

**Transportation Toll Facility Advisory Committee  
Quarterly Meeting  
January 20, 2022**

1. **Call to Order:** Bryan Cunningham, Chairman, called the meeting to order at 11:34 am.

2. **Roll Call**

**Committee Members in Attendance**

Bryan Cunningham  
Rachel Anderson  
Tawanna McFarlin  
Dr. Shirley Auguste

**Ex-officio Members in Attendance**

Earl Sorey  
Cory Wolfe

**Committee Members not in Attendance**

Kemo Dassau  
Lynne Kennedy

**Ex-officio Members not in Attendance**

Robert N. Geis

**Non-Committee Members in Attendance**

Gary Walton  
Sandra Hodge  
Terry Shaw  
Jacob P. Stroman

Nicole Griffith  
Veronica Latonio  
Kevin Crum

3. **Approval of Meeting Minutes**

Mr. Cunningham opened the floor for questions or discussion of the meeting minutes for the October 14, 2021 meeting; hearing none, a motion for approval was made and seconded, a roll call was taken and the meeting minutes were approved unanimously.

4. **Chesapeake Transportation System – Update**

**Fiscal Year-to-Date Update** (Presented by Mr. Walton)

- The Chesapeake Transportation System (CTS) continues to experience strong traffic demand and associated revenue on both toll facilities. Traffic and revenue continue to exceed prior year, pre-pandemic and forecast levels on both facilities
- At this time, both S&P and Fitch Rating Services have a “BBB+” rating on CTS debt with a “stable outlook”. Both rating agencies are expected to perform another annual review later this year. The city is considering a possible bond refinancing which will require a more detailed submission of data and review by the rating agencies. CTS, along with our consultants, will continue to evaluate conditions and develop critical materials necessary for the bond refinance should rates continue to remain low.

Mr. Cunningham inquired about the “negative outlook” from S&P; Ms. Shaw replied that S&P revised the outlook from “negative” to “stable” in December.

- Toll rates increased on the Chesapeake Expressway on May 1<sup>st</sup> (2021) with the next increase in 2026 for peak season rates only. Dominion Blvd. Veterans Bridge has an annual 5% toll increase on July 1<sup>st</sup>. The 5% increase applies to the base rates (EZ-Pass rate); the toll-by-plate toll rate is the base rate plus \$2.00.
- The City is developing alternatives for possible refinancing of the 2012 Series A Bonds. If the city decides to move forward with this process, it would be expected that the City would receive better financing rates and therefore improve the CTS financial picture. This is likely to occur (based on current market conditions) but still very early in the process.
- City staff, key consultants and TTFAC will provide the annual CTS update at the City Council Work Session on Tuesday, February 8<sup>th</sup>.
- The current toll rates are as follows:

**CTS Toll Rates**

**Chesapeake Expressway**

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

- Next scheduled toll increase – peak season only, 2026

**Dominion Blvd. Veterans Bridge**

Fiscal Year Ending 6/30	E-ZPass Toll Rates by Vehicle Class			Non E-ZPass Toll Rates by Vehicle Class		
	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 increases by 5% each July 1

**CTS Fiscal Year Summary - Revenue** (Presented by Ms. Shaw)

(From Monthly Disclosure Report)

- Chesapeake Expressway revenue performance was very good for the past fiscal year even though the pandemic impacts continued. FY22 revenue year-to-date exceeds FY21 revenue by 27.6% for the same period of time. Dominion Blvd. Veterans Bridge (DBVB) revenue is also up 15.8% year-over-year which represents a substantial increase over prior year.
- System performance for FY22 is well above the December 2020 traffic and revenue forecast for the Chesapeake Expressway and slightly above for Dominion Blvd. Veterans Bridge.

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

- Expenses are slightly above last year due to cost increases and playing catch up from delaying some expenses from the last two years as a result of pandemic impacts. Expenses are expected to remain near budgeted amounts.
- The largest expenses are the Back Office Contract for toll-by-plate processing, Customer Service and delinquent account Collections, personnel and VDOT E-ZPass fees.
- For upcoming large expenditures, there are three new capital projects which will be funded with R&R funds accumulated from previous R&R deposits and there are two new projects under development.

