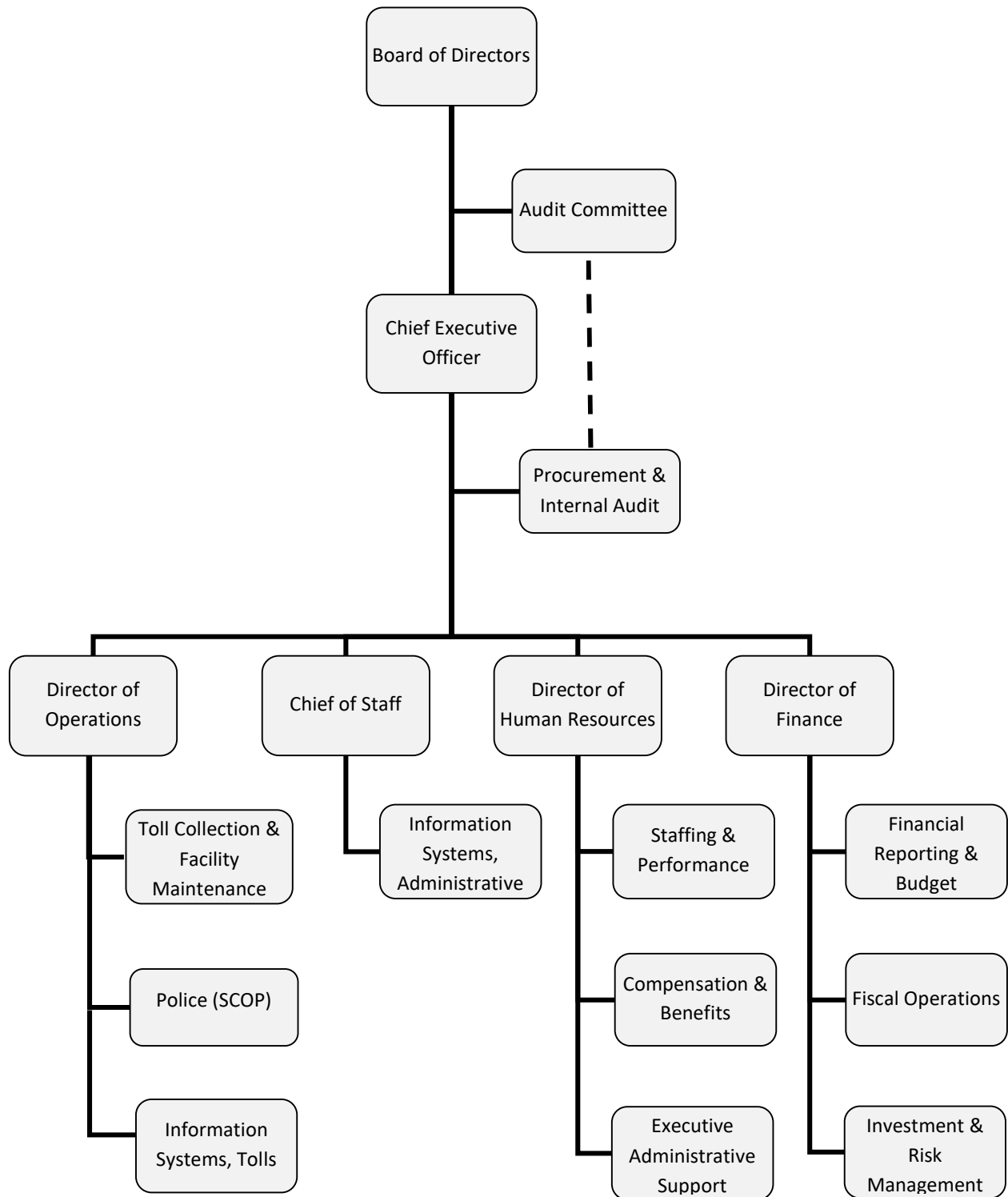
Board of Directors

Tyrone Nelson, Chairman	Henrico County
Gregory A. Whirley, Vice-Chairman	Chesterfield County
Carlos M. Brown	Commonwealth Transportation Board
Dr. Unwana Dabney	City of Richmond
Stephen Elswick	Chesterfield County
James B. Gurley, Jr.	Henrico County
Barrett Hardiman	City of Richmond
Thomas A. Hawthorne	Henrico County
Harvey Hinson	Henrico County
Darius Johnson	City of Richmond
Lane Ramsey	Chesterfield County
Marvin Tart, Sr.	Henrico County
Rodney Waller	City of Richmond
Marilyn West	City of Richmond
Donald Williams	Chesterfield County
Bill Woodfin	Chesterfield County

Executive Management

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

Organizational Chart



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)

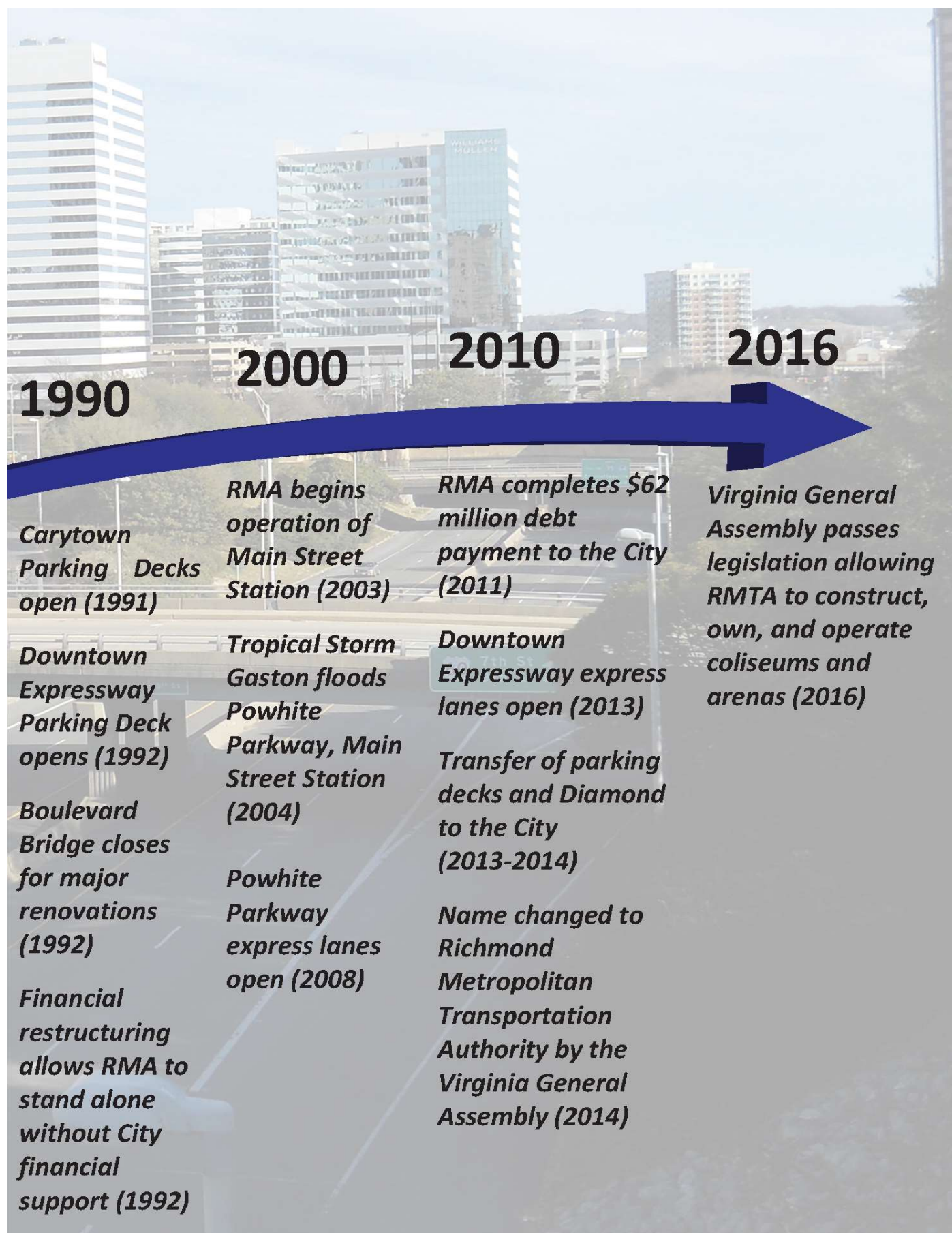
Downtown Expressway opens to Seventh Street (1976)

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

1980

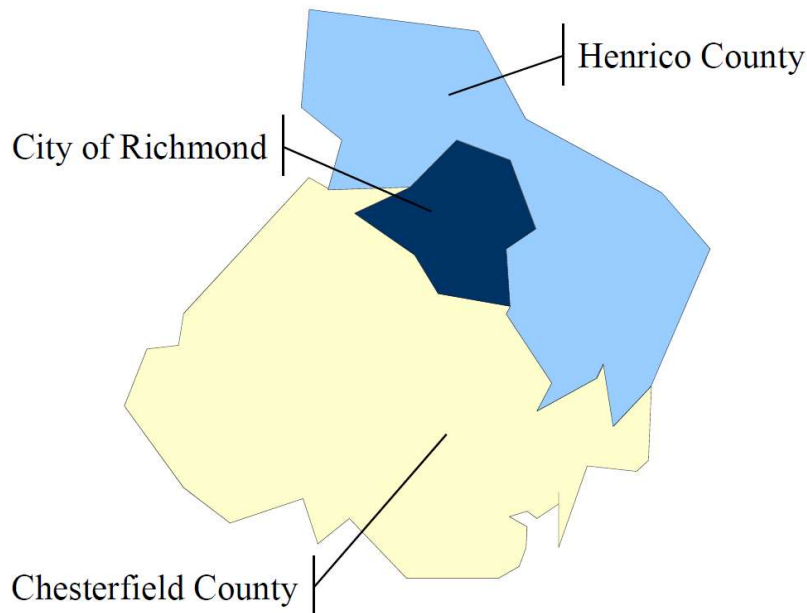
The Diamond opens (1985)

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.

History

In July 1973, the Authority introduced the Parham Express Bus Service. The pilot program was introduced in cooperation with the City of Richmond, the County of Henrico, and the Virginia Department of Highways. The service provided a comfortable bus ride over interstate routes between a commuter parking lot in suburban Henrico County and downtown Richmond. Seven buses provided morning and afternoon round trips. Full operation of the bus service was later passed on to the Greater Richmond Transit Company. Nevertheless, the Parham Express Bus Service was the first experiment with express transit in the Richmond area and became the model for future express bus services in the region.



Downtown Expressway Opening Ceremony, 1976

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



The Diamond

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

History



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

Basis of Accounting and Budgeting

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

Budget Process

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

Many aspects of the budget development process occur throughout the fiscal year. Each month, the 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. Departmental objectives are reviewed to ensure resources are in alignment with the strategic plan and Board goals. Budget requests are provided to Finance for further evaluation and to compile into budgets by fund. The Executive Staff holds 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 2020, the budget development process followed the calendar of events as described below:

Date	Action
January 11, 2019	Finance coordinates with Traffic and Revenue Consultant to provide an updated current fiscal year projection and next fiscal year revenue estimate.
January 22, 2019	Initial budget overview with Executive Staff, including review of budget calendar and required items.
January 31, 2019	Traffic and Revenue Consultant provides “Mid-Year Toll Certification”, including initial estimate of next year’s traffic and revenue projections.
February 11, 2019	Directors provide initial budget requests to Finance.
February 18, 2019 [week of]	Initial budget retreat with Executive Staff.
February 25, 2019	Operating budget draft completed.
February 28, 2019	Capital budget estimates reviewed by Executive Staff.
March 4, 2019 [week of]	Compensation and Benefits Committee meeting to review salary and benefits.
March 11, 2019	Capital budget draft completed.
March 18, 2019 [week of]	Budget workshop with Finance and Operations Committee to review operating and capital budget drafts and long-term financial plan update.
March 25, 2019	Traffic and Revenue Consultant provides draft certificate of Expressway toll revenue.
March 28, 2019	Final budget retreat with Executive Staff.
April 1, 2019	Proposed budget document complete.
April 9, 2019	Proposed budget presented to Board with comment period prior to adoption.
May 14, 2019	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, statutory requirements, and recommended best practices from the Government Finance Officers Association (GFOA). Financial policies are reviewed periodically for updates and revisions. The following financial policies have been adopted by the Authority's Board of Directors as noted.

