



Annual Fiscal Plan, FY 2024 Capital Budget, FY 2024-2029

Serving Chesterfield, Henrico, and Richmond, Virginia

Table of Contents

Introduction

Chief Executive Officer's Transmittal Letter	3
Distinguished Budget Presentation Award	5
Budget Overview.....	6
Mission Statement.....	9
Principal Officials.....	10
Organizational Chart	11
History.....	14

Budget Development

Fund Structure, Basis of Accounting and Budgeting, and Budget Process	21
Financial Policies	23
Revenue Sources and Forecasting Assumptions	26
Long-Term Financial Plan.....	28

Department Budgets

Expressway Operations.....	33
Administration	36
Engineering	38
Finance.....	41
Human Resources	43

Budget Detail

Department to Fund Crosswalk	47
Expressway Fund Budget	48
Consultants' Certifications	49
Central Administration Fund Budget	54

Expressway Capital Budget

Capital Budget Overview	58
Executive Summary.....	59
Six-Year Plan.....	61
Bridge Management Life Cycle	62
Project Pages.....	63

Supplemental Information

Estimated Population, Richmond Metropolitan Area	68
Principal Employers, Richmond Metropolitan Area	69
Expressway Toll Rates, Current and Historical.....	70
Operating Indicators.....	71
Personnel Complement, Budgeted Positions	72
Expressway Debt.....	73
Glossary.....	75

Appendix A76

Stantec FY 2024 Revenue Review and Certification
HNTB Capital Expense Certification

Introduction



May 9, 2023

Joi Dean

CEO

Board of Directors
Richmond Metropolitan Transportation Authority
Richmond, Virginia

Honorable Members of the Board:

I am pleased to submit for your review and consideration the fiscal year 2024 operating and capital budgets for the Richmond Metropolitan Transportation Authority (RMTA or Authority). The Richmond Region, like everywhere in the world, has faced challenges as a result of the COVID-19 pandemic and its aftermath. In these unprecedented times over the course of the last fiscal year, the RMTA has continued its history of fiscal conservatism and sound financial stewardship. In order to maintain a strong financial position and ensure that the Authority has sufficient revenues and reserves to fund its operations, meet its debt obligations and continue to fulfill its mission of facilitating and providing a variety of transportation and public facilities that improve life in the Richmond Metropolitan Area, the fiscal year 2024 budget includes a toll rate adjustment. The last toll adjustment occurred in 2008. The RMTA has in the face of the pandemic and its aftermath remained committed to delivering excellent customer service to our patrons while safeguarding our staff.

The FY 2024 Annual Budget demonstrates the Authority's continued ability to prudently manage its finances and provide for the necessary personnel and expenditures to operate and maintain the expressway system. You will find that the enclosed RMTA budget is provided on a per facility basis, with comparative prior year amounts broken out. Additionally, the budget is delineated by department to better allocate spending categories. This budget document is a useful tool which allows management to effectively plan with the Board of Directors how we intend to carry out our mission. As a political subdivision with fiduciary responsibilities to our bondholders, customers and staff, the budget provides a very important check and balance, an essential element in our management process. This document also serves as a budgetary link to the planning of RMTA's long-range capital and maintenance efforts for its infrastructure assets.

Although these are unique times, the RMTA's commitment to fiscal conservatism remains a priority. Primarily a commuter roadway, the Authority is optimistic that the Richmond region's workforce will continue to incrementally return to work in the downtown area. We have seen Richmond area private sector employers return employees to work both hybrid and full time office schedules. On the public sector side last year, Governor Youngkin announced that State of Virginia employees were required to return to offices. We remain optimistic, and this budget document conservatively projects that toll revenue will increase to approximately \$44.5 million or a 27.1% increase over the FY 2023 projected as traffic continues to rebound from the COVID-19 virus pandemic and the toll rate adjustment is implemented. Our optimism is coupled with our continued monitoring of the impact of COVID-19 and the anticipated ongoing evolution of remote working options. Similar to our actions in the past, the RMTA's operating budget still allows for the RMTA to maintain its operations in a fiscally efficient manner while still providing first in class customer service.

The Authority advertised and procured a new Open Road Tolling (ORT) system project in 2021, the

Electronic Toll Collection 2021 project (ETC – 2021). The project is currently underway and ORT zones have begun to be updated. The maintenance of the RMTA Expressway System will continue to be a priority in FY 2024. The capital plan allows for the Expressway, one of the gateways to the city of Richmond, to continue to contribute to the region's economic strength.

Financially, RMTA staff will continue to seek operational savings where possible while maintaining excellence in financial services. This has included obtaining an unmodified opinion on the Authority's FY 2021 Annual Comprehensive Financial Report and anticipates 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, identify what underlying factors impact revenue in the future, and how 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. I am fortunate to work with an exceptional team. First, I would like to thank our new Director of Finance, Steven Owen, as well as his team, for their efforts leading this budget process. I am appreciative of Steve's expertise and diligence in executing all of his responsibilities. I would also like to thank him for his leadership during this transitional time and as we navigate the fluctuations with our traffic and revenue. Theresa Simmons, Director of Operations, continues to keep the RMTA assets in excellent condition and operations running smoothly. Theresa remains committed to ensuring that we are an efficiently run operation. I am appreciative of her continued flexibility and leadership. Leslie Mehta, Chief of Staff and Counsel to the CEO, has proven to be a trusted advisor and provides sound and thoughtful counsel in relation to RMTA matters. Additionally, Leslie has continued to ensure the safety of our organization in her role as chair of the Coronavirus Protection Prevention Committee. Sheryl Johnson, Director of Human Resources, has continued to provide wise and trusted counsel in all matters Human Resources to not only the CEO, but also the Compensation and Benefits Committee. Sheryl has provided invaluable guidance and ensured that we effectively communicated with all employees of the RMTA as we have navigated these uncertain times. 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 every aspect of the operation of the RMTA.

In closing, over the past couple of years, all of our lives have been changed and as we come to the end of this pandemic, we have learned that we can extend grace and lead with gratitude. I am filled with immense gratitude for all of the RMTA staff for all of their hard work. Our staff has worked tirelessly and has been flexible and nimble as we continue to navigate this new normal. I remain grateful every day for our staff that ensures 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,

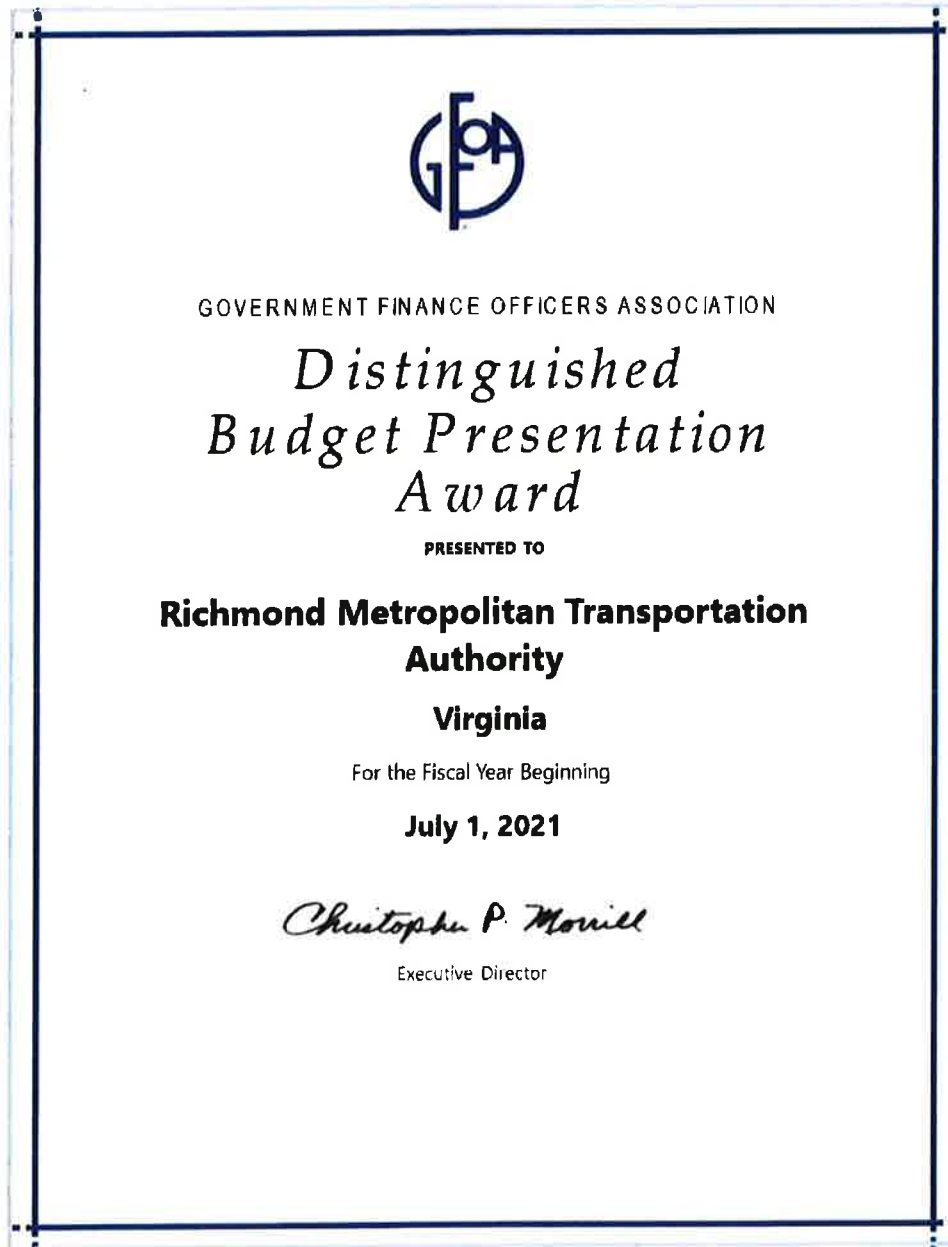
A handwritten signature in dark ink, appearing to read "Joi Dean", with a stylized, flowing script.

Joi Dean

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, 2021. 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 2024 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

	FY2022 Projected	FY2023 Budget	FY2024 Budget	FY2023 to FY2024 \$	%
Revenues					
Tolls	\$ 34,263,275	\$ 36,156,000	\$ 44,453,000	\$ 8,297,000	22.9%
Rentals	49,916	54,000	54,000	-	0.0%
Other	194,796	200,000	250,000	50,000	25.0%
Subtotal	34,507,987	36,410,000	44,757,000	8,347,000	22.9%
Operating Expenses					
Salaries and Benefits	\$ 4,720,426	\$ 6,075,131	\$ 5,938,784	\$ (136,347)	-2.2%
Operations	7,066,747	8,675,868	9,955,195	1,279,327	14.7%
Subtotal	11,787,173	14,750,999	15,893,979	1,142,980	7.7%
Net Operating Revenue	\$ 22,720,814	\$ 21,659,001	\$ 28,863,021	\$ 7,204,020	33.3%

Toll Revenue

Toll revenue for FY 2024 is projected to increase to \$44.5 million or 22.9% as traffic continues to rebound from the COVID-19 virus pandemic. The increase in budgeted revenues is primarily due to a toll rate increase scheduled to begin in September 2023. The new rates will be \$.90 for EZ pass customers, (\$.20 increase) and \$1.00 for cash customers, (\$.30 increase). Toll rates were last increased in September 2008. 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 which is forecasted to increase due to an increase in interest rates.

Budget Overview

Compensation and Benefits

Salaries & Benefits	FY2022	FY2023	FY2024	FY2023 to FY2024	
	Projected	Budget	Budget	\$	%
Salaries	\$ 3,756,532	\$ 4,805,512	\$ 4,796,096	\$ (9,416)	-0.2%
Health Care	659,114	969,851	889,278	(80,573)	-8.3%
VRS Retirement	132,158	161,864	146,256	(15,608)	-9.6%
OPEB Contribution	100,000	50,000	51,500	1,500	3.0%
Other	72,623	87,904	55,654	(32,250)	-36.7%
Total	\$ 4,720,426	\$ 6,075,131	\$ 5,938,784	\$ (136,347)	-2.2%
FTE Positions	86.5	79.5	79.5	-	0.0%

Compensation and benefits are reviewed by the Compensation and Benefits Committee of the Board of Directors as part of the budget development process.

Salary expense decreased slightly in FY 2024 the increase in wages was offset by a continued restructuring of personnel. Health care program management remains a focus of the Authority's cost containment efforts. For FY 2024, health care expense decreased slightly. This was due to higher insurance premiums that were offset by a continued restructuring of personnel. The premium increase will be shared by employees and the Authority. To encourage a healthier workforce, a premium contribution 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 FY 2024, the full actuarial recommended contribution rate is 1.12%. 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 VRSA/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 was fully funded in FY 2022.

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

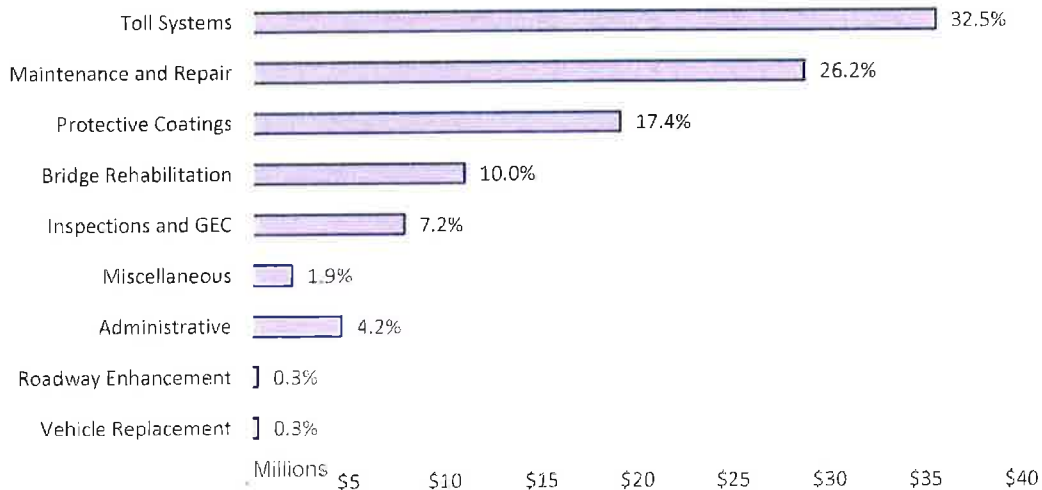
Operations

Operating	FY2022	FY2023	FY2024	FY2023 to FY2024	
	Projected	Budget	Budget	\$	%
Toll Collection	\$ 4,699,108	\$ 5,717,958	\$ 6,709,443	\$ 991,485	17.3%
Maintenance	1,183,872	1,472,000	1,659,512	187,512	12.7%
Administration	553,133	739,005	802,955	63,950	8.7%
Engineering	23,647	30,000	34,600	4,600	15.3%
Finance	554,036	625,580	670,435	44,855	7.2%
Human Resources	52,951	91,325	78,250	(13,075)	-14.3%
Total	\$ 7,066,747	\$ 8,675,868	\$ 9,955,195	\$ 1,279,327	14.7%

The overall budget increased for FY 2024 by 14.7% when compared to FY 2023 budgeted expense. The E-ZPass processing costs are increasing due to the increase in traffic volume and an increase in processing fees. Road maintenance costs increased due to contractual CPI increases. See the Department Budget and Budget Detail sections for additional discussion on the significant budgetary changes for FY 2024.

