



Board of Directors – Full Board

Meeting Minutes

Date: Thursday, May 7, 2020
10:30 AM

Location: NCDOT (6th floor Board Room)
1 S. Wilmington St. Raleigh NC 27601

Attendance

Members Present

Secretary Boyette

Members Present Via Phone

Perry Safran (Vice Chair), Robert Teer,
Mary Clayton, Sam Hunt, Charles Travis,
Montell Irvin, James Walker, Scott Aman

Members Absent

Call to Order, Declaration of Quorum, Ethics Statement Review– Perry Safran, Vice Chair

Discussion Summary

Vice Chairman Safran opened the meeting with a brief welcome and asked those in attendance to state their names. Vice Chair Safran then called the meeting to order by declaring quorum and reviewing the Ethics Declaration and Abstention form with Board members.

Actions Taken

Information only, no action required

Approval of February 6, 2020 Meeting Minutes – Perry Safran, Vice Chair

Discussion Summary

Vice Chairman Perry Safran noted everyone received a copy of the meeting minutes prior to the meeting and announced he would accept a motion to approve the February 6, 2020 meeting minutes as written.

Actions Taken

The February 6, 2020 Board of Directors meeting minutes were approved unanimously upon a motion by Mr. Robert Teer, seconded by Mr. Scott Aman.

Nomination & Selection of Chair – Perry Safran, Vice Chair

Discussion Summary

Vice Chairman Safran stated that in accordance with the Turnpike Authority By-Laws Article IV (Officers) Section 4.1 - The chair of the Authority shall be selected by the Authority Board. The Authority Board shall select a chair for a two-year term. The chair shall preside at all meetings of the Authority Board and shall perform other duties as may be prescribed by the Authority Board from time to time.

Vice Chair Safran asked for nominations for the Chair of the Turnpike Authority. Mr. Robert Teer nominated Secretary Eric Boyette to Chair the Turnpike Authority Board of Directors, seconded by Mr. Charles Travis.

Vice Chair Safran asked for a motion to elect Secretary Boyette as Chair of the Turnpike Authority Board of Directors by acclamation. Ms. Mary Clayton made the motion to election Secretary Boyette as Chair, seconded by Mr. Travis.

Actions Taken

Secretary Boyette was made Chair of the Turnpike Authority Board of Directors by acclamation through a motion by Mary Clayton, seconded by Charles Travis. The newly elected chair presided over the remainder of the meeting.

Secretary's Remarks – Secretary Boyette, Chair

Discussion Summary

The Secretary's Remarks were as follows:

Good morning everyone.

This is my first time addressing this board since coming back to NCDOT, where I grew up.

We've got so much going on lately and Turnpike is doing a great job. I'm glad J.J. is here – he brings solid experience and a knowledge of the tolling industry that is beyond compare.

I'm glad to be a part of this team.

As you likely saw, earlier this week we announced that NCDOT has for the first time ever fallen below its mandated cash floor. The lack of vehicles on the roadway due to the COVID-19 pandemic has had serious impact on our revenues.

I know NCTA has seen a significant decrease in ridership as well. We project to lose \$300 million by the end of this fiscal year, June 30, and another \$370 million in the next fiscal year.

Until the cash balance rebounds, the department cannot enter any new contracts that spend money on transportation. We do not know at this time how long it will be before the cash reserves will get back above the cash floor.

This doesn't impact any active construction project, DMV functions, or our ability to maintain existing infrastructure with existing staff and supplies. Anticipating the shortfall, we had already released about half of all temporary employees and embedded consultants and suspended most programs.

We are evaluating programs and other areas for possible cost-saving opportunities. We're also waiting for clarification from federal leaders on if we will be able to use the \$300 million earmarked for NCDOT in the COVID-19 relief package the governor signed earlier this week.

We're developing plans and implementing policies and procedures as if we won't be able to access those funds in the near future.

Thank you for serving on this board. It's very important right now that we continue to deliver a highest level of service and I believe this team will do just that.

Actions Taken

Information only, no action required.

Executive Director's Report, Turnpike Presentation Update Premiere – J. J. Eden, Executive Director

Discussion Summary

Executive Director J. J Eden gave the Board a brief update on the Turnpike Authority and introduced Graphic Designer Katie Sanders to premiere the new Turnpike Authority presentation design.

