



Annual Fiscal Plan, FY 2025

Capital Budget, FY 2025-2030

Serving Chesterfield, Henrico, and Richmond, Virginia

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Introduction



May 14, 2024

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 2025 operating and capital budgets for the Richmond Metropolitan Transportation Authority (RMTA or Authority). As we look ahead, the Richmond Region is experiencing a period of recovery and growth, marked by resilience and adaptation in the face of challenges.

Throughout FY 2024, the RMTA has continued its history of fiscal conservatism and sound financial stewardship. We have continued to prioritize our financial health, ensuring that we have the necessary resources to fund operations, meet debt obligations and continue to fulfill the mission of facilitating and providing a variety of transportation and public facilities that improve life in the Richmond Metropolitan Area.

The fiscal year 2025 budget includes the first full year of the toll rate adjustment that was implemented in September of 2023. Prior to that, the last toll adjustment occurred in 2008. The RMTA remains committed to delivering excellent customer service to our patrons while safeguarding our staff and resources.

The FY 2025 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 \$49.4 million or a 5% increase over the FY 2024 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 recovery from 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 maintenance of the RMTA Expressway System will continue to be a priority in FY 2025. 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 2023 Annual Comprehensive Financial Report. 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 Director of Finance, Steven "Steve" 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 throughout his transition to the RMTA. He seamlessly navigated his team through the toll increase and I am appreciative of his leadership. 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. 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 as we prepared for the toll increase. 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, as we move out of the pandemic and back to our normal daily routine, we will take with us the lessons we learned from the 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 and for all of their hard work. Our staff has worked tirelessly and has been flexible and nimble as we continue to navigate our 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 cursive script, appearing to read "Joi Dean".

Joi Dean

Budget Overview

The Authority's 2025 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

	FY2023 Audited	FY2024 Budget	FY2025 Budget	FY2024 to FY2025	
				\$	%
Revenues					
Tolls	\$ 36,518,252	\$ 44,453,000	\$ 51,326,000	\$ 6,873,000	15.5%
Rentals	45,279	54,000	54,000	-	0.0%
Other	407,421	250,000	700,000	450,000	180.0%
Subtotal	36,970,952	44,757,000	52,080,000	7,323,000	16.4%
Operating Expenses					
Salaries and Benefits	\$ 4,990,588	\$ 5,938,784	\$ 6,443,394	\$ 504,610	8.5%
Operations	8,242,312	11,560,195	12,977,580	1,417,385	12.3%
Subtotal	13,232,900	17,498,979	19,420,974	1,921,995	11.0%
Net Operating Revenue	\$ 23,738,052	\$ 27,258,021	\$ 32,659,026	\$ 5,401,005	19.8%

Toll Revenue

Toll revenue for FY 2025 is projected to increase to \$51.3 million or 15.5%. The increase in budgeted revenues is primarily due to the anticipated increase in traffic along with the effects of the toll rate increase that was implemented in September 2023. The rates increased to \$.90 for EZ pass customers, (\$.20 increase) and \$1.00 for cash customers, (\$.30 increase). Fiscal year 2025 will be the first full year with the increased toll rates. 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	FY2023		FY2024		FY2025		FY2024 to FY2025	
	Audited		Budget		Budget		\$	%
Salaries	\$	4,189,499	\$	4,796,096	\$	5,179,716	\$ 383,620	8.0%
Health Care		561,336		889,278		960,873	71,595	8.1%
CRS Retirement		110,472		146,256		157,056	10,800	7.4%
OPEB Contribution		50,000		51,500		51,500	-	0.0%
Other		79,281		55,654		94,248	38,594	69.3%
Total	\$	4,990,588	\$	5,938,784	\$	6,443,393	\$ 504,609	8.5%
FTE Positions		79.5		81.5		85.5	4.0	4.9%

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

Salary expenses increased in FY 2025 due to an increase in wages along with the addition of 4 FTE positions. Health care program management remains a focus of the Authority's cost containment efforts. For FY 2025, health care expenses increased. This was due to a 10.0% increase in insurance premiums. 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 2025, the full actuarial recommended contribution rate is 1.1%. 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 the Board of Trustees of, and 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 2024.

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

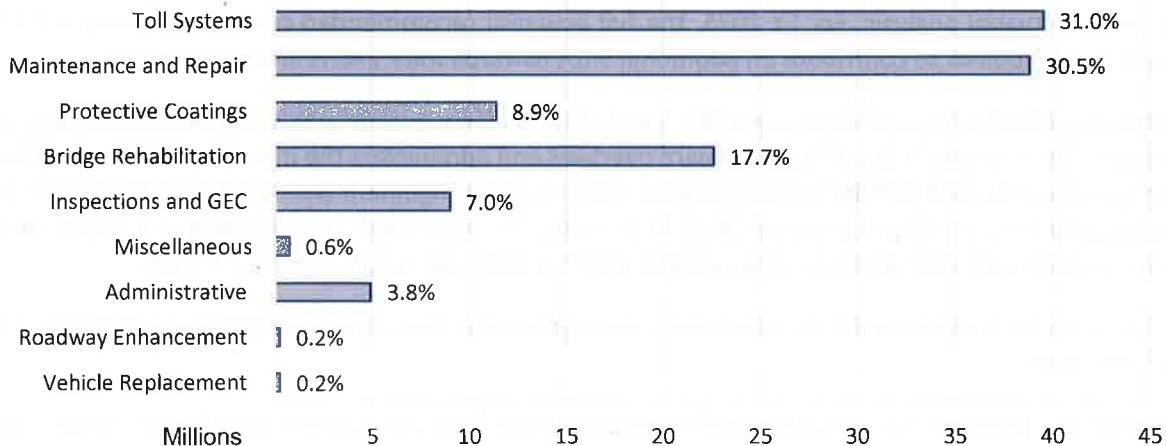
Operations

Operating	FY2023 Audited	FY2024 Budget	FY2025 Budget	FY2024 to FY2025	
				\$	%
Toll Collection	\$ 5,708,200	\$ 8,209,443	\$ 8,995,365	\$ 785,922	9.6%
Maintenance	1,211,321	1,679,512	2,261,480	581,968	34.7%
Administration	382,600	827,955	888,255	60,300	7.3%
Engineering	27,814	34,600	36,525	1,925	5.6%
Finance	817,296	730,435	703,330	(27,105)	-3.7%
Human Resources	95,081	78,250	92,625	14,375	18.4%
Total	\$ 8,242,312	\$ 11,560,195	\$ 12,977,580	\$ 1,417,385	12.3%

The overall budget increased for FY 2025 by 12.3% when compared to FY 2024 budgeted expense. The E-ZPass processing costs are increasing due to the increase in traffic volume and revenue. Road maintenance costs increased primarily due to an increase in estimated snow removal costs and increased contractual costs for incident response and contractual CPI increases. See the Department Budget and Budget Detail sections for additional discussion on the significant budgetary changes for FY 2025.

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 2024-2030, the Six-Year Plan totals \$127 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



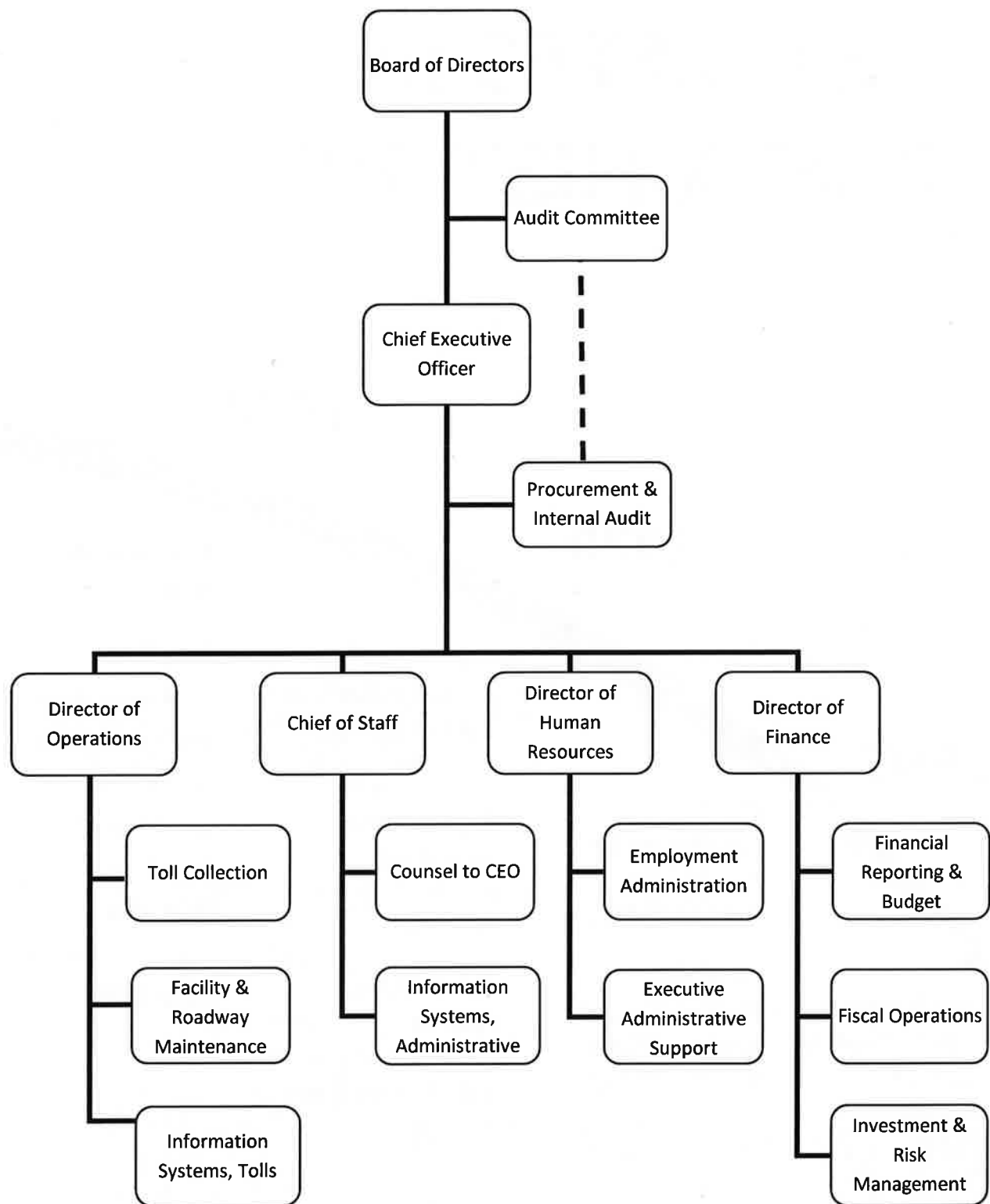
Board of Directors

Marvin Tart, Chair	Henrico County
Lane Ramsey, Vice Chair	Chesterfield County
Joel Rex Davis	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
Paula Watson	Internal Audit & Procurement Manager

