



MEETING MINUTES NORTH CAROLINA TURNPIKE AUTHORITY FINANCE COMMITTEE

DATE: 06/30/2016 **TIME:** 9:30 AM **LOCATION:** NCTA Main Conference Room

MEMBERS PRESENT	Beau Memory, Perry Safran
MEMBERS PRESENT VIA PHONE	Robb Teer, Scott Aman, Jim Walker
MEMBERS ABSENT	

AGENDA TOPICS

1. WELCOME/OPENING COMMENTS – BEAU MEMORY	
DISCUSSION SUMMARY	Mr. Memory recognized all Finance Committee members and described the purpose and goals of the committee.
ACTIONS TAKEN	

2. ELECTION OF COMMITTEE CHAIR AND ESTABLISH MEETING DATES – BEAU MEMORY	
DISCUSSION SUMMARY	The Committee was asked to elect a Chairman and meeting dates were proposed for the remainder of 2016.
ACTIONS TAKEN	Perry Safran nominated Robb Teer noting his experience and credentials. Jim Walker seconded and the vote was unanimous. Mr. Teer accepted the position of Chairman. The meeting dates proposed were September 8, 2016, October 6, 2016, and December 1, 2016. Jim Walker made a motion to accept the dates. Robb Teer seconded and vote was unanimous.

3. TRIANGLE EXPRESSWAY OHSARI TOLL RATE SCHEDULE – LESLIE JOHNSON, CDM SMITH	
DISCUSSION SUMMARY	Leslie Johnson presented the recommended toll rate schedule for the Old Holly Springs-Apex Road Interchange, including critical considerations. Ms. Johnson noted that the proposed toll rate schedule was consistent with existing Triangle Expressway tolling conventions and that the new toll zones would not affect the current rate schedule for existing toll zones. Mr. Teer asked her to explain how this one is different from the last study. Ms. Johnson said they already did the forecast for TriEx and the new interchange and there was no material impact to forecasted revenue. Mr. Walker asked about the impact to Project revenues and Ms. Johnson responded that the interchange resulted in a marginal increase. Mr. Roy explained he believed it was 4-5% over the life of the Project. Mr. Safran asked if toll rate increases were automatic and Mr. Roy responded stating that once the Board approved the toll rate schedule annual increases will follow the schedule unless the Board takes additional action. Mr. Roy also stated that the Board would continue to be briefed annually ahead of any toll rate change.
ACTIONS TAKEN	Motion was made by Mr. Teer to carry the proposed toll rate schedule to the full Board for approval and Mr. Walker seconded, the vote was unanimous.

4. MONROE EXPRESSWAY – ENGINEERING REPORT OVERVIEW – DONNA KEENER, HNTB	
DISCUSSION SUMMARY	Donna Keener presented the Engineering Report Overview outlining the contents and organization of the report as well as the audience for the report, noting that the report is included in the Official Statement for bond sale. Ms. Keener also displayed the differences in the 2010 and the 2016 tolling concept. Mr. Walker questioned if there was a decreased cost in not maintaining and constructing where the westernmost gantry was removed. Mr. Memory responded by saying there was some savings estimating about \$25,000,000.
ACTIONS TAKEN	

5. MONROE EXPRESSWAY – 2016 T & R STUDY RESULTS – LESLIE JOHNSON, CDM SMITH	
DISCUSSION	Leslie Johnson offered an overview of the 2016 Traffic and Revenue Study including critical factors that are taken into account when determining the selected recommended pre mile toll rate. The discussion included a description of the study area and historical travel data along with travel speeds on existing US 74. Ms. Johnson also discussed the socio economic data that was gathered and analyzed as part of the Study along with the Study methodology.
ACTIONS TAKEN	

6. MONROE EXPRESSWAY – SECURITY STRUCTURE AND PLAN OF FINANCE – DAVID MILLER, PFM	
DISCUSSION	<p>David Miller presented an update of the plan of finance for the Monroe Expressway and noted that investment grade indicative ratings have been obtained from Moody's and Standard and Poor's.</p> <p>Jim Walker questioned how stable was the investment grade indicative rating. Mr. Miller answered that the model is being run with a 50bp rate cushion providing significant coverage. He added that he did not believe there would be a negative change in the rating.</p> <p>Perry Safran asked if one road could cover another. Mr. Miller responded by saying no it cannot.</p>
ACTIONS TAKEN	

7. MONROE EXPRESSWAY – FINANCING & BOND DOCUMENT OVERVIEW – WALLY MCBRIDE, HUNTON & WILLIAMS	
DISCUSSION	<p>Wally McBride provided an overview of various financing and bond documents that are either already in place or will be required to complete the financing package for the Monroe Expressway. These documents include the Revenue Bond Trust Agreement, Appropriation Bonds Trust Agreement, the TIFIA Loan Agreement, Official Statements, and the Bond Purchase Agreement. Mr. McBride noted that drafts would be provided to the Committee when available.</p>
ACTIONS TAKEN	

8. MONROE EXPRESSWAY REVIEW OF RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE LGC	
DISCUSSION	<p>Wally McBride described the Revenue Bond Act and the role of the North Carolina Local Government Commission (LGC) in issuing revenue bonds. Mr. McBride further described the NCTA Board Resolution approving application to the LGC for the proposed 2016 Monroe Expressway toll revenue bonds.</p>
ACTIONS TAKEN	<p>Motion was made by Perry Safran and seconded by Jim Walker. The vote was unanimous to carry to the full Board for vote.</p>

9. ADJOURN – BEAU MEMORY	
DISCUSSION	Mr. Memory offered the opportunity to ask questions.
ACTIONS TAKEN	Motion was made to adjourn by Robb Teer and Jim Walker seconded. Meeting was adjourned.