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 FY 2024-2029, the Six-Year Plan totals \$109 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



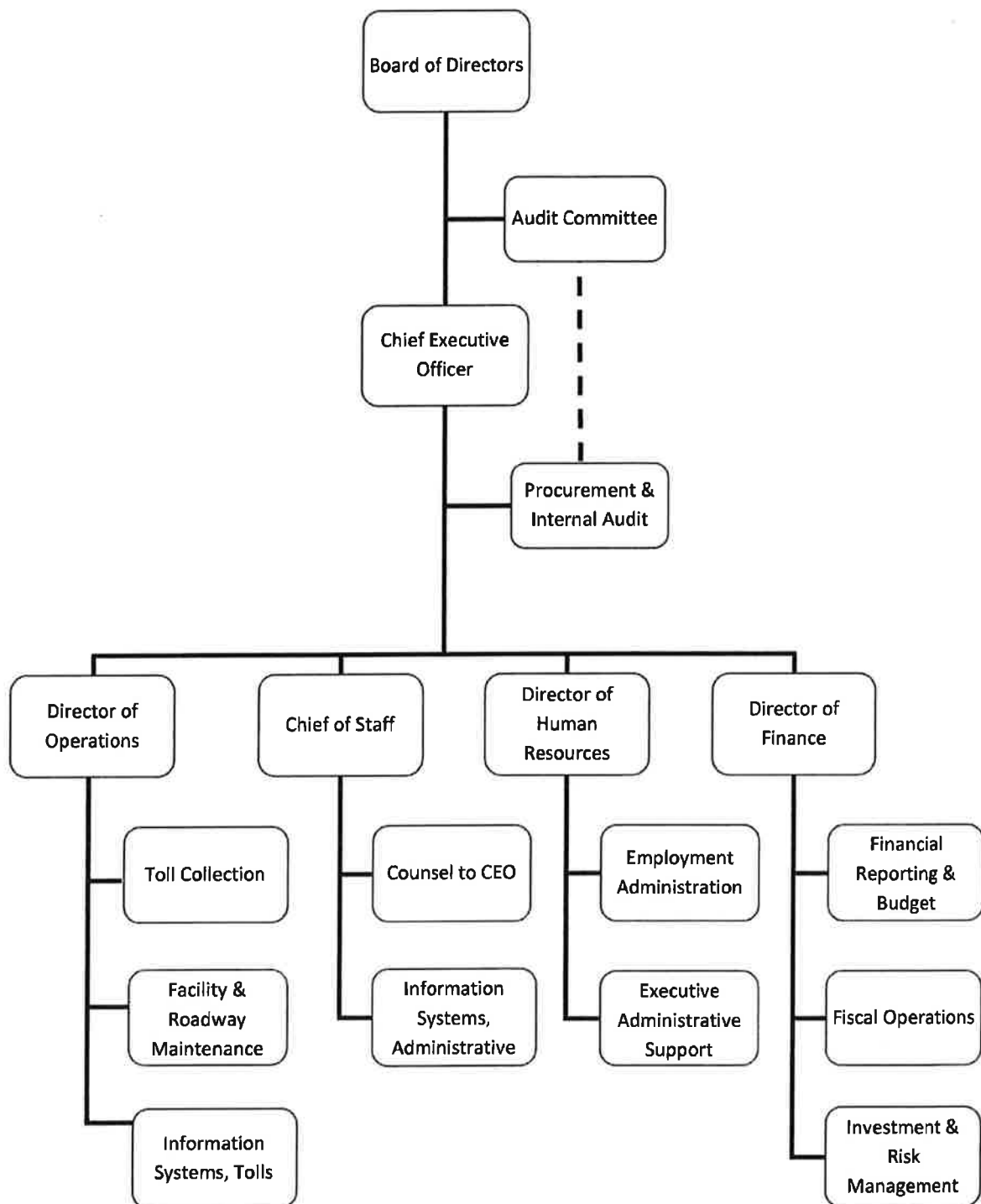
Board of Directors

Marvin Tart, Chair	Henrico County
Lane Ramsey, Vice Chair	Chesterfield County
Carlos M. Brown	Commonwealth Transportation Board
Dironna Clarke	City of Richmond
Dr. Unwanna Dabney	City of Richmond
Jane duFrane	Henrico County
Aubrey W. Fountain, III	City of Richmond
Barrett Hardiman	City of Richmond
Thomas A. Hawthorne	Henrico County
Dean Lynch	Chesterfield County
Ian Millikan	Chesterfield County
Steven Mulroy	Chesterfield County
Tyrone Nelson	Henrico County
Stephen Story	Henrico County
Marilyn West	City of Richmond
Donald Williams	Chesterfield County

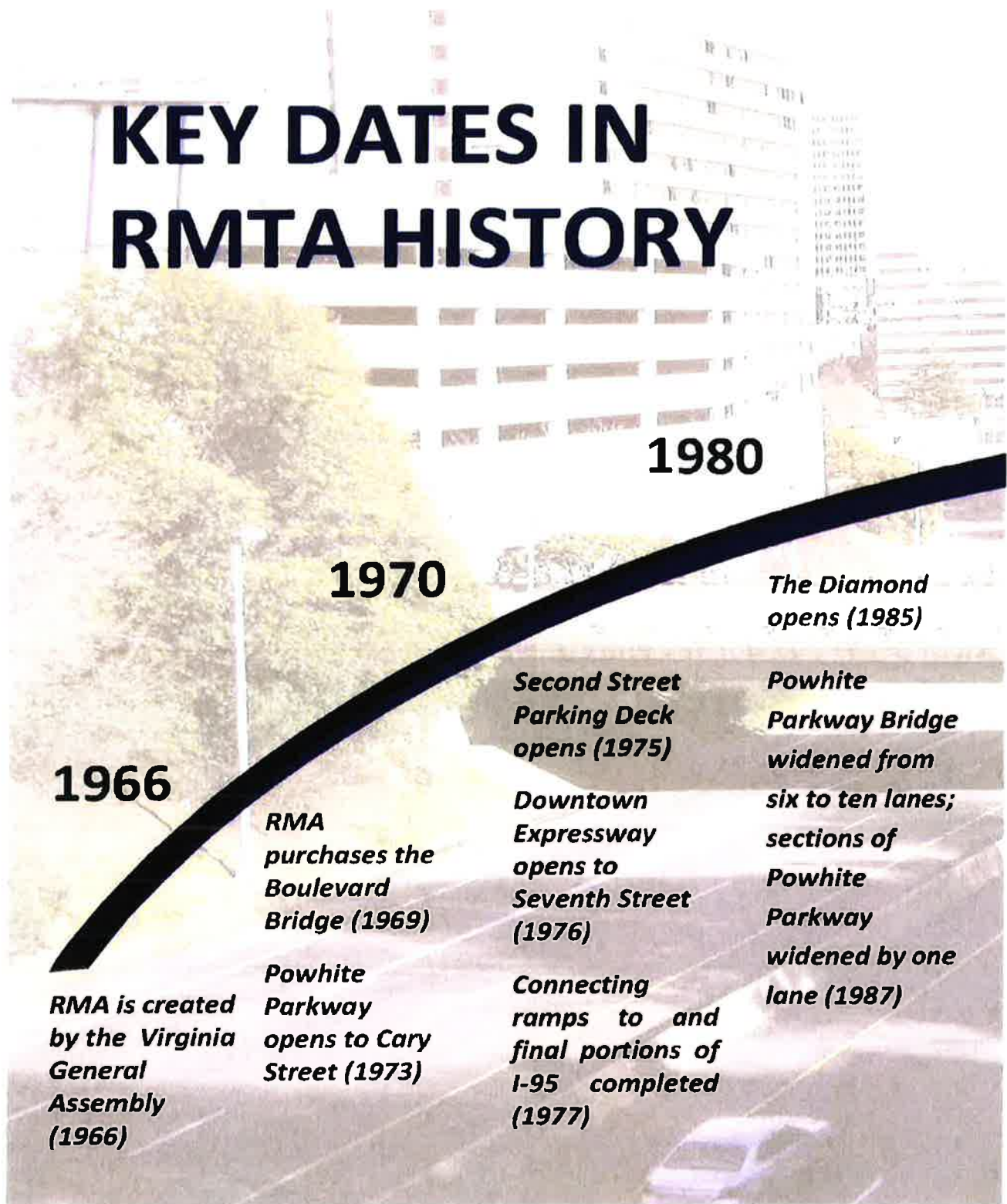
Executive Management

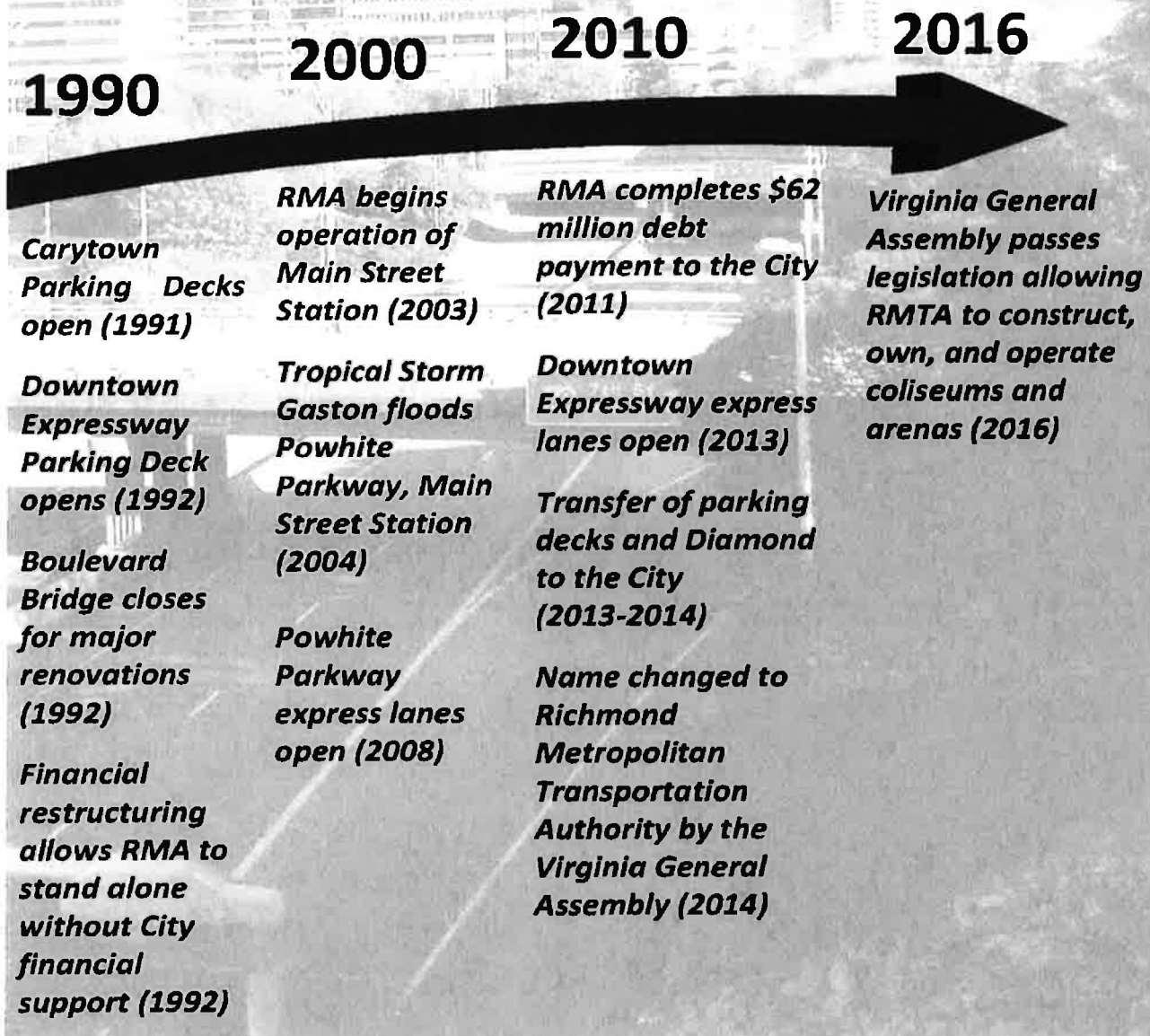
Joi Dean	Chief Executive Officer
Sheryl Johnson	Director of Human Resources
Steven Owen	Director of Finance
Leslie Mehta	Chief of Staff
Theresa Simmons	Director of Operations

Organizational Chart



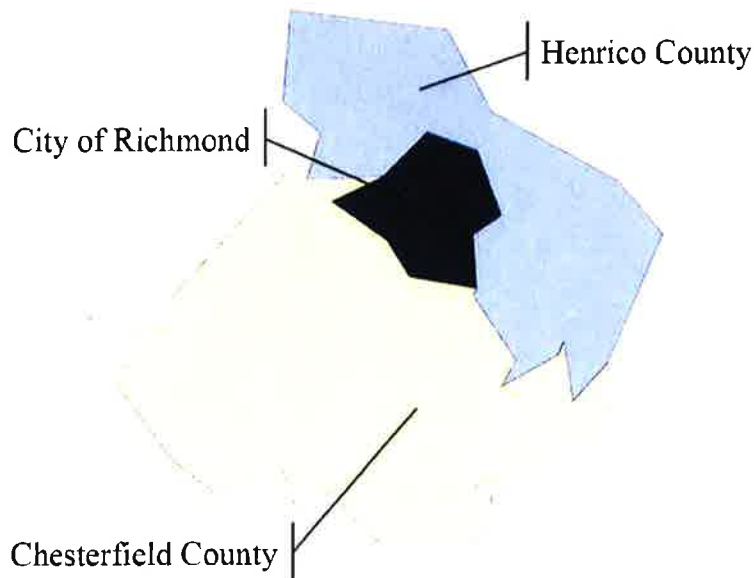
KEY DATES IN RMTA HISTORY





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

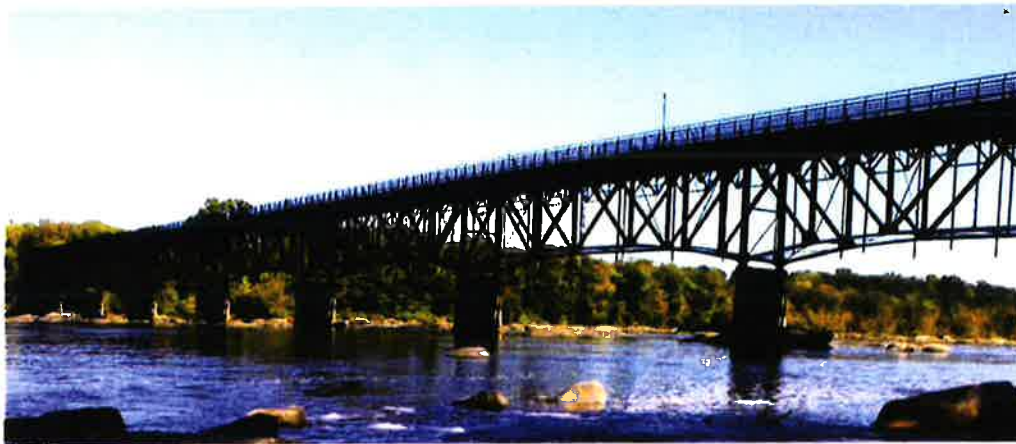
In 1984, another legislative amendment allowed the Authority to construct and own a new baseball stadium to replace the aging Parker Field. The existing ballpark was demolished and replaced with an \$8 million, state of the art baseball stadium called The Diamond. The new stadium was completed before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

In the 2020 General Assembly session, legislation was introduced that decreases from five to four the number of members of the Richmond Metropolitan Transportation Authority appointed by the Mayor of the City of Richmond and adds to the Authority one member of the City Council of the City of Richmond appointed by the president of the Council. This legislation was passed and becomes effective July 1, 2020.

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 Finance department 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.

Board approval is needed to increase the total budgeted expense per fund or transfer budget authorization between expense categories.

The Finance department sends monthly traffic and revenue data to the Traffic and Revenue Consultant throughout the year. In January, the Director of Finance 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 budget meetings 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 Executive staff 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 2024, the budget development process followed the calendar of events as described below:

Date	Action
February 7, 2023	Traffic and Revenue Consultant to provide an updated current fiscal year projection and next fiscal year revenue estimate.
February 15, 2023	Directors provide initial budget requests to Finance.
February 22, 2023	Initial budget review with Executive Staff.
March 2, 2023	Operating budget draft completed.
March 8, 2023	Capital budget estimates reviewed by Executive Staff.
March 14, 2023	Compensation and Benefits Committee meeting to review salary and benefits.
March 17, 2023	Capital budget draft completed.
March 22, 2023 10:00 AM	Budget workshop with Finance and Operations Committee to review operating and capital budget drafts and long-term financial plan update.
March 27, 2023 (week of)	Traffic and Revenue Consultant provides draft certificate of Expressway toll revenue.
April 5, 2023	Final budget review with Executive Staff.
April 7, 2023	Proposed budget document complete.
April 11, 2023	Board meeting: Proposed budget presented to Board to provide comment period prior to adoption.
April 26, 2023 10:00 AM	Final Budget workshop with Finance and Operations Committee to review operating and capital budget drafts.
May 9, 2023	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 – 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.