**Chesapeake Expressway Traffic Summary** (Presented by Mr. Walton)

- The Chesapeake Expressway revenue increase last year was due to both the toll increase as well as traffic volume growth despite the ongoing pandemic. The toll increase implemented in May 2021 was applied to regular and peak toll rates. Year-to-date traffic has increased 6.2% over FY21 and is approximately 30% above forecast.
- Chesapeake Expressway cash transactions decreased 3.7%, full fare transactions increased 4.1% and discount program transactions increased 14.6%. The prior year increase of discount program usage was in the low single digits. There has been an increase in discount program participation which is believed largely due to the toll increase. The discount program rates rose .25 where all other rates went up \$1.00.
- E-ZPass use comprised 82.8% of all transactions, increasing from 81.1% for the same time period in FY21.
- Cash transactions comprised 17.1% of all transactions down from 18.9% for the same time period in FY21.
- The violation rate has increased slightly from 3% to 3.5-4%. We attribute this mainly to North Carolina residents. Until a reciprocity agreement is in place between Virginia and North Carolina, there isn't currently a way to pursue out-of-state toll violators. There is an effort underway to establish such an agreement, however, there isn't currently a planned date by which this is expected to be accomplished.

**Dominion Blvd. Veterans Bridge – Traffic Summary** (Presented by Mr. Walton)

- Year-to-date traffic has increased 13.5% over the same period of time in FY21. Dominion Blvd Veterans Bridge suffered greater impacts than the Chesapeake Expressway due to Covid (transition to work-from-home and closures) which impacted the commuter route. Dominion Blvd. Veterans Bridge has not rebounded as quickly as the Expressway, but traffic volume still exceeded forecast by 1.2%. Toll by plate transactions were up 13.7% and E-ZPass transactions were up 13.4%.
- E-ZPass comprised 84.5% of all transactions which is the same as FY21.

- Toll by plate comprised 15.5% of all transactions which is also the same as FY21.
- The invalid tag rate has not changed and remains at 3.8% with approximately 36% of E-Zpass violations (due to invalid tag) and approximately 22% of toll-by-plate transactions (i.e. no E-ZPass is detected by the toll system) are collected by the 10 day vtoll process. When a car passes under the gantry without a valid transponder or no transponder it takes a picture of the plate and for 10 days it tries to make a match to a valid and funded E-ZPass account; if no funded account is found, the toll is invoiced as a toll-by-plate toll.
- Approximately \$476,000.00 has been collected from delinquent accounts which is very similar to the amount collected from delinquent accounts in the prior year for the same time period.

#### **Upcoming CTS Projects** (Presented by Mr. Walton)

- Repaving begins on the Chesapeake Expressway this year. The Chesapeake Expressway is 10 miles long and will be repaved in three phases. The first phase, from mile marker 7 to 10, will be done in April or May. In FY23, the southern portion from MM1.0 – 3.0 (approx.) will be completed and the middle section will be completed in FY24.
- There are two renewal and replacement projects underway. One is currently being reviewed by purchasing and being prepared for advertisement and the other is in plan development with delivery scheduled for late April.
- There is a capital project to replace the variable message signs on the Chesapeake Expressway. Our current signs were rebuilt in 2011 and are reaching end of life.
- There is a Dominion Boulevard roadway lighting maintenance contract under review in purchasing. There have been a number of issues with the roadway lighting which consists of more than 300 light fixtures; maintenance requirements have become more than can be managed with only 2 maintenance staff members.
- There is also a capital project to replace all the existing high pressure sodium lights with high efficiency LED's on Dominion Blvd.
- There is an FY23 capital project for Dominion Blvd. Veterans Bridge for a "Toll System Upgrade"; this project will provide system enhancements including improved camera operation and added system redundancy.

#### **5. South Norfolk Jordan Bridge (SNJB) Update:**

Mr. Crum presented an update for the South Norfolk Jordan Bridge. During 2021 traffic increased 17.1% compared to the same period in 2020 and increased 3.9% compared to 2019. Truck volume for 2021 was the highest annual volume in project history. Truck traffic increased 8.5% compared to 2020 and increased 14.1% compared to 2019. New toll rates started January 1<sup>st</sup>. Mr. Crum thanked the TTFAC members for their support and ability to meet in December for the toll increase public meeting. January 2022 traffic volume has been

similar to 2021, but there were negative impacts from the winter weather on January 6<sup>th</sup> and 7<sup>th</sup>. SNJB traffic continues to remain negatively impacted by lack of commuter traffic due to telecommuting. The SNJB 10<sup>th</sup> anniversary is this year and there will be some festivities for this occasion, including an art installation on the Portsmouth side of the bridge. There will also be other commemorative events in the fall.

Ms. Latonio added from an operational standpoint, SNJB faces similar challenges as an all-electronic toll facility. Ms. Latonio noted that during the Va. DMV closures due to Covid likely resulted in an increase in violations due to people driving with expired plates, temporary plate misuse and fraudulent paper plates. Ms. Latonio indicated that Va. DMV has started to supply registered owner information on expired plates but that they continue to experience Covid related impacts from DMV but hopefully will see that change soon.

**New Business/Discussion:**

Mr. Walton then advised the next scheduled meeting is April 14th with location to be determined.

The meeting was adjourned at 12:01 pm.