



Annual Fiscal Plan, FY 2021 Capital Budget, FY 2021-2026

Serving Chesterfield, Henrico, and Richmond, Virginia

Table of Contents

Introduction

| | |
|--|----|
| Chief Executive Officer’s Transmittal Letter | 3 |
| Distinguished Budget Presentation Award | 5 |
| Budget Overview..... | 6 |
| Mission Statement..... | 9 |
| Principal Officials..... | 10 |
| Organizational Chart | 11 |
| History..... | 12 |

Budget Development

| | |
|---|----|
| Fund Structure, Basis of Accounting and Budgeting, and Budget Process | 21 |
| Financial Policies | 23 |
| Revenue Sources and Forecasting Assumptions | 26 |
| Long-Term Financial Plan | 29 |

Department Budgets

| | |
|---|----|
| Expressway Operations..... | 34 |
| Special Conservators of the Peace (SCOPs) | 37 |
| Administration | 39 |
| Engineering | 41 |
| Finance..... | 43 |
| Human Resources | 45 |

Budget Detail

| | |
|--|----|
| Department to Fund Crosswalk | 49 |
| Expressway Fund Budget | 50 |
| Central Administration Fund Budget | 55 |

Expressway Capital Budget

| | |
|------------------------------------|----|
| Capital Budget Overview | 59 |
| Executive Summary..... | 60 |
| Six-Year Plan..... | 62 |
| Bridge Management Life Cycle | 64 |
| Project Pages..... | 65 |

Supplemental Information

| | |
|--|----|
| Estimated Population, Richmond Metropolitan Area | 71 |
| Principal Employers, Richmond Metropolitan Area | 72 |
| Expressway Toll Rates, Current and Historical..... | 73 |
| Operating Indicators..... | 74 |
| Personnel Complement, Budgeted Positions | 75 |
| Expressway Debt..... | 76 |
| Glossary..... | 78 |

Introduction





901 East Byrd Street, Suite 1120, Richmond, Virginia 23219
Telephone 804-523-3300 – www.rmtaonline.org – Fax 804-523-3335

May 12, 2020

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 2021 operating and capital budgets for the Richmond Metropolitan Transportation Authority (RMTA or Authority). As I write this letter, the Richmond region, like everywhere in the world, is facing the challenge of the COVID-19. These are unprecedented times, but the RMTA's history of fiscal conservatism has placed it in a strong financial position and we are prepared for the days ahead. It should be noted that the RMTA has sufficient reserves to fund its operations, meet its debt obligations and continue to fulfill its mission of facilitating and providing a variety of transportation and public facilities that improve life in the Richmond metropolitan area.

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. This budget document anticipates at least a six months period of traffic decline. As a result of the anticipated decline, the RMTA has reduced its operating budget by 9.5%. This reduction in operating budget allows the RMTA to maintain its operations in a fiscally efficient manner while still providing first in class customer service.

From an infrastructure perspective, the RMTA has historically prided itself on a well maintained system of roads, bridges and assets. The maintenance of the RMTA Expressway System will continue to be a priority. While the FY 21 capital budget has been streamlined, all of the RMTA's most critical capital will be addressed. The capital plan allows for the Expressway, one of the gateway's to the city of Richmond, to continue to contribute to the region's economic strength.

Chief Executive Officer's Transmittal Letter

Financially, RMTA staff will continue to seek operational savings where possible while maintaining excellence in financial services. This shall include obtaining an unmodified opinion on the Authority's FY 2020 Comprehensive Annual Financial Report (CAFR) and receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association (GFOA), along with GFOA's Distinguished Budget Presentation Award. We will continue to pay close attention to traffic and revenue trends and identify what underlying factors impact revenue in the future and how fluctuations may have an effect on RMTA's long-term financial plan. A comparison to prior year's budget as well as detail of significant changes are noted in the Budget Overview section of this document.

I would like to recognize and thank executive staff for their tremendous contributions this year. First, I would like to thank Jim Madison, Director of Finance, as well as his team, for their efforts leading this budget process. I am appreciative of Jim's expertise and diligence in executing all of his responsibilities. Theresa Simmons, Director of Operations, continues to keep the RMTA assets in excellent condition and operations running smoothly. Her knowledge of the organization and attention to detail has especially been impactful during this challenging time. 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 all RMTA matters. Additionally, Leslie has helped lead the organization through her work as chair of the Coronavirus Protection Prevention Committee. Sheryl Johnson, Director of Human Resources, has continued to provide wise and trusted counsel in all matters Human Resources to not only the CEO, but also the Compensation and Benefits Committee. Sheryl has provided invaluable guidance to all employees of the RMTA as we have navigated these uncertain times. Paula Watson, who oversees Procurement and Internal Audit, is our most tenured member of senior staff and she touches and concerns all that we do at RMTA. I am grateful for her wise counsel and for all the careful attention that she pays to every aspect in the operation of the RMTA.

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

Sincerely,

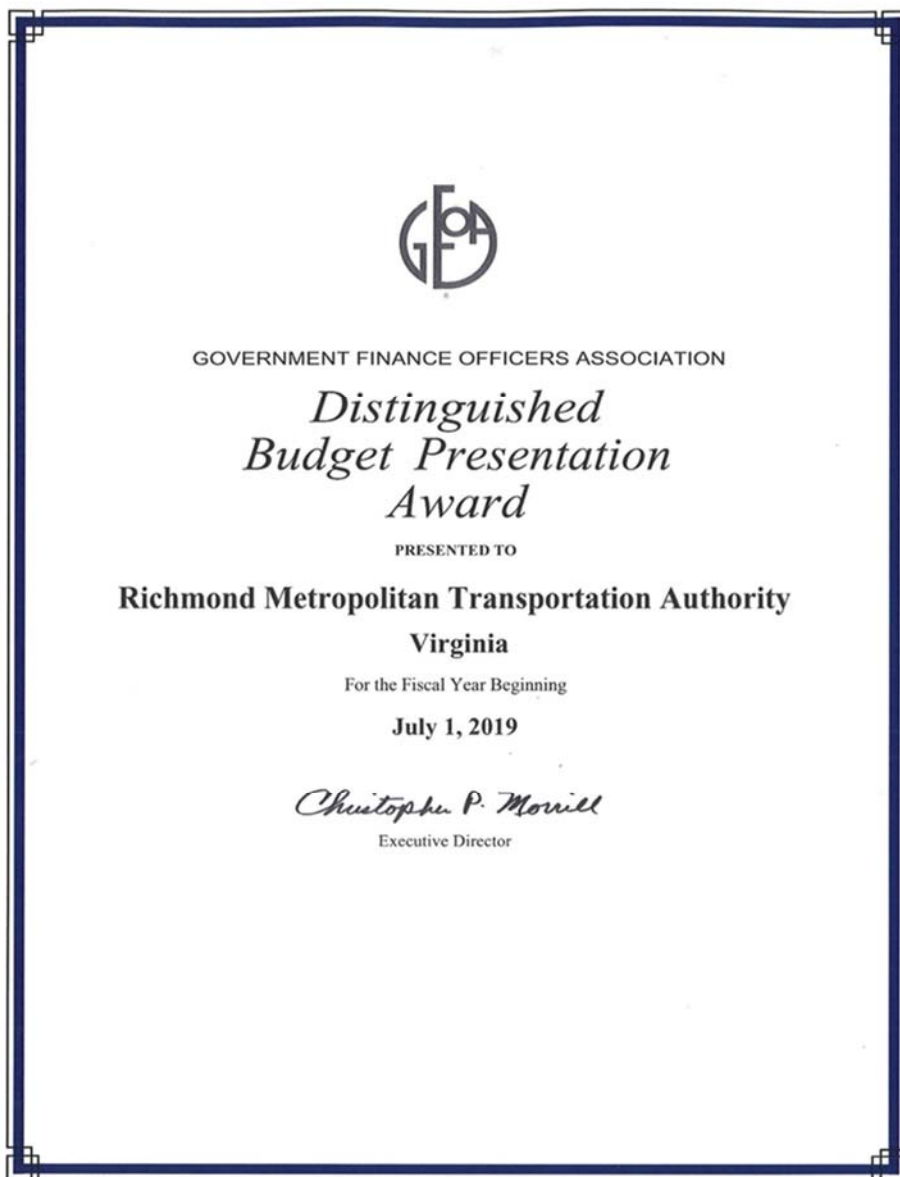


Joi Dean
CEO

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Richmond Metropolitan Transportation Authority, Virginia, for its annual budget for the fiscal year beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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



Budget Overview

The Authority's 2021 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

| | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|------------------------------|----------------------|----------------------|----------------------|-------------------------|---------------|
| | Actual | Budget | Budget | \$ | % |
| Revenues | | | | | |
| Tolls | \$ 42,876,937 | \$ 43,383,000 | \$ 35,845,500 | \$ (7,537,500) | -17.4% |
| Rentals | 50,284 | 50,000 | 52,000 | 2,000 | 4.0% |
| Other | 689,298 | 600,000 | 450,000 | (150,000) | -25.0% |
| Subtotal | 43,616,519 | 44,033,000 | 36,347,500 | (7,685,500) | -17.5% |
| Operating Expenses | | | | | |
| Salaries and Benefits | \$ 6,886,793 | \$ 7,861,824 | \$ 6,769,496 | \$ (1,092,328) | -13.9% |
| Operations | 9,325,494 | 9,626,525 | 9,054,306 | (572,219) | -5.9% |
| Subtotal | 16,212,287 | 17,488,349 | 15,823,802 | (1,664,547) | -9.5% |
| Net Operating Revenue | \$ 27,404,232 | \$ 26,544,651 | \$ 20,523,698 | \$ (6,020,953) | -22.7% |

Toll Revenue

Toll revenue for FY 2021 is projected to decrease to \$35.8 million or 17.4% due to the impact of the COVID-19 virus pandemic. Toll rates were last increased in September 2008 and remain unchanged for the next fiscal year. 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 decrease due to reduced interest rates.

Budget Overview

Compensation and Benefits

| | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|-------------------|---------------------|---------------------|---------------------|-----------------------|---------------|
| | Actual | Budget | Budget | \$ | % |
| Salaries | \$ 5,177,277 | \$ 5,794,981 | \$ 5,249,648 | \$ (545,333) | -9.4% |
| Health Care | 1,186,326 | 1,507,193 | 1,132,739 | (374,454) | -24.8% |
| VRS Retirement | 122,195 | 138,175 | 158,823 | 20,648 | 14.9% |
| OPEB Contribution | 300,000 | 300,000 | 100,000 | (200,000) | -66.7% |
| Other | 100,995 | 121,475 | 128,286 | 6,811 | 5.6% |
| Total | \$ 6,886,793 | \$ 7,861,824 | \$ 6,769,496 | \$ (1,092,328) | -13.9% |
| FTE Positions | 111.5 | 120.0 | 113.0 | (7.0) | -5.8% |

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

Salaries are reduced in FY 2021 due to a restructure of personnel, elimination of open positions, and a wage freeze. Health care program management remains a focus of the Authority's cost containment efforts. For FY 2021, employee health care premiums decreased significantly due to the savings from a new healthcare plan. To encourage a healthier workforce, a premium discount is available for employees who seek annual preventive care screenings.

Retirement benefits for eligible employees are provided through the Virginia Retirement System (VRS). VRS establishes required contribution rates for two-year periods as a percentage of an employee's salary based on an actuarial analysis. For FY 2021, the full actuarial recommended contribution rate is 1.15%. Employees are required to contribute an additional 5.0% towards their VRS retirement benefit.

In addition to retirement benefits through VRS, the Authority offers retiree health care benefits for eligible employees. The Authority's Local Finance Board oversees and administers the investment of these Other Post-Employment Benefit (OPEB) funds through a contractual arrangement with VML/VACO Finance through participation in the Virginia Pooled OPEB Trust Fund. The Authority's contributions are based on an actuarial analysis with contributions structured so that the plan was fully funded in FY 2019.

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

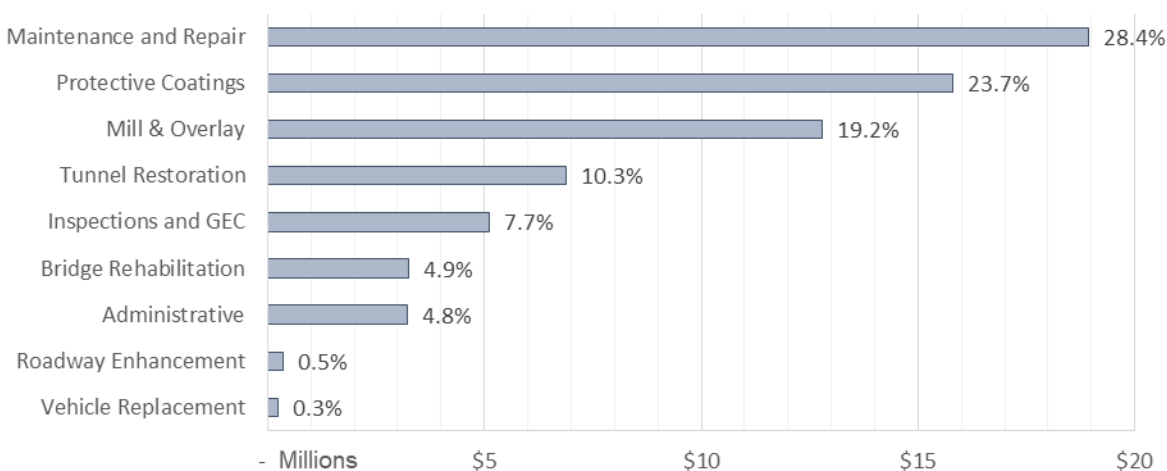
Operations

| | FY2019 Actual | FY2020 Budget | FY2021 Budget | FY2020 to FY2021 | |
|-----------------|---------------------|---------------------|---------------------|---------------------|--------------|
| | | | | \$ | % |
| Toll Collection | \$ 6,443,638 | \$ 6,893,801 | \$ 6,211,497 | \$ (682,304) | -9.9% |
| Maintenance | 1,344,070 | 1,183,000 | 1,329,000 | 146,000 | 12.3% |
| SCOP | 12,699 | 41,900 | 20,900 | (21,000) | -50.1% |
| Administration | 777,909 | 726,525 | 736,625 | 10,100 | 1.4% |
| Engineering | 23,906 | 26,250 | 19,630 | (6,620) | -25.2% |
| Finance | 620,409 | 655,750 | 662,404 | 6,655 | 1.0% |
| Human Resources | 102,863 | 99,300 | 74,250 | (25,050) | -25.2% |
| Total | \$ 9,325,494 | \$ 9,626,525 | \$ 9,054,306 | \$ (572,219) | -5.9% |

The overall budget decreases for FY 2021 by 5.9%. The E-ZPass processing costs are decreasing due to the reduction in traffic offset by increased annual road maintenance cost. See the Department Budget and Budget Detail sections for additional discussion on the significant budgetary changes for FY 2021.