Financial Planning (adopted March 2014)

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

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

Budget Adjustments – 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

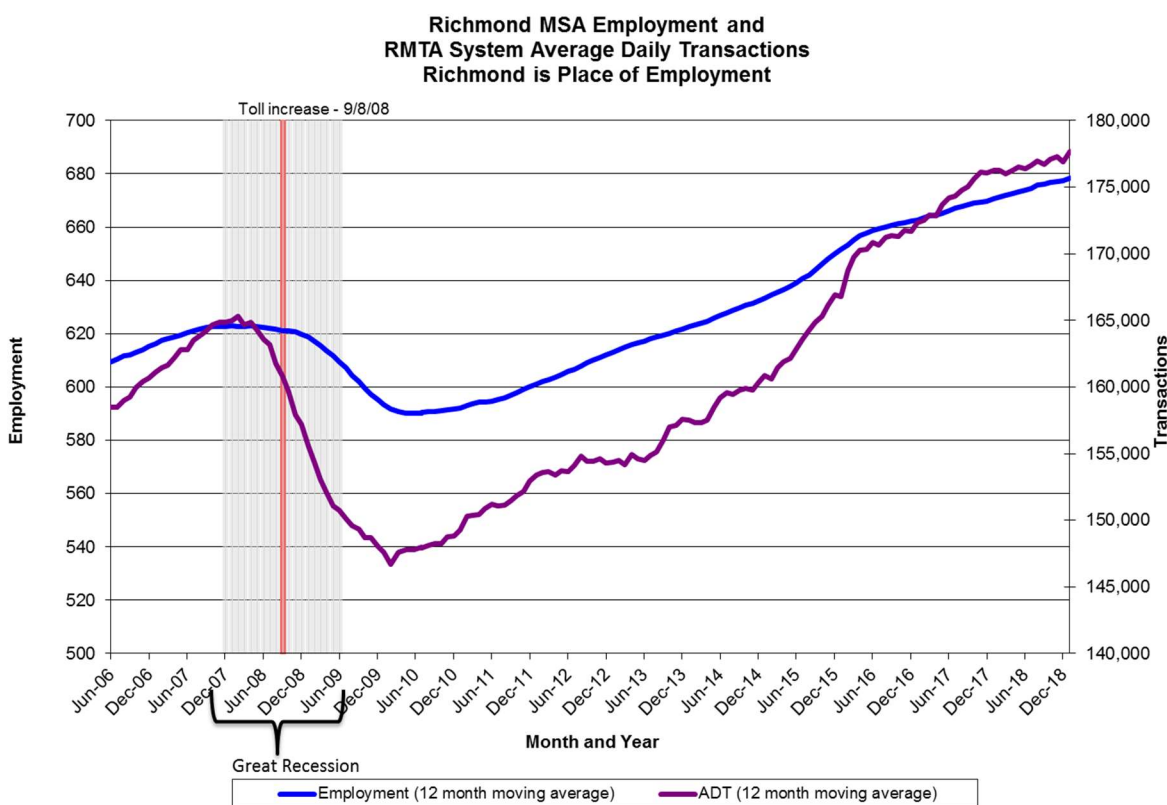
Revenue Sources

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



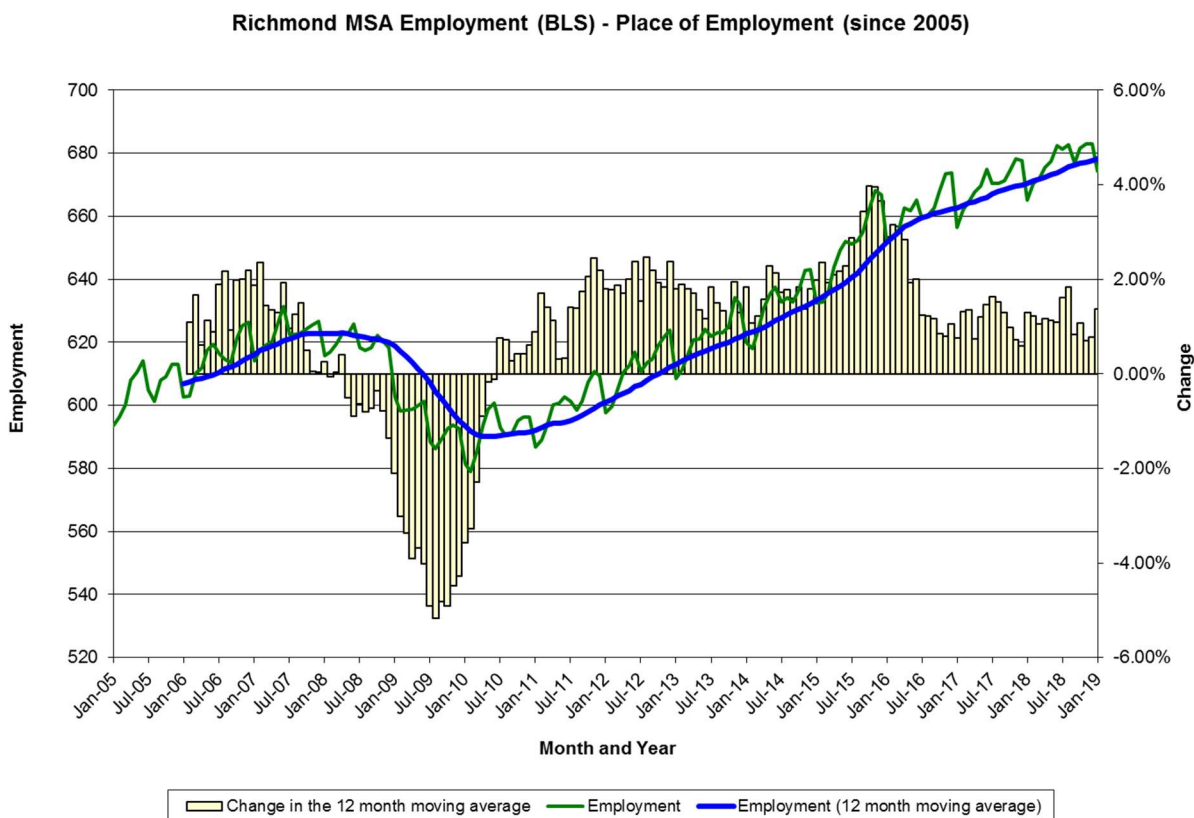
A portion of the drop in transactions in late 2008 is due to the timing of the September 2008 toll increase; traffic typically immediately drops after a toll increase before slowly rising. The 2008-2009 economic recession also impacted employment and traffic volumes during this time; while employment 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.

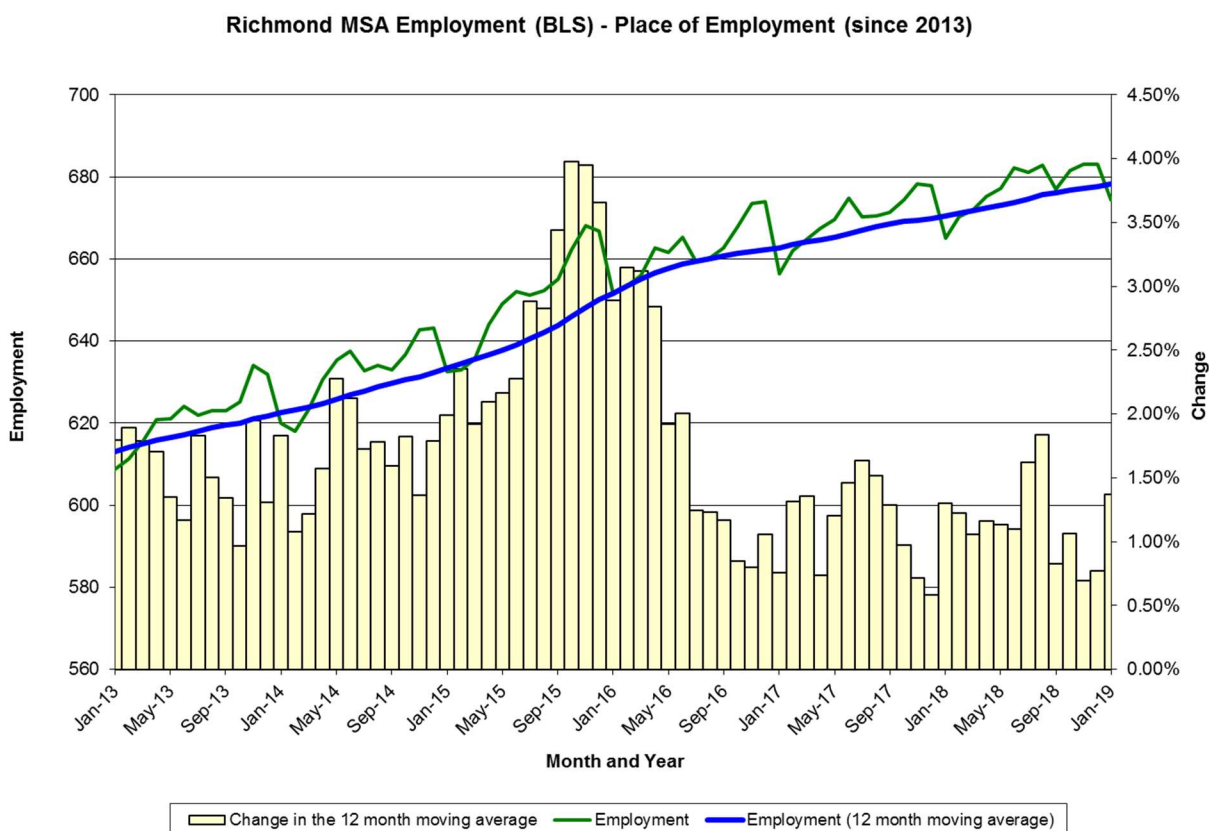
As can be seen from Figure 2, the recession of 2008 had a sizable impact on the region, with employment not coming back to pre-recession levels for 5 to 6 years (early 2008 to mid-2013). During FY16, growth hit the peak, with a leveling off in FY2017. This can be seen with more clarity in Figure 3. From July 2015 to April 2016 the annualized growth of the 12 month moving average was 2.8 percent or higher. From May of FY16 through January FY19, growth rates have been generally declining with a high of 2.1 percent in June FY16 to a low of 0.6 percent in January FY18. These lower growth rates of employment translate fairly consistently to lower growth rates on the RMTA system.

Figure 2: Richmond MSA Employment – Long Term



Revenue Sources and Forecasting Assumptions

Figure 3: Richmond MSA Employment – Short Term

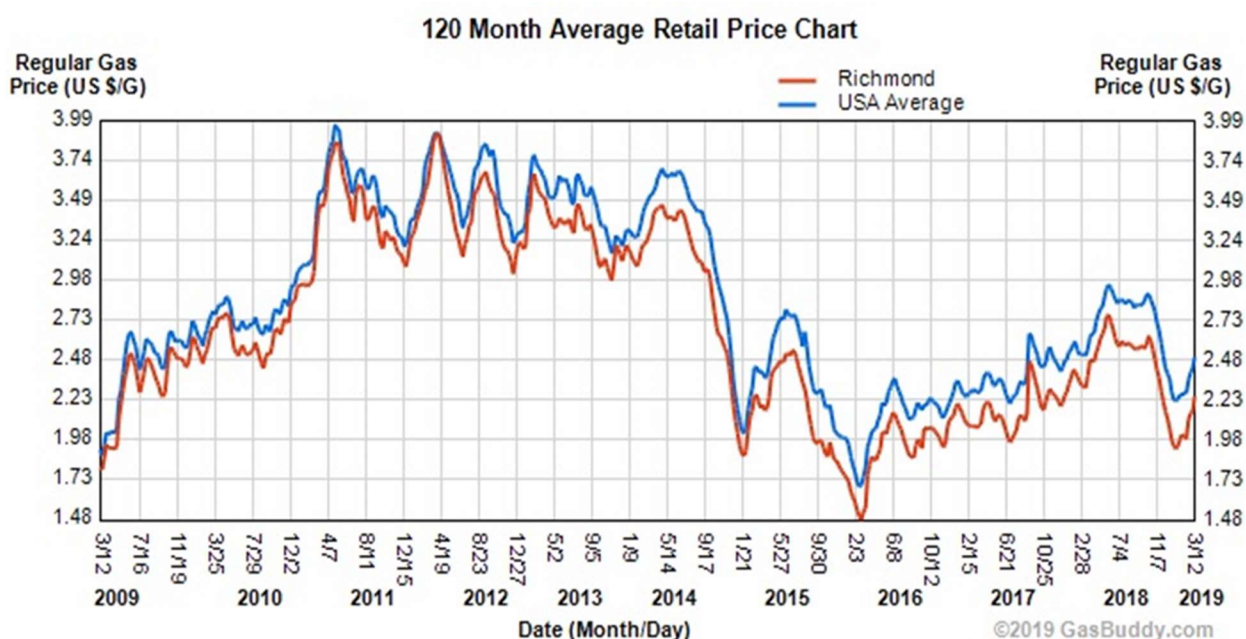


Gas Prices

The price of gasoline has been a bit volatile since 2008 and this represents a new normal. Figure 4 presents Richmond and national gasoline prices for the past 10 years illustrating this point. Gas prices decreased after the summer of 2008 to approximately \$1.50 per gallon in the winter months. Prices then steadily increased reaching a high in the summer of 2011 but did not retreat as drastically as they did in 2008 instead fluctuating between \$3.00 and \$4.00 until the summer of 2014, when prices began to drop. Prices hit a floor at the beginning of February 2015 at approximately \$1.50. Since then the price of gas increased and then held steady at about \$2.00. Going into FY17 and FY18 gas prices have generally increased, ranging from a low of approximately \$1.97 in July of 2017 to a high of \$2.48 in September of 2017 as a result of shortages due to Hurricane Harvey. As of March 2019, gas prices were averaging approximately \$2.23. It should be noted that throughout the 10-year period shown in the chart, Richmond gas prices have been generally below those of the United States as a whole.

