



Finance Committee – Minutes – Approved

Meeting Details

Date: July 20, 2022

Time: 9:00 AM

Location: Webinar & NCTA 6th Floor
Conference Room
1 S. Wilmington St.
Raleigh, NC 27601

Attendance

Members Present In-Person & Virtually

Secretary Eric Boyette, Robert Teer, Jim Walker, John Adcock, Pamela Senegal

Members Absent

1. Welcome/Introductions, Call to Order & Declaration of Quorum

Robert Teer, Chair

Discussion Summary

Chairman Robert Teer called the July 20, 2022, North Carolina Turnpike Authority Finance Committee meeting to order and welcomed those in attendance. Mr. Teer invited everyone attending the meeting in person and remotely to introduce themselves. Mr. Teer called roll and declared a quorum present.

Actions Taken

Information only/no action required.

2. Approval of April 20, 2022, Meeting Minutes

Robert Teer, Chair

Discussion Summary

Mr. Robert Teer noted everyone received a copy of the meeting minutes prior to the meeting and announced he would accept a motion to approve the April 20, 2022, meeting minutes as written.

Actions Taken

The April 20, 2022, Finance Committee meeting minutes were unanimously approved upon a motion by Mr. John Adcock and seconded by Dr. Pamela Senegal.

3. Opening Comments

J.J. Eden, NCTA Executive Director

Discussion Summary

Mr. J.J. Eden started his opening comments by welcoming everyone to the meeting. Mr. Eden then introduced the new hires.

Mr. Eden introduced several new Turnpike Employees.

Mark Newsome is the new Deputy Chief Financial Officer at NCTA. He is a Certified Public Accountant and was previously the Chief Financial Officer for the Department of Information Technology. His hobbies include building boats and fishing. Mr. Newsome has also founded a travel agency with his wife. It specializes in family leisure travel. Mr. Newsome addressed the Members of the Committee and said that he was looking forward to the future work of the Finance Team.

Taylor Hamlet is the newest embedded consultant joining the Communications Team. Ms. Hamlet is with ICF Next and Complete 540 is her priority. She is a graduate of UNC with a MA in Mass Communications and a BS in Environmental Science.

John Hertweck is the new Manager at the Call Service Center in Morrisville. He will also oversee the new CSC in Rocky Mount. Mr. Hertweck represents the contractor for the NC QuickPass Call Service Center, GC Services. With knowledge and experience in the tolling and customer service industries, he has moved to North Carolina from Indianapolis, Indiana.

Mr. Eden talked about the importance of working toward sustainability as a goal for Finance and Operations. Mr. Eden discussed the conferences NC Turnpike Authority staff participate in throughout each year in order to foster education and to exchange industry ideas. Some of the conferences coming up soon are EZ Pass and The IBTTA Annual Meeting. Mr. Eden added that NCTA is a big part of the success of these organizations.

Mr. J.J. Eden discussed how focused Turnpike is on the in-vehicle technology platforms. The ATC Meeting – The NC Department of Transportation Advanced Technology Committee - is coming up on August 10th. The Presentation will be by Wejo representatives. Wejo is a worldwide connected vehicle data exchange platform service provider. Wejo will provide information to the Committee Members about data services that come from connected vehicles and how this data can be used for mileage-based user fees, mobility, and safety applications.

Mr. Eden discussed the withdrawn bid for I-485 and mentioned that Mr. Manish Chourey would discuss it in the Toll Technology portion of today's meeting.

Mr. Eden talked about the construction that is ongoing in Rocky Mount for the back-up call center. It is hoped that it will open in September. Job Fairs are ongoing. The next phase for construction includes restroom updates and other repairs at the Morrisville CSC building this year.

Positive progress with the Mid-Currituck project was shared by Mr. Eden. The Communications Department, with Logen Hodges, is an integral part of this success.

The importance and success of the Internship Program at NCTA was highlighted by Mr. Eden. The purpose of the program is to focus on the youth of today and help participants to determine future career plans. Of the six current interns, two have switched majors based on the work of their summer internships. Mr. Eden shared his thoughts and knowledge about the value of good internship programs for the NC Turnpike Authority and for college students. NCTA assigns specific projects to its six interns and supplements the intern experience with specific, timely education.