Organizational Chart



KEY DATES IN RMTA HISTORY

1966

*RMA is created
by the Virginia
General
Assembly
(1966)*

1970

*RMA
purchases the
Boulevard
Bridge (1969)*

*Powwhite
Parkway
opens to Cary
Street (1973)*

1980

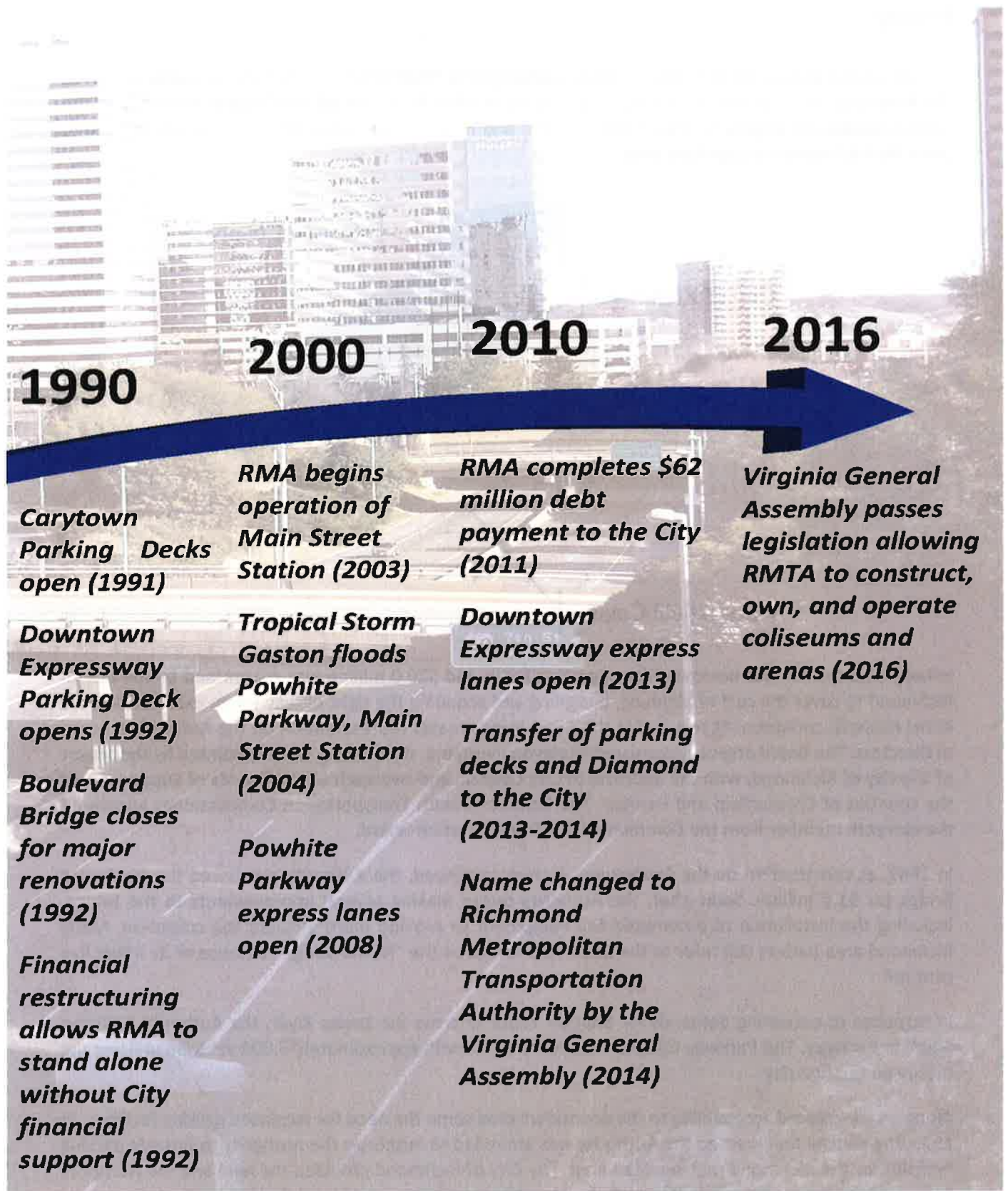
*Second Street
Parking Deck
opens (1975)*

*Downtown
Expressway
opens to
Seventh Street
(1976)*

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

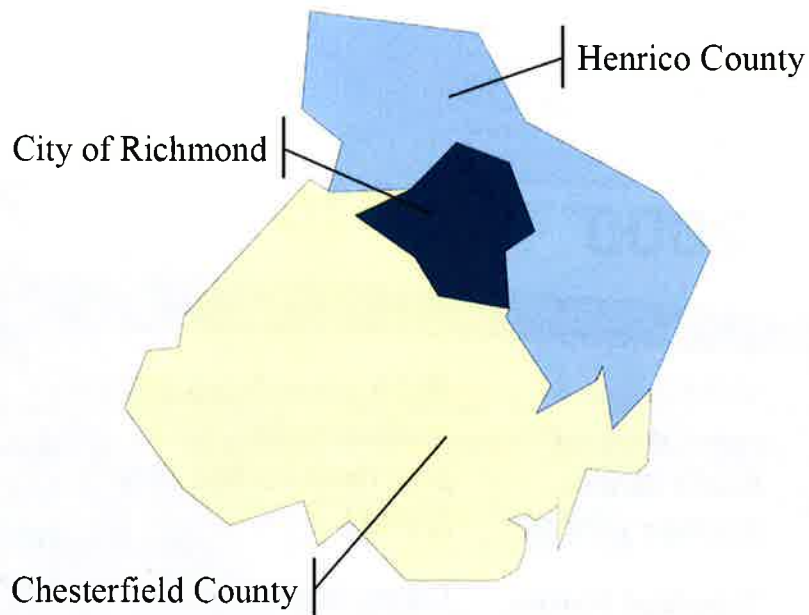
*The Diamond
opens (1985)*

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



History

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



Initially \$2.1 million was borrowed for operating funds and \$20.0 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.

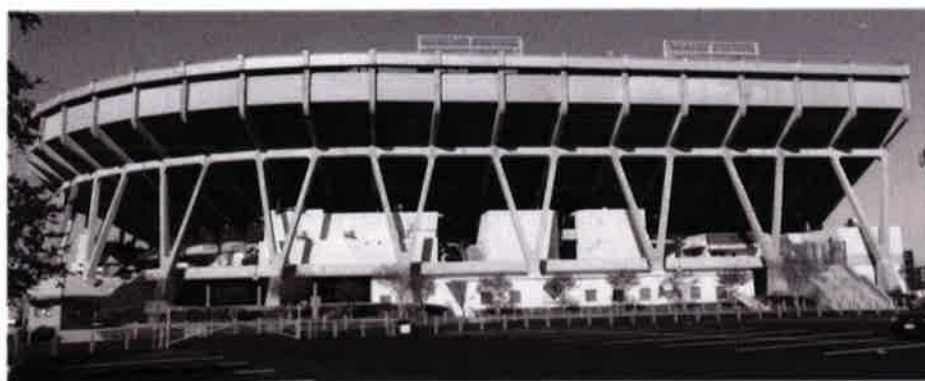
History

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 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. Like 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. Like other projects, approval from the local governing bodies and the Richmond Mayor would be required. This legislation passed with little debate and became 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 became effective July 1, 2020.

The Authority remains a flexible vehicle for future regional initiatives and is committed to collaborating 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 2025, the budget development process followed the calendar of events as described below:

Date	Action
February 9, 2024	Traffic and Revenue Consultant to provide an updated current fiscal year projection and next fiscal year revenue estimate.
February 29, 2024	Directors provide initial budget requests to Finance.
March 6, 2024	Initial budget review with Executive Staff.
March 12, 2024	Compensation and Benefits Committee meeting to review salary and benefits.
March 15, 2024	Operating budget draft completed.
March 20, 2024	Capital budget estimates reviewed by Executive Staff.
March 27, 2024	Capital budget draft completed.
April 3, 2024	Traffic and Revenue Consultant provides draft certificate of Expressway toll revenue.
April 3, 2024	Final budget review with Executive Staff.
April 11, 2024 10:00 AM	Budget workshop with Finance and Operations Committee to review operating and capital budget drafts and long-term financial plan update.
April 12, 2024	Proposed budget document complete.
April 15, 2024	Proposed budget presented to Board to provide comment period prior to adoption.
May 2, 2024 10:00 AM	2 nd Budget workshop with Finance and Operations Committee to review operating and capital budget drafts and long-term financial plan update.
May 14, 2024	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. 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) 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) 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. The continued economic recovery from the COVID-19 pandemic and the return of traffic volume has been factored in the FY 2025 budget with available information at the time of budget development.

Employment

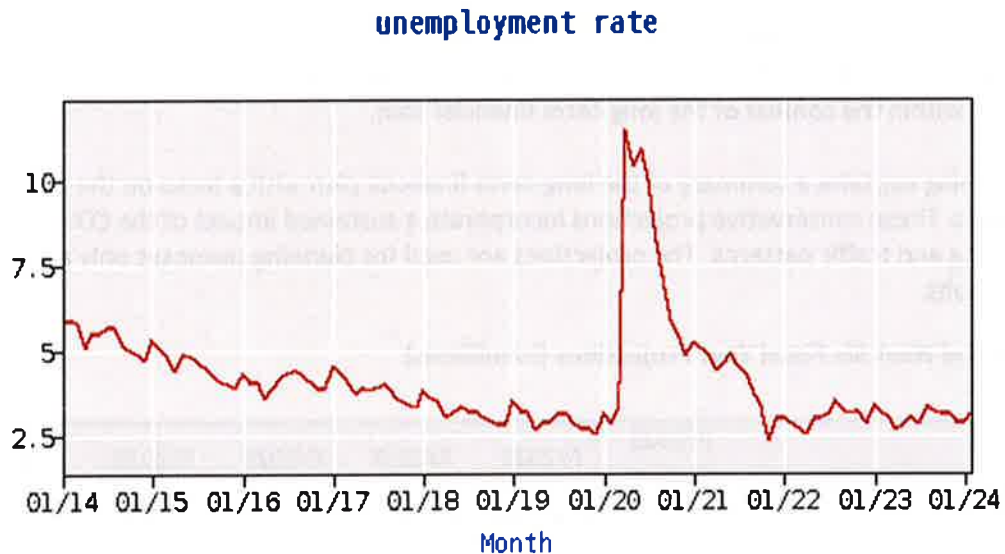
Employment data for the Richmond Metropolitan Statistical Area (MSA) from the Bureau of Labor Statistics (BLS) is historically correlated with RMTA traffic. As the RMTA is mostly a commuter facility, traffic is related to economic output and employment levels. The charts that follow show the historical 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 FY25 forecast, it is estimated that gas prices will hover around \$3.60. As of April 2024, the national average gas prices were approximately \$3.63. 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)

	FY2025 Budget	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Tolls	\$ 51.3	\$ 51.0	\$ 48.6	\$ 49.1	\$ 49.5	\$ 50.0	\$ 50.4
Other	0.8	0.7	0.7	0.7	0.7	0.7	0.8
Total revenue	52.1	51.7	49.3	49.8	50.2	50.7	51.2
Operating expense	(19.4)	(19.9)	(20.5)	(21.0)	(21.6)	(22.2)	(22.8)
Net revenue	32.7	31.8	28.8	28.8	28.6	28.5	28.4
Debt service	(9.8)	(9.8)	(9.7)	(9.8)	(9.8)	(9.7)	(9.7)
Available for capital	\$ 22.9	\$ 22.0	\$ 19.1	\$ 19.0	\$ 18.8	\$ 18.8	\$ 18.7
Projected DSCR	3.34	3.24	2.97	2.94	2.92	2.94	2.93

Toll Rates and Debt Issuance

The Authority's FY 2025 budget is based upon a toll rate increase that occurred in September 2023. The new rates are \$.90 for EZ pass customers, (\$.20 increase) and \$1.00 for cash customers, (\$.30 increase). Fiscal year 2025 will be the first full year with the new toll rates. 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 currently.

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 FY2024, Fitch upgraded the Authority's rating from A to A+, citing the Authority's stable traffic, rate making flexibility, limited debt needs, and healthy infrastructure as key rating drivers.

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

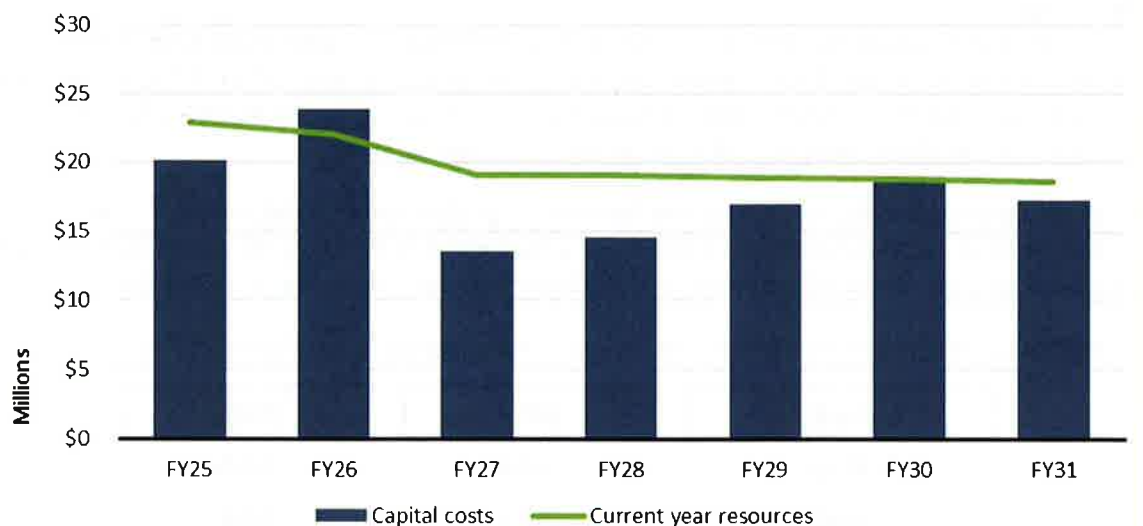
Capital Plan Funding

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):

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Prior available for capital	\$ 2.7	\$ 5.4	\$ 3.5	\$ 9.0	\$ 13.4	\$ 15.2	\$ 15.2
Current available for capital	22.9	22.0	19.1	19.0	18.8	18.8	18.7
Debt issuance	-	-	-	-	-	-	-
Use of reserves	-	-	-	-	-	-	-
Capital budget	(20.2)	(23.9)	(13.6)	(14.6)	(17.0)	(18.8)	(17.3)
Available for future capital	\$ 5.4	\$ 3.5	\$ 9.0	\$ 13.4	\$ 15.2	\$ 15.2	\$ 16.6