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 2021-2026, the Six-Year Plan totals \$66.6 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



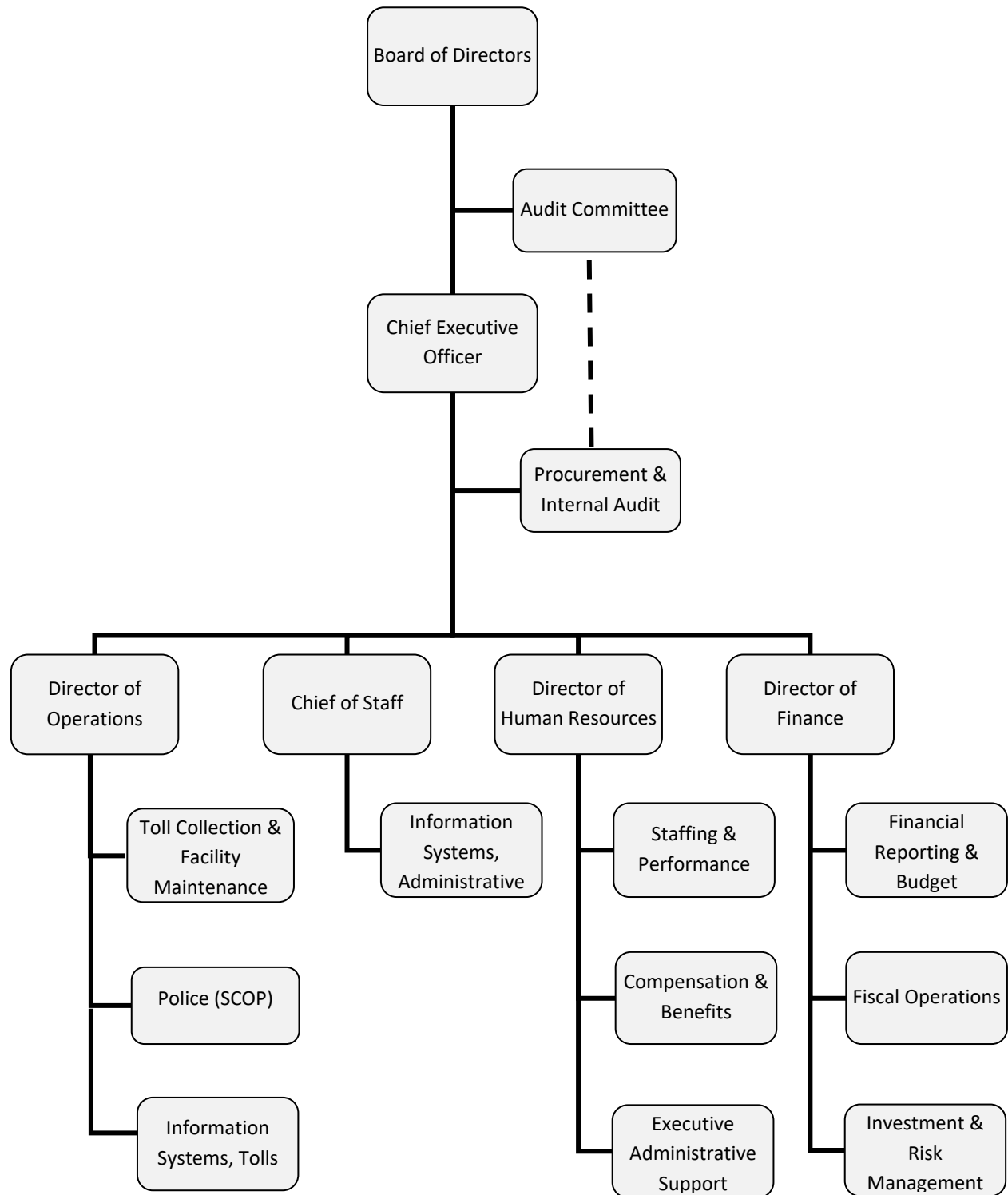
Board of Directors

| | |
|------------------------------|-----------------------------------|
| Gregory A. Whirley, Chairman | Chesterfield County |
| Marilyn West, Vice-Chair | City of Richmond |
| Carlos M. Brown | Commonwealth Transportation Board |
| Dr. Unwana Dabney | City of Richmond |
| Jane dufrane | Henrico County |
| Stephen Elswick | Chesterfield County |
| Aubrey W. Fountain, III | City of Richmond |
| Barrett Hardiman | City of Richmond |
| Thomas A. Hawthorne | Henrico County |
| Harvey Hinson | Henrico County |
| Darius Johnson | City of Richmond |
| Tyrone Nelson | Henrico County |
| Lane Ramsey | Chesterfield County |
| Marvin Tart, Sr. | Henrico County |
| Donald Williams | Chesterfield County |
| Bill Woodfin | Chesterfield County |

Executive Management

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

Organizational Chart



KEY DATES IN RMTA HISTORY

1966

RMA is created by the Virginia General Assembly (1966)

RMA purchases the Boulevard Bridge (1969)

Powwhite Parkway opens to Cary Street (1973)

1970

Second Street Parking Deck opens (1975)

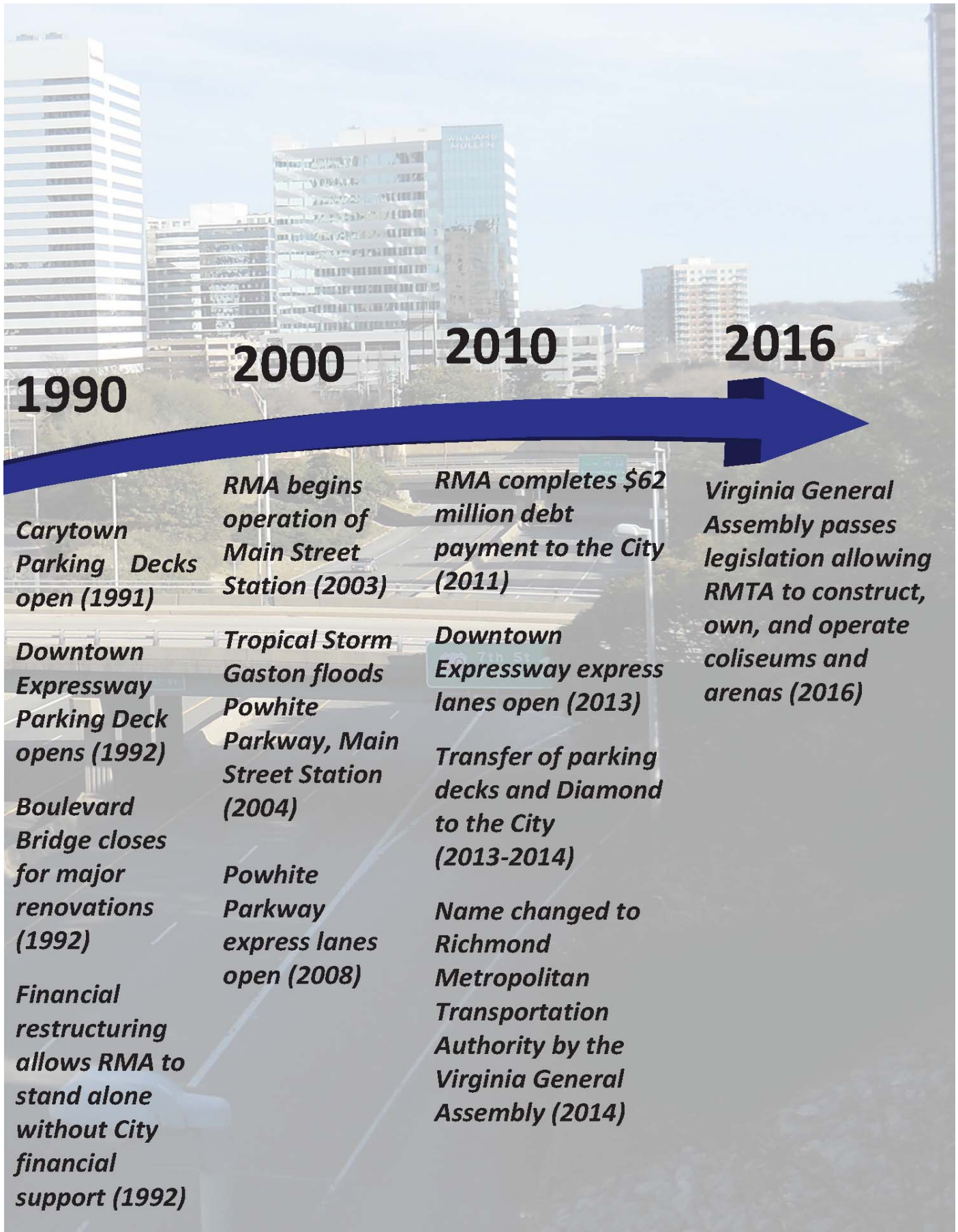
Downtown Expressway opens to Seventh Street (1976)

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

1980

The Diamond opens (1985)

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



1990

2000

2010

2016



Carytown Parking Decks open (1991)

Downtown Expressway Parking Deck opens (1992)

Boulevard Bridge closes for major renovations (1992)

Financial restructuring allows RMA to stand alone without City financial support (1992)

RMA begins operation of Main Street Station (2003)

Tropical Storm Gaston floods Powhite Parkway, Main Street Station (2004)

Powhite Parkway express lanes open (2008)

RMA completes \$62 million debt payment to the City (2011)

Downtown Expressway express lanes open (2013)

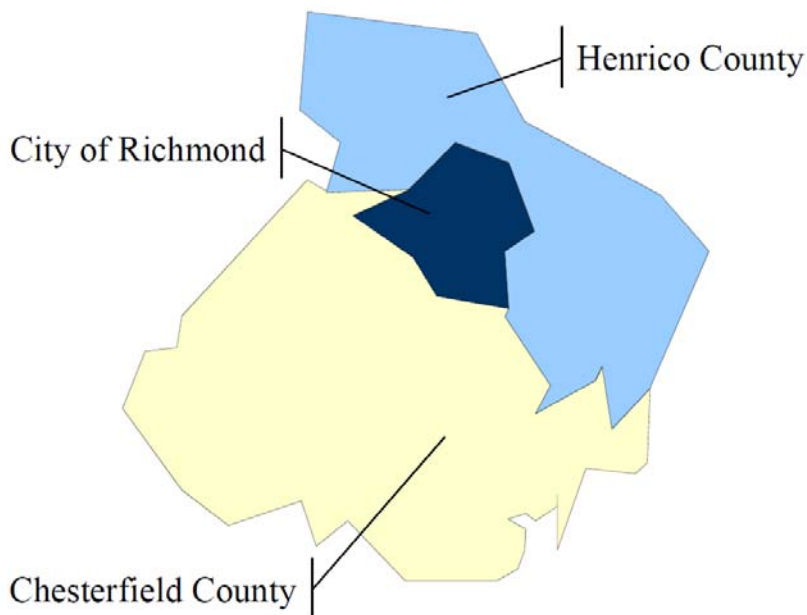
Transfer of parking decks and Diamond to the City (2013-2014)

Name changed to Richmond Metropolitan Transportation Authority by the Virginia General Assembly (2014)

Virginia General Assembly passes legislation allowing RMTA to construct, own, and operate coliseums and arenas (2016)

History

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



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

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

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

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

History

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



Downtown Expressway Opening Ceremony, 1976

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



The Diamond

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

History



Expressway Parking Deck

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



Boulevard Bridge

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

History



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

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

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

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

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

History



Downtown Expressway, Express Lanes and Traditional Lanes

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

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

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

History



Outfield view of The Diamond

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

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

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

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

Budget Development

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

Fund Structure

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

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

Basis of Accounting and Budgeting

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

Budget Process

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

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

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

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

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

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

During March, budget amounts are finalized and the draft budget document is prepared. The draft document is reviewed by staff and the Chief Executive Officer before being finalized and presented to the Board as a proposed budget in April. The Board reviews the proposed budget and adjustments are made (if necessary) before formal Board adoption in May.

For FY 2021, the budget development process followed the calendar of events as described below:

| Date | Action |
|--------------------------------|---|
| January 8, 2020 | Finance coordinates with Traffic and Revenue Consultant to provide an updated current fiscal year projection and next fiscal year revenue estimate. |
| January 14, 2020 | Initial budget overview with Executive Staff, including review of budget calendar and required items. |
| January 31, 2020 | Traffic and Revenue Consultant provides “Mid-Year Toll Certification”, including initial estimate of next year’s traffic and revenue projections. |
| February 10, 2020 | Directors provide initial budget requests to Finance. |
| February 18, 2020 [week of] | Initial budget retreat with Executive Staff. |
| February 25, 2020 | Initial operating budget draft completed. |
| March 10, 2020 | Compensation and Benefits Committee meeting to review salary and benefits. |
| March 26, 2020 | Final budget retreat with Executive Staff. |
| March 31, 2020 | Traffic and Revenue Consultant provides draft estimate of Expressway toll revenue. Does not certify due to COVID-19. |
| April 6, 2020 | Capital budget estimates reviewed by Executive Staff. |
| April 9, 2020 | Capital budget draft completed. |
| April 10, 2020 | Proposed budget document complete. |
| April 13, 2020 | Proposed budget presented to Board with comment period prior to adoption. |
| May 12, 2020 | Board vote for budget adoption. |

Financial Policies

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

Financial Planning (adopted March 2014)

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

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

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

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

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

Revenue and Expense (adopted March 2014)

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

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

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

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

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

Financial Policies

Debt Management (adopted March 2014)

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

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

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

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

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

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

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

Reserve Fund (adopted March 2014, amended March 2016)

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

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

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

Financial Policies

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

Accounting and Financial Reporting (adopted April 2015)

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

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

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

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

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

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

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

Revenue Sources and Forecasting Assumptions

Revenue Sources

Toll revenue from the Expressway System represents over 98% of the Authority's total revenue and is considered the Authority's only major revenue source. The Authority's Traffic and Revenue Consultant prepares an annual traffic and revenue forecast, which is used as the basis for the Authority's toll revenue budget.

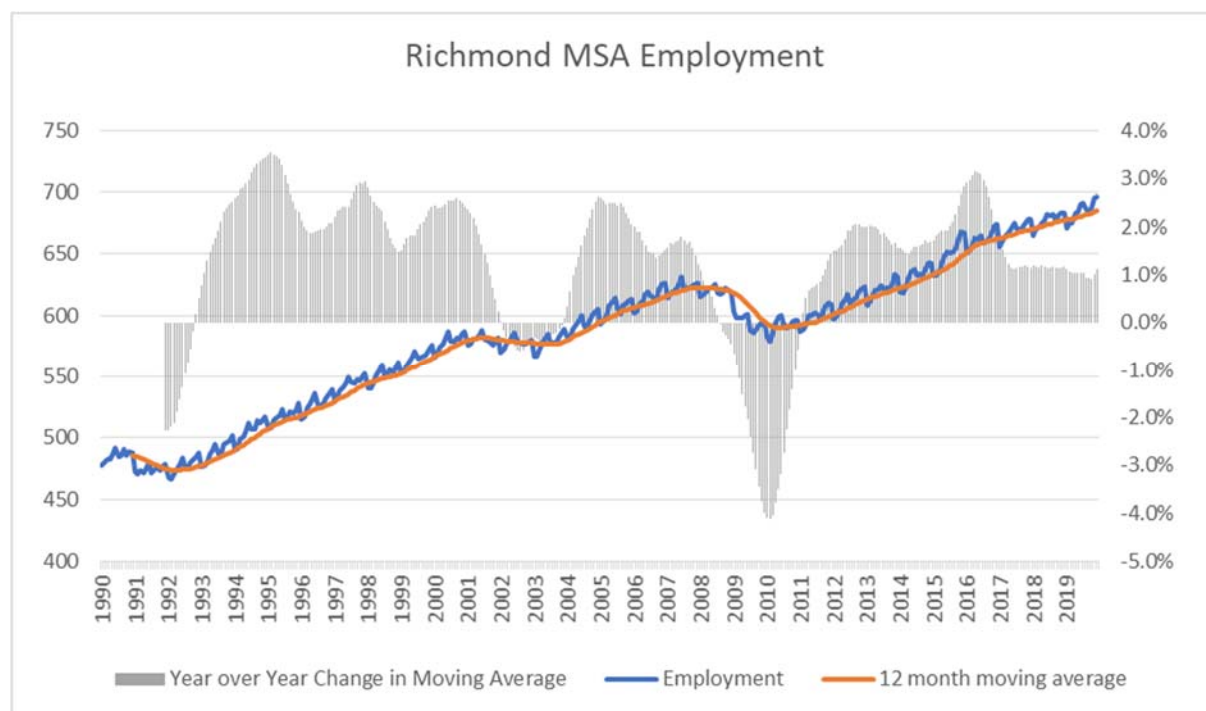
Economic Conditions

Traffic on the Authority's Expressway System is primarily commuter-based, with area employment levels directly impacting the number of daily commuter trips. While the unemployment rate indicates the general direction of the economy, area employment is a more appropriate economic indicator to correlate to the Authority's traffic. Due to the COVID-19 pandemic, economic conditions have deteriorated rapidly and traffic volume has decreased significantly for the RMTA Expressway system. This impact has been factored in the FY 2021 budget with available information at the time of budget development.

Employment

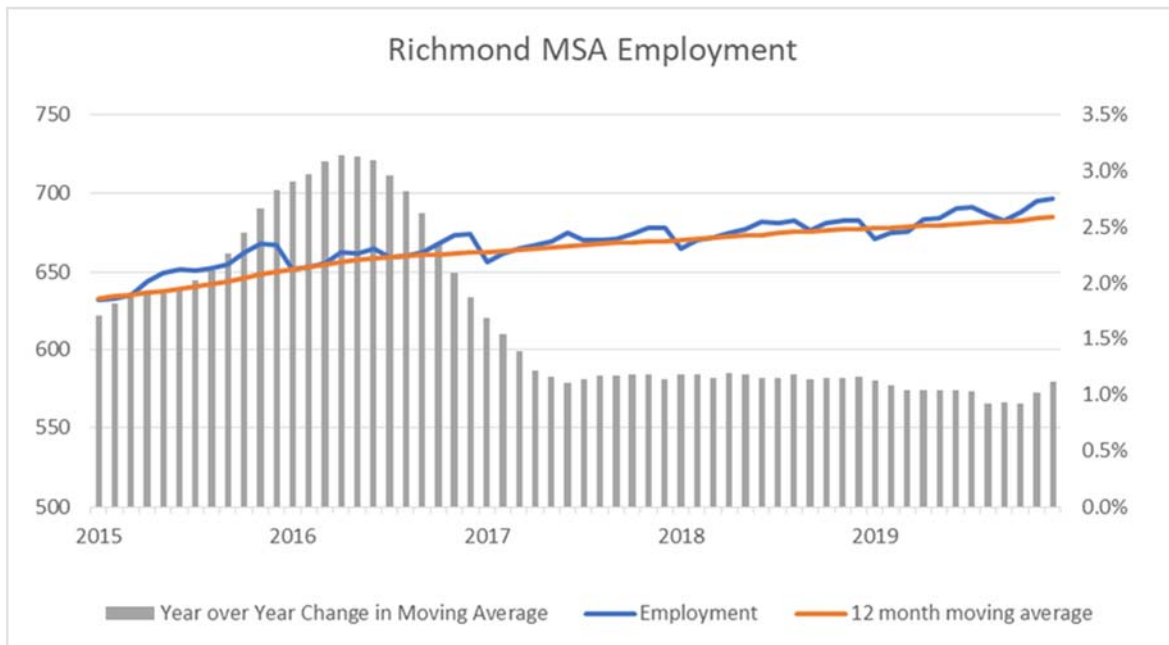
Employment data for the Richmond Metropolitan Statistical Area (MSA) from the Bureau of Labor Statistics (BLS) is historically correlated with RMTA traffic. As the RMTA is mostly a commuter facility, traffic is reasonably related to economic output and employment levels. The figures that follow show the historical employment levels for the Richmond MSA by month, the 12 month moving average of that monthly employment, and the annualized growth rate of the 12 month moving average. Two time periods are shown. The first is over 20 years which allows for depiction of pre-recession employment growth, decreases in employment during the recession, and subsequent recovery. The second graph presents approximately the last five years to show the most recent experience.

