



FY 2022 Annual

Budget Report

North Carolina Turnpike Authority

A Business Unit of the North Carolina Department of Transportation



Mission Statement

The North Carolina Turnpike Authority is committed to delivering innovative transportation solutions, on behalf of local planning organizations, providing drivers more choices for their commute.

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STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER
GOVERNOR

J. ERIC BOYETTE
SECRETARY

May 31, 2021

The North Carolina Turnpike Authority is pleased to submit the FY 2022 Annual Budgets for the Triangle Expressway System, Monroe Expressway, and I-77 Express Lanes.

Section 705 of the Triangle Expressway System Amended and Restated Trust Agreement dated December 1, 2019, states that for each fiscal year, the Authority shall adopt an Annual Budget as well as a Capital Improvements Budget pursuant to the Authority's bylaws, rules and regulations for the Triangle Expressway System. The Authority shall file copies of its Annual Budget promptly upon availability with the Trustee along with calculations for any required fund deposits pursuant to Section 503(k), (l), and (m).

Section 705 of the Monroe Expressway Trust Agreement dated December 1, 2016, states that for each fiscal year, the Authority shall adopt an Annual Budget as well as a Capital Improvements Budget pursuant to the Authority's bylaws, rules and regulations for the Monroe Expressway. Pursuant to Section 705(i) expense estimates and requirements shall be based on a report of the General Engineering Consultant. The Authority shall file copies of its Annual Budget promptly upon availability with the Trustee and TIFIA Lender along with calculations for any required fund deposits pursuant to Section 503(i), (j), and (k).

The Turnpike Authority is responsible for account management, billing and customer service for the I-77 Express Lanes. Annual Budgets are prepared each fiscal year for the expenditures related to these activities.

The table below provides an overview of the FY 2022 Annual Budgets (\$ millions).

	Triangle Expressway System	Monroe Expressway	I-77 Express Lanes
Projected Revenue	\$52.32	\$25.55	-
Total Operations & Maintenance Budget	\$20.48	\$15.05	\$8.53
Total Renewal & Replacement Budget	\$14.87	\$2.75	\$0.54
Total Capital Budget	\$341.81	-	-

If you have any questions, or would like any additional information, please let us know.

Sincerely,

James J. Eden
Executive Director

David Roy
Chief Financial Officer

Mailing Address:
NC DEPARTMENT OF TRANSPORTATION
TURNPIKE AUTHORITY
1578 MAIL SERVICE CENTER
RALEIGH, NC 27699-1578

Telephone: (919) 707-2700
Fax: (919) 715-5511
Customer Service: 1-877-368-4968

Website: ncdot.gov

Location:
1 SOUTH WILMINGTON STREET
RALEIGH, NC 27601

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the North Carolina Turnpike Authority, North Carolina, for its Annual Budget for the fiscal year beginning July 1, 2020. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