Revenue Sources and Forecasting Assumptions

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



For the FY20 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 FY20 forecast. Furthermore, those higher gas prices would have to be sustained for over the course of many months for people to begin changing behavior. If those two things occur, it is estimated that the RMTA Expressway System could potentially lose between 5 and 10 percent of traffic as compared to what is forecasted for FY20. While it is impossible to use historical data to predict future driver behavior since there were multiple influences on traffic during the summer of 2008, we can draw some conclusions regarding debt service coverage ratios. Even in the event of a 10 percent loss in traffic and toll revenue on the RMTA System for FY20, it is understood that all debt service coverage requirements would be satisfied and no additional toll increase would be needed during FY20. In fact the RMTA System could lose between 25 and 30 percent of traffic due to whichever factor and still cover 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)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Tolls	\$ 41.7	\$ 42.2	\$ 42.5	\$ 42.9	\$ 43.2	\$ 43.6	\$ 43.9
Other	2.0	1.8	1.9	1.9	1.9	2.0	2.0
Total revenue	43.7	44.0	44.4	44.8	45.1	45.6	45.9
Operating expense	(16.0)	(17.0)	(17.6)	(18.2)	(18.8)	(19.5)	(20.2)
Net revenue	27.7	27.0	26.8	26.6	26.3	26.1	25.7
Debt service	(14.7)	(14.7)	(14.7)	(13.9)	(9.9)	(9.9)	(9.9)
Available for capital	\$ 13.0	\$ 12.3	\$ 12.1	\$ 12.7	\$ 16.4	\$ 16.2	\$ 15.8
Projected DSCR	1.88	1.84	1.82	1.91	2.66	2.64	2.60

Toll Rates and Debt Issuance

The Authority's toll rates remain unchanged for FY2020. 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 FY2018 DSCR based on audited financial statements was 2.05. As illustrated in the projections above, the Authority expects to continue meeting its DSCR requirements for the foreseeable future.

Long-Term Financial Plan

Credit Rating

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

Each rating agency periodically reviews the Authority's performance to determine if a rating action is needed. In April 2014, Fitch upgraded the Authority's initial rating from A- to A, citing the Authority's stable traffic, rate making flexibility, limited debt needs, and healthy infrastructure as key rating drivers. Moody's affirmed their previous rating at A1 with a stable outlook in August 2017. In January 2018 Standard & Poor's affirmed a rating of A+ with a stable outlook. In May 2018, Fitch affirmed a rating of A with a stable outlook.

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

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

Lower ratings are non-investment grade

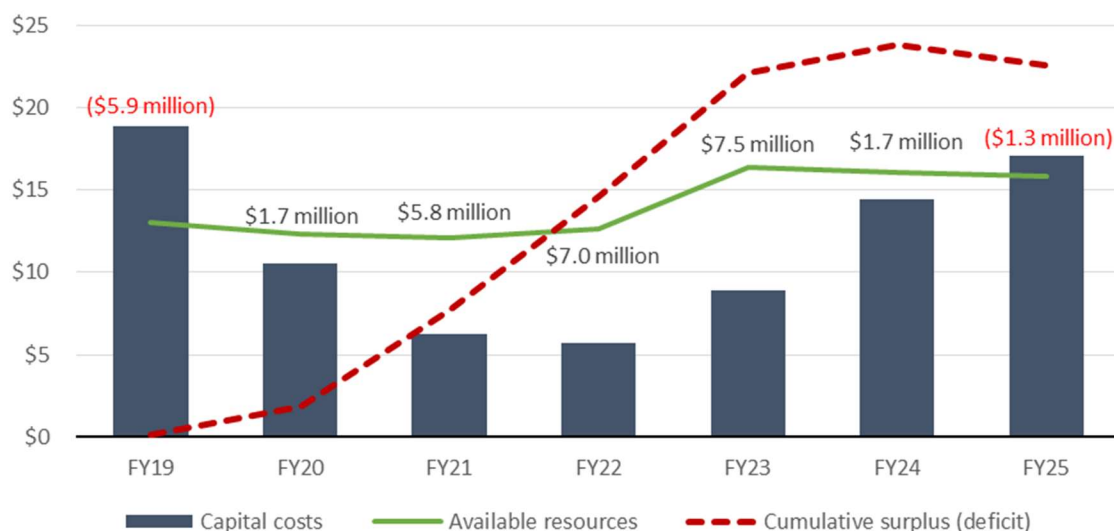
Capital Plan Funding

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

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

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Prior available for capital	\$ 12.2	\$ -	\$ -	\$ 1.7	\$ 7.6	\$ 14.6	\$ 22.1	\$ 23.9
Current available for capital	14.9	13.0	12.3	12.1	12.7	16.4	16.2	15.8
Debt issuance	-	-	-	-	-	-	-	-
Use of reserves	2.6	5.9	-	-	-	-	-	-
Capital budget	(29.7)	(18.9)	(10.6)	(6.2)	(5.7)	(8.9)	(14.4)	(17.1)
Available for future capital	\$ -	\$ -	\$ 1.7	\$ 7.6	\$ 14.6	\$ 22.1	\$ 23.9	\$ 22.6

Long-Term Financial Plan



Current projections anticipate a \$5.9 million funding shortfall in FY2019 as amounts available for capital are less than projected capital costs. 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. 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.

Excess Balances Overview

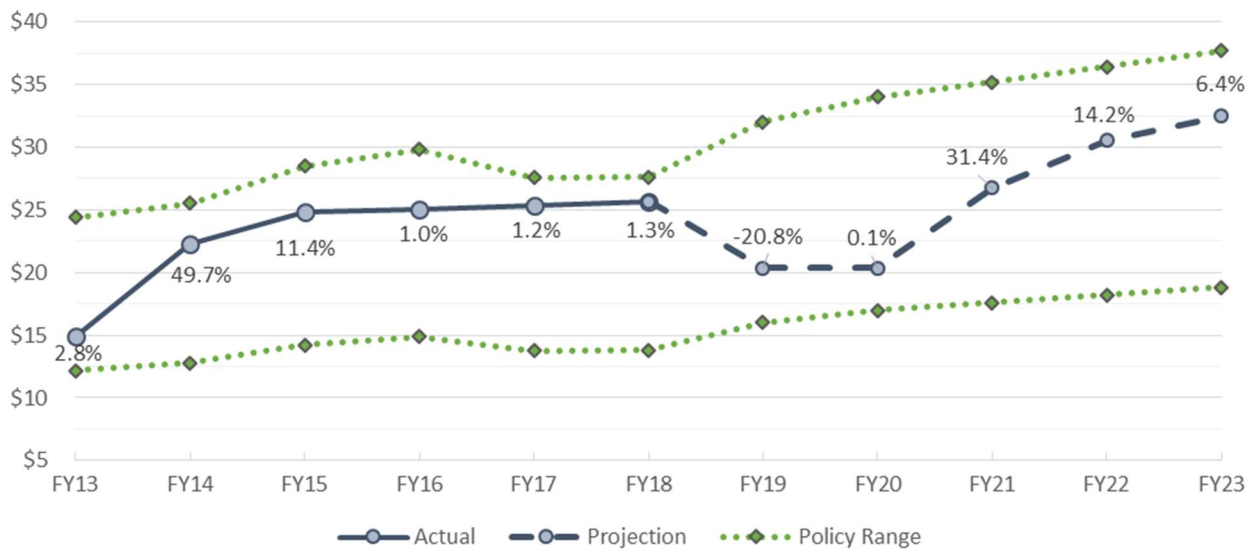
For budgetary purposes, fund balance or fund equity is defined as the cumulative difference between revenues and expenses over time. For the Authority's Expressway System, this cumulative difference is best represented by the Excess Balances fund. The Excess Balances fund was established by the Authority's 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.

Long-Term Financial Plan



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 FY2019 ending balance of \$20.3 million is a decrease of 20.8% from the prior year due to the use of reserves.

The estimated use of reserves in 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. While the current long-term financial plan shows the use of reserves in 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 64.3 million customers in FY2018 on the Authority's Expressway System, comprised of the Powhite Parkway, Downtown Expressway, and Boulevard Bridge.

Priorities

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

Performance Measures

Priority	Objective	Performance Measure	Result
1,2	Ensure public awareness of tolling programs and practices	Growth of E-ZPass penetration rates	<u>FY17</u> 68.7% <u>FY18</u> 70.5%

Financial Summary

	FY2018	FY2019	FY2020	FY2019 to FY2020	
Toll Collection	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 4,495,343	\$ 5,015,999	\$ 5,084,850	\$ 68,851	1.4%
Operating	6,112,093	6,466,900	6,893,801	426,901	6.6%
Total	\$ 10,607,436	\$ 11,482,899	\$ 11,978,651	\$ 495,751	4.3%
FTE Positions	90.0	90.0	88.0	(2.0)	-2.2%

	FY2018	FY2019	FY2020	FY2019 to FY2020	
Maintenance	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 279,064	\$ 331,650	\$ 340,381	\$ 8,731	2.6%
Operating	454,903	1,773,000	1,183,000	(590,000)	-33.3%
Total	\$ 733,967	\$ 2,104,650	\$ 1,523,381	\$ (581,269)	-27.6%
FTE Positions	6.0	6.0	6.0	-	-

	FY2018	FY2019	FY2020	FY2019 to FY2020	
Total Expressway Operations	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 4,774,407	\$ 5,347,649	\$ 5,425,231	\$ 77,582	1.5%
Operating	6,566,997	8,239,900	8,076,801	(163,099)	-2.0%
Total	\$ 11,341,404	\$ 13,587,549	\$ 13,502,032	\$ (85,517)	-0.6%
FTE Positions	96.0	96.0	94.0	(2.0)	-2.1%

FY2020 compensation and benefits costs increased slightly due to merit increases offset by no increase in medical insurance premiums and greater employee contribution.

FY2020 operating costs decreased due to savings in expressway maintenance from procurement of a new vendor after the expiration of the VDOT maintenance agreement. This was offset by increased E-ZPass

Expressway Operations

transaction processing costs due to traffic growth and increased E-ZPass participation and also an increase in contractual maintenance for the toll system.

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 71% in FY2018. During peak morning and evening hours on the Powhite Parkway and Downtown Expressway, E-ZPass usage exceeds 77%.

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 FY2020 E-ZPass processing rates; therefore the FY2020 budget includes a 4.0% budget increase based on forecasted transaction and E-ZPass participation growth. The Authority estimates 46.6 million transactions or 71.8% of FY2019 transactions will be collected via E-ZPass.

Additional focuses of the Toll Collection department include a commitment to providing excellent customer service through ongoing training efforts and proactive toll system maintenance to ensure accurate and reliable revenue collection. Toll system maintenance is performed by the current system integrator, The Revenue Markets, Inc. (TRMI), and the Authority's toll system maintenance team. The Authority and TRMI work diligently to maintain the automatic coin machines (ACM), in-pavement sensors and overhead equipment in good working order, while Authority staff works on the design and implementation of the new toll collection system anticipated to be in revenue service by the end of 2019. Upon notification and verification of reported equipment issues staff works quickly to resolve them.

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 FY2019.

The Authority executed its first Flexible Asset Management (FAMs) contract on July 1, 2018 for the general maintenance of the expressway system. Typical work items include, but are not limited to the following:

- Tree and brush removal
- Guardrail repairs and replacements
- Pothole patching
- Grass mowing
- Roadway sweeping
- Storm drain and drop inlet cleaning
- Expressway lighting repairs and replacements

Expressway Operations

- Incident/Emergency response
- Snow and ice removal

This was also the first year the Authority would oversee its own snow and ice removal operations previously performed by VDOT. In FY 2017, VDOT reported to the Authority an expenditure for snow and ice removal on the Authority's expressway system of approximately \$1.0 Million. FY 2018 was VDOT's last year to provide the Authority with these services. Authority records show three (3) snow events VDOT provided snow and ice removal services for during the FY 2018 winter season for which the Authority paid VDOT approximately \$157,000. In FY 2019, the Authority's inaugural year of performing this service, there were seven (7) recorded snow and ice events at a cost of approximately \$76,000. A savings over the prior fiscal year of almost 50% with twice as many snow and ice events.

The Expressway Operations department was also responsible for the design, fabrication and installation of four (4) overhead signs and one (1) oversized ground-mounted sign along the Downtown Expressway and Route 146 in cooperation with the City of Richmond and its adoption of Ordinance 2018-288 renaming the Boulevard to Arthur Ashe Boulevard. Leveraging internal resources and contract savings from FY 2019, the staff anticipates completion of this unplanned project during summer 2019 and without a request for additional capital from the Authority's Board of Directors.

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	<u>FY17</u> 30 incidents \$46k in damage; 98% recovered <u>FY18</u> 29 accidents, \$70k in damages, 80% recovered

Financial Summary

SCOPs	FY2018		FY2019		FY2020		FY2019 to FY2020	
		Actual		Budget		Budget	\$	%
Compensation and Benefits	\$	156,680	\$	188,600	\$	204,950	\$ 16,350	8.7%
Operating		14,410		17,000		41,900	24,900	146.5%
Total	\$	171,090	\$	205,600	\$	246,850	\$ 41,250	20.1%
FTE Positions		3.0		3.0		3.0	-	-

Training and development for the FY 2020 budget increased due to additional training requirements required by HB 151 legislation that went into effect on July 1, 2018.