Figure 1: Richmond MSA Employment – Long Term



Revenue Sources and Forecasting Assumptions

Figure 2: Richmond MSA Employment – Short Term

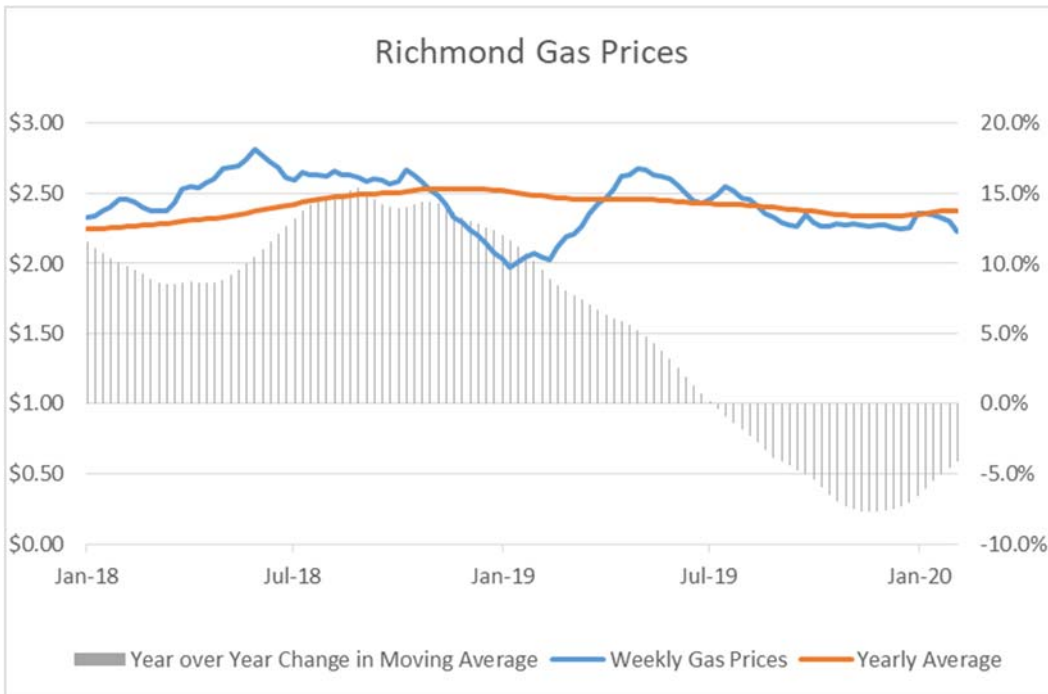


Revenue Sources and Forecasting Assumptions

Gas Prices

For the FY21 forecast, it is estimated that gas prices will remain well below \$3.00. As of February 2019, gas prices were averaging approximately \$2.10. In February 2020, gas prices averaged \$2.21. Due to the COVID-19 virus impact on the economy, the prices could go below \$2.00 temporarily. 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 24 months



Long-Term Financial Plan

Long-Term Financial Plan Overview

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

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

Current and Next Six Fiscal Year Projections (in millions)

| | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|
| Tolls | \$ 35.3 | \$ 34.6 | \$ 40.0 | \$ 40.3 | \$ 40.6 | \$ 41.0 | \$ 41.3 |
| Other | 1.9 | 1.7 | 1.8 | 1.8 | 1.9 | 1.9 | 1.9 |
| Total revenue | 37.2 | 36.3 | 41.8 | 42.1 | 42.5 | 42.9 | 43.2 |
| Operating expense | (15.8) | (15.8) | (16.0) | (16.6) | (17.1) | (17.7) | (18.4) |
| Net revenue | 21.4 | 20.5 | 25.8 | 25.5 | 25.4 | 25.2 | 24.8 |
| Debt service | (14.7) | (14.6) | (13.8) | (9.8) | (9.8) | (9.8) | (9.8) |
| Available for capital | \$ 6.7 | \$ 5.9 | \$ 12.0 | \$ 15.7 | \$ 15.6 | \$ 15.4 | \$ 15.0 |
| Projected DSCR | 1.46 | 1.40 | 1.87 | 2.60 | 2.59 | 2.57 | 2.53 |

Toll Rates and Debt Issuance

The Authority's toll rates remain unchanged for FY 2021. The timing and extent of future rate adjustments will continue to be analyzed as projections are updated and revised based on actual results. The Authority has no plans to issue additional debt at this time.

Debt Service Coverage Ratio

Debt service coverage ratio (DSCR) is an important consideration in the Authority's long-term financial planning efforts. The amount by which DSCR exceeds 1.00 illustrates the potential cash funding for capital, minimizing the need for borrowing. The Authority's bond resolution requires a DSCR of 1.20; a ratio below this level could place the Authority's bonds in default. The Authority's FY 2019 DSCR based on audited financial statements was 1.98. As illustrated in the projections above, the Authority expects to continue meeting its DSCR requirements for the foreseeable future.

Long-Term Financial Plan

Credit Rating

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

Each rating agency periodically reviews the Authority's performance to determine if a rating action is needed. In April 2014, Fitch upgraded the Authority's initial rating from A- to A, citing the Authority's stable traffic, rate making flexibility, limited debt needs, and healthy infrastructure as key rating drivers. In May 2019, Standard & Poor's affirmed a previous rating of A+ with a stable outlook. Moody's affirmed their previous rating at A1 with a stable outlook in October 2019. In September 2019 and February 2020, Fitch affirmed a previous rating of A with a stable outlook.

In March 2020 Standard & Poor revised the outlook from stable to negative for all transportation infrastructure due to the impact from COVID-19. Fitch kept the outlook at stable for the RMTA, noting our significant reserves and liquidity.

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

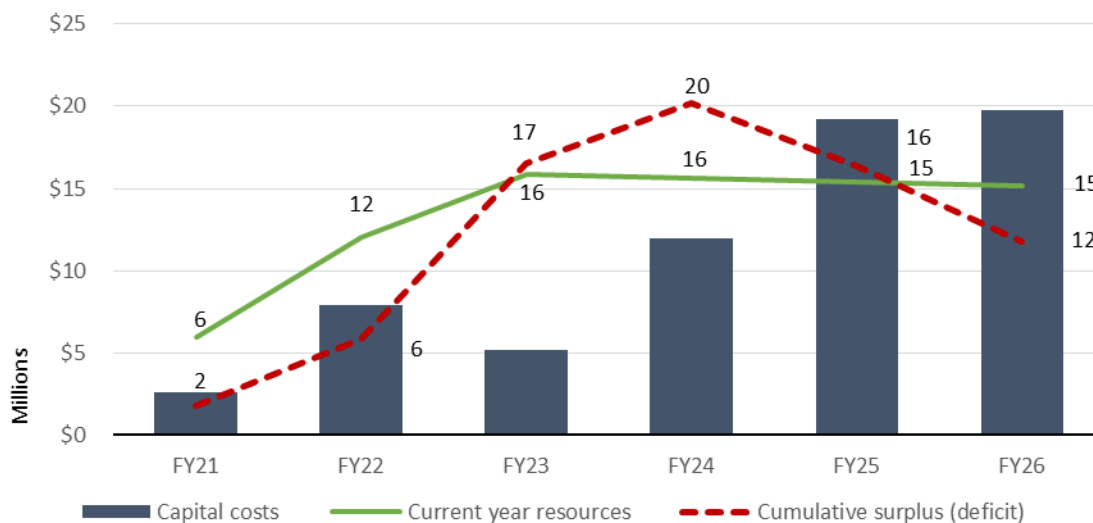
Capital Plan Funding

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):

| | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
|-------------------------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Prior available for capital | \$ 0.1 | \$ 3.4 | \$ 7.5 | \$ 18.0 | \$ 21.6 | \$ 17.8 |
| Current available for capital | 5.9 | 12.0 | 15.7 | 15.6 | 15.4 | 15.0 |
| Debt issuance | - | - | - | - | - | - |
| Use of reserves | - | - | - | - | - | - |
| Capital budget | (2.6) | (7.9) | (5.2) | (12.0) | (19.2) | (19.7) |
| Available for future capital | <u>\$ 3.4</u> | <u>\$ 7.5</u> | <u>\$ 18.0</u> | <u>\$ 21.6</u> | <u>\$ 17.8</u> | <u>\$ 13.1</u> |

Long-Term Financial Plan



Excess Balances Overview

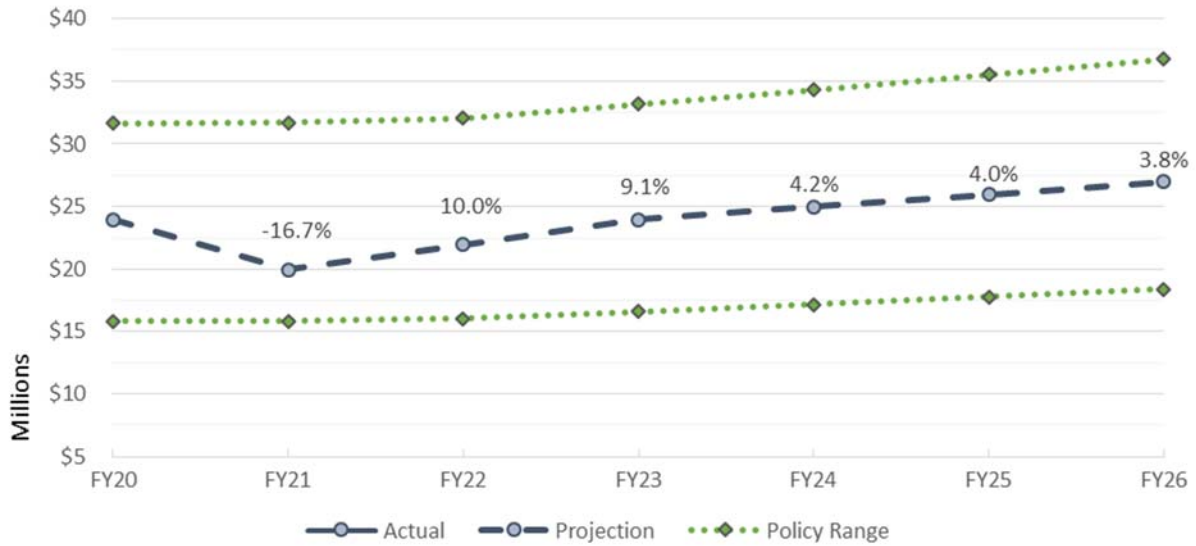
For budgetary purposes, fund balance or fund equity is defined as the cumulative difference between revenues and expenses over time. For the Authority's Expressway System, this cumulative difference is best represented by the Excess Balances fund. The Excess Balances fund was established by the Authority's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

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

Actual and Projected Changes to Excess Balances (millions)

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

Long-Term Financial Plan



The estimated use of reserves in FY 2021 is driven by the difference between capital cost estimates, operational expenses, and available revenue. While the current long-term financial plan shows the use of reserves in FY 2021, the Authority continues to evaluate all available options to determine the appropriate action necessary to support its funding requirements.

Department Budgets

Expressway Operations

Description

The Expressway Operations department is responsible for the collection of toll revenue and facility maintenance. Toll collection remains the primary function of the Authority, serving over 64.9 million customers in FY 2019 on the Authority's Expressway System, comprised of the Powhite Parkway, Downtown Expressway, and Boulevard Bridge.

Priorities

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

Performance Measures

| Priority | Objective | Performance Measure | Result |
|----------|---|-------------------------------------|--|
| 1,2 | Ensure public awareness of tolling programs and practices | Growth of E-ZPass penetration rates | <u>FY18</u> 70.5% <u>FY19</u> 72.0% |

Financial Summary

| Toll Collection | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|---------------------------|----------------------|----------------------|----------------------|-----------------------|---------------|
| | Actual | Budget | Budget | \$ | % |
| Compensation and Benefits | \$ 4,509,807 | \$ 5,084,850 | \$ 4,388,398 | \$ (696,452) | -13.7% |
| Operating | 6,443,638 | 6,893,801 | 6,211,497 | (682,304) | -9.9% |
| Total | \$ 10,953,445 | \$ 11,978,651 | \$ 10,599,895 | \$ (1,378,755) | -11.5% |
| FTE Positions | 90.0 | 94.0 | 89.0 | (5.0) | -5.3% |

| Maintenance | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|---------------------------|---------------------|---------------------|---------------------|-------------------|-------------|
| | Actual | Budget | Budget | \$ | % |
| Compensation and Benefits | \$ 280,117 | \$ 340,381 | \$ 341,390 | \$ 1,009 | 0.3% |
| Operating | 1,344,070 | 1,183,000 | 1,329,000 | 146,000 | 12.3% |
| Total | \$ 1,624,187 | \$ 1,523,381 | \$ 1,670,390 | \$ 147,009 | 9.7% |
| FTE Positions | 6.0 | 6.0 | 6.0 | - | - |

| Total Expressway Operations | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|-----------------------------|----------------------|----------------------|----------------------|-----------------------|--------------|
| | Actual | Budget | Budget | \$ | % |
| Compensation and Benefits | \$ 4,789,924 | \$ 5,425,231 | \$ 4,729,788 | \$ (695,443) | -12.8% |
| Operating | 7,787,708 | 8,076,801 | 7,540,497 | (536,304) | -6.6% |
| Total | \$ 12,577,632 | \$ 13,502,032 | \$ 12,270,285 | \$ (1,231,746) | -9.1% |
| FTE Positions | 96.0 | 100.0 | 95.0 | (5.0) | -5.0% |

FY 2021 compensation and benefits costs decreased primarily due to reduced staffing and savings from a new health plan. FY 2021 operating costs decreases significantly due to the reduction in traffic from the COVID-19 virus impacting E-ZPass processing fees. These are offset by the maintenance cost increase due to anticipated additional annual road maintenance.

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 FY 2006 to 72% in FY 2019. As of February 29, 2020, the peak morning and evening rush hours on the Powhite Parkway and Downtown Expressway, E-ZPass usage exceeds 80%.

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

At the time of publishing the budget document, VDOT had not provided the FY 2021 E-ZPass processing rates; therefore the FY 2021 budget includes approximately a 3.0% rate increase. The Authority estimates 73.4% of FY 2020 transactions will be collected via E-ZPass.

Additional focuses of the Toll Collection department include a commitment to providing excellent customer service through ongoing training efforts and proactive toll system maintenance to ensure accurate and reliable revenue collection. Toll system maintenance is performed by the current system integrators, The Revenue Markets, Inc. (TRMI) and TransCore, as well as the Authority's toll system maintenance team. The Authority works diligently to maintain the automatic coin machines (ACM), in-pavement sensors and overhead equipment throughout the Expressway System in good working order, while working on the design and implementation of the new toll collection system anticipated to be in revenue service by the end of FY 2021. Upon notification and verification of reported equipment issues staff works quickly to resolve them.

Maintenance is responsible for the routine maintenance, miscellaneous repairs, and preventative maintenance of all toll plazas and facility grounds and buildings. Primary functions include but are not limited to daily janitorial duties, graffiti removal, landscaping throughout the Expressway System, and snow/ice removal at toll plazas buildings. As a result of the diligent work of the Maintenance employees, the Authority had no slip and fall incidents resulting in worker's compensation claims during the winter weather months in FY 2020.

This was the second year the Authority would oversee its own snow and ice removal operations previously performed by VDOT. In FY 2019, the Authority's inaugural year of performing this service, there were seven (7) recorded snow and ice events at a cost of approximately \$76,000. During FY 2020, there was one recorded snow and ice event that cost the Authority approximately \$4,000 due to the fact that this storm event didn't materialize as originally forecasted.

The Authority is currently in the process of rehabilitating the salt sheds facility located on Authority property along the Powhite Parkway. This facility was originally built and operated by VDOT beginning in the 1980s. VDOT terminated its snow and ice removal services for the Authority in 2017 at which time they abandoned the salt shed facility. Upon completion of the rehabilitation of the site which includes, but is not limited to, the installation of a new waterproofing member line, new asphalt, runoff detention

Expressway Operations

pond and curb and gutter, the Authority will utilize this site for its snow and ice removal operations during the 2020 - 2021 inclement weather season.

