

**RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
MINUTES OF THE OPERATIONS AND
FINANCE COMMITTEE MEETING
HELD FEBRUARY 15, 2023**

A Committee Meeting of the Operations and Finance Committee of the Board of Directors of the Richmond Metropolitan Transportation Authority (“RMTA”) was held on the 15th day of February 2023 at the RMTA Main Office, 901 East Byrd Street, Suite 1120, Richmond, VA, pursuant to due notice.

Operations and Finance Committee Chairman Thomas Hawthorne and the following Committee members were present in person and acting throughout the committee meeting, except as noted: Unwana Dabney (entered at 10:20 am), Aubrey Fountain (entered at 10:28 am), Ian Millikan (entered at 10:04 am), Steven Mulroy, and Donald Williams. Board Chairman Marvin Tart was also present. Committee members Dironna Clarke, Barrett Hardiman, and Stephen Story were absent.

Also in attendance were RMTA staff members Kevin Burke (exited at 10:04 am), Joi Dean, Sheryl Johnson, Leslie Mehta, Steven Owen, Theresa Simmons, and Paula Watson. Additionally, the following participated throughout the meeting electronically: HNTB consultants Cherie Gibson and Dan Papiernik; Atkins consultants Chris Bausher, Ram Jagannathan, and Rosa Rountrere; and Stantec consultant Phil Eshelman.

There was a quorum for the meeting once Director Dabney entered the meeting.

Committee Chairman Hawthorne called the meeting to order at 10:03 a.m.

Director Millikan joined the meeting in progress.

Committee Chair Thomas Hawthorne turned to Ms. Dean for her CEO Comments. Ms. Dean introduced Steven Owen as the new Director of Finance.

Next, Ms. Simmons provided an ETC – 2022 update. She noted that the Downtown Expressway ETC was completed on January 30, 2023. Powhite Northbound ORT is scheduled for completion on February 27, 2023 and Powhite Southbound ORT is scheduled to be completed on March 27, 2023.

Ms. Dean and Mr. Owen also proposed dates in March for the FY2024 Budget Workshop.

Director Dabney joined the meeting in progress.

Director Fountain joined the meeting in progress.

Additionally, Ms. Simmons discussed the future of the RMTA Expressway System, including an overview of All Electronic Tolling (“AET”) and Toll Adjustment and Differential discussions. Regarding AET, Ms. Simmons explained that there would be no cash collection; payment would be via E-ZPass transponder, toll-by-plate or mobile app; it would be safer because no lane changes would be required; and it would be quicker and more convenient. At that time, the AET options will be to use E-ZPass, a mobile app, or pay-by-plate (if a vehicle that is not equipped with E-ZPass or any other Virginia accepted transponder, goes through an electronic toll location, the cameras take a photo of the vehicle’s license plate, and the transaction will be automatically converted to TOLL-BY-PLATE. A Toll Enforcement Invoice for the toll(s) is then mailed to the registered owner of the vehicle, including a pre-set administrative charge). Ms. Simmons that there will be a phased approach with regard to AET.

Staff also explained that immediate decisions for the board are (1) a toll rate adjustment; (2) whether to differentiate E-Z Pass versus cash pricing; (3) violation enforcement system expansion; and (4) full AET. She noted that near term decisions include design and implementation of Powhite AET conversion; design and procurement of DTE AET conversion; roadway

realignment changes for Powhite and DTE; back office and video billing options; and staffing post-AET.

Next, Mr. Owen led a discussion on the Authority's financial outlook. He noted that, under the current rate structure, the RMTA will be unable to fund (cash flow) the annual capital and maintenance plan from FY 2023 forward. He explained that this condition exists even with the upcoming \$4 million debt service reduction. If there are no changes, this would necessitate expending all unrestricted reserves by 2027. Thus, consultant and RMTA forecasts show that cash and electronic rates need to be adjusted. He explained that a toll rate adjustment is necessary to meet bond covenants, ensure long-term financial viability, provide for proper maintenance of the system, and keep reserves available, if needed.

Mr. Owen then explained long-range forecast if there is no change and long-range forecasts with several toll adjustment scenarios. He noted that the last toll rate adjustment was in 2008. He also explained the costs to collect revenue and operating costs per transaction.

Traffic and revenue consultant Phil Eschelmann highlighted that, although coverage levels are met for FY2023, it is understood that the future capital program over the next five years will require significant funding from reserves. These capital programs include standard maintenance and repair as well as larger capital programs including protective coatings on roadways, major bridge rehabilitation, and an update to the toll system. Further, Mr. Eschelmann noted that the only way the existing toll schedule will fund RMTA's future O&M, debt service, and capital program through 2030 is to have traffic increase by approximately 15% next fiscal year and cumulatively 30% by 2030. Additionally, even with this growth, he stated, it would require a complete depletion of RMTA's unrestricted cash reserves and not having the financial capacity to fund the anticipated programs from 2031 to 2042 except through a pay-as-you-go program. Contextually, through the first six months of FY2023 (July to December), RMTA has grown 1.1% year over year. Therefore, the likelihood of a 15% increase in the next fiscal year and continued growth through 2030 is unlikely.

Board Chairman Tart noted that there will need to be an April board meeting to review the information presented at this Committee meeting.

Next, Committee Chairman Hawthorne turned to the agenda item of Operations and Finance Committee minutes. Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Committee members present, the Committee minutes of the Authority's meetings held on May 3, 2022 and June 9, 2022 were approved, a previously distributed.

Having no further business, Committee Chairman Hawthorne adjourned the meeting at 12:12 p.m.