Annual Comprehensive Financial Report – The Authority will prepare an Annual Comprehensive Financial Report 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 98% 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.

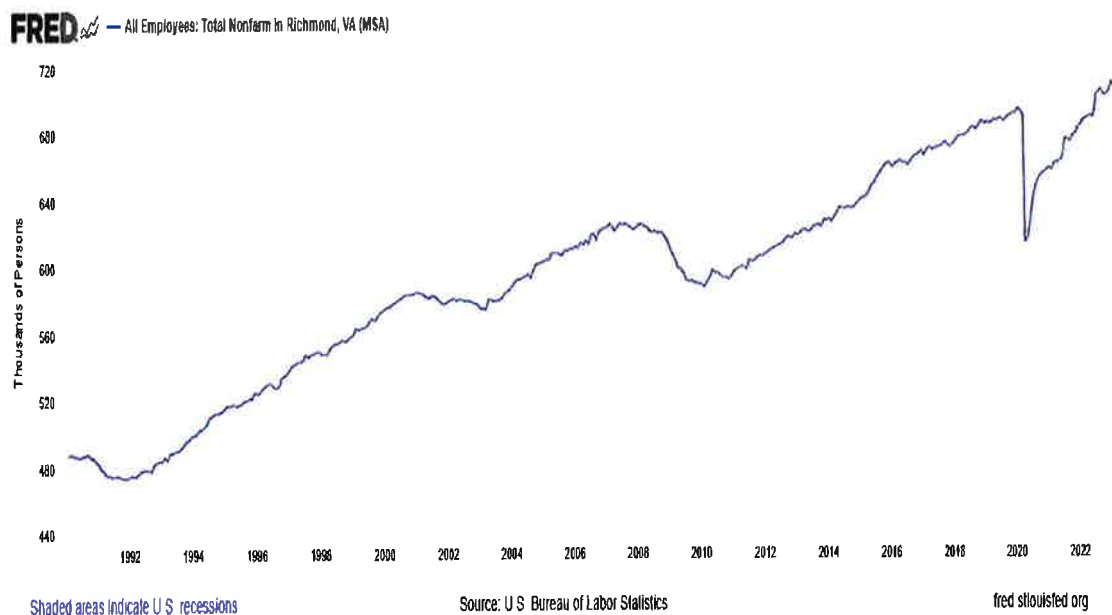
Economic Conditions

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. Due to the COVID-19 pandemic, economic conditions deteriorated rapidly in 2020 and 2021 and traffic volume decreased significantly for the RMTA Expressway system. This impact and the gradual return of traffic volume has been factored in the FY 2023 budget with available information at the time of budget development.

Employment

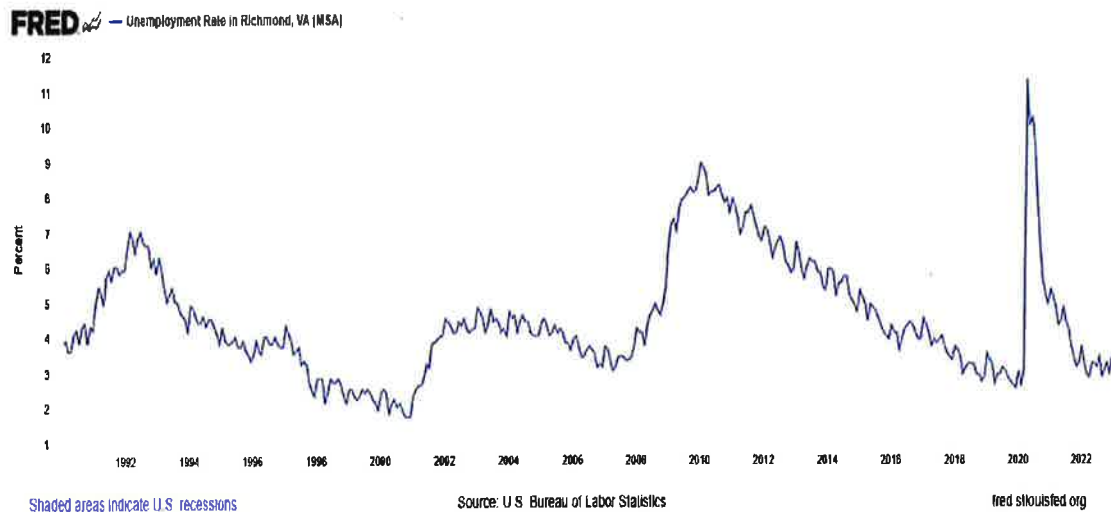
Employment data for the Richmond Metropolitan Statistical Area (MSA) from the Bureau of Labor Statistics (BLS) is historically correlated with RMTA traffic. As the RMTA is mostly a commuter facility, traffic is reasonably related to economic output and employment levels. The charts that follow show the historical employment levels for the Richmond MSA. The first shows the impact of the recent COVID-19 pandemic and subsequent start of recovery. The second graph presents the unemployment rate over the same period.

Figure 1: Richmond MSA Employment – Long Term



Revenue Sources and Forecasting Assumptions

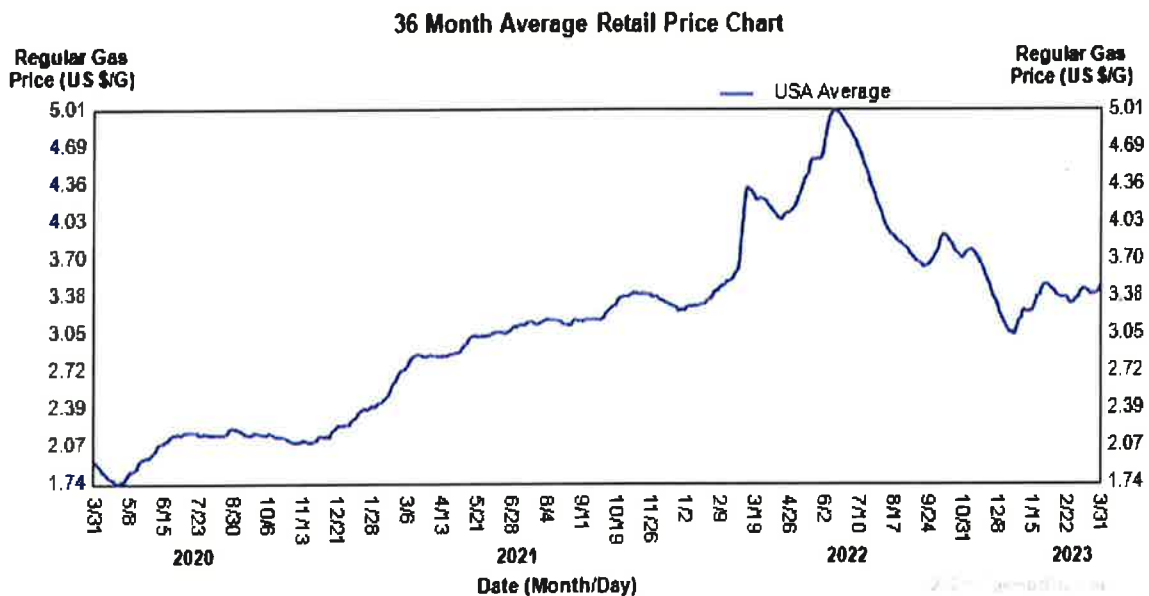
Figure 2: Unemployment Rates – Long Term



Gas Prices

For the FY24 forecast, it is estimated that gas prices will hover around \$3.50. As of February 2023, the national average gas prices was approximately \$3.40. It should be noted that Richmond gas prices have been generally below those of the United States as a whole.

Figure 3: Price of Gasoline over the Past 36 months



Long-Term Financial Plan

Long-Term Financial Plan Overview

The Authority works closely with its Traffic and Revenue Consultant and Consulting Engineer 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 conservative projections incorporate a sustained impact of the COVID-19 pandemic on commuting and traffic patterns. The projections are used for planning purposes only and may differ from actual results.

Current and Next Six Fiscal Year Projections (in millions)

	BudgetFY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Tolls	\$ 35.7	\$ 43.7	\$ 46.2	\$ 46.5	\$ 42.9	\$ 43.3	\$ 43.7
Other	0.7	1.1	1.5	1.5	1.5	1.5	1.6
Total revenue	36.4	44.8	47.7	48.0	44.4	44.8	45.3
Operating expense	(14.8)	(15.9)	(16.6)	(17.3)	(18.0)	(18.7)	(19.4)
Net revenue	21.6	28.9	31.1	30.7	26.4	26.1	25.9
Debt service	(9.8)	(9.8)	(9.8)	(9.8)	(9.7)	(9.7)	(9.7)
Available for capital	\$ 11.8	\$ 19.1	\$ 21.3	\$ 20.9	\$ 16.7	\$ 16.4	\$ 16.2
Projected DSCR	2.20	2.95	3.17	3.13	2.72	2.69	2.67

Toll Rates and Debt Issuance

The Authority's FY 2024 budget is based upon a toll rate increase. The last increase occurred in 2008. The new rates will be \$.90 for EZ pass customers, (\$.20 increase) and \$1.00 for cash customers, (\$.30 increase). 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. 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. In May 2019, Standard & Poor's affirmed a previous rating of A+ with a stable outlook. Moody's affirmed their previous rating at A1 with a stable outlook in October 2019. In February 2020, Fitch affirmed a previous rating of A with a stable outlook.

In March 2020 Standard & Poor revised the outlook from stable to negative for all transportation infrastructure due to the impact from COVID-19. In September 2021 Standard & Poor affirmed a rating of A+ for the Authority. In April 2022, Fitch affirmed a previous rating of A with a positive 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

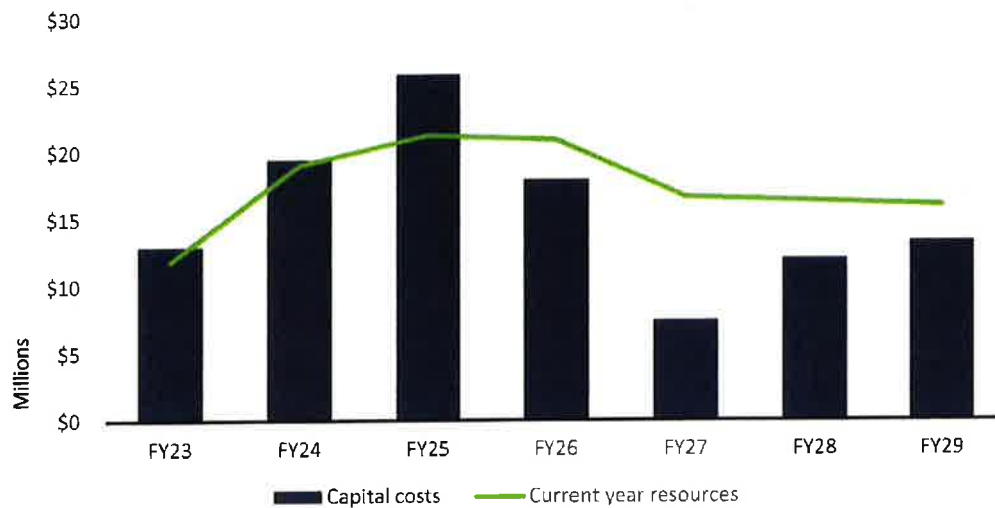
Capital Plan Funding

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):

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Prior available for capital	\$ 2.6	\$ 1.4	\$ 1.0	\$ 1.1	\$ 4.0	\$ 13.2	\$ 17.5
Current available for capital	11.8	19.1	21.3	20.9	16.7	16.4	16.2
Debt issuance	-	-	-	-	-	-	-
Use of reserves	-	-	4.7	-	-	-	-
Capital budget	(13.0)	(19.5)	(25.9)	(18.0)	(7.5)	(12.1)	(13.4)
Available for future capital	\$ 1.4	\$ 1.0	\$ 1.1	\$ 4.0	\$ 13.2	\$ 17.5	\$ 20.3

Long-Term Financial Plan



Excess Balances Overview

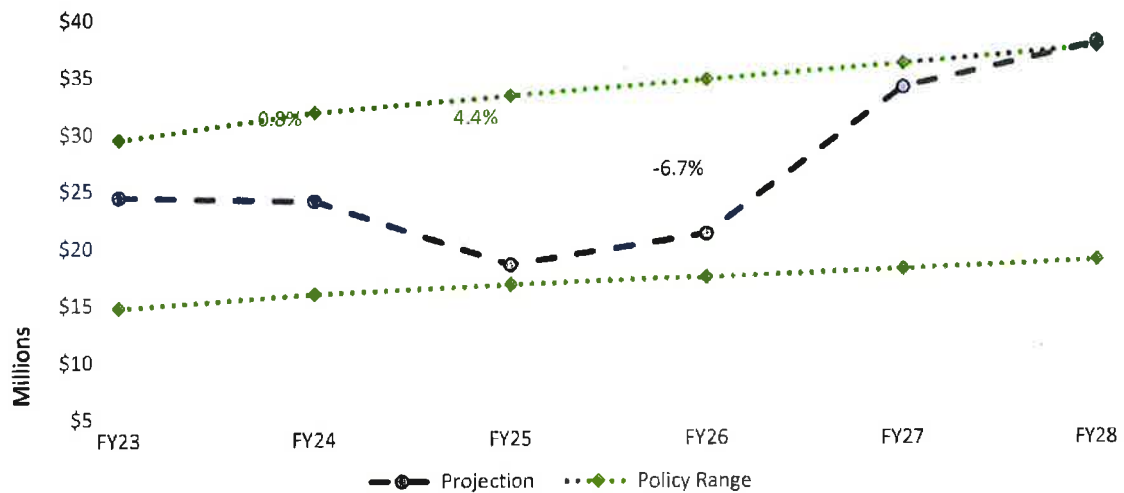
For budgetary purposes, fund balance or fund equity is defined as the cumulative difference between revenues and expenses over time. For the Authority's Expressway System, this cumulative difference is best represented by the Excess Balances fund. The Excess Balances fund was established by the Authority's bond resolution and provides the only reserves available for the Expressway System with capital assets valued in excess of \$350 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



The use of reserves is driven by the difference between capital cost estimates, operational expenses, and available revenue. While the current long-term financial plan shows the use of reserves in FY 2024-2025, the Authority continues to evaluate all available options to determine the appropriate action necessary to support its funding requirements.

Department Budget

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, and at the height of its traffic volume, pre-COVID, served over 64.3 million customers in FY2019 on the Authority's Expressway System, comprised of the Powhite Parkway, Downtown Expressway, and Boulevard Bridge. The Authority's traffic volumes continue to rebound as the effects of the COVID – 19 pandemic lessen, but still have not reached the traffic volumes experienced in FY 2019.

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	FY20 71.5%
			FY21 72.5%
			FY22 74.7%

Financial Summary

	FY2022	FY2023	FY2024	FY2023 to FY2024	
Toll Collection	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 2,871,193	\$ 3,577,799	\$ 3,525,021	\$ (52,778)	-1.5%
Operating	4,699,108	5,717,958	6,709,443	991,485	17.3%
Total	\$ 7,570,301	\$ 9,295,757	\$ 10,234,464	\$ 938,707	10.1%
FTE Positions	66.0	60.0	60.0	-	0.0%

	FY2022	FY2023	FY2024	FY2023 to FY2024	
Maintenance	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 280,548	\$ 348,080	\$ 372,878	\$ 24,798	7.1%
Operating	1,183,872	1,472,000	1,659,512	187,512	12.7%
Total	\$ 1,464,420	\$ 1,820,080	\$ 2,032,390	\$ 212,310	11.7%
FTE Positions	6.0	6.0	6.0	-	-

	FY2022	FY2023	FY2024	FY2023 to FY2024	
Total Expressway Operations	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 3,151,741	\$ 3,925,879	\$ 3,897,899	\$ (27,980)	-0.7%
Operating	5,882,980	7,189,958	8,368,955	1,178,997	16.4%
Total	\$ 9,034,721	\$ 11,115,837	\$ 12,266,854	\$ 1,151,017	10.4%
FTE Positions	72.0	66.0	66.0	-	0.0%

FY 2024 compensation and benefits costs decreased due to restructured staffing schedules and operating hours offset partially by a wage increase. Employee health care expense increased due to higher premiums. FY2024 overall operating costs increased due to increases in violation processing, toll system maintenance expense and an increase to E-ZPass processing costs due to the increase in traffic volume and increased road maintenance cost

Expressway Operations

Highlights

Since its initial implementation in 1999, customers continue to utilize E-ZPass as the preferred method of payment on the Authority's Expressway System. The success and convenience of E-ZPass is evident by the growing number of customers who pay via E-ZPass, from 44% in FY2006 to almost 75% in FY2022.

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.

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), as well as the Authority's toll system maintenance team. The Authority and TRMI continue to work diligently to maintain the automatic coin machines (ACM), in-pavement sensors and overhead equipment throughout the Expressway System in good working order. Upon notification and verification of reported equipment issues staff works quickly to resolve them. Each report was researched and if verifiable issues were found the toll system integrator was notified and would immediately repair the issues. Authority staff continues to work vigilantly to address cash toll collection equipment issues as quickly as possible and continues its efforts to maintain the obsolete equipment which requires fabrication of parts and extensive work to rebuild electrical components that are not easily procured.

The Authority has completed several projects to update and upgrade its legacy toll collection system in order to extend the systems useful life and to meet the FHWA's MAP-21 directive for tolling interoperability. These efforts began in late FY 2021 and continued through FY 2023. Authority staff has worked with TRMI to update the toll collection host system, disaster recovery and backup system. Additionally, TRMI has also completed the work on upgrading computers and software in its 48 traditional toll lanes throughout the Expressway System. These projects will extend the system's useful life and help safeguard revenue. The Authority has also upgraded its electronic toll collection system to meet the new software specifications to meet national interoperability standards as required by FHWA and VDOT in all 57 toll lanes along the Downtown Expressway and Powhite Parkway. Additionally, the Authority has installed new multi-protocol transponder readers in all of its 57 lanes, both traditional and ORT lanes.

Near the end of FY 2022 the Authority advertised and awarded the ETC – 2021 Request for Proposals ("RFP") to replace the three (3) Open Road Tolling zones ("ORT"). The project was awarded to A-to-Be, Inc. Work began in late FY 2022 with a very aggressive schedule for the design and installation of the three ORT zones (9 lanes in total) within the first quarter of calendar year 2023. The first ORT zone to be completed was the Downtown Expressway ORT zone followed by the Powhite North ORT and Powhite South ORT zones. The installation of all three (3) zones were completed March 27, 2023 and are currently in revenue service. Currently the Authority's integrator, A-to-Be, are actively addressing punch list items including system reporting, camera configurations and minor system interface development. This toll collection system is currently in revenue service transmitting all electronic toll transactions (E-ZPass) and processing violations to the VDOT for processing. Authority staff, TRMI and A-to-Be worked very closely with VDOT during the design, implementation and installation of the new ORT toll collection system to ensure a smooth transition of the ORT zones from the legacy toll system to the new toll system.

Expressway Operations

Currently, the Authority is working on further upgrading its toll collection systems to include the future integration of violation enforcement cameras in its traditional lanes as we transition away for the traditional cash toll collections. Also included, is the conversion of the Powhite Parkway to All Electronic Tolling ("AET") which will include the ability to collect tolls through non-cash payment options such as mobile app and pay-by-plate invoicing, in addition to the traditional E-ZPass payments.

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 FY2023.

This was the fifth year the Authority would oversee its own snow and ice removal operations previously performed by VDOT. The table below details the number of events and annual costs associated with each fiscal year. Annual cost for snow and ice removal services are depended upon several variables – duration of event, severity of event, the amount of equipment and equipment operators needed to adequately respond to the event and also whether or not pre-treatment and post-treatment of the roadways is necessary.

Fiscal Year	# of Snow/Ice Events	Total Cost
FY 2019	7	\$ 76,000
FY 2020	1	\$ 4,000
FY 2021	8	\$ 85,000
FY 2022	8	\$105,000
FY 2023	2	\$ 1,600

During the COVID-19 pandemic the Authority adjusted its operating hours for full service toll collection from 24 hours/day to only 6:30 AM – 9:00 PM on a daily basis. Since the announcement of the official end to global pandemic of COVID-19, the Authority has maintained the adjusted full service toll collection hours of operation. Operations also continues to staff additional lanes at the mainline plazas during morning and evening rush hours, when staff is available. Unfortunately, staffing remains problematic at times due to existing employee availability and turn-over and low recruitment of new employees. Operations continues to work with RMTA HR staff to mitigate these issues.

Administration

Description

The Chief Executive Officer leads the organization, providing operational direction 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 and upgrade the website	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 pursuant to the Freedom of Information Act guidelines	All meeting materials were uploaded to the RMTA website
3	Routinely examine internal processes and procedures to ensure compliance and safekeeping of Authority assets	Number of internal audit examinations and related findings	<u>FY22</u> 4 internal reviews performed – no significant findings <u>FY23</u> 2 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>FY22</u> 7 contracts with value of \$10.3 million <u>FY23</u> 8 contracts with value of \$18 million

Administration

Financial Summary

Administration	FY2022	FY2023	FY2024	FY2023 to FY2024	
	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 752,074	\$ 940,256	\$ 823,486	\$ (116,770)	-12.4%
Operating	553,133	739,005	802,955	63,950	8.7%
Total	\$ 1,305,207	\$ 1,679,261	\$ 1,626,441	\$ (52,820)	-3.1%
FTE Positions	4.0	5.0	4.0	(1.0)	-20.0%

FY 2024 compensation and benefits costs decreased primarily due to the elimination of one position that was budgeted but not filled this was offset by increased salaries, healthcare premiums, and retirement contributions. FY 2024 operating expense increased due to increased telecommunications and data communications expense along with increased public relations expenses.

Highlights

The Administration continues to assess the website to ensure that it is meeting the needs of our customers and intends to update the website in FY 2023. The RMTA continues to increase social media presence since the last time that the website was redesigned in 2018. In an effort to further engage in social media, the Authority anticipates engaging a social media consultant to assist with enhancing RMTA's social media presence.

Like most organizations throughout the country, the RMTA shifted to a hybrid office and telework environment. As employees shifted to this model, the Information Technology department worked to ensure employees' transition was seamless and the productivity was not reduced. The IT department continues to enhance productivity with its plan to upgrade Staff laptops during FY 2023. The Information Technology department continues to work with Operations, Atkins and HNTB (the Authority's two engineering consultants) and A-to-Be 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 also continues to work with the Authority's current Toll System provider, TRMI, to ensure that their equipment is working and communicating across the RMTA's network up to TRMI's headquarters.

The IT department upgraded several laptops and desktop workstations (which will be upgraded to Office 365) and is in the process of updating servers thereby reducing the number of servers needed to ensure Microsoft compliance and to save the Authority the cost of Microsoft server licenses. Additionally, the IT department is assisting the Finance department with the financial system upgrade. Moreover, the IT department intends to install a new camera system in late FY 2023 or early FY 2024.

In addition to examining daily operations, the Authority's internal auditor added procurement oversight during FY 2016. 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. In FY 2022, approximately 7 contracts were signed with a value of \$10.3 million. In FY 2023, approximately 8 co

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>FY20</u> 100% complete <u>FY21</u> 100% complete <u>FY22</u> 100% complete <u>FY23</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>FY20</u> 0% <u>FY21</u> 0% <u>FY22</u> 0% <u>FY23</u> 0%
1,2	Maintain pavement at or above the established condition level	% of pavement with a PCR score less than 40	<u>FY20</u> 0% <u>FY21</u> 0% <u>FY22</u> 0% <u>FY23</u> 0%

Financial Summary

	FY2022	FY2023	FY2024	FY2023 to FY2024	
Engineering	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 162,833	\$ 338,882	\$ 337,236	\$ (1,646)	-0.5%
Operating	23,647	30,000	34,600	4,600	15.3%
Total	\$ 186,480	\$ 368,882	\$ 371,836	\$ 2,954	0.8%
FTE Positions	1.0	2.0	2.0	-	0.0%

FY 2024 operating costs increased slightly due to increased maintenance software license expense.

Highlights

The Maintenance and Repair 2021 (MR-21) was completed in early FY 2023. Once again, the reduced traffic volumes and revenue during 2021 caused by the COVID-19 pandemic, the RMTA revised the Miscellaneous Repair 2022 project to include only critical repair items affecting the Authority's assets' condition ratings. All non-critical repair items were rescheduled to a future Miscellaneous Repair project. The main items addressed in the MR-22 project include steel repairs, concrete protective coatings, shotcrete repairs and bridge joint repairs, to name a few.

Despite the reduction of scope for the last three (3) MR projects, the Authority has continued to maintain all assets above policy thresholds as set by the Authority's Board of Directors. During the FY 2023 assets inspections, the small subset of asset components identified with decreased condition ratings during the

Engineering

FY 2022 inspections have rebounded with increased condition ratings due to work completed during the last MR project. Currently, approximately 80% of the Authority's bridges have a condition rating of 6 or above, increasing nearly 10% over last fiscal year. All Authority assets remain in a "State of Good Repair" as required by the Authority's Bond indenture. Staff continues to assure the continued structural integrity of all its assets, including 36 bridges, 2 culverts, 50.2 lane-miles of pavement and various ancillary structures. RMTA's bridge management and pavement preservation program focuses on a planned strategy of cost-effective treatments to be performed to maintain bridges and pavement in good condition, preserve existing bridge elements or component conditions and retard future deterioration. Appropriate timing of planned preservation treatments and activities extend useful life of the assets at an overall lower lifetime cost.

Near the end of FY 2022 the Authority advertised and awarded the ETC – 2021 Request for Proposals ("RFP") to replace the three (3) Open Road Tolling zones ("ORT"). The project was awarded to A-to-Be, Inc. Work began in late FY 2022 with a very aggressive schedule for the design and installation of the three ORT zones (9 lanes in total) within the first quarter of calendar year 2023. The first ORT zone to be completed was the Downtown Expressway ORT zone followed by the Powhite North ORT and Powhite South ORT zones. The installation of all three (3) zones were completed March 27, 2023 and are currently in revenue service. Currently the Authority's integrator, A-to-Be, are actively addressing punch list items including system reporting, camera configurations and minor system interface development. This toll collection system is currently in revenue service transmitting all electronic toll transactions (E-ZPass) and processing violations to the VDOT for processing. Authority staff, TRMI and A-to-Be worked very closely with VDOT during the design, implementation and installation of the new ORT toll collection system to ensure a smooth transition of the ORT zones from the legacy toll system to the new toll system. The Authority's dedication to its customers, regional stakeholders and member jurisdictions is further evidenced by its continued commitment to ensuring the final toll system design meets all system requirements, safeguarding revenue and capital project funds.

The Authority advertised and awarded the PC – 2023 project during the summer of 2022. This project includes the full bridge protective coatings for the bridges located on the Downtown Expressway, Route 146 and Powhite Parkway, 17 bridges in all. This project completes the protective coatings work on the remaining Authority bridges, work that originally began FY 2018. This project is anticipated to be completed by the end of calendar year 2023 or the first quarter of 2024. Over 1 million square feet of steel will be blasted and newly painted with a three-part zinc epoxy protective coating system under this contract. This is another example of the Authority's dedication to the appropriate timing of planned preservation treatments that help extend the life of its major assets in the most cost-effective manner as possible.

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 FY 2041, 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. Additionally, the Authority utilizes the AASHTO Bridge Management analytics software ("BrM") to assist with short and long range capital planning. The Authority has been utilizing this software tool since 2015/2016 in support

Engineering

of its capital plan. Using the predictive analytics based on annual inspection data allows the Authority to model the future inventory condition with multiple construction scenarios. Future system conditions can be projected based on anticipated available funds or preset allocations for various preservation and rehabilitation work. Capital program optimization can also be project specific at the bridge level or at the network level. As a result, the Authority's capital program aligns bridge level strategy decisions supported by life-cycle costs analysis and also aligns with the Authority's values for maintaining safety, mobility, inventory condition ratings at the lowest possible costs.

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>FY20</u> Unmodified <u>FY21</u> Unmodified
1,2,3	Obtain the GFOA Financial Reporting Award	Consecutive years receipt of award	<u>FY19</u> 26 <u>FY20</u> 27
1,2,3	Obtain the GFOA Budget Presentation Award	Consecutive years receipt of award	<u>FY21</u> 7 <u>FY22</u> 8

Financial Summary

	FY2022	FY2023	FY2024	FY2023 to FY2024	
Finance	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 350,972	\$ 501,577	\$ 513,429	\$ 11,852	2.4%
Operating	554,036	625,580	670,435	44,855	7.2%
Total	\$ 905,009	\$ 1,127,157	\$ 1,183,864	\$ 56,707	5.0%
FTE Positions	4.5	4.5	4.5	-	-

FY 2024 compensation and benefits costs increased primarily due to increased salaries, healthcare premiums, and retirement contributions. FY 2024 operating expenses increased due to increased insurance policy premiums and increased costs associated with the implementation of an updated accounting system.

Highlights

Finance works closely with the CEO to identify revenue opportunities, implement cost savings, and improve financial reporting. Finance manages the portfolio of extensive investments to maximize returns while maintaining a conservative approach. Finance evaluates the Risk Management coverage annually for proper protection of RMTA assets and operational activities. Finance also communicates with the Traffic and Revenue consultant to monitor traffic statistics, revenues, funding, and overall financial performance.

Staff attends online presentations on new federal legislation and provides information to industry organizations to support potential legislation for the Authority's and tolling industry's benefit. Additional

Finance

reporting and analytics are provided to internal departments to assist in the management and decision making process during the current environment.

Finance continues to provide accurate and excellent financial services as evidenced by receiving an unmodified ("clean") audit opinion on the Authority's FY 2021 Comprehensive Annual Financial Report. Finance also received the GFOA's Distinguished Budget Presentation Award for the 8th consecutive year for the Authority's FY 2022 budget and continues to make improvements to the budget document based on GFOA recommendations and industry best practices.

Finance managed the investment portfolio of the Authority with assets over \$70 million in FY 2023, ensuring maximum yields while maintaining security of funds.

In a testament to the Authority's management, robust maintenance of capital assets, and sound financial stewardship. In April 2022 Fitch affirmed the rating of "A" with a positive outlook for the Authority.

Finance is responsible for risk management of the Authority and annually reviews and updates insurance and liability coverages. In conjunction with the insurance provider, evaluations are made to ensure adequate asset protection is provided at the best premium rates.

In FY 2023, Finance has undertaken a system conversion project for the financial reporting application. This upgraded application will improve efficiency with a reduction in vendor cost. With the increase in working remotely, staff will also have the benefit of accessing the program via an easier configuration. Additionally, various internal processing costs will be reduced.

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 RFP for a new compensation study to be reflected in FY24	Secure Compensation Consultant	February 2023; March 2023; April 2023
	Initial phase of compensation study to address competitive salary concerns for recruiting toll collectors and maintenance workers as related to the market	Completion of phase one of the compensation study; increase starting wage for toll collectors and maintenance workers based on market competition	
	Conduct market analysis of all RMTA positions	Completion of full study	July – August 2023
1	Evaluate benefit plans with benefits consultant and providers to ensure packages are consistent with the marketplace	Annual review of benefit plans	March 2023
1	Work with Operations Team to evaluate and implement right-sizing	Appropriate and effective staffing	Ongoing
1	Continue an intentional diversity and inclusion program that reflects and fosters a workplace that celebrates differences	Phase Two: completed interactive training sessions for all staff	July 2022; November 2022; ongoing
1	Coordinate and implement an RMTA succession plan to prepare for future initiatives and staffing needs	Completion and periodic review of plan	Ongoing
2	Evaluate employee engagement and interest regarding health and wellness	Completion of health and wellness survey	March 2023
2	Coordinate and conduct regular training and development programs/activities to enhance knowledge of employee policies and legislation	Completion of engagement survey Mandatory management training	July 2023 March 2023
3	Review Personnel Policies and Procedures manual at least annually	Revise policy manual	June 2023

Human Resources

Financial Summary

Human Resources	FY2022	FY2023	FY2024	FY2023 to FY2024	
	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 302,806	\$ 368,537	\$ 366,734	\$ (1,803)	-0.5%
Operating	52,951	91,325	78,250	(13,075)	-14.3%
Total	\$ 355,757	\$ 459,862	\$ 444,984	\$ (14,878)	-3.2%
FTE Positions	3.5	3.0	3.0	-	0.0%

FY 2024 compensation and benefits costs decreased slightly. FY 2024 operating costs decreased due to a reduction in consulting expenses.

Human Resources Highlights

Employee engagement, enlightenment and recognition were a major focus again in FY23. Zoom calls were hosted to provide all RMTA employees with mandatory safety and policy update trainings. We continued our commitment to intentional communication: sent weekly wellness emails; provided opportunities for employee feedback through surveys and open dialogue; identified and recognized staff for exemplary contributions. We were pleased to return to in-person events for staff: a catered "Just Because" lunch; successful annual flu vaccination clinics; employee recognition service to highlight the vault attendants and maintenance team for their exceptional service, along with celebrating nine long-tenured (5yrs to 35yrs) employees for their dedicated contributions to the RMTA; hosted a holiday party at River City Roll, with almost 75% participation. HR staff also celebrated a toll employee upon her retirement after thirty-two years of service.

Training and development were another major focus this year. We held mandatory diversity, equity and inclusion training sessions, facilitated by the Virginia Center for Inclusive Communities, to reflect the RMTA's commitment to fostering a welcoming workplace that celebrates differences. With support facilitation by our employment attorney from Christian and Barton, and the director of training from Virginia Risk Sharing Association, Human Resources held supervisor and manager workshops that included legal updates, customer service training, safe driver training, and RMTA policy and procedures review. HR staff attended several training seminars and workshops on the impact of new state and federal employment legislation on the Authority.

Benefits consultant, OneDigital, worked with HR staff to facilitate a virtual Open Enrollment for FY23. We anticipate a hybrid open enrollment this year, with a minimal premium increase for FY24. The Compensation and Benefits Committee also decided that RMTA will continue to provide a contribution to employee HSA accounts. OneDigital assisted HR staff with conducting a new wellness survey to gain feedback from employees on future wellness initiatives for FY24. We will form an RMTA wellness committee to assist with planning and executing programs based on the results of the wellness survey. Additionally, in an effort to encourage broad employee participation, HR invited two operations personnel to participate on the benefits consultant procurement panel.

Human Resources participated in targeted in-person job fairs, increased visibility through social media and expanded recruitment postings to include area colleges and high schools - for graduating seniors, and also provided a referral bonus for specific hard to fill positions. To assist with the increased demands of recruiting in the current highly competitive employment climate, Human Resources engaged a compensation consultant, PaypointHR, to study and provide recruitment and retention compensation strategies. Phase one of the study increased the starting pay for toll collector and maintenance positions

Human Resources

to be more in-line with the current market. To address immediate compression concerns, toll collectors and maintenance workers with 10 or more years of service were given one-time incentive awards. Phase two of the study will involve the remaining positions.

With an increased focus on teamwork and collaboration, Human Resources staff worked with all Authority departments: assisted IT with revising the Electronic Communications Systems and the Internet policy, and revitalizing the RMTA website; collaborated with operations management to redefine staff positions needed at the Bridge; assumed responsibility for payroll administration, processing and reporting, during the recent transition in the Finance Department.

Human Resources staff continues to navigate and implement the regulatory changes proposed by the U.S. Department of Labor. 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. The RMTA personnel policies and procedures manual has been updated to reflect several new 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 three enterprise funds: Expressway, Expressway Repair and Contingency (Capital), Central Administration. The Expressway Repair and Contingency budget is presented as the Expressway Capital Budget in this document.

A summary of the FY 2024 operating budget by department and a crosswalk to the budgets by fund can be found below.

	Expressway	Central Administration	Total
Toll Collection	\$ 10,234,464	\$ -	\$ 10,234,464
Maintenance	2,032,390	-	2,032,390
Administration	147,250	1,479,191	1,626,441
Engineering	27,500	344,336	371,836
Finance	609,155	574,709	1,183,864
Human Resources	-	444,984	444,984
	\$ 13,050,759	\$ 2,843,220	\$ 15,893,979

	Expressway	Central Administration	Total
Total Budget by Fund	\$ 15,367,392	\$ 2,843,220	\$ 18,210,612
Central Admin Allocation	(2,316,633)	-	(2,316,633)
	\$ 13,050,759	\$ 2,843,220	\$ 15,893,979

- (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 and maintenance. 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 FY 2023 is projected to be under budget by approximately 4% due traffic volume that were lower than projected. The budgeted toll revenue for FY 2024 is 22.2% greater than the FY 2023 budget. This is primarily due to the increase in the toll rates to \$.90 for ez pass transactions and \$1.00 for cash transactions. See the Revenue Sources and Forecasting Assumption section for a detailed discussion on the development of the FY 2024 forecast.
- *Compensation and benefits:* Compensation and benefits expense decreased in FY 2024 due to increases in salaries and healthcare premiums offset by a continued restructuring of staffing and operating hours.
- *E-ZPass processing fees:* The FY 2024 budget includes a 3.4% increase based on increased traffic volume and E-ZPass utilization rate.
- *Annual Road Maintenance – Roadways:* FY 2024 includes an estimated \$163,000 increase for the general maintenance of the expressway system due to contractual CPI increases.
- *Toll System Maintenance:* FY 2024 includes an estimated \$321,000 increase for the toll system maintenance. This is primarily due to the new system coming off its warranty period.

Consultants' Certifications

Certificate

In accordance with Section 701 of the 2011 bond resolution, the Authority is required to engage a Traffic and Revenue Consultant to certify that the budget has been prepared in accordance with the provisions of the Master Resolution and shall contain a certificate of the Consulting Engineers approving the same. The Authority has contracted with Stantec Consulting Services Inc. as Traffic and Revenue Consultant and with HNTB as Consulting Engineer.

The certificate is presented as a draft in the proposed budget presentation to the RMTA Board of Directors; consultant revenue and expense certifications are finalized upon budget adoption.

	FY2022 Projected	FY2023 Budget	FY2024 Budget	FY2023 to FY2024	
				\$	%
Toll Revenue (1)	\$ 33,922,296	\$ 35,721,000	\$ 43,657,000	\$ 7,936,000	22.2%
Other Revenue (2)	585,691	689,000	1,100,000	411,000	59.7%
	<u>34,507,987</u>	<u>36,410,000</u>	<u>44,757,000</u>	<u>8,347,000</u>	<u>22.9%</u>
Operating Expenses (2)	<u>11,787,173</u>	<u>14,750,999</u>	<u>15,893,979</u>	<u>1,142,980</u>	<u>7.7%</u>
Net Operating Revenue	<u>22,720,814</u>	<u>21,659,001</u>	<u>28,863,021</u>	<u>7,204,020</u>	<u>33.3%</u>
Debt Service (3)	<u>(13,753,000)</u>	<u>(9,752,000)</u>	<u>(9,756,000)</u>	<u>(4,000)</u>	<u>0.0%</u>
Available for Capital	<u>\$ 8,967,814</u>	<u>\$ 11,907,001</u>	<u>\$ 19,107,021</u>	<u>\$ 7,200,020</u>	<u>60.5%</u>

(1) As estimated by Stantec and the Authority

(2) As estimated by the Authority

(3) Per debt service schedule, advance funding basis

Revenue Certification Stantec Consulting Services, Inc.

See Appendix A

Consultants' Certifications

Expense Certification HNTB Corporation

See Appendix A

Consultants' Certifications

Expressway Fund Budget

Expressway	FY2022 Projected	FY2023 Budget	FY2024 Budget	FY2023 to FY2024	
				\$	%
Revenue					
Toll Revenue	\$ 33,922,296	\$ 35,721,000	\$ 43,657,000	\$ 7,936,000	22.2%
Violation Enforcement - CSC	61,248	150,000	346,000	196,000	130.7%
Violation Enforcement - Courts	243,671	250,000	320,000	70,000	28.0%
Toll Payments - Collections	36,060	35,000	130,000	95,000	271.4%
Parking Lot Rentals	49,916	54,000	54,000	-	0.0%
Interest Income	194,784	200,000	250,000	50,000	25.0%
Miscellaneous Income	12	-	-	-	0.0%
Total Revenue	\$34,507,987	\$36,410,000	\$44,757,000	\$ 8,347,000	22.9%
Toll Collection					
Regular Pay	\$ 1,943,318	\$ 2,384,958	\$ 2,421,650	\$ 36,692	1.5%
Overtime	242,048	231,464	214,095	(17,369)	-7.5%
Payroll Taxes	150,325	200,156	201,634	1,478	0.7%
Retirement	40,485	49,417	44,238	(5,179)	-10.5%
Health Insurance	453,313	662,135	608,221	(53,914)	-8.1%
Group Life Insurance	25,964	26,569	11,020	(15,549)	-58.5%
Long Term Disability	2,476	2,600	3,264	664	25.5%
Unemployment Benefits	643	5,000	5,150	150	3.0%
Uniforms	2,506	2,500	2,750	250	10.0%
Employee Mileage	10,115	13,000	13,000	-	0.0%
Compensation and Benefits	2,871,193	3,577,799	3,525,021	(52,778)	-1.5%
E-ZPass Processing Fees	3,187,833	3,600,000	3,722,992	122,992	3.4%
Violation Enforcement - CSC	20,581	250,000	800,000	550,000	220.0%
Collections Service	4,740	2,000	10,000	8,000	400.0%
Armored Transport & Coin Counting	49,197	102,100	108,000	5,900	5.8%
Toll System Maint. - A-to-Be /Tran	104,052	316,094	683,411	367,317	116.2%
Toll System Maint. - TRMI	1,043,250	1,062,064	1,015,840	(46,224)	-4.4%
Currency Counter Maintenance	2,862	3,200	3,200	-	0.0%
Security System	5,898	14,000	14,000	-	0.0%
Traffic Camera Hosting	1,969	2,500	2,500	-	0.0%
Utilities	175,769	185,000	190,000	5,000	2.7%
Toll System Parts and Supplies	82,370	125,000	125,000	-	0.0%
(continued)					

Expressway Fund Budget

Expressway	FY2022	FY2023	FY2024	FY2023 to FY2024	
	Projected	Budget	Budget	\$	%
Security System - Camera					
Maintenance	3,397	25,000	3,500	(21,500)	-86.0%
Traffic Cameras - Maintenance	-	5,000	5,000	-	0.0%
Gate Claims	1,761	5,000	5,000	-	0.0%
Office Supplies and Printing	11,871	15,000	15,000	-	0.0%
Office Equipment	3,117	5,000	5,000	-	0.0%
Miscellaneous Expenses	441	1,000	1,000	-	0.0%
Personnel - Employee Relations	-	-	-	-	0.0%
Operating	4,699,108	5,717,958	6,709,443	991,485	17.3%
Toll Collection Total	\$ 7,570,301	\$ 9,295,757	\$10,234,464	\$ 938,707	10.1%
Maintenance					
Regular Pay	\$ 203,046	\$ 241,944	\$ 245,318	\$ 3,374	1.4%
Overtime	11,707	18,648	25,944	7,296	39.1%
Payroll Taxes	15,818	19,935	20,752	817	4.1%
Retirement	4,137	5,963	5,037	(926)	-15.5%
Health Insurance	40,430	55,512	70,415	14,903	26.8%
Group Life Insurance	3,063	3,078	1,291	(1,787)	-58.1%
Uniforms	2,347	3,000	3,000	-	-
Compensation and Benefits	280,548	348,080	372,878	24,798	7.1%
Annual Road Maintenance	980,012	1,226,000	1,388,512	162,512	13.3%
Building and Janitorial Services	26,358	25,000	35,000	10,000	40.0%
Materials & Supplies - Toll Plaza	4,366	7,500	7,500	-	0.0%
Materials & Supplies - Traffic Control	(38)	6,000	6,000	-	0.0%
Materials & Supplies - Grounds & Buildings	36,607	65,000	70,000	5,000	7.7%
Materials & Supplies - Roadways	10,263	10,000	10,000	-	0.0%
Grounds & Building Maintenance	71,502	83,000	83,000	-	0.0%
Maintenance - Equipment Repair	7,504	7,500	7,500	-	0.0%
Vehicle Operations and Maintenance	47,298	42,000	52,000	10,000	23.8%
Operating	1,183,872	1,472,000	1,659,512	187,512	12.7%
Maintenance Total	\$ 1,464,420	\$ 1,820,080	\$ 2,032,390	\$ 212,310	11.7%

(continued)

Expressway Fund Budget

Expressway	FY2022	FY2023	FY2024	FY2023 to FY2024	
	Projected	Budget	Budget	\$	%
Administrative					
Telecommunications	\$ 14,389	\$ 19,250	\$ 19,250	\$ -	0.0%
Data Communications	37,375	39,000	43,000	4,000	10.3%
Computer Service Agreements	62,083	42,000	45,000	3,000	7.1%
Legal Services	35,360	40,000	40,000	-	0.0%
Computer Hardware	4,045	-	-	-	0.0%
Computer Software	-	-	-	-	0.0%
Asset Management Software Hosting	20,000	23,000	27,500	4,500	19.6%
Insurance	334,287	365,000	378,075	13,075	3.6%
Trustee Services	68,527	12,000	20,000	8,000	66.7%
Traffic and Revenue Consultant	49,888	52,000	55,000	3,000	5.8%
Audit and Accounting Services	50,485	56,000	57,680	1,680	3.0%
Credit Rating Fees	-	31,000	31,000	-	0.0%
Financial Advisor	-	10,000	10,000	-	0.0%
Investment Advisor	54,176	57,400	57,400	-	0.0%
Administrative Total	\$ 730,615	\$ 746,650	\$ 783,905	\$ 37,255	5.0%
Compensation and Benefits	\$ 3,151,741	\$ 3,925,879	\$ 3,897,899	\$ (27,980)	-0.7%
Operations	6,613,595	7,936,608	9,152,860	1,216,252	15.3%
Central Admin Allocation	2,132,328	2,870,512	2,316,633	(553,879)	-19.3%
Total Expenses	\$11,897,664	\$14,732,999	\$15,367,392	\$ 634,393	4.3%

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:* Compensation is increased in FY 2023 due to increases in salaries, healthcare premiums, and retirement contributions.
- *Consulting services:* Increased due to strategic services and studies and website development
- *Training and Development:* Increase of \$25,000.
- *Legal:* FY 2022 decrease of \$10,000 reflects historical trend utilization.