North Carolina Turnpike Authority

North Carolina

For the Fiscal Year Beginning

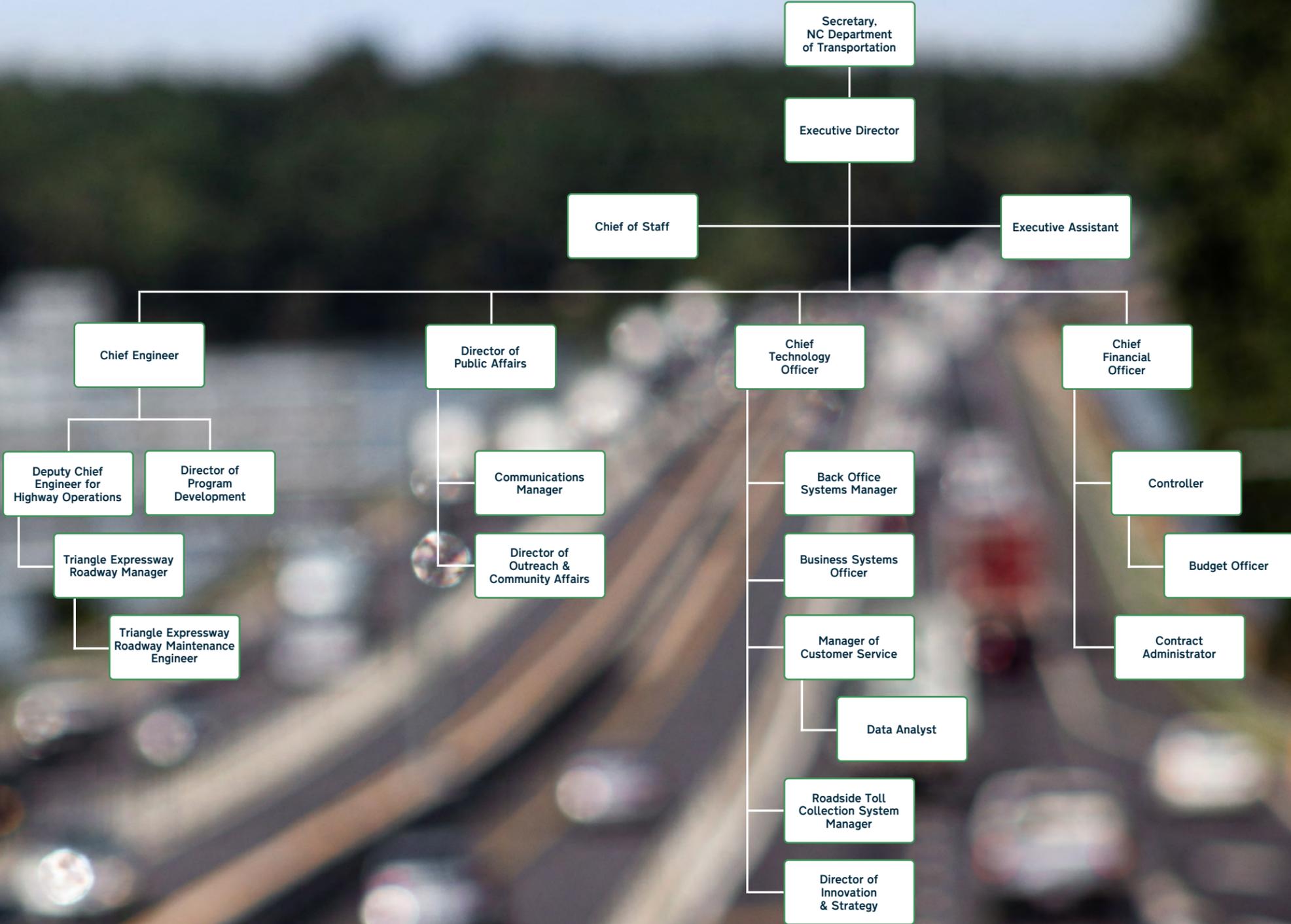
July 1, 2020

Executive Director

The North Carolina Turnpike Authority

In October 2002, legislation was passed authorizing the creation of the North Carolina Turnpike Authority with the purpose to study, design, plan, construct, own, finance and operate a system of toll roads, bridges, and/or tunnels supplementing the traditional non-toll transportation system serving the citizens of North Carolina (N.C.G.S. §136-89.182). By action of the North Carolina General Assembly, effective July 27, 2009, the Turnpike Authority became a part of the North Carolina Department of Transportation, a public agency of the State of North Carolina.

Organizational Chart as of May 31, 2021



Board of Directors

The Turnpike Authority is governed by a nine-member Board of Directors consisting of four members appointed by the General Assembly of North Carolina (two members appointed by the President Pro-Tempore of the Senate and two members appointed by the Speaker of the House of Representatives), four members appointed by the Governor of the State, and the North Carolina Secretary of Transportation. The Chair of the Board is selected by the Turnpike Authority Board. J. Eric Boyette, the NCDOT Secretary of Transportation, currently serves as the Chair of the Turnpike Authority Board.

Board Authority

On July 23, 2010, the following powers were delegated by the North Carolina Secretary of Transportation to the Turnpike Authority Board of Directors:

- Fix, revise, charge, and collect tolls and fees for the use of Turnpike Projects pursuant to N.C.G.S. §136-89.183 (a)(5);
- Issue bonds or notes of the Turnpike Authority pursuant to N.C.G.S. §136-89.183(a)(6) ([NCTA Debt Policy](#));
- Invest the proceeds of bonds or notes of the Turnpike Authority that are pending disbursement or other idle funds of the Turnpike Authority in any investment authorized by [N.C.G.S. §159-30 \(NCTA Investment Policy\)](#) pursuant to N.C.G.S. §136-89.183 (6a); and,
- Exercise such additional powers as shall be necessary for the financing of Turnpike Projects through compliance with the associated bond documentation, including complying with any arbitrage, rebate or other federal tax filings and providing for secondary market disclosure; provided any such additional power may be subjected to conditions, including the involvement and participation of other portions of the North Carolina Department of Transportation, which are stated within the bond documentation and executed by the Secretary.