Ms. Katie Sanders presented the new presentation template design to the Board and explained how this new design would be used at all Turnpike presentations going forward

Actions Taken

Information only, no action required

Operations Committee Report – Montell Irvin, PE, Operations Committee Chair

Discussion Summary

Mr. Montell Irvin updated the board with a report on the Operations Committee meetings that have been held since the last Board of Directors meeting February.

At the March 19th Operations Committee meeting we received updates on Complete 540 Construction, Morrisville Parkway Interchange and the Customer Service Center.

At the April 16th Operations Committee Meeting we received updates on the Complete 540 Construction, Triangle Expressway Paint Contract, Program Development and Toll Technology.

Actions Taken

Information only, no action required.

Finance Committee Report – Robert Teer, Finance Committee Chair

Discussion Summary

Mr. Robert Teer updated the board with a report on the Finance Committee meetings that have been held since the last Board of Directors meeting in February. At the April 15th meeting, the Finance Committee received updates on Complete 540 construction and an overview of NCTA's annual audit. Further, the Committee received updates on several financing related items and referred action to the full Board at today's meeting.

The Committee received an update on the status of the procurement, including the selection committee's recommendations, for a pool of underwriters to be available to assist NCTA on future transactions. The Committee voted unanimously to recommend the board approve the selection committee's recommendations.

The Committee also voted unanimously to recommend the board approve the selection committee's recommendation for a senior manager, from the recommended pool of underwriters, to assist with potential Complete 540 TIFIA BANs transaction currently being contemplated.

Lastly, the committee received a presentation on the proposed Monroe Expressway System State Appropriation refunding and bond documents along with the recommended underwriting syndicate for the transaction and voted unanimously to recommend the board also approve both of these items today.

Actions Taken

Information only, no action required.

Finance & Budget Update – David Roy, Director of Finance & Budget

Discussion Summary

Mr. David Roy informed the Board of three action items taking place at today's meeting.

1) Underwriter Pool Selection

Secretary Boyette asked that any members that need to announce recusal related to the underwriter pool selection. Board Member Charles Travis announced his recusal at this time.

Secretary Boyette asked for a motion to approve the selection committee's recommended underwriter pool to be available to assist the Turnpike Authority on future transactions.

Mr. Robert Teer made a motion to approve the selection committee's recommended underwriter pool to be available to assist the Turnpike Authority on future transactions, seconded by Ms. Mary Clayton. The motion carries. (*continues on next page*)

2) Monroe Expressway Refunding

Secretary Boyette asked that any members that need to announce recusal related to Monroe Expressway Refunding. No members announced recusal.

Secretary Boyette asked for a motion to approve the resolution titled Resolution Approving Issuance of Monroe Expressway System State Appropriation Revenue Refunding Bonds, Series 2020 with the selection committee's recommended underwriting syndicate.

Mr. Robert Teer made a motion to approve the resolution titled *Resolution Approving Issuance of Monroe Expressway System State Appropriation Revenue Refunding Bonds, Series 2020* with the selection committee's recommended underwriting syndicate, seconded by Mr. Sam Hunt. The motion carries.

3) Selection of Underwriter for potential Complete 540 Bond Anticipation Note

Secretary Boyette asked that any members that need to announce recusal related to the selection of senior underwriter for potential C540 BAN. No members announced recusal.

Secretary Boyette asked for a motion to approve the selection committee's recommended senior underwriter for the potential Complete 540 Bond Anticipation Note transaction.

Mr. Scott Aman made a motion to approve the selection committee's recommended senior underwriter for the potential Complete 540 Bond Anticipation Note transaction, seconded by Mr. Robert Teer. The motion carries.

Actions Taken

Approval of the selection committee's recommended underwriter pool to be available to assist the Turnpike Authority on future transactions was approved unanimously upon motion by Mr. Robert Teer, seconded by Ms. Mary Clayton.

Approval the resolution titled *Resolution Approving Issuance of Monroe Expressway System State Appropriation Revenue Refunding Bonds, Series 2020* with the selection committee's recommended underwriting syndicate, was approved unanimously upon motion by Mr. Robert Teer, seconded by Mr. Sam Hunt.

