

Tacoma Narrows Bridge Citizen Advisory Committee Meeting

November 13, 2008 - 5:00 – 7:00 p.m.

The INN at Gig Harbor
211 56th St NW - Gig Harbor, WA 98335

TNB Citizen Advisory Committee:

Caroline Belleci, University Place
Tracy Hopkins, Gig Harbor
Jim Pasin, Gig Harbor
Bob Ryan, Tacoma
Ted Hilliard, Tracyton
Becky Morgan, Gig Harbor
Sonja Morgan, Tacoma
Alan Weaver, Gig Harbor
Ron Jones, Gig Harbor

WA State Transportation Commission:

Dan O'Neal
Reema Griffith

WSDOT:

Ted Trepanier
Greg Selstead
Janet Matkin
Ramona Lovelace
Heather Reitmeier

AGENDA

5:00 – 5:05	Call to order	Bob Ryan
5:05 – 5:10	Welcome and introductions	Bob Ryan
5:10 – 5:15	Transportation Commission comments	Dan O'Neal
5:15 – 5:20	Work Plan review and agenda review	Ted Trepanier
5:20 – 6:10	Follow-up items from Oct. 28, 08 meeting <ul style="list-style-type: none">• Fund 511 Interest• Debt Service Schedule• Insurance• Update on WSP Services and Budget	Ted Trepanier
6:10 – 6:35	Financial Plan Summary	Ted & Ramona Lovelace
6:35 – 6:45	Toll Rate Setting Policies	Bob Ryan
6:45 – 6:55	Public Comment	Public
6:55 – 7:00	Adjournment	All

Notes from November 13, 2008

TNB Citizen Advisory Committee Meeting

Attendance

- Those in attendance included: Bob Ryan, Caroline Belleci, Jim Pasin, Becky Morgan, Al Weaver and Ron Jones
- Excused absences: Tracey Hopkins and Ted Hilliard
- Unexcused absences: Sonja Morgan.

Fund 511

- There was a brief discussion regarding the interest earned and the 7 million dollars brought up in the previous meeting.

Debt Service Schedule

- Committee member Jim Pasin asked if the plan will be adjusted for the new numbers because the debt schedule is millions less now.
- Chair Bob Ryan asked if the numbers are based on actual bond sales.
- WSDOT's Ted Trepanier confirmed that there are now actual numbers to work with.

Financial Plan Summary

- Committee member Ron Jones asked how good the growth rates are. WSDOT replied saying that the Financial Planning Office is currently running those numbers.
- Jim Pasin asked if they are using the same projections as previous.
- WSDOT's Greg Selstead replied saying we use different inputs, but all information goes through the same revenue forecast assumptions.
- Jim Pasin responded asking whether or not that "adapted" with the consultants information.
- Ted Trepanier confirmed saying that the consultants use the same projections.
- Jim Pasin asked why WSDOT is making assumptions with out included Good To Go!.
- Ted Trepanier said it is simply for assumption purposes.

Toll Rate Setting Policies

- Jim Pasin said that the best approach is to keep the difference between the Good To Go! account holders and the manual lanes. All other members agreed.
- Committee member Al Weaver brought up the point that no other toll road offers and discounted benefits other than for programs similar to Good To Go!.
- It was moved and seconded to grant no exemptions other than Good To Go! and emergency vehicles...passes.

Public Comment

- Mr. Randy Boss stated that he felt the bond debt is 700,000 less than previously stated. He also stressed the importance of having "actual numbers" to work with for the members.
- Other members of the public with comments at this meeting were:
 - Jim Tidgenal
 - Warren Girard
 - Steve Sloak
 - Joan Girard
 - Joyce Taylor

- **Adjournment** -- The meeting adjourned at 6:58 p.m.

