



Board of Directors – Finance Committee

Meeting Minutes

Date: October 20, 2021
Time: 9:30 AM

Location: Via teleconference/webinar & In Person
NCDOT Board Room - 150
1 S. Wilmington St. Raleigh NC 27601

Attendance

Members Present

Secretary Boyette, Robert Teer; Chair

Members Present Via Phone

Scott Aman, Jim Walker

Members Absent

Welcome, Introductions, Call to Order & Declaration of Quorum – Robert Teer, Chair

Discussion Summary

Chairman Robert Teer called the October 20, 2021, North Carolina Turnpike Authority Finance Committee meeting to order and welcomed those in attendance. Mr. Teer called roll and declared a quorum present.

Actions Taken

Information only, no action required

Approval of July 21, 2021 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 July 21, 2021, meeting minutes as written.

Actions Taken

The July 21, 2021, Finance Committee meeting minutes were unanimously approved upon a motion by Mr. Scott Aman and seconded by Mr. Jim Walker.

Opening Comments – J. J. Eden, Executive Director

Discussion Summary

Mr. J.J. Eden started his opening comments by welcoming everyone to the meeting and by making several introductions.

Mr. Eden first introduced Mr. Jerry Eakes. He is now the Back Office Systems Manager joining the Toll Technology Group with Mr. Manish Chourey. Mr. Eakes has been with NCTA for about 10 years as an embedded consultant.

Next, Mr. Eden introduced Mr. Garrett Lee. As a Transportation Engineer Associate, Mr. Lee is joining NCTA for the month of October. He started with the TEA program in August 2020 and has spent time in Division 5 Construction and Maintenance, as well as the Materials and Tests Unit. Lastly, Mr. Eden introduced Ms. Jenny Norcross, Senior Administrative Assistant, joining the Administrative Staff with Ms. Logann Perry. She is currently supporting Mr. Andy Lelewski and his work with the upcoming ITS America Conference.

Mr. Eden mentioned that NCTA will be an integral part of the ITS America Conference December 7-10, 2021, in Charlotte.

Mr. Eden spoke about Mr. Andy Lelewski and Mr. Marvin Butler organizing a tour of the I-485 Project for some board members. The tour involved the NCDOT Highway Division and contractors. This illustrated the unity we have with the department.

Mr. Eden talked about how we plan to do more personal events with the Board in the next few months.

Actions Taken

Information only, no action required

Complete 540 TIFIA Refinance – David Roy, Chief Financial Officer

Discussion Summary

Mr. David Roy summarized the NCTA Debt Policy Report and mentioned that it is to be reviewed every year.

Mr. Roy then spoke about the outstanding debt of the Triangle Expressway and Monroe Expressway.

Mr. Robert Teer asked Mr. Roy if NCTA is paying interest on the debt and if the chart includes the Complete 540 Phase 1. Mr. Roy stated that it does include Phase 1 of Complete 540. The 2019 toll revenue bonds were issued for the Complete 540 system, and NCTA is paying interest on those bonds today.

Mr. Jim Walker asked if NCTA is meeting their obligations and that there are no issues. Mr. Roy stated that that is correct.

Actions Taken

Information only/no action required.

Monroe Expressway TIFIA Refunding – Kate Trimble, Financial Analyst

Discussion Summary

Ms. Kate Trimble gave a presentation on two potential refundings for the Monroe Expressway that the Authority is currently monitoring.

Actions Taken

Information only, no action required

Triangle Expressway 2022 Toll Rates – David Roy, Chief Financial Officer

Discussion Summary

Mr. David Roy gave an overview of the 2022 toll rate schedule for the Triangle Expressway that will go into effect January 1, 2022.

Mr. Robert Teer asked that future report presentation slides show the effective date of the new toll rates. Mr. Roy stated that in the future the date will be added.

Actions Taken

Information only, no action required.

Monroe Expressway 2022 Toll Rates – David Roy, Chief Financial Officer

Discussion Summary

Mr. David Roy gave an overview of the 2022 toll rate schedule for the Monroe Expressway that will go into effect January 1, 2022.

Actions Taken

Information only, no action required.

