

**Transportation Toll Facility Advisory Committee
January 9, 2014**

1. Call to Order: Mrs. Chappell called the meeting to order at approximately 11:35 a.m.

2. Roll Call:

Committee Members in Attendance	Ex-officio Members in Attendance
Vonda Chappell	Kelly Lackey
Larry Zoeller	Amar Dwarkanath
Robert Sciacchitano	Eric Martin
David Todd	
Lenard Myers (Alternate)	

Committee Members not in Attendance
George Midgette

Non-Committee Members in Attendance

Earl Sorey	Belinda Malone
Gary Walton	Teresa Morgan
Elizabeth Vaughn	Kevin Crum
T.E. (Tom) Jenkins, Jr.	

3. Meeting Discussion:

Mr. Sciacchitano made a motion to approve the October 17, 2013 TTFAC meeting minutes. Mr. Todd seconded the motion and the motion carried unanimously.

Ms. Morgan presented a financial summary on the Chesapeake Transportation System (CTS), which includes the Chesapeake Expressway and Dominion Boulevard. A handout was provided to committee members outlining the following:

- Unaudited figures for Chesapeake Expressway toll revenue and operating expenses
- Unaudited figures for the Dominion Boulevard Project Budget

Ms. Morgan encouraged committee members to review the financial documents for the CTS on the City's website. She noted that the website contains valuable information. She also explained that she would feel more comfortable providing the historical data that the committee members requested once she has completed an audit on all of reported revenues and expenditures from past years. Mr. Walton added that they are trying to build a comprehensive graph that provides a historical record of revenues and expenditures after all historical data can be reviewed and confirmed. Mrs. Morgan will complete a thorough review of all of the data and has set a goal to provide the historical revenue and expenditures as well as the projected revenue and expenditures to the committee members at the next meeting.

Ms. Chappell stated that it is very exciting to see the progress on the Dominion Boulevard project. She encouraged committee members to take the Dominion Boulevard route to see the

progress of the project.

Mr. Sorey provided the following updates on the Dominion Boulevard Project:

- He noted that Tuesday, January 7, 2014 was the one year anniversary date of the start of construction for this project. The project is on schedule and within budget.
- Within the next six weeks, the access roads at the Cedar Road area will be opening, which will allow for traffic shifts to facilitate construction at the future interchange.
- The shift of all traffic to the newly constructed northbound bridge, which is a major mid-project milestone, is approximately fourteen months away. From a tolling standpoint, this will provide a tremendous benefit for Dominion Boulevard travelers because tolls will not be implemented until the project is complete.
- The City is in the procurement phase for design work for the roadway section south of Cedar Road. The Dominion Project includes just south of Cedar, which left approximately a two mile gap of roadway that was not covered for improvements under the Dominion Boulevard project. City Council has funded improvements of this two mile section, which will add two additional lanes. The goal will be to have those two additional lanes open simultaneously with the completion of the Dominion Boulevard project.

Mr. Walton provided the following updates on the Chesapeake Expressway:

- The last phase of the repaving project was completed this fall. The repaving project was a three phase project performed over the past three years. Repaving occurred from the North Carolina state line to mile marker 10.0, as specified in the bond indenture as the Chesapeake Expressway's area of responsibility to maintain. It will be several years before there will be a need for any repaving on the Chesapeake Expressway.
- The Variable Message Sign (VMS) Refurbishment, Closed Circuit Television (CCTV) Surveillance System, Intercom System and Panic Alarm projects warranty period has been completed. These systems provide a more robust security system that allows for better monitoring of the roadway and grounds.
- The Electrical and Lighting project, which included new LED roadway lighting in the vicinity of the Toll Plaza, new LED canopy lighting for all Toll Plazas, and a replacement back-up generator was completed at the end of December. The entire facility is fully lit. The lighting enhances visibility for the motorist and security for all Expressway staff. The generator replacement provides more reliability.
- The Galaxy Access Control System was upgraded, which consists of proximity card readers that control which parts of the building can be accessed by any given staff member. The upgrade provides better security and reliability.
- Existing toll gates will be replaced with padded toll gate arms, which may reduce damage to vehicles when they strike the toll gates arms and provide an increased level of safety to the driver and staff. He also noted that toll gates are designed to swing away to reduce damage.
- The 2013 Repair and Replacement (R&R) Construction Contract has been advertised and bids are due by January 21, 2014.
- The R&R Consultant completed the revision of the R&R Inspection Report to meet the requirements of the November 2012 CTS Bond Indenture. The revision provides a high level estimate of the R&R needs for the next fiscal year plus the 4 succeeding fiscal years

and the estimates are as follows:

- FY 14 - \$4,077,000
- FY 15 - \$ 685,700
- FY 16 - \$1,283,000
- FY 17 - \$ 947,000
- FY 18 - \$ 862,700

Note: SDG Forecast of \$3.5M per year through 2022. R&R requirements have gone down substantially due to the completion of the repaving project.

