

North Carolina Turnpike Authority

NCTA Finance Committee Meeting

July 19, 2023



Finance Committee



Robert D. Teer Jr.
Finance Committee Chairman



John Adcock
Finance Committee Member



Julie Eiselt
Finance Committee Member



James 'Jim' Walker
Finance Committee Member

Other Board Members



J. Eric Boyette
Chairman of the Board



Dr. Pamela Gibson Senegal
Board Member



Sam Hunt IV
Board Member



Montell W. Irvin
Board Member



Charles 'Chuck' Travis III
Board Member

Opening Comments

J.J. Eden

Executive Director

IBTTA RUC & Finance Meeting Update

David Roy

Chief Financial Officer

James “Jim” Walker

Vice Chair

Chief Engineer Update

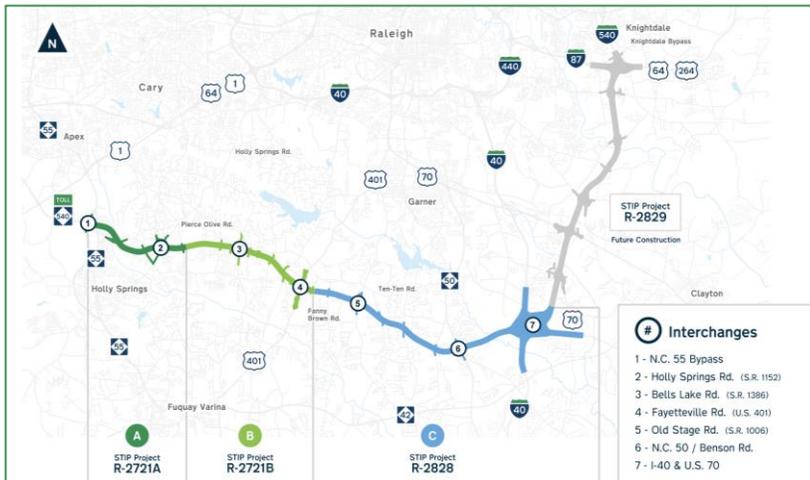
Dennis Jernigan, P.E.

Interim Chief Engineer

NCDOT HBCU Program Complete 540 Tour

June 20, 2023

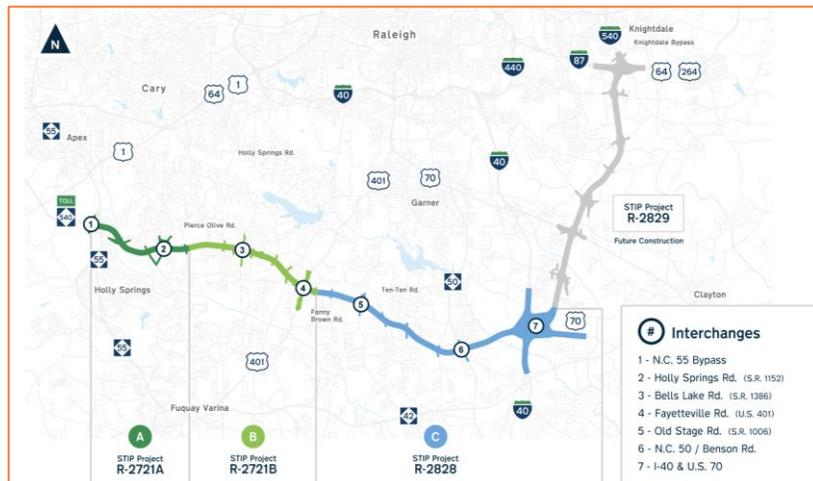
- HBCU Interns and Fellows toured Phase 1 of Complete 540
- Included NCTA intern and NCDOT TEA on the tour



NCTA Interns Complete 540 Tour

July 11, 2023

- NCTA Interns toured Phase 1 of Complete 540



Complete 540 Phase 1 Update

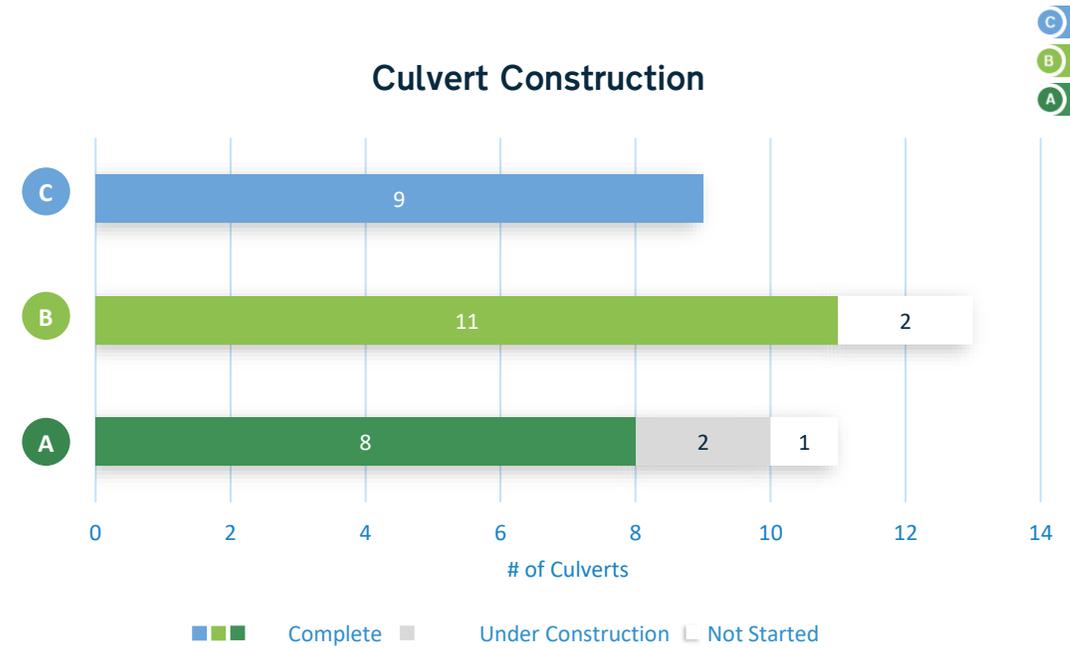
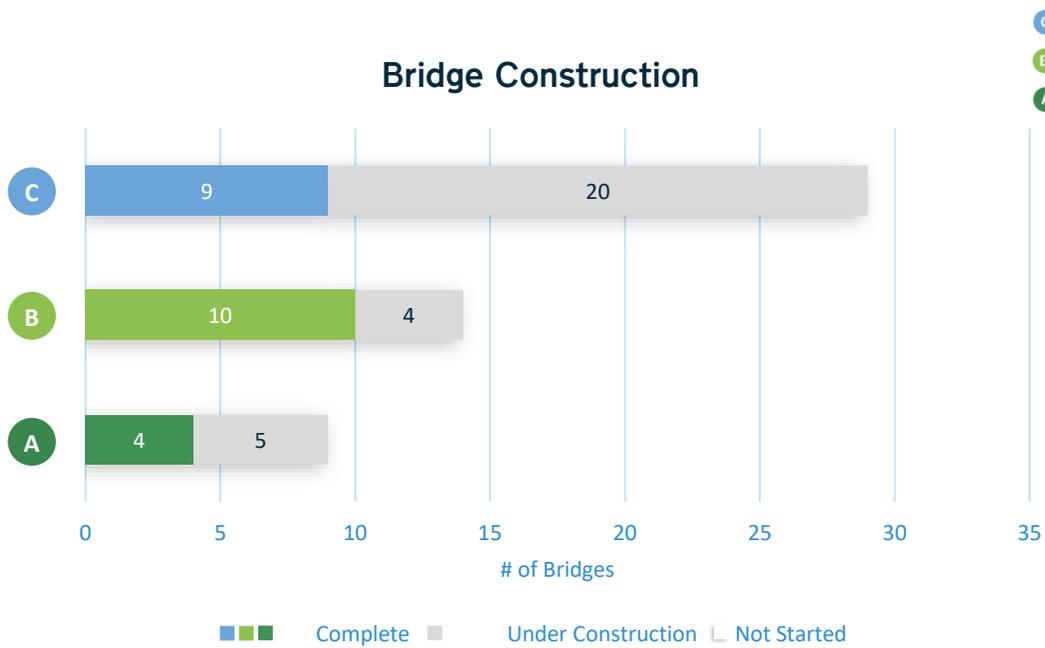
Pierce Olive Road Bridge Opening



