



**CHESAPEAKE BAY BRIDGE AND TUNNEL COMMISSION**

**Regular Meeting**

**CBBT Administration Building**

**March 14, 2023**

**9:30 a.m.**

**Minutes**

**Commission Members Physically Present:** Frederick T. Stant, III; John F. Malbon; Chris O. Snead; Karen S. James; Keith Colonna; Reeves W. Mahoney; Gregory L. Duncan, Sr.; William H. Ferguson; Phillip R. Custis; Mark C. Bundy; Jeffrey A. Rowland.

**District Staff Present:** Jeffrey B. Holland; Thomas R. Anderson, III; Michael T. Crist, P.E.; Edward A. Spencer; Brittany E. Cannon.

**Commission Members Absent:** None

**District Advisors Present:** Hugh L. Patterson, Commission Counsel.

**Guests Present:** Stephen A. Johnsen, Alumni Commissioner.

**1. CALL TO ORDER:**

The Chairman, Frederick T. Stant, III, called the meeting to order at 9:30 a.m. and welcomed everyone.

**2. APPROVAL OF MINUTES – JANUARY 11, 2023 MEETING, as distributed:**

**Motion made by Ms. Snead, seconded by Mr. Rowland, to approve the minutes of the January 11, 2023 Commission meeting, as distributed. The motion was approved unanimously.**

**3. PUBLIC COMMENT:**

There were no public comments to be heard, nor any comments submitted in writing prior to the meeting.

**4. LEGISLATIVE UPDATE:**

Mr. Holland reported that the legislative update will be provided at the May meeting.

**5. TRAFFIC & REVENUE REPORT – JANUARY & FEBRUARY, TRAFFIC:**

Mr. Holland reported that traffic for January 2023 totaled 258,502 vehicles, which was an increase of 48,133 vehicles or 22.9% over January 2022. E-ZPass utilization totaled 77%.

Revenue for January 2023 totaled \$4,056,037 which was an increase of \$679,993 or 20.1% over January 2022. Gas prices were \$3.47 in January 2023, versus \$3.31 in January 2022. There were 34 hours of wind restrictions in January 2023, versus 65 hours in January 2022. There were 130 hours of tunnel lane closures in January 2023, versus 12 hours in January 2022.

Traffic for February 2023 totaled 239,770 vehicles, which was an increase of 4,904 vehicles or 2.1% over February 2022. E-ZPass utilization totaled 77.2%. Revenue for February 2023 totaled \$3,750,169, which was an increase of \$61,353 or 1.7% over February 2022. Gas prices were \$3.24 in February 2023, versus \$3.56 in February 2022. There were 50 hours of wind restrictions in February 2023, versus 7 hours in February 2021. There were 134 hours of tunnel lane closures in February 2023, versus 13 hours in February 2022.

For the calendar year-to-date through February 2023, vehicles were up 11.9% and revenue was up, 10.5%. For the fiscal year-to-date through February 2023, vehicles were down -0.7% and revenue was down -0.7%.

Chief Spencer reported that on Saturday, February 18 at 9:22 a.m., at approximately Mile Post 3 a northbound vehicle swerved slightly from right to left and struck the orange traffic barrel designating the merge from 2 lanes to 1 lane. The vehicle then traveled 115 feet striking the yellow sand filled barrels protecting a fixed arrow board sign. There were no personal injuries, approximately \$20,000 in vehicle damages and approximately \$5,000 in damages to District property. The driver was issued a summons for failure to observe lanes marked. A video of the incident was reviewed.

Chief Spencer reported on March 1 a U-Haul truck hauling a mobile command center, struck the curb entering the tunnel which broke the trailers right axle. The incident was handled like a disabled accident and no damage to District property.

Chief Spencer continued to report that the District just conducted a Law Enforcement In-Service Schools, which was attended by District Police Officers as well as other Police Officers from local departments on the Eastern Shore including Accomack and Northampton County Sheriff's Offices, Cape Charles, Chincoteague, Eastville, Exmore, and Onley Police Departments. The District provides this school at no charge to fellow departments and their officers.

## **6. COMPARISON OF PTST BUDGETED DEBT SERVICE AND INVESTMENT RETURN COMPARED TO ACTUAL:**

Mr. Anderson reported on the District's financial model to actual of the utilization of the bond proceeds slower than projected due to the Project being behind schedule. He also reported on the saved debt service cost through the various transactions that we have perused on the debt side of the equation.

**7. APPROVAL OF FY2024 PRELIMINARY BUDGET:**

Mr. Holland stated that final approval of the budget would be made in May.

Mr. Anderson stated that there was an increase of \$1,633,150 or 9.25% in the FY 2024 budget over the FY 2023 budget and reviewed the increases and decreases in each division.

