



Board of Directors – Special Full Board Meeting Minutes

Meeting Details

Date: Friday, September 30, 2022

Location: Webinar/Teleconference

Time: 10:00 AM – 10:30 AM

Attendance

Members Present

Members Present via Webinar

Secretary Boyette, John Adcock, Sam Hunt, Montell Irvin, Dr. Pamela Senegal, Robert Teer, Vice Chair James (Jim) Walker, Mary Clayton & Charles (Chuck) Travis

Members Absent

None

Call to Order, Declaration of Quorum, Ethics Statement Review

Secretary Boyette, Chair

Discussion Summary

Chairman Boyette stated that he would like to take this time to also remind members that all chats, instant messages, texts, or other written communications between members of the Board regarding the transaction of the public business during this remote meeting are deemed a public record.

Chairman Secretary Boyette called the meeting of the Turnpike Authority Board of Directors to order at 10:00 a.m. on Friday, September 30, 2022, and Secretary Boyette a roll call.

Members Present Via Webinar/Teleconference: Secretary Boyette, John Adcock, Mary Clayton, Sam Hunt, Montell Irvin, Dr. Pamela Senegal, Robert Teer, Chuck Travis, Vice Chair James (Jim) Walker

Members Absent: None

Secretary Boyette declared a quorum with members present.

Secretary Boyette read the Ethics Statement as follows: "In accordance with the State Government Ethics Act, Executive Order No. 2 issued on January 12, 2009, and N. C. G. S. §143B-350, it is the duty of every Board member to avoid both conflicts of interest and appearances of conflict. "To comply with this statement and the State Ethics Law, I ask whether any Board member has a known conflict of interest or appearance of conflict with respect to any matters coming before the Board today."

"If so, please identify the conflict or appearance of conflict when the item appears on the agenda for consideration, refrain from any undue participation in the particular matter involved and sign before our notary the Declaration that has been provided to you for such purpose." He also instructed all members to file the proper paperwork with the Julie Lohrentz-Keaveny, Temporary Secretary to the Board.

Actions Taken

Information only, no action required.

Opening Comments

Secretary Boyette, Chair

Discussion Summary

Secretary Boyette thanked all in attendance and turned the floor over to J. J. Eden for opening comments.

Actions Taken

Information only, no action required.

Executive Director Comments

J.J. Eden, Executive Director

Discussion Summary

Mr. J.J. Eden thanked all Board Members for attending this special meeting, especially with such short notice. He expressed that he will be keeping all of those involved in the storm in his thoughts and prayers.

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 August.

Since the Board meeting, the Finance Committee has met once, today, September 30th at 9:00 a.m.

At the September 30th meeting the Finance Committee received the Complete 540 Construction Update, Complete 540 Phase 2 Update, and the Complete 50 Phase 2 Plan of Finance.

Action Taken: Consideration of Inducement Resolution for Complete 540 Phase I Financing. The Inducement Resolution was approved by the NCTA Finance Committee with all present committee members voting 'aye.'

The Inducement Resolution having passed, will be presented to the NCTA Board of Directors for consideration at this meeting.

Vice Chair Walker added that it had been a unanimous decision.

Complete 540 Phase 2 Project

Dennis Jernigan, Interim Chief Engineer

Discussion Summary

Mr. Dennis Jernigan presented the Complete 540 Phase 2 Project Update. There were no questions for Mr. Jernigan.

Complete 540 Phase 2 Plan of Finance

David Roy, Chief Financial Officer

Discussion Summary

Mr. David Roy Presented the NC Turnpike Authority Complete 540 Phase 2 Plan of Finance to the Board of Directors.

He paused to ask if any of the Committee Members had questions regarding the Plan of Finance.