As Mr. Eden stated, the Turnpike is also working on the initial phases of the Eastern Corridor Coalition with its pilot program. With a federal grant, there is research going on regarding a mileage-based user fee (RUC). Turnpike is working within this program to design a collection method for future use. The design is scheduled for completion by year end.

Mr. Eden shared the good news that the Governor has signed the budget. The bad news is that the cost for postage has gone up, and this impacts NC QuickPass because of the number of invoices mailed out to customers. Also discussed was the size of the current staffing levels and those for the future. With such a great staff, it is an exciting time for the Turnpike.

Mr. Teer asked about the re-bid that Mr. Eden had discussed. Mr. Eden said that he was referring to everything attached to the gantries, with a technology purpose.

Actions Taken

Information only/no action required.

4. Complete 540 Construction Update

Dennis Jernigan, P.E., Interim Chief Engineer

Discussion Summary

Mr. Dennis Jernigan shared information regarding the Complete 540 Construction Update. He showed photos and videos of key portions of the project work and gave the Committee Members detailed descriptions of the progress shown. He also presented details for 2022 Complete 540 Outreach.

Mr. Robert Teer asked Mr. Jernigan to explain what cement stabilization does to the Committee Members. Mr. Jernigan discussed the two kinds of stabilization used (cement and lime). After analysis of the sub-grade, the stabilization materials are mixed into the foundation soil. After that, the sub-grade is set again, and then add a prime coat (liquid asphalt) to seal it. Mr. Jernigan said that this gives a firm foundation before placing stone and asphalt materials.

Dr. Pamela Senegal asked a question about the Community Outreach Update section. She asked Mr. Jernigan what process was in place for follow-up after a community meeting. Once concerns were acknowledged and information was shared, she requested details about what steps were taken next. Mr. Jernigan said that it can be handled several different ways, depending on the details. Contact through an HOA or through 'Next Door' were examples he gave. Communication happens regardless of the final decisions.

Mr. Jernigan introduced the Construction Intern:

Mr. Sam Capps. Mr. Capps is a resident of Dunn, N.C., and is a rising sophomore at NC State University. As a Civil Engineering major, Mr. Capps talked about his experiences as an intern on the 540 Project. He had hands-on experience with stationing, offset, survey, structure, and concrete pours. In addition, he learned how to read roadway, drainage, and bridge plans while with the survey crew. Mr. Capps told the Board Members that after assisting with bridge pours, he has been studying for the acquisition of ACI (American Concrete Institute) certification. Mr. Irvin thanked Mr. Capps and stated that he had also been an intern as a college student.

Actions Taken

Information only/no action required.

5. Complete 540 Spend Update

Travis Feltes, P.E., Project Engineer

Discussion Summary

Mr. Travis Feltes gave an update on Complete 540 Phase 1. He included Plan of Finance Cost Tracking, Right of Way, Contingencies information, and the Fuel Hedge status. Today's update provided financial data through the end of June.

There were no questions from the Committee Members, but Mr. Robert Teer commented that the hedge represents real money and savings to Turnpike.

Actions Taken

Information only/no action required.

6. Complete 540 Phase 2 Update

David Roy, Chief Financial Officer
Dennis Jernigan, Interim Chief Engineer

Discussion Summary

Mr. David Roy and Mr. Dennis Jernigan presented information regarding the expected schedule for Financing and Preconstruction Activities for Complete 540 Phase 2, as a project under development.

There was discussion about what TIFIA (Transportation Infrastructure Finance and Innovation Act) is and how it is used. Mr. Robert Teer prompted Mr. Roy to share the details about how it is used as a Financing tool. Mr. Teer stated that it is 'the third leg to our stool,' because of the way money can be accessed in advance in order to roll out the entire plan of a project. The current rate was stated to be 3.13% according to David Miller.

Actions Taken

Information only/no action required.

7. FY23 Budget Update

Kim Medlin, Controller

Discussion Summary

Ms. Kim Medlin updated the board on Turnpike Budget status for Operations & Maintenance, the Triangle Expressway, Monroe Expressway, as well as the Renewal & Replacement Budgets for each. Ms. Medlin shared that for the second year in a row the NCTA received the "Distinguished Budget Presentation Award" for Fiscal Years 2021 and 2022 from the GFOA (Government Finance Officers Association).