**Motion made by Ms. Snead, seconded by Mr. Ferguson, on behalf of the Personnel Committee, to approve the proposals made by staff and propose the following items be included in the Fiscal Year 2024 Preliminary Budget for Current Expenses be approved: (1) a salary scale increase for all employees of 6.4%, (2) merit increases for employees whose Employee Performance Appraisal is satisfactory or better, and (3) all associated grade and contract changes. The motion was approved unanimously.**

**Motion made by Mr. Duncan, seconded by Ms. Snead, on behalf of the Finance Committee, to recommend Commission approval of the Preliminary Operating Budget for Current Expenses for Fiscal Year 2024 Preliminary Operating Budget in the amount of \$19,291,950 and, further move that as there are sufficient funds in the GR Reserve Maintenance Fund and the GR General Fund to cover all expected reserve maintenance expenditures, that no additional funds from the Revenue Fund be provided to the GR Reserve Maintenance Fund for Fiscal Year 2024.**

Mr. Holland provided an update on Operations personnel retention, recruitment and succession planning. Current recruitment is focused on local Military employees who are nearing retirement or have fulfilled their length of service as potential candidates. The District has its certification with the Virginia Values Veterans Program. The Virginia Values Veterans Program is a free training and certification program for employers to help them implement nationally recognized best practices in recruiting, hiring, and retaining highly-skilled and dependable Veterans.

**8. COMPARISON OF ACTUAL TO PROJECTED LONG TERM FINANCIAL MODEL:**

Mr. Anderson provided an overview of the District's actual financial performance in comparison to the projections in the financial model prepared to support the debt financing that was utilized to finance the Project.

**9. RENEWAL OF THE BRIDGE & TUNNEL PROPERTY POLICY:**

Mr. Anderson provided an overview of the current 2 year policy, which is expiring April 1, 2023. The coverage terms stay the same from year to year. The program rate will increase 2.5 %. The total insured values will increase 3.9%. The Commission requested that District Staff obtain a benchmark on other facilities with Aon.

**10. APPROVAL OF FY2024- FY2028 DISTRICT’S PRELIMINARY CAPITAL PLAN:**

Mr. Crist provided an overview of the projects for FY 2023 through FY 2028, and provided details on the current and upcoming projects that were above \$250,000 and new to the recommended Preliminary Capital Plan or involved a change of over \$250,000 from the existing plan including: i) Underwater Inspections FY 2024 – FY 2029; ii) Replace District Fleet Vehicles FY 2024 – FY 2029; iii) Steel Bridge Repairs FY 23; iv) Replace Damaged Light Poles FY 2024– FY 2028; v) Vent Buildings Emergency Power Upgrades FY 2024; vi) Pavement Striping FY 2024 – FY 2028; vii) Vent Building Repairs FY 2024 – FY 2025 viii) Pave Approach Roads, Tunnels, open Approaches, parking Lots and Islands FY 2027 – FY 2028; ix) Replace No. 1 Drainage Pumps on All Islands FY 2029; x) Replace EZ Pass Readers FY 2029.

**On motion by Mr. Rowland, seconded by Mr. Ferguson, and unanimously carried, the Commission authorized District Staff to proceed with a task order for a cooperative procurement for the Ventilation Buildings Emergency Power Upgrade Project in the amount of \$3,150,000 as reported in the FY 2024 of the Preliminary Long-Term Capital Plan Improvements.**

**On motion by Mr. Duncan, seconded by Ms. James, and unanimously carried, the Commission approved the Preliminary Long-Term Capital Plan Improvements.**

**11. UPDATE ON PARALLEL THIMBLE SHOAL TUNNEL DESIGN AND CONSTRUCTION:**

Mr. Crist reported the following: i.) The TBM completed four hundred feet of excavation and the cutter head is now resting in the jet grout plug at the north end of One Island; ii.) CTJV continued placing rock and grout bags between the SOE walls along the path of the TBM; iii.) CTJV personnel completed jet grouting operations in the Open Approach area, and have moved into the area at the southwestern corner of Two Island; iv.) Excavation of the Two Island open approach has begun.

**12. PARALLEL THIMBLE SHOAL TUNNEL EXPENDITURES TO DATE:**

Mr. Anderson presented the attached report of Project expenditures to date.