Complete 540 Construction Update – Dennis Jernigan, PE, Deputy Chief Engineer for Highway Operations

Discussion Summary

Mr. Dennis Jernigan provided the committee with an update on Complete 540 construction and public outreach. This update included a project highlight compilation video shot by a camera drone and assembled by Summit Engineering.

Mr. Robert Teer asked during the video if ice or retardant was used because of the hot weather. Mr. Jernigan stated that he is not aware of ice being used. Mr. Jernigan later added that the crews didn't use ice, but they did use chilled water. Mr. Teer asked if it was chilled on-site or at the plant. Mr. Jernigan replied that they made it at the plant. Mr. Teer then asked that if not freezing, what was the ambient temperature of it the chilled water? Mr. Jernigan replied that he didn't know the temperature of the water, but he would find out. Mr. Jernigan later advised Mr. Teer that the target water temperature was 55 degrees, but the actual temperature had been running between 63 and 68 degrees.

Mr. Jim Walker asked about the status of supply levels for the construction crews. Specifically, for rebar. Mr. Jernigan said that one of the things NCTA is running into is that suppliers are not abiding by the agreements they have with the contractors. This is not specific to I-540. It is a supply and demand issue. What the suppliers are now telling contractors is that they're not honoring prices. Mr. Jernigan summarized a typical conversation as follows: "If you want it, this is what the new price is, and you have to pay that." It is the same thing everywhere. He continued that there is a conversation occurring throughout NCDOT about how to handle this issue. NTCA contractors have been reaching out to Turnpike staff and saying that they have been affected. Mr.

Walker then asked if it has caused any kind of delays in construction. Mr. Jernigan stated that he is not aware of any delays as far as shortages at this point in time, but that Turnpike projects are more affected by labor shortage issues.

Actions Taken

Information only, no action required.

Complete 540 Spend Update – Travis Feltes, PE, Project Engineer

Discussion Summary

Mr. Travis Feltes gave a spend overview report regarding the Complete 540 Phase 1 project.

Mr. Scott Aman asked the following question: With fuel prices rising, what is the current benefit or position on the hedging we've done for fuel price protection? Mr. Feltes mentioned to date NCTA is about \$300,000 in the positive. In the early part of construction, NCTA was receiving a credit on a monthly basis from all three of the contractors. Based on the base price in the contracts for two of the projects, NCTA has seen some pay outs for fuel prices above our base price. However, it has not reached the strike price. Mr. David Roy added that we have not seen any payments in that respect. In the project to date, we are still in the positive range for about \$300,000 with fuel prices. We are in the small window of the contract price and strike price, where we are in some places paying the contractor small amounts on a monthly basis. Mr. Feltes offered to show this in graph form going forward and the committee members agreed that it would be helpful.

Mr. J.J. Eden asked Mr. Aman what he is seeing and what he thinks about fuel prices in the next few months. Mr. Aman said he doesn't see it getting any better any time soon and that fuel prices are still rising significantly. He is not quite sure why the demand is out seeding the supply. Mr. Aman stated that he wanted to be cautious in his remarks in stating opinion versus fact. Mr. Aman mentioned that heating oil is not as big as it used to be but talking about diesel, construction, and maintenance shutdowns, it is blowing the budget out for a lot of customers.

Actions Taken

Information only, no action required.

2022 Finance Committee Meeting Dates – Robert Teer, Chair

Discussion Summary

Mr. Robert Teer shared the 2022 Finance Committee Meeting Dates with the committee.

Mr. Jim Walker asked if all of the 2022 full board meetings would be in Raleigh. Mr. J.J. Eden mentioned that there are plans to have one in Charlotte, but it will depend on COVID restrictions.

Actions Taken

Information only, no action required.

Closing Comments, Adjournment – Robert Teer, Chair

Discussion Summary

Mr. Robert Teer opened the floor for questions or comments. Mr. Teer called for a motion to adjourn the October 20, 2021, North Carolina Turnpike Authority Finance Committee meeting.

Actions Taken

A motion to adjourn the October 20, 2021, Finance Committee meeting was approved upon a call for motion from Mr. Jim Walker and seconded by Mr. Scott Aman.