



MEETING MINUTES

NORTH CAROLINA TURNPIKE AUTHORITY
BOARD OF DIRECTORS

DATE: March 28, 2018

TIME: 10:30AM

LOCATION: NCDOT Main Board Room, 150

1 S. Wilmington Street, Raleigh, NC

ATTENDANCE

MEMBERS PRESENT

Secretary Trogdon, Robert Teer, Montell Irvin, Jim Walker, Jim Crawford, Perry Safran

MEMBERS PRESENT VIA PHONE

Mayor Charles Travis, Scott Aman (joined at 11:00am)

MEMBERS ABSENT

John Collett

AGENDA TOPICS

1. WELCOME, CALL TO ORDER, DECLARATION OF QUORUM, AND INTRODUCTIONS – SECRETARY TROGDON, CHAIR

DISCUSSION SUMMARY

Chairman Trogdon announced the beginning of the meeting and declared a quorum. Six members were present. Chairman Trogdon read the Ethics Statement and directed the members to their individual statement for signature in acceptance of the policy for the date of March 28, 2018.

ACTIONS TAKEN

Information only/No action required.

2. APPROVAL OF NOVEMBER 6, 2017 MEETING MINUTES – SECRETARY TROGDON, CHAIR

DISCUSSION SUMMARY

Chairman Trogdon asked the Board Members to review the minutes. He noted everyone had received a copy of the meeting minutes prior to the meeting and announced he would accept a motion to approve the November 6, 2017 meeting minutes as written. Mr. Trogdon stated that the November 6, 2017 meeting was not a closed session, and that was reflected in the minutes.

ACTIONS TAKEN

A motion to approve the November 6, 2017 meeting minutes as written was approved unanimously upon a motion made by Mr. Perry Safran, seconded by Mr. Robert Teer.

3. OPENING COMMENTS – SECRETARY TROGDON

DISCUSSION SUMMARY

Chairman Trogdon provided an update of NCDOT activities. Mr. Trogdon commended the Turnpike Authority for their hard work, engagement with I-77 local advisory group, the Monroe Expressway, the Wrong-Way Driver detection and notification program, and connected and autonomous vehicles. Mr. Trogdon mentioned the Build NC proposal and stated that more information can be found by contacting the Secretary's office.

ACTIONS TAKEN

Information only/No action required.

4. OPERATIONS COMMITTEE MEETING REPORT – MONTELL IRVIN, P.E., OPERATIONS COMMITTEE CHAIR

DISCUSSION SUMMARY

Mr. Montell Irvin thanked Chairman Trogdon and gave a brief Operations Committee update.

At the December 14, 2017 Operations Committee meeting, the committee received updates on the Customer Service Center Expansion and Express Lanes Toll Projects. The Committee also voted to move the Policy for Adopting Express Lane Tolling Methodologies to the full Board for approval today. The December meeting concluded with a discussion of the past 2017 agenda items and future 2018 Operations Committee meeting dates.

At the March 19, 2018 Operations Committee meeting, the committee reviewed the Proposed Monroe Expressway Toll Rate Schedule, approved a Resolution Requesting an NCDOT Support Guarantee for Certain STIP Projects, received updates on the Wrong-Way Driver Detection and Notification Pilot Program and the I-485 and US 74 Express Lanes Projects.

He concluded his report by thanking Chairman Trogdon for his continued support of the Operations Committee and the Turnpike staff for their dedication. He also invited all interested to attend the April 12, 2018 Operations Committee meeting.

ACTIONS TAKEN

Information only/No action required.

5. FINANCE COMMITTEE MEETING REPORT – ROBERT TEER, FINANCE COMMITTEE CHAIR

DISCUSSION SUMMARY

Mr. Robert Teer thanked Chairman Trogdon and gave a brief Finance committee report.

At the January 11th meeting, the Committee received updates on Express Lanes Toll Projects and the 2018 Finance Committee Meeting Dates. The Committee also voted on two action items that will come before the

Board for consideration today. First the Committee voted to recommend approval by the full Board of the selected Financial Advisor. The second action item taken by the Finance Committee at the January meeting was to recommend approval of the Policy for Adopting Express Lane Tolling Methodologies to the full Board.