The Expressway Operations department was also responsible for the conversion of at least nine (9) cash lanes to E-Z-Pass only lanes throughout the Expressway System. The Authority anticipates these lane conversions will help to increase the E-Z-Pass penetration rates and increase throughput. Leveraging internal resources and contract savings from FY 2019, the Authority staff anticipates completion of this unplanned project prior to the end of the FY 2020 budget year and without a request for additional capital from the Authority's Board of Directors.

In response to the COVID-19 virus, the Authority's Expressway Operations department worked quickly to implement a variety of precautionary measures to limit the potential impact of this virus on our staff and community. These measures include, but are not limited to the following:

- Maintenance cleaning at each plaza facility has been increased to twice daily, including Saturdays and Sundays
- All staff must wear gloves when handling money
- Increased distribution of hand sanitizer and disinfectant wipes
- Ongoing communication with toll plaza staff, providing updated information and guidance as it is provided from the Center for Disease Control and Prevention, the World Health Organization and the Virginia Department of Health
- Development of alternative staffing plans for toll plazas

Special Conservators of the Peace

Description

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

Priorities

1. Promote a safe travel environment

Performance Measures

| Priority | Objective | Performance Measure | Result |
|----------|--|---|--|
| 1 | Effective accident reporting and hit & run investigation | Number of hit & run accidents and recovered amount of repair expenses | <u>FY18</u> 29 accidents \$70k in damage; 80% recovered <u>FY19</u> 28 accidents, \$44k in damages, 80% recovered |

Financial Summary

| SCOPs | FY2019 | | FY2020 | | FY2021 | | FY2020 to FY2021 | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|---------------|------------------|--|
| | Actual | Budget | Budget | Budget | \$ | % | | |
| Compensation and Benefits | \$ 172,798 | \$ 204,950 | \$ 204,950 | \$ 174,990 | \$ (29,960) | -14.6% | | |
| Operating | 12,699 | 41,900 | 41,900 | 20,900 | (21,000) | -50.1% | | |
| Total | \$ 185,497 | \$ 246,850 | \$ 246,850 | \$ 195,890 | \$ (50,960) | -20.6% | | |
| FTE Positions | | 3.0 | 3.0 | 3.0 | - | - | | |

FY 2021 compensation and benefits costs decreased primarily due to savings from a new health plan.

Training and development for the FY 2021 budget decreased significantly due to the establishment of the Memorandum of Understanding between the Authority and Crater Criminal Justice Training Academy to be the administrator and holder of the Authority's training records and no longer a requirement for any officer to attend additional 26 week police officer boot camp.

Highlights

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

The SCOPs provide traffic control assistance for Authority contractors when called upon. They work overnight and weekends and during snow and ice events to ensure the expressway is clear of disabled and abandoned vehicles so the snow plows can perform their job without obstacles in their way.

Special Conservators of the Peace (SCOPs)

The SCOP officers investigated and reported twenty-nine (29) accidents resulting in damage to Authority property during FY 2019, eleven (11) of which were hit and run accidents. As a result of the diligence of the SCOP officers' investigative efforts and as part of the roadway maintenance contract, twenty-three (23) of the accidents resulted in damage cost recovery and repairs, saving the Authority approximately \$35,000 during last fiscal year.

During FY 2020, our SCOP Supervisor and Officers continue to enhance their professional development through training courses and regional conferences such as the following:

- Truck and Bus Traffic Enforcement train the Trainer
- Use of Force Assessment for Supervisors
- Improving Public Perception for Law Enforcement
- Supervisory Legal Issues
- First line Supervisor training for Law Enforcement

In addition, our SCOP team provided the below listed services during the FY 2019 budget year;

- Assisted 887 motorists stopped along the side of the highway
- Conducted 316 traffic stops; recovered illegal drugs and apprehended several subjects with outstanding warrants
- Assisted with or investigated 125 accidents
- Removed 197 pieces of debris from the travel lanes
- Provided protection for 157 lane closures / work zones
- Assisted Richmond Police / Richmond Fire & EMS / VA State Police / Chesterfield Fire & EMS with 219 incidents
- Investigated and recovered estimated damages of \$22,000 from hit and run accidents
- Assisted with and located registered vehicle owners for unpaid toll violations

The Authority's SCOP Supervisor continues to be very active in the Regional Traffic Incident Management Planning Committee and Central Virginia Safety Officer's Committee. This committee consists of fire representatives from Richmond, Henrico, Chesterfield, Hanover, Colonial Heights, Ashland and Goochland; law enforcement from VA State Police, and VDOT incident commanders.

Administration

Description

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

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

Priorities

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

Performance Measures

| Priority | Objective | Performance Measure | Result |
|----------|--|---|--|
| 1 | Manage the Authority's social media presence | Regular monitoring and updates of Facebook Info Line and Twitter | Staff monitors account activity |
| 2 | Archive Board and Committee meeting materials electronically | Archive all Board and Committee documents electronically | All meeting materials were uploaded |
| 3 | Routinely examine internal processes and procedures to ensure compliance and safekeeping of Authority assets | Number of internal audit examinations and related findings | <u>FY19</u> 3 internal reviews performed -no significant findings <u>FY20</u> 4 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>FY19</u> 13 contracts with value of \$53.5 million <u>FY20</u> 10 contracts with value of \$8.6 million |

Financial Summary

| Administration | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------|
| | Actual | Budget | Budget | \$ | % |
| Compensation and Benefits | \$ 1,006,260 | \$ 1,115,260 | \$ 807,974 | \$ (307,286) | -27.6% |
| Operating | 777,909 | 726,525 | 736,625 | 10,100 | 1.4% |
| Total | \$ 1,784,169 | \$ 1,841,785 | \$ 1,544,599 | \$ (297,186) | -16.1% |
| FTE Positions | 4.0 | 5.0 | 4.0 | (1.0) | -20.0% |

Administration

FY 2021 compensation and benefits costs decreased primarily due to savings from a new health plan.

Highlights

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

The Information Technology department continues to work with Operations and HNTB, our engineering consultants, on the Toll system upgrade to ensure the network is fully capable of handling the increased amount of data that will be moving across it and to ensure the communication between the toll equipment and the RMTA network is linked properly. Moreover, the IT Department renegotiated cell phone and network data contractual agreements thereby substantially reducing monthly fees.

The IT department installed fiber and switch and router replacements at two toll facilities/plazas in anticipation of the new toll system upgrade. The IT department upgraded several laptops and desktop workstations to ensure Microsoft compliance by 2020.

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 2019, approximately 13 contracts were signed with a value of \$53.5 million. In FY 2020, approximately 10 contracts were signed with a value of \$8.6 million.

Engineering

Description

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

Priorities

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

Performance Measures

| Priority | Objective | Performance Measure | Result |
|----------|---|--|--|
| 1 | Perform annual inspections to identify asset needs timely | Annual facility inspections | <u>FY18</u> 100% complete <u>FY19</u> 100% complete |
| 1,2 | Maintain bridges at or above the established condition level | % of bridges rated below Federal Highway Administration (FHWA) condition rating of 5 | <u>FY18</u> 0% <u>FY19</u> 0% |
| 1,2 | Maintain pavement at or above the established condition level | % of pavement with a PCR score less than 40 | <u>FY18</u> 0.0% <u>FY19</u> 0.0% |

Financial Summary

| Engineering | FY2019 | | FY2020 | | FY2021 | | FY2020 to FY2021 | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------|------------------|--|
| | Actual | Budget | Budget | Budget | \$ | % | | |
| Compensation and Benefits | \$ 162,288 | \$ 309,923 | \$ 309,923 | \$ 295,702 | \$ (14,221) | -4.6% | | |
| Operating | 23,906 | 26,250 | 26,250 | 19,630 | (6,620) | -25.2% | | |
| Total | \$ 186,194 | \$ 336,173 | \$ 336,173 | \$ 315,332 | \$ (20,841) | -6.2% | | |
| FTE Positions | 1.0 | 2.0 | 2.0 | 2.0 | - | 0.0% | | |

FY 2021 compensation and benefits costs decreased due to the savings from the new healthcare plan.

Highlights

The Authority successfully completed the Protective Coatings 2018 (PC-2018) project for six (6) RMTA bridges which connect the DTE to I-95. This project took approximately 2 years to complete and included the removal of the bridges' protective coating system which had reached its end of useful life and the application of a new protective coating system. Project costs were approximately \$6.5M using a low cost invitation to bid procurement process. It included approximately 8,100 linear feet of bridge which is more than 1.5 miles and approximately 700,000 square feet of bridge steel, more than the area of 12 football fields.

This project was a cost effective bridge preservation treatment to assure the continued structural integrity of the bridges and extend their useful life prior to requiring major rehabilitation or replacement. RMTA's bridge management program focuses on a planned strategy of cost-effective treatments to be performed to maintain bridges 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 structures at an overall lower lifetime cost.

Engineering

The Authority's annual Miscellaneous Repair project was completed on-time and on-budget. This annual project's scope is determined by the facility needs as well as items identified for repair during the annual bridge and pavement inspections. For the 2019 Miscellaneous Repair project, the Authority accelerated the timing of several steel repairs for the six (6) bridges in the PC-2018 project. This allowed the Authority to ensure that the new protective coatings continue to effectively preserve the existing bridge elements and extend the useful life of the bridges approximately another 15 – 25 years. The Miscellaneous Repair project also included additional concrete protective coatings application to all bridge piers located along the Downtown Expressway. Additionally, the work performed under this annual project are 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.

The toll collection system project (TSS-2017) is ongoing. Staff continues to work with the Authority's general engineering consultant and the TSS-2017 integrator, TransCore, on the design for the toll system. In order to minimize the Authority's risk of poor system performance and a degradation of its superior customer service, staff continues to work with the project's integrator as they continue to develop the design of the toll system based on the agreed up on system requirements. The Authority's dedication to its customers, regional stakeholders and member jurisdictions is further evidenced by its continued commitment to ensuring the final toll system design meets all system requirements, safeguarding revenue and capital project funds.

The Authority 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.

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>FY19</u> Unmodified |
| 1,2,3 | Obtain the GFOA Financial Reporting Award (CAFR) | Consecutive years receipt of award | <u>FY19</u> 26 |
| 1,2,3 | Obtain the GFOA Budget Presentation Award | Consecutive years receipt of award | <u>FY20</u> 7 |

Financial Summary

| Finance | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|---------------------------|---------------------|---------------------|---------------------|-------------------|--------------|
| | Actual | Budget | Budget | \$ | % |
| Compensation and Benefits | \$ 432,877 | \$ 448,765 | \$ 435,450 | \$ (13,315) | -3.0% |
| Operating | 620,409 | 655,750 | 662,404 | 6,655 | 1.0% |
| Total | \$ 1,053,286 | \$ 1,104,515 | \$ 1,097,854 | \$ (6,660) | -0.6% |
| FTE Positions | 4.5 | 4.5 | 4.5 | - | - |

FY 2021 compensation and benefits costs decreased primarily due to savings from a new health plan.

FY 2021 operating costs increased primarily due to insurance policy and traffic and revenue consultant renewal 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 Stantec, the Traffic and Revenue consultant and Davenport, the financial advisory firm to monitor traffic statistics, revenues, funding, and overall financial performance.

Finance continues to provide excellent financial services as evidenced by receiving an unmodified (“clean”) audit opinion on the Authority’s FY 2019 Comprehensive Annual Financial Report (CAFR). Finance also received the GFOA’s Distinguished Budget Presentation Award for the 6th consecutive year for the Authority’s FY 2020 budget and continues to make improvements to the budget document based on GFOA recommendations and industry best practices.

Finance

In 2019 Finance led an initiative to participate in the Virginia Resources Authority (VRA) Virginia Pooled Financing Program (VPFP) in order to lower debt servicing. In August 2019, the VRA closed the issuance of Series 2019B bonds. The transaction lowered total debt service over \$4.2 million and provides in excess of \$160,000 annually in interest savings.

In response to the COVID-19 pandemic Finance has taken steps to ensure that bond covenants and other financial obligation are met. Expenses have been reviewed extensively, making reductions wherever possible. Reserves and other financial resources have been aligned to provide liquidity as necessary. 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.

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 | Implement Compensation Study recommendations regarding updated compensation plan and to address competitive salary concerns as related to the market | Completion of phase one of the compensation study and introduction of phase two | March 2020 |
| 1 | Evaluate benefit plans with benefits consultant and providers to ensure packages are consistent with the marketplace | Annual review of benefit plans | February 2020 |
| 1 | Work with Executive Staff and Operations Team to evaluate and implement staffing plan for workforce reduction due to COVID-19 | Timely communication of pay and benefit options | March 2020-ongoing |
| 2 | Evaluate employee engagement and interest regarding health and wellness | Completion of health and wellness survey | December 2019 |
| 2 | Evaluate employee engagement and morale through OneRMTA Engagement Committee | Implementation of programs and activities recommended by committee | July 2019; November 2019; March 2020 |
| 2 | Coordinate and conduct regular training and development programs/activities to enhance knowledge of employee policies and legislation | Mandatory management training; review of policies and procedures during quarterly supervisor meetings | October 2019; March 2020 |
| 3 | Review Personnel Policies and Procedures manual at least annually | Revised policy manual | June 2020 |

Human Resources

Financial Summary

| Human Resources | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|---------------------------|-------------------|-------------------|-------------------|--------------------|---------------|
| | Actual | Budget | Budget | \$ | % |
| Compensation and Benefits | \$ 322,646 | \$ 357,695 | \$ 325,592 | \$ (32,103) | -9.0% |
| Operating | 102,863 | 99,300 | 74,250 | (25,050) | -25.2% |
| Total | \$ 425,509 | \$ 456,995 | \$ 399,842 | \$ (57,153) | -12.5% |
| FTE Positions | 3.0 | 3.5 | 3.5 | - | 0.0% |

FY 2021 compensation and benefits costs decreased primarily due to savings from a new health plan. FY 2021 operating costs decreased due to seminars and events that were cancelled due to the COVID-19 virus pandemic.

Highlights

Human Resources staff continue to explore innovative ways to provide quality benefits through diversification of offerings and cost sharing. Human Resources worked with the benefits consultants to promote employee awareness about healthcare benefits and Health Savings Accounts (HSAs). Staff promoted LiveHealth online for convenience and lower cost option. Additionally, HR staff conducted a health and wellness survey to assess employee engagement and interest in programs to address health concerns. The next step is to establish a wellness committee to implement some of the ideas that came through the survey.

Through the efforts of the benefits consultant, OneDigital, Human Resources was able to secure a new medical insurance plan that will result in a premium decrease in FY21, while maintaining the core benefits coverage. Because the RMTA continuously considers the well-being of employees, the Compensation and Benefits Committee decided that RMTA will continue to provide a contribution to employee HSA accounts.

Human Resources contracted Paypoint HR in FY19 to conduct a comprehensive compensation study to compare existing pay of all RMTA positions to compensation scales of comparator organizations within the Richmond Metropolitan area. Phase 1 was implemented in FY20. Staff worked with the Board Compensation and Benefits Committee to evaluate and plan the second phase of the consultant's recommendations.

The OneRMTA Employee Engagement Committee held several events during FY20 to promote employee morale and teambuilding: a "Just Because" cookout for staff; harvest festival for employees, family and friends; and an employee appreciation breakfast. At the Annual Employee Recognition luncheon, 17 employees were recognized for their outstanding and dedicated contributions to the RMTA. Human Resources also recognized employees at Board meetings to celebrate their retirement.

Human Resources continues to promote performance based merit increases through an annual evaluation process. Coinciding with the fiscal year, RMTA uses a common merit date for all employees.

Human Resources

Human Resources staff continues to navigate and implement the regulatory changes proposed by the U.S. Department of Labor. Staff attends regular training, review and analysis of the Fair Labor Standards Act (FLSA), Family and Medical Leave Act (FMLA), Workers' Compensation Act, Americans with Disabilities Act Amendments Act (ADAAA), and Equal Employment Opportunity Commission (EEOC) requirements to ensure consistent compliance with federal and state laws.

The COVID-19 pandemic has created new challenges for Human Resources. Staff attends daily virtual presentations on legal updates to enhance their knowledge regarding the new federal legislation and guidelines. In collaboration with executive staff, Human Resources has been involved in development of a reconstructed schedule for field staff. Additionally, staff provides timely communication to impacted employees and guidance regarding benefits rights and paid leave in accordance with federal legislation and RMTA policies.