**13. CLOSED MEETING – BRIEFING BY STAFF AND LEGAL RECOMMENDATIONS REGARDING DISPUTE MATTERS:**

**In accordance with Section 2.2-3711 of the Code of Virginia, Mr. Malbon moved that the Commission go into Closed Meeting under the provisions of Section 2.2-3711 of the Virginia Freedom of Information Act for the following purposes:**

**Section 2.2-3711.A 7. Briefing by Staff and Legal Recommendations Regarding Dispute Matters.**

**The motion was seconded by Mr. Ferguson, and unanimously carried.**

**14. RETURN TO OPEN MEETING:**

**A roll call vote was taken pursuant to Section 2.2-3712.D. of the Code of Virginia immediately after reconvening in Open Meeting, at which time each member certified by his vote that to the best of his knowledge (i) only public business matters lawfully exempt from Open Meeting requirements under this chapter and (ii) only public business matters as were identified in the motion by which the Closed Meeting was convened were heard, discussed, or considered in the meeting by the Commission. No member prior to the vote stated that he believed there was a departure from requirements (i) and (ii) Snead, yes; Colonna, yes; Custis, yes; Mahoney, yes; James, yes; Duncan, yes; Malbon yes; Rowland, yes; Bundy, yes; Ferguson, yes; Stant, yes.**

**15. VA ORIGINALS GIFT SHOP LEASE:**

Mr. Holland reported that the current annual lease that the District holds with Virginia Originals to be able to function a Gift Shop located inside of the North Toll Plaza Welcome Center Building is expiring June 30, 2023 and if it were the pleasure of the Commission, Virginia Originals would like to extend the lease for another year.

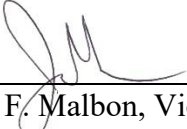
**Motion made by Mr. Rowland, seconded by Mr. Ferguson, and unanimously carried, the Commission authorized the District to extend the lease with Virginia Originals to be able to function a gift shop inside of the North Toll Plaza Welcome Center Building for the next year beginning July 1, 2023 through June 30, 2024.**

**16. ANNOUNCEMENTS:**

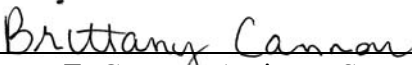
- a. The 2022 Governors report was mailed to Governor Youngkin on February 20, 2023.
- b. The Alumni Commission Society meeting was held via WebEx on February 22, 2023.
- c. The next meeting is scheduled for Thursday, May 24, 2023.

**17. ADJOURN:**

With no further business coming before the Commission, the meeting was adjourned.

  
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John F. Malbon, Vice-Chairman

  
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Frederick T. Stant, III, Chairman

  
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Brittany E. Cannon, Assistant Secretary

Attachment

Parallel Thimble Shoal Tunnel Project  
Total Project Budget  
As of January 31, 2023

Project Tasks & Components	May 2021 Revised Budget	Total Expended To Date	Expended @ 12/31/22	Monthly Expenditures	Remaining Budget
<b><u>CBBT Development Phase</u></b>					
CBBT Development Phase Budget	18,524,560	18,524,560	18,524,560	-	-
<b><u>CBBT Financing Budget</u></b>					
Municipal Advisor	866,000	799,950	797,950	2,000	66,050
CBBT Financing Budget	3,912,210	3,846,160	3,844,160	2,000	66,050
<b><u>CBBT Construction Phase</u></b>					
Construction Mgmt	11,000,000	3,539,170	3,539,170	-	7,460,830
Project Counsel	2,000,000	247,420	247,420	-	1,752,580
Arbitration Counsel	3,000,000	867,110	855,220	11,890	2,132,890
Dispute Review Panel	1,500,000	456,370	456,370	-	1,043,630
Arbitration Panel	1,500,000				1,500,000
CNC/LUS Relocation	4,591,740	4,562,730	4,562,730	-	29,010
Garage	550,000	385,120	385,120	-	164,880
Fan Motor Control Center	4,000,000	2,544,510	2,544,510	-	1,455,490
CCTV Software Upgrade	500,000	400,940	400,940	-	99,060
Existing Tunnel Ventilation Study	250,000				250,000
Vent Buildings Emergency Power Upgrades	3,150,000	104,090	104,090	-	3,045,910
Design Mgmt/Design QA	9,583,200	6,046,360	6,046,360	-	3,536,840
Risk Management Consultant	125,000				125,000
District Project Management Staff	2,100,000	1,321,750	1,300,720	21,030	778,250
Commission General Counsel	125,000	13,940	13,940	-	111,060
Commission Approved District Development Expenses	550,000	344,350	343,180	1,170	205,650
<b>Total CBBT Construction Phase Budget</b>	<b>44,524,940</b>	<b>20,833,860</b>	<b>20,799,770</b>	<b>34,090</b>	<b>23,691,080</b>
<b><u>Design-Builder Construction Phase</u></b>					
Direct Construction Cost	756,703,840	445,300,910	442,364,620	2,936,290	311,402,930
5% Withholding	-	8,946,990	8,792,450	154,540	(8,946,990)
NCR Work Withholding	-	-	-	-	-
<b>Total Design-Builder Construction Phase Budget</b>	<b>756,703,840</b>	<b>454,247,900</b>	<b>451,157,070</b>	<b>3,090,830</b>	<b>302,455,940</b>
<b>Project Contingency</b>	<b>101,125,174</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101,125,174</b>
<b>Total Project Budget</b>	<b>924,790,724</b>	<b>497,452,480</b>	<b>494,325,560</b>	<b>3,126,920</b>	<b>427,338,244</b>