Members of the Board



J. Eric Boyette
Chairman



Perry Safran
Vice Chairman



Robert D. Teer Jr.
Secretary & Treasurer



Scott Aman



Mary N. Clayton



Sam Hunt IV



Montell W. Irvin



**Charles 'Chuck'
L. Travis III**



James 'Jim' Walker

Turnpike Authority Projects



Charlotte Area

- Monroe Expressway
- I-77 Express Lanes North
- I-485 Express Lanes
- U.S. 74 Express Lanes
- I-77 Express Lanes South

Raleigh Area

- Triangle Expressway
- Complete 540 Phase 1
- Complete 540 Phase 2

Outer Banks

- Mid-Currituck Bridge

Project status as of May 31, 2021

- Open to Traffic
- Under Construction
- Under Development

Projects Open to Traffic

The Operations and Maintenance (O&M), and Renewal and Replacement (R&R) budgets presented in this report are for the Turnpike Authority's three operational projects listed below.



Triangle Expressway

The Triangle Expressway is a six-lane, 18.8-mile All-Electronic Toll (AET) facility, extending from the interchange of I-40 and N.C. 147 in the north, to N.C. 55 Bypass in the south, to partially complete the “Outer Loop” around the greater Raleigh area. The Triangle Expressway opened in phases between 2011 and 2013, with the final phase opening to toll traffic on January 2, 2013.



Monroe Expressway

The Monroe Expressway is a four-lane, 19.8-mile, AET facility that extends from U.S. 74 near I-485 in eastern Mecklenburg County to U.S. 74 between the towns of Wingate and Marshville in Union County. The Monroe Expressway opened to toll traffic on November 27, 2018.



I-77 Express Lanes North

The I-77 Express Lanes North project (“I-77 Express Lanes”) is a public-private partnership between NCDOT and I-77 Mobility Partners, LLC and is the first P3 toll project in the State of North Carolina. The I-77 Express Lanes North project is approximately 26 miles long between the I-77 and I-277 junction in Charlotte and N.C. 150 in Mooresville. The Turnpike Authority is responsible for account management, billing, and customer service for the express lanes. The northern 13 miles of the express lanes opened in June 2019, and the remaining lanes opened in late 2019.

Projects Under Construction

The R&R budget for the Complete 540 Phase 1 project is presented in this report in the latter years of the 10-year R&R budget for the Triangle Expressway System. The capital budget for the Complete 540 Phase 1 project is also presented in this report, however, the capital budget for the I-485 Express Lanes project is not included as it is a part of the NCDOT budget.



Complete 540 Phase 1

The Complete 540 project is a greenfield project in the greater Raleigh area in North Carolina, that will link the towns of Apex, Cary, Clayton, Garner, Fuquay-Varina, Holly Springs, Knightdale and Raleigh. Phase 1 will extend the existing Triangle Expressway approximately 17.8 miles from N.C. 55 Bypass in Apex to I-40 southeast of Raleigh. Unlimited Notice to Proceed was issued for three Design-Build Contracts on September 26, 2019. Phase 1 is currently expected to open to traffic in 2023.

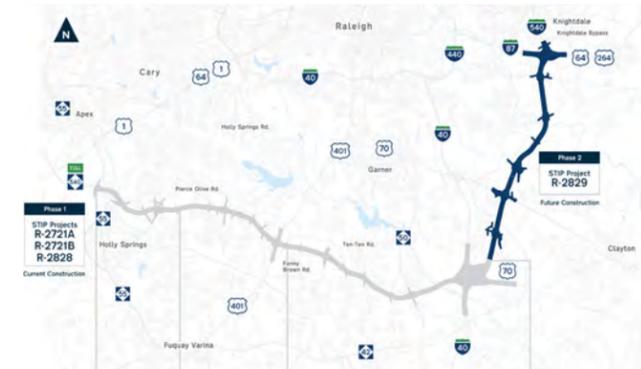


I-485 Express Lanes

The I-485 Express Lanes will add one express lane in each direction for approximately 17 miles between I-77 and U.S. 74 in southern Charlotte. The project will also extend the outside general-purpose lane in each direction from Rea Road to N.C. 16 (Providence Road). Construction on the project began in August 2019. The NCDOT is currently reviewing claims by the contractor that could impact the opening schedule of all, or a portion, of the project.