Long-Term Financial Plan



Excess Balances Overview

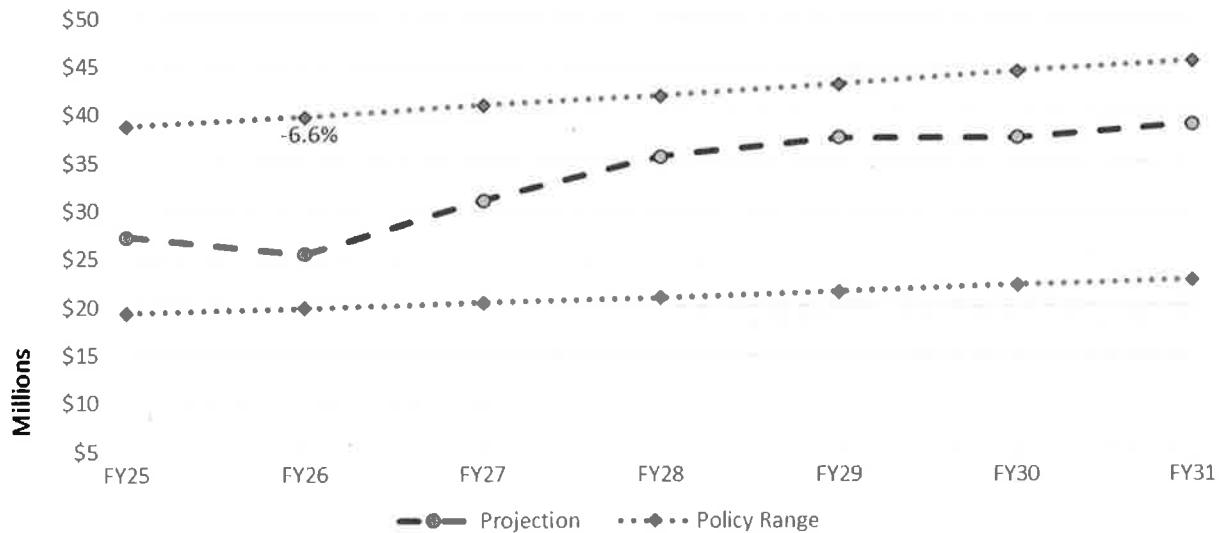
For budgetary purposes, fund balance or fund equity is defined as the cumulative difference between revenues and expenses over time. For the Authority's Expressway System, this cumulative difference is best represented by the Excess Balances fund. The Excess Balances fund was established by the Authority's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

Long-Term Financial Plan

Actual and Projected Changes to Excess Balances (millions)

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



The use of reserves is driven by the difference between capital cost estimates, operational expenses, and available revenue.

Department Budgets

Expressway Operations

Description

The Expressway Operations department is responsible for the collection of toll revenue and facility maintenance. Toll collection remains the primary function of the Authority, 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% FY23 76.7%

Financial Summary

	FY2023	FY2024	FY2025	FY2024 to FY2025	
Toll Collection	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 3,087,711	\$ 3,525,021	\$ 3,806,506	\$ 281,485	8.0%
Operating	5,708,200	8,209,443	8,995,365	785,922	9.6%
Total	\$ 8,795,911	\$ 11,734,464	\$ 12,801,871	\$ 1,067,407	9.1%
FTE Positions	87.0	66.0	63.0	-	-4.5%

	FY2023	FY2024	FY2025	FY2024 to FY2025	
Maintenance	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 255,810	\$ 372,878	\$ 407,072	\$ 34,194	9.2%
Operating	1,211,321	1,679,512	2,261,480	581,968	34.7%
Total	\$ 1,467,131	\$ 2,052,390	\$ 2,668,552	\$ 616,162	30.0%
FTE Positions	6.0	6.0	6.0	-	0.0%

	FY2023	FY2024	FY2025	FY2024 to FY2025	
Toll Expressway Operations	Actual	Budget	Budget	\$	%
Compensation and Benefits	\$ 3,343,522	\$ 3,897,899	\$ 4,213,578	\$ 315,679	8.1%
Operating	6,919,520	9,888,955	11,256,845	1,367,890	13.8%
Total	\$ 10,263,042	\$ 13,786,854	\$ 15,470,423	\$ 1,683,569	12.2%
FTE Positions	93.0	72.0	69.0	(3.0)	-4.2%

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 completed the Express Lanes transition to the new A-to-Be Open Road Tolling (ORT) system last fiscal year resulting in a modernized toll collection system, transmitting all electronic toll transactions and image-based violation transactions to the VDOT customer service center. Authority staff and A-to-Be continue to work closely finalizing as-built documentation and system acceptance finalization. FY 2025 will be the first full year of maintenance of the maintenance phase as the System warranty phase ends. 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.

September 1, 2023, the Authority implemented its first toll increase since 2008. The Authority's base toll rate of \$0.70 for a 2-axle vehicle increased to \$1.00. Authority staff, TRMI, A-to-Be and VDOT all worked very closely to prepare for the toll increase and to ensure the Authority's customers and staff experienced a smooth and seamless transition. Both the traditional cash lanes and the ORT lanes transitioned to the new toll rates with no issues. Toll rates automatically adjusted to the new toll rates at 12:00:00 AM on September 1, 2023. Additionally, the Authority implemented a toll differential during September 2023. This toll differential provides customers using a Virginia E-ZPass transponder with a 10% discount for 2-axle vehicles, paying only \$0.90 per toll. The implementation of the toll differential in the traditional cash lanes and ORT lanes was smooth and seamless for the Authority's staff and customers.

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 FY2024.

This was the sixth 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 whether or not pre-treatment and post-treatment of the roadways is necessary. In FY 2024 the Authority re-procured its snow and ice removal services due to the expiration of the previous five-year contract. The current snow and ice removal services contract includes dedicated snowplows and operators to ensure adequate and timely responses to winter weather events without the competing for resources with other agencies. Over the previous five years, the unit costs for these services increased drastically as illustrated in the table below, see FY 2024 total costs.

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
FY 2024	1	52,530
Total	27	\$ 324,130

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 daily. 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, Instagram, LinkedIn, X and Info Line	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	FY2023		FY2024		FY2025		FY2024 to FY2025	
		Actual		Budget		Budget	\$	%
Compensation and Benefits	\$	767,961	\$	823,486	\$	975,814	\$ 152,328	18.5%
Operating		382,600		827,955		888,255	60,300	7.3%
Total	\$	1,150,561	\$	1,651,441	\$	1,864,069	\$ 212,628	12.9%
FTE Positions		4.0		5.0		5.0	-	0.0%

FY 2025 compensation and benefits costs increased primarily due to the addition of one position and increases in salaries, healthcare premiums, and retirement contributions. FY 2025 operating expense increased primarily due to an increase in community outreach expenses.

Highlights

This fiscal year, the Administration Team included the addition of a Strategic Communications Manager. The Strategic Communications Manager is responsible for developing and executing communication, marketing, education and awareness strategies; and planning and creating engaging content for customer-facing communications and marketing materials; strategizing concepts which will elevate the RMTA brand and increase brand recognition and visibility; and enhancing internal and employee communications.

In FY 24, Administration redesigned the RMTA website and continues to assess the website to ensure that it is meeting the needs of our customers. Additionally, to further engage and enhance its social media presence, the Authority also engaged a social media consultant. This has resulted in an increase to the RMTA's social media presence on all platforms.

Like most organizations throughout the country, the RMTA shifted to a hybrid office and telework environment during the pandemic and remains a hybrid work environment. As employees shifted to this model, the Information Technology department worked to ensure employees' transition was seamless and that productivity was not reduced. The IT department continues to enhance productivity with its plan to continue to upgrade Staff laptops during FY 2025. 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 and All Electronic Tolling planning 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 collaborate 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 continuing to assist the Finance department with the financial system upgrade.

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 2024, approximately 8 contracts were signed with a value of \$4.0 million

Engineering

Description

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

Priorities

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

Performance Measures

Priority	Objective	Performance Measure	Result
1	Perform annual inspections to identify asset needs timely	Annual facility inspections	FY21 100% complete FY22 100% complete FY23 100% complete FY24 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	FY21 0% FY22 0% FY23 0% FY24 0%
1,2	Maintain pavement at or above the established condition level	% of pavement with a PCR score less than 40	FY21 0% FY22 0% FY23 0% FY24 0%

Financial Summary

Engineering	FY2023 Actual	FY2024 Budget	FY2025 Budget	FY2024 to FY2025 \$	%
Compensation and Benefits	\$ 188,663	\$ 337,236	\$ 348,356	\$ 11,121	3.3%
Operating	27,814	34,600	36,525	1,925	5.6%
Total	\$ 216,477	\$ 371,836	\$ 384,881	\$ 13,046	3.5%
FTE Positions	1.0	2.0	2.0	-	0.0%

FY 2025 compensation and benefits costs increased primarily due to the budgeted salary increase and the increase in health insurance costs.

Highlights

The Maintenance and Repair 2022 (MR-22) was completed in early FY 2024. 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. The Maintenance and Repair 2023

Engineering

(MR-23) is expected to be completed in late FY 2024. The MR-23 project included the same repair items typical to all Authority MR projects. However, in MR-23 the Authority included some of the non-critical repair items that were delayed in earlier MR projects due to the previous fiscal years' reduced funding.

The upcoming Maintenance and Repair 2024 (MR-24) is scheduled for procurement in late FY 2024 and anticipated to be completed by the close of FY 2025. Included in this project are many of the non-critical steel repairs that were previously identified but unable to be completed due to budget constraints caused by the COVID-19 pandemic. These include multiple bearing realignments, sole plate welds, deck scuppers and downspout repairs and other non-critical repairs on several of the Authority's bridges. The project will also include pavement line striping and lane marking replacements, asphalt crack sealing, bridge deck joint repairs and drainage structure repairs.

Despite the reduction of scope for the last four (4) 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 2024 assets inspections, the small subset of asset components identified with decreased condition ratings during the FY 2023 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. A condition rating of 6 is defined as all structural elements are sound with minor deterioration. 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.

The Authority resurfaced the north approach pavement at the Boulevard Bridge early in FY 2024. The FY 2023 annual pavement inspection identified this section of pavement to be in fair condition. The pavement was resurfaced with Hot Mix Asphalt (SM-9.5E) and is now in excellent condition with a condition rating score of 100. The Authority's overall weighted average pavement condition score is 86.27 for the entire Expressway System.

The Authority completed the Express Lanes transition to the new A-to-Be Open Road Tolling (ORT) system last fiscal year resulting in a modernized toll collection system, transmitting all electronic toll transactions and image-based violation transactions to the VDOT customer service center. Authority staff and A-to-Be continue to work closely finalizing as-built documentation and system acceptance finalization. FY 2025 will be the first full year of maintenance of the maintenance phase as the System warranty phase ends. 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.

Engineering

September 1, 2023, the Authority implemented its first toll increase since 2008. The Authority's base toll rate of \$0.70 for a 2-axle vehicle increased to \$1.00. Authority staff, TRMI, A-to-Be and VDOT all worked very closely to prepare for the toll increase and to ensure the Authority's customers and staff experienced a smooth and seamless transition. Both the traditional cash lanes and the ORT lanes transitioned to the new toll rates with no issues. Toll rates automatically adjusted to the new toll rates at 12:00:00 AM on September 1, 2023. Additionally, the Authority implemented a toll differential during September 2023. This toll differential provides customers using a Virginia E-ZPass transponder with a 10% discount for 2-axle vehicles, paying only \$0.90 per toll. The implementation of the toll differential in the traditional cash lanes and ORT lanes was smooth and seamless for the Authority's staff and customers.

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. 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. All work under this project is required to be completed no later than October 31, 2024. Currently the Authority's contractor is ahead of schedule and remains within budget despite delays encountered due to scheduling issues with multiple Railroads and public utility repairs identified by the contractor. Authority staff anticipates its contractor will complete the project in advance of the completion date while remaining on budget. This work is weather dependent. 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 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 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>FY22</u> Unmodified <u>FY23</u> Unmodified
1,2,3	Obtain the GFOA Financial Reporting Award	Consecutive years receipt of award	N/A

Financial Summary

Finance	FY2023 Actual	FY2024 Budget	FY2025 Budget	FY2024 to FY2025 \$	%
Compensation and Benefits	\$ 349,954	\$ 513,429	\$ 522,098	\$ 8,669	1.7%
Operating	817,296	730,435	703,330	(27,105)	-3.7%
Total	\$ 1,167,250	\$ 1,243,864	\$ 1,225,428	\$ (18,436)	-1.5%
FTE Positions	4.5	4.5	4.5	-	0.0%

FY 2025 compensation and benefits costs increased primarily due to increased salaries, healthcare premiums, and retirement contributions. FY 2025 operating expenses decreased primarily due to decreased accounting and auditing services costs.

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 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 2023 Comprehensive Annual Financial Report.