Sauls Road Bridge Opening



Bridge & Culvert Construction



Updated 7-10-2023

Toll N.C. 540 Mainline



Old Stage Road Bridge and Concrete Plant



Noise Wall Construction



Turbine-Style Interchange



Complete 540 Openings

- **Sauls Road**
 - June 2023
- **Pierce Olive Road**
 - May 2023
- **Old Stage Road**
 - April 2023
- **West Lake Road**
 - March 2023
- **Relocated Rolling Farm Drive**
 - January 2023
- **River Falls Pedestrian Trail and Culvert**
 - November 2022
- **Sunset Lake Road (1 of 2)**
 - November 2022
- **US-401**
 - November 2022
- **Holland Church Road**
 - September 2022
- **Lassiter Road and Wooded Acres Street**
 - August 2022
- **NC-50**
 - August 2022
- **Deerborn Drive Extension**
 - July 2022
- **New Bethel Church Road**
 - July 2022
- **Kildaire Farm Road**
 - May 2022
- **Johnson Pond**
 - April 2022
- **Fanny Brown Road**
 - November 2021

Activity



North Carolina Department of Transportation ✓
Communications Director Logen Hodges • Edited 5 Jun



Complete 540 – Opening Sauls Road.

Hey Neighbors! On June 2, Sauls Road north of Community Garden Road and south of Pondsedge Trail reopened to traffic. Detour signs and barricades have been removed, and motorists once again have full access to the road.

Construction updates for the Complete 540 project can be found by visiting <https://www.ncdot.gov/projects/complete-540/Pages/planned-construction-activities.aspx>. If you have any questions, please contact the project team at complete540@ncdot.gov or 1-800-554-7849.

Posted to Subscribers of North Carolina Department of Transportation in 22 neighborhoods



4 · 966 Impressions



8 Comments



North Carolina Department of Transportation ✓
Communications Director Logen Hodges • 3 May



Complete 540 – Opening Pierce Olive Road.

Hey Neighbors,

On or around May 5, Pierce Olive Road between Bamburgh Lane and Olive Tree Lane is scheduled to reopen to traffic. Detour signs and barricades will be removed, and motorists will once again have full access to the road. The reopening of this road is weather dependent.

Construction updates for the Complete 540 project can be found by visiting [ncdot.gov/projects/complete-540/Pages/planned-construction-activities.aspx](https://www.ncdot.gov/projects/complete-540/Pages/planned-construction-activities.aspx). If you have any questions, please contact the project team at complete540@ncdot.gov or 1-800-554-7849.

Posted to Subscribers of North Carolina Department of Transportation in 15 neighborhoods