Projects Under Development

The State Transportation Improvement Program (STIP) designates the scheduling and funding of construction for transportation projects in the State of North Carolina. The current STIP is for FY 2020 to FY 2029 with the first six years (2020 to 2025) referred to as the delivery STIP and the latter four years (2026 to 2029) as the developmental STIP. The following Turnpike Authority projects under development are included in either the delivery STIP or developmental STIP. Capital budgets for the four projects under development listed below are not included in this report. Preliminary engineering expenditures for these projects are a part of the NCDOT budget.



Complete 540 Phase 2

The proposed Complete 540 Phase 2 project (STIP Project R-2829) will extend the Triangle Expressway System from I-40 to the U.S. 64 / U.S. 264 Bypass (I-87) in Knightdale, completing the “Outer Loop” around the greater Raleigh area.



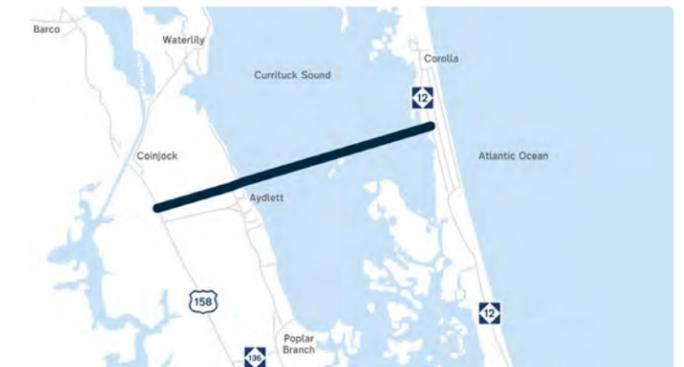
I-77 Express Lanes South

The proposed I-77 Express Lanes South project (STIP Project I-5718) will construct 11 miles of express lanes from I-277 / N.C. 16 (Brookshire Freeway) in Charlotte to the South Carolina state line.



U.S. 74 Express Lanes

Local planning organizations have identified Independence Boulevard (U.S. 74) as a corridor needing improvements to maintain and enhance current and future mobility in the region. There are currently two proposed express lanes projects being studied on the U.S. 74 corridor. STIP Project U-6103 involves adding express lanes in the median of U.S. 74 between I-277 and Idlewild Road for approximately five miles. STIP Project U-2509 involves widening and adding express lanes and other improvements between Idlewild Road in Charlotte to I-485 in Matthews, for approximately 6.3 miles.



Mid-Currituck Bridge

The proposed Mid-Currituck Bridge (STIP Project R-2576) is a seven-mile project in Currituck County between U.S. 158 on the mainland and N.C. 12 on the Outer Banks. There will be a two-lane bridge spanning the Currituck Sound connecting the Currituck County mainland with its Outer Banks as well as a two-lane bridge spanning Maple Swamp on the Currituck County mainland connecting Aydlett to U.S. 158.

Turnpike Authority Strategic Goals

The following strategic goals are centered around the NCTA's mission statement of being committed to delivering innovative transportation solutions on behalf of local planning organizations, providing drivers more choices for their commute. NCTA's strategic goals, and the objectives within each goal, are reviewed annually with NCTA directors as a part of the budgeting process and updated as needed to align with the Authority's growing operations.