Highlights

The RMTA SCOPs provide security for our toll road personnel and plazas and are first responders for all incidents that occur on the toll road. Incidents include, but are not limited to, traffic accidents, thefts, disturbances, roadway debris, and stranded motorists. The SCOPs assigned to the toll road actively patrol the expressway system providing rapid response to traffic incidents, addressing motorists driving in an unsafe manner by issuing traffic tickets, and responding to requests for assistance from the Richmond Police Department.

July 1, 2018 the RMTA took over the maintenance contract for the roadway system. The SCOPs provide traffic control assistance for the contractor when called upon. They work overnight and weekends and during snow and ice events to ensure the expressway is clear of disabled and abandoned vehicles so the snow plows can perform their job without obstacles in their way.

The SCOP officers investigated and reported twenty-nine (29) accidents resulting in damage to Authority property during FY 2018, six (6) of which were hit and run accidents. As a result of the diligence of the SCOP officers investigative efforts, drivers for several hit and run accidents were identified, resulting in the recovery of an additional \$15,081 in damage repair costs. Since July 1, 2018 all accidents on the

Special Conservators of the Peace (SCOPs)

expressway (excluding mainline toll plazas and Boulevard Bridge) the contractor for the FAMs contract is now responsible for the repairs and cost of those repairs due to accidents. The SCOP officers continue to investigate and report on all accidents including conducting hit and run investigations.

In 2018, our SCOP Supervisor and Officers continue to enhance their professional development through training courses and regional conferences such as the following

- High In Plain Sight – (Traffic Stop Training)
- DMV Highway Safety Summit
- Incident Command System (ICS-402) for Senior Officials
- Disability Awareness for Law Enforcement
- FEMA IS-907 / Active Shooter

In addition, our SCOP team provided the below listed services during the 2018 calendar year;

- Assisted 1108 motorists stopped on the side of the roadway
- Conducted 331 traffic stops
- Assisted with or investigated 161 accidents
- Removed 251 pieces of debris from the roadway
- Provided protection for 102 lane closures / work zones
- Assisted Richmond Police / VA State Police with 322 incidents

During FY2018, our SCOP Supervisor continued to be very active in the Regional Traffic Incident Management Planning Committee. 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.

In addition, our SCOP Supervisor and Officers continue to enhance their professional development through training courses and regional conferences such as the following:

- SHRP2 Trainer Certified for Traffic Incident Management Training
- Sig Sauer Armorer Certified
- OSHA Construction and General Industry Certified
- Certificate of Appreciation from RPD for assisting with DUI Training
- Adult/Pediatric CPR/AED Certified
- Assisted with Traffic Incident Management training for wrecker drivers at Capital Garage
- Attended DMV VA Highway Safety Summit.
- 40 hour Radar Training

During the 2018 General Assembly session, HB 151 was approved. The amendment required Special Conservators of the Peace (SCOP) entities desiring to use the word "police" to meet law enforcement

Special Conservators of the Peace (SCOPs)

officer training standards. Currently the RMTA SCOP's utilize the word Police on their vehicles and badges. The Authority's legislative counsel obtained support within the Senate subcommittee to include an exemption for the RMTA SCOP department. The General Assembly voted to accept the exemption for RMTA (among other governmental agencies) to use the word "police" and the RMTA was given two years to comply with the increased training standards. The exemption will sunset on June 30, 2020.

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
2	Archive Board and Committee meeting materials electronically	Archive all Board and Committee documents electronically	All meeting materials were uploaded
3	Routinely examine internal processes and procedures to ensure compliance and safekeeping of Authority assets	Number of internal audit examinations and related findings	<u>FY17</u> 3 internal reviews performed -no significant findings <u>FY18</u> 3 internal reviews performed -no significant findings
4	Manage the procurement process for all contracts	Number of contracts signed with oversight by the Internal Audit and Procurement Manager	<u>FY17</u> 13 contracts with value of \$47 million <u>FY18</u> 13 contracts with value of \$53.5 million

Financial Summary

Administration	FY2018 Actual	FY2019 Budget	FY2020 Budget	FY2019 to FY2020	
				\$	%
Compensation and Benefits	\$ 923,546	\$ 1,146,726	\$ 1,115,260	\$ (31,466)	-2.7%
Operating	558,900	832,500	726,525	(105,975)	-12.7%
Total	\$ 1,482,447	\$ 1,979,226	\$ 1,841,785	\$ (137,441)	-6.9%
FTE Positions	6.0	4.5	5.0	0.5	11.1%

Administration

FY2020 compensation and benefits costs decreased primarily due to the reduction of a part-time employee.

FY2020 operating costs decreased primarily due to reduced legal expenses.

Highlights

The Administration continues to assess the new website to ensure that it is meeting the needs of our customers. The RMTA continues to have increased social media presence since the website was redesigned in 2018. The RMTA website continues to allow customers to receive traffic alerts via email and/or text message. In an effort to further engage in social media, the RMTA twitter handles, added in 2018, directly link to the website. The website allows for our customers to submit comments regarding our customer service and roadway operation. Moreover, in 2019 the RMTA added a subpage to the Authority's website to provide additional information concerning the Toll System Replacement.

The Information Technology department continues to work with Operations and HNTB, our engineering consultants, on the Toll system upgrade to ensure the network is fully capable of handling the increased amount of data that will be moving across it and to ensure the communication between the toll equipment and the RMTA network is linked properly.

The IT department is evaluating the effectiveness and cost of installing Fiber at two toll facilities/plazas for the new toll system upgrade along with the replacement of several switches and routers for the toll upgrade. The IT department identified several laptops and desktop workstations requiring an upgrade to Microsoft Windows which will ensure Microsoft compliance by 2020. The IT department also upgraded the security Virus Intrusion Web and Email filtering system and the EMC Virtualization computer. Additionally, the IT department installed a new switch to accommodate the Main Office expansion and added new wireless access points to several RMTA locations.

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 FY 2018, approximately 13 contracts were signed with a value of \$47 million. In FY 2019, approximately 15 contracts were signed with a value of \$53.5 million.

Engineering

Description

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

Priorities

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

Performance Measures

Priority	Objective	Performance Measure	Result
1	Perform annual inspections to identify asset needs timely	Annual facility inspections	<u>FY17</u> 100% complete <u>FY18</u> 100% complete
1,2	Maintain bridges at or above the established condition level	% of bridges rated below Federal Highway Administration (FHWA) condition rating of 5	<u>FY17</u> 0% <u>FY18</u> 0%
1,2	Maintain pavement at or above the established condition level	% of pavement with a PCR score less than 40	<u>FY17</u> 0.0% <u>FY18</u> 0.0%

Financial Summary

Engineering	FY2018 Actual	FY2019 Budget	FY2020 Budget	FY2019 to FY2020	
				\$	%
Compensation and Benefits	\$ 165,395	\$ 295,400	\$ 309,923	\$ 14,523	4.9%
Operating	13,940	24,750	26,250	1,500	6.1%
Total	\$ 179,335	\$ 320,150	\$ 336,173	\$ 16,023	5.0%
FTE Positions	1.0	2.0	2.0	-	0.0%

FY 2020 compensation and benefits costs increased due to the estimated salary for an unfilled project engineer position. Historically, this position has been difficult to fill due to the unique job description which demands both engineering and operational expertise.

Highlights

The Authority successfully completed the fourth phase of the comprehensive Deck Rehabilitation project which included 15 of the Authority owned City Street overpasses along the Downtown Expressway and Powhite Parkway. In addition, this contract also included the application of a protective coating on the concrete jersey walls, median islands and sidewalks for each of the structures. This project was completed on time and \$308,028 under budget. The first phase of this comprehensive project began with 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.

Engineering

The second phase of the Mill and Overlay project reached substantial completion in December 2018. All mainline and ramp paving has been completed on the Powhite Parkway and only minor items remain to be completed. The completion of minor items is anticipated to be completed no later than the end of May 2019. Due to above average rainfall totals and below average temperatures during October, November and December 2018, asphalt production was suspended and remaining punch list items rescheduled to be completed during the Spring of 2019 when weather and temperatures improve. The second phase included the Powhite Parkway and the associated ramps. The Mill and Overlay operation removed approximately 1.5 – 2.0 inches of the degraded asphalt roadway surface and replaced it with a more durable and long lasting Stone Matrix Asphalt (SMA). This phase of the project is expected to be completed in May 2019 and based on project cost trends, finish under budget. The first phase of this project brought the Expressway's mean pavement score up from 71.13 in FY 2017 to 77.47 in FY 2018. The second phase of this project has brought up the Expressway's mean pavement score up to 95.30 in FY 2019.

The toll collection system project (TSS-2017) is ongoing. Staff continues to work with the Authority's general engineering consultant and the TSS-2017 integrator, TransCore, on the design for the toll system. Managing a project of this size is not without its challenges, but through weekly project status meetings and countless system design plan and document review meetings, staff continues to safeguard the final design of the toll system by ensuring TransCore meets all of the system requirements. The Authority requires a rigorous battery of testing prior to the toll system installation. There are three (3) rounds of testing; 1) Factory Acceptance Testing; 2) Revenue Service Testing; and 3) Project Acceptance Testing. This testing minimizes the Authority's risk of poor system performance, leading to the potential of poor customer service. The final project acceptance testing is anticipated to occur in the Spring/Summer of 2020.

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

Finance

Description

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

Priorities

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

Performance Measures

Priority	Objective	Performance Measure	Result
1,2,3	Receive an unmodified (“clean”) audit opinion	External auditor’s audit opinion	<u>FY17</u> Unmodified <u>FY18</u> Unmodified
1,2,3	Obtain the GFOA Financial Reporting Award (CAFR)	Consecutive years receipt of award	<u>FY17</u> 24 <u>FY18</u> 25
1,2,3	Obtain the GFOA Budget Presentation Award	Consecutive years receipt of award	<u>FY17</u> 4 <u>FY18</u> 5

Financial Summary

Finance	FY2018		FY2019		FY2020		FY2019 to FY2020	
	Actual		Budget		Budget		\$	%
Compensation and Benefits	\$ 407,158	\$	467,525	\$	448,765	\$	(18,760)	-4.0%
Operating	565,506		621,075		655,750		34,675	5.6%
Total	\$ 972,665	\$	1,088,600	\$	1,104,515	\$	15,914	1.5%
FTE Positions	4.5		4.5		4.5		-	-

FY2020 compensation and benefits costs decreased primarily due to employee health coverage selection and estimated salary for unfilled roles.

FY2020 operating costs increased due to increases in insurance, audit and payroll services, and an 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’ FY2018 Comprehensive Annual Financial Report (CAFR). Finance also received the GFOA’s Distinguished Budget Presentation Award for the 5th consecutive year for the Authority’s FY2019 budget and continues to make improvements to the budget document based on GFOA recommendations and industry best practices.

Finance

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 evaluates the Risk Management coverage annually for proper protection of RMTA assets and operational activities. In FY2018 Finance actively negotiated the lease for the Main Office expansion. 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	Conduct a comprehensive compensation study to compare existing pay of all RMTA positions to compensation scales of comparator organizations within the Richmond Metropolitan area	Completion of a compensation study	December 2018
1	Engage a benefits consultant to provide consulting services regarding market trends for employee benefits plans, policies and processes	Completion of RFP for benefits consulting services	December 2018
1	Evaluate benefit plans with benefits consultant and providers to ensure packages are consistent with the marketplace	Annual review of benefit plans	February 2019
2	Evaluate employee engagement and morale	Completion of employee focus groups; establishment of OneRMTA Engagement Committee	September 2018; March 2019
2	Coordinate and conduct regular employee meetings and training	Annual "Town Hall" meetings; Senior TCA training; supervisor meeting	January 2019; March 2019
3	Review Personnel Policies and Procedures manual at least annually	Revised policy manual	June 2019

Human Resources

Financial Summary

Human Resources	FY2018 Actual	FY2019 Budget	FY2020 Budget	FY2019 to FY2020	
				\$	%
Compensation and Benefits	\$ 301,027	\$ 341,300	\$ 357,695	\$ 16,395	4.8%
Operating	107,776	127,850	99,300	(28,550)	-22.3%
Total	\$ 408,802	\$ 469,150	\$ 456,995	\$ (12,155)	-2.6%
FTE Positions	2.0	3.0	3.5	0.5	16.7%

FY2020 compensation and benefits costs increased primarily due to the addition of a part-time employee. FY2020 operating costs decreased due to benefit consultant fees and office equipment purchased in FY2019 for the Main Office expansion.

Highlights

Human Resources staff continue to explore innovative ways to provide quality benefits through diversification of offerings and cost sharing. Human Resources worked with the benefits consultants to promote employee awareness about healthcare benefits and 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. Additionally, promoted LiveHealth online for convenience and lower cost option.

Staff engaged a new benefits consultant, One Digital. Through their efforts as well as lower utilization, we were able to receive a flat renewal for FY20. Staff worked with the Compensation and Benefits Committee to review and evaluate the necessity for a low increase to employee premiums to reflect the market as well as prepare for potential future increases. Because the RMTA continuously considers the well-being of employees, the Committee decided that RMTA will continue to provide a contribution to employee HSA accounts.

Human Resources contracted Paypoint HR to conduct a comprehensive compensation study to compare existing pay of all RMTA positions to compensation scales of comparator organizations within the Richmond Metropolitan area. The consultants also held employee focus groups to assist with both salary and non-salary recommendations. Staff worked with the Board Compensation and Benefits Committee to present a multi-phased approach to implementing some of the consultant's recommendations. Phase 1 included bringing employees to a minimum market rate of \$12.79/hour.