4 · 467 Impressions



1 Comment



Complete 540 Phase 1 Spend Update

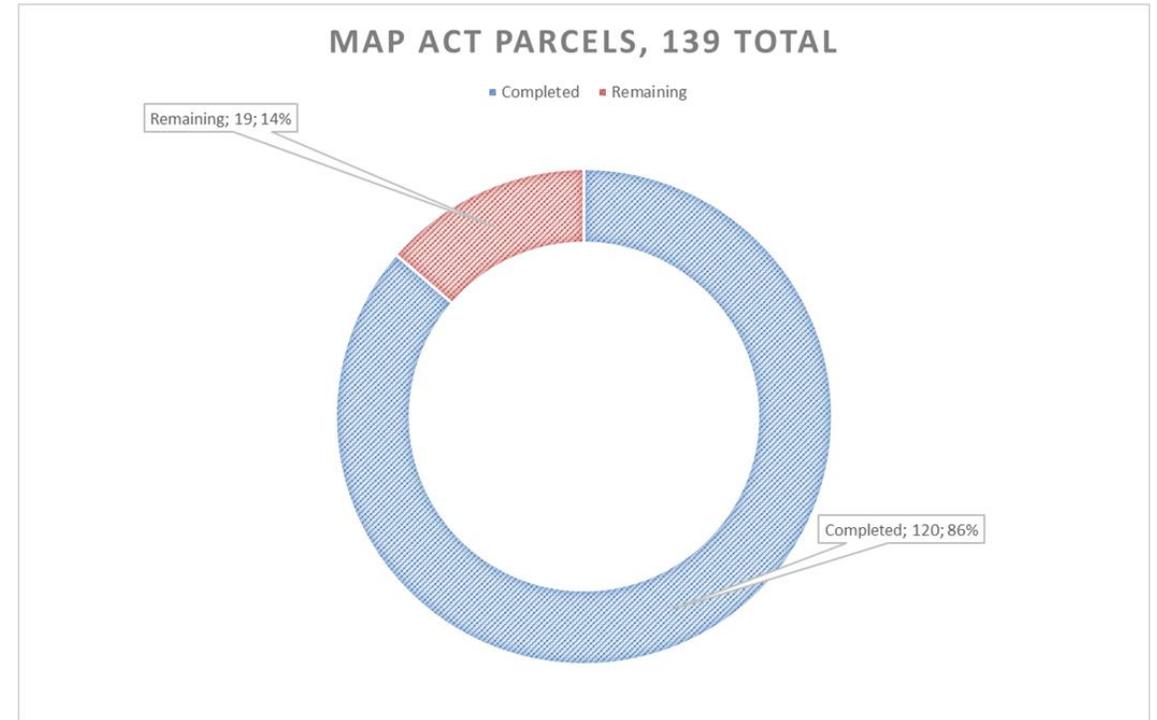
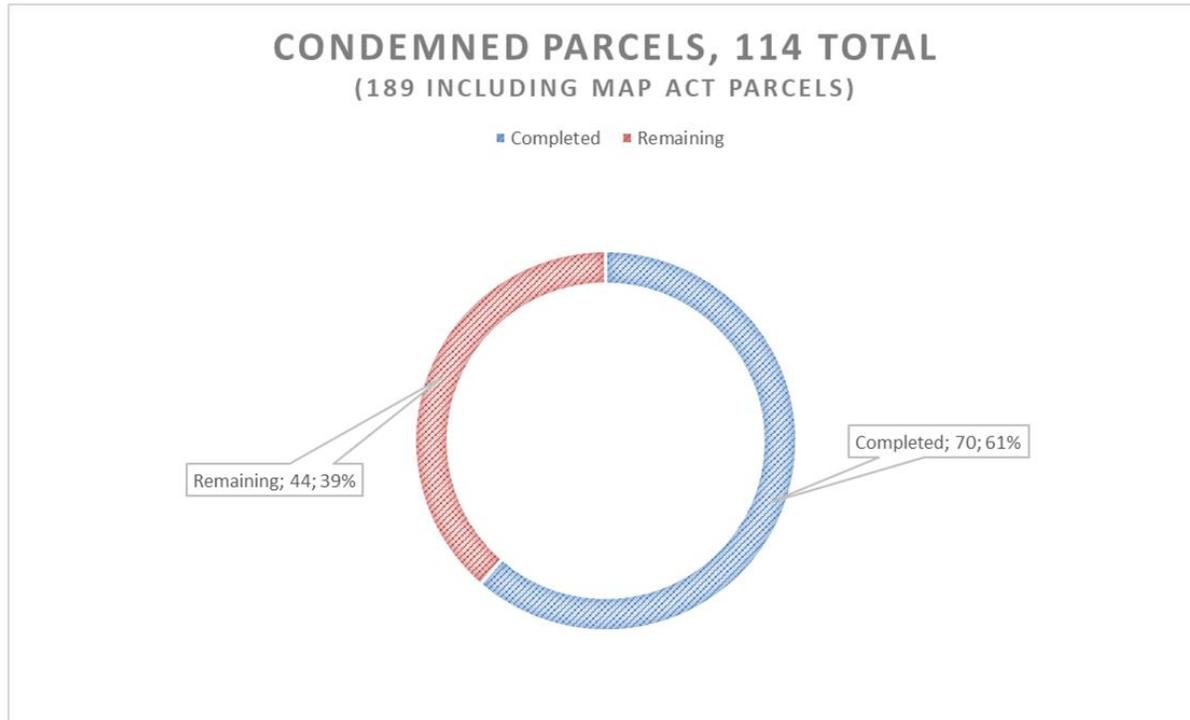
Travis Feltes, P.E.
Project Engineer

Plan of Finance Cost Tracking

	DESCRIPTION	Cost Estimate (\$M)	Spent as of June 30, 2023	% of Budget Spent
R-2721A	Construction	\$ 228.51	\$ 182.35	80%
	Landscaping	\$ 2.67	\$ -	0%
	Right of Way	\$ 74.93	\$ 80.43	107%
	Utilities	\$ 16.90	\$ 14.40	85%
	Agency Costs:	\$ 24.89	\$ 18.09	73%
	PROJECT SUB-TOTAL	\$ 347.90	\$ 295.27	85%
R-2721B	Construction	\$ 207.31	\$ 179.23	86%
	Landscaping	\$ 2.32	\$ -	0%
	Right of Way	\$ 81.67	\$ 83.96	103%
	Utilities	\$ 12.50	\$ 12.39	99%
	Agency Costs:	\$ 23.02	\$ 20.96	91%
	PROJECT SUB-TOTAL	\$ 326.82	\$ 296.54	91%
R-2828	Construction	\$ 423.16	\$ 304.39	72%
	Toll Integration	\$ 21.24	\$ 1.01	5%
	Landscaping	\$ 5.84	\$ -	0%
	Right of Way	\$ 48.99	\$ 65.48	134%
	Utilities	\$ 36.57	\$ 31.88	87%
	Agency Costs:	\$ 84.92	\$ 66.22	78%
	PROJECT SUB-TOTAL	\$ 620.72	\$ 468.99	76%
TOTAL	Construction	\$ 858.99	\$ 665.97	78%
	Toll Integration	\$ 21.24	\$ 1.01	5%
	Landscaping	\$ 10.83	\$ -	0%
	Right of Way	\$ 205.59	\$ 229.87	112%
	Utilities	\$ 65.97	\$ 58.67	89%
	Agency Costs:	\$ 132.83	\$ 105.27	79%
	PROJECT COST FOR FINANCING	\$ 1,295.45	\$ 1,060.80	82%

Right of Way Update

Project	Standard Parcels	Condemnation Parcels	MAP Act Parcels	Total
R-2721 A	140	44	28	212
R-2721 B	129	33	60	222
R-2828	128	37	51	216
Total	397	114	139	650



Contingencies

Contingency Item	Current Plan of Finance Budget	Previous Report (04/19/2023 Data)
Third Party Delay Contingency	\$0	\$0
Contingency & Reserves	\$0	\$0
Fuel & AC Reserves	\$4,120,000	\$4,120,000
Total	\$4,120,000	\$4,120,000

Project	Supplement Budget	Supplemental Agreement Total	% Spent	Amount Remaining	% Remaining
R-2721 A	\$43,900,000	\$43,900,000	100%	\$0	0%
R-2721 B	\$48,000,000	\$48,000,000	100%	\$0	0%
R-2828	\$41,900,000	\$41,500,000	99%	\$400,000	1%
Total	\$133,800,000	\$133,400,000	100%	\$400,000	0%

Fuel Cost/Hedge

Early in the project, NCTA entered into a Fuel Hedge to de-risk the plan of finance. The premium for this plan was \$254,000 and the strike price for the hedge is \$2.40/gallon.