Tacoma Narrows Bridge Toll Operations

Working Reports as of September 30, 2008
Follow-up information as requested

Paula J. Hammond, P.E.
Secretary

David L. Dye, P.E.
Deputy Secretary

Steve Reinmuth
Chief of Staff

Ted Trepanier
Co-Director Maintenance and Operations
State Traffic Engineer

Greg Selstead
Director, Toll Operations

TNB Citizen Advisory Committee
November 13, 2008



Washington State
Department of Transportation

TNB Fund 511

History of Interest Earnings through Sept. 30, 2008

Month	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
July	\$0.00	\$23,023.51	\$47,846.81	\$54,477.09	\$37,900.19	\$180,795.77	\$92,180.45	\$29,597.06
August	0.00	8,366.46	149,779.10	95,681.19	25,004.30	172,282.09	90,271.31	38,309.31
September	0.00	(4,363.70)	160,094.82	89,319.25	52,314.95	160,549.50	88,872.12	52,059.51
October	0.00	326,421.79	138,953.19	79,441.19	120,185.42	152,626.14	116,352.67	
November	0.00	247,027.89	97,757.70	68,938.55	100,288.28	136,611.34	112,350.41	
December	0.00	195,669.05	74,389.89	60,705.50	89,009.46	132,329.11	99,001.85	
January	0.00	179,315.67	70,793.88	47,839.28	65,356.79	117,678.99	101,312.73	
February	0.00	204,439.98	82,867.92	31,481.68	172,776.65	157,742.74	92,020.67	
March	0.00	266,196.52	199,607.29	56,918.10	207,922.03	162,187.35	85,543.05	
April	24,310.20	201,036.40	93,453.81	74,446.63	192,458.92	148,705.59	83,848.51	
May	21,404.06	265,855.43	71,352.90	64,350.36	189,822.06	136,564.58	58,154.00	
June	21,804.82	144,116.21	52,463.44	50,743.65	179,134.68	125,012.41	35,298.02	
Total	\$67,519.08	\$2,057,105.21	\$1,239,360.75	\$774,342.47	\$1,432,173.73	\$1,783,085.61	\$1,055,205.79	\$119,965.88

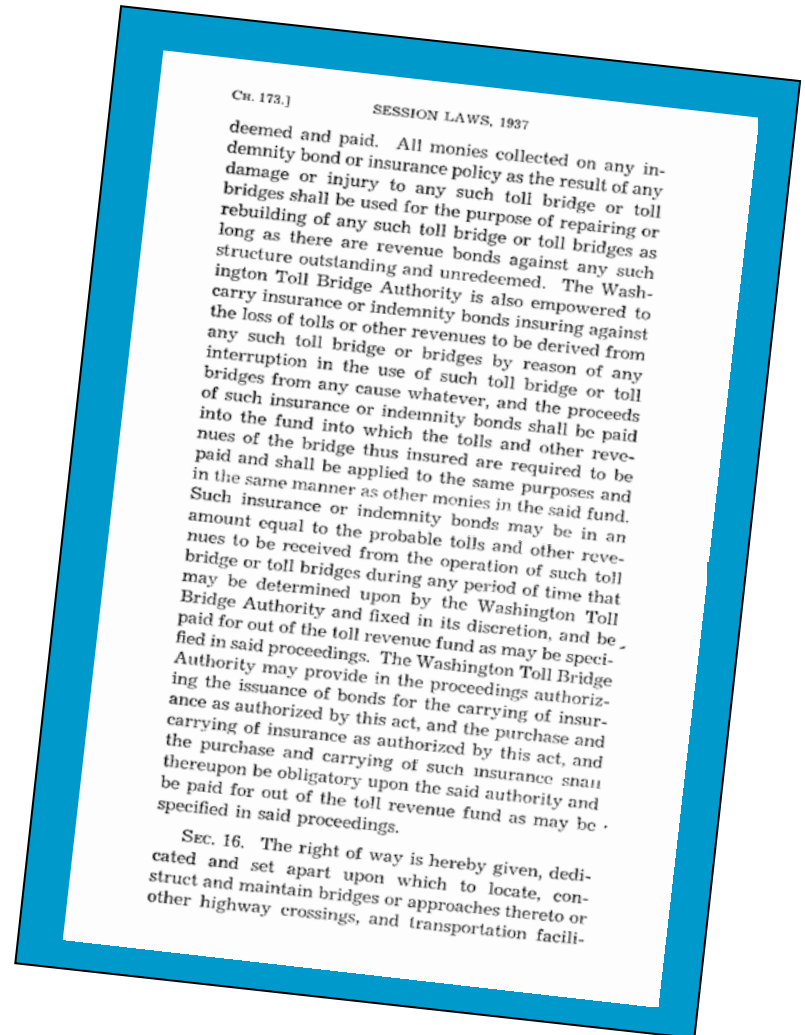
Cumulative	\$67,519.08	\$2,124,624.29	\$3,363,985.04	\$4,138,327.51	\$5,570,501.24	\$7,353,586.85	\$8,408,792.64	\$8,528,758.52
-------------------	-------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