Finance

Finance managed the investment portfolio of the Authority with assets over \$70 million in FY 2024, 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 FY 2024 Fitch upgraded the Authorities rating of "A" to "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 2024, 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	Continue implementation of 2023 Compensation Study	Completion of phase two of the compensation study; address compression issues resulting from increased starting wage for toll collectors and maintenance workers	June 2024
1	Evaluate benefit plans with benefits consultant and providers to ensure packages are consistent with the marketplace	Annual review of benefit plans	March 2024
1	Work with Operations Team to evaluate and implement right-sizing	Appropriate and effective staffing	Ongoing
1	Evaluate and coordinate efforts to assist and prepare employees for AET transition: behavioral and cognitive assessments; skills training; partnerships with community partners for employment opportunities	Completion of behavioral and cognitive assessments.	June 2024
		Training and development based on determined AET needs (i.e., RMTA back-office or other identified positions)	Ongoing
		Identification of State agencies and other businesses for staff placement	Ongoing
		Lunch and learn sessions for retirement planning.	Ongoing
2	Evaluate employee engagement and interest regarding health and wellness	Completion of health and wellness survey	June 2024
2	Coordinate and conduct regular training and development programs/activities to enhance knowledge of employee policies and legislation	Completion of engagement survey	December 2024
		Mandatory management training	June 2024
3	Review Personnel Policies and Procedures manual at least annually	Revise policy manual	June 2024

Human Resources

Financial Summary

Human Resources	FY2023		FY2024		FY2025		FY2024 to FY2025	
		Actual		Budget		Budget	\$	%
Compensation and Benefits	\$	340,488	\$	366,734	\$	383,547	\$ 16,813	4.6%
Operating		95,081		78,250		92,625	14,375	18.4%
Total	\$	435,569	\$	444,984	\$	476,172	\$ 31,188	7.0%
FTE Positions		3.5		3.0		3.0	-	0.0%

FY 2025 compensation and benefits costs increased slightly due to medical and life insurance increases. FY 2025 operating costs increased for employee engagement, training and development in preparation for AET.

Highlights

Employee engagement, enlightenment and recognition were a major focus again in FY24. We held Zoom calls to provide all RMTA employees with mandatory safety and policy update training. We continued our commitment to intentional communication: biannual town hall meetings to share pertinent information about AET transition planning; sent monthly wellness emails; provided opportunities for employee feedback through surveys and open dialogue; identified and recognized staff for exemplary contributions. HR catered a "Just Because" lunch in the fall to encourage staff during the implementation of the toll adjustment. We had two successful annual flu vaccination clinics. At the annual employee recognition luncheon, HR highlighted the significant contribution of a toll road superintendent along with celebrating nine long tenured (5yrs to 45yrs) employees for their dedicated contributions to the RMTA. We hosted a holiday party at River City Roll, with 60% participation, and assisted the OneRMTA committee with a "Spring Fling" cookout at the Boulevard Bridge for RMTA staff and family. HR staff also celebrated two toll employees upon retirement after twelve years and forty-three years of service, respectively.

Training and development were another major focus this year. HR assisted with planning the Executive Staff team building and management training in the fall. Human Resources staff attended several conferences, training seminars and workshops on the impact of new state and federal employment legislation on the Authority. Additionally, the Employee Relations Manager completed the requirements for Human Resources Professional Certification.

Benefits consultant, OneDigital, worked with HR staff to facilitate a virtual Open Enrollment for FY24. We anticipate a hybrid open enrollment again this year, with a marginal premium increase for FY25. The Compensation and Benefits Committee also decided that RMTA will continue to provide a contribution to employee HSA accounts. OneDigital will assist HR staff with conducting lunch and learn sessions on financial wellness and retirement planning in FY25.

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 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 two was implemented in FY24 to address compression issues created by phase one increases to the starting pay for toll collector and maintenance positions in FY 23 to be more in-line with the market.

Human Resources

With an increased focus on teamwork and collaboration, Human Resources staff collaborated with all Authority departments: assisted IT and Communications teams with revitalizing the RMTA website; collaborated with operations management to redefine staff positions and assess staffing needs; continued the responsibility for payroll administration, processing and reporting. HR continues to participate in the strategic planning for AET, with a focus on preparing for staff transition.

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.

Budget Details

Department to Fund Crosswalk

As shown in the previous section, expense budgets by department are developed to track costs by the Authority's main functions. To comply with bond indenture requirements and accounting principles, the Authority must separate department budgets or 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 2025 operating budget by department and a crosswalk to the budgets by fund can be found below.

	Expressway	Central Administration	Total
Toll Collection	\$ 12,801,872	\$ -	\$ 12,801,872
Maintenance	2,668,552	-	2,668,552
Administration	197,000	1,667,069	1,864,069
Engineering	29,425	355,456	384,881
Finance	638,330	587,098	1,225,428
Human Resources	-	476,172	476,172
Total	\$ 16,335,179	\$ 3,085,795	\$ 19,420,974

	Expressway	Central Administration	Total
Toll Collection	\$ 18,863,194	\$ 3,085,795	\$ 21,948,989
Maintenance	(2,528,015)	-	(2,528,015)
Total	\$ 16,335,179	\$ 3,085,795	\$ 19,420,974

- (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 2024 is projected to be greater than budget by approximately 5.7% due traffic volume that were higher than projected. The budgeted toll revenue for FY 2025 is 15.5% greater than the FY 2024 budget. This is primarily due to the increase in the toll rates implemented in September 2023. Fiscal year 2025 will be the first year with the increase in effect for the entire fiscal year. The increase implemented in FY 2024 had less of an impact on traffic than originally forecasted. See the Revenue Sources and Forecasting Assumption section for a detailed discussion on the development of the FY 2025 forecast.
- *Compensation and benefits:* Compensation and benefits expense increased in FY 2025 due to increases in salaries and healthcare premiums.
- *E-ZPass processing fees:* The FY 2025 budget includes a 7.4% increase based on increased traffic volume and E-ZPass utilization rate.
- *Violation enforcement fees:* The FY 2025 budget includes a 7.4% increase based on increased traffic volume.
- *Annual Road Maintenance – Roadways:* FY 2025 includes increases for the general maintenance of the expressway system due to contractual CPI increases along with increases for increases in snow removal expense. The budget anticipates 6 snow removal incidents in fiscal year 2025.
- *Toll System Maintenance:* FY 2025 includes an estimated \$314,000 increase for the toll system maintenance. This is primarily due to the new system coming off its warranty period.

Expressway Fund Budget

Expressway	FY2023	FY2024	FY2025	FY2024 to FY2025	
	Audited	Budget	Budget	\$	%
Revenue					
Toll Revenue	\$ 36,042,594	\$ 43,657,000	\$ 49,360,000	\$ 5,703,000	13.1%
Violation Enforcement - CSC	-	346,000	346,000	-	0.0%
Violation Enforcement - Courts	448,820	320,000	1,200,000	880,000	275.0%
Toll Payments - Collections	26,838	130,000	420,000	290,000	223.1%
Parking Lot Rentals	45,279	54,000	54,000	-	0.0%
Interest Income	406,511	250,000	700,000	450,000	180.0%
Miscellaneous Income	910	-	-	-	0.0%
Total Revenue	\$ 36,970,952	\$ 44,757,000	\$ 52,080,000	\$ 7,323,000	16.4%
Toll Collection					
Regular Pay	\$ 2,149,908	\$ 2,421,650	\$ 2,627,883	\$ 206,233	8.5%
Overtime	300,945	214,095	207,717	(6,378)	-3.0%
Payroll Taxes	182,729	201,634	216,923	15,289	7.6%
Retirement	24,341	44,238	46,635	2,397	5.4%
Health Insurance	382,659	608,221	652,939	44,718	7.4%
Group Life Insurance	25,186	11,020	29,281	18,261	165.7%
Long Term Disability	2,556	3,264	2,953	(311)	-9.5%
Unemployment Benefits	4,809	5,150	5,150	-	0.0%
Uniforms	3,208	2,750	4,025	1,275	46.4%
Employee Mileage	11,370	13,000	13,000	-	0.0%
Compensation and Benefits	3,087,711	3,525,022	3,806,506	281,484	8.0%
E-Zpass Processing Fees	\$ 3,425,869	\$ 3,722,992	\$ 4,000,000	\$ 277,008	7.4%
Violation Enforcement - CSC	761,090	2,300,000	2,470,923	170,923	7.4%
Collections Service	-	10,000	10,000	-	0.0%
Armored Transport & Coin Counting	1,800	108,000	115,001	7,001	6.5%
Toll System Maint. - A-to-Be/Tran	81,510	683,411	902,081	218,670	32.0%
Toll System Maint. - TRMI	-	1,015,840	1,111,496	95,656	9.4%
Currency Counter Maintenance	1,136,951	3,200	3,864	664	20.8%
Security System	3,578	14,000	14,000	-	0.0%
Traffic Camera Hosting	-	2,500	2,500	-	0.0%
Utilities	2,624	190,000	190,000	-	0.0%
Toll System Parts and Supplies	213,331	125,000	125,000	-	0.0%

(Continued)

Expressway Fund Budget

Expressway	FY2023 Audited	FY2024 Budget	FY2025 Budget	FY2024 to FY2025	
				\$	%
Security System - Camera Maintenance	\$ 58,666	\$ 3,500	\$ -	\$ (3,500)	-100.0%
Traffic Cameras - Maintenance	-	5,000	15,000	10,000	200.0%
Gate Claims	1,377	5,000	5,000	-	0.0%
Office Supplies and Printing	1,537	15,000	16,500	1,500	10.0%
Office Equipment	18,122	5,000	5,000	-	0.0%
Miscellaneous Expenses	-	1,000	9,000	8,000	800.0%
Personnel - Employee Relations	738	-	-	-	0.0%
Operating	5,707,193	8,209,443	8,995,365	785,922	9.6%
Toll Collection Total	\$ 8,794,904	\$ 11,734,464	\$ 12,801,871	\$ 1,067,407	9.1%
Maintenance					
Regular Pay	\$ 175,589	\$ 245,318	\$ 265,764	\$ 20,446	8.3%
Overtime	31,299	25,944	28,134	2,190	8.4%
Payroll Taxes	14,984	20,752	22,483	1,731	8.3%
Retirement	2,507	5,037	5,371	334	6.6%
Health Insurance	29,198	70,415	76,719	6,304	9.0%
Group Life Insurance	2,234	1,291	3,469	2,178	168.7%
Uniforms	-	3,000	3,700	700	0.0%
Compensation and Benefits	255,811	371,757	405,640	33,883	9.2%
Annual Road Maintenance	967,853	1,388,512	1,955,080	566,568	40.8%
Building and Janitorial Services	24,734	35,000	50,400	15,400	44.0%
Materials and Supplies - Toll Plaza	5,187	7,500	7,500	-	0.0%
Materials and Supplies - Traffic Control	1,610	6,000	6,000	-	0.0%
Materials and Supplies - Grounds and Buildings	59,629	70,000	70,000	-	0.0%
Materials and Supplies - Roadways	5,075	10,000	10,000	-	0.0%
Grounds and Building Maintenance	85,043	103,000	103,000	-	0.0%
Maintenance - Equipment Repair	7,835	7,500	7,500	-	0.0%
Vehicle Operations and Maintenance	54,355	52,000	52,000	-	0.0%
Operating	1,211,321	1,679,512	2,261,480	581,968	34.7%
Maintenance Total	\$ 1,467,132	\$ 2,051,269	\$ 2,667,120	\$ 615,851	30.0%

(continued)

Expressway Fund Budget

Expressway	FY2023 Audited	FY2024 Budget	FY2025 Budget	FY2024 to FY2025	
				\$	%
Administrative					
Telecommunications	\$ 12,327	\$ 19,250	\$ 19,000	\$ (250)	-1.3%
Data Communications	34,590	43,000	55,000	12,000	27.9%
Computer Service Agreements	51,020	60,000	73,000	13,000	21.7%
Legal Services	1,911	40,000	40,000	-	0.0%
Computer Hardware	2,150	-	10,000	10,000	0.0%
Computer Software	-	-	-	-	0.0%
Asset Management Software	23,500	27,500	29,425	1,925	7.0%
Insurance	441,373	378,075	375,000	(3,075)	0.8%
Trustee Services	21,888	20,000	20,000	-	0.0%
Traffic and Revenue Consultant	52,831	55,000	56,650	1,650	3.0%
Audit and Accounting Services	88,518	107,680	82,680	(25,000)	-23.2%
Credit Rating Fees	17,500	31,000	31,000	-	0.0%
Financial Advisor	32,188	10,000	15,000	5,000	50.0%
Investment Advisor	62,050	57,400	58,000	600	1.0%
Administrative Total	\$ 841,846	\$ 848,905	\$ 864,755	\$ 15,850	1.9%
Compensation and Benefits	\$ 3,343,522	\$ 3,897,899	\$ 4,213,578	\$ 315,679	8.1%
Operations	7,760,359	10,737,860	12,121,600	1,383,740	12.9%
Central Admin Allocation	2,132,328	2,870,512	2,528,015	(342,497)	-11.9%
Total Expenses	\$ 13,236,209	\$ 17,506,271	\$ 18,863,193	\$ 1,356,922	7.8%

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.