	Fuel Cost Adjustment				Fuel Hedge Payout
	R-2721A	R-2721B	R-2828	Total	Total
Prior FY's	\$ (256,478.05)	\$ (313,940.44)	\$ (101,406.78)	\$ (671,825.27)	\$ 1,312,450.47
July-22	\$ (81,427.65)	\$ (112,021.91)	\$ (134,910.24)	\$ (328,359.80)	\$ 305,560.48
August-22	\$ (50,778.25)	\$ (48,978.79)	\$ (126,727.41)	\$ (226,484.44)	\$ 232,119.70
September-22	\$ (104,268.33)	\$ (140,383.72)	\$ (77,297.84)	\$ (321,949.90)	\$ 142,160.65
October-22	\$ (42,366.85)	\$ (112,344.87)	\$ (82,718.33)	\$ (237,430.05)	\$ 192,924.39
November-22	\$ (61,040.13)	\$ (110,860.25)	\$ (83,686.32)	\$ (255,586.71)	\$ 6,372.21
December-22	\$ (33,454.53)	\$ (80,103.39)	\$ (36,682.21)	\$ (150,240.12)	\$ -
January-23	\$ (16,502.72)	\$ (47,790.82)	\$ (14,485.21)	\$ (78,778.75)	\$ -
February-23	\$ (11,178.32)	\$ (4,742.31)	\$ (47,256.08)	\$ (63,176.71)	\$ -
March-23	\$ (17,058.40)	\$ (9,870.88)	\$ (24,899.94)	\$ (51,829.23)	\$ 39,085.32
April-23	\$ (14,857.50)	\$ (12,280.83)	\$ (15,036.90)	\$ (42,175.23)	\$ 20,404.49
May-23	\$ (15,332.29)	\$ (14,436.57)	\$ (19,998.53)	\$ (49,767.39)	\$ -
June-23	\$ (25,546.12)	\$ (38,968.98)	\$ (11,511.21)	\$ (76,026.31)	\$ -
	\$ (730,289.15)	\$ (1,046,723.75)	\$ (776,617.01)	\$ (2,553,629.90)	\$ 2,251,077.71

Project	Price/Gallon
R-2721A	\$ 1.8075
R-2721B	\$ 1.8075
R-2828	\$ 2.3501

Paid out to the contractor	\$ (2,968,972.65)
Received from the contractor	\$ 415,349.09
Received from the hedge	\$ 2,251,077.71
Net Total	\$ (302,545.85)

Asphalt Cost Adjustment

	R-2721A	R-2721B	R-2828	Total
Prior FY's	\$ (54,577.00)	\$ (18,417.91)	\$ 20,908.07	\$ (52,086.84)
July-22	\$ -	\$ (11,046.38)	\$ (12,600.98)	\$ (23,647.36)
August-22	\$ (4,196.14)	\$ -	\$ (25,472.31)	\$ (29,668.45)
September-22	\$ (16,691.98)	\$ (107,949.53)	\$ (11,148.50)	\$ (135,790.01)
October-22	\$ -	\$ (117,197.01)	\$ -	\$ (117,197.01)
November-22	\$ (10,152.84)	\$ (52,431.23)	\$ -	\$ (62,584.07)
December-22	\$ -	\$ (55,259.16)	\$ -	\$ (55,259.16)
January-23	\$ (5,619.58)	\$ (42,822.17)	\$ (1,090.34)	\$ (49,532.09)
February-23	\$ -	\$ -	\$ (18,840.67)	\$ (18,840.67)
March-23	\$ -	\$ (7,124.85)	\$ (25,400.12)	\$ (32,524.97)
April-23	\$ (1,518.09)	\$ (5,170.49)	\$ -	\$ (6,688.58)
May-23	\$ (6,699.44)	\$ -	\$ (35,821.53)	\$ (42,520.97)
June-23	\$ (22,390.28)	\$ (41,593.82)	\$ (35,410.98)	\$ (99,395.07)
	\$ (121,845.35)	\$ (459,012.54)	\$ (144,877.36)	\$ (725,735.26)

Complete 540 Phase 2 Update

Dennis Jernigan, P.E.
Interim Chief Engineer

R-2829B

RFQ Advertisement	November 15, 2022	✓
Statement of Qualifications due from Design-Build Teams	December 20, 2022	✓
Department Announces Short-listed Teams	January 18, 2023	✓
Department Issues Industry Draft RFP to Short-listed Teams	January 18, 2023	✓
First Meeting with Short-listed Teams	February 1, 2023	✓
Department Issues Second Industry Draft RFP to Short-listed Teams	February 15, 2023	✓
Department Holds Statement of Qualifications Debriefs	Week of February 20, 2023	✓
Second Meeting with Short-listed Teams	March 1, 2023	✓
Department Issues Final RFP to Short-listed Teams	March 22, 2023	✓
Technical Proposals and Fuel Usage Factor Chart / Estimate of Quantities Due	August 8, 2023	
Sealed Price Proposals Due	August 22, 2023	
Technical Presentations by Short-listed Teams	August 23, 2023	
Open Price Proposals	August 29, 2023	
Department Holds Technical Proposal Debriefs (Pending Contract Execution)	Week of October 2, 2023	

NOTE: All dates are approximate and subject to change.