Budget Detail

Department to Fund Crosswalk

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

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

A summary of the FY 2020 operating budget by department and a crosswalk to the budgets by fund can be found below.

| | Expressway | Central Administration | Total |
|-----------------|----------------------|------------------------|----------------------|
| Toll Collection | \$ 10,599,895 | \$ - | \$ 10,599,895 |
| Maintenance | 1,670,390 | - | 1,670,390 |
| SCOP | 195,890 | - | 195,890 |
| Administration | 159,250 | 1,385,349 | 1,544,599 |
| Engineering | 19,000 | 296,332 | 315,332 |
| Finance | 610,044 | 487,810 | 1,097,854 |
| Human Resources | - | 399,842 | 399,842 |
| | \$ 13,254,469 | \$ 2,569,333 | \$ 15,823,802 |

| | Expressway | Central Administration | Total |
|--------------------------|----------------------|------------------------|----------------------|
| Total Budget by Fund | \$ 15,323,021 | \$ 2,569,333 | \$ 17,892,354 |
| Central Admin Allocation | (2,068,552) | - | (2,068,552) |
| | \$ 13,254,469 | \$ 2,569,333 | \$ 15,823,802 |

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

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

Expressway Fund Budget

Description

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

Significant Budgetary Changes

- *Toll Revenue:* Year to date toll revenue in FY 2020 is projected to be under budget by approximately 16% due to the COVID-19 pandemic. The budgeted toll revenue for FY 2021 is 18% less than FY 2020 budget. See the Revenue Sources and Forecasting Assumption section for a detailed discussion on the development of the FY 2021 forecast.
- *Compensation and benefits:* Salaries are reduced in FY 2021 due to a restructure of personnel, elimination of open positions, and a wage freeze. For FY 2021, employee health care premiums decreased significantly due to the savings from a new healthcare plan.
- *E-ZPass processing fees:* The FY 2021 budget includes an 18% budget decrease based on reduced transactions due to COVID-19.
- *Toll System Maintenance:* FY 2020 costs increased \$130,000 due to contractual maintenance for the toll system.
- *Annual Road Maintenance – Roadways:* FY 2020 includes an estimated \$369,000 increase for the general maintenance of the expressway system and the salt sheds.
- *Training and Development:* Training and development for the FY 2021 budget decreased significantly due to the establishment of the Memorandum of Understanding between the Authority and Crater Criminal Justice Training Academy to be the administrator and holder of the Authority's training records and no longer a requirement for any officer to attend additional 26 week police officer boot camp.
- *Legal Fees:* Decrease of \$50,000 based upon FY20 usage.
- *Traffic and Revenue Consultant:* Increase of \$25,000 due to a new vendor and contract.

Expressway Fund Budget

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.

During these unprecedented times due to the COVID-19 pandemic and related shelter in place and travel restrictions enacted by the Commonwealth of Virginia and local governments, it is difficult to provide an accurate forecast of FY2021 toll revenue that would demonstrate under the existing toll schedule to be sufficient to pay operating expenses, debt service, and maintenance and repairs on the Expressway System. However, Stantec has provided three potential scenarios of revenue for FY2021 as a function of the speed of re-opening of Richmond and recovery from the pandemic. The Authority has chosen the recovery revenue estimates for use in this budget and presented below. These revenues do not represent a forecast from Stantec but a potential revenue outcome if external factors, well outside the control of the Authority or knowledge of Stantec, come to bear. If, during the first three months of FY2021, recovery from COVID-19 impacts do not follow the assumptions of this recovery, it may be necessary to conduct a toll schedule analysis to set tolls at a level to achieve coverage levels identified in the 2011 bond resolution.

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

| | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|------------------------------|----------------------|----------------------|---------------------|-----------------------|---------------|
| | Actual | Budget | Budget | \$ | % |
| Toll Revenue (1) | \$ 42,876,937 | \$ 43,383,000 | \$ 35,845,500 | \$ (7,537,500) | -17.4% |
| Other Revenue (2) | 739,582 | 650,000 | 502,000 | (148,000) | -22.8% |
| | 43,616,519 | 44,033,000 | 36,347,500 | (7,685,500) | -17.5% |
| Operating Expenses | 16,212,287 | 17,488,349 | 15,823,802 | (1,664,547) | -9.5% |
| Net Operating Revenue | 27,404,232 | 26,544,651 | 20,523,698 | (6,020,953) | -22.7% |
| Debt Service | (14,737,389) | (14,741,683) | (14,575,739) | 165,944 | -1.1% |
| Available for Capital | \$ 12,666,843 | \$ 11,802,968 | \$ 5,947,959 | \$ (5,855,009) | -49.6% |

(1) As estimated by Stantec and the Authority

(2) As estimated by the Authority

Revenue Certification



Richard Gobeille, P.E.
Stantec Consulting Services, Inc.

Expense Certification



Christopher Lester, P.E.
HNTB Corporation

Expressway Fund Budget

| Expressway | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|-----------------------------------|----------------------------|----------------------------|----------------------------|------------------------------|---------------|
| | Actual | Budget | Budget | \$ | % |
| Revenue | | | | | |
| Toll Revenue | \$ 41,671,218 | \$ 42,209,000 | \$ 34,613,500 | \$ (7,595,500) | -18.0% |
| Violation Enforcement - CSC | 941,415 | 950,000 | 1,000,000 | 50,000 | 5.3% |
| Violation Enforcement - Courts | 242,248 | 200,000 | 210,000 | 10,000 | 5.0% |
| Toll Payments - Collections | 22,056 | 24,000 | 22,000 | (2,000) | -8.3% |
| Parking Lot Rentals | 50,284 | 50,000 | 52,000 | 2,000 | 4.0% |
| Interest Income | 688,568 | 600,000 | 450,000 | (150,000) | -25.0% |
| Miscellaneous Income | 730 | - | - | - | 0.0% |
| Total Revenue | <u>\$43,616,519</u> | <u>\$44,033,000</u> | <u>\$36,347,500</u> | <u>\$ (7,685,500)</u> | -17.5% |
| Toll Collection | | | | | |
| Regular Pay | \$ 2,871,745 | \$ 3,168,295 | \$ 2,975,430 | \$ (192,865) | -6.1% |
| Overtime | 385,050 | 366,255 | 184,685 | (181,570) | -49.6% |
| Payroll Taxes | 244,634 | 270,395 | 241,749 | (28,646) | -10.6% |
| Retirement | 49,051 | 58,180 | 64,574 | 6,394 | 11.0% |
| Health Insurance | 893,262 | 1,149,580 | 841,226 | (308,354) | -26.8% |
| Group Life Insurance | 35,579 | 37,145 | 35,481 | (1,664) | -4.5% |
| Long Term Disability | 1,425 | 2,000 | 3,353 | 1,353 | 67.7% |
| Unemployment Benefits | 367 | 5,000 | 15,000 | 10,000 | 200.0% |
| Uniforms | 8,270 | 7,000 | 4,900 | (2,100) | -30.0% |
| Employee Mileage | 20,424 | 21,000 | 22,000 | 1,000 | 4.8% |
| Compensation and Benefits | 4,509,807 | 5,084,850 | 4,388,398 | (696,452) | -13.7% |
| E-ZPass Processing Fees | 3,576,995 | 3,750,000 | 2,875,000 | (875,000) | -23.3% |
| Violation Enforcement - CSC | 1,098,637 | 1,125,000 | 1,250,000 | 125,000 | 11.1% |
| Collections Service | 7,452 | 10,300 | 12,300 | 2,000 | 19.4% |
| Armored Transport & Coin Counting | 251,287 | 260,000 | 220,000 | (40,000) | -15.4% |
| Toll System Maint. - Transcore | 254,294 | 730,000 | 438,000 | (292,000) | -40.0% |
| Toll System Maint. - TRMI | 797,297 | 615,000 | 1,034,697 | 419,697 | 68.2% |
| Currency Counter Maintenance | 2,856 | 3,000 | 3,000 | - | 0.0% |
| Security System | 8,957 | 12,000 | 10,000 | (2,000) | -16.7% |
| Traffic Camera Hosting | 2,327 | 2,500 | 2,500 | - | 0.0% |
| Utilities | 199,529 | 195,000 | 195,000 | - | 0.0% |
| Toll System Parts and Supplies | 210,144 | 150,000 | 130,000 | (20,000) | -13.3% |
| (continued) | | | | | |

Expressway Fund Budget

| Expressway | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|--|----------------------------|----------------------------|----------------------------|------------------------------|----------------------|
| | Actual | Budget | Budget | \$ | % |
| Security System - Camera | | | | | |
| Maintenance | 7,084 | 10,000 | 10,000 | - | 0.0% |
| Traffic Cameras - Maintenance | - | 5,000 | 5,000 | - | 0.0% |
| Gate Claims | 4,522 | 5,000 | 5,000 | - | 0.0% |
| Office Supplies and Printing | 16,952 | 15,000 | 15,000 | - | 0.0% |
| Office Equipment | 4,169 | 5,000 | 5,000 | - | 0.0% |
| Miscellaneous Expenses | 1,136 | 1,000 | 1,000 | - | 0.0% |
| Operating | <u>6,443,638</u> | <u>6,893,801</u> | <u>6,211,497</u> | <u>(682,304)</u> | <u>-9.9%</u> |
| Toll Collection Total | <u>\$10,953,445</u> | <u>\$11,978,651</u> | <u>\$10,599,895</u> | <u>\$ (1,378,755)</u> | <u>-11.5%</u> |
| Maintenance | | | | | |
| Regular Pay | \$ 198,989 | \$ 217,570 | \$ 218,461 | \$ 891 | 0.4% |
| Overtime | 11,071 | 20,570 | 28,476 | 7,906 | 38.4% |
| Payroll Taxes | 15,659 | 18,220 | 18,891 | 671 | 3.7% |
| Retirement | 3,670 | 4,210 | 5,200 | 990 | 23.5% |
| Health Insurance | 45,779 | 68,111 | 63,086 | (5,025) | -7.4% |
| Group Life Insurance | 2,778 | 2,700 | 2,776 | 76 | 2.8% |
| Long Term Disability | - | 1,000 | - | (1,000) | -100.0% |
| Unemployment Benefits | - | - | - | - | 0.0% |
| Uniforms | 2,100 | 8,000 | 4,500 | (3,500) | -43.8% |
| Employee Mileage | 71 | - | - | - | 0.0% |
| Compensation and Benefits | <u>280,117</u> | <u>340,381</u> | <u>341,390</u> | <u>1,009</u> | <u>0.3%</u> |
| Annual Road Maintenance | 1,099,302 | 950,000 | 1,100,000 | 150,000 | 15.8% |
| Building and Janitorial Services | 25,182 | 22,000 | 25,000 | 3,000 | 13.6% |
| Materials & Supplies - Toll Plaza | 13,104 | 9,500 | 7,500 | (2,000) | -21.1% |
| Materials & Supplies - Traffic Control | 6,210 | 6,000 | 6,000 | - | 0.0% |
| Materials & Supplies - Grounds & Buildings | 53,905 | 48,000 | 48,000 | - | 0.0% |
| Materials & Supplies - Roadways | 10,608 | 15,000 | 10,000 | (5,000) | -33.3% |
| Grounds & Building Maintenance | 83,339 | 75,000 | 75,000 | - | 0.0% |
| Maintenance - Equipment Repair | 8,318 | 7,500 | 7,500 | - | 0.0% |
| Vehicle Operations and Maintenance | 44,102 | 50,000 | 50,000 | - | 0.0% |
| Operating | <u>1,344,070</u> | <u>1,183,000</u> | <u>1,329,000</u> | <u>146,000</u> | <u>12.3%</u> |
| Maintenance Total | <u>\$ 1,624,187</u> | <u>\$ 1,523,381</u> | <u>\$ 1,670,390</u> | <u>\$ 147,009</u> | <u>9.7%</u> |

Expressway Fund Budget

| Expressway | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|--|---------------------|---------------------|---------------------|-----------------------|---------------|
| | Actual | Budget | Budget | \$ | % |
| SCOP | | | | | |
| Regular Pay | \$ 143,011 | \$ 168,489 | \$ 146,082 | \$ (22,407) | -13.3% |
| Overtime | 1,599 | 2,125 | - | (2,125) | -100.0% |
| Payroll Taxes | 11,030 | 13,055 | 11,175 | (1,880) | -14.4% |
| Retirement | 2,551 | 2,455 | 3,041 | 586 | 23.9% |
| Health Insurance | 8,629 | 11,336 | 8,300 | (3,036) | -26.8% |
| Group Life Insurance | 774 | 740 | 754 | 14 | 1.9% |
| Long Term Disability | 592 | 750 | 638 | (112) | -14.9% |
| Uniforms | 4,469 | 6,000 | 5,000 | (1,000) | -16.7% |
| Compensation and Benefits | 172,655 | 204,950 | 174,990 | (29,960) | -14.6% |
| Communications Systems | 5,958 | 5,500 | 5,500 | - | 0.0% |
| Communications Equipment | 933 | 2,400 | 5,400 | 3,000 | 125.0% |
| Materials & Supplies - Traffic Control | 929 | 2,000 | 2,000 | - | 0.0% |
| Training and Development | 3,099 | 30,000 | 6,000 | (24,000) | -80.0% |
| Safety Program | 1,780 | 2,000 | 2,000 | - | 0.0% |
| Operating | 12,699 | 41,900 | 20,900 | (21,000) | -50.1% |
| SCOP Total | \$ 185,354 | \$ 246,850 | \$ 195,890 | \$ (50,960) | -20.6% |
| Administrative | | | | | |
| Telecommunications | \$ 27,470 | \$ 18,025 | \$ 17,250 | \$ (775) | -4.3% |
| Data Communications | 22,776 | 33,900 | 36,000 | 2,100 | 6.2% |
| Computer Service Agreements | 72,364 | 36,000 | 41,000 | 5,000 | 13.9% |
| Legal Services | 125,935 | 100,000 | 50,000 | (50,000) | -50.0% |
| Computer Hardware | 24,036 | 5,000 | 10,000 | 5,000 | 100.0% |
| Computer Software | 337 | 5,000 | 5,000 | - | 0.0% |
| Asset Management Software Hosting | 16,900 | 18,000 | 19,000 | 1,000 | 5.6% |
| Insurance | 347,810 | 372,750 | 387,660 | 14,910 | 4.0% |
| Trustee Services | 21,450 | 19,000 | 19,550 | 550 | 2.9% |
| Traffic and Revenue Consultant | 25,942 | 25,100 | 49,834 | 24,735 | 98.5% |
| Audit and Accounting Services | 55,438 | 65,250 | 60,000 | (5,250) | -8.0% |
| Credit Rating Fees | 15,500 | 20,000 | 24,000 | 4,000 | 20.0% |
| Financial Advisor | 40,000 | 25,000 | 18,000 | (7,000) | -28.0% |
| Investment Advisor | 60,641 | 58,200 | 51,000 | (7,200) | -12.4% |
| Administrative Total | \$ 856,599 | \$ 801,225 | \$ 788,294 | \$ (12,930) | -1.6% |
| Compensation and Benefits | \$ 4,962,579 | \$ 5,630,181 | \$ 4,904,778 | \$ (725,403) | -12.9% |
| Operations | 8,657,006 | 8,919,925 | 8,349,691 | (570,234) | -6.4% |
| Central Admin Allocation | 1,927,600 | 2,448,449 | 2,068,552 | (379,897) | -15.5% |
| Total Expenses | \$15,547,185 | \$16,998,555 | \$15,323,021 | \$ (1,675,534) | -9.9% |

Central Administration Fund Budget

Description

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

Significant Budgetary Changes

- *Compensation and benefits*: Salaries are reduced in FY 2021 due to a restructure of personnel, elimination of open positions, and a wage freeze. For FY 2021, employee health care premiums decreased significantly due to the savings from a new healthcare plan.
- *OPEB Trust Contribution*: Decrease of \$200,000 as Trust is funded at 103% per June 30 valuation.
- *Legal*: FY 2021 increase of \$90,000 reflects historical trend utilization.
- *Training and Development*: Decrease of \$38,000 due to cancellations from COVID-19.

