



STATE OF NORTH CAROLINA
TURNPIKE AUTHORITY

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DAVID W. JOYNER
EXECUTIVE DIRECTOR

**BOARD OF DIRECTORS MEETING
MINUTES**

Wednesday, June 18, 2008
Board Room, NCTA Offices

Members present: Lyndo Tippet, Chairman
Perry Safran, Secretary/Treasurer
Robb Teer
David Redwine
Bill Lackey
Sang Hamilton

Members absent: Lanny Wilson
Bob Spencer

Also present: David Joyner, Executive Director

Chairman Lyndo Tippet called the meeting to order at 1:00 pm and read the Ethics Act. Chairman Tippet declared that there was a quorum present. The May 21, 2008, minutes were approved as presented.

Perry Safran indicated that he had a possible conflict of interest on one agenda item and stated that he would ask to be recused from voting on the on-call contracts.

NCTA Educational Video: Mrs. Reid Simons presented the 9-minute educational video created to provide basic information about the NCTA to stakeholders, legislators, and other members of the public. David Joyner expressed thanks to those who worked on the video.

Evaluating Private Industry Proposals for PPPs: Ms. Laurie Mahon of PFM gave a presentation on issues relating to the evaluation of unsolicited Public-Private Partnership (PPP) proposals (see attached). In response to a question about how NCTA could protect proposers' innovations and still set standards in an RFP, Ms. Mahon suggested that the NCTA not include limitations in the RFP by offering a solution but rather illustrating the issues and allowing vendors to create solutions for the issues.

Committee Reports:

Executive: Chairman Tippet reported that the Executive Committee met on June 5, 2008. The committee had one action item. Lanny Wilson moved that the NCTA proceed with the

accelerated schedule for bond underwriter procurement as presented by Grady Rankin. The motion was seconded by Sang Hamilton and passed unanimously (see attached).

Operations and Personnel Committee: Sang Hamilton reported that the Operations and Personnel Committee discussed the violation legislation being reviewed by the legislators and additional language that was added to the bill. The committee also discussed issues concerning the operations center location and upcoming web site redesign. Jim Eden updated the committee on the latest industry news. There were no action items.

Finance Committee: Perry Safran reported from the Finance Committee. Grady Rankin discussed the status of the underwriter selection. The TIFIA application has been submitted. The committee reviewed the Fitch rating letter, Master Trust Agreement, and the plans for banking services selection. Mr. Rankin also discussed future action items that would be coming before the Finance Committee in July and August, including the investment policy, a resolution to the Local Government Commission, the O&M Agreement with NCDOT, the selection of additional underwriters, and the Master Trust Agreement.

Due to a possible conflict of interest, Mr. Safran ceded the chair to Anthony Fox for the discussion and vote on the on-call contracts. Mr. Fox reported that the Finance Committee discussed the on-call contracts. He made a motion from the Finance Committee that the Board approve five contracts with amounts not to exceed as follows: URS for \$6.0 million; Baker/Mulkey for \$4.0 million; HNTB for \$4.0 million; PB for \$6.0 million; and PBS&J for \$7.5 million. Mr. Safran requested to be recused from the vote. David Redwine seconded Mr. Fox's motion, and the motion passed unanimously.

Mr. Safran re-assumed the chair and recounted the Finance Committee discussion of the selection process for the bond underwriter. Mr. Safran suggested NCTA staff should short list three firms, educate the board members on each of the firms and allow the Board to make the final selection. NCTA staff would rank the firms in order of preference but the Board would make the final selection from the top three firms. Mr. Tippet asked for further clarification on how this would improve the current process. Mr. Safran stated that the process he was advocating was used by other boards he served on where the staff would educate the board members about each short-listed firm, including negative and positive feedback for each proposer and then the board would vote on the final selection, rather than having staff recommend one firm. Mr. Fox agreed with Mr. Safran. Mr. Redwine did not agree and said he preferred to rely on staff and consultants to recommend the most qualified firm. Bill Lackey agreed with Mr. Redwine, indicating that staff and consultants are paid to research the firms and study the proposals in-depth. He said he felt their opinions should be highly regarded.

Mr. Safran made a motion for NCTA staff to present the top three firms to the NCTA Board and rank the firms in order of preference. Mr. Fox asked to include a list of pros and cons for each ranked team for Board members who were unable to review the proposals.

Chairman Tippet expressed concern about relaying sensitive information on companies that could be used to their detriment. Mr. DeWitt concurred with Mr. Tippet. Mr. Redwine suggested a substantiation of the top ranked firm only. Mr. Joyner reviewed the process of proposal review process and stressed that review would be time-intensive.

Mr. Safran restated the previous motion, commenting that there was not a consensus to include Mr. Fox's recommendation of a written ranking; however the materials used to rank the firms and make a recommendation must be made available to the board for review. Robb Teer seconded the motion. Mr. Fox stated his opposition to the motion. The motion passed.

Plans and Programs: Mr. Teer reported on the Plans and Programs Committee. A presentation was given on the EIS concerns for the Mid-Currituck project. Mr. DeWitt discussed the Right-Of-Way Acquisition Policy and Procedure as well as reported on the current status of NCTA's projects.

Executive Director's Report: Mr. David Joyner asked the board for volunteers to sit on the review committee for the underwriter selection. Mr. Safran indicated he would participate as a non-voting member.

Mr. Joyner reported on the status of the proposed budget. The House included funding for Triangle Expressway and Monroe. The senate was scheduled to vote on June 18 for an additional \$15 million for Mid-Currituck and \$35 million for Gaston. A decision to fund Cape Fear has not been made. Mr. Joyner indicated he would keep the board informed as further developments occur.

The next board meeting is planned to be held via teleconference. Beth Wise reported that July 17 was not convenient for several members, so she will poll the Board further about another date.

Mr. Joyner introduced Robert Wisenberger, Controller for NCTA.

The meeting was adjourned at 2:20 p.m.

Minutes prepared by JR Fenske