- Data was presented on the ETC transactions as requested by the committee members at the October 17, 2013 TTFAC meeting. Two handouts were provided to committee members, which included the following information:
 - Three ETC Transaction Tables that show by month the number and percentage of ETC Transactions from Virginia issued EZPass transponders, Non-Virginia issued EZPass transponders, and EZPass transponders enrolled in the Chesapeake Expressway Discount Program (2011, 2012, 2013).
 - A table created by SDG that shows Transaction Payment Type by Year.
 - Mr. Sciacchitano asked why there was a decrease in the Discount Program percentage in 2012. Mr. Walton explained that the toll increase may have contributed to the decrease. Mr. Martin added that the Outer Banks experienced heavy damage due to a hurricane, which may have also contributed to the decrease.
 - Mr. Zoeller asked if we expect to see an increase in Chesapeake Expressway Discount Program enrollment due to other tolls coming to the Hampton Roads area. Mr. Sorey noted that the City will continue to monitor EZPass penetration and Discount Program enrollment and the affect it may have on revenue. Mr. Zoeller stated that he believes that the increase in Discount Program enrollment may negatively impact the revenue stream for the Chesapeake Expressway. Mr. Sorey explained that this may result in a potential revenue loss on the Chesapeake Expressway, but a higher EZPass penetration rate on Dominion Boulevard is beneficial to the project because the cost to collect tolls from non-EZPass customers is higher than the cost to collect the tolls electronically. Mr. Sorey stated that the City will monitor this closely.
- An update on the Chesapeake Expressway expenses was provided. As of January 8, 2014 the Operating Budget expenditures are at 44.83% with 51.9% of the fiscal year completed and the R&R expenditures are at 88.33% (primarily due to fall repaving project): awaiting bids for the 2013 R&R Inspection work due January 21, 2014.
 - Mr. Zoeller asked if these numbers are all capital expenses or operating expenses. Mr. Sorey explained the flow of funds. He noted that every expense is supported by revenue collected.
 - Mr. Myers asked if surplus budget funds are anticipated and where do those funds typically go. Mr. Sorey and Mr. Walton explained that surplus funds are distributed into one of the reserve buckets as outlined in the bond indenture. Mr. Zoeller suggested that City Staff review the bond indenture distributions with the new committee members. Mr. Walton informed the committee members that City staff is available anytime to answer any questions that they may have.
- The Chesapeake Expressway received a recent media inquiry from a Virginia Pilot

reporter regarding toll violations. The following information was provided to the reporter:

- Violation Process and Procedures
- Levels of toll violations
- Collection Process for outstanding balances
- Toll Violation notification process
- Leakage rate-less than 0.5%, which is the rate of revenue that we have not collected as compared to the toll revenue collected. Mr. Sorey noted that the rating agencies are very impressed with the Chesapeake Expressway's low leakage rate. Mr. Zoeller noted that the low leakage rate shows that we priced the market right as far as setting toll rates.

Mr. Crum provided an update on the South Norfolk Jordan Bridge (SNJB).

- They celebrated their one year anniversary in October.
- The average daily weekday traffic continues to increase.
- Access to a web portal is now available, which allows access to four traffic cameras on the SNJB, the weather station at their facility, and traffic updates. You may access the portal at <http://SNJB.net/toc>.
- They sold over 4,000 EZPass transponders in one year (4th largest retailer for VDOT).
- The average EZPass penetration in November 2012 was 32%. In November 2013 they were at 57%, which results in an increase of approximately 75% in the last year.
- The Elizabeth River Tunnels (ERT) has prompted huge increases in EZPass enrollment, which has benefitted the SNJB. Prior to the ERT's ad campaign, ERT showed an expected EZPass penetration of approximately 10%.
- The SNJB Commuter Club provides discounts to registered drivers at area businesses. Discounts are provided to registered drivers based on their frequency of use. They are expanding the program to include additional retailers.
- Mr. Zoeller inquired about the toll rate schedule at the SNJB and ERT. Mr. Crum provided the committee members the toll rates. However, he noted that the toll rate schedule for ERT may be modified soon at the direction of the Governor.
- Mr. Myers asked if the outstanding toll invoices included EZPass customers. Mr. Crum stated that the majority of outstanding invoices are not EZPass customers.
- Mr. Myers asked if stolen EZPasses have ever become an issue. Mrs. Malone explained that EZPass will allow customers to report their EZPass transponders as lost or stolen and will deactivate the transponder.

Ms. Malone provided the committee with information on the increase in Customer Service Transactions at the Chesapeake Expressway Administrative Office. Customer service transactions include phone calls and walk-in customers for both Chesapeake Expressway Discount Program and Virginia EZPass. She presented the following percentages of increase:

- July - 44.91%
- August - 57.06%
- September - 46.58%
- October - 80.26%
- November - 82.87%

- December - 115.14%

She noted that the large increase in December was partly due to other retail EZPass centers running out of EZPass transponders. The Chesapeake Expressway expected an increase in customer service transactions and took steps to ensure they were prepared to serve customers. Mr. Martin asked if the Chesapeake Expressway continues to register transponders here or if they now sell the EZPass retail transponders. Mr. Walton explained that the Expressway functions as an EZPass Service Center and does not sell retail transponders, which allows us to provide more services and better customer service to our customers than a retail center is able to provide.

4. New Business:

Mr. Walton asked if the committee members would like to tour Dominion Boulevard at the next meeting. Mrs. Chappell asked if any of the members were opposed to a tour. All members were interested in taking a tour of the facility.

Mrs. Chappell asked for clarification on the next TTFAC meeting date. The committee agreed to meet on April 10 at City Hall. City staff will book a meeting room and inform the committee members of the meeting location.

5. Adjournment: The meeting was adjourned at approximately 12:45 p.m. The next meeting is scheduled for 11:30 a.m., Thursday, April 10, 2014, meeting location to be announced.