Central Administration Fund Budget

	FY2022	FY2023	FY2024	FY2023 to FY2024	
Central Administration	Projected	Budget	Budget	\$	%
Administration					
Regular Pay	\$ 482,739	\$ 657,902	\$ 571,655	\$ (86,247)	-13.1%
Payroll Taxes	32,527	46,148	39,018	(7,130)	-15.5%
Retirement	50,822	59,661	55,587	(4,074)	-6.8%
Health Insurance	74,370	113,067	99,731	(13,336)	-11.8%
Group Life Insurance	6,552	8,578	2,991	(5,587)	-65.1%
Long Term Disability	4,798	4,900	3,004	(1,896)	-38.7%
Unemployment Benefits	266	-	-	-	0.0%
OPEB Trust Contribution	100,000	50,000	51,500	1,500	3.0%
Compensation and Benefits	752,074	940,256	823,486	(116,770)	-12.4%
Telecommunications	9,198	10,000	20,750	10,750	107.5%
Data Communications	2,980	4,000	29,200	25,200	630.0%
Computer Service Agreements	27,482	30,000	38,000	8,000	26.7%
Consulting Services	285	28,000	28,000	-	0.0%
Legal Services	100,875	140,000	140,000	-	0.0%
Office Lease and Parking	203,703	214,400	214,400	-	0.0%
Miscellaneous Expenses	188	500	500	-	0.0%
Computer Hardware	7,176	5,000	5,000	-	0.0%
Computer Software	2,892	1,000	1,000	-	0.0%
Web Site Development	781	15,000	15,000	-	0.0%
Board Attendance Fees	2,300	7,500	7,500	-	0.0%
Board Expenses - Other	202	38,000	20,000	(18,000)	-47.4%
Professional Memberships and Subscriptions	29,302	31,055	31,055	-	0.0%
Training and Development	12,281	39,300	45,300	6,000	15.3%
Public Relations	236	30,000	50,000	20,000	66.7%
Community Outreach	-	5,000	10,000	5,000	100.0%
Operating	399,881	598,755	655,705	56,950	9.5%
Administration Total	\$ 1,151,955	\$ 1,539,011	\$ 1,479,191	\$ (59,820)	-3.9%
Engineering					
Regular Pay	\$ 132,383	\$ 273,546	\$ 282,494	\$ 8,948	3.3%
Payroll Taxes	10,093	20,926	21,322	396	1.9%
Retirement	9,635	12,471	12,007	(464)	-3.7%
Health Insurance	7,550	25,919	19,149	(6,770)	-26.1%
Group Life Insurance	1,835	3,320	1,381	(1,939)	-58.4%
Long Term Disability	1,337	2,700	884	(1,816)	-67.3%
Compensation and Benefits	162,833	338,882	337,236	(1,646)	-0.5%
Professional Memberships and Subscriptions	200	500	600	100	20.0%
Training and Development	3,447	6,500	6,500	-	0.0%
Operating	3,647	7,000	7,100	100	1.4%
Engineering Total	\$ 166,480	\$ 345,882	\$ 344,336	\$ (1,546)	-0.4%

Central Administration Fund Budget

Central Administration	FY2022 Projected	FY2023 Budget	FY2024 Budget	FY2023 to FY2024	
				\$	%
Finance					
Regular Pay	\$ 267,300	\$ 371,866	\$ 406,289	\$ 34,423	9.3%
Overtime	2,882	3,721	4,218	497	13.4%
Payroll Taxes	20,072	28,732	31,007	2,275	7.9%
Retirement	11,993	19,636	15,664	(3,972)	-20.2%
Health Insurance	43,469	70,850	52,329	(18,521)	-26.1%
Group Life Insurance	3,297	4,372	2,030	(2,342)	-53.6%
Long Term Disability	1,960	2,400	1,891	(509)	-21.2%
Compensation and Benefits	350,972	501,577	513,429	11,852	2.4%
Bank Fees	-	-	-	-	0.0%
Payroll Systems and Services	19,427	20,000	20,000	-	0.0%
Accounting System and Services	23,372	10,000	30,000	20,000	200.0%
OPEB Actuarial Valuation	1,650	5,000	3,600	(1,400)	-28.0%
Professional Memberships and Subscriptions	1,921	3,680	4,180	500	13.6%
Training and Development	20	3,500	3,500	-	0.0%
Operating	46,390	42,180	61,280	19,100	45.3%
Finance Total	\$ 397,363	\$ 543,757	\$ 574,709	\$ 30,952	5.7%
Human Resources					
Regular Pay	\$ 225,075	\$ 282,130	\$ 286,727	\$ 4,597	1.6%
Overtime	542	1,721	1,893	172	10.0%
Payroll Taxes	16,656	21,715	22,079	364	1.7%
Retirement	15,086	14,716	13,724	(992)	-6.7%
Health Insurance	39,982	42,368	39,434	(2,934)	-6.9%
Group Life Insurance	3,132	3,487	1,430	(2,057)	-59.0%
Long Term Disability	2,305	2,400	1,198	(1,202)	-50.1%
Unemployment Benefits	-	-	-	-	0.0%
Compensation and Benefits	302,806	368,537	366,734	(1,803)	-0.5%
Document Storage	1,529	1,500	3,200	1,700	113.3%
Copier Lease	3,562	3,700	3,850	150	4.1%
Postage Machine	7,052	3,625	4,000	375	10.3%
Benefits Consultant	30,000	60,000	36,500	(23,500)	-39.2%
Office Supplies and Printing	2,881	3,500	3,000	(500)	-14.3%
Office Equipment	-	-	-	-	0.0%
Miscellaneous Expenses	290	500	500	-	0.0%
Professional Memberships and Subscriptions	1,593	1,000	1,000	-	0.0%
Training and Development	(1,775)	8,500	14,700	6,200	72.9%
Personnel - Employment	2,688	3,500	3,500	-	0.0%
Personnel - Employee Relations	5,131	5,500	8,000	2,500	45.5%
Tuition Assistance	-	-	-	-	0.0%
Operating	52,951	91,325	78,250	(13,075)	-14.3%
Human Resources Total	\$ 355,757	\$ 459,862	\$ 444,984	\$ (14,878)	-3.2%
Compensation and Benefits	\$ 1,568,685	\$ 2,149,252	\$ 2,040,885	\$ (108,367)	-5.0%
Operations	502,869	739,260	802,335	63,075	8.5%
Total Expenses	\$ 2,071,554	\$ 2,888,512	\$ 2,843,220	\$ (45,292)	-1.6%

Expressway Capital Budget

Capital Budget Overview

Overview

The Expressway Capital Budget includes capital expenditures for 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

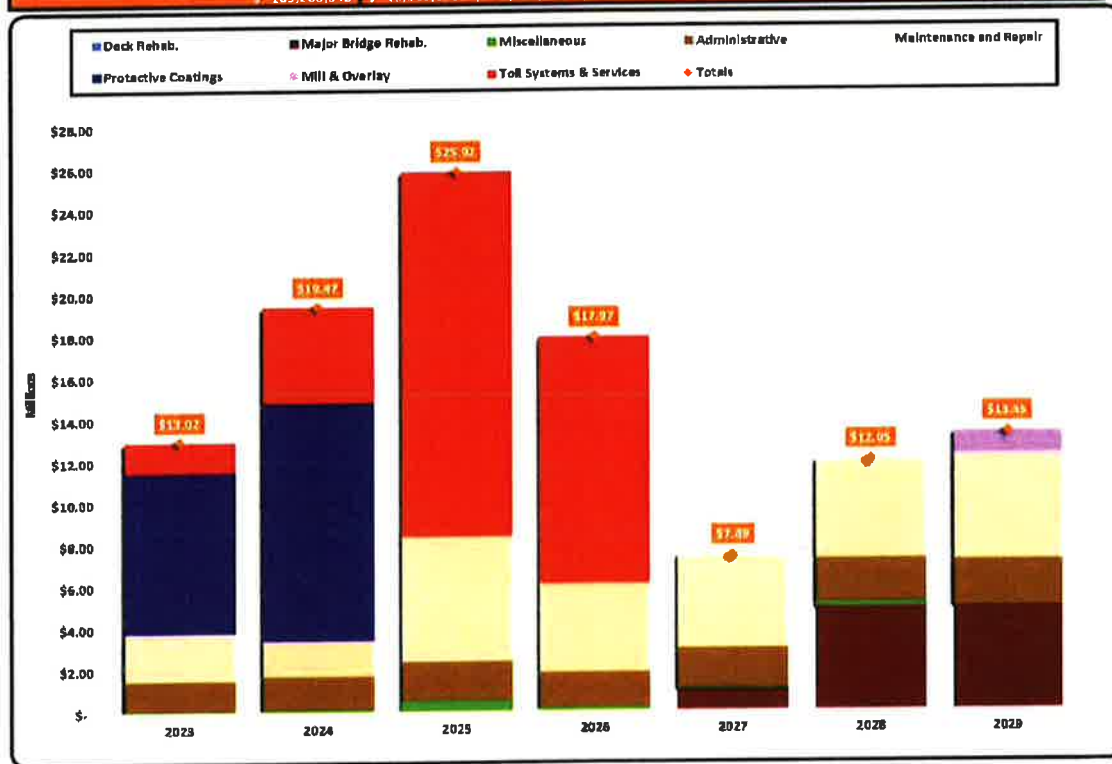
The Authority primarily funds its Capital Budget through current revenues, with debt funding used as appropriate. As indicated in its adopted financial policies, the Authority's goal is to have cash balances on hand as of June 30th to fully fund the next fiscal year's Capital Budget. See the Long-Term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

Presentation

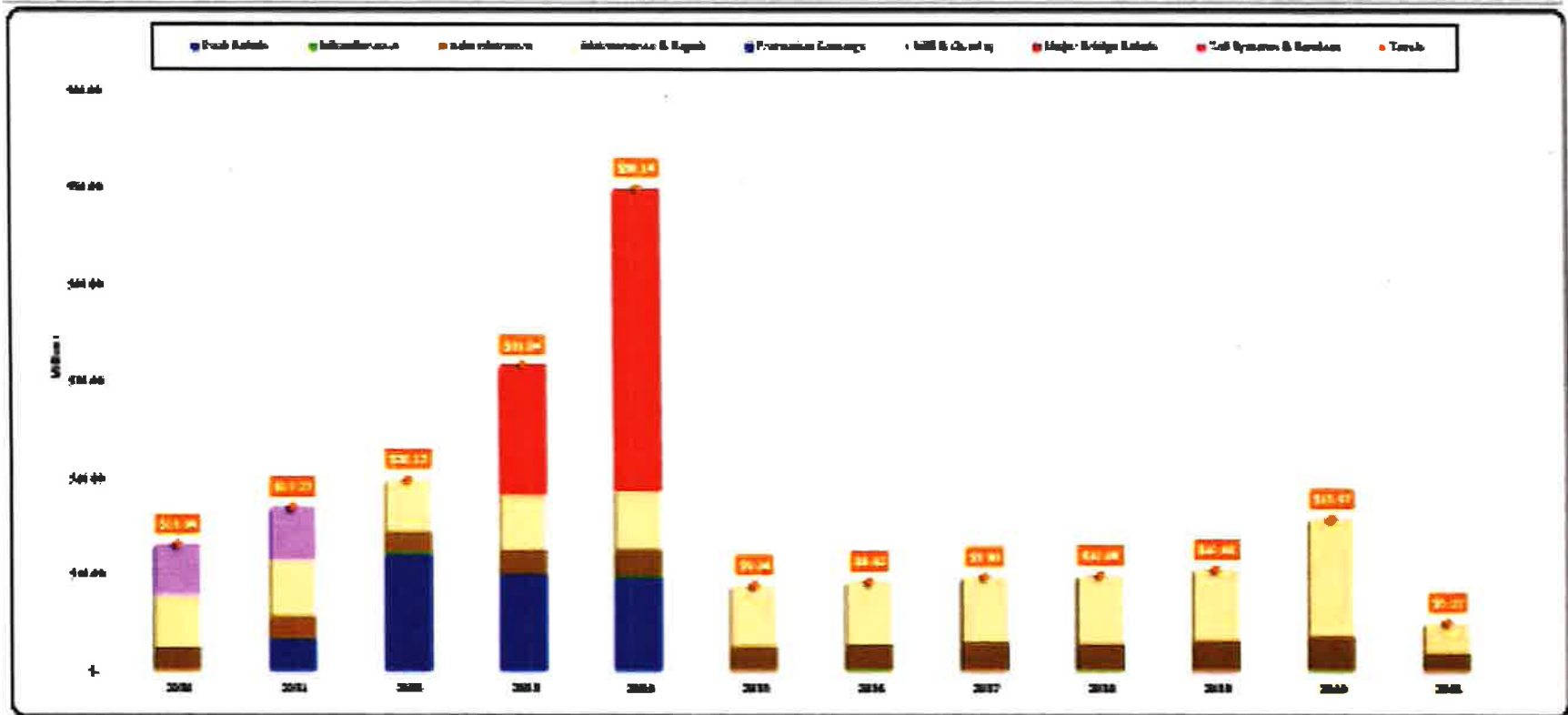
The Capital Budget is presented in this document in two components: a detailed Six-Year Plan and a Long-Term Overview. The Six-Year Plan allows for a detailed project by project review of the upcoming fiscal year and succeeding five fiscal years, while the long-term capital projection provides perspective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

Executive Summary by Category & Fiscal Year (2023 - 2029)

Category	Totals	2023	2024	2025	2026	2027	2028	2029
Deck Rehab.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance & Repair	\$ 28,646,479	\$ 2,310,471	\$ 1,696,119	\$ 6,014,510	\$ 4,282,181	\$ 4,483,335	\$ 4,774,752	\$ 5,085,111
Protective Coatings	\$ 19,062,994	\$ 7,708,783	\$ 11,354,151	\$ -	\$ -	\$ -	\$ -	\$ -
Mill & Overlay	\$ 1,103,213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,103,213
Major Bridge Rehab.	\$ 10,956,821	\$ -	\$ -	\$ -	\$ -	\$ 1,029,173	\$ 4,966,564	\$ 4,961,084
Toll Systems & Services	\$ 35,460,355	\$ 1,489,280	\$ 4,659,280	\$ 17,473,889	\$ 11,837,906	\$ -	\$ -	\$ -
Debris	\$ 424,820	\$ -	\$ 141,236	\$ -	\$ 192,874	\$ -	\$ 150,710	\$ -
Roadway Enhancement Project	\$ 308,428	\$ 58,493	\$ -	\$ 56,711	\$ 60,397	\$ 64,323	\$ 68,504	\$ -
Sign	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Under Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc.	\$ 540,821	\$ 60,000	\$ -	\$ 480,821	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 1,274,069	\$ 118,493	\$ 141,236	\$ 537,532	\$ 193,271	\$ 64,323	\$ 219,214	\$ -
Expressway Admin.	\$ 4,584,441	\$ 520,587	\$ 576,603	\$ 612,482	\$ 652,293	\$ 694,692	\$ 739,847	\$ 787,937
Vehicles	\$ 996,811	\$ 70,192	\$ -	\$ 85,067	\$ -	\$ 85,067	\$ -	\$ 96,485
GEC & Inspection only	\$ 7,843,224	\$ 801,353	\$ 1,039,383	\$ 1,196,607	\$ 1,002,598	\$ 1,132,091	\$ 1,350,669	\$ 1,320,523
Administrative	\$ 12,764,175	\$ 1,392,132	\$ 1,615,986	\$ 1,894,156	\$ 1,654,890	\$ 1,911,850	\$ 2,090,516	\$ 2,204,945
Totals	\$ 109,268,348	\$ 13,019,158	\$ 19,466,772	\$ 25,920,087	\$ 17,968,251	\$ 7,488,681	\$ 12,051,046	\$ 13,354,353



Executive Summary by Category & Fiscal Year (2030-2041)



Note: The Long Term Capital Plan is only a tool utilized for planning purposes and may change due to facility needs and Authority funding capacity

Six Year Plan

Six-Year Plan by Project (in thousands)

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	Total
Routine Maintenance							
Maintenance and Repair	\$ 1,696	\$ 6,015	\$ 4,282	\$ 4,483	\$ 4,775	\$ 6,188	\$ 27,439
Protective Coatings	11,354	-	-	-	-	-	11,354
Inspections and GEC	1,039	1,197	1,003	1,132	1,351	1,321	7,043
Administrative	577	612	652	695	740	788	4,064
Vehicle Replacement	-	85	-	85	-	96	266
Subtotal	14,666	7,909	5,937	6,395	6,866	8,393	50,166
Capital Improvement Projects							
Toll Systems	4,659	17,474	11,838	-	-	-	33,971
Facility Restoration/Upgrade:	-	481	133	-	151	-	765
Bridge Rehabilitation	-	-	-	1,029	4,967	4,961	10,957
Roadway Enhancement	141	57	60	64	69	-	391
Subtotal	4,800	18,012	12,031	1,093	5,187	4,961	46,084
Total	\$ 19,466	\$ 25,921	\$ 17,968	\$ 7,488	\$ 12,053	\$ 13,354	\$ 96,250