A special Finance Committee meeting was held on February 13th to discuss a potential refunding opportunity. The Finance Committee met again March 21st to fully vet the Advance Refunding of the remaining 2009 Triangle Expressway System BAB's Appropriation Revenue Bonds and can suggest a path forward

At the March 21st meeting, the Committee reviewed the proposed Monroe Expressway Toll Rate Schedule, the proposed advance refunding, the Complete 540 Plan of Finance including an inducement resolution for Complete 540 financing and a resolution requesting a support guarantee from DOT. All items are being recommended to the full board today for approval. The meeting concluded with an update on the I-485 and US 74 Express Lanes Projects.

He concluded his report by commending Turnpike Staff and finance support staff for their hard work.

Chairman Trogdon thanked Mr. Teer for his report and introduced new Chief Financial Officer Evan Rodewald.

ACTIONS TAKEN

Information only/No action required.

6. 2018 ADVANCE REFUNDING OF REMAINING 2009B TRIANGLE EXPRESSWAY SYSTEM BABS APPROPRIATION REVENUE BONDS – DAVID ROY, NCTA DIRECTOR OF FINANCE

DISCUSSION SUMMARY

Mr. David Roy thanked Chairman Trogdon and explained that due to schedule restraints, this discussion would be switched with the Proposed Monroe Expressway Toll Rate Schedule discussion. Chairman Trogdon approved.

Mr. David Roy introduced Mr. David Miller and Mr. Wally McBride to provide an overview on the 2018 Advance Refunding of Remaining 2009B Triangle Expressway System BABs Appropriation Revenue Bonds as well as the various bond documents.

Mr. Safran stated that the Finance committee discussed this topic in detail and wanted the full board to understand the three percent threshold, how it operates with the LGC and the four percent coupon. In other atmospheres, a five percent coupon would be chosen, in this case the four percent coupon makes the most sense.

[Mr. Scott Aman joined the meeting via phone]

Mr. Montell Irvin inquired what happens to the savings. Mr. Beau Memory explained that the savings will flow into reserves and act as a back stop on this specific project.

ACTIONS TAKEN

Mr. Robert Teer made a motion to approve the resolution with respect to Issuance of Triangle Expressway System Appropriation Revenue Refunding Bonds, Series 2018A, whereas the North Carolina Turnpike Authority is duly organized and existing under the laws of the State of North Carolina within the State Department of Transportation, and is authorized under Article 6H (Public Toll Roads and Bridges) of Chapter 136, as amended, of the North Carolina General Statutes, and The State and Local Government Revenue Bond Act, Article 5 of

Chapter 159, as amended, of the NCGS, to issue revenue bonds for the purpose of financing and refinancing the cost of acquiring, constructing and equipping “turnpike projects”, as defined in the Act.

Mr. Perry Safran seconded. The motion was approved unanimously.

7. PROPOSED MONROE EXPRESSWAY TOLL RATE SCHEDULE – DAVID ROY, NCTA DIRECTOR OF FINANCE

DISCUSSION SUMMARY

Mr. David Roy gave an overview of the proposed toll rate schedule for the Monroe Expressway. Mr. Roy explained that the Resolution under discussion, the Proposed Monroe Toll Rate schedule and a supporting letter from CDM Smith were provided to the board members in their notebooks.

Mr. Safran inquired if the resolution was a draft or if it would be final.

Mr. Roy stated the resolution would be final upon approval today.

ACTIONS TAKEN

Mr. Montell Irvin moved to approve the Proposed Monroe Expressway Toll Rate Schedule. Mr. Perry Safran seconded. The motion was approved unanimously.

8. COMPLETE 540 PLAN OF FINANCE – DAVID MILLER, PFM

DISCUSSION SUMMARY

Mr. David Roy thanked Chairman Trogon and introduced Mr. David Miller to walk through the Complete 540 Plan of Finance. Mr. Roy explained that the Inducement Resolution for Complete 540 Financing and the Complete 540 Project Tentative Financing Schedule for Toll Revenue Bonds and TIFIA Loan were in the Board notebooks. Mr. David Miller gave an overview of the Complete 540 Plan of Finance and explained this plan of finance was similar to the Triangle Expressway and Monroe Expressway plans of finance.

ACTIONS TAKEN

Information only/No action required.