Debt Service Obligations
Fund 511 - Tacoma Narrows Bridge Account
 Prepared for the Citizens Advisory Committee

Biennium	Fiscal Year	Payment Date	Total Payments Sales 1 - 11 680,990,657	By Year/By Biennium
2005-07	2007	Jun-07	4,372,376.23	
2007-09	2008	Dec-07	1,290,209.38	
	2008	Jun-08	13,098,542.71	14,388,752.09
	2009	Dec-08	12,855,209.38	
	2009	Jun-09	14,060,209.38	26,915,418.76
			41,304,170.85	41,304,170.85
2010-11	2010	Dec-09	17,830,209.38	
	2010	Jun-10	17,095,209.38	34,925,418.76
	2011	Dec-10	18,095,209.38	
	2011	Jun-11	26,860,209.38	44,955,418.76
			79,880,837.52	79,880,837.52
2011-13	2012	Dec-11	17,251,334.38	
	2012	Jun-12	23,191,334.38	40,442,668.76
	2013	Dec-12	19,646,334.38	
	2013	Jun-13	26,316,334.38	45,962,668.76
			86,405,337.52	86,405,337.52
2013-15	2014	Dec-13	23,774,134.38	
	2014	Jun-14	30,599,134.38	54,373,268.76
	2015	Dec-14	22,912,034.38	
	2015	Jun-15	30,947,034.38	53,859,068.76
			109,232,337.52	108,232,337.52
2015-17	2016	Dec-15	27,148,684.38	
	2016	Jun-16	35,043,684.38	62,192,368.76
	2017	Dec-16	30,993,959.38	
	2017	Jun-17	39,373,959.38	70,367,918.76
			132,560,287.52	132,560,287.52
2017-19	2018	Dec-17	28,439,159.38	
	2018	Jun-18	41,734,159.38	70,173,318.76
	2019	Dec-18	30,031,284.38	
	2019	Jun-19	43,131,284.38	73,162,568.76
			143,335,887.52	143,335,887.52
2019-21	2020	Dec-19	29,746,243.75	
	2020	Jun-20	43,371,243.75	73,117,487.50
	2021	Dec-20	28,619,525.00	
	2021	Jun-21	44,064,525.00	72,684,050.00
			145,801,537.50	145,801,537.50
2021-23	2022	Dec-21	31,776,731.25	
	2022	Jun-22	46,571,731.25	78,348,462.50
	2023	Dec-22	31,805,375.00	
	2023	Jun-23	47,915,375.00	79,720,750.00
			158,069,212.50	158,069,212.50
2023-25	2024	Dec-23	35,541,875.00	
	2024	Jun-24	48,181,875.00	83,723,750.00
	2025	Dec-24	34,931,750.00	
	2025	Jun-25	49,836,750.00	84,768,500.00
			168,492,250.00	168,492,250.00
2025-27	2026	Dec-25	34,607,250.00	
	2026	Jun-26	49,517,250.00	84,124,500.00
	2027	Dec-26	35,289,500.00	
	2027	Jun-27	49,089,500.00	84,379,000.00
			168,503,500.00	168,503,500.00
2027-29	2028	Dec-27	36,614,000.00	
	2028	Jun-28	50,039,000.00	86,653,000.00
	2029	Dec-28	35,923,750.00	
	2029	Jun-29	51,118,750.00	87,042,500.00
			173,695,500.00	173,695,500.00
2029-31	2030	Dec-29	35,134,250.00	
	2030	Jun-30	50,164,250.00	85,298,500.00
	2031	Dec-30	0.00	0.00
			85,298,500.00	85,298,500.00

Insurance on the bridge

- Loss of tolling revenue would put the State at risk of defaulting on the outstanding bonds.
- Covers \$500 million property loss from earthquake, flood (tsunami) or terrorism. Property loss deductible of \$10 million and terrorism deductible of \$5 million.
- It also covers up to \$60 million of lost tolling revenue from these events with a deductible of 10 days.
- Cost for the entire policy is \$2,680,038 for calendar year 2008.
- Toll bridges in the state have been insured dating back to original 1937 law (shown at right).



Washington State Patrol Budget & History

- Original 07-09 biennial budget contained:
 - Budget category Incident Response, Security and Enforcement
 - Included: Incident Response
 - Washington State Patrol
 - Pilot tow truck program for 90 days
- OFM and legislative staff biennialized the amount of the tow truck program and identified the amount as a budget reduction.
- Result: A \$300,000 budget reduction that had never been in the budget.
- In addition, the Legislature made a specific cut to WSP services.
- As a result, WSP services were only funded through August 2008.
- This service is mission critical. WSP services are currently provided at a minimal level of one Sergeant and two Cadets. Continued funding provided through overall management of B program.

TNB Traffic & Revenue Summary

Sept. 2008 Forecast

	Estimated Annual Traffic	Estimated Annual Revenue
FY 2008 - Actuals	13,897,690	\$29,631,614
FY 2009	14,232,990	44,785,873
FY 2010	14,412,307	58,802,897
FY 2011	14,903,820	60,814,279
FY 2012	15,293,415	62,403,792

Assumptions:

1. Toll rate of \$4.00 for FY 2009 through FY 2012.
2. 2.0 percent transaction violation rate.

Tacoma Narrows Bridge Revenue Forecast Assumptions November, 2008

This forecast is based on **15.5** months actual recorded traffic and revenue, collected July 16, 2007 through **October 31, 2008**, and includes allowances for non-revenue and violation traffic. This is based on modeling developed by the traffic and revenue consultant for the Tacoma Narrows Bridge.

1. Based on forecasts prepared in 2005, average daily traffic is assumed to grow 2.4% annually, on average, through 2015. Growth between 2016 and 2020 is assumed to be 1.1% annually, then 1.5% through 2025.
2. Passenger vehicles (automobiles, automobiles w/1-axle trailers, and automobiles w/2-axle trailers) constitute 96.8% of overall traffic, and commercial vehicles (2-axles to 6+ axles) make up 3.2% of the traffic.
3. Toll collection began July 16, 2007; FY 2009 forecast **incorporates four months of actual experience under the new toll schedule adopted by the Washington State Transportation Commission that went into effect on July 1, 2008.**
4. Participation in electronic toll collection (ETC) during the summer months has been between **65% and 68%, with some weekday highs at 74%. Weekend average ETC participation is 53.3%. Consultants will use this information to develop an average ETC participation percentage for each month of the forecast.**
5. Effective July 1, 2008 through June 30, 2009, toll rates will be: **\$2.75/ETC** per 2-axle vehicle and \$4.00/cash per 2-axle vehicle, with per axle proportional tolls for multi-axle vehicles. For forecasting purposes, the rate assumed for July 1, 2009 through June 30, 2012 is \$4.00 per 2-axle vehicle (**no ETC discount offered**), \$2.00 per additional axle for multi-axle vehicles. **Forecasts beginning for FY2013 will assume a toll of \$5.00 per 2-axle vehicle, increasing to \$6.00 for FY 2016 and beyond (no ETC discount offered).**
6. A low rate of violations, less than 2.5% of overall traffic, has been experienced **during the summer months. A violation rate of 2 percent has been assumed for the forecast period through FY 2012.** Overall, revenue from violations is expected to be immaterial to the Revenue Forecast at this time. The first **fifteen** months history of collection of violation revenue via the court process has not produced a trend that is **material.**
7. Revenue from transponder sales is based primarily on a maintenance level, **with demand for new transponders remaining higher than anticipated. With implementation of the new retail sales tax requirements, revenue will be calculated at \$11.07 for each eGo! Tag and \$27.68 for each License Plate Tag.** Tag sales are estimated at approximately **5,000** and **50** per month, respectively.
8. **The current slowdown in the national and regional economy, and high gasoline prices, are anticipated to persist through the end of calendar year 2009 as reflected in economic projections produced in September 2008 by the Washington State Economic & Revenue Forecast Council. A negative adjustment has been applied to average daily traffic forecasts for the Tacoma Narrows Bridge traffic through December 2009 to reflect these conditions.**
9. **Reconstruction of the Nalley Valley interchanges is anticipated to result in minor traffic and toll revenue impacts.**

For more information go to:

www.wsdot.wa.gov/operations/tolling

Or Contact

Ted Trepanier at (360) 705-7280

Greg Selstead at (360) 705-7801