Mr. Montell Irvin noted that there had been a great deal of work done regarding the plan going forward. He asked Mr. Roy if the resolution was accepted by the Board today, would the department start the ball rolling right away for TIFIA funding? Mr. Roy shared that the ball has already been rolling for TIFIA. He said that they had submitted the Letter of Interest. He said that a loan on this project had been considered as early as 2020, and that the progress had been shared with the Committee Members for the better part of a year. It has progressed into the creditworthiness phase, which means that the process of onboarding advisors, the traffic and revenue group, and their financial and legal teams. This is the same group of professionals who worked on the TIFIA for the Complete 540 Phase 1 Project. The process has advanced through three rounds of due diligence. Mr. Roy summarized the process and all the moving parts for the Board Members and stated that it will be about 18 months before the finances flow into the NCTA. Updated traffic and revenue forecasts will be evaluated going forward. The finance group is waiting to hear from Mr. Roy and ultimately, the NCTA Board of Directors, before moving forward with the process. Mr. Irvin stated that it was good to hear that the NCTA Finance team was getting ahead in the process.

Mr. Irvin then asked what would the rough rate be at this time? Mr. Roy said that it was approximately 3.73 to 3.75 very recently. Mr. Roy continued by saying that they are continuously updating the plan of finance at this point in the process and that a 75-basis point cushion is required for all financial analysis. He continued by adding that with the current rate environment over the last couple of months a robust financial plan is manageable. Mr. Roy said that at the NCTA Special Finance Meeting held earlier in the day that he had mentioned these matters. He stressed that everyone is aware of what has been going on with the feds and with rates in general, historically speaking, Turnpike is in a favorable rate environment. The 2009 TIFIA Loan for the original Triangle Expressway was closed at 4.25.

Secretary Boyette asked if there were any additional questions. There were none.

Mr. David Roy continued his presentation to the Board Members. Mr. Roy asked the Board Members if there were any questions on the resolution itself. He added that with approval this matter will go before the NC Board of Transportation at their next meeting, Wednesday, October 5, 2022, for consideration. Secretary Boyette added that it had been added to the Agenda for the NC Department of Transportation Board meeting.

Mr. Irvin asked where exactly the funds would come from within the financial structure of the Department of Transportation. Mr. Roy stated that the funds would be reimbursed through revenue bond proceeds. The first dollars out after financial close would be to reimburse the Department for these advanced funds. He continued to say that the TIFIA Loan is not alone in the sense that at financial close \$380 million will be drawn on over the life of the project. There were no further questions.

Actions Taken

Information only, no action required.

Action Item: Consideration of INDUCEMENT RESOLUTION FOR COMPLETE 540 PHASE 2 FINANCING

Secretary Boyette, Chair

Discussion Summary

Secretary Boyette asked Mr. Robert Teer to proceed with the Action Item. Mr. Teer stated that the Finance Committee met earlier in the day and recommends the following resolution for review of the Board of Directors. He then read: The resolution reads with respect to actions in furtherance of financings of Complete 540 Phase 2, including requesting authorization of NC Department of Transportation advances. Acknowledging terms of NC Department of Transportation guarantee and inducement under the Internal Revenue Code 1986, as amended. He stated that the Finance Committee recommends this resolution and brings it before the Full Board of Directors at this time for information.

Secretary Boyette thanked Mr. Teer and declared that there was a motion on the floor. He asked if there were any questions. Hearing none, he then stated that the process would proceed. He then said that it would take a second to move the motion forward. Mr. Montell Irvin seconded the motion. Secretary Boyette then took a roll call vote. It was unanimous in the affirmative. The motion to support the Resolution passed.

Secretary Boyette told the Board Members that he appreciated the Board Members taking the time to meet regarding the Resolution. He thought that the comments were important and that Mr. Dennis Jernigan and his team, as well as Mr. David Roy and his financial team would continue to be passionate about the work of the Turnpike. He discussed how he values the partnerships.

Secretary Boyette wanted to thank the team for walking through each detail and making sure that all of the questions were answered.

Closing Comments & Adjournment

Secretary Boyette, Chair

Discussion Summary

Secretary Boyette announced that the next scheduled Board of Directors Meeting would be held on Thursday, November 17, 2022, and that he was looking forward to that meeting. He asked if there were any other items that needed to be discussed by the Board and hearing none he asked for a motion for adjournment. So moved by Mr. Robert Teer. Mr. Charles Travis seconded the motion.

Secretary Boyette asked for a roll call vote for adjournment. Each member voted 'aye.'

Actions Taken

Secretary Boyette adjourned the September 30, 2022, NC Turnpike Board of Directors meeting at 10:33 a.m.