



STATE OF NORTH CAROLINA
TURNPIKE AUTHORITY

MICHAEL F. EASLEY
GOVERNOR

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DAVID W. JOYNER
EXECUTIVE DIRECTOR

**BOARD OF DIRECTORS MEETING
MINUTES**

Wednesday September 17, 2008
Board Room, NCTA Offices

Members present: Lyndo Tippet, Chairman
Sang Hamilton
David Redwine
Perry Safran
Bob Spencer
Robb Teer
Lanny Wilson

Members present via phone: Anthony Fox

Members absent: Bill Lackey

Also present: David Joyner, Executive Director

Chairman Lyndo Tippet called the meeting to order at 1:03 pm. He declared that a quorum was present and read the Ethics Act statement.

Robb Teer moved approval of the July 2008 minutes. Bob Spencer seconded the motion, and the minutes were approved as presented.

Committee Reports:

Executive Committee: The Executive Committee did not meet.

Operations and Personnel Committee: Sang Hamilton reported that the Operations and Personnel Committee discussed the Toll Rate Policy that was presented by Tom Lee. Mr. Hamilton made the following motion: *The Operations and Personnel Committee recommends that the Board approve the toll rate policy as presented (see attached policy).* Lanny Wilson seconded the motion. Mr. Lee discussed the rating agencies' recommendation to adopt a toll policy, and he explained the key points in the policy. Secretary Tippet discussed the WV Turnpike and the issues concerning inflation in their toll policy. The motion was approved unanimously.

Plans and Programs Committee: Robb Teer reported that the Plans and Programs Committee discussed a resolution of appreciation to NCDOT Board of Directors. He made the the following motion: *We recommend that the Board approve the resolution as presented (see attached).* Mr. Hamilton seconded the motion, and it was approved unanimously.

Mr. Teer made the following motion: *We recommend that the Board accept the donation of land for the Triangle Parkway from the Research Triangle Foundation.* Bob Spencer seconded the motion, and it was approved unanimously. David Joyner thanked Liz Rooks, Vice President, Research Triangle Foundation, on behalf of the NCTA. Mr. Teer also reported that the Committee discussed proposed procurement policies and procedures. He made the following motion: *We recommend that the Commodities and Services Procurement Policy (see attached) be adopted to govern the independent auditor procurement, the financial services systems consultant procurement, and the toll collection system procurement.* Lanny Wilson seconded the motion. The board members discussed that they would like more time to review the policy but were willing to approve it to govern the three named procurements. It was reiterated that the policy could be changed by the Board upon further review and reconsideration at a subsequent meeting of the Board. The motion was approved unanimously.

Finance Committee: Bob Spencer reported that the Finance Committee discussed several items required to facilitate the Tri-Ex bond issuance. He made a motion from the Finance Committee: *We recommend that the Board approve the designation of the Bond Pricing Committee as stated in Section 7 of the Bond Order as the Chairman of the Board or his designee, the Secretary/Treasurer, the Executive Director, and the Chief Financial Officer.* Robb Teer seconded the motion, and it was approved unanimously.

Bob Spencer made a motion from the Finance Committee: *We recommend that the Board adopt the resolution authorizing the filing of an application with the LGC and requesting the LGC to sell bonds at a private sale in connection with the issuance of revenue bonds by the NCTA.* (See attached resolution.) David Redwine seconded the motion, and it was approved unanimously.

Bob Spencer made a motion from the Finance Committee: *We recommend that the Board approve payment to rating agencies to cover the estimated final rating and grading fees of up to \$250,000 and recurring annual maintenance fees of up to \$25,000 per agency over the life of the bonds and TIFIA administrative and legal fees to cover the costs incurred by TIFIA for approval and execution of the loan to the NCTA.* Sang Hamilton seconded the motion, and it was approved unanimously.

The committee also discussed a supplement amendment to the contract with Carolina Land Acquisitions. Bob Spencer made a motion from the Finance Committee: *We recommend that the Board approve the execution of a supplemental amendment to the agreement between the NCTA and Carolina Land Acquisitions for additional right of way appraisals, appraisal reviews, and relocation assistance services, as anticipated in the NCTA 2009 Annual Plan of Work. The supplemental amount shall not exceed \$804,000.* Perry Safran seconded the motion. Upon the Chairman's request, Steve DeWitt described how the contract works and how it applies to the TriEx corridor. He also explained that the contract applies to services for all Turnpike projects. Some members of the Board thought that the contract applied only to services for TriEx. Steve DeWitt clarified that the contract language applies to services for one or more Turnpike projects. A substitute motion was made by Robb Teer as follows: *I move that the Board approve the execution of a supplemental agreement between the NCTA and Carolina Land Acquisitions for additional right of way appraisals, appraisal reviews, and relocation assistance services, as anticipated in the NCTA 2009 Annual Plan of Work. The supplemental amount shall not exceed \$804,000 and shall be expended only for services related to the Triangle*

Expressway. Bob Spencer accepted the substitute motion. The substitute motion was seconded by Lanny Wilson, and it passed.

Bob Spencer provided a status of the upcoming RFPs for the Independent Auditor and the Financial Services Systems Consultant.

Other Business: Lyndo Tippett announced that the Independent Audit Committee members are Lanny Wilson, Perry Safran, and Robb Teer.

Grady Rankin distributed notebooks to the NCTA Board members that include the materials for review and action at the October Board meeting. He discussed the need for approval in October to maintain the financing schedule. The documents included in the notebook are: TIFIA Term Sheet, Trust Agreement, 1st Supplemental Trust Agreement, Official Statement, Bond Purchase Agreement, Bond Order, Custody Agreement, and Investment Policy. Tom Lee discussed the documents in the notebook and gave a brief description of each.

Perry Safran recommended the election of the Assistant Secretary/Treasurer and the procurement of an official seal for the NCTA.

David Joyner discussed the uncertainty about interest rates and the TIFIA loan. He pointed out that the TIFIA credit council at USDOT has more applications for TIFIA loans than they have funds to authorize. Mr. Joyner described the prioritization committee that has been assembled at USDOT. USDOT has \$90 million left to authorize for the remainder of this fiscal year which concludes on October 31. Triangle Expressway would require \$20 million of that authority. David Joyner discussed the meeting in Washington, D.C. yesterday (September 16, 2008).

Robb Teer thanked everyone for their hard work in bringing the project to this point.

Secretary Tippett adjourned the meeting at 2:16 pm.

Minutes prepared by Jillian Bliss