Central Administration Fund Budget

| Central Administration | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|--|---------------------|---------------------|---------------------|---------------------|---------------|
| | Actual | Budget | Budget | \$ | % |
| Administration | | | | | |
| Regular Pay | \$ 491,641 | \$ 607,250 | \$ 506,301 | \$ (100,949) | -16.6% |
| Overtime | - | - | - | - | 0.0% |
| Payroll Taxes | 32,379 | 42,460 | 35,035 | (7,425) | -17.5% |
| Retirement | 41,397 | 45,720 | 50,126 | 4,406 | 9.6% |
| Health Insurance | 129,866 | 107,100 | 99,416 | (7,684) | -7.2% |
| Group Life Insurance | 6,738 | 7,730 | 6,564 | (1,166) | -15.1% |
| Long Term Disability | 4,239 | 5,000 | 5,532 | 532 | 10.6% |
| Unemployment Benefits | - | - | 5,000 | 5,000 | 0.0% |
| OPEB Trust Contribution | 300,000 | 300,000 | 100,000 | (200,000) | -66.7% |
| Compensation and Benefits | 1,006,260 | 1,115,260 | 807,974 | (307,286) | -27.6% |
| Telecommunications | 7,440 | 8,400 | 10,000 | 1,600 | 19.0% |
| Data Communications | 4,667 | 13,200 | 3,500 | (9,700) | -73.5% |
| Computer Service Agreements | 26,482 | 24,500 | 29,500 | 5,000 | 20.4% |
| Consulting Services | - | - | 17,000 | 17,000 | 0.0% |
| Legal Services | 178,706 | 110,000 | 200,000 | 90,000 | 81.8% |
| Office Lease and Parking | 190,341 | 210,500 | 213,000 | 2,500 | 1.2% |
| Miscellaneous Expenses | - | 1,000 | 1,000 | - | 0.0% |
| Computer Hardware | 27,081 | 28,900 | 10,600 | (18,300) | -63.3% |
| Computer Software | 944 | 9,510 | 5,000 | (4,510) | -47.4% |
| Web Site Development | - | 1,000 | 2,000 | 1,000 | 100.0% |
| Board Attendance Fees | 6,453 | 9,000 | 7,000 | (2,000) | -22.2% |
| Board Expenses - Other | 7,114 | 10,000 | 7,500 | (2,500) | -25.0% |
| Professional Memberships and Subscriptions | 26,340 | 34,090 | 33,975 | (115) | -0.3% |
| Training and Development | 26,992 | 38,500 | 22,300 | (16,200) | -42.1% |
| Public Relations | 2,432 | 15,000 | 10,000 | (5,000) | -33.3% |
| Community Outreach | - | 15,000 | 5,000 | (10,000) | -66.7% |
| Operating | 504,991 | 528,600 | 577,375 | 48,775 | 9.2% |
| Administration Total | \$ 1,511,251 | \$ 1,643,860 | \$ 1,385,349 | \$ (258,511) | -15.7% |
| Engineering | | | | | |
| Regular Pay | \$ 131,995 | \$ 235,347 | \$ 234,021 | \$ (1,326) | -0.6% |
| Overtime | - | - | - | - | 0.0% |
| Payroll Taxes | 9,778 | 17,850 | 17,903 | 53 | 0.3% |
| Retirement | 8,801 | 10,725 | 10,749 | 24 | 0.2% |
| Health Insurance | 8,663 | 40,166 | 27,557 | (12,609) | -31.4% |
| Group Life Insurance | 1,863 | 3,085 | 3,136 | 51 | 1.7% |
| Long Term Disability | 1,188 | 2,750 | 2,336 | (414) | -15.1% |
| Compensation and Benefits | 162,288 | 309,923 | 295,702 | (14,221) | -4.6% |
| Professional Memberships and Subscriptions | 35 | 750 | 630 | (120) | -16.0% |
| Training and Development | 6,971 | 7,500 | - | (7,500) | -100.0% |
| Operating | 7,006 | 8,250 | 630 | (7,620) | -92.4% |
| Engineering Total | \$ 169,294 | \$ 318,173 | \$ 296,332 | \$ (21,841) | -6.9% |

| Central Administration | FY2019 | FY2020 | FY2021 | FY2020 to FY2021 | |
|--|---------------------|---------------------|---------------------|---------------------|---------------|
| | Actual | Budget | Budget | \$ | % |
| Finance | | | | | |
| Regular Pay | \$ 350,759 | \$ 347,250 | \$ 336,613 | \$ (10,637) | -3.1% |
| Overtime | 5,049 | 2,870 | 884 | (1,986) | -69.2% |
| Payroll Taxes | 21,658 | 26,785 | 25,818 | (967) | -3.6% |
| Retirement | 5,835 | 5,810 | 11,989 | 6,179 | 106.4% |
| Health Insurance | 44,525 | 60,050 | 53,991 | (6,059) | -10.1% |
| Group Life Insurance | 3,294 | 4,000 | 4,025 | 25 | 0.6% |
| Long Term Disability | 1,757 | 2,000 | 2,130 | 130 | 6.5% |
| Compensation and Benefits | 432,877 | 448,765 | 435,450 | (13,315) | -3.0% |
| Payroll Systems and Services | 31,543 | 33,450 | 27,600 | (5,850) | -17.5% |
| Accounting System and Services | 19,812 | 21,350 | 14,000 | (7,350) | -34.4% |
| OPEB Actuarial Valuation | - | 6,500 | 7,000 | 500 | 7.7% |
| Professional Memberships and Subscriptions | 1,252 | 2,650 | 2,760 | 110 | 4.2% |
| Training and Development | 1,021 | 6,500 | 1,000 | (5,500) | -84.6% |
| Operating | 53,628 | 70,450 | 52,360 | (18,090) | -25.7% |
| Finance Total | \$ 486,505 | \$ 519,215 | \$ 487,810 | \$ (31,405) | -6.0% |
| Human Resources | | | | | |
| Regular Pay | \$ 234,030 | \$ 250,195 | \$ 248,674 | \$ (1,521) | -0.6% |
| Overtime | 504 | 800 | 396 | (404) | -50.5% |
| Payroll Taxes | 16,696 | 19,200 | 19,054 | (146) | -0.8% |
| Retirement | 10,890 | 11,075 | 13,144 | 2,069 | 18.7% |
| Health Insurance | 55,602 | 70,850 | 39,163 | (31,687) | -44.7% |
| Group Life Insurance | 2,931 | 3,025 | 3,070 | 45 | 1.5% |
| Long Term Disability | 1,985 | 2,500 | 2,091 | (409) | -16.4% |
| Employee Mileage | 8 | 50 | - | (50) | -100.0% |
| Compensation and Benefits | 322,646 | 357,695 | 325,592 | (32,103) | -9.0% |
| Document Storage | 1,590 | 2,000 | 2,000 | - | 0.0% |
| Copier Lease | 6,801 | 7,500 | 3,500 | (4,000) | -53.3% |
| Postage Machine | 3,952 | 3,750 | 4,000 | 250 | 6.7% |
| Benefits Consultant | 48,355 | 35,000 | 38,500 | 3,500 | 10.0% |
| Office Supplies and Printing | 7,866 | 7,000 | 5,500 | (1,500) | -21.4% |
| Office Equipment | 14,953 | 5,000 | - | (5,000) | -100.0% |
| Miscellaneous Expenses | 1,227 | 1,500 | 1,000 | (500) | -33.3% |
| Professional Memberships and Subscriptions | 402 | 750 | 750 | - | 0.0% |
| Training and Development | 9,174 | 13,300 | 4,000 | (9,300) | -69.9% |
| Personnel - Employment | 4,343 | 5,000 | 5,000 | - | 0.0% |
| Personnel - Employee Relations | 4,200 | 13,000 | 10,000 | (3,000) | -23.1% |
| Tuition Assistance | - | 5,500 | - | (5,500) | -100.0% |
| Operating | 102,863 | 99,300 | 74,250 | (25,050) | -25.2% |
| Human Resources Total | \$ 425,509 | \$ 456,995 | \$ 399,842 | \$ (57,153) | -12.5% |
| Compensation and Benefits | \$ 1,924,071 | \$ 2,231,643 | \$ 1,864,718 | \$ (366,925) | -16.4% |
| Operations | 668,488 | 706,600 | 704,615 | (1,985) | -0.3% |
| Total Expenses | \$ 2,592,559 | \$ 2,938,243 | \$ 2,569,333 | \$ (368,910) | -12.6% |

Expressway Capital Budget

Capital Budget Overview

Overview

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

Asset Maintenance Approach

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

Capital Budget Development

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

Grouping

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

Funding Sources

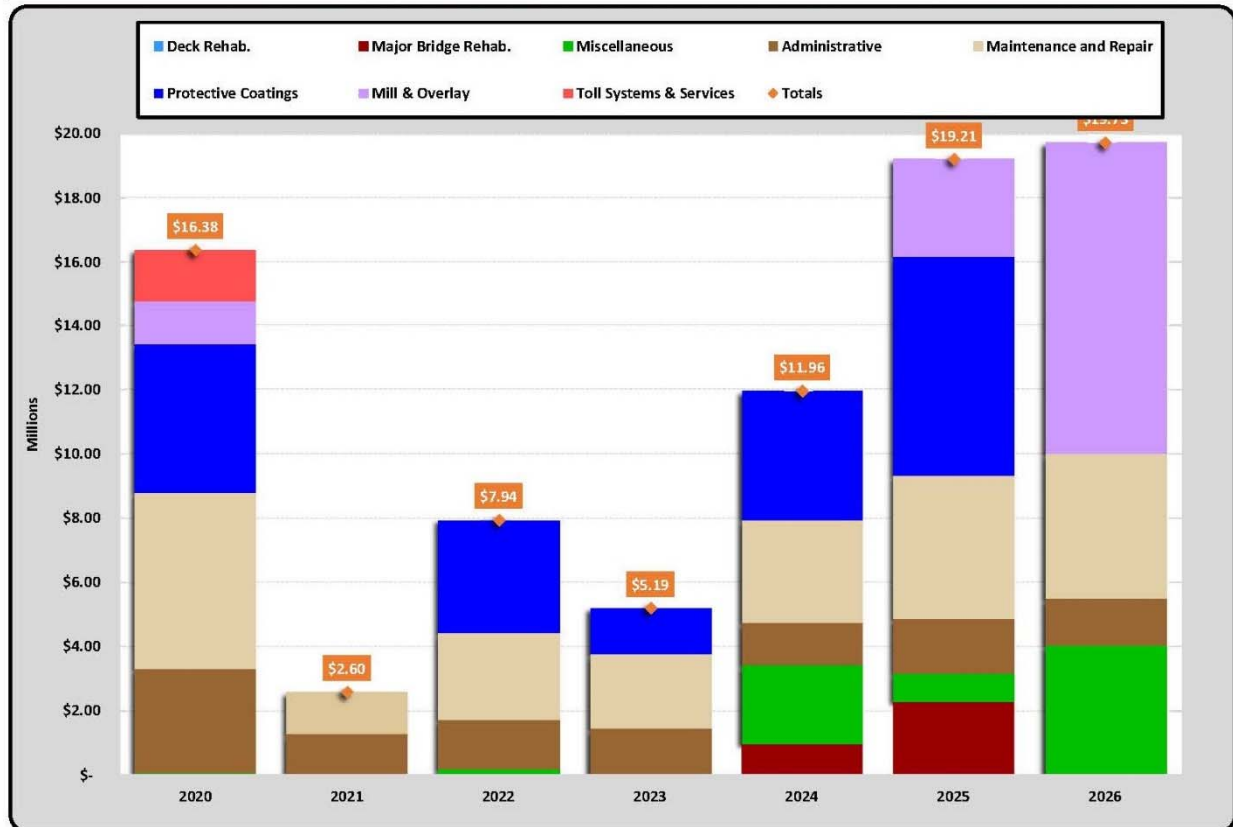
The Authority primarily funds its Capital Budget through current revenues, with debt funding used as appropriate. As indicated in its adopted financial policies, the Authority's goal is to have cash balances on hand as of June 30th to fully fund the next fiscal year's Capital Budget. See the Long-Term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

Presentation

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

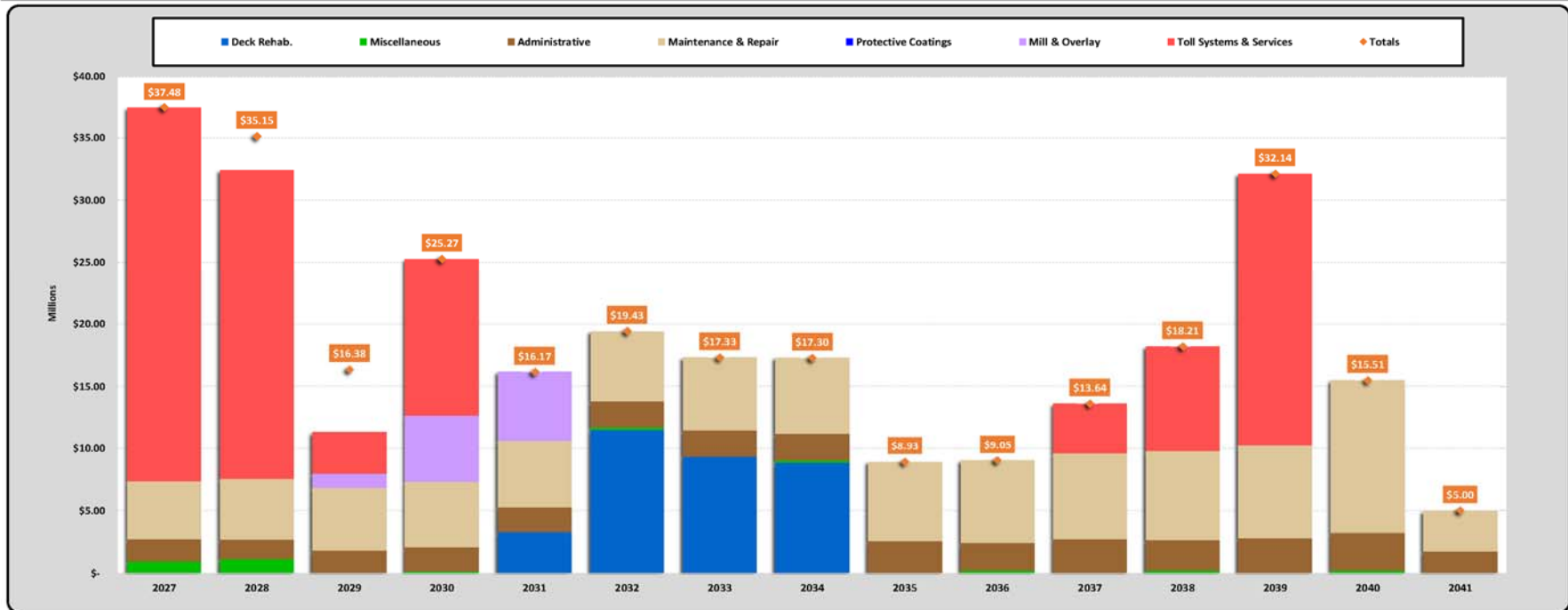
Executive Summary by Category & Fiscal Year (2020 - 2026)

| Category | 2020-2026 | | | | | | | |
|-----------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| | Totals | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| Deck Rehab. | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Maintenance & Repair | \$ 23,991,153 | \$ 5,482,067 | \$ 1,317,930 | \$ 2,681,676 | \$ 2,310,471 | \$ 3,205,880 | \$ 4,472,903 | \$ 4,520,226 |
| Protective Coatings | \$ 20,417,466 | \$ 4,605,200 | \$ - | \$ 3,531,511 | \$ 1,433,077 | \$ 4,014,955 | \$ 6,832,723 | \$ - |
| Mill & Overlay | \$ 14,193,567 | \$ 1,393,600 | \$ - | \$ - | \$ - | \$ - | \$ 3,062,072 | \$ 9,737,895 |
| Major Bridge Rehab. | \$ 3,250,896 | \$ - | \$ - | \$ - | \$ - | \$ 973,322 | \$ 2,277,574 | \$ - |
| Toll Systems & Services | \$ 1,588,663 | \$ 1,588,663 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debris | \$ 423,599 | \$ - | \$ - | \$ 146,232 | \$ - | \$ 132,615 | \$ - | \$ 144,752 |
| Roadway Enhancement Project | \$ 432,552 | \$ 73,840 | \$ 54,080 | \$ 56,243 | \$ 58,493 | \$ 60,833 | \$ 63,266 | \$ 65,797 |
| Sign | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Under Water | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Misc. | \$ 6,894,528 | \$ - | \$ - | \$ - | \$ - | \$ 2,250,808 | \$ 822,457 | \$ 3,821,263 |
| Miscellaneous | \$ 7,750,679 | \$ 73,840 | \$ 54,080 | \$ 202,475 | \$ 58,493 | \$ 2,444,256 | \$ 885,723 | \$ 4,031,812 |
| Expressway Admin. | \$ 5,437,673 | \$ 2,208,800 | \$ 500,781 | \$ 517,437 | \$ 520,587 | \$ 541,411 | \$ 563,067 | \$ 585,590 |
| Vehicles | \$ 278,343 | \$ 45,760 | \$ - | \$ 67,492 | \$ 70,192 | \$ - | \$ 94,899 | \$ - |
| GEC & Inspection only | \$ 6,104,845 | \$ 982,800 | \$ 722,509 | \$ 939,261 | \$ 801,353 | \$ 778,658 | \$ 1,024,908 | \$ 855,356 |
| Administrative | \$ 11,820,860 | \$ 3,237,360 | \$ 1,223,290 | \$ 1,524,190 | \$ 1,392,132 | \$ 1,320,068 | \$ 1,682,874 | \$ 1,440,946 |
| Totals | \$ 83,013,284 | \$ 16,380,730 | \$ 2,595,300 | \$ 7,939,852 | \$ 5,194,173 | \$ 11,958,481 | \$ 19,213,870 | \$ 19,730,878 |



