



MEETING MINUTES FINANCE COMMITTEE

DATE: 06/15/2017 **TIME:** 9:30 AM **LOCATION:** NCTA Main Conference Room

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

AGENDA TOPICS

1. WELCOME/INTRODUCTIONS – ROBB TEER, CHAIR	
DISCUSSION SUMMARY	Chairman Teer thanked all for attending the meeting today and for their work on the Finance Committee and the refinancing. Mr. Teer then called roll for all in attendance.
ACTIONS TAKEN	Information only/ No action taken

2. CALL TO ORDER AND APPROVAL OF APRIL 13, 2017 MEETING MINUTES - ROBB TEER, CHAIR	
DISCUSSION SUMMARY	Chairman Teer called the meeting to order and stated the committee minutes for the April 13, 2017 meeting were distributed prior to the meeting.
ACTIONS TAKEN	Chairman Teer called for a motion to approve the minutes as written. Mr. Jim Walker made a motion to approve the minutes as written; the motion was seconded by Mr. Scott Aman. The motion was carried unanimously.

3. OPENING COMMENTS – BEAU MEMORY, EXECUTIVE DIRECTOR	
DISCUSSION SUMMARY	<p>Mr. Beau Memory thanked all for attending and introduced the topics to be presented before the committee. Mr. Memory then gave an update on the NCTA.</p> <p>Strong performances on the Triangle Expressway. Transactions were up 13% year over year in May and setting a new record of 4.3 million transactions.</p> <p>In 2015, NCTA had a Google Review rating of 1.3 stars out of 5. In the last 3 months, our Google Review has increased to 1.9. This increase, while small, is quite a feat. NCTA has begun responding to Google reviews, both negative and positive, and is working to improve customer service experience. Mr. Memory shared the story of NC Quick Pass customer Mr.</p>

	<p>Ripper, who had trouble with our customer service in the past (20+ calls to service center), Mr. Ripper recently represented NCTA at the Salamanders game.</p> <p>Mr. Jim Walker asked for any updates on I-77. Mr. Memory responded that the Mercator review is ongoing. We are hoping to have a draft report in Mid-July that if available before the next committee meeting will be presented by Mr. Jim Taylor. Construction is still ongoing. They have had some problems with the construction, but the Division of Highways has developed a plan to deal with that. Mr. Walker and Chairman Teer thanked Mr. Memory for the information.</p>
ACTIONS TAKEN	Information only/No action required.

4. TOLL PROJECT DEVELOPMENT POLICY – GENE CONTI	
DISCUSSION SUMMARY	<p>Chairman Teer introduced Mr. Gene Conti to speak on the Toll Project Development Policy.</p> <p>Mr. Conti briefed the board on the study he is leading directed by Secretary Trogdon to develop policies and guidelines for selecting projects as toll candidates. Mr. Conti spoke to the positive support this initiative has received from the General Assembly and gave a review of the study process, current considerations, and next steps going forward. Updates will be given to the Board of Transportation and the Turnpike Authority Board with a final report in September.</p> <p>Mr. Wally McBride asked about the next stakeholder meeting and asked to attend. He also reminded the committee that statutorily the Authority is charged with setting its own tolls and must approve the initial setting of P3 tolls.</p> <p>Mr. Beau Memory remarked that there is no formal internal process in how these projects are selected. Mr. Jim Walker mentioned that the CRTPO will be very open to participating in this discussion.</p> <p>Important Meeting Dates</p> <ul style="list-style-type: none"> • Main Group (in person): 6/20, 7/5, 8,8, 9/5 • Main Group (conf. call): 7/18, 8/1, 8/22 • Internal Work Group: 7/25, more TBD • External Work Group: 7/6, 8/15, 8/22
ACTIONS TAKEN	Information only/No action required.

5. TRIANGLE EXPRESSWAY APPROPRIATION REVENUE BONDS (BABS), SERIES 2009B REFUNDING ANALYSIS – HOPE DAVIDSON, PFM	
DISCUSSION SUMMARY	<p>Chairman Teer introduced Ms. Hope Davidson. Ms. Davidson presented to the committee the overview of the Refunding Analysis. Currently there is \$346 million in par outstanding and of that \$312 million is eligible for a refunding with a call date of January 1, 2019. Ms. Davidson discussed the federal subsidy received that due to sequestration has been reduced from 35.0% to 32.6%.</p> <p>Mr. Walker asked for a further explanation of sequestration which Ms. Davidson clarified.</p> <p>Mr. Walker asked if there was any chance that in regards to sequestration that they might ultimately honor their commitments. Mr. McBride said that he does not expect the full subsidy to be received again. Mr. David Roy also mentioned that the financial model assumes</p>

	<p>sequestration for the life of the bonds.</p> <p>Ms. Davidson gave an overview of the options available to the Authority for the refunding and an analysis of each. Ms. Davidson pointed out that if rates increased 41 basis points then option 2 and 3 would result in the same savings. Mr. Jim Walker asked with the federal rate being raised yesterday are the risk of rates raising a real danger. Mr. McBride pointed out that the muni market does not necessarily track the federal rate changes, mostly yes, but not always.</p> <p>Mr. Teer requested to make sure SunTrust is evaluated as they proposed a similar option for the Airport Authority. Ms. Davidson confirmed SunTrust is very active and has put in some good bids on toll roads before. Chairman Teer also in full disclosure stated that he is the chairman of the Eastern North Carolina SunTrust Board, but they are not involved in the operations or the finances of SunTrust.</p> <p>Mr. Roy asked for the opinion of the committee and whether the RFP should be pursued. He also stated that an RFP can be done quickly and inexpensively and they will be ready to report back to the committee at the July meeting the findings of the Selection Committee in order to determine the next steps.</p> <p>Chairman Teer said he would like to pursue the forward refunding with a reputable bank and he would like to see the proposals submitted.</p> <p>Mr. Walker asked for Mr. McBride's opinion. Mr. McBride replied that he has never seen an issuer refuse a greater than 10% net present value savings which the forward refunding offers.</p> <p>Mr. Scott Aman said he would like to further pursue the options.</p> <p>Mr. Walker stated that he supports Chairman Teer in pursuing Option #2 the forward refunding. Mr. Aman agreed.</p> <p>Chairman Teer requested that caution be taken. Mr. Memory reminded the board that these proposals are in no way binding. Chairman Teer requested to see the proposals submitted. Mr. Memory stated that we are happy to share the proposals with the board and that we will, as before, establish an FTP site for all documentation to be shared. Chairman Teer also requested a table that summarizes the options with a ranking of the recommended proposals. Mr. Memory also stated that these proposals should be benchmarked to the other options available or if we waited until January 1, 2019.</p> <p>Mr. Walker asked who receives the benefit of the NPV savings. Mr. Memory responded that essentially the project does and provides more flexibility for decisions regarding the Triangle Expressway in the future.</p>
ACTIONS TAKEN	Information only/No action required.

6. ADJOURN	
DISCUSSION SUMMARY	Chairman Teer opened the floor for new business. No new business was offered.
ACTIONS TAKEN	The Committee Meeting was adjourned.