	FY2023	FY2024	FY2025	FY2024 to FY2025	
	Audited	Budget	Budget	\$	%
Toll Revenue (1)	\$ 36,042,594	\$ 43,657,000	\$ 49,360,000	\$ 5,703,000	13.1%
Other Revenue (2)	928,358	1,100,000	2,720,000	1,620,000	147.3%
	36,970,952	44,757,000	52,080,000	7,323,000	16.4%
Operating Expenses (2)	13,232,899	17,498,979	19,420,974	1,921,995	11.0%
Net Operating Revenue	23,738,053	27,258,021	32,659,026	5,401,005	19.8%
Debt Service (3)	(9,752,000)	(9,752,000)	(9,756,000)	(4,000)	0.0%
Available for Capital	\$ 13,986,053	\$ 17,506,021	\$ 22,903,026	\$ 5,397,005	30.8%

(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

Expense Certification HNTB Corporation

See Appendix A

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 2025 due to increases in salaries, healthcare premiums, and retirement contributions ang with the addition of the new Public Relations Manager.
- *Community Outreach:* Increased due to the planned conversion to AET at the Powhite Parkway and the related efforts to inform the public of these changes.

Central Administration Fund Budget

Central Administration	FY2023 Audited	FY2024 Budget	FY2025 Budget	FY2024 to FY2025 \$ %	
Administration					
Regular Pay	\$ 537,147	\$ 571,655	\$ 684,531	\$ 112,876	19.7%
Payroll Taxes	35,344	39,018	47,100	8,082	20.7%
Retirement	56,426	55,587	62,695	7,108	12.8%
Health Insurance	77,031	99,731	116,055	16,323	16.4%
Group Life Insurance	7,203	2,991	9,173	6,182	206.7%
Long Term Disability	4,812	3,004	4,760	1,756	58.5%
Unemployment Benefits	-	-	-	-	0.0%
OPEB Trust Contribution	50,000	51,500	51,500	-	0.0%
Compensation and Benefits	767,961	823,486	975,814	152,328	18.5%
Telecommunications	9,625	20,750	10,000	(10,750)	-51.8%
Data Communications	2,303	29,200	12,000	(17,200)	-58.9%
Computer Service Agreements	35,562	38,000	45,000	7,000	18.4%
Consulting Services	-	28,000	30,000	2,000	7.1%
Legal Services	106,933	140,000	140,000	-	0.0%
Office Lease and Parking	27,155	214,400	214,400	-	0.0%
Miscellaneous Expenses	413	500	500	-	0.0%
Computer Hardware	1,834	5,000	5,500	500	10.0%
Computer Software	1,109	1,000	5,000	4,000	400.0%
Web Site Development	43,490	25,000	25,000	-	0.0%
Board Attendance Fees	4,700	7,500	7,500	-	0.0%
Board Expenses - Other	8,366	20,000	20,000	-	0.0%
Professional Memberships and Subscriptions	29,542	31,055	31,055	-	0.0%
Training and Development	9,571	45,300	45,300	-	0.0%
Public Relations	-	50,000	40,000	(10,000)	-20.0%
Community Outreach	-	10,000	60,000	50,000	500.0%
Operating	280,603	665,705	691,255	25,550	3.8%
Administration Total	\$ 1,048,564	\$ 1,489,191	\$ 1,667,069	\$ 177,878	11.9%
Engineering					
Regular Pay	\$ 158,630	\$ 282,494	\$ 289,623	\$ 7,129	2.5%
Payroll Taxes	11,772	21,322	21,492	170	0.8%
Retirement	7,992	12,007	12,377	371	3.1%
Health Insurance	7,007	19,149	20,318	1,169	6.1%
Group Life Insurance	1,946	1,381	3,507	2,126	154.0%
Long Term Disability	1,317	884	1,040	156	17.6%
Compensation and Benefits	188,663	337,236	348,356	11,121	3.3%
Professional Memberships and Subscriptions	275	600	600	-	0.0%
Training and Development	4,039	6,500	6,500	-	0.0%
Operating	4,314	7,100	7,100	-	0.0%
Engineering Total	\$ 192,978	\$ 344,336	\$ 355,456	\$ 11,121	3.2%

Central Administration Fund Budget

Central Administration	FY2023 Audited	FY2024 Budget	FY2025 Budget	FY2024 to FY2025 \$	%
Finance					
Regular Pay	\$ 282,984	\$ 406,289	\$ 410,205	\$ 3,916	1.0%
Overtime	748	4,218	4,365	147	3.5%
Payroll Taxes	21,174	31,007	31,318	311	1.0%
Retirement	6,261	15,664	15,747	83	0.5%
Health Insurance	30,126	52,329	53,109	780	1.5%
Group Life Insurance	2,995	2,030	5,089	3,059	150.7%
Long Term Disability	1,935	1,891	2,264	373	19.7%
Compensation and Benefits	346,223	513,428	522,097	8,669	1.7%
Bank Fees	-	-	-	-	0.0%
Payroll Systems and Services	18,383	20,000	20,000	-	0.0%
Accounting System and Services	77,175	40,000	30,000	(10,000)	-25.0%
OPEB Actuarial Valuation	3,435	3,600	5,000	1,400	38.9%
Professional Memberships and Subscriptions	754	4,180	5,000	820	19.6%
Training and Development	1,201	3,500	5,000	1,500	42.9%
Operating Finance Total	100,948	71,280	65,000	(6,280)	-8.8%
	\$ 447,171	\$ 584,708	\$ 587,097	\$ 2,389	0.4%
Human Resources					
Regular Pay	\$ 266,088	\$ 286,727	\$ 297,314	\$ 10,587	3.7%
Overtime	567	1,893	1,969	76	4.0%
Payroll Taxes	19,593	22,079	22,895	816	3.7%
Retirement	12,944	13,724	14,231	507	3.7%
Health Insurance	35,316	39,434	41,733	2,299	5.8%
Group Life Insurance	3,487	1,430	3,690	2,260	158.1%
Long Term Disability	2,354	1,198	1,465	267	22.4%
Unemployment Benefits	-	-	-	-	0.0%
Compensation and Benefits	340,349	366,485	383,297	16,812	4.6%
Document Storage	2,817	3,200	3,400	200	6.3%
Copier Lease	3,632	3,850	4,100	250	6.5%
Postage Machine	3,952	4,000	3,500	(500)	-12.5%
Benefits Consultant	59,500	36,500	40,625	4,125	11.3%
Office Supplies and Printing	3,810	3,000	3,000	-	0.0%
Office Equipment	-	-	-	-	0.0%
Miscellaneous Expenses	854	500	500	-	0.0%
Professional Memberships and Subscriptions	2,339	1,000	1,000	-	0.0%
Training and Development	8,691	14,700	18,000	3,300	22.4%
Personnel - Employment	3,434	3,500	3,500	-	0.0%
Personnel - Employee Relations	6,052	8,000	15,000	7,000	87.5%
Tuition Assistance	-	-	-	-	0.0%
Operating Human Resources Total	95,081	78,250	92,625	14,375	18.4%
	\$ 435,430	\$ 444,735	\$ 475,922	\$ 31,187	7.0%
Compensation and Benefits	\$ 1,643,336	\$ 2,040,885	\$ 2,229,815	\$ 188,930	9.3%
Operations	480,946	822,335	855,980	33,645	4.1%
Total Expenses	\$ 2,124,282	\$ 2,863,220	\$ 3,085,795	\$ 222,575	7.8%

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

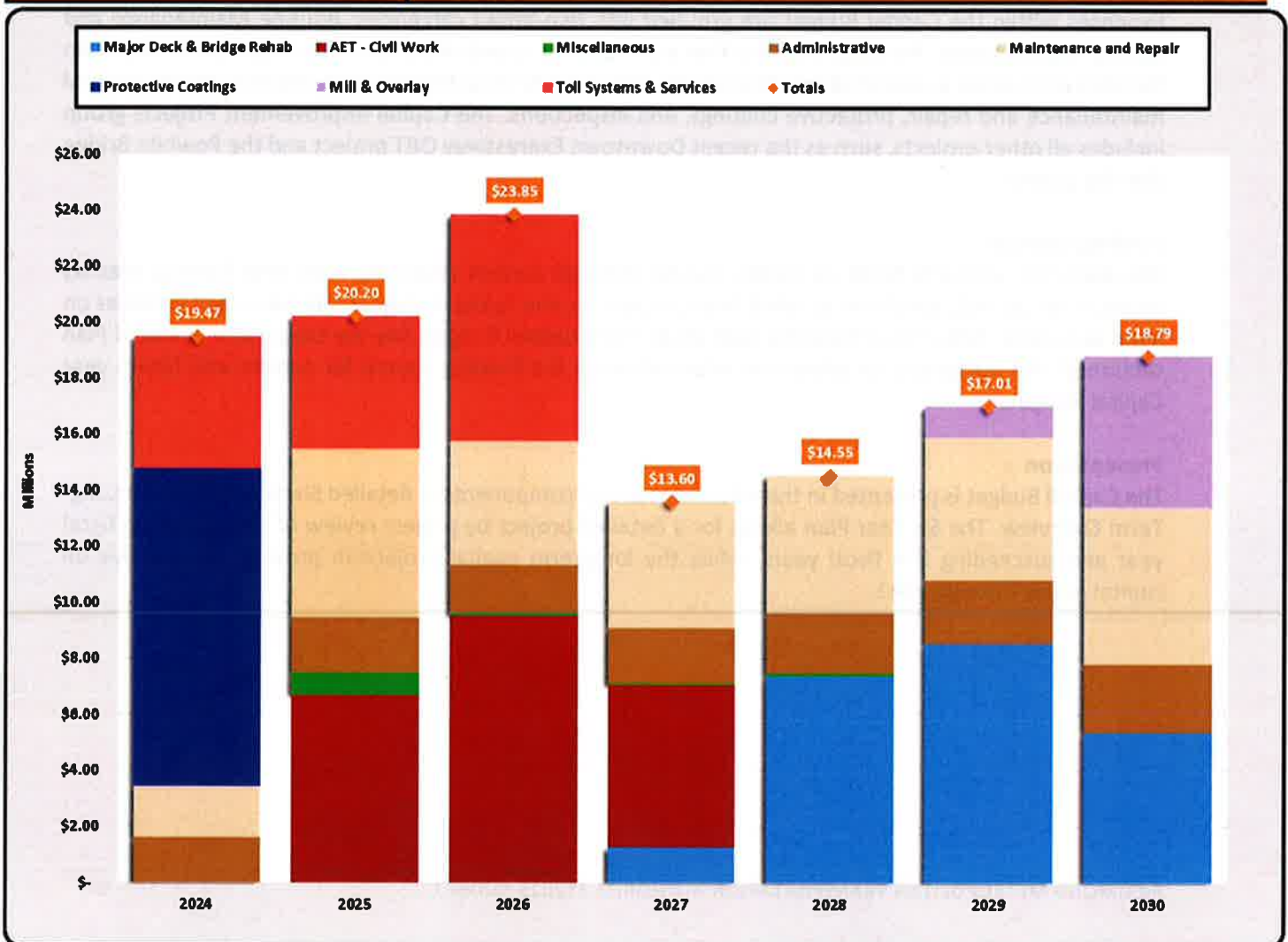
The Authority primarily funds its Capital Budget through current revenues, with debt funding used as appropriate. As indicated in its adopted financial policies, the Authority's goal is to have cash balances on hand as of June 30th to fully fund the next fiscal year's Capital Budget. See the Long-Term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

Presentation

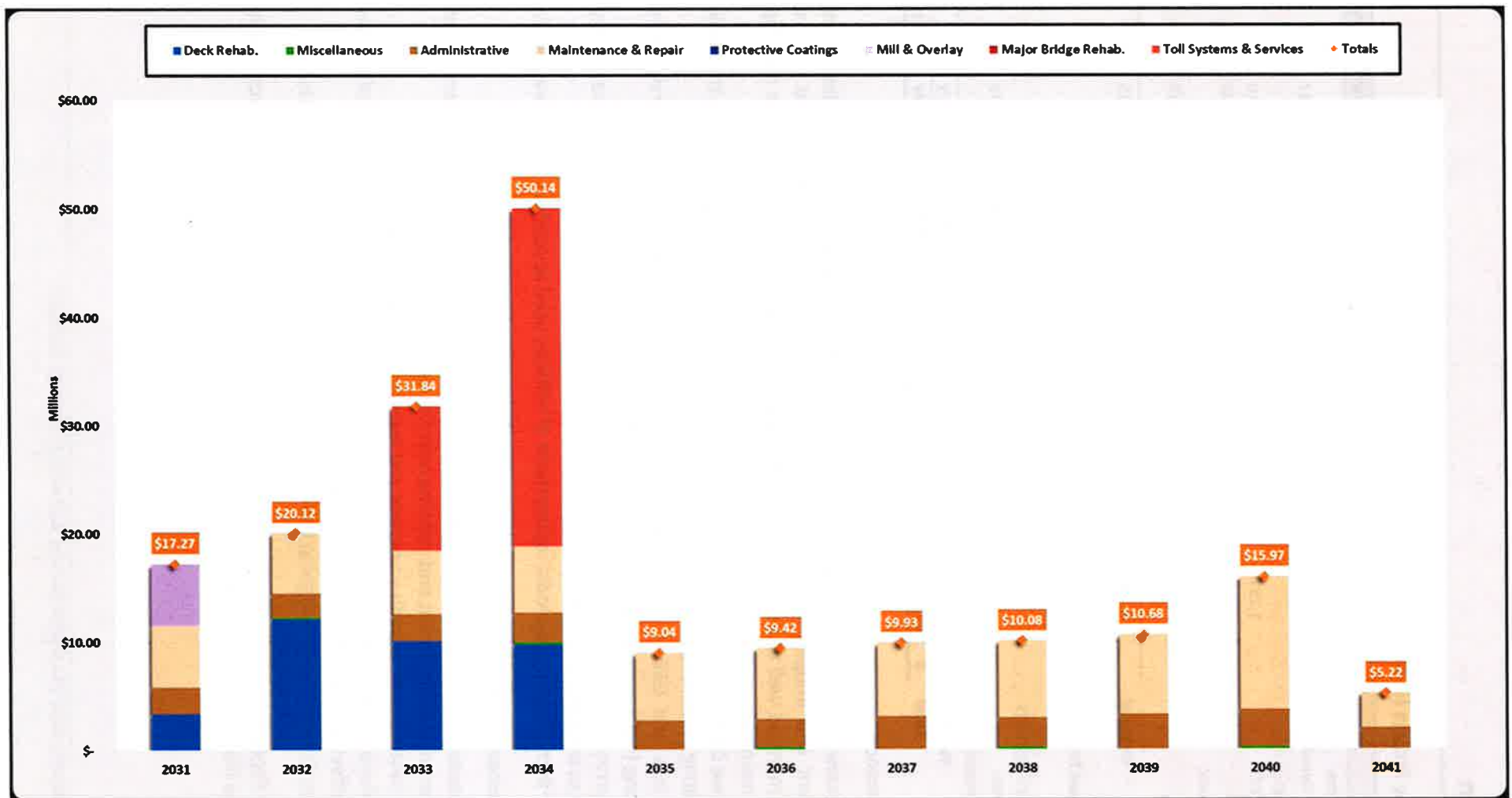
The Capital Budget is presented in this document in two components: a detailed Six-Year Plan and a Long-Term Overview. The Six-Year Plan allows for a detailed project by project review of the upcoming fiscal year and succeeding five fiscal years, while the long-term capital projection provides perspective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