Approval of the selection committee's recommended senior underwriter for the potential Complete 540 Bond Anticipation Note transaction was approved unanimously upon motion by Mr. Scott Aman, seconded by Mr. Robert Teer.

Toll Technology Update & Customer Service Update – Manish Chourey, Chief Technology Officer Ignacio DelPino, I-77 Mobility Partners

Discussion Summary

Mr. Manish Chourey provided the board with an update on Turnpike Toll Technology which included work with Wejo and Amazon.

Mr. Chourey then introduced Ignacio DelPino from I-77 Mobility Partners to provide an overview on dynamic toll pricing.

Mr. Charles Travis stated that there has been wide acceptance of the managed lanes project in the area, now that they are up and operating. He thanked Mr. DelPino for his hard work and perseverance. He referenced a toll rate minimum and maximum table presented and asked why there was a limit placed on the minimum amount. He asked that if that limit was necessary if drivers are to be encouraged to use the managed lanes.

Mr. DelPino replied he could not speak to that rate at the moment but he could state that the pricing algorithm does try to capture the spirit to encourage managed lanes use, and to highlight the contractual obligations in regards to the project.

Actions Taken

Information only, no action required.

Toll Technology Update & Customer Service Update – Manish Chourey, Chief Technology Officer Angela Queenland, Manager of Customer Service

Discussion Summary

Mr. Manish Chourey and Ms. Angela Queenland provided the Board with an update on customer service operations, which included an overview of processes and during COVID-19.

Actions Taken

Information only, no action required.

Roadway Operations Update – Dennis Jernigan, PE, Director of Highway Operations

Discussion Summary

Mr. Dennis Jernigan provided an update on roadway operations and maintenance.

Mr. Robert Teer commended Mr. Jernigan and his team for their hard work during COVID-19 and keeping the project moving.

Secretary Boyette departed the meeting at 12:30 PM, Vice-Chair Safran will preside for the remainder of the meeting.

Actions Taken

Information only, no action required.

Chief Engineer's Update – Rodger Rochelle, PE, Chief Engineer

Discussion Summary

Mr. Rodger Rochelle provided an update to the board that included an overview of the I-77 Comprehensive Agreement Amendment #9.

Mr. Charles Travis stated that during the development of the I77 project there was a lot of talk about semi trucks being allowed to use the roadway. As the project is being constructed it cannot accommodate semi trucks, what has changed that brought this conversation to the table? Mr. Rochelle stated that it is a recognition for local stakeholders that there are parties that could not use express lanes, predominately the small work trailers or small box trucks. By limiting to 2-axle vehicles, you are prohibiting heavy trucks from using the lanes. The prohibition is still in place but it is implemented by axle instead of by weight.

The payment structure will accommodate those additional trucks in the event that many years down the road additional maintenance will have to be performed or performed earlier.

Mr. Perry Safran asked if the 34% of the differential as revenue; is that gross revenue or net revenue. Mr Rochelle stated it was gross revenue minus transaction fees charged to the developer. Mr Safran stated it would be helpful to have that noted in future presentations as a footnote.

Actions Taken

Information only, no action required.

Communications & Public Relations Update – Kimberlee Poulton, Public Involvement Director Logen Hodges, Public Involvement Representative

Discussion Summary

Ms. Kimberlee Poulton and Mr. Logen Hodges unveiled the Complete 540 Interactive map, including a short video showing how the new tool is used.

Mr. Jim Walker commended Mr. Logen Hodges and the communications team for their work and encouraged more of their informative and engaging posts on various social media channels.

Actions Taken

Information only, no action required.

Closing Comments & Adjournment – Perry Safran, Vice Chair

Discussion Summary

Vice Chairman Perry Safran announced that the end of the agenda had been reached and asked for any additional questions or comments.

No further questions or comments were given.

Actions Taken

A motion to adjourn the May 7, 2020 Board of Directors meeting was unanimously approved upon a call for motion from Vice Chairman Safran moved by Scott Aman and seconded by Jim Walker. The motion was approved unanimously. Vice Chairman Safran declared the meeting adjourned.