Executive Summary by Category & Fiscal Year (2027-2041)

| Category | 2027-2041 | | | | | | | | | | | | | | | |
|-----------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| | Totals | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 |
| Deck Rehab. | \$ 32,946,799 | \$ - | \$ - | \$ - | \$ - | \$ 3,282,116 | \$ 11,489,007 | \$ 9,351,053 | \$ 8,824,623 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Maintenance & Repair | \$ 92,529,612 | \$ 4,632,606 | \$ 4,817,910 | \$ 5,010,627 | \$ 5,211,052 | \$ 5,419,494 | \$ 5,636,274 | \$ 5,861,725 | \$ 6,096,194 | \$ 6,340,042 | \$ 6,593,643 | \$ 6,857,389 | \$ 7,131,684 | \$ 7,416,952 | \$ 12,271,166 | \$ 3,232,854 |
| Protective Coatings | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Mill & Overlay | \$ 11,954,262 | \$ - | \$ - | \$ 1,115,956 | \$ 5,330,755 | \$ 5,507,551 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Major Bridge Rehab. | \$ 7,737,123 | \$ - | \$ 2,704,292 | \$ 5,032,831 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Toll Systems & Services | \$ 105,434,822 | \$ 30,108,519 | \$ 24,907,957 | \$ 3,404,562 | \$ 12,623,523 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,051,633 | \$ 8,427,397 | \$ 21,911,231 | \$ - | \$ - | |
| Debris | \$ 1,403,852 | \$ - | \$ 156,564 | \$ - | \$ 169,340 | \$ - | \$ 183,158 | \$ - | \$ 198,104 | \$ - | \$ 214,269 | \$ - | \$ 231,753 | \$ - | \$ 250,664 | |
| Roadway Enhancement Project | \$ 139,594 | \$ 68,428 | \$ 71,166 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Sign | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Under Water | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Misc. | \$ 1,825,461 | \$ 894,834 | \$ 930,627 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Miscellaneous | \$ 3,368,907 | \$ 963,262 | \$ 1,158,357 | \$ - | \$ 169,340 | \$ - | \$ 183,158 | \$ - | \$ 198,104 | \$ - | \$ 214,269 | \$ - | \$ 231,753 | \$ - | \$ 250,664 | |
| Expressway Admin. | \$ 12,966,963 | \$ 609,013 | \$ 633,374 | \$ 658,709 | \$ 685,057 | \$ 800,516 | \$ 832,537 | \$ 865,838 | \$ 900,472 | \$ 936,491 | \$ 973,950 | \$ 1,012,908 | \$ 1,053,425 | \$ 1,095,562 | \$ 1,139,384 | \$ 769,727 |
| Vehicles | \$ 920,358 | \$ 102,643 | \$ - | \$ 111,018 | \$ - | \$ 120,077 | \$ - | \$ 129,876 | \$ - | \$ 140,474 | \$ - | \$ 151,936 | \$ - | \$ 164,334 | \$ - | |
| GEC & Inspection only | \$ 19,143,942 | \$ 1,060,641 | \$ 925,153 | \$ 1,050,973 | \$ 1,246,958 | \$ 1,040,671 | \$ 1,290,432 | \$ 1,125,590 | \$ 1,278,670 | \$ 1,517,115 | \$ 1,266,135 | \$ 1,570,008 | \$ 1,369,452 | \$ 1,555,697 | \$ 1,845,802 | \$ 1,000,645 |
| Administrative | \$ 33,031,266 | \$ 1,772,297 | \$ 1,558,527 | \$ 1,820,700 | \$ 1,932,016 | \$ 1,961,265 | \$ 2,122,969 | \$ 2,121,304 | \$ 2,179,142 | \$ 2,594,080 | \$ 2,240,085 | \$ 2,734,853 | \$ 2,422,877 | \$ 2,815,593 | \$ 2,985,186 | \$ 1,770,372 |
| Totals | \$ 287,002,792 | \$ 37,476,684 | \$ 35,147,043 | \$ 16,384,676 | \$ 25,266,686 | \$ 16,170,426 | \$ 19,431,408 | \$ 17,334,082 | \$ 17,298,063 | \$ 8,934,122 | \$ 9,047,997 | \$ 13,643,875 | \$ 18,213,711 | \$ 32,143,776 | \$ 15,507,016 | \$ 5,003,227 |



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)

| | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | Total |
|-------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| Routine Maintenance | | | | | | | |
| Maintenance and Repair | \$ 1,318 | \$ 2,828 | \$ 2,310 | \$ 3,338 | \$ 4,473 | \$ 4,665 | \$ 18,932 |
| Protective Coatings | - | 3,532 | 1,433 | 4,015 | 6,833 | - | 15,813 |
| Inspections and GEC | 723 | 939 | 801 | 779 | 1,025 | 855 | 5,122 |
| Administrative | 501 | 517 | 521 | 541 | 563 | 586 | 3,229 |
| Vehicle Replacement | - | 67 | 70 | - | 95 | - | 232 |
| Subtotal | <u>2,542</u> | <u>7,883</u> | <u>5,135</u> | <u>8,673</u> | <u>12,989</u> | <u>6,106</u> | <u>43,328</u> |
| Capital Improvement Projects | | | | | | | |
| Mill & Overlay | - | - | - | - | 3,062 | 9,738 | 12,800 |
| Tunnel Restoration | - | - | - | 2,251 | 822 | 3,821 | 6,894 |
| Bridge Rehabilitation | - | - | - | 973 | 2,278 | - | 3,251 |
| Roadway Enhancement | 54 | 56 | 58 | 61 | 63 | 66 | 358 |
| Subtotal | <u>54</u> | <u>56</u> | <u>58</u> | <u>3,285</u> | <u>6,225</u> | <u>13,625</u> | <u>23,303</u> |
| Total | <u>\$ 2,596</u> | <u>\$ 7,939</u> | <u>\$ 5,193</u> | <u>\$ 11,958</u> | <u>\$ 19,214</u> | <u>\$ 19,731</u> | <u>\$ 66,631</u> |

Routine Maintenance

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

Capital Improvement Projects

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

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

Six Year Plan

Change to Previous FY 2020 Estimate

| | FY2020 Prior Year Estimate | Adjustments | FY2020 Capital Plan |
|-------------------------------------|-------------------------------|---------------------|------------------------|
| Routine Maintenance | | | |
| Maintenance and Repair | \$ 4,982,067 | \$ 500,000 | \$ 5,482,067 |
| Protective Coatings | 2,605,200 | 2,000,000 | 4,605,200 |
| Inspections and General Engineering | 982,800 | 100,000 | 1,082,800 |
| Administrative | 488,800 | 1,620,000 | 2,108,800 |
| Vehicle Replacement | 45,760 | - | 45,760 |
| Subtotal | 9,104,627 | 4,220,000 | 13,324,627 |
| Capital Improvement Projects | | | |
| Mill & Overlay | 1,393,600 | - | 1,393,600 |
| Toll Systems and Services | - | 1,588,663 | 1,588,663 |
| Roadway Enhancement | 73,840 | - | 73,840 |
| Subtotal | 1,467,440 | 1,588,663 | 3,056,103 |
| Total | \$ 10,572,067 | \$ 5,808,663 | \$ 16,380,730 |

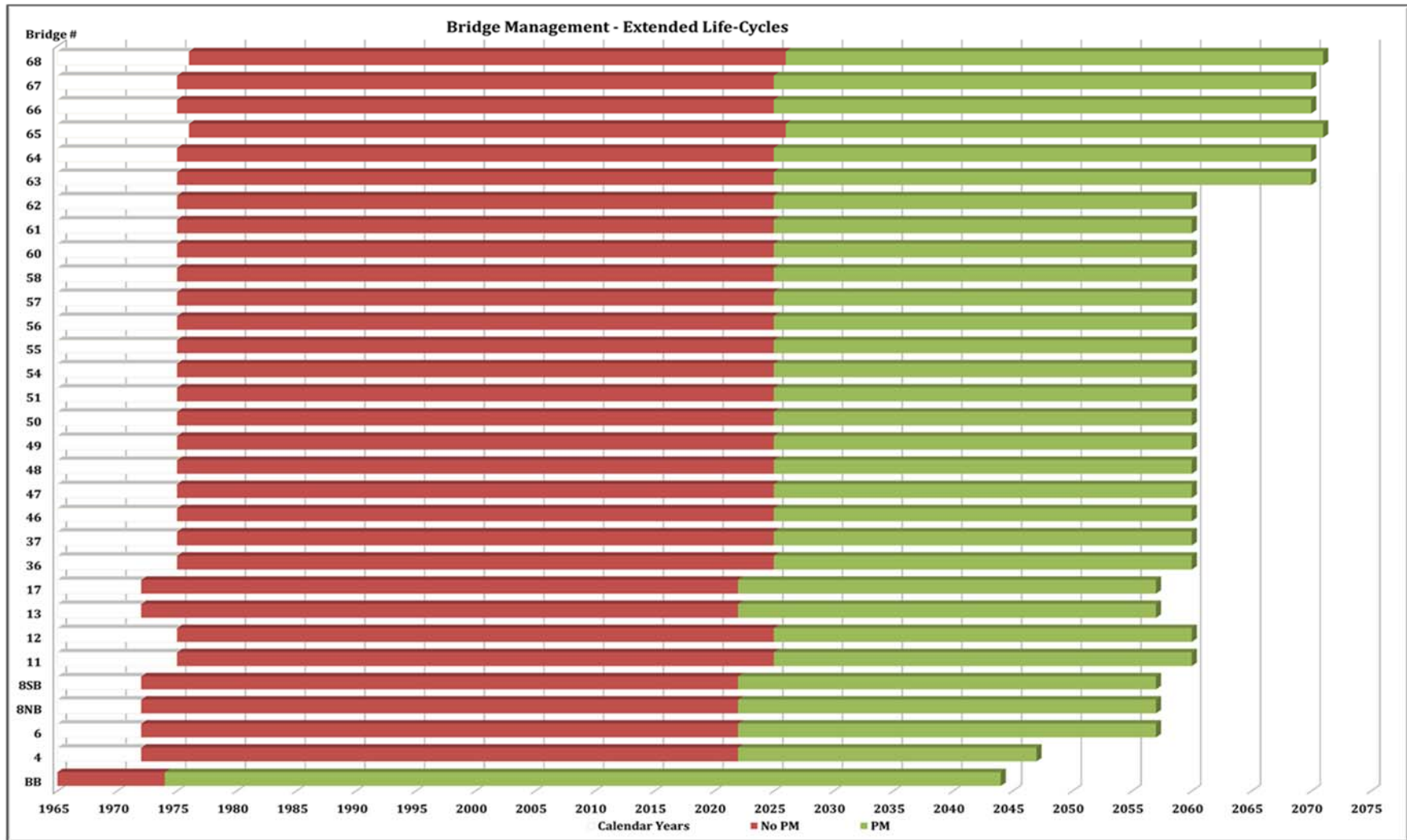
The FY 2020 estimate as shown in the prior year budget (\$10.6 million) requires certain adjustments due to timing, scope, or cost changes to reflect the appropriate adjusted budget. The \$5.8M increase for FY 2020 is due to:

- A smaller contractor pool resulting in less competitive pricing on a higher contract value for protective coatings along with rigging & containment costs for the Boulevard Bridge
- Significant administrative costs for the Toll System project and increased equipment and implementation costs.

These increases are offset by savings from the Mill & Overlay and Prior Protective Coating projects.

Any future timing, scope, or cost changes to the FY 2021 capital budget estimate of \$2.6 million will be outlined in next year's budget document.

Bridge Management Life Cycle



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

Project Pages

Maintenance and Repair

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

The M&R project also includes the required steel repairs and retrofits as the needs are identified during the annual bridge inspections. These steel repairs are an integral part to the RMTA's asset management program which is driven by the RMTA policy goals and objectives that define the required condition of assets, the levels of performance, and the quality of services to meet customer needs. Routinely performing the necessary steel repairs and retrofits helps to extend the use life of the assets. These preservation activities typically cost much less than major reconstruction or replacement activities that delaying or forgoing the required steel repairs will result in.

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

Location: As needed throughout the Expressway System.

Estimated Useful Life: Varies based on the repair type.

Operating Budget Impact: None.

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

Project Pages

Protective Coatings

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

Location: As needed throughout the Expressway System.

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

Operating Budget Impact: None.

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

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

- FY 2018-2020 – Full bridge coatings: Interstate 95 ramps (2018-2019) and Boulevard Bridge (2019-2020). Interstate 95 ramps had a full coating in 1991 (27 years between applications) and Boulevard Bridge had a full coating in 1993 (26 years between applications).
- FY 2021-2022 – Zone coatings only: limited to five feet on both sides of bridge piers and end diaphragms; encompasses various bridges and other miscellaneous coatings, including all new steel from steel repairs.
- 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)

Inspections and GEC

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

Operating Budget Impact: None.

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

Other Notes: Inspection estimates in FY 2020 (\$57k) includes costs for periodic overhead signs and ancillary structures inspections. Inspection estimate for FY 2020 (\$680k) includes cost for element level inspection for Authority bridges and pavement and required underwater bridge pier inspections. FY 2021 (\$280k) includes the inspection estimate for Authority bridges and pavement.

Project Pages

Administrative

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

Operating Budget Impact: None.

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

Vehicle Replacement

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

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

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

Deck Rehabilitation

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

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

Operating Budget Impact: None.

Project Pages

Mill & Overlay

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

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

Location: Downtown Expressway.

Estimated Useful Life: 15-20 years.

Operating Budget Impact: None.

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

Project Pages

Roadway Enhancement

Description: The Roadway Enhancement project is an ongoing project to visually enhance the median and shoulders of the Downtown Expressway. Enhancements primarily consist of increased landscaping efforts, the planting of low maintenance blooming plants, the removal and/or trimming of aged plants, and fencing replacement along the Downtown Expressway. The project began in FY 2013 and is expected to continue through FY 2022, where it will then resume periodically as necessary.

Location: Downtown Expressway.

Estimated Useful Life: Variable.

Operating Budget Impact: None.

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

Capital Projects Operating Costs Impact Summary

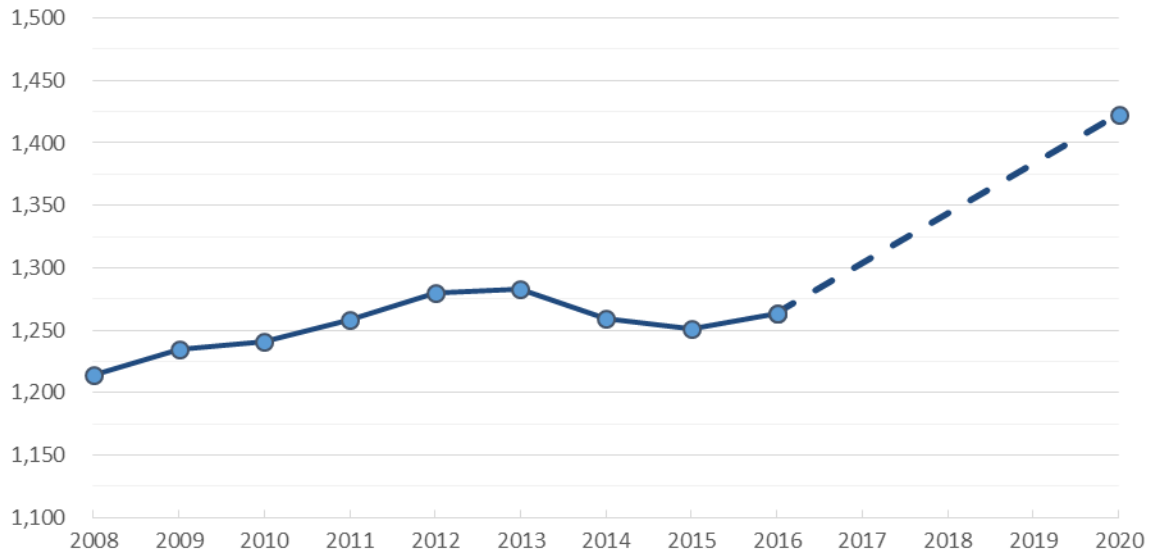
| Capital Improvement Projects: FY 2021 Operating Costs Impact | | | | | | | | |
|--|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Description | Long-term | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | 6-Year Total |
| | Operating Costs | | | | | | | |
| Expressway Maintenance & Repair | No impact | | | | | | | |
| Protective Bridge Coatings | No impact | | | | | | | |
| Vehicle Replacement | No impact - fleet maintenance is budgeted | | | | | | | |
| Deck Rehabilitation | No impact | | | | | | | |
| Mill & Overlay | No impact | | | | | | | |
| Toll Systems and Services | Increased maintenance costs due to additional equipment (1) | \$ 280,000 | \$ 350,000 | \$ 450,000 | \$ 450,000 | \$ 450,000 | \$ 450,000 | \$ 2,430,000 |
| Roadway Enhancement | No impact | | | | | | | |
| | Total | \$ 280,000 | \$ 350,000 | \$ 450,000 | \$ 450,000 | \$ 450,000 | \$ 450,000 | \$ 2,430,000 |

(1) estimate based on current trends and contracted maintenance

Supplemental Information

Estimated Population, Richmond Metropolitan Area

Estimated Population, Richmond Metropolitan Area (in thousands)



| Fiscal Year | City of Richmond | Chesterfield County | Henrico County | Participating Jurisdictions | Other Service Area | Total |
|-------------|------------------|---------------------|----------------|-----------------------------|--------------------|-----------|
| 2005 | 195,400 | 284,400 | 283,800 | 763,600 | 400,200 | 1,163,800 |
| 2006 | 194,500 | 292,000 | 287,500 | 774,000 | 406,200 | 1,180,200 |
| 2007 | 197,000 | 297,400 | 291,400 | 785,800 | 411,800 | 1,197,600 |
| 2008 | 198,800 | 302,300 | 296,100 | 797,200 | 417,100 | 1,214,300 |
| 2009 | 201,300 | 308,400 | 300,200 | 809,900 | 424,300 | 1,234,200 |
| 2010 | 198,200 | 311,600 | 304,600 | 814,400 | 426,900 | 1,241,300 |
| 2011 | 204,200 | 316,200 | 306,900 | 827,300 | 430,900 | 1,258,200 |
| 2012 | 206,200 | 319,600 | 310,700 | 836,500 | 443,800 | 1,280,300 |
| 2013 | 208,800 | 322,400 | 314,900 | 846,100 | 436,400 | 1,282,500 |
| 2014 | 211,172 | 326,950 | 316,973 | 855,095 | 404,171 | 1,259,266 |
| 2015 | 213,504 | 330,043 | 318,019 | 861,566 | 389,477 | 1,251,043 |
| 2016 | 217,938 | 333,450 | 320,717 | 872,105 | 391,512 | 1,263,617 |
| 2017 | 221,679 | 333,963 | 321,233 | 876,875 | 392,254 | 1,269,129 |
| 2018 | 222,853 | 340,020 | 324,395 | 887,268 | 395,693 | 1,282,961 |
| 2019 | 226,919 | 346,357 | 326,993 | 900,269 | 399,001 | 1,299,270 |
| 2020 (1) | 206,674 | 388,894 | 352,577 | 948,146 | 474,574 | 1,422,720 |

(1) Population projection based on November 2012 data.