Mr. Robert Teer asked what the reference to Lenses represented. Mr. Dennis Jernigan stated that those

were lenses for snowplow markings on roads. These markers wear out and need to be replaced periodically. The lenses are popped out and replaced, but the cases remain embedded in the pavement.

Mr. Teer reminded Mr. Jacob Vlanich that he had requested the amount of the financing savings realized by the Turnpike over the existence of the Turnpike Authority. Mr. Vlanich shared that the amount of refunding savings has been approximately \$147 million. This includes for the Monroe and Triangle Expressway projects: \$118 million for Triangle Expressway and \$29 million for Monroe Expressway. Mr. Teer asked Mr. Vlanich to explain what this amount actually represents. Mr. Vlanich said that this includes refunding bonds at lower interest rates than originally planned. He continued, "this is to save future value for current times." Mr. Teer asked that these dollar amounts be written into the minutes of the meeting. Mr. Teer added that it is like refinancing one's house to take advantage of lower interest rates.

Actions Taken

Information only/no action required.

8. NC Turnpike Authority Intern Presentations

Logen Hodges, Marketing & Communications Director

Discussion Summary

Mr. Logen Hodges Introduced the Marketing & Communications Intern.

Ms. Caroline Hiel. Ms. Hiel, a rising senior at the University of South Carolina, is majoring in Marketing Advertising with a Minor in Business Administration. She presented a report about her projects, training, and experience at NCTA.

Manish Chourey, Chief Technology Officer

Discussion Summary

Mr. Chourey introduced the two Advanced Technology Interns:

Ms. Areeba Khokhar. Ms. Khokhar will be a junior at the University of North Carolina at Chapel Hill. She is double majoring in Computer Science and Business Management. Ms. Khokhar has spent a second summer as a technology intern for NCTA. She gave an informative presentation about creating a data visualization dashboard for the benefit of multiple users. She is also automating the dashboards to have automatic data refresh features. Ms. Khokhar will continue as a part time Turnpike intern throughout the coming academic year. This was Ms. Khokhar's second year as an intern for NCTA.

Mr. Robert Teer asked Ms. Khokhar what happens to the tags that are not read correctly by the system. Mr. Manish Chourey answered the question by stating that NC QuickPass staff work with the lane site maintenance crews to get those data points added. The tool that Ms. Khokhar created alerts NCTA and NC QuickPass staff that follow-up and reconciliation are necessary. Mr. Teer also asked other questions on the presentation slide that Ms. Khokhar shared with the Committee Members. Mr. Teer asked how

many transponders are outstanding. Mr. Chourey said that there are over a million transponders from NC QuickPass, not including those used by EZ Pass and Sun Pass. Mr. Teer stated that transponders are the most efficient way to capture toll usage transactions. Mr. Chourey agreed with that statement. There is a 35% discount for transponder users.

Mr. Shubhankar Shindgikar. Mr. Shindgikar is a PhD candidate at the University of South Florida. He is majoring in Transportation. He also has both a BS and an MA in Mechanical Engineering. He began studying transportation because of his interest in helping to reduce congestion on the roads. Mr. Shindgikar is researching Connected & Automated Vehicle (CAV) Technology. At NCTA he has developed four dashboards. He has also focused on the Automation Process for Data Ingestion into Power BI for cloud-based interdepartmental communication of data streams. The goal is for a deeper understanding of the data metrics, business progress, and the needs of the system.

Mr. J. J. Eden thanked Mr. Travis Feltes for his work to recruit, select, and support the interns in this program. It is the second year of the program. Mr. Eden stressed that he wants the interns to learn practical experience, specific projects, and industry contacts. Mr. Eden asked all, and specifically Dr. Senegal what he could do to strengthen the internship program going forward. Dr. Senegal said that the structure of this program is strong and that she is a big fan of the program.

Adjourn

Robert Teer, Chair

Discussion Summary

Mr. Robert Teer opened the floor for questions or comments.

Mr. Robert Teer called for a motion to adjourn the July 20, 2022, North Carolina Turnpike Authority Finance Committee meeting.

Actions Taken

A motion to adjourn the July 20, 2022, Finance Committee meeting was approved upon a call for motion from Mr. Jim Walker and Mr. John Adcock seconded the motion.