9. RESOLUTION REQUESTING AN NCDOT SUPPORT GUARANTEE FOR CERTAIN STIP PROJECTS – DAVID ROY, NCTA DIRECTOR OF FINANCE

DISCUSSION SUMMARY

Mr. David Roy explained that in the Resolution Requesting an NCDOT Support Guarantee for Certain STIP Projects can be found in board member’s notebooks. He asked that the members vote to send this resolution to the Transportation Board of Directors for review and vote. Mr. Roy gave an overview of the support guarantee resolution and stated this resolution is similar to the support guarantee resolutions in place for the Triangle Expressway and the Monroe Expressway.

ACTIONS TAKEN

Mr. Jim Walker moved to request the Board of Transportation to approve the Resolution Requesting an NCDOT Support Guarantee for Certain STIP Projects. Mr. Robert Teer seconded. Motion carried unanimously.

10. INDUCEMENT RESOLUTION FOR COMPLETE 540 FINANCING – DAVID ROY, NCTA DIRECTOR OF FINANCE

DISCUSSION SUMMARY

Mr. David Roy explained that the Advance of Funds to the North Carolina Turnpike Authority for Initial or Early Costs of Complete 540 resolution was also provided in the board member's notebooks with a detailed plan of finance schedule. Mr. Roy explained this resolution is different than what the Turnpike Authority has done in the past and is a result of lessons learned from financing the Monroe Expressway.

ACTIONS TAKEN

Mr. Montell Irvin moved to request the Board of Transportation to approve the Advance of Funds to the North Carolina Turnpike Authority for Initial or Early Costs of Complete 540 resolution. Mr. Jim Walker seconded. Motion carried unanimously.

11. POLICY FOR ADOPTING EXPRESS LANE TOLLING METHODOLOGIES – SPENCER FRANKLIN, HNTB

DISCUSSION SUMMARY

Mr. Spencer Franklin explained this policy was provided in board member's notebooks and was presented to both Committees at prior meetings.

ACTIONS TAKEN

Mr. Perry Safran moved to approve and adopt the Policy for Adopting Express Lane Tolling Methodologies. Mayor Charles Travis seconded. Motion carried unanimously.

12. FINANCIAL ADVISOR SELECTION – DAVID ROY, NCTA DIRECTOR OF FINANCE

DISCUSSION SUMMARY

Mr. David Roy explained the procurement process and selection of a Financial Advisor. Mr. Roy stated the Finance Committee met in January to move the recommendation of PFM as Financial Advisor forward to the full Turnpike Authority Board.

Mr. Perry Safran asked that the record reflect Mr. David Miller, current Financial Advisor, excused himself from the room during this discussion.

ACTIONS TAKEN

Mr. Perry Safran moved to approve PFM as Financial Advisor and move forward to negotiations. Mr. Robert Teer seconded. Motion carried unanimously.

13. 2ND QUARTER TRIANGLE EXPRESSWAY UPDATES – ANDY LELEWSKI, P.E., DAVID ROY AND DENNIS JERNIGAN, P.E.

DISCUSSION SUMMARY

Mr. Andy Lelewski, Mr. David Roy, and Mr. Dennis Jernigan gave updates on 2nd Quarter Triangle Expressway Operations & Customer Service, Finance, and Maintenance.

Mr. Perry Safran stated that he received a bill from NCQuickPass for a toll that did not belong to his vehicle. He commended Mr. Lelewski for the pleasant customer service experience.

Mr. Perry Safran wished to read the year-over-year increases for the Triangle Expressway into the record:

- Revenue up 12%
- Transponder use up 32%
- Project to Date Transactions up 111.4%
- Project to Date Revenue up 128.7%

ACTIONS TAKEN

Information only/No action required.

14. ADJOURN

DISCUSSION SUMMARY

Chairman Trogdon stated the end of the agenda had been reached and asked for any other comments.

Mayor Charles Travis encouraged NCTA to request clear direction from the MPO regarding toll development with I-485 and US 74. Mr. Walker added that he attended the meeting, and while there were a lot of questions, the overall tone of the meeting was good and there was an understanding of addressing potential shortfall.

Mr. Beau Memory introduced Angela Queenland, Manager of Customer Service and Logann Graham, Office Manager to the Turnpike Authority Staff.

ACTIONS TAKEN

Chairman Trogdon requested a motion to adjourn. Mr. Montell Irvin made a motion to adjourn the March 28, 2018 meeting. Mr. Jim Walker seconded.