R-2829A

RFQ Advertisement	February 1, 2023	✓
Statement of Qualifications due from Design-Build Teams	February 28, 2023	✓
Department Announces Short-listed Teams	March 16, 2023	✓
Department Issues Industry Draft RFP to Short-listed Teams	March 16, 2023	✓
First Meeting with Short-listed Teams	April 4, 2023	✓
Department Holds Statement of Qualifications Debriefs	Week of April 17, 2023	✓
Department Issues Second Industry Draft RFP to Short-listed Teams	April 18, 2023	✓
Second Meeting with Short-listed Teams	May 4, 2023	✓
Department Issues Final RFP to Short-listed Teams	May 16, 2023	✓
Technical Proposals and Fuel Usage Factor Chart / Estimate of Quantities Due	September 26, 2023	
Sealed Price Proposals Due	October 10, 2023	
Technical Presentations by Short-listed Teams	October 11, 2023	
Open Price Proposals	October 17, 2023	
Department Holds Technical Proposal Debriefs (Pending Contract Execution)	Week of November 27, 2023	

NOTE: All dates are approximate and subject to change.

Complete 540 Phase 2 - Preconstruction Activities

Completed Activities

- Environmental Document
- Section 404/401 Corridor Permits
- Biological Opinion
- Air Quality Conformity
- Final Surveys
- Traffic Forecasts and Analysis
- Service Road Study
- Confirmation of Environmental Mitigation Availability
- Roadway and Structure
- Geotechnical Investigations
- Update Project Cost Estimate
- Refining Preliminary Design
- Developing Pavement Design and Life Cycle Analyses
- Railroad Coordination
- Industry Coordination

Activities Underway

- Advanced Acquisition of Certain Right-of-Way Parcels
- Coordination with Owners of Towers Regarding Needed Relocations
- Planning for Community Water and Sewer Conflict Resolutions
- Planning for Other Long Lead-Time Items
- Utility Coordination
- Developer Coordination
- Refine Plans for Right-of-Way Acquisition
- Design-Build Procurement

Complete 540 Phase 2 Finance Update

David Roy

Chief Financial Officer

Tentative Schedule

Complete 540 Phase 2

Event	Timeline	Status
Indicative Credit Rating Presentation	May 2023	Completed
Indicative Credit Ratings Received	June 2023	Completed
UW RFP Distribution, Evaluation and Selection	June 2023	Completed
Draft and Submit TIFIA Application	July - August 2023	In-Progress
Drafting of Loan Documents	August – September 2023	In-Progress
TIFIA Due Diligence and Document Review	July - August 2023	In-Progress
LGC Financing Overview	July 2023	To Be Completed
Solicit Final Credit Ratings	August – September 2023	To Be Completed
Draft and Submit LGC Application	August – September 2023	To Be Completed
NCTA Finance Committee Approval of Financing and Documents	August – September 2023	To Be Completed
NCTA Board Approval of Financing and Documents	August – September 2023	To Be Completed
TIFIA Council on Credit and Finance	August – September 2023	To Be Completed
LGC Approval of Financing and Documents	October – November 2023	To Be Completed
Release POS and Investor Presentation	October – November 2023	To Be Completed
Bond Pricing	October – November 2023	To Be Completed
USDOT Secretary Approval	October – November 2023	To Be Completed
Finalized Closing Documents	October – November 2023	To Be Completed
Bond and TIFIA Closing	October – November 2023	To Be Completed

FY 2024 Budget Overview

Kim Medlin
Turnpike Controller

Operations & Maintenance Budget Departments

Finance

- NCTA & Consultant Labor, Professional Services supporting NCTA's Financial Management, and NCDOT System Charges

Highway Operations

- NCTA & Consultant Labor, Routine Maintenance, Damage Claims and TMC Staffing & Facility costs

Service & Safety Patrol

- Highway Patrol and IMAP

Toll Operations

- NCTA & Consultant Labor, Utilities, RTCS & ETCS Maintenance, and BOS Maintenance

Customer Service

- NCTA & Consultant Labor, CSC Staffing & Facility Costs, and CC Expenses

Communications & Marketing

- NCTA & Consultant Labor, Sponsorships, Marketing Materials

Administrative

- NCTA Labor & Travel, NCTA Supplies & Materials, Annual Audit

FY2024 Budgets

Triangle Expressway

Operations & Maintenance		
Department	Budget	Change from FY 2023
Finance	\$1,253,635	13.1%
Highway Operations	3,078,232	-7.1%
Service & Safety Patrol	270,600	0.0%
Toll Operations	15,829,801	24.9%
Customer Service	8,875,825	-7.6%
Communications & Marketing	558,767	8.0%
Administrative	560,000	3.7%
Total	\$30,426,860	8.6%

Major Change from FY 2023 include:

- Finance:
 - NCDOT Labor-Shared: additional staff and state mandated salary increases
 - Business Interruption insurance due to increased costs for replacement
- Toll Operations:
 - RTCS: \$3.2M retrofit shift from FY23
- Communications & Marketing:
 - NCDOT Labor-Shared: additional staff