Based on the data collected in the employee focus groups, it was determined that employees would like to have more company functions. An impromptu "Just Because" cookout was held for all employees at the Boulevard Bridge. Staff worked with a volunteer employee committee and successfully coordinated an off-site Holiday Party. At the Annual Employee Recognition luncheon, 12 employees were recognized for their outstanding and dedicated contributions to the RMTA. 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. A new OneRMTA Employee Engagement Committee was formed to consider and present ideas for ways to promote employee morale.

Human Resources

In October 2018, the RMTA lost a long tenured employee who was served as a toll supervisor at the Boulevard Bridge. Human Resources responded immediately with EAP counselors on-site, as well as consistent follow-up to support all staff during the difficult bereavement period.

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. Employees who fully meet expectations for their respective position are eligible to receive a merit increase.

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 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 with federal and state laws.

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 FY2020 operating budget by department and a crosswalk to the budgets by fund can be found below.

	Expressway	Central Administration	Total
Toll Collection	\$ 11,978,651	\$ -	\$ 11,978,651
Maintenance	1,523,381	-	1,523,381
SCOP	246,850	-	246,850
Administration	197,925	1,643,860	1,841,785
Engineering	18,000	318,173	336,173
Finance	585,300	519,215	1,104,515
Human Resources	-	456,995	456,995
	\$ 14,550,106	\$ 2,938,243	\$ 17,488,349

	Expressway	Central Administration	Total
Total Budget by Fund	\$ 16,999,549	\$ 2,938,243	\$ 19,937,792
Central Admin Allocation	(2,449,443)	-	(2,449,443)
	\$ 14,550,106	\$ 2,938,243	\$ 17,488,349

- (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 FY2019 remained at budget; the forecasted revenue growth for FY2020 is 0.9%. See the Revenue Sources and Forecasting Assumption section for a detailed discussion on the development of the FY2020 forecast.
- *Violation Enforcement:* In conjunction with increasing traffic volume, both violation enforcement revenues and related expenses are forecasted to exceed budgeted expectations in FY2019; actual revenue for FY2019 is projected at approximately 101% of FY2019 budget.
- *Compensation and benefits:* Aligning toll collection employee wages with market rates was the primary contributor to the increase. This increase was partially offset by employee retirements.
- *E-ZPass processing fees:* The FY2020 budget includes a 4% budget increase based on forecasted transaction and E-ZPass participation growth.
- *Toll System Maintenance:* FY2020 costs increased \$280,000 due to contractual maintenance for the new toll system.
- *Annual Road Maintenance – Roadways:* FY2020 includes an estimated \$550,000 decrease as the Authority executed its first Flexible Asset Management (FAMs) contract on July 1, 2019 for the general maintenance of the expressway system and realized savings from estimated expenses for FY2019.
- *Materials and Supplies – Roadways:* Decrease of \$30,000 due to bulk purchase of road deicer in FY2019.
- *Training and Development:* Increase of \$25,000 due to additional training requirements required by HB 151 legislation that went into effect on July 1, 2018.

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.

	FY2018	FY2019	FY2020	FY2019 to FY2020	
	Actual	Projected	Budget	\$	%
Toll Revenue (1)	\$ 42,782,771	\$ 42,875,000	\$ 43,383,000	\$ 508,000	1.2%
Other Revenue (2)	594,938	750,000	650,000	(100,000)	-13.3%
	43,377,709	43,625,000	44,033,000	408,000	0.9%
Operating Expenses	14,101,475	15,300,000	16,999,549	1,699,549	11.1%
Net Operating Revenue	29,276,234	28,325,000	27,033,451	(1,291,549)	-4.6%
Debt Service	(14,738,846)	(14,737,389)	(14,741,683)	(4,294)	0.0%
Available for Capital	\$ 14,537,388	\$ 13,587,611	\$ 12,291,768	\$ (1,295,843)	-9.5%

(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



Mark Grossenbacher, P.E.
HNTB Corporation

Expressway Fund Budget

Expressway	FY2018 Actual	FY2019 Budget	FY2020 Budget	FY2020 to FY2019 Budget	%
Revenue					
Toll Revenue (1)	\$ 41,386,183	\$ 41,815,000	\$ 42,209,000	\$ 394,000	0.9%
Violation Enforcement - CSC	878,592	900,000	950,000	50,000	5.6%
Violation Enforcement - Courts	400,328	360,000	200,000	(160,000)	-44.4%
Toll Payments - Collections	102,953	75,000	24,000	(51,000)	-68.0%
Parking Lot Rentals	51,391	50,000	50,000	-	0.0%
Interest Income	542,777	400,000	600,000	200,000	50.0%
Miscellaneous Income	770	-	-	-	0.0%
Total Revenue	<u>\$43,362,994</u>	<u>\$43,600,000</u>	<u>\$44,033,000</u>	<u>\$ 433,000</u>	1.0%
Toll Collection					
Regular Pay	\$ 2,934,017	\$ 2,985,200	\$ 3,168,295	\$ 183,095	6.1%
Overtime	379,096	343,500	366,255	22,755	6.6%
Payroll Taxes	245,865	250,000	270,395	20,395	8.2%
Retirement	87,135	57,000	58,180	1,180	2.1%
Health Insurance	790,266	1,311,500	1,149,580	(161,920)	-12.3%
Group Life Insurance	29,988	34,500	37,145	2,645	7.7%
Long Term Disability	1,243	1,300	2,000	700	53.9%
Unemployment Benefits	724	5,000	5,000	-	0.0%
Uniforms	6,322	6,000	7,000	1,000	16.7%
Employee Mileage	20,687	22,000	21,000	(1,000)	-4.5%
	4,495,343	5,015,999	5,084,850	68,851	1.4%
E-ZPass Processing Fees	3,463,981	3,600,000	3,750,000	150,000	4.2%
Violation Enforcement - CSC	933,384	1,025,000	1,125,000	100,000	9.8%
Violation Appeals - Legal	-	-	-	-	0.0%
Collections Service	28,860	30,400	10,300	(20,100)	-66.1%
Armored Transport & Coin Counting	252,822	265,000	260,000	(5,000)	-1.9%
Toll System Maint. - Transcore	230,769	275,000	730,000	455,000	165.5%
Toll System Maint. - TRMI	790,444	790,000	615,000	(175,000)	-22.2%
Currency Counter Maintenance	2,793	3,000	3,000	-	0.0%
Security System	9,446	12,000	12,000	-	0.0%
Communications Systems	-	-	-	-	0.0%
Traffic Camera Hosting	1,790	2,500	2,500	-	0.0%
Utilities	190,413	195,000	195,000	-	0.0%
Toll System Parts and Supplies	182,024	230,000	150,000	(80,000)	-34.8%
(continued)					

(1) As estimated by Jacobs

Expressway Fund Budget

Expressway	FY2018	FY2019	FY2020	FY2020 to FY2019	
	Actual	Budget	Budget	\$	%
Security System - Camera					
Maintenance	2,770	10,000	10,000	-	0.0%
Traffic Cameras - Maintenance	-	5,000	5,000	-	0.0%
Gate Claims	2,636	3,000	5,000	2,000	66.7%
Office Supplies and Printing	17,858	15,000	15,000	-	0.0%
Office Equipment	2,249	5,000	5,000	-	0.0%
Communications Equipment	-	-	-	-	0.0%
Miscellaneous Expenses	(146)	1,000	1,000	-	0.0%
Personnel - Employee Relations	-	-	-	-	0.0%
	<u>6,112,093</u>	<u>6,466,900</u>	<u>6,893,801</u>	<u>426,901</u>	6.6%
Toll Collection Total	<u>\$10,607,436</u>	<u>\$11,482,899</u>	<u>\$11,978,651</u>	<u>\$ 495,751</u>	4.3%
Maintenance					
Regular Pay	\$ 192,790	\$ 211,900	\$ 217,570	\$ 5,670	2.7%
Overtime	13,522	19,900	20,570	670	3.4%
Payroll Taxes	15,727	17,600	18,220	620	3.5%
Retirement	6,377	4,100	4,210	110	2.7%
Health Insurance	46,228	72,500	68,111	(4,389)	-6.1%
Group Life Insurance	2,258	2,600	2,700	100	3.9%
Long Term Disability	-	-	1,000	1,000	0.0%
Unemployment Benefits	-	500	-	(500)	-100.0%
Uniforms	2,160	2,500	8,000	5,500	220.0%
Employee Mileage	<u>2</u>	<u>50</u>	<u>-</u>	<u>(50)</u>	-100.0%
	279,064	331,650	340,381	8,731	2.6%
Annual Road Maintenance	248,444	1,500,000	950,000	(550,000)	-36.7%
Building and Janitorial Services	23,912	22,000	22,000	-	0.0%
Materials & Supplies - Toll Plaza	9,387	9,500	9,500	-	0.0%
Materials & Supplies - Traffic Control	1,527	6,000	6,000	-	0.0%
Materials & Supplies - Grounds & Buildings	46,030	48,000	48,000	-	0.0%
Materials & Supplies - Roadways	-	45,000	15,000	(30,000)	-66.7%
Grounds & Building Maintenance	71,508	75,000	75,000	-	0.0%
Maintenance - Equipment Repair	7,409	7,500	7,500	-	0.0%
Vehicle Operations and Maintenance	<u>46,686</u>	<u>60,000</u>	<u>50,000</u>	<u>(10,000)</u>	-16.7%
	<u>454,903</u>	<u>1,773,000</u>	<u>1,183,000</u>	<u>(590,000)</u>	-33.3%
Maintenance Total	<u>\$ 733,967</u>	<u>\$ 2,104,650</u>	<u>\$ 1,523,381</u>	<u>\$ (581,269)</u>	-27.6%

Expressway Fund Budget

Expressway	FY2018	FY2019	FY2020	FY2019 to FY2020	
	Actual	Budget	Budget	\$	%
SCOP					
Regular Pay	\$ 129,831	\$ 152,100	\$ 168,489	\$ 16,389	10.8%
Overtime	662	600	2,125	1,525	254.4%
Payroll Taxes	9,761	11,600	13,055	1,455	12.5%
Retirement	2,262	2,700	2,455	(245)	-9.1%
Health Insurance	8,665	14,200	11,336	(2,864)	-20.2%
Group Life Insurance	726	800	740	(60)	-7.5%
Long Term Disability	510	600	750	150	24.9%
Uniforms	4,263	6,000	6,000	-	0.0%
	156,680	188,600	204,950	16,350	8.7%
Communications Systems	544	5,000	5,500	500	10.0%
Communications Equipment	13,866	3,000	2,400	(600)	-20.0%
Materials & Supplies - Traffic Control	-	2,000	2,000	-	0.0%
Training and Development	-	5,000	30,000	25,000	500.0%
Safety Program	-	2,000	2,000	-	0.0%
	14,410	17,000	41,900	24,900	146.5%
SCOP Total	\$ 171,090	\$ 205,600	\$ 246,850	\$ 41,250	20.1%
Administrative					
Telecommunications	\$ 16,934	\$ 23,000	\$ 18,025	\$ (4,975)	-21.6%
Data Communications	21,807	24,000	33,900	9,900	41.3%
Computer Service Agreements	33,822	36,000	36,000	-	0.0%
Legal Services	94,533	125,000	100,000	(25,000)	-20.0%
Computer Hardware	2,004	5,500	5,000	(500)	-9.1%
Computer Software	-	1,500	5,000	3,500	233.3%
Asset Management Software Hosting	13,700	17,000	18,000	1,000	5.9%
Insurance	338,915	361,000	372,750	11,750	3.3%
Trustee Services	(9,966)	21,000	19,000	(2,000)	-9.5%
Bank Fees	-	500	-	(500)	-100.0%
Traffic and Revenue Consultant	21,566	24,500	25,100	600	2.4%
Audit and Accounting Services	51,252	56,650	65,250	8,600	15.2%
Credit Rating Fees	15,000	16,000	20,000	4,000	25.0%
Financial Advisor	10,920	25,000	25,000	-	0.0%
Investment Advisor	50,894	59,000	58,200	(800)	-1.4%
Administrative Total	\$ 661,381	\$ 795,650	\$ 801,225	\$ 5,575	0.7%
Compensation and Benefits	\$ 4,931,087	\$ 5,536,249	\$ 5,630,181	\$ 93,932	1.7%
Operations	7,242,788	9,052,550	8,919,925	(132,625)	-1.5%
Central Admin Allocation	1,927,600	2,239,232	2,449,443	210,211	9.4%
Total Expenses	\$14,101,475	\$16,828,031	\$16,999,549	\$ 171,519	1.0%

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 22% were the primary contributor to an increase which was offset by employee retirements.
- *Office Lease and Parking*: FY2019 increased \$166,000 due to a full year of office rent versus 10 months free rent in 2018.
- *Board Expenses – Other*: The FY2020 budget decreased \$10,000 as consultant costs for strategic plan development were paid in FY2019.
- *Legal*: FY2020 decrease of \$100,000 reflects historical trend utilization.
- *Community Outreach*: Costs are included in FY2020 for public outreach efforts in regards to the Richmond metro community.
- *OPEB Actuarial Valuation*: FY2020 includes the biennial actuarial analysis costs of the Authority's Other Post-Employment Benefits (OPEB) obligation.
- *Training and Development*: FY2020 includes funds for executive management development.
- *Benefits Consultant*: Decrease due to Compensation Study performed in FY2019.
- *Office Equipment*: FY2020 decrease due to expenditures made in FY2019 for Main Office expansion.

Central Administration Fund Budget

Central Administration	FY2018	FY2019	FY2020	FY2019 to FY2020	
	Actual	Budget	Budget	\$	%
Administration					
Regular Pay	\$ 443,026	\$ 580,700	\$ 607,250	\$ 26,550	4.6%
Overtime	-	-	-	-	0.0%
Payroll Taxes	30,288	39,425	42,460	3,035	7.7%
Retirement	36,569	43,850	45,720	1,870	4.3%
Health Insurance	105,944	172,000	107,100	(64,900)	-37.7%
Group Life Insurance	4,619	6,900	7,730	830	12.0%
Long Term Disability	3,101	3,850	5,000	1,150	29.9%
OPEB Trust Contribution	300,000	300,000	300,000	-	0.0%
	923,546	1,146,726	1,115,260	(31,466)	-2.7%
Security System	-	-	-	-	0.0%
Telecommunications	7,440	12,000	8,400	(3,600)	-30.0%
Data Communications	4,667	10,000	13,200	3,200	32.0%
Computer Service Agreements	26,482	19,000	24,500	5,500	28.9%
Legal Services	178,706	210,000	110,000	(100,000)	-47.6%
Office Lease and Parking	31,831	205,000	210,500	5,500	2.7%
Miscellaneous Expenses	-	-	1,000	1,000	0.0%
Computer Hardware	27,081	23,500	28,900	5,400	23.0%
Computer Software	944	4,000	9,510	5,510	137.8%
Web Site Development	-	5,000	1,000	(4,000)	-80.0%
Board Attendance Fees	8,600	12,000	9,000	(3,000)	-25.0%
Board Expenses - Other	26,243	20,000	10,000	(10,000)	-50.0%
Professional Memberships and Subscriptions	28,351	31,750	34,090	2,340	7.4%
Training and Development	-	28,250	38,500	10,250	36.3%
Public Relations	792	10,000	15,000	5,000	50.0%
Community Outreach	-	15,000	15,000	-	0.0%
	341,136	605,500	528,600	(76,900)	-12.7%
Administration Total	\$ 1,264,683	\$ 1,752,226	\$ 1,643,860	\$ (108,366)	-6.2%
Engineering					
Regular Pay	\$ 131,552	\$ 234,400	\$ 235,347	\$ 947	0.4%
Overtime	-	-	-	-	0.0%
Payroll Taxes	10,033	17,800	17,850	50	0.3%
Retirement	13,181	10,600	10,725	125	1.2%
Health Insurance	8,057	28,400	40,166	11,766	41.4%
Group Life Insurance	1,534	3,100	3,085	(15)	-0.5%
Long Term Disability	1,039	1,100	2,750	1,650	150.1%
	165,395	295,400	309,923	14,523	4.9%
Professional Memberships and Subscriptions	240	750	750	-	0.0%
Training and Development	-	7,000	7,500	0	0.0%
	240	7,750	8,250	500	6.5%
Engineering Total	\$ 165,635	\$ 303,150	\$ 318,173	\$ 15,023	5.0%

Central Administration Fund Budget

Central Administration	FY2018 Actual	FY2019 Budget	FY2020 Budget	FY2019 to FY2020	
				\$	%
Finance					
Regular Pay	\$ 321,683	\$ 377,148	\$ 347,250	\$ (29,898)	-7.9%
Overtime	2,959	1,500	2,870	1,370	91.3%
Payroll Taxes	22,294	23,512	26,785	3,273	13.9%
Retirement	9,472	6,075	5,810	(265)	-4.4%
Health Insurance	45,910	54,090	60,050	5,960	11.0%
Group Life Insurance	3,193	3,500	4,000	500	14.3%
Long Term Disability	1,647	1,700	2,000	300	17.7%
	407,158	467,525	448,765	(18,760)	-4.0%
Bank Fees	10,739	-	-	-	0.0%
Payroll Systems and Services	29,792	31,000	33,450	2,450	7.9%
Accounting System and Services	19,973	23,000	21,350	(1,650)	-7.2%
OPEB Actuarial Valuation	5,950	-	6,500	6,500	0.0%
Professional Memberships and Subscriptions	1,248	1,925	2,650	725	37.7%
Training and Development	-	1,500	6,500	5,000	333.3%
	67,702	57,425	70,450	13,025	22.7%
Finance Total	\$ 474,860	\$ 524,950	\$ 519,215	\$ (5,735)	-1.1%
Human Resources					
Regular Pay	\$ 219,325	\$ 233,400	\$ 250,195	\$ 16,795	7.2%
Overtime	583	800	800	0	0.0%
Payroll Taxes	15,601	17,400	19,200	1,800	10.3%
Retirement	15,135	10,900	11,075	175	1.6%
Health Insurance	46,099	73,700	70,850	(2,850)	-3.9%
Group Life Insurance	2,404	3,000	3,025	25	0.8%
Long Term Disability	1,726	1,800	2,500	700	38.9%
Employee Mileage	154	300	50	(250)	-83.3%
	301,027	341,300	357,695	16,395	4.8%
Document Storage	1,795	2,500	2,000	(500)	-20.0%
Copier Lease	7,123	6,500	7,500	1,000	15.4%
Postage Machine	3,512	3,500	3,750	250	7.1%
Benefits Consultant	37,636	52,000	35,000	(17,000)	-32.7%
Office Supplies and Printing	7,929	7,500	7,000	(500)	-6.7%
Office Equipment	7,188	25,000	5,000	(20,000)	-80.0%
Miscellaneous Expenses	1,525	1,500	1,500	-	0.0%
Professional Memberships and Subscriptions	1,254	750	750	-	0.0%
Training and Development	22,761	13,300	13,300	-	0.0%
Personnel - Employment	5,212	5,200	5,000	(200)	-3.8%
Personnel - Employee Relations	3,103	6,500	13,000	6,500	100.0%
Tuition Assistance	8,738	3,600	5,500	1,900	52.8%
	107,776	127,850	99,300	(28,550)	-22.3%
Human Resources Total	\$ 408,802	\$ 469,150	\$ 456,995	\$ (12,155)	-2.6%
Compensation and Benefits	\$ 1,797,126	\$ 2,250,951	\$ 2,231,643	\$ (19,308)	-0.9%
Operations	516,854	798,525	706,600	(91,925)	-11.5%
Total Expenses	\$ 2,313,980	\$ 3,049,476	\$ 2,938,243	\$ (111,233)	-3.6%

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

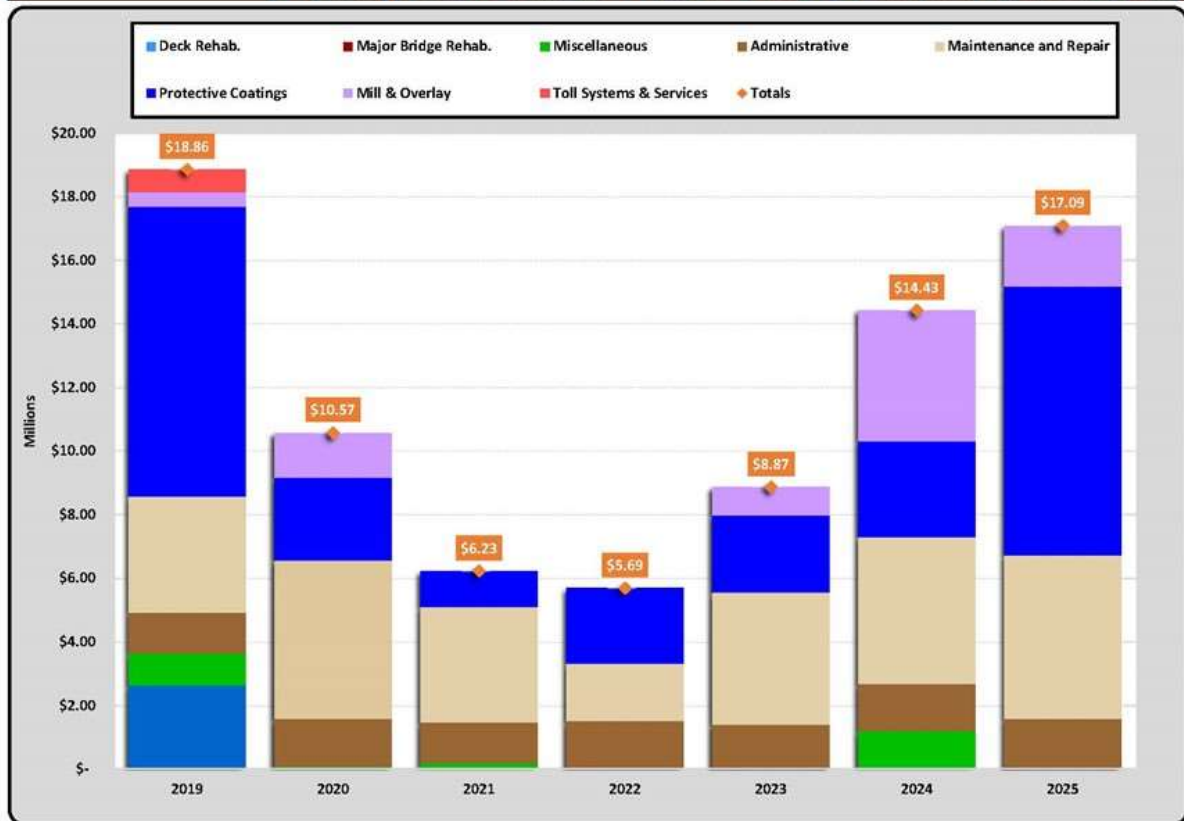
The Authority primarily funds its Capital Budget through current revenues, with debt funding used as appropriate. As indicated in its adopted financial policies, the Authority's goal is to have cash balances on hand as of June 30th to fully fund the next fiscal year's Capital Budget. See the Long-Term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

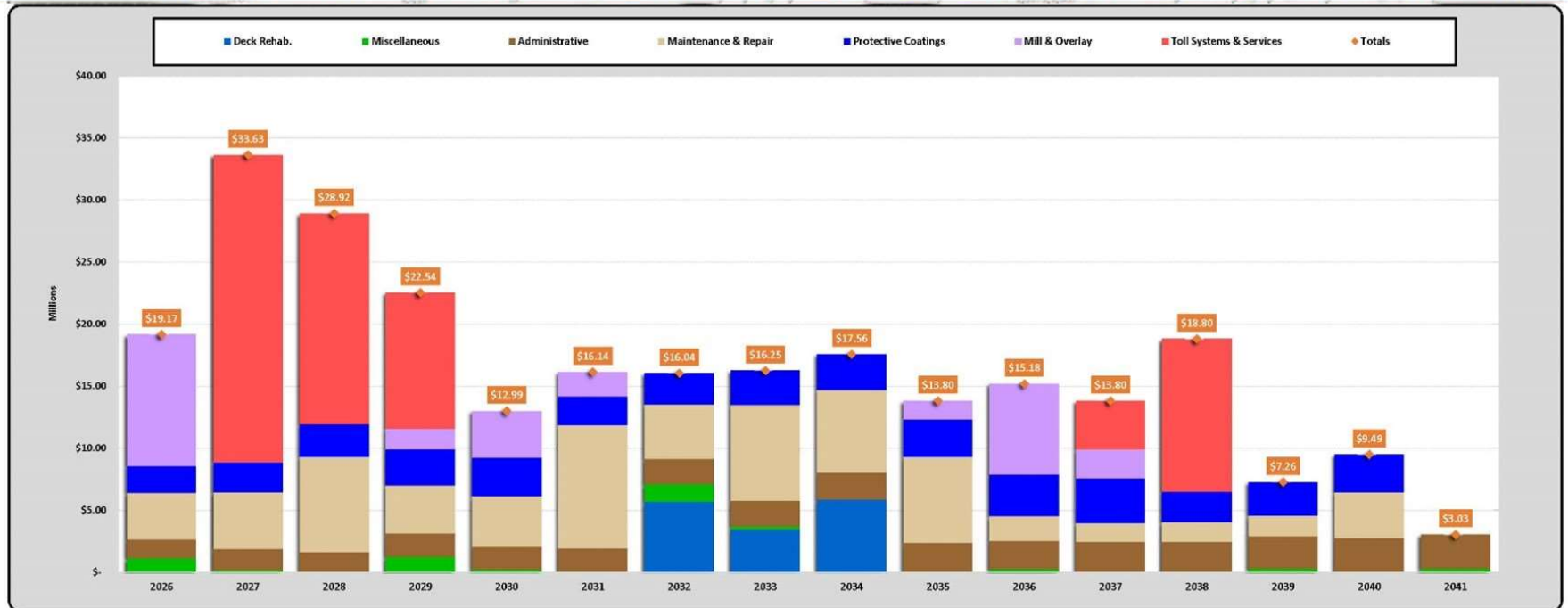
Executive Summary by Category & Fiscal Year (2019-2025)