 <p>Deliver Data-Informed Transportation Solutions to North Carolina residents</p>	<ul style="list-style-type: none"> • Transform “Product” to “Platform” a service-based transportation solution. • Be a data-driven service organization. • Automate workflows to increase quality and reliability of customer service, audit and compliance to service levels.
 <p>Broaden Influence as a Respected Leader & Partner in North Carolina's transportation network</p>	<ul style="list-style-type: none"> • Plan and build quality, environmentally responsible toll facilities. • Build strong, effective relationships with NCDOT and NCDIT partners and stakeholders. • Develop strategies and collaborate on regional road planning. • Foster management and business relationships that reflect the region's diversity. • Participate in and lead industry forums and coalitions.
 <p>Strengthen Customer Relationships by coordinating direct feedback with identified customer service improvement initiatives</p>	<ul style="list-style-type: none"> • Improve customer service experience across all channels using surveys. • Align customer service metric levels to improve customer satisfaction. • Identify and implement additional payment options for customer payments. • Maintain premium service and experience on NCTA facilities. • Before, during and after construction, maintenance and rehabilitation projects, communicate impacts directly to affected motorists and/or residents and provide timely responses to questions/inquiries.
 <p>Preserve a Strong Financial Standing by establishing robust program controls throughout the organization</p>	<ul style="list-style-type: none"> • Maintain Compliance with Trust Agreements and TIFIA Loan Agreements. • Maintain internal controls. • Improve and maintain financial procedures.
 <p>Develop a Highly Qualified & Engaged Team to collaboratively deliver essential transportation solutions</p>	<ul style="list-style-type: none"> • Recruit, develop and retain high-quality people. • Recognize and reward staff performance. • Advance employee communication and engagement strategies. • Advance staff skills via training and participation in industry seminars.

FY 2022 Strategic Priorities

<p>Enhance Safety</p>	<ul style="list-style-type: none">  Deliver data-informed transportation solutions  Strengthen customer relationships
<p>Execute Capital Plan</p>	<ul style="list-style-type: none">  Deliver data-informed transportation solutions  Broaden influence as a respected leader & partner  Strengthen customer relationships
<p>Ensure Debt Coverage Ratios are Maintained at or Above Targets</p>	<ul style="list-style-type: none">  Preserve a strong financial standing
<p>Upgrade Back Office System to Cloud</p>	<ul style="list-style-type: none">  Deliver data-informed transportation solutions
<p>Process Transactions for Partners</p>	<ul style="list-style-type: none">  Broaden influence as a respected leader & partner
<p>Continue to Advance Diversity</p>	<ul style="list-style-type: none">  Broaden influence as a respected leader & partner  Develop a highly qualified & engaged team
<p>Continue to Develop Staff</p>	<ul style="list-style-type: none">  Develop a highly qualified & engaged team
<p>Enhance Financial Reporting to Stakeholders</p>	<ul style="list-style-type: none">  Preserve a strong financial standing
<p>Transponder Fulfillment from Marketplaces</p>	<ul style="list-style-type: none">  Deliver data-informed transportation solutions  Strengthen customer relationships
<p>Improve Audit using Automation</p>	<ul style="list-style-type: none">  Deliver data-informed transportation solutions
<p>Enhance and Update Policies and Procedures to Strengthen Internal Controls</p>	<ul style="list-style-type: none">  Preserve a strong financial standing  Develop a highly qualified & engaged team
<p>Centralize Traffic Reporting</p>	<ul style="list-style-type: none">  Deliver data-informed transportation solutions

Executive Summary

Introduction

As North Carolina's population grows, the North Carolina Turnpike Authority works to advance toll roads as convenient highway alternatives that give drivers more choice, reduce congestion and provide an additional revenue stream for building new facilities. To help keep pace with the state's transportation needs, the Turnpike Authority plays a critical role by studying, designing, planning, constructing, financing and operating toll facilities. Currently, the Turnpike Authority operates three toll facilities: Triangle Expressway, Monroe Expressway and I-77 Express Lanes North. Two additional projects are under construction and four projects are in various stages of development. The Turnpike Authority is committed to providing efficient, value-proposition transportation solutions to drivers, with an emphasis on excellent customer service.

Program Highlights

North Carolina's toll facilities are located in, or adjacent to, Charlotte and Raleigh - two of the most populated, fastest-growing, high-income areas in the state. All three operational facilities fall within the bounds of Mecklenburg and Union Counties (Charlotte area) and Durham and Wake Counties (Raleigh area). Over the 11-year period between 2010 and 2020, the counties' populations grew between 18% to 23%, higher than the state at 11%. In addition, the median household income for the counties is between \$61 thousand to \$81 thousand, higher than the state at \$55 thousand.

The Turnpike Authority strives to responsibly maintain and improve the state's toll facilities by aligning strategic goals with budgetary restraints, while also considering the impacts of rapid growth throughout the regions. The Turnpike Authority staff and consultants are helping drive two major toll system implementations during the upcoming fiscal year. The first major system improvement is the new Back Office System (BOS), expected to go live during CY 2021. The BOS serves all toll facilities and is considered the central nervