

**Transportation Toll Facility Advisory Committee**  
**Quarterly Meeting – via Zoom**  
**April 22, 2021**

**1. Call to Order**

Bryan Cunningham, Chairman, called the meeting to order at 11:30 am.

**2. Introductions**

Mr. Walton introduced new member Dr. Shirley Auguste, appointed March 24, 2021 to complete the term of the “Principal/Officer/Business Owner” position on the committee. Bryan Cunningham, Rachel Anderson and Lynne Kennedy were reappointed to serve new 2-year terms.

**3. Roll Call**

**Committee Members in Attendance**

Vonda Chappell 501 Independence Pkwy. Chesapeake, VA 23320  
Bryan Cunningham 4050 Devon Dr. Chesapeake, VA 23321  
Dr. Shirley Auguste 1400 Kempsville Rd. Suite 105, Chesapeake, VA 23320  
Rachel Anderson 1006 Rue Marseille Chesapeake, VA 23320  
Kemo Dassau 713 Tyler Way Chesapeake, VA 23322

**Ex-officio Members in Attendance**

Kelly Lackey

**Committee Members not in Attendance**

Tawanna McFarlin	Robert Geis (Ex-officio)
Lynne Kennedy	Earl Sorey (Ex-officio)

**Non-Committee Members in Attendance**

Gary Walton	Belinda Malone
Leigh Ann Kling	Sandra Hodge
Terry Shaw	Kevin Crum
Meredith St. John	Amanda McAdams
Jason Brown	

**4. Approval of Meeting Minutes**

Mr. Cunningham opened the floor for questions or discussion of the meeting minutes for the January 21, 2021 meeting; hearing none, a motion for approval was made and seconded, a roll call vote was taken and the meeting minutes were approved unanimously.

**5. Chesapeake Transportation System Financial & Traffic Summary**

Mr. Walton provided the following update to the committee:

**3<sup>rd</sup> Quarter Update – What’s Changed**

COVID mitigation efforts continue to impact CTS traffic and revenue, however, both are trending in the positive direction. Fitch Rating Services upgraded the CTS debt rating from “BBB” to “BBB+” with a stable outlook in April 2021. The Expressway continues to outperform expectations due to the strong OBX vacation market. Recent media reports have stated that over 80% of OBX vacation rental properties are completely booked thru the fall of 2021. The weekend revenue for March and April was up approximately 32% over 2019 pre-pandemic levels. Dominion Blvd. Veterans Bridge continues to lag expectations but is trending positive. Toll rates will be increasing on the Chesapeake Expressway May 1<sup>st</sup> and on the Dominion Blvd. Veterans Bridge July 1<sup>st</sup>.

**Fitch Ratings Upgrade “BBB” to “BBB+”**

In the press release, Fitch Ratings Services stated: “The upgrade reflects the strengthening credit profile of a 2-segment toll system which has seen robust traffic and revenue growth since the opening of DBVB in February 2017 and the expectation of continued solid forward-looking coverage metrics. CTS benefits from a demonstrated traffic base and an approved long-term schedule of future toll increases on both facilities. Fitch views CTS’s strong Traffic & Revenue recovery thru January 2021 from peak declines at the outset of the pandemic and substantial liquidity position as stabilizing elements of its financial profile, as the toll system recovers from the Coronavirus pandemic. The small network system has benefited from its exposure to discretionary and seasonal traffic performance on the expressway which has seen strong performance during the pandemic.”

**Toll Rates – Chesapeake Expressway & Dominion Blvd.**

Mr. Walton reviewed toll rate increases for both facilities. The Chesapeake Expressway full rate tolls increase \$1 and the Discount Program tolls increase \$0.25 beginning May 1 as follows:

Date Range	Regular Rate			Peak Season Weekend Rate (1)			Discount Program (2)	
	Motorcycle	2 Axles	3+ Axles	Motorcycle (3)	2 Axles	3+ Axles	2 Axles	3+ Axles
5/1/21 - 4/30/26	\$1.00	\$4.00	\$5.00	\$3.00	\$9.00	\$10.00	\$1.00	\$2.25

The Dominion Blvd. Veterans Bridge tolls increase by 5% (to the base E-ZP toll rate) on July 1 as follows:

Fiscal Year Ending 6/30	E-ZPass Toll Rates by Vehicle Class			Non E-ZPass Toll Rates by Vehicle		
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3
2022	\$1.28	\$1.92	\$3.20	\$3.28	\$3.92	\$5.20

**Toll Increase Communications Plan**

A comprehensive Toll Increase Communications Plan was developed with input from CTS, Public Works and Public Communications staff. The purpose of the Communications Plan was to ensure the public was adequately notified in advance of the toll increases. CTS used a local print vendor to provide discount program members postcards regarding the price increase; there are approximately 11,000 DP members.