Routine Maintenance

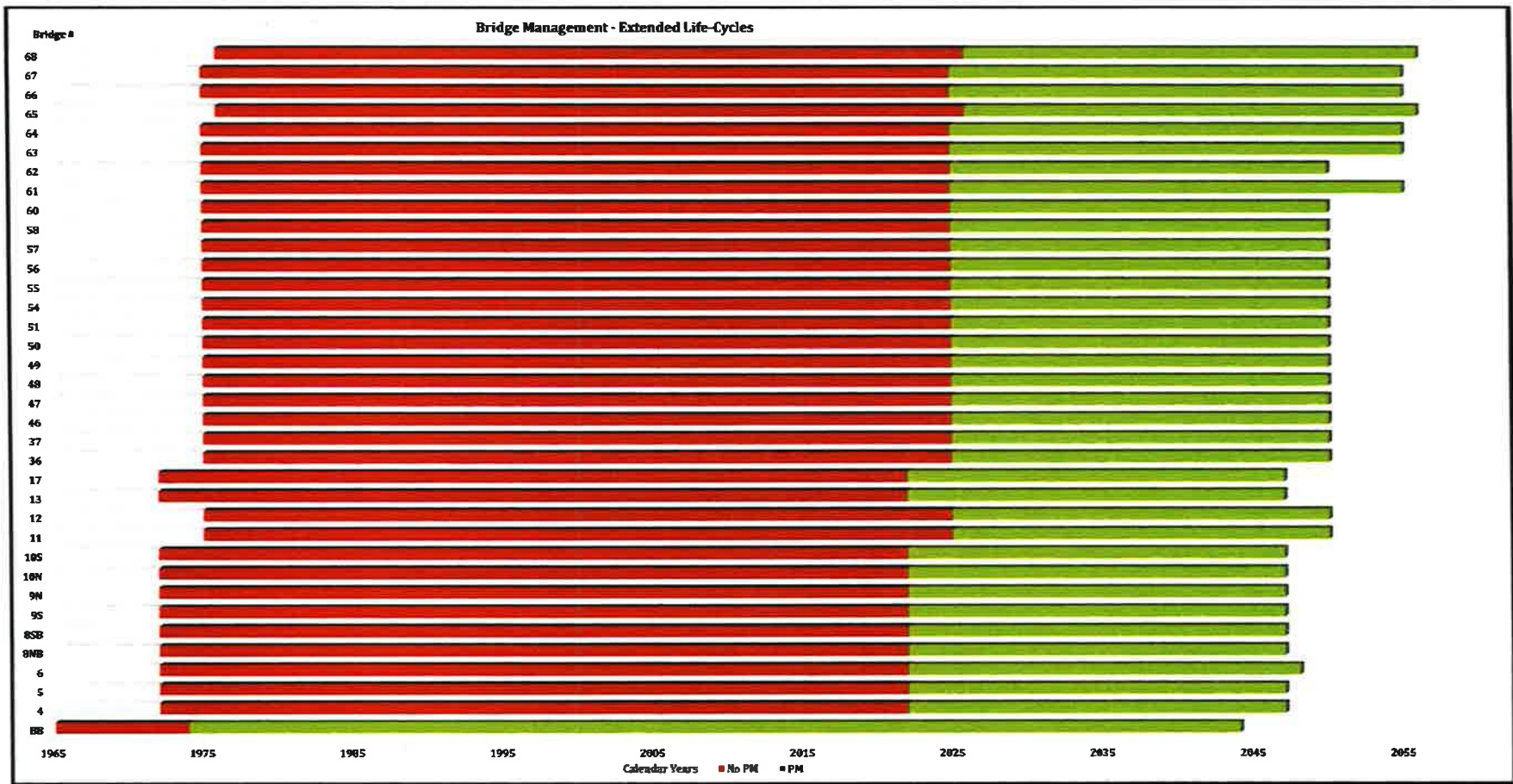
- Maintenance and Repair – routine repairs to prevent, delay, or reduce the deterioration of pavement and bridges; includes asphalt crack repairs, shotcrete repairs, and joint sealant replacement, as well as miscellaneous items such as sign overlays, pavement line markings, and facility maintenance and 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

- 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.
- Facility Restoration/Upgrade – upgrade and restoration of toll facilities
- Bridge Rehabilitation – removal of damaged bridge deck surfaces and installation of an overlay as a cost-effective way to rehabilitate bridge decks.
- 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.

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

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:

- FY 2023 – 2024 – Full bridge coatings: James River Bridge (Powhite Parkway). The last protective coatings work on this was for the interior fascia girder only performed in 2014. This bridge had a full protective coating in 1988 (36 years between applications)

Project Pages

Inspections and GEC

Description: The Inspections and GEC project includes funding for annual pavement, bridge, and overhead sign inspections as well as general engineering consulting (GEC) services provided by the Authority's Consulting Engineer. Condition assessments and facility inspections are performed each year on pavement, 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 for FY 2023 (\$801k) includes costs for element level inspections for Authority bridges and pavement.

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 and research studies.

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.

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 as needed in the Capital Budget based on replacement needs.

Project Pages

Toll Systems and Services

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

Approximately \$0.6 million in FY 2016 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: \$39.9 million for the toll system replacement, \$0.9 million for interoperability Bridge.

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.

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 FY 2013 and continues 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

Project Pages

Capital Projects Operating Costs Impact Summary

Capital Improvement Projects: FY 2023 Operating Costs Impact

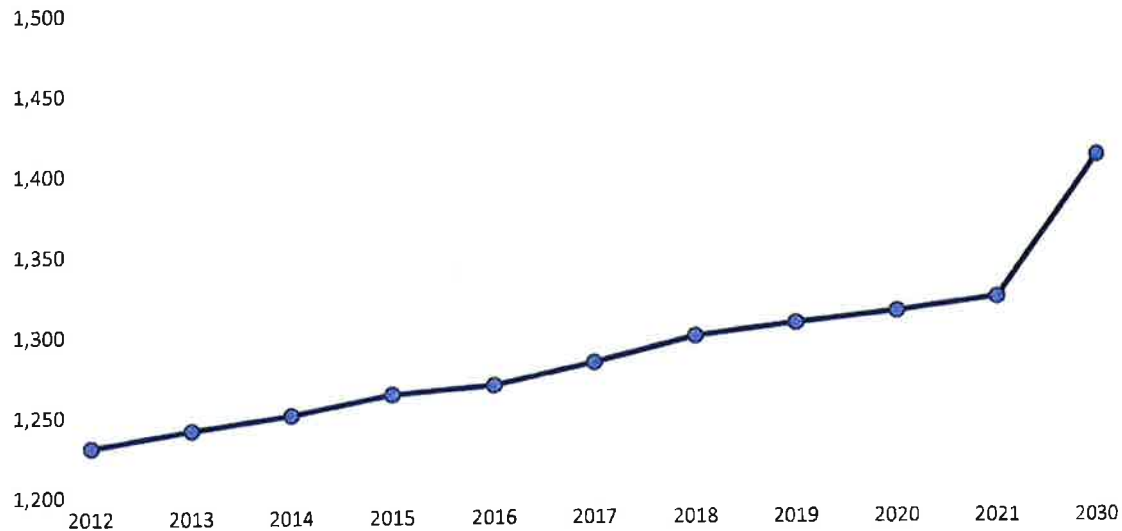
		Long-term						
<u>Description</u>	<u>Operating Costs</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>6-Year Total</u>
Expressway Maintenance & Repair	No impact							
Protective Bridge Coatings	No impact							
Vehicle Replacement	No impact - fleet maintenance is budgeted							
Bridge Rehabilitation	No impact							
Facility Restoration/Upgrades	No impact			\$ (30,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (180,000)
Toll Systems and Services	Increased maintenance costs due to additional equipment (1)	\$ 100,000	\$ 150,000	\$ 400,000	\$ 550,000	\$ 600,000	\$ 500,000	\$ 2,100,000
Roadway Enhancement	No impact							
	Total	\$ 100,000	\$ 150,000	\$ 370,000	\$ 500,000	\$ 550,000	\$ 450,000	\$ 1,970,000

(1) estimate based on current trends and contracted maintenance

Supplemental Information

Estimated Population, Richmond Metropolitan Area

Estimated Population, Richmond Metropolitan Area (in thousands)



Source: University of Virginia Weldon Cooper Center, Demographics Research Group (2022), Virginia Population Estimates

Principal Employers, Richmond Metropolitan Area

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Employer Ranking (1, 2)										
Virginia Commonwealth University	1	2	2	2	1	1	1	1	1	1
Henrico County School Board	3	4	4	3	3	3	7	7	2	2
Chesterfield County School Board	4	3	3	4	5	5	6	6	3	3
Capital One Bank	2	1	1	1	2	2	3	2	4	4
VCA Medical Center	5	6	6	5	4	4	2	3	5	5
Bon Secours Health System	6	9	8	7	7	7	4	4	7	6
US Department of Defense	7	8	9	8	9	9	8	9	6	7
CarMax	-	-	-	-	-	-	-	-	-	8
Wal-Mart	8	7	7	9	8	8	9	8	8	9
Richmond City Public Schools	9	10	-	-	-	-	-	-	9	10
City of Richmond	-	-	-	-	-	-	-	-	10	-
HCA Virginia Health System	-	5	5	6	6	6	5	5	-	-
Amazon	-	-	-	-	10	10	10	10	-	-
Integrity Staffing Solutions	-	-	10	10	-	-	-	-	-	-
County of Henrico	10	-	-	-	-	-	-	-	-	-
Richmond Area Employment (3)	590,551	600,337	608,250	621,411	631,095	636,068	689,437	685,100	686,632	647,057

- (1) Final quarter data for the top ten employers shown based on the most recent calendar year (2012-2021).
- (2) The Virginia Employment Commission does not disclose the actual number of employees, due to the Confidential Information Protection and Statistical Efficiency Act – Title V of Public Law 107-347. All employers have over 1,000 individuals employed.
- (3) Annual amounts based on the most recent calendar year (2007-2019). Total employment data obtained from the Bureau of Labor Statistics. Employment numbers are not seasonally adjusted. Historical employment data was updated in fiscal year 2020 based on revised employment estimates.

Source: Virginia Employment Commission, Bureau of Labor Statistics

Expressway Toll Rates, Current and Historical

Two-Axle Vehicles

	Effective Dates					
	Original (1)	July 1978	Nov. 1986	April 1988	January 1998	Sept. 2008
Powhite 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
Powhite 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
Powhite 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
Powhite 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, Powhite Parkway in 1973, Downtown Expressway in 1976.

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

Operating Indicators

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue (1):										(Unaudit)
Powwhite Parkway	\$22,399,507	\$22,868,671	\$23,606,375	\$24,796,353	\$25,470,997	\$25,721,280	\$25,892,404	\$22,700,737	\$19,661,256	\$21,731,763
Downtown Expressway	12,210,502	12,823,395	13,061,678	13,674,656	13,979,051	14,216,747	14,359,468	11,738,154	8,487,473	10,870,442
Boulevard Bridge	1,555,089	1,515,723	1,492,920	1,523,353	1,510,119	1,448,133	1,419,349	1,285,439	958,446	981,071
Total	\$36,165,098	\$37,207,789	\$38,160,973	\$39,994,362	\$40,960,167	\$41,386,160	\$41,671,221	\$35,769,331	\$29,107,175	\$33,583,276
Traffic:										
Powwhite Parkway	32,842,238	33,554,196	34,579,728	36,350,428	37,354,162	37,689,222	38,172,792	34,058,075	30,315,116	33,804,764
Downtown Expressway	19,344,609	20,225,578	20,623,336	21,561,269	21,863,219	22,452,344	22,701,568	18,820,763	14,236,125	18,103,616
Boulevard Bridge	4,426,225	4,312,318	4,262,366	4,343,172	4,332,640	4,206,077	4,046,748	3,660,223	2,892,141	3,701,684
Total	56,613,072	58,092,092	59,465,430	62,254,869	63,550,021	64,347,643	64,921,108	56,539,061	47,443,382	55,610,064
Avg. Toll (2)	\$0.64	\$0.64	\$0.64	\$0.64	\$0.64	\$0.64	\$0.64	\$0.63	\$0.61	\$0.60
E-ZPass % (3)	62.00%	63.00%	64.90%	66.50%	68.60%	70.60%	72.00%	74.00%	74.60%	74.60%
Lane Miles	50.15	50.15	50.15	50.15	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 (FY 2009).

(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	FY2023	FY2024	Change
Expressway Operations				
Toll Collection	Floating Supervisor	1	2	1
Toll Collection	Toll Road Superintendent	2	2	0
Toll Collection	Senior Toll Collection Attendant	7	7	0
Toll Collection	Toll Collection Attendant	25	28	3
Toll Collection	Bridge Attendant	0	3	3
Toll Collection	Toll Collection Supervisor	16	13	-3
Toll Collection	Toll Maintenance Administrator	1	1	0
Toll Collection	Toll Maintenance Assistant	1	1	0
Toll Collection	Toll Operations Manager	1	0	-1
Toll Collection	Vault Attendant	4	4	0
Toll Collection	Toll Systems Engineer	0	1	1
Toll Collection	Total	58	62	4
Maintenance	Maintenance Supervisor	1	1	0
Maintenance	Lead Maintenance Worker	1	1	0
Maintenance	Maintenance Worker	4	4	0
Maintenance	Total	6	6	0
Administration	Chief Executive Officer	1	1	0
Administration	Chief of Staff/Counsel to CEO	1	1	0
Administration	Information Systems Manager	1	0	-1
Administration	Information Systems Administrator	1	1	0
Administration	Internal Auditor	1	1	0
Administration	Total	5	4	-1
Engineering	Director of Operations	1	1	0
Engineering	Engineer	1	0	-1
Engineering	Deputy Director of Operations	0	1	1
Engineering	Total	2	2	0
Finance	Director of Finance	1	1	0
Finance	Controller	1	1	0
Finance	Accounting Supervisor	1	0	-1
Finance	Accounting Technicians	1.5	2.5	1
Finance	Total	4.5	4.5	0
Human Resources	Director of Human Resources	1	1	0
Human Resources	Administrative Assistant	1	0	-1
Human Resources	Payroll & Administrative Coordinator	0	1	1
Human Resources	Employee Relations Manager	1	1	0
Human Resources	Total	3	3	0
TOTALS		78.5	81.5	3

Expressway Debt

Overview

The following debt was outstanding for the Expressway System as of December 31, 2023:

Series	Sale Date	Original Borrowing	Interest Rate	Final Maturity	Outstanding Balance
2011-A, B, C	November 2011	77,490,000	4.62-4.75%	July 2041	39,660,000
2011-D	November 2012	43,875,000	4.29%	July 2041	43,820,000
2017	August 2017	19,735,000	4.50%	July 2041	19,255,000
2019	August 2019	17,985,000	2.85%	July 2041	17,985,000
					<u>\$ 120,720,000</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

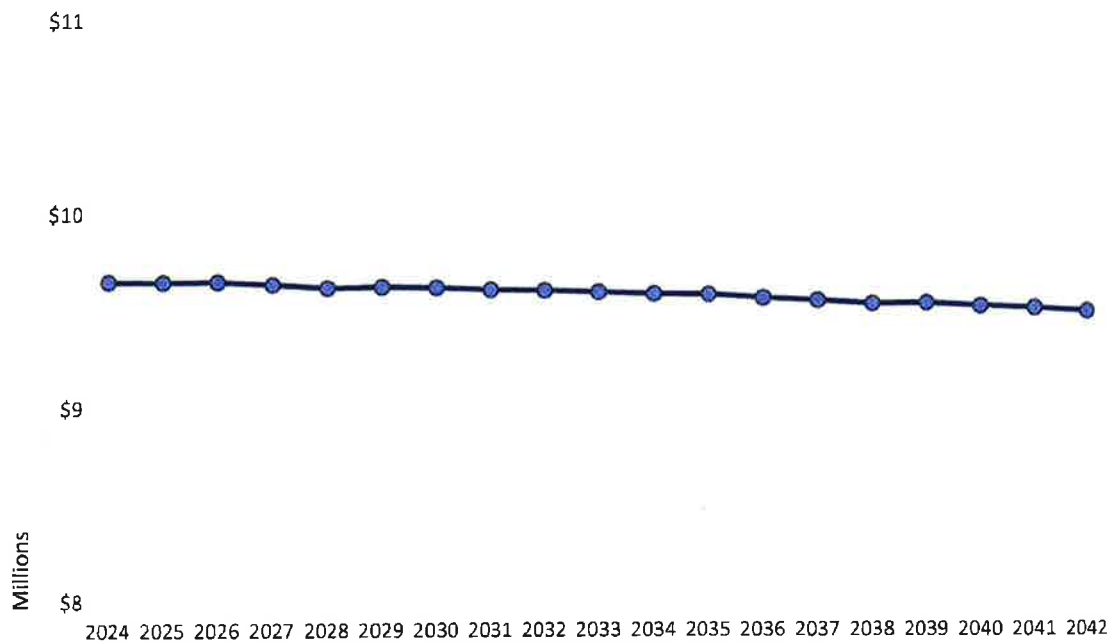
Revenue Bonds were issued to refund \$18,795,000 of the Series 2011-A bonds.

Series 2019 bonds

Revenue Bonds were issued to fully refund \$19,035,000 of the Series 2011-A and Series 2011-B bonds.

Expressway Debt

Annual Debt Service Requirements (millions)



Debt service decreased in FY 2023 due to Series 1998 and Series 2002 maturities. All remaining Expressway debt is scheduled for final maturity in July 2041 (FY 2042).