Executive Summary by Category & Fiscal Year (2024 - 2030)

2024- 2030									
Category	Totals	2024	2025	2026	2027	2028	2029	2030	
Major Deck & Bridge Rehab	\$ 22,608,671	\$ -	\$ -	\$ -	\$ 1,286,466	\$ 7,398,468	\$ 8,544,839	\$ 5,378,898	
Maintenance & Repair	\$ 32,347,411	\$ 1,837,355	\$ 6,014,510	\$ 4,415,056	\$ 4,483,335	\$ 4,925,462	\$ 5,085,111	\$ 5,586,582	
Protective Coatings	\$ 11,354,151	\$ 11,354,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Mill & Overlay	\$ 6,482,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,103,213	\$ 5,378,898	
AET - Civil Work	\$ 22,067,177	\$ -	\$ 6,710,831	\$ 9,567,247	\$ 5,789,099	\$ -	\$ -	\$ -	
Toll Systems - Technology	\$ 17,466,399	\$ 4,659,280	\$ 4,713,857	\$ 8,093,262	\$ -	\$ -	\$ -	\$ -	
Roadway Enhancement Project	\$ 249,935	\$ -	\$ 56,711	\$ 60,397	\$ 64,323	\$ 68,504	\$ -	\$ -	
Sign	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Under Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Misc.	\$ 756,939	\$ -	\$ 756,939	\$ -	\$ -	\$ -	\$ -	\$ -	
Miscellaneous	\$ 1,006,874	\$ -	\$ 813,650	\$ 60,397	\$ 64,323	\$ 68,504	\$ -	\$ -	
Expressway Admin.	\$ 4,903,007	\$ 576,603	\$ 612,482	\$ 652,293	\$ 694,692	\$ 739,847	\$ 787,937	\$ 839,153	
Vehicles	\$ 266,619	\$ -	\$ 85,067	\$ -	\$ 85,067	\$ -	\$ 96,485	\$ -	
GEC & Inspection only	\$ 8,973,867	\$ 1,039,383	\$ 1,252,179	\$ 1,062,996	\$ 1,196,414	\$ 1,419,173	\$ 1,393,481	\$ 1,610,241	
Administrative	\$ 14,143,492	\$ 1,615,986	\$ 1,949,728	\$ 1,715,289	\$ 1,976,172	\$ 2,159,020	\$ 2,277,903	\$ 2,449,394	
	\$ 127,476,288	\$ 19,466,771	\$ 20,202,576	\$ 23,851,251	\$ 13,599,398	\$ 14,551,454	\$ 17,011,066	\$ 18,793,772	



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)

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	Total
Routine Maintenance							
Maintenance and Repairs	\$ 6,015	\$ 4,415	\$ 4,483	\$ 4,925	\$ 5,085	\$ 5,587	\$ 30,510
Protective Coatings	-	-	-	-	-	-	-
Inspections and GEC	1,252	1,063	1,196	1,419	1,393	1,610	7,933
Administrative	612	652	695	740	788	839	4,326
Vehicle Replacement	85	-	85	-	96	-	266
Mill and Overlay	-	-	-	-	1,103	5,379	6,482
Miscellaneous	757	-	-	-	-	-	757
Subtotal	8,721	6,130	6,459	7,084	8,465	13,415	50,274
Capital Improvement Projects							
Toll Systems	11,425	17,661	5,789	-	-	-	34,875
Facility Restoration/Upgrades	-	-	-	-	-	-	-
Bridge Rehabilitation	-	-	1,286	7,398	8,545	5,379	22,608
Roadway Enhancement	57	60	64	69	-	-	250
Subtotal	11,482	17,721	7,139	7,467	8,545	5,379	57,733
Total	\$ 20,203	\$ 23,851	\$ 13,598	\$ 14,551	\$ 17,010	\$ 18,794	\$ 108,007

Routine Maintenance

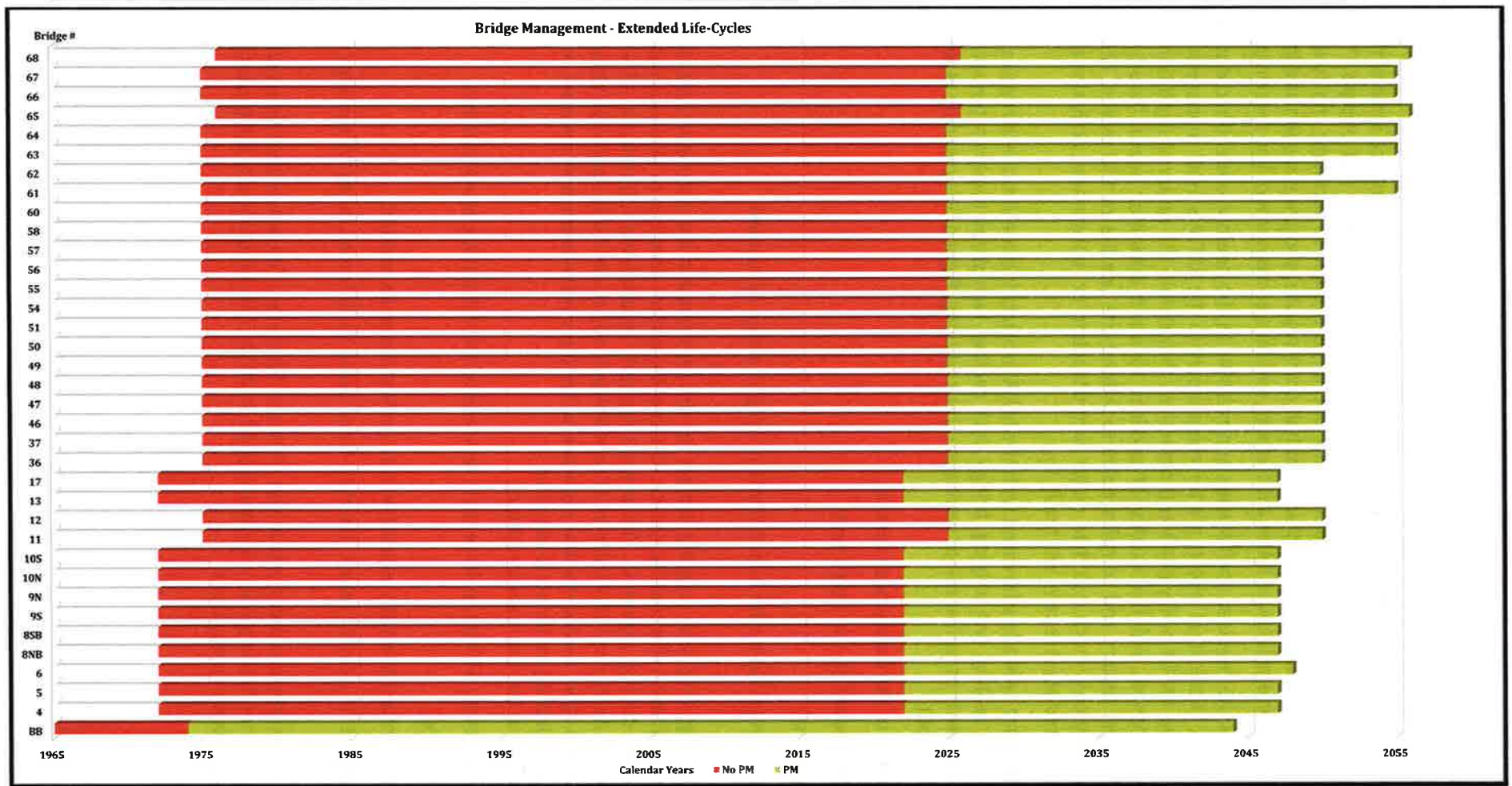
- Maintenance and Repair – routine repairs to prevent, delay, or reduce the deterioration of pavement and bridges; includes asphalt crack repairs, shotcrete repairs, and joint sealant replacement, as well as miscellaneous items such as sign overlays, pavement line markings, and facility maintenance and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

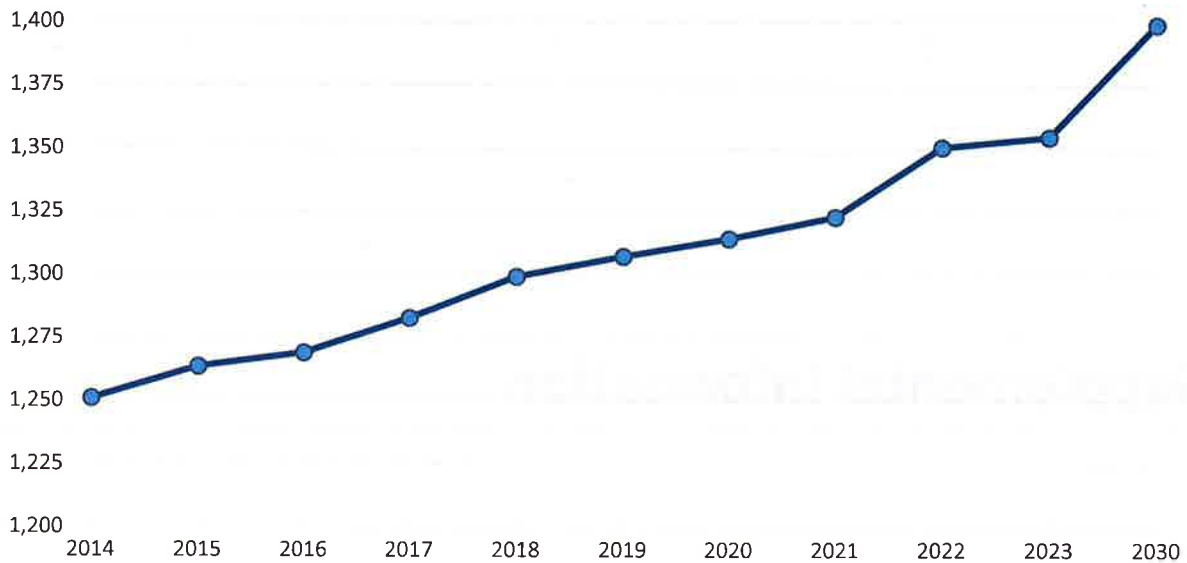
Operating Budget Impact: None.