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

Principal Employers, Richmond Metropolitan Area

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Employer | | | | | | | | | | |
| Virginia Commonwealth University | 1 | 1 | 1 | 2 | 2 | 2 | 1 | 1 | 1 | 1 |
| Capital One Bank | 4 | 4 | 2 | 1 | 1 | 1 | 2 | 2 | 3 | 2 |
| Henrico County School Board | 3 | 2 | 3 | 4 | 4 | 3 | 3 | 3 | 7 | 7 |
| Chesterfield County School Board | 2 | 3 | 4 | 3 | 3 | 4 | 4 | 5 | 6 | 6 |
| MCV Hospital | 5 | 5 | 5 | 6 | 6 | 5 | 5 | 4 | 2 | 3 |
| Bon Secours Health System | 6 | 7 | 6 | 9 | 8 | 7 | 6 | 7 | 4 | 4 |
| HCA Virginia Health System | - | - | - | 5 | 5 | 6 | 7 | 6 | 5 | 5 |
| US Department of Defense | 8 | 6 | 7 | 8 | 9 | 8 | 8 | 9 | 8 | 9 |
| Wal-Mart | 7 | 8 | 8 | 7 | 7 | 9 | 9 | 8 | 9 | 8 |
| Amazon | - | - | - | - | - | - | - | 10 | 10 | 10 |
| Integrity Staffing Solutions | - | - | - | - | 10 | 10 | 10 | - | - | - |
| Richmond City Public Schools | 9 | 9 | 9 | 10 | - | - | - | - | - | - |
| County of Henrico | - | - | 10 | - | - | - | - | - | - | - |
| City of Richmond | 10 | 10 | - | - | - | - | - | - | - | - |

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

(2) The Virginia Employment Commission does not disclose the actual number of employees, due to the Confidential Information Protection and Statistical Efficiency Act – Title V of Public Law 107-347. All employers have over 1,000 individuals employed.

Sources: Virginia Employment Commission

Expressway Toll Rates, Current and Historical

Two-Axle Vehicles

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

Three-Axle Vehicles

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

Four-Axle Vehicles

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

Five or More-Axle Vehicles

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

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

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

Operating Indicators

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue (1): | | | | | | | | | | |
| Powwhite Parkway | \$21,182,480 | \$21,650,023 | \$22,197,895 | \$22,399,507 | \$22,868,671 | \$23,606,375 | \$24,796,353 | \$25,470,997 | \$25,721,280 | \$25,892,404 |
| Downtown Expressway | 11,421,500 | 11,791,817 | 11,900,320 | 12,210,502 | 12,823,395 | 13,061,678 | 13,674,656 | 13,979,051 | 14,216,747 | 14,359,468 |
| Boulevard Bridge | 1,610,910 | 1,607,330 | 1,583,026 | 1,555,089 | 1,515,723 | 1,492,920 | 1,523,353 | 1,510,119 | 1,448,133 | 1,419,349 |
| Total | \$34,214,890 | \$35,049,170 | \$35,681,241 | \$36,165,098 | \$37,207,789 | \$38,160,973 | \$39,994,362 | \$40,960,167 | \$41,386,160 | \$41,671,221 |
| Traffic: | | | | | | | | | | |
| Powwhite Parkway | 31,057,461 | 31,787,393 | 32,666,065 | 32,842,238 | 33,554,196 | 34,579,728 | 36,350,428 | 37,354,162 | 37,689,222 | 38,172,792 |
| Downtown Expressway | 18,326,751 | 18,838,516 | 19,002,222 | 19,344,609 | 20,225,578 | 20,623,336 | 21,561,269 | 21,863,219 | 22,452,344 | 22,701,568 |
| Boulevard Bridge | 4,619,608 | 4,575,223 | 4,562,253 | 4,426,225 | 4,312,318 | 4,262,366 | 4,343,172 | 4,332,640 | 4,206,077 | 4,046,748 |
| Total | 54,003,820 | 55,201,132 | 56,230,540 | 56,613,072 | 58,092,092 | 59,465,430 | 62,254,869 | 63,550,021 | 64,347,643 | 64,921,108 |
| Avg. Toll (2) | \$0.63 | \$0.63 | \$0.63 | \$0.64 | \$0.64 | \$0.64 | \$0.64 | \$0.64 | \$0.64 | \$0.64 |
| E-ZPass % (3) | 58.1% | 59.6% | 60.6% | 62.0% | 63.0% | 64.9% | 66.5% | 68.6% | 70.6% | 72.0% |
| Lane Miles | 49.90 | 49.90 | 49.90 | 50.15 | 50.15 | 50.15 | 50.15 | 50.15 | 50.15 | 50.15 |

- (1) Toll revenue excludes violation processing revenue. Toll rates were last increased in September 2008 (FY 2009).
- (2) Average toll is determined by dividing toll revenue by traffic volumes.
- (3) Transactions paid via Electronic Toll Collection (ETC, or E-ZPass) as a percentage of total traffic.

Personnel Complement, Budgeted Positions

| Department | Position | FY2019 | FY2020 | FY2021 | Change |
|------------------------------|-----------------------------------|--------------|--------------|--------------|--------------|
| Expressway Operations | | | | | |
| Toll Collection | Floating Supervisor | 2.0 | 2.0 | 1.0 | (1.0) |
| Toll Collection | Plaza Superintendent | 2.0 | 2.0 | 2.0 | - |
| Toll Collection | Senior Toll Collection Attendant | 8.0 | 8.0 | 7.0 | (1.0) |
| Toll Collection | Toll Collection Attendant | 54.0 | 55.0 | 52.0 | (3.0) |
| Toll Collection | Toll Collection Supervisor | 18.0 | 16.0 | 16.0 | - |
| Toll Collection | Toll Maintenance Administrator | 1.0 | 1.0 | 1.0 | - |
| Toll Collection | Toll Maintenance Assistant | 1.0 | 1.0 | 1.0 | - |
| Toll Collection | Vault Attendant | 4.0 | 4.0 | 4.0 | - |
| Toll Collection | Total | 90.0 | 88.0 | 84.0 | (5.0) |
| Maintenance | Maintenance Supervisor | 1.0 | 1.0 | 1.0 | - |
| Maintenance | Maintenance Worker | 5.0 | 5.0 | 5.0 | - |
| Maintenance | Total | 6.0 | 6.0 | 6.0 | - |
| SCOP | Lead Police Officer | 1.0 | 1.0 | 1.0 | - |
| SCOP | Special Police Officer | 2.0 | 2.0 | 2.0 | - |
| SCOP | Total | 3.0 | 3.0 | 3.0 | - |
| Administration | Chief Executive Officer | 1.0 | 1.0 | 1.0 | - |
| Administration | Chief of Staff | 1.0 | 1.0 | 1.0 | - |
| Administration | Information Systems Manager | - | 1.0 | - | (1.0) |
| Administration | Information Systems Administrator | 1.0 | 1.0 | 1.0 | - |
| Administration | Internal Auditor | 1.0 | 1.0 | 1.0 | - |
| Administration | Total | 4.0 | 5.0 | 4.0 | (1.0) |
| Engineering | Director of Operations | 1.0 | 1.0 | 1.0 | - |
| Engineering | Engineer | 1.0 | 1.0 | 1.0 | - |
| Engineering | Total | 2.0 | 2.0 | 2.0 | - |
| Finance | Director of Finance | 1.0 | 1.0 | 1.0 | - |
| Finance | Controller | 1.0 | 1.0 | 1.0 | - |
| Finance | Accounting Supervisor | 1.0 | 1.0 | 1.0 | - |
| Finance | Accounting Technician | 1.5 | 1.5 | 1.5 | - |
| Finance | Total | 4.5 | 4.5 | 4.5 | - |
| Human Resources | Director of Human Resources | 1.0 | 1.0 | 1.0 | - |
| Human Resources | Administrative Assistant | 1.0 | 1.5 | 1.5 | - |
| Human Resources | Employee Relations Manager | 1.0 | 1.0 | 1.0 | - |
| Human Resources | Total | 3.0 | 3.5 | 3.5 | - |
| Totals | | 112.5 | 112.0 | 107.0 | (6.0) |

Expressway Debt

Overview

The following debt was outstanding for the Expressway System as of December 31, 2019:

| Series | Sale Date | Original Borrowing | Interest Rate | Final Maturity | Outstanding Balance |
|--------------|---------------|--------------------|---------------|----------------|-----------------------|
| 1998 | March 1998 | \$ 80,705,000 | 3.65-5.25% | July 2022 | \$ 13,325,000 |
| 2002 | April 2002 | 28,430,000 | 3.50-5.25% | July 2022 | 9,870,000 |
| 2011-A, B, C | November 2011 | 77,490,000 | 4.62-4.75% | July 2041 | 39,660,000 |
| 2011-D | November 2012 | 43,875,000 | 4.29% | July 2041 | 43,875,000 |
| 2017 | August 2017 | 19,735,000 | 4.50% | July 2041 | 19,355,000 |
| 2019 | August 2019 | 17,985,000 | 2.85% | July 2041 | 17,985,000 |
| | | | | | <u>\$ 144,070,000</u> |

Legal Debt Limit

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

Series 1998 bonds

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

Series 2002 bonds

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

Series 2011-A, B, & C bonds

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

Series 2011-D bonds

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

Series 2017 bonds

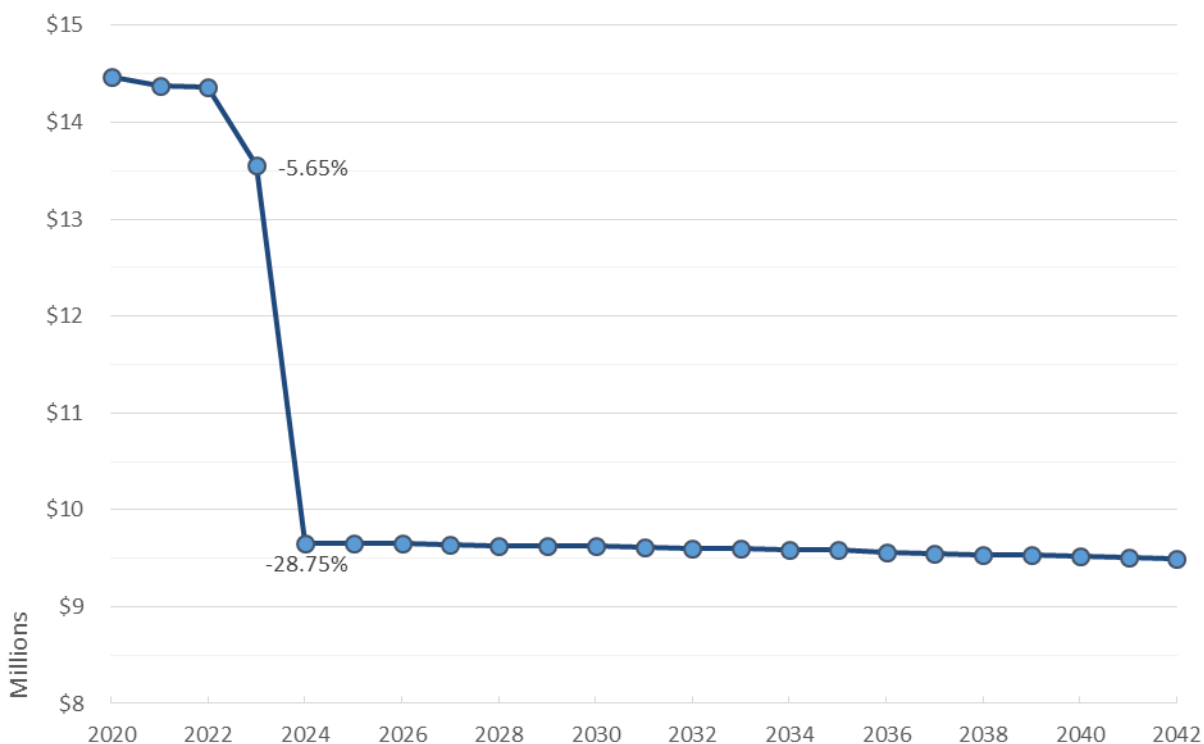
Revenue Bonds were issued to refund \$18,795,000 of the Series 2011-A bonds.

Series 2019 bonds

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

Expressway Debt

Annual Debt Service Requirements (millions)



Debt service decreases in FY 2023-2024 due to Series 1998 and Series 2002 maturities. All remaining Expressway debt is scheduled for final maturity in July 2041 (FY 2042).

| Fiscal Year | Principal | Interest | Total | Fiscal Year | Principal | Interest | Total |
|-------------|-----------|-----------|------------|-------------|-------------|------------|-------------|
| 2020 | 7,265,000 | 7,199,595 | 14,464,595 | 2032 | 5,890,000 | 3,714,632 | 9,604,632 |
| 2021 | 7,650,000 | 6,726,270 | 14,376,270 | 2033 | 6,165,000 | 3,430,392 | 9,595,392 |
| 2022 | 8,050,000 | 6,314,458 | 14,364,458 | 2034 | 6,460,000 | 3,126,966 | 9,586,966 |
| 2023 | 7,650,000 | 5,902,548 | 13,552,548 | 2035 | 6,770,000 | 2,813,521 | 9,583,521 |
| 2024 | 4,050,000 | 5,606,562 | 9,656,562 | 2036 | 7,075,000 | 2,489,851 | 9,564,851 |
| 2025 | 4,245,000 | 5,408,217 | 9,653,217 | 2037 | 7,405,000 | 2,145,933 | 9,550,933 |
| 2026 | 4,455,000 | 5,199,891 | 9,654,891 | 2038 | 7,750,000 | 1,783,952 | 9,533,952 |
| 2027 | 4,660,000 | 4,981,438 | 9,641,438 | 2039 | 8,130,000 | 1,407,698 | 9,537,698 |
| 2028 | 4,875,000 | 4,747,645 | 9,622,645 | 2040 | 8,500,000 | 1,021,726 | 9,521,726 |
| 2029 | 5,125,000 | 4,501,648 | 9,626,648 | 2041 | 8,885,000 | 626,014 | 9,511,014 |
| 2030 | 5,375,000 | 4,247,584 | 9,622,584 | 2042 | 9,280,000 | 211,799 | 9,491,799 |
| 2031 | 5,625,000 | 3,984,787 | 9,609,787 | Total | 151,335,000 | 87,593,128 | 238,928,128 |

Glossary

Balanced Budget

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

Basis of Accounting/Budgeting

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

Bond Resolution

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

Capital Budget

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

CAFR

Comprehensive Annual Financial Report, which includes audited financial statements.

Consulting Engineer

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

Debt Service

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

Debt Service Coverage Ratio (DSCR)

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

E-ZPass

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

ETC

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

Established Condition Level

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

Excess Balances Fund

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

Expressway System

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

Glossary

Fiscal Year

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

Fund

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

GAAP

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

GASB

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

GFOA

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

HNTB

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

Stantec, Inc.

The Traffic and Revenue Consultant retained by the Authority.

MSA

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

Operating Budget

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

ORT

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

OPEB

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

Traffic and Revenue Consultant

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

VDOT

Virginia Department of Transportation