Fiscal Year	Principal	Interest	Total	Fiscal Year	Principal	Interest	Total
2024	4,050,000	5,606,562	9,656,562	2034	6,460,000	3,126,966	9,586,966
2025	4,245,000	5,408,217	9,653,217	2035	6,770,000	2,813,521	9,583,521
2026	4,455,000	5,199,891	9,654,891	2036	7,075,000	2,489,851	9,564,851
2027	4,660,000	4,981,438	9,641,438	2037	7,405,000	2,145,933	9,550,933
2028	4,875,000	4,747,645	9,622,645	2038	7,750,000	1,783,952	9,533,952
2029	5,125,000	4,501,648	9,626,648	2039	8,130,000	1,407,698	9,537,698
2030	5,375,000	4,247,584	9,622,584	2040	8,500,000	1,021,726	9,521,726
2031	5,625,000	3,984,787	9,609,787	2041	8,885,000	626,014	9,511,014
2032	5,890,000	3,714,632	9,604,632	2042	9,280,000	211,799	9,491,799
2033	6,165,000	3,430,392	9,595,392				
				Total	120,720,000	61,450,256	182,170,256

Appendix A – Revenue and Expense Certificates

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.

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.

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.

Appendix A – Revenue and Expense Certificates

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 annual report and budget.

HNTB

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

Stantec, 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 OPEB plan can be found in the Authority's annual report.

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 Stantec, Inc. to be its Traffic and Revenue Consultant.

VDOT

Virginia Department of Transportation

Appendix A – Revenue and Expense Certificates

Appendix A – Stantec Revenue Certificate

HNTB Expense Certificate



Stantec Consulting Services Inc.
475 5th Avenue, 12th Floor
New York, NY 10017

May 5, 2023

Attention: Steven Owen
Director of Finance
Richmond Metropolitan Transportation Authority
901 E. Byrd St, Suite 1120
Richmond, VA 23219

Dear Mr. Owen,

Reference: FY2024 Annual Revenue Review and Certification for FY2024 Budget

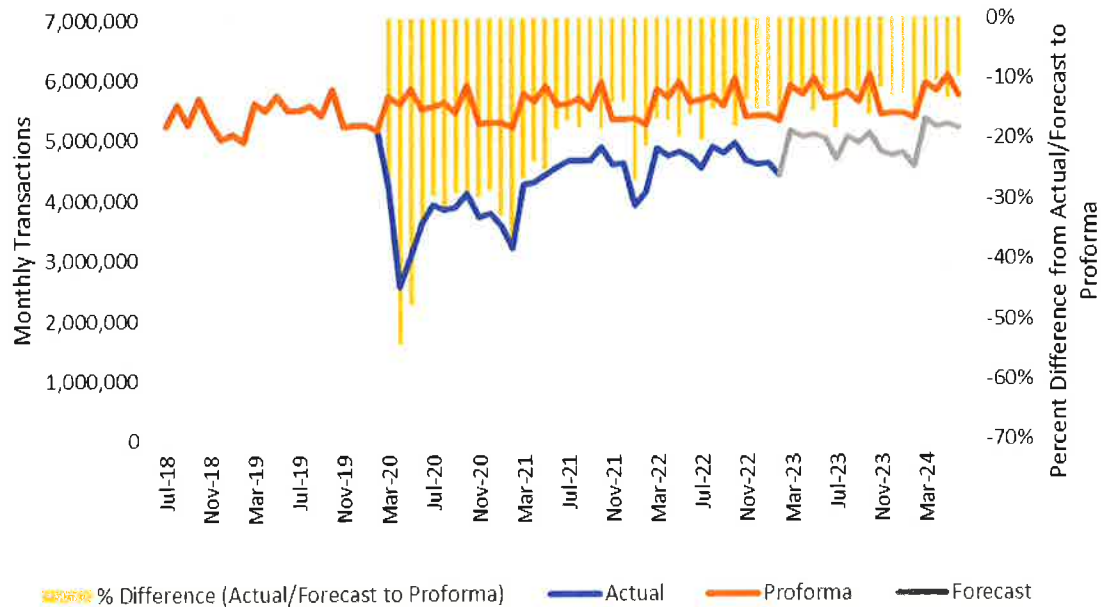
Pursuant to Section 701 of the Amended and Restate Bond Resolution dated October 18, 2011, (the "Master Resolution") for the Richmond Metropolitan Transportation Authority (RMTA), not less than 30 days prior to the beginning of each Fiscal Year (FY), this certificate meets the requirement that the Traffic and Revenue Consultants shall provide a certificate to be included in the budget documents stating that the budget has been prepared in accordance with the Master Resolution.

Stantec Consulting Services Inc. (Stantec) conducted traffic and toll revenue analysis for FY2024 in order to estimate traffic and toll revenue and compare against costs and debt service provided by RMTA and calculate the toll coverage ratio. Beginning March 12, 2020, traffic levels on the RMTA Expressway System (the System) were significantly affected due to the COVID-19 pandemic and the associated government restrictions that have followed (Pandemic). The height of the impact on traffic and toll revenue was felt in April 2020 resulting in some 55 percent reduction in transaction levels as compared to forecast, as shown in Figure 1. This figure presents the differences between the actual and proforma forecasted transactions, with proforma defined as a transaction forecast assuming the Pandemic did not occur (Proforma) and assuming the existing toll schedule is in place for the entire fiscal year.

In late April 2020, a gradual re-opening of businesses and loosening of travel restrictions took place through the middle of the Summer of 2020 which improved traffic on the System. Following that initial recovery, traffic levels remained between 25 to 30 percent lower than forecasted levels. From June 2021 to December 2021, traffic levels were between 13 and 18 percent below Proforma forecasted levels. In January and February 2022, traffic levels decreased due to both the omicron variant of COVID-19 and weather events in the region. However, in March 2022, transactions again recovered and reached 17 percent below Proforma forecasted levels and since then a slight increase in performance against the proforma forecast through February 2023.

Reference: FY2024 Annual Revenue Review and Certification for FY2024 Budget

Figure 1: RMTA Transactions – Impact of Pandemic



As previously noted, the analysis used to estimate fiscal year FY2023 traffic and toll revenues included the development of a Proforma forecast by facility. Then a comparison of observed traffic levels during the Pandemic against that Proforma forecast allowed for an understanding of potential recovery to previous forecasted levels.

Actual transactions through February 2023 were analyzed to understand the state of recovery. The forecast assumes continued steady growth and recovery from the pandemic. In addition, a toll increase analysis was conducted to estimate the impact on transactions and revenue assuming the proposed toll schedule presented in Table 1 is implemented on September 1, 2023. Table 2 presents a comparison of 2 axle E-ZPass and cash rates for context.

Reference: FY2024 Annual Revenue Review and Certification for FY2024 Budget

Table 1: RMTA Proposed Toll Schedule

Facility	Two Axle Cash	Two Axle E-ZPass	Three Axle	Four Axle	Five Axle
Powhite Parkway					
Mainline Plaza	\$1.00	\$0.90	\$1.10	\$1.20	\$1.30
Forest Hill Avenue	\$1.00	\$0.90	\$1.10	\$1.20	\$1.30
Douglasdale Road	\$0.50	\$0.45	\$1.00	\$1.10	\$1.20
Downtown Expressway					
Mainline Plaza	\$1.00	\$0.90	\$1.10	\$1.20	\$1.30
Second Street	\$0.50	\$0.45	\$1.00	\$1.10	\$1.20
Eleventh Street	\$0.50	\$0.45	\$1.00	\$1.10	\$1.20
Boulevard Bridge	\$0.50	\$0.45	\$1.00		

Table 2: RMTA Existing and Proposed Toll Schedule, 2 axle vehicles

Facility	Existing		Proposed	
	E-ZPass	Cash	E-ZPass	Cash
Powhite Parkway				
Mainline Plaza	\$0.70	\$0.70	\$0.90	\$1.00
Forest Hill Avenue	\$0.70	\$0.70	\$0.90	\$1.00
Douglasdale Road	\$0.20	\$0.20	\$0.45	\$0.50
Downtown Expressway				
Mainline Plaza	\$0.70	\$0.70	\$0.90	\$1.00
Second Street	\$0.35	\$0.35	\$0.45	\$0.50
Eleventh Street	\$0.30	\$0.30	\$0.45	\$0.50
Boulevard Bridge	\$0.35	\$0.35	\$0.45	\$0.50

Using the experience from the 2008 toll increase and estimated elasticity of demand, revised forecasts under the new toll schedule from September 2023 to June 2024 were developed and are presented by facility and month in Table 3.

Reference: FY2024 Annual Revenue Review and Certification for FY2024 Budget

Table 3: RMTA Expressway System FY2024 Transaction and Revenue Forecasts

Month	RMTA FY24 T&R Estimates (Toll Schedule Adjustment 9/1/23 per footnote)							
	Transactions (000s)				Revenue (\$000s)			
	Powwhite	DTE	BB	Total	Powwhite	DTE	BB	Total
July	2,781,000	1,602,000	270,000	4,653,000	\$1,788,000	\$970,000	\$92,000	\$2,850,000
August	2,993,000	1,738,000	290,000	5,021,000	\$1,924,000	\$1,052,000	\$99,000	\$3,075,000
September	2,740,000	1,602,000	269,000	4,611,000	\$2,339,000	\$1,283,000	\$115,000	\$3,737,000
October	2,825,000	1,664,000	269,000	4,758,000	\$2,411,000	\$1,332,000	\$115,000	\$3,858,000
November	2,656,000	1,571,000	249,000	4,476,000	\$2,267,000	\$1,258,000	\$107,000	\$3,632,000
December	2,642,000	1,534,000	243,000	4,419,000	\$2,256,000	\$1,228,000	\$104,000	\$3,588,000
January	2,646,000	1,550,000	251,000	4,447,000	\$2,259,000	\$1,242,000	\$108,000	\$3,609,000
February	2,504,000	1,508,000	229,000	4,241,000	\$2,138,000	\$1,208,000	\$98,000	\$3,444,000
March	2,893,000	1,806,000	275,000	4,974,000	\$2,469,000	\$1,446,000	\$118,000	\$4,033,000
April	2,823,000	1,760,000	274,000	4,857,000	\$2,410,000	\$1,409,000	\$117,000	\$3,936,000
May	2,853,000	1,777,000	276,000	4,906,000	\$2,435,000	\$1,424,000	\$118,000	\$3,977,000
June	2,818,000	1,736,000	283,000	4,837,000	\$2,406,000	\$1,391,000	\$121,000	\$3,918,000
Total	33,174,000	19,848,000	3,178,000	56,200,000	\$27,102,000	\$15,243,000	\$1,312,000	\$43,657,000

Existing Toll Schedule for July and August 2023

\$0.90 E-ZPass/\$1.00 Cash Scenario for September through June

Reference: FY2024 Annual Revenue Review and Certification for FY2024 Budget

Based on data provided by the RMTA, Stantec calculated the debt service coverage ratios (DSCR) as shown in Table 4 for the current March 2023 forecast. As shown, the DSCR exceeds the requirements of the Master Resolution (the **greater** of (1) the sum of Annual Debt Service on both Parity Bonds and Subordinated Bonds and all amounts required to be deposited in the Parity Bonds Reserve Fund and the Repair and Contingency Funds or (2) 120% of Annual Debt Service on Parity Bonds and 100% of Annual Debt Service on Subordinate Bonds with a 2.16x coverage. Additionally, the coverage levels exceed the RMTA internal goal of 1.50x coverage. The "other revenue", operations and maintenance (O&M) estimates, and the annual debt service on parity & subordinate (sub) bonds as well as the required deposits to both the "parity bonds reserve fund" and the "repair and contingency fund" as required under the Master Resolution were provided by RMTA.

Table 4: FY2024 Debt Service Coverage Ratio Calculation

Source	Metric	March 2023 Forecast (Millions)
		Expected Toll Adjustment on 9/1/23 (\$0.90 E-ZPass, \$1.00 Cash)
Stantec	Toll Revenue	\$43.7
RMTA	Other Revenue	\$1.1
calculation	Total Revenue	\$44.8
RMTA	O&M	\$16.0
calculation	Net Revenue	\$28.8
RMTA	Annual Debt Service on Parity & Sub Bonds + required deposits to Parity Bonds Reserve Fund AND Repair and Contingency Fund	\$9.8
Coverage Calculations		
RMTA	Master Resolution Greater of:	
	(1)	100% of \$9,800,000
RMTA	(2)	120% of \$9,800,000
calculation	DSCR	2.93
RMTA	RMTA Goal	1.50

Reference: FY2024 Annual Revenue Review and Certification for FY2024 Budget

Limits and Disclaimers

It is Stantec's opinion that the traffic and toll revenue estimates provided herein represent reasonable and achievable levels of traffic and toll revenues that can be expected to accrue at the Authority's toll facilities over the forecast period and that they have been prepared in accordance with accepted industry-wide practice. However, as should be expected with any forecast, and given the uncertainties within the current economic climate, it is important to note the following assumptions which, in our opinion, are reasonable:

- This limited synopsis presents the highlighted results of Stantec's consideration of the information available as of the date hereof and the application of our experience and professional judgment to that information. It is not a guarantee of any future events or trends. It also assumes no continued restrictions with regard to the Pandemic.
- The traffic and toll revenue estimates will be subject to future economic and social conditions, demographic developments and regional transportation construction activities that cannot be predicted with certainty.
- The estimates contained in this document, while presented with numeric specificity, are based on a number of estimates and assumptions which, though considered reasonable to us, are inherently subject to economic and competitive uncertainties and contingencies, most of which are beyond the control of the Authority and cannot be predicted with certainty. In many instances, a broad range of alternative assumptions could be considered reasonable with the availability of alternative toll schedules, and any changes in the assumptions used could result in material differences in estimated outcomes.
- The standards of operation and maintenance of the whole System will be maintained as planned within the business rules and practices.
- The general configuration and location of the System and its interchanges will remain as they are today.
- Access to and from the System will remain as they are today.
- No other new competing highway projects are assumed to be constructed or significantly improved in the project corridor during the project period.
- Major highway improvements that are currently underway or fully funded will be completed as planned.
- The System will be well maintained, efficiently operated, and effectively signed to encourage usage.
- No reduced growth initiatives or related controls will be introduced during the forecast period that would significantly inhibit normal development patterns.
- There will be no serious protracted recession during the forecast period.
- There will be no protracted fuel shortage during the forecast period.
- No local, regional, or national emergency will arise that will abnormally restrict the use of motor vehicles.

May 5, 2023
Steven Owen
Page 7 of 7

Reference: FY2024 Annual Revenue Review and Certification for FY2024 Budget

In Stantec's opinion, the assumptions underlying the study provide a reasonable basis for the analysis. However, any financial projection is subject to uncertainties. Inevitably, some assumptions used to develop the projections will not be realized, and unanticipated events and circumstances may occur.

Regards,

Stantec Consulting Services Inc.

A handwritten signature in blue ink that reads "Richard J. Gobeille". The signature is written in a cursive style with a large, stylized 'R' and 'G'.

Rick Gobeille

Senior Principal



Attention: Ms. Joi Dean, CEO
Richmond Metropolitan Transportation Authority
901 East Byrd Street, Suite 1120
Richmond, VA 23219

RE: Deposits to the Expressway Repair and Contingency Fund

May 2, 2023

Dear Ms. Dean,

The purpose of this letter is to provide recommended deposits for the Expressway Repair and Contingency fund for fiscal years 2024, 2025 and 2026.

Fiscal Year	Recommended Deposit
2024	\$19,466,772
2025	\$25,920,087
2026	\$17,968,251

Article VII, Section 708, of the Richmond Metropolitan Authority's Bond Resolution, adopted October 18, 2011 provides in part that "the Consulting Engineers shall certify to the Authority and include in each of their reports their recommendations as to the amounts that should be deposited in the Repair and Contingency Fund for the purpose of paying extraordinary repairs and replacements to the Expressway System for not less than each of the three (3) succeeding Fiscal Years." This letter serves as certification of HNTB's recommended deposit amounts.

HNTB conditionally certifies the FY2024 budget has been prepared in accordance with the Amended and Restated Resolution 2011-D with an understanding that the RMTA board of directors will, in a timely manner, approve withdrawals from the Excess Balances Fund in amounts which are sufficient to cover any anticipated costs for Routine Maintenance and/or Capital Improvement Projects that would otherwise be in excess of amounts available within the Repair and Contingency Fund.

Please let me know if you have any questions.

Very truly yours,
HNTB Corporation

Chris Lester, P.E.

cc: Mr. Steve Owen, CPA, Director of Finance
Theresa Simmons, P.E., Director of Operations
Brad Stimpson, P.E., HNTB Project Manager
Daniel Papiernik, HNTB Project Director