**CTS Revenue YTD Summary** (Presented by Ms. Shaw)

Ms. Shaw presented the following table:

<u>Revenue</u>	<u>FY21 YTD</u>	<u>FY20</u>	<u>YOY</u>	<u>Forecast</u>	<u>To Forecast</u>
System	\$19,987,244	\$19,450,618	2.8%	\$19,722,286	+1.3%
<u>Expy</u>	\$10,626,335	\$9,552,178	11.2%	\$10,275,933	+3.4%
DBVB	\$9,360,909	\$9,898,440	-5.4%	\$9,446,353	-0.9%

- Note: "Forecast" represents the 2020 (Updated) Annual Forecast value pro-rated at 71.2% for Expressway (historical average % of annual revenue from July thru March) and at 75% for DBVB.

Ms. Shaw advised the committee that the System was now expected to exceed the annual revenue forecast; Ms. Shaw also advised that the March revenue on Dominion Blvd. Veterans Bridge was the largest monthly revenue collected on that facility since opening.

**CTS Financial Summary – Expenses** (Presented by Ms. Shaw)

- YTD expenses are \$6,989,491 vs. \$6,905,633 in the prior year for the same period
- 60.8% of the operating budget has been expended thru the end of the 3<sup>rd</sup> quarter
- Expenses are estimated to be near or below budget and below forecast
- Largest expenses occurred in: Back Office Contract, Customer Service and Delinquent Account Collections, Personnel and VDOT E-ZPass fees
- Upcoming large expenditures are covered in Renewal & Replacement (R&R) construction which is funded via prior R&R annual deposits. Mr. Walton advised the committee of upcoming R&R work as well as the next repaving cycle.

**Chesapeake Expressway Summary** (Presented by Ms. Malone)

- Traffic Highlights:
  - YTD Traffic is up 3.7%
  - Cash Transactions are down 6%
  - Full-fare E-ZPass transactions are up 18.2%, Discount Program transactions are down 5.4%
  - E-ZPass continues to grow and is now accounts for 83% of all toll transactions compared to 81.3% for same period in the prior year

- Cash transactions continue to decline and now account for 16.9% of toll transactions, down from 18.7% in the prior year
- The violation rate is approximately 3%, with approximately 43% of toll violations collected through the VToll process

**Dominion Boulevard Veterans Bridge Summary** (Presented by Ms. Malone)

- Traffic Highlights:
  - Traffic is down 9.8% year-to-date and 3.7% below the 2020 Traffic & Revenue forecast
  - E-ZPass traffic is down 10.3% year-to-date, and makes up 84.7% of the toll transaction (down from 85.3% in the prior year)
  - Toll-by-Plate traffic is up 0.6% year-to-date, and makes up 15.3% of the transactions (up from 14.7% in the prior year)
  - 24% of invalid transactions and 34% of toll-by-plate transactions are collected via the VToll process
- Traffic is expected to increase as COVID mitigation efforts continue
- Approximately \$873,000 has been collected on delinquent accounts year-to-date

Mr. Walton then discussed the distribution of traffic, i.e., E-ZPass traffic vs. cash traffic. Typically, when the distribution of E-ZPass traffic exceeds 80% of all toll transactions, All-Electronic Tolling (AET) should then be considered (as opposed to a full-service facility which is how the Chesapeake Expressway is currently configured). Mr. Walton went on to advise that an equally important consideration is the volume of out-of-town traffic vs. local traffic, as it is more difficult to collect revenue from out-of-town users of the facility. Specifically, the Chesapeake Expressway still obtains a high percentage of revenue (approximately 40% of peak season revenue is from cash transactions) during the peak season from non-local users, thus maintaining the current operations configuration remains the preferred type of tolling operation, i.e. cash plus E-ZPass.

**6. South Norfolk Jordan Bridge (SNJB) Update:**

Mr. Crum presented an update on the South Norfolk Jordan Bridge. Mr. Crum advised that March's traffic normalized to pre-pandemic levels. Average daily traffic increased 11.4% as compared to previous year. March's truck traffic has experienced the highest monthly volume in the history of the facility with over 15,000 transactions which represents a nearly 10% increase from the previous year. Weekend traffic is strong with Norfolk Naval Shipyard productivity, COVID regulations loosening, mild weather and ERC maintenance.

Meredith St. John advised that they are starting to see an increase in payments and E-ZPass utilization with volumes starting to return to pre-pandemic levels. Ms. St. John indicated that increased payments are likely due to tax season as well as stimulus payments.

Mr. Cunningham asked what contributed to March's increased truck traffic. Mr. Crum replied that the two aircraft carriers at the shipyard and maintenance at the tunnels were the reason truck traffic was strong.

**New Business/Discussion:**

Mr. Walton recognized Ms. Vonda Chappell for her many years of service to the Committee and the City. Ms. Chappell thanked the committee and the staff.

The committee selected July 15 at 11:30 am for the next meeting.

The meeting was adjourned at 12:30 pm.