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

Supplemental Information

Estimated Population, Richmond Metropolitan Area

Estimated Population, Richmond Metropolitan Area (in thousands)



Fiscal Year	City of Richmond	Chesterfield County	Henrico County	Total RMTA Member Jurisdictions	Other Service Area	Total	% Change
2014	213,504	330,043	318,019	861,566	389,477	1,251,043	0.76%
2015	217,938	333,450	320,717	872,105	391,512	1,263,617	1.01%
2016	221,679	333,963	321,233	876,875	392,254	1,269,129	0.44%
2017	222,853	340,020	324,395	887,268	395,693	1,282,961	1.09%
2018	226,919	346,357	326,993	900,269	399,001	1,299,270	1.27%
2019	226,841	350,760	328,999	906,600	400,661	1,307,261	0.62%
2020	226,610	364,548	334,389	925,547	388,887	1,314,434	0.55%
2021	226,623	369,943	336,226	932,792	390,245	1,323,037	0.65%
2022	228,000	372,000	352,541	952,541	398,000	1,350,541	2.08%
2023	229,035	387,703	339,918	956,656	397,964	1,354,620	0.30%
2030	245,437	406,942	356,656	1,009,035	390,245	1,399,280	5.75%

Source: University of Virginia Weldon Cooper Center, Demographics Research Group (2023), Virginia Population Estimates

Principal Employers, Richmond Metropolitan Area

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Employer Ranking (1, 2)										
Amazon	-	-	-	10	10	10	10	-	1	1
VCA Hospital	6	5	5	4	2	3	3	5	2	2
Chesterfield County School Board	3	4	4	5	6	6	6	3	3	3
Bon Secours Health System	8	7	6	7	4	4	5	6	4	4
Virginia Commonwealth University	2	2	1	1	1	1	1	1	6	5
Henrico County School Board	4	3	3	3	7	7	4	2	5	6
HCA Virginia Health System	5	6	7	6	5	5	7	-	7	7
US Department of Defense	9	8	8	9	8	9	8	7	8	8
Wal-Mart	7	9	9	8	9	8	9	9	9	9
Capital One Bank	1	1	2	2	3	2	2	4	10	10
CarMax	-	-	-	-	-	-	-	8	-	-
Richmond City Public Schools	-	-	-	-	-	-	-	10	-	-
Integrity Staffing Solutions	10	10	10	-	-	-	-	-	-	-
Richmond Area Employment (3)	608,250	621,411	-	636,068	689,437	685,100	686,632	647,057	665,184	712,073

- (1) Final quarter data for the top ten employers shown based on the most recent calendar year (2014-2023).
- (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. Total employment data obtained from the Bureau of Labor Statistics. Employment numbers are not seasonally adjusted.

Source: Virginia Employment Commission, Bureau of Labor Statistics

Expressway Toll Rates, Current and Historical

Two-Axle Vehicles	Effective Dates						Sept-23 Cash / E-Zpass
	Original (1)	Jul-78	Nov-86	Apr-88	Jan-98	Sept-08	
Powhite Parkway Mainline	\$ 0.20	\$ 0.25	\$ 0.30	\$ 0.35	\$ 0.50	\$ 0.70	\$1.00/\$0.90
Forest Hill Ramps	0.20	0.25	0.30	0.35	0.50	0.70	1.00/0.90
Douglasdale Ramps	0.10	0.10	0.10	0.10	0.15	0.20	0.50/0.45
Downtown Expressway Main	0.15	0.25	0.30	0.35	0.50	0.70	1.00/0.90
Second Street Ramps	0.10	0.10	0.10	0.20	0.25	0.35	0.50/0.45
Eleventh Street Ramps	0.10	0.10	0.10	0.15	0.20	0.30	0.50/0.45
Boulevard Bridge	0.10	0.10	0.10	0.20	0.25	0.35	0.50/0.45

Three-Axle Vehicles	Original (1)	Jul-78	Nov-86	Apr-88	Jan-98	Sept-08	Sept-23
Powhite Parkway Mainline	\$ 0.30	\$ 0.35	\$ 0.40	\$ 0.45	\$ 0.60	\$ 0.80	\$ 1.10
Forest Hill Ramps	0.30	0.35	0.40	0.45	0.60	0.80	1.10
Douglasdale Ramps	0.20	0.10	0.10	0.20	0.25	0.40	1.00
Downtown Expressway Main	0.25	0.35	0.40	0.45	0.60	0.80	1.10
Second Street Ramps	0.15	0.20	0.20	0.40	0.50	0.70	1.00
Eleventh Street Ramps	0.15	0.20	0.20	0.30	0.40	0.60	1.00
Boulevard Bridge	0.20	0.20	0.20	0.40	0.50	0.70	1.00

Four-Axle Vehicles	Original (1)	Jul-78	Nov-86	Apr-88	Jan-98	Sept-08	Sept-23
Powhite Parkway Mainline	\$ 0.40	\$ 0.45	\$ 0.50	\$ 0.55	\$ 0.70	\$ 0.90	\$ 1.20
Forest Hill Ramps	0.40	0.45	0.50	0.55	0.70	0.90	1.20
Douglasdale Ramps	0.20	0.10	0.10	0.20	0.25	0.40	1.10
Downtown Expressway Main	0.30	0.45	0.50	0.55	0.70	0.90	1.20
Second Street Ramps	0.20	0.20	0.20	0.40	0.50	0.70	1.10
Eleventh Street Ramps	0.20	0.20	0.20	0.30	0.40	0.60	1.10
Boulevard Bridge	0.20	0.20	0.20	0.40	N/A (2)	N/A (2)	

Five or More-Axle Vehicles	Original (1)	Jul-78	Nov-86	Apr-88	Jan-98	Sept-08	Sept-23
Powhite Parkway Mainline	\$ 0.50	\$ 0.55	\$ 0.60	\$ 0.65	\$ 0.80	\$ 1.00	\$ 1.30
Forest Hill Ramps	0.50	0.55	0.60	0.65	0.80	1.00	1.30
Douglasdale Ramps	0.20	0.10	0.10	0.20	0.25	0.40	1.20
Downtown Expressway Main	0.35	0.55	0.60	0.65	0.80	1.00	1.30
Second Street Ramps	0.25	0.20	0.20	0.40	0.50	0.70	1.20
Eleventh Street Ramps	0.25	0.20	0.20	0.30	0.40	6.00	1.20
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, and Downtown Expressway in 1976.

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

Operating Indicators

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues (1):										
Powhite Parkway	\$ 22,868,671	\$ 23,606,375	\$ 24,796,353	\$ 25,470,997	\$ 25,721,280	\$ 25,892,404	\$ 22,700,737	\$ 19,661,256	\$ 21,869,496	\$ 23,062,566
Downtown Expressway	12,823,395	13,061,678	13,674,656	13,979,051	14,216,747	14,359,468	11,738,154	8,487,473	10,828,719	12,019,282
Boulevard Bridge	1,515,723	1,492,920	1,523,353	1,510,119	1,448,157	1,419,349	1,285,439	958,446	947,914	960,748
Total	\$ 37,207,789	\$ 38,160,973	\$ 39,994,362	\$ 40,960,167	\$ 41,386,184	\$ 41,671,221	\$ 35,769,331	\$ 29,107,175	\$ 33,646,129	\$ 36,042,595
Vehicle Traffic Volume:										
Powhite Parkway	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	35,764,143
Downtown Expressway	20,225,578	20,623,336	21,561,269	21,863,219	22,460,081	22,701,568	18,820,763	14,236,125	18,103,616	19,881,654
Boulevard Bridge	4,312,318	4,262,366	4,343,172	4,332,640	4,206,077	4,046,748	3,660,223	2,892,141	3,101,684	3,268,183
Total	58,092,092	59,465,430	62,254,869	63,550,021	64,355,380	64,921,108	56,539,061	47,443,382	55,010,064	58,913,980
Avg. Toll (2)	\$ 0.64	\$ 0.64	\$ 0.64	\$ 0.64	\$ 0.64	\$ 0.64	\$ 0.63	\$ 0.61	\$ 0.62	\$ 0.61
E-ZPass % (3)	63.00%	64.90%	66.50%	68.60%	70.60%	72.00%	73.50%	74.60%	76.90%	76.70%
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 2023 (FY 2024).

(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	FY2024	FY2025	Change
Expressway Operation				
Toll Collection	Floating Supervisor	2	2	-
Toll Collection	Toll Road Superintendent	2	2	-
Toll Collection	Senior Toll Collection Attendant	7	7	-
Toll Collection	Toll Collection Attendant	28	32	4
Toll Collection	Bridge Attendant	3	3	-
Toll Collection	Toll Collection Supervisor	13	13	-
Toll Collection	Toll Maintenance Administrator	1	1	-
Toll Collection	Toll Maintenance Assistant	1	1	-
Toll Collection	Toll Operation Manager	0	0	-
Toll Collection	Vault Attendant	3	3	-
Toll Collection	Toll Systems Engineer	1	1	-
Toll Collection	Deputy Director of Operations	1	1	-
Toll Collection Total		62	66	4
Maintenance				
Maintenance	Maintenance Supervisor	1	1	-
Maintenance	Lead Maintenance	1	1	-
Maintenance	Maintenance Worker	4	4	-
Maintenance Total		6	6	0
Administration				
Administration	Chief Executive Officer	1	1	-
Administration	Chief of Staff/Counsel to CEO	1	1	-
Administration	Information Systems Manager	0	0	-
Administration	Information Systems Administrator	1	1	-
Administration	Internal Auditor	1	1	-
Administration	Strategic Comm. Manager	0	1	1
Administration Total		4	5	1
Engineering				
Engineering	Director of Operations	1	1	-
Engineering Total		1	1	-
Finance				
Finance	Director of Finance	1	1	-
Finance	Controller	1	1	-
Finance	Accountant II	1	1	-
Finance	Accounting Technicians	1.5	1.5	-
Finance Total		4.5	4.5	-
Human Resources				
Human Resources	Director of Human Resources	1	1	-
Human Resources	Payroll and Administrative Coordinator	1	1	-
Human Resources	Employee Relations Manager	1	1	-
Human Resources Total		3	3	-
TOTALS		80.5	85.5	5

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	\$ 38,305,000
2011-D	November 2012	43,785,000	4.29 %	July 2041	42,465,000
2017	August 2017	19,735,000	4.50 %	July 2041	18,380,000
2019	August 2019	17,985,000	2.85 %	July 2041	17,520,000
					<u>\$ 116,670,000</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 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

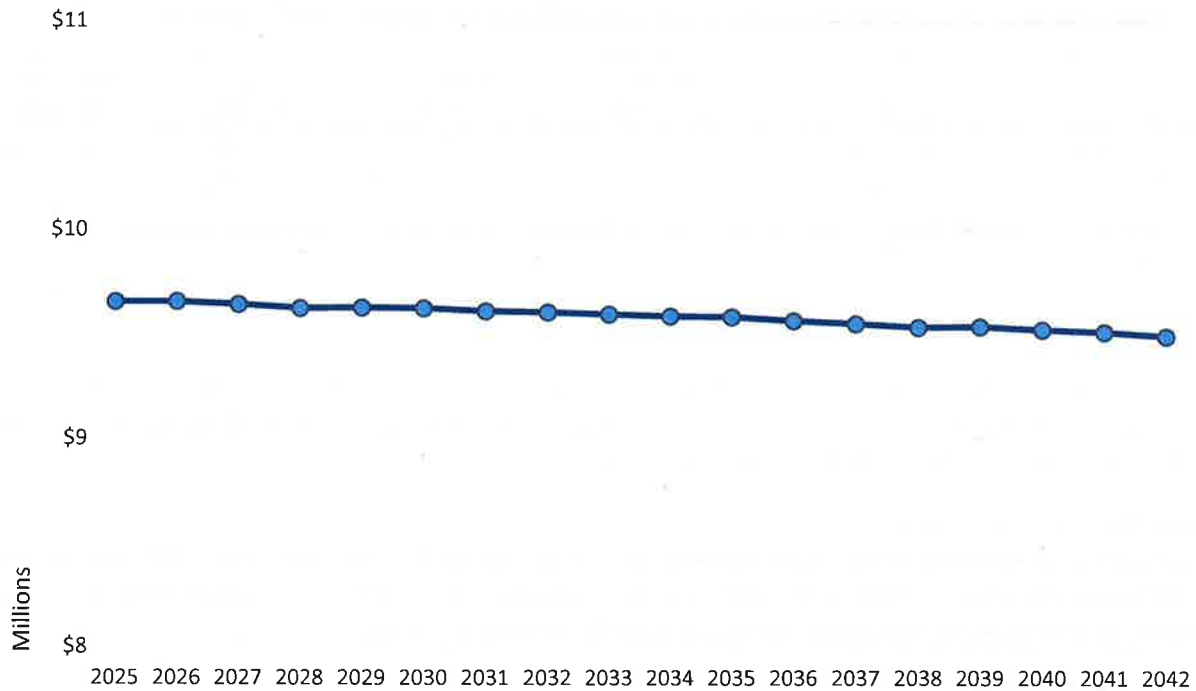
Revenue Bonds were issued to refund \$18,795,000 of the Series 2011-A bonds.

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)



Fiscal Year	Principal	Interest	Total	Fiscal Year	Principal	Interest	Total
2025	\$ 4,245,000	\$ 5,408,217	\$ 9,653,217	2034	6,460,000	3,126,966	9,586,966
2026	4,455,000	5,199,891	9,654,891	2035	6,770,000	2,813,521	9,583,521
2027	4,660,000	4,981,438	9,641,438	2036	7,075,000	2,489,851	9,564,851
2028	4,875,000	4,747,645	9,622,645	2037	7,405,000	2,145,933	9,550,933
2029	5,125,000	4,501,648	9,626,648	2038	7,750,000	1,783,952	9,533,952
2030	5,375,000	4,247,584	9,622,584	2039	8,130,000	1,407,698	9,537,698
2031	5,625,000	3,984,787	9,609,787	2040	8,500,000	1,021,726	9,521,726
2032	5,890,000	3,714,632	9,604,632	2041	8,850,000	626,014	9,476,014
2033	6,165,000	3,430,392	9,595,392	2042	9,280,000	211,799	9,491,799
				Total	\$ 116,635,000	\$ 55,843,694	\$ 172,478,694

Glossary

Balanced Budget

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

Basis of Accounting/Budgeting

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

Bond Resolution

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

Capital Budget

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

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.