FY2024 Budgets

Monroe Expressway

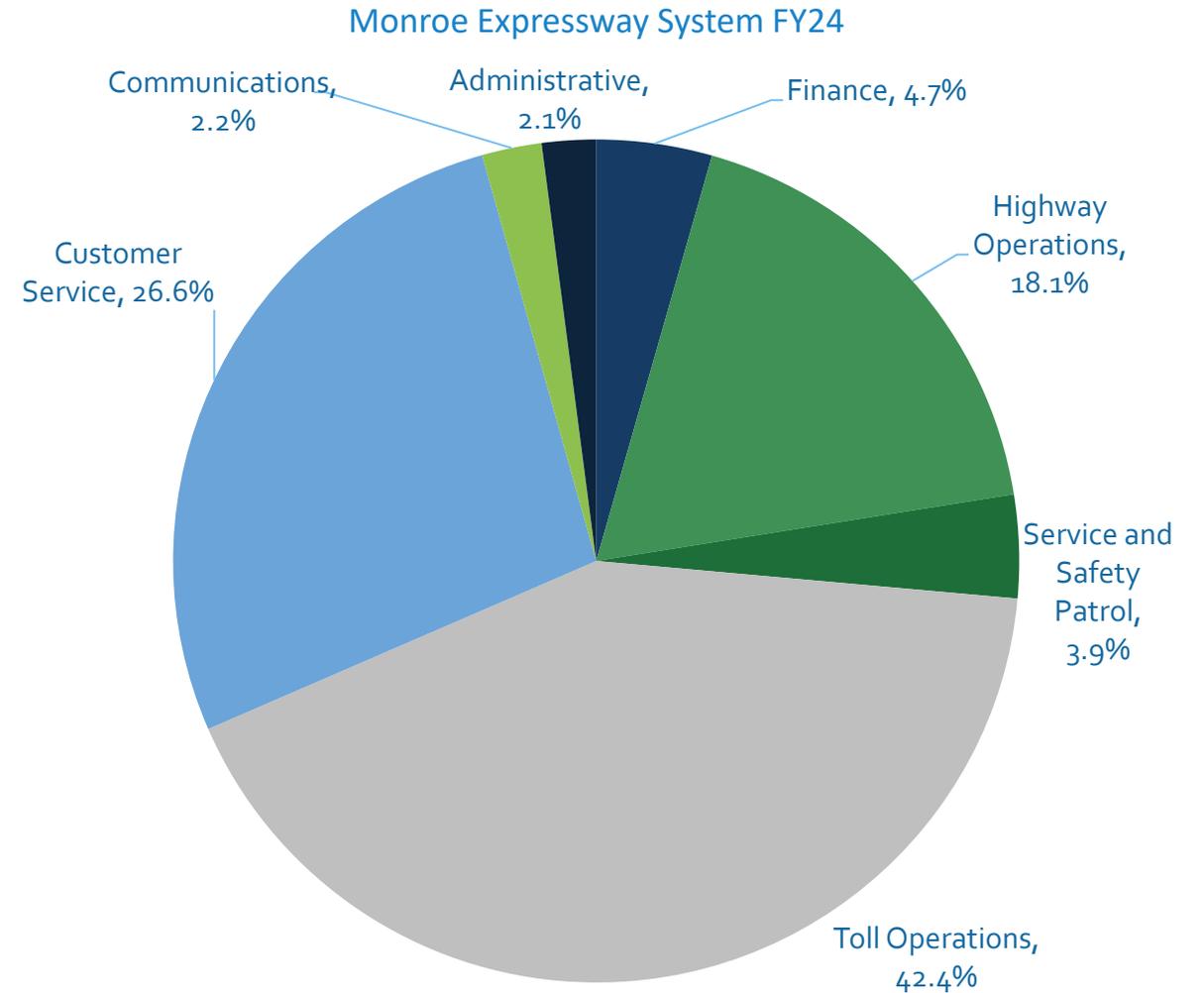
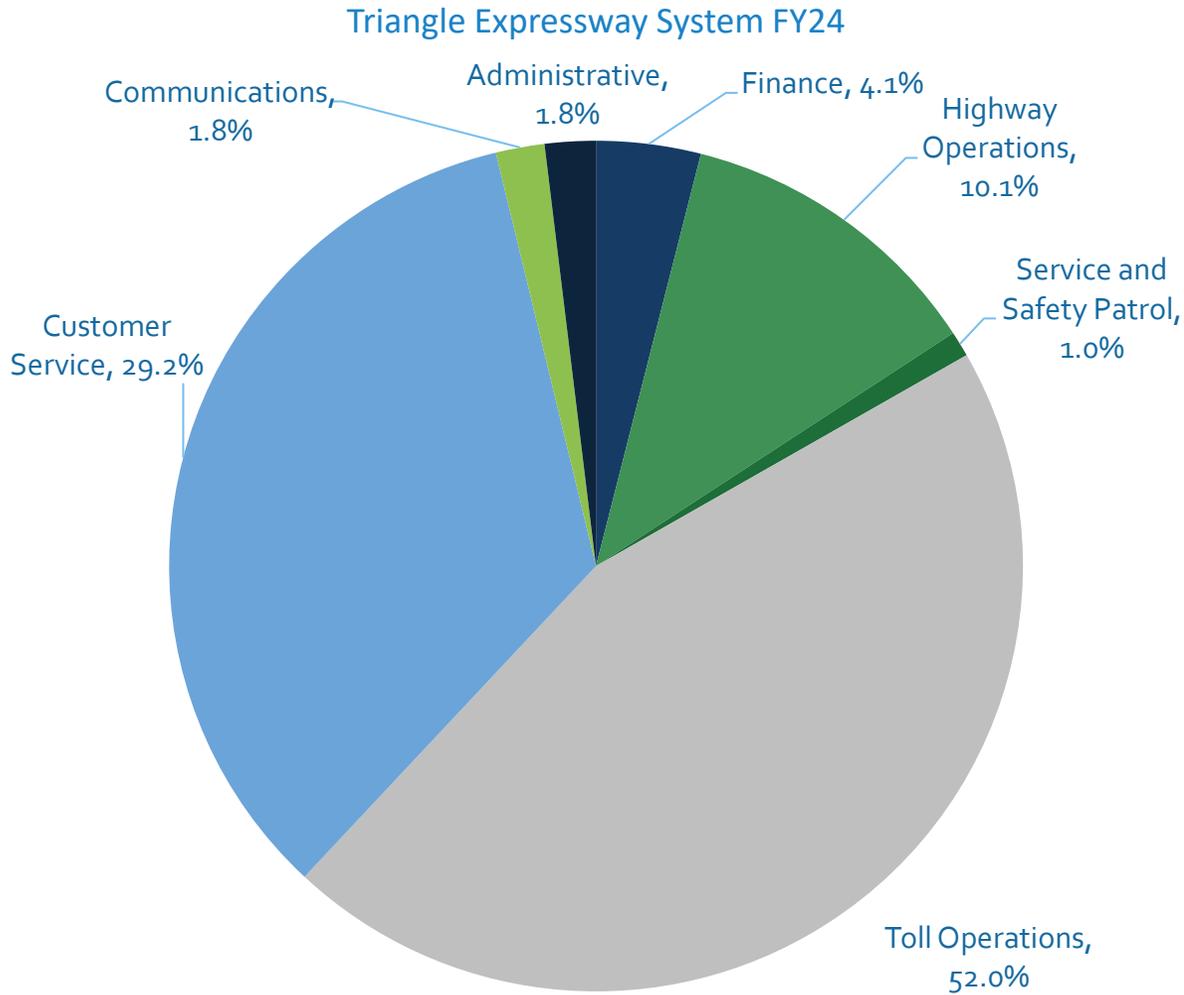
Operations & Maintenance		
Department	Budget	Change from FY 2023
Finance	\$778,360	7.9%
Highway Operations	2,973,931	0.7%
Service & Safety Patrol	645,640	0.0%
Toll Operations	6,953,399	1.1%
Customer Service	4,370,818	-1.6%
Communications & Marketing	353,280	-5.5%
Administrative	350,000	3.7%
Total	\$16,425,428	0.5%

Major Change from FY 2023 include:

- Finance:
 - NCDOT Labor-Shared: additional staff and state mandated salary increases
 - Business Interruption insurance due to increased costs for replacement

Operations & Maintenance Budget Departments

Budget Departments as a Percentage of Total Budget



Renewal & Replacement Budget Departments

Finance

- NCDOT System Charges – Charges for various NCDOT program uses (e.g., Business System Improvement Project Costs)

Highway Operations

- Roadway – Capital costs associated with roadway improvement

Toll Operations

- Facilities – Costs associated with vaults that house toll gantry related equipment
- Intelligent Transportation Systems (ITS) – Costs associated with roadside devices for toll collection systems (CCTV, MVDS, etc.)
- Toll Collection Systems – Costs associated with the toll collection system itself (Back Office System, Roadside Toll Collection Systems, Electronic Toll Collection Systems, etc.)

FY2024 Budgets

Triangle Expressway

Renewal & Replacement	
Department	Budget
Finance	\$163,977
Highway Operations	6,127,000
Toll Operations	60,000
Total	\$6,350,977

Major FY24 R&R Activities include:

- Seal Bridge Decks/Clean Bearings: \$2.8M
- Remove/Replace Markings/ Lenses: \$2.1M shift from FY23
- Re-sheeting Signs: \$0.5M shift from FY23
- Slope Repair: \$0.5M shift from FY23

FY2024 Budgets

Monroe Expressway

Renewal & Replacement	
Department	Budget
Finance	\$16,233
Highway Operations	270,000
Toll Operations	540,500
Total	\$826,733

FY2024 Budget Report

- Final budgets are presented publicly in the Annual Budget Report
 - FY2024 Budget Report will be available for the next committee meeting
 - Submitted to Government Finance Officers Association (GFOA)
 - NCTA received the “Distinguished Budget Presentation Award” for Fiscal Years 2021, 2022 and 2023
 - Provides a comprehensive look at NCTA’s budgets and financial status



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**North Carolina Turnpike Authority
North Carolina**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morill

Executive Director

NCTA Continuing Disclosure Policy

David Roy

Chief Financial Officer

2023 Intern Presentations

Travis Feltes, P.E.
Project Engineer

Finance Intern



Emily Brown

Finance Intern

- Junior at the University of North Carolina at Chapel Hill
- Class of 2025
- Business Administration Major, B.S.B.A
- Interested in learning how financial planning and analysis impacts and is affected by the operations of an organization

Projects

1

Day-to-Day Activities

2

Office Space Analysis

3

Toll Revenue Analysis

Day-to-Day Activities

- Disclosure Reporting
 - Monroe Traffic & Operating Report for Fiscal Year 2023-Q3
 - Purpose is to analyze the variance between budgets and actuals for receipts and expenditures
- Complete 540 Phase 2 Financing
 - Due Diligence
 - Assisting in the draft process for initial due diligence requests
- Monthly Cash Flow
 - Reconciling monthly account balances



Monroe Expressway

Quarterly Traffic & Operating Report #17

Fiscal Year 2023 – Quarter 3

January 1, 2023 – March 31, 2023

Submitted: June 26, 2023

Office Space Analysis

- Analysis of key features of potential office locations to support property evaluation process
- Analysis includes:
 - Cost-analysis
 - Square Foot Comparison
 - Floor Plan Comparison



Toll Revenue Analysis

- Toll revenue and operational cost analysis evaluating year-to-year variance of actuals to forecasted
- Analysis will help better understand the full impact of the Covid-19 pandemic and provide insight to executive team



Communications Intern



Tracey McClary

Communications, Marketing and
Graphic Design Intern

- Rising Senior at the University of Miami
- B.B.A in Marketing
- Minor in Graphic Design and Interactive Media

Projects

1

Creative and Internal Trainings

2

Complete 540

3

Social Media Calendar

4

NC Quick Pass App Ad Campaign

Creative and Internal Trainings



Graphic Design



Technical Writing

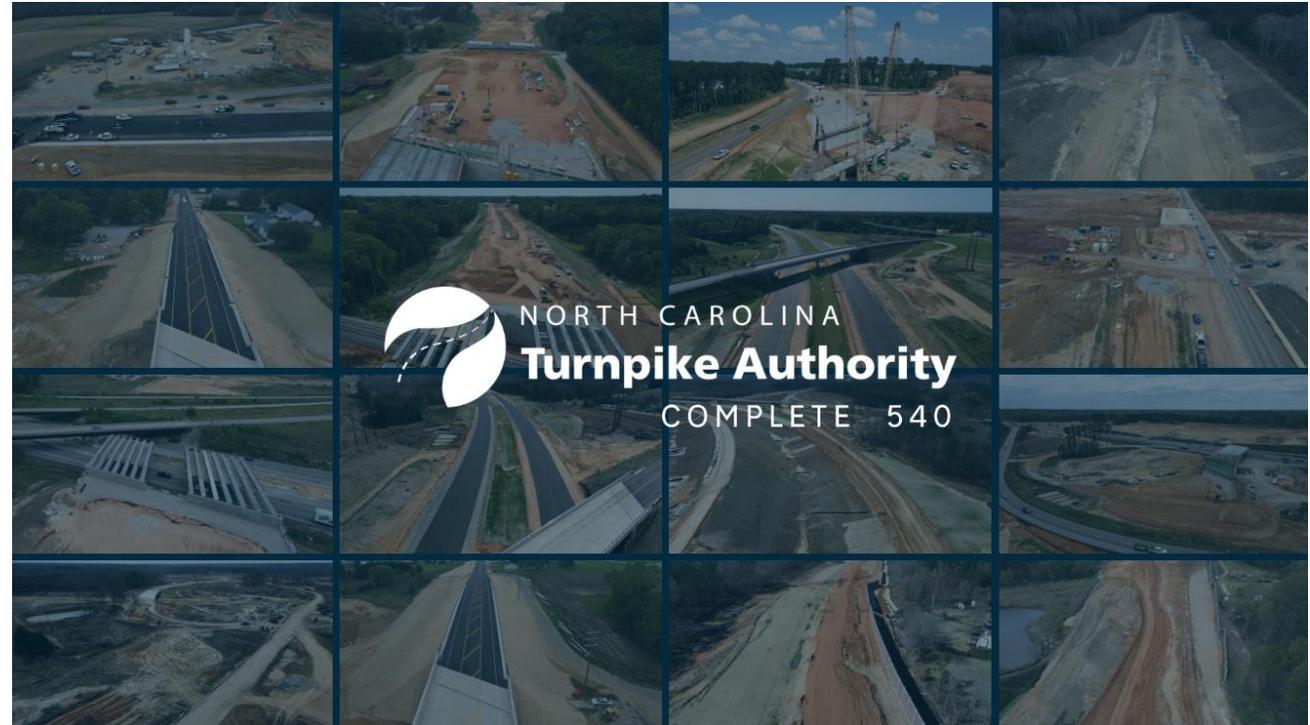


Presenting

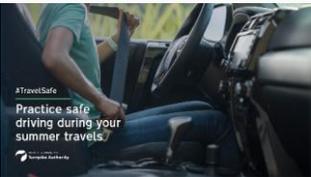


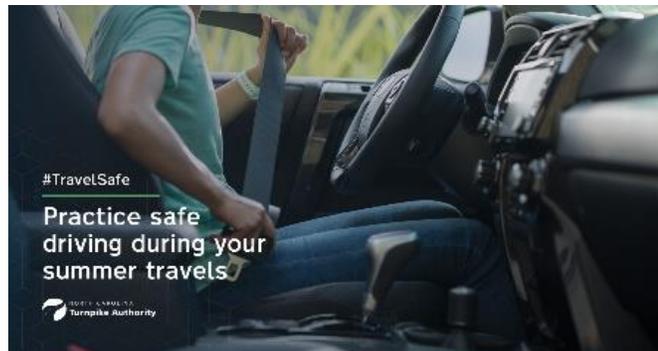
Workplace Best Practices

Complete 540

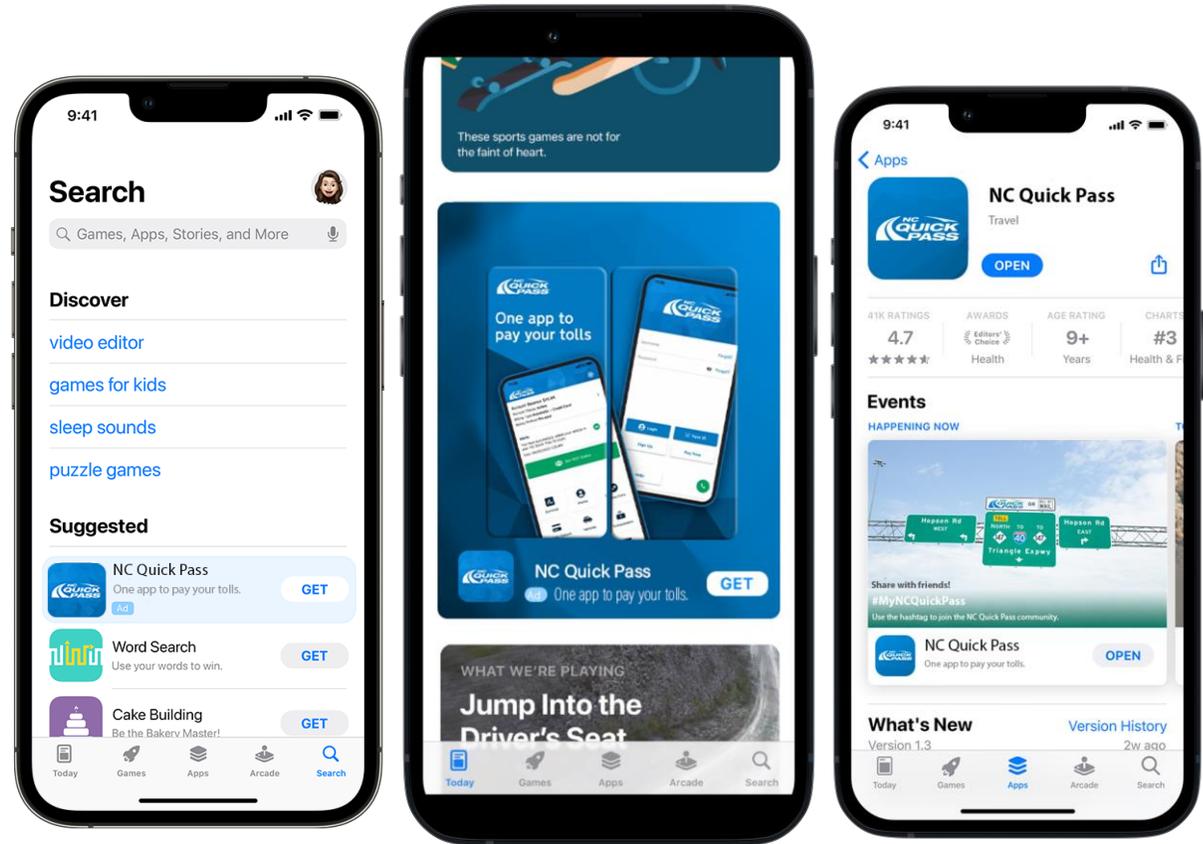


Social Media Calendar

Posting Date	Platform	Subject	Content	Creative	Hashtag/Tags
July 7	Twitter	Summer Travel Safety	Keep your vacation relaxing by driving safely!		#TravelSafe
July 30	RT: Twitter	International Day of Friendship	Celebrate International Day of Friendship with #NCQuickPass - The greatest friend to help avoid traffic!		#InternationalDayofFriendship



NC Quick Pass App Ad Campaign



NC Quick Pass App Ad Campaign



Construction Intern

Projects



Cal Madden

Construction Engineering Intern

- Construction Engineering Intern
- North Carolina State University
- Class of 2025
- Civil Engineering Major

1

Pipe Installation

2

Erosion Control

3

Density Tests and Curves

Pipe Installation



Erosion Control



Density Tests and Curves



Contact Us



ncdot.gov/turnpike

ncquickpass.com



[@NCTurnpike](https://twitter.com/NCTurnpike)

[@NC_QuickPass](https://twitter.com/NC_QuickPass)



Thank you!