		2019-2025							
Category	Totals	2019	2020	2021	2022	2023	2024	2025	
Deck Rehab.	\$ 2,630,366	\$ 2,630,366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Maintenance & Repair	\$ 27,974,825	\$ 3,643,112	\$ 4,982,067	\$ 3,631,472	\$ 1,822,281	\$ 4,144,640	\$ 4,629,115	\$ 5,122,138	
Protective Coatings	\$ 29,153,260	\$ 9,134,500	\$ 2,605,200	\$ 1,129,731	\$ 2,356,590	\$ 2,434,907	\$ 3,019,419	\$ 8,472,913	
Mill & Overlay	\$ 8,716,773	\$ 439,750	\$ 1,393,600	\$ -	\$ -	\$ 877,190	\$ 4,105,917	\$ 1,900,316	
Major Bridge Rehab.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Toll Systems & Services	\$ 716,432	\$ 716,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Debris	\$ 288,296	\$ -	\$ 133,578	\$ -	\$ -	\$ -	\$ 154,718	\$ -	-
Roadway Enhancement Project	\$ 255,806	\$ 71,643	\$ 73,840	\$ 54,080	\$ 56,243	\$ -	\$ -	\$ -	-
Sign	\$ 300,028	\$ 300,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Under Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Misc.	\$ 1,675,569	\$ 634,899	\$ -	\$ -	\$ -	\$ -	\$ 1,040,670	\$ -	-
Miscellaneous	\$ 2,519,698	\$ 1,006,570	\$ 73,840	\$ 187,658	\$ 56,243	\$ -	\$ 1,195,387	\$ -	-
Expressway Admin.	\$ 3,703,150	\$ 472,101	\$ 488,800	\$ 500,781	\$ 517,437	\$ 552,290	\$ 574,383	\$ 597,358	
Vehicles	\$ 313,851	\$ 81,000	\$ 45,760	\$ 56,243	\$ -	\$ 62,859	\$ -	\$ 67,989	
GEC & Inspection only	\$ 6,007,144	\$ 734,342	\$ 982,800	\$ 722,509	\$ 939,261	\$ 796,217	\$ 905,453	\$ 926,562	
Administrative	\$ 10,024,145	\$ 1,287,443	\$ 1,517,360	\$ 1,279,533	\$ 1,456,698	\$ 1,411,367	\$ 1,479,835	\$ 1,591,909	
	\$ 81,735,499	\$ 18,858,173	\$ 10,572,067	\$ 6,228,394	\$ 5,691,812	\$ 8,868,104	\$ 14,429,674	\$ 17,087,275	



Executive Summary by Category & Fiscal Year (2026-2041)

Category	2026-2041 Totals	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Deck Rehab.	\$ 14,994,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,681,621	\$ 3,461,286	\$ 5,851,626	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance & Repair	\$ 69,963,710	\$ 3,762,084	\$ 4,566,492	\$ 7,625,024	\$ 3,895,615	\$ 4,051,439	\$ 9,925,118	\$ 4,382,037	\$ 7,723,443	\$ 6,658,475	\$ 6,924,814	\$ 2,015,254	\$ 1,523,461	\$ 1,584,400	\$ 1,647,776	\$ 3,678,278	\$ -
Protective Coatings	\$ 41,852,457	\$ 2,150,991	\$ 2,395,685	\$ 2,640,014	\$ 2,908,635	\$ 3,146,131	\$ 2,297,736	\$ 2,523,465	\$ 2,753,636	\$ 2,863,781	\$ 3,039,818	\$ 3,342,063	\$ 3,593,169	\$ 2,466,840	\$ 2,692,519	\$ 3,037,974	\$ -
Mill & Overlay	\$ 29,072,057	\$ 10,597,152	\$ -	\$ -	\$ 1,641,054	\$ 3,722,275	\$ 1,980,832	\$ -	\$ -	\$ -	\$ 1,479,380	\$ 7,299,186	\$ 2,352,178	\$ -	\$ -	\$ -	\$ -
Toll Systems & Services	\$ 68,930,940	\$ -	\$ 24,772,806	\$ 16,995,088	\$ 10,978,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,886,226	\$ 12,297,994	\$ -	\$ -	\$ -
Debris	\$ 1,472,296	\$ -	\$ 174,036	\$ -	\$ -	\$ 195,767	\$ -	\$ -	\$ 220,211	\$ -	\$ -	\$ 252,270	\$ -	\$ -	\$ 278,638	\$ -	\$ 301,374
Roadway Enhancement Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sign	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Under Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc.	\$ 3,807,454	\$ 1,125,589	\$ -	\$ -	\$ 1,257,636	\$ -	\$ -	\$ 1,424,229	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 5,229,750	\$ 1,125,589	\$ 174,036	\$ -	\$ 1,257,636	\$ 195,767	\$ -	\$ 1,424,229	\$ 220,211	\$ -	\$ -	\$ 252,270	\$ -	\$ -	\$ 278,638	\$ -	\$ 301,374
Expressway Admin.	\$ 13,558,539	\$ 621,252	\$ 646,102	\$ 671,947	\$ 698,824	\$ 726,777	\$ 755,848	\$ 786,082	\$ 817,526	\$ 850,227	\$ 884,236	\$ 919,605	\$ 956,389	\$ 994,645	\$ 1,034,431	\$ 1,075,808	\$ 1,118,840
Vehicles	\$ 432,787	\$ -	\$ 73,536	\$ -	\$ 79,537	\$ -	\$ 86,027	\$ -	\$ 93,047	\$ -	\$ 100,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GEC & Inspection only	\$ 20,563,566	\$ 911,349	\$ 1,004,998	\$ 985,715	\$ 1,083,947	\$ 1,145,686	\$ 1,089,678	\$ 1,242,616	\$ 1,178,596	\$ 1,340,291	\$ 1,371,538	\$ 1,349,019	\$ 1,487,642	\$ 1,459,099	\$ 1,604,506	\$ 1,695,896	\$ 1,612,990
Administrative	\$ 34,554,895	\$ 1,532,601	\$ 1,724,636	\$ 1,657,662	\$ 1,862,308	\$ 1,872,464	\$ 1,931,554	\$ 2,028,698	\$ 2,089,169	\$ 2,190,518	\$ 2,356,414	\$ 2,268,624	\$ 2,444,032	\$ 2,453,744	\$ 2,638,937	\$ 2,771,704	\$ 2,731,830
Totals	\$ 264,598,340	\$ 19,168,416	\$ 33,633,656	\$ 28,917,787	\$ 22,544,075	\$ 12,988,076	\$ 16,135,240	\$ 16,040,049	\$ 16,247,745	\$ 17,564,400	\$ 13,800,425	\$ 15,177,397	\$ 13,799,066	\$ 18,802,978	\$ 7,257,869	\$ 9,467,956	\$ 3,033,205



Six Year Plan

Six-Year Plan by Project (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
Routine Maintenance							
Maintenance and Repair	\$ 4,982	\$ 3,765	\$ 1,822	\$ 4,145	\$ 5,825	\$ 5,122	\$ 25,661
Protective Coatings	2,605	1,130	2,357	2,435	3,019	8,473	20,019
Inspections and GEC	983	723	939	796	905	927	5,273
Administrative	489	501	517	552	574	597	3,230
Vehicle Replacement	46	56	-	63	-	68	233
Subtotal	9,105	6,175	5,635	7,991	10,323	15,187	54,416
Capital Improvement Projects							
Deck Rehabilitation	-	-	-	-	-	-	-
Mill & Overlay	1,394	-	-	877	4,106	1,900	8,277
Toll Systems & Services	-	-	-	-	-	-	-
Roadway Enhancement	74	54	56	-	-	-	184
Subtotal	1,468	54	56	877	4,106	1,900	8,461
Total	<u>\$ 10,573</u>	<u>\$ 6,229</u>	<u>\$ 5,691</u>	<u>\$ 8,868</u>	<u>\$ 14,429</u>	<u>\$ 17,087</u>	<u>\$ 62,877</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, and operating budget impact.

Six Year Plan

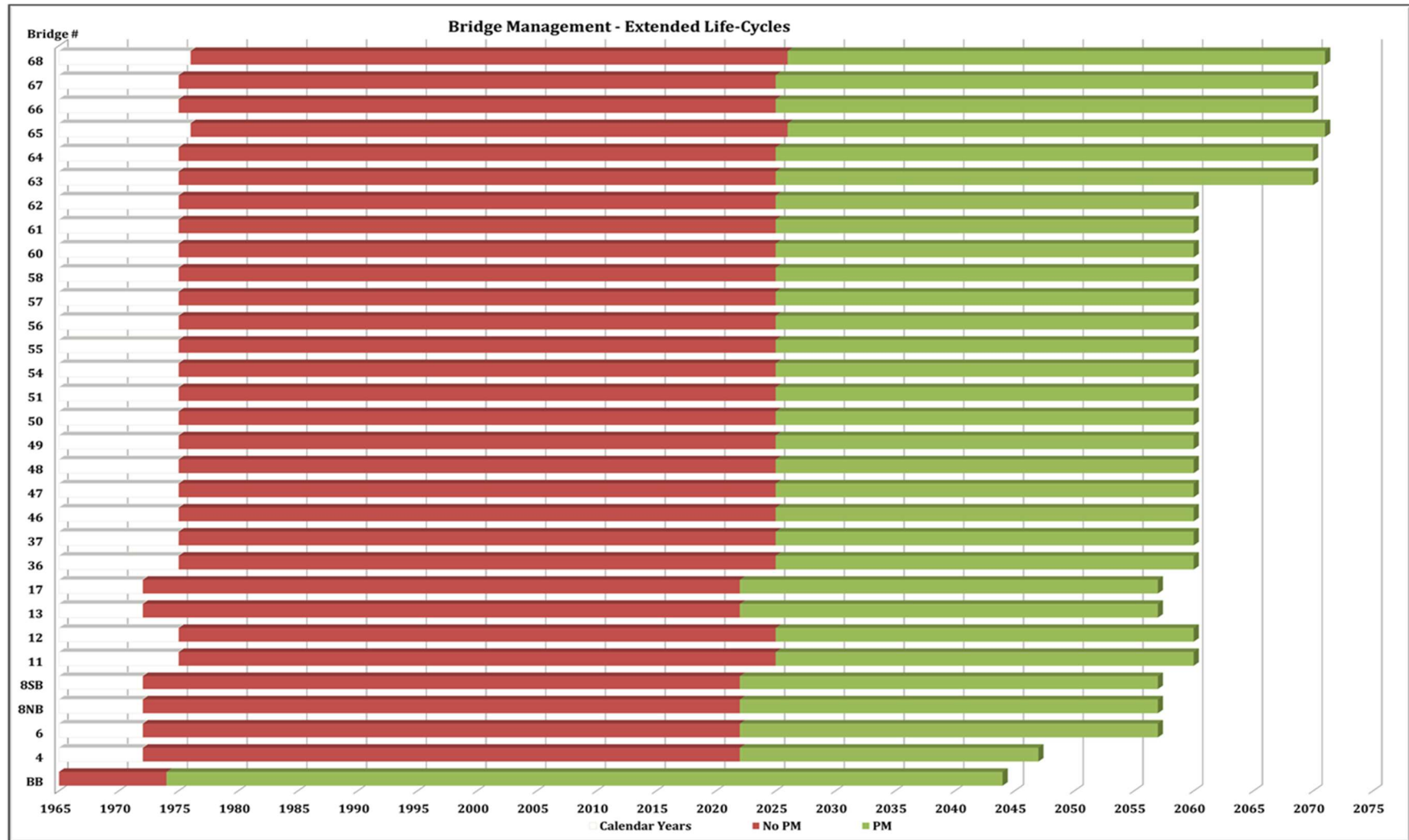
Change to Previous FY2019 Estimate

	FY2019 Prior Year Estimate	Adjustments	FY2019 Capital Plan
Routine Maintenance			
Maintenance and Repair	\$ 4,278,011	\$ -	\$ 4,278,011
Protective Coatings	9,134,500	-	9,134,500
Inspections and General Engineering	734,342	-	734,342
Administrative	472,101	-	472,101
Vehicle Replacement	81,000	-	81,000
Subtotal	14,699,954	-	14,699,953
Capital Improvement Projects			
Deck Rehabilitation	2,262,729	367,637	2,630,366
Mill & Overlay	439,750	-	439,750
Toll Systems and Services	716,432	-	716,432
Signage	-	300,028	300,028
Roadway Enhancement	71,643	-	71,643
Subtotal	3,490,554	667,665	4,158,219
Total	\$ 18,190,508	\$ 667,665	\$ 18,858,172

The FY2019 estimate as shown in the prior year budget (\$18.2 million) requires certain adjustments due to timing, scope, or cost changes to reflect the appropriate adjusted budget. The \$668,000 increase for FY2019 is primarily due to the five (5) new overhead signs required to be replaced due to renaming of the Boulevard to Arthur Ashe Boulevard and the anticipation of an expanded scope for the MR-2019 contract to include the pier protection bollards at the Virginia Street parking lot and repairs to the Boulevard Bridge in advance of the upcoming protective coatings contract expanded scope. These increases are offset by savings from the Deck Rehabilitation and Maintenance and Repair projects.

Any future timing, scope, or cost changes to the FY2020 capital budget estimate of \$18.9 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.

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

Location: As needed throughout the Expressway System.

Estimated Useful Life: Varies based on the repair type.

Operating Budget Impact: None.

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

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.

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.

Inspections and GEC

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

Operating Budget Impact: None.