Glossary

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 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 performing 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

Appendix A

Appendix A – Stantec Revenue Certificate

HNTB Expense Certificate



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

May 3, 2024

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

Dear Mr. Owen,

Reference: FY2025 Annual Revenue Review and Certification for FY2025 Budget

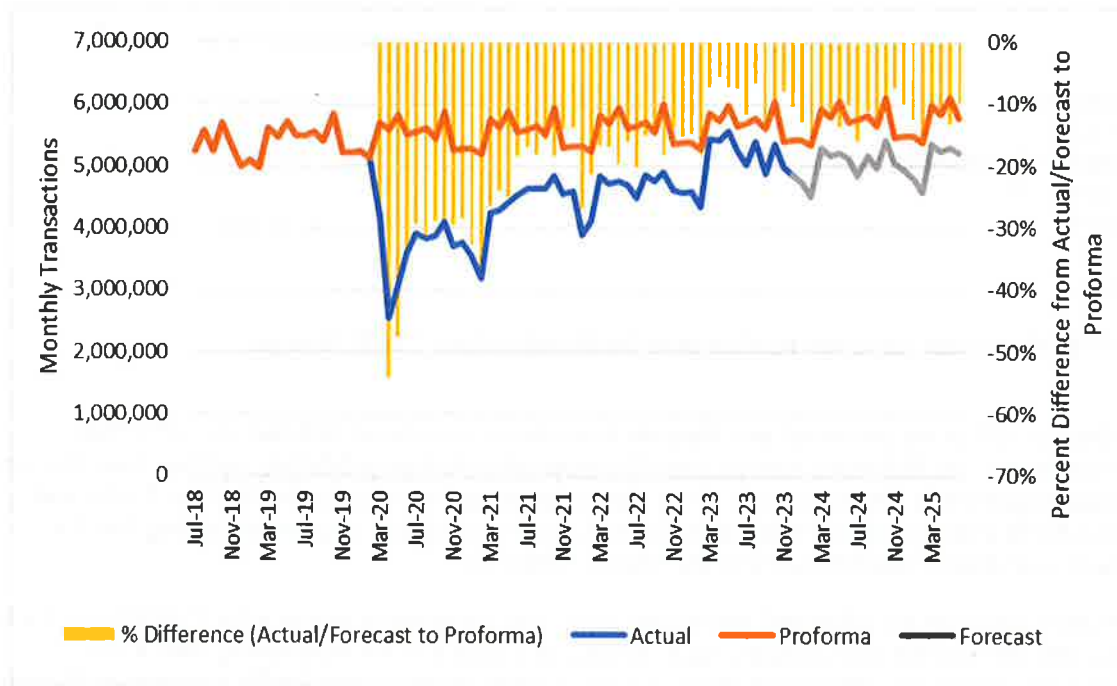
Pursuant to Section 701 of the Amended and Restate Bond Resolution dated October 18, 2011, (the "Master Resolution") for the Richmond Metropolitan Transportation Authority (RMTA), not less than 30 days prior to the beginning of each Fiscal Year (FY), this certificate meets the requirement that the Traffic 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 FY2025 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 for approximately a year. 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 which was maintained for approximately another year until March 2023. After March 2023, transactions were approximately 8 to 10 percent below Proforma through December 2023.

Reference: FY2025 Annual Revenue Review and Certification for FY2025 Budget

Figure 1: RMTA Transactions – Impact of Pandemic



Reference: FY2025 Annual Revenue Review and Certification for FY2025 Budget

It should be noted that the majority of FY2023 included a toll increase on all RMTA facilities, which was implemented on September 1, 2023. The increase in tolls by plaza for both E-ZPass and cash customers is shown for passenger car vehicles in Table 1. The full toll schedule for all vehicle class is presented in Table 2, which is assumed for the entirety of FY2025.

Table 1: RMTA Previous and Existing Toll Schedule, 2 axle vehicles

Facility	Pre-September 2023		Existing	
	E-ZPass	Cash	E-ZPass	Cash
Powwhite 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

Table 2: RMTA FY2025 Toll Schedule

Facility	Two Axle Cash	Two Axle E-ZPass	Three Axle	Four Axle	Five Axle
Powwhite 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		

Reference: FY2025 Annual Revenue Review and Certification for FY2025 Budget

We conducted analysis to attempt to quantify the impact on traffic due to the toll increase which resulted in an estimated 4 percent decrease as compared to a non-toll increase scenario, which was less than anticipated. This is also coupled with strong growth in FY2024. The RMTA system is still recovering from COVID-19 impacts as traffic levels are still slightly below 2019, or pre-COVID levels. The FY2024 T&R performance is presented in Table 3, providing FYTD transactions and revenue comparisons from FY2023 to FY2024, and FY2024 actuals to forecasted. The RMTA system experienced strong growth from FY2023 to FY2024 despite the toll increase. This resulted in FY2024 actual T&R being approximately 10 percent above forecast. This is a strong foundation from which the FY2025 forecast was created, accommodating the growth and impacts of the toll increase from FY2024.

Table 3: FY2024 T&R Forecast Performance

FY2024 FYTD Transaction and Revenue Results (through March 2024)					
Facility	Transactions				
	2023	% Growth	2024	2024 Forecast	Diff. from Forecast
Powwhite Parkway	25,648,299	10.1%	28,235,457	24,680,000	14.4%
Downtown Expressway	14,602,990	4.3%	15,235,477	14,575,000	4.5%
Boulevard Bridge	2,391,978	-2.3%	2,335,866	2,345,000	-0.4%
RMTA System	42,643,267	7.4%	45,806,800	41,600,000	10.1%
Facility	Toll Revenue				
	2023	% Growth	2024	2024 Forecast	Diff. from Forecast
Powwhite Parkway	\$16,529,316	37.1%	\$22,656,893	\$19,851,000	14.1%
Downtown Expressway	\$8,713,129	33.0%	\$11,591,618	\$11,019,000	5.2%
Boulevard Bridge	\$701,081	19.9%	\$840,507	\$956,000	-12.1%
RMTA System	\$25,943,526	35.3%	\$35,089,018	\$31,826,000	10.3%

Reference: FY2025 Annual Revenue Review and Certification for FY2025 Budget

The remainder of FY2024 and full FY2025 T&R forecasts are presented in Table 4 and Table 5, respectively. Using the foundation of customer's reaction to the toll increase and continued growth, we are estimating a slow steady continued growth on the RMTA system as shown by the FY2025 forecast, which results in approximately one percent growth across the System.

Table 4: RMTA Expressway System FY2024 Actuals and Forecasted Transactions and Revenues

Month	RMTA FY24 T&R Actual/Estimated							
	Transactions (000s)				Revenue (\$000s)			
	Powwhite	DTE	BB	Total	Powwhite	DTE	BB	Total
July	3,153,283	1,626,378	263,441	5,043,102	\$1,980,937	\$990,277	\$76,164	\$3,047,378
August	3,328,025	1,779,442	289,140	5,396,607	\$2,123,052	\$1,090,730	\$83,915	\$3,297,697
September	2,995,914	1,660,136	239,031	4,895,081	\$2,555,124	\$1,294,473	\$96,396	\$3,945,993
October	3,282,586	1,794,974	279,007	5,356,567	\$2,871,991	\$1,478,235	\$109,609	\$4,459,835
November	3,069,183	1,665,704	255,280	4,990,167	\$2,491,370	\$1,276,027	\$94,867	\$3,862,264
December	3,034,436	1,591,354	251,110	4,876,900	\$2,626,564	\$1,317,053	\$101,077	\$4,044,694
January	2,884,000	1,602,000	250,000	4,736,000	\$2,455,000	\$1,280,000	\$98,000	\$3,833,000
February	2,729,000	1,559,000	228,000	4,516,000	\$2,323,000	\$1,246,000	\$90,000	\$3,659,000
March	3,153,000	1,867,000	274,000	5,294,000	\$2,684,000	\$1,492,000	\$108,000	\$4,284,000
April	3,077,000	1,819,000	273,000	5,169,000	\$2,619,000	\$1,454,000	\$107,000	\$4,180,000
May	3,109,000	1,837,000	275,000	5,221,000	\$2,647,000	\$1,468,000	\$108,000	\$4,223,000
June	3,071,000	1,794,000	281,000	5,146,000	\$2,614,000	\$1,434,000	\$110,000	\$4,158,000
Total	36,886,427	20,595,988	3,158,009	60,640,424	\$29,991,039	\$15,820,796	\$1,183,027	\$46,994,861
Estimated								

Table 5: RMTA Expressway System FY2025 Forecasted Transactions and Revenues

Month	RMTA FY25 T&R Estimated							
	Transactions (000s)				Revenue (\$000s)			
	Powwhite	DTE	BB	Total	Powwhite	DTE	BB	Total
July	3,027,000	1,561,000	253,000	4,841,000	\$2,577,000	\$1,248,000	\$99,000	\$3,924,000
August	3,195,000	1,708,000	278,000	5,181,000	\$2,720,000	\$1,365,000	\$109,000	\$4,194,000
September	3,041,000	1,685,000	239,000	4,965,000	\$2,589,000	\$1,347,000	\$94,000	\$4,030,000
October	3,332,000	1,822,000	279,000	5,433,000	\$2,836,000	\$1,456,000	\$110,000	\$4,402,000
November	3,115,000	1,691,000	255,000	5,061,000	\$2,652,000	\$1,352,000	\$100,000	\$4,104,000
December	3,080,000	1,615,000	251,000	4,946,000	\$2,622,000	\$1,291,000	\$99,000	\$4,012,000
January	2,927,000	1,626,000	250,000	4,803,000	\$2,492,000	\$1,300,000	\$98,000	\$3,890,000
February	2,770,000	1,582,000	228,000	4,580,000	\$2,358,000	\$1,264,000	\$90,000	\$3,712,000
March	3,200,000	1,895,000	274,000	5,369,000	\$2,724,000	\$1,515,000	\$108,000	\$4,347,000
April	3,123,000	1,846,000	273,000	5,242,000	\$2,659,000	\$1,475,000	\$107,000	\$4,241,000
May	3,156,000	1,865,000	275,000	5,296,000	\$2,687,000	\$1,491,000	\$108,000	\$4,286,000
June	3,117,000	1,821,000	281,000	5,219,000	\$2,653,000	\$1,455,000	\$110,000	\$4,218,000
Total	37,083,000	20,717,000	3,136,000	60,936,000	\$31,569,000	\$16,559,000	\$1,232,000	\$49,360,000

Reference: FY2025 Annual Revenue Review and Certification for FY2025 Budget

Based on data provided by the RMTA, Stantec calculated the debt service coverage ratios (DSCR) as shown in Table 6 for the current forecast. As shown, the DSCR exceeds the requirements of the Master Resolution which requires a 1.2x coverage of 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". Additionally, the coverage levels exceed the RMTA internal goal of 1.5x 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 6: FY2025 Debt Service Coverage Ratio Calculation

Source	Metric	Budget (\$000)
Stantec	Toll Revenue	\$49,360
RMTA	Other Revenue	\$2,720
calculation	Total Revenue	\$52,080
RMTA	O&M	\$19,421
calculation	Net Revenue	\$32,659
RMTA	Annual Debt Service on Parity & Sub Bonds + required deposits to Parity Bonds Reserve Fund AND Repair and Contingency Fund	\$9,756
DSCR Calculations and Estimates		
calculation	Estimated DSCR	3.35
Bond Resolution	DSCR	1.2
RMTA	DSCR RMTA Goal	1.5

Reference: FY2025 Annual Revenue Review and Certification for FY2025 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 3, 2024
Steven Owen
Page 8 of 8

Reference: FY2025 Annual Revenue Review and Certification for FY2025 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 black ink, appearing to read "Phil Eshelman", written over a light blue horizontal line.

Phil Eshelman
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

April 26, 2024

Dear Ms. Dean,

The purpose of this letter is to provide recommended deposits for the Expressway Repair and Contingency fund for fiscal years 2025, 2026 and 2027.

Fiscal Year	Recommended Deposit
2025	\$20,202,577
2026	\$23,851,251
2027	\$13,599,396

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 FY2025 budget has been prepared in accordance with the Amended and Restated Resolution 2011-D.

Please let us know if you have any questions.

Very truly yours,
HNTB Corporation

A handwritten signature in blue ink that reads "Robert B. Stimpson".

Brad Stimpson, P.E. (Project Manager)

A handwritten signature in blue ink that reads "Daniel Papiernik".

Daniel Papiernik (Project Director)

cc: Mr. Steve Owen, CPA, Director of Finance
Theresa Simmons, P.E., Director of Operations