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

Other Notes: Inspection estimates in FY2020 (\$57k) includes costs for periodic overhead signs and ancillary structures inspections. Inspection estimate for FY2020 (\$680k) includes cost for element level inspection for Authority bridges and pavement and required underwater bridge pier inspections. FY2021 (\$280k) includes the inspection estimate for Authority bridges and pavement.

Project Pages

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.

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.

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.

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

Operating Budget Impact: None.

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: \$1.8 million for the toll plaza concrete apron rehabilitation

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.

Total Cost: \$25.5 million for the toll system replacement, \$0.9 million for interoperability.

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 FY2022, 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.

Capital Projects Operating Costs Impact Summary

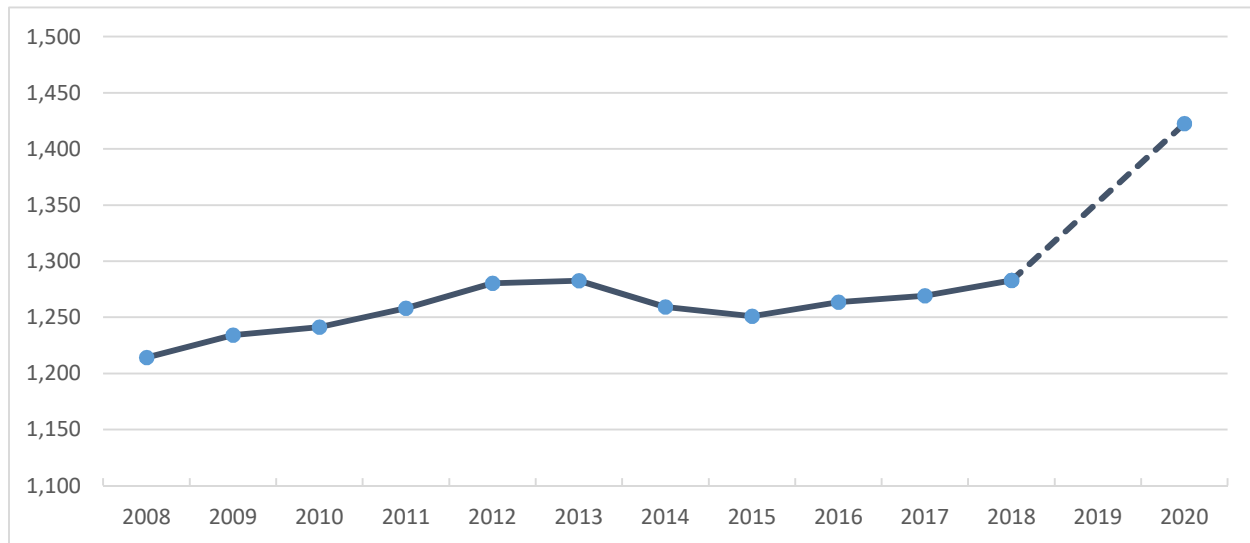
Capital Improvement Projects: FY 2020 Operating Costs Impact								
Description	Long-term	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	6-Year Total
	Operating Costs							
Expressway Maintenance & Repair	No impact							
Protective Bridge Coatings	No impact							
Vehicle Replacement	No impact - fleet maintenance is budgeted							
Deck Rehabilitation	No impact							
Mill & Overlay	No impact							
Toll Systems and Services	Increased maintenance costs due to additional equipment (1)	\$ 280,000	\$ 350,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 2,430,000
Roadway Enhancement	No impact							
Total		\$ 280,000	\$ 350,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 2,430,000

(1) estimate based on current trends and contracted maintenance

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
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	391,512	1,263,617
2017	221,679	333,963	321,233	876,875	392,254	1,269,129
2018	222,853	340,020	324,395	887,268	395,693	1,282,961
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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Capital One Bank	4	4	4	2	1	1	1	2	2	3
Virginia Commonwealth University	1	1	1	1	2	2	2	1	1	1
Henrico County School Board	3	3	2	3	4	4	4	6	5	7
Chesterfield County School Board	2	2	3	4	3	3	3	7	7	6
MCV Hospital	5	5	5	5	6	6	6	3	3	2
HCA Virginia Health System	0	0	0	0	5	5	5	4	6	5
Bon Secours Health System	7	6	7	6	9	8	8	5	4	4
US Department of Defense	8	8	6	7	8	9	9	8	9	8
Wal-Mart	6	7	8	8	7	7	7	9	8	9
Integrity Staffing Solutions	0	0	0	0	0	10	10	0	0	0
Richmond City Public Schools	9	9	9	9	10	0	0	0	0	0
Amazon.com KYDC	0	0	0	0	0	0	0	10	10	10
County of Henrico	0	0	0	10	0	0	0	0	0	0
City of Richmond	10	10	10	0	0	0	0	0	0	0

(1) Final quarter data for most recent calendar year (2009-2018), Third quarter data 2018

(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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue (1):										
Powwhite Parkway	\$19,975,538	\$21,182,480	\$21,650,023	\$22,197,895	\$22,399,507	\$22,868,671	\$23,606,375	\$24,796,353	\$25,470,997	\$25,721,280
Downtown Expressway	11,009,880	11,421,500	11,791,817	11,900,320	12,210,502	12,823,395	13,061,678	13,674,656	13,979,051	14,216,747
Boulevard Bridge	1,583,822	1,610,910	1,607,330	1,583,026	1,555,089	1,515,723	1,492,920	1,523,353	1,510,119	1,448,133
Total	\$32,569,240	\$34,214,890	\$35,049,170	\$35,681,241	\$36,165,098	\$37,207,789	\$38,160,973	\$39,994,362	\$40,960,167	\$41,386,160
Traffic:										
Powwhite Parkway	31,381,386	31,057,461	31,787,393	32,666,065	32,842,238	33,554,196	34,579,728	36,350,428	37,354,162	37,689,222
Downtown Expressway	18,857,745	18,326,751	18,838,516	19,002,222	19,344,609	20,225,578	20,623,336	21,561,269	21,863,219	22,452,344
Boulevard Bridge	4,800,726	4,619,608	4,575,223	4,562,253	4,426,225	4,312,318	4,262,366	4,343,172	4,332,640	4,206,077
Total	55,039,857	54,003,820	55,201,132	56,230,540	56,613,072	58,092,092	59,465,430	62,254,869	63,550,021	64,347,643
Avg. Toll (2)	\$0.59	\$0.63	\$0.63	\$0.63	\$0.64	\$0.64	\$0.64	\$0.64	\$0.64	\$0.64
E-ZPass % (3)	55.5%	58.1%	59.6%	60.6%	62.0%	63.0%	64.9%	66.5%	68.6%	70.6%
Lane Miles	45.91	49.90	49.90	49.90	50.15	50.15	50.15	50.15	50.15	50.15

(1) Toll revenue excludes violation processing revenue. Toll rates were last increased in September 2008 (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	FY2018	FY2019	FY2020	Change
Expressway Operations					
Toll Collection	Administrative Assistant	1.0	-	-	-
Toll Collection	Floating Supervisor	2.0	2.0	2.0	-
Toll Collection	Plaza Superintendant	2.0	2.0	2.0	-
Toll Collection	Senior Toll Collection Attendant	8.0	8.0	8.0	-
Toll Collection	Toll Collection Attendant	53.0	54.0	54.0	-
Toll Collection	Toll Collection Supervisor	18.0	18.0	16.0	(2.0)
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	90.0	90.0	88.0	(2.0)
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	Project Manager	1.0	-	-	-
Administration	Administrative Assistant	1.0	0.5	0.5	-
Administration	Information Systems Manager	-	-	1.0	1.0
Administration	Information Systems Administrator	1.0	1.0	1.0	-
Administration	Internal Auditor	1.0	1.0	1.0	-
Administration	Total	6.0	4.5	5.5	1.0
Engineering	Director of Operations	1.0	1.0	1.0	-
Engineering	Engineer	-	1.0	1.0	-
Engineering	Total	1.0	2.0	2.0	-
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	Actg. & Fin. 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	Administrative Assistant	-	1.0	1.0	-
Human Resources	Employee Relations Manager	1.0	1.0	1.0	-
Human Resources	Total	2.0	3.0	3.0	-
Totals		112.5	113.0	112.0	(1.0)

Expressway Debt

Overview

The following debt was outstanding for the Expressway System as of June 30, 2018:

Series	Sale Date	Original Borrowing	Interest Rate	Final Maturity	Outstanding Balance
1998	March 1998	\$ 80,705,000	3.65-5.25%	July 2022	\$ 21,640,000
2002	April 2002	28,430,000	3.50-5.25%	July 2022	15,635,000
2011-A, B, C	November 2011	77,490,000	4.62-4.75%	July 2041	58,695,000
2011-D	November 2012	43,875,000	4.29%	July 2041	43,875,000
2017	August 2017	19,735,000	4.50%	July 2041	19,445,000
					<u>\$ 159,290,000</u>

Legal Debt Limit

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

Series 1998 bonds

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

Series 2002 bonds

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

Series 2011-A, B, & C bonds

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

Series 2011-D bonds

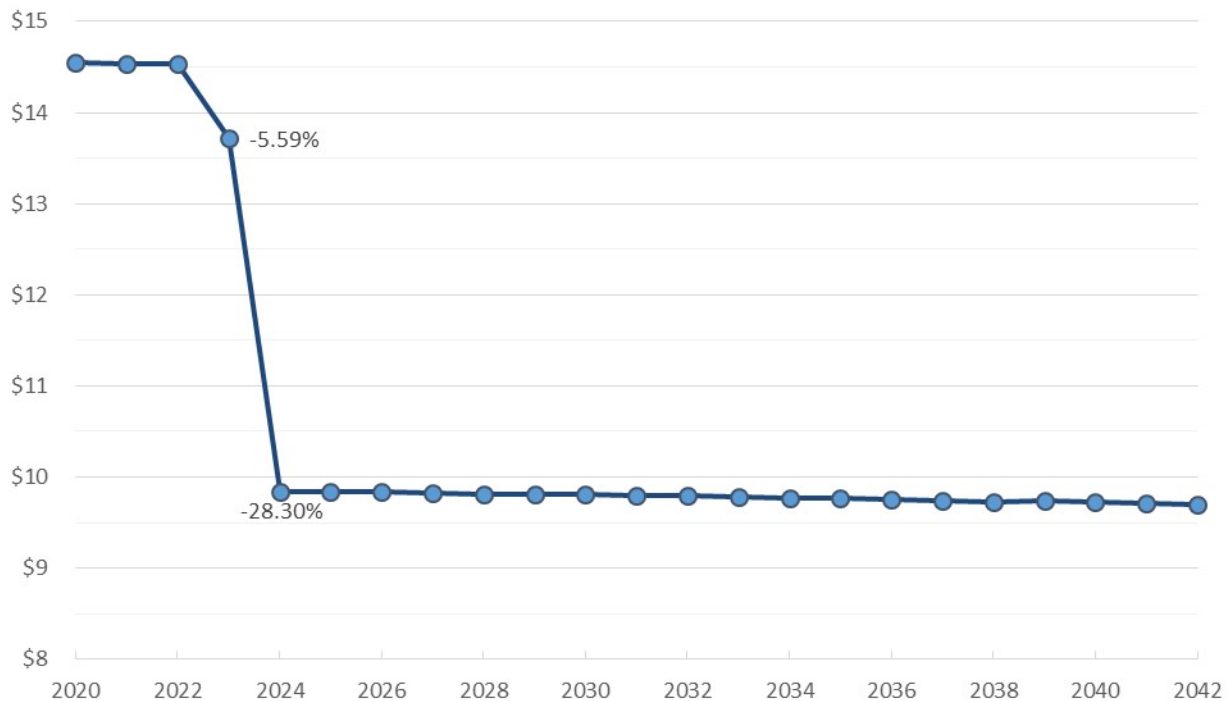
Revenue bonds were issued and combined with other resources to pay off \$22.8 million of subordinate notes and \$39.4 million of accrued interest (totaling \$62.2 million) to the City of Richmond. The Authority issued debt in 1975 to construct the Expressway System with a Moral Obligation from the City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

Series 2017 bonds

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

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	Fiscal Year	Principal	Interest	Total
2020	7,265,000	7,282,036	14,547,036	2032	5,915,000	3,876,338	9,791,338
2021	7,650,000	6,891,152	14,541,152	2033	6,195,000	3,587,237	9,782,237
2022	8,050,000	6,479,339	14,529,339	2034	6,495,000	3,277,095	9,772,095
2023	7,650,000	6,067,430	13,717,430	2035	6,815,000	2,956,376	9,771,376
2024	4,065,000	5,771,059	9,836,059	2036	7,130,000	2,624,793	9,754,793
2025	4,260,000	5,571,946	9,831,946	2037	7,470,000	2,272,250	9,742,250
2026	4,475,000	5,362,723	9,837,723	2038	7,830,000	1,897,398	9,727,398
2027	4,680,000	5,144,445	9,824,445	2039	8,230,000	1,503,662	9,733,662
2028	4,895,000	4,910,828	9,805,828	2040	8,625,000	1,095,129	9,720,129
2029	5,145,000	4,664,706	9,809,706	2041	9,040,000	671,503	9,711,503
2030	5,395,000	4,411,466	9,806,466	2042	9,465,000	227,317	9,692,317
2031	5,645,000	4,148,620	9,793,620	Total	152,385,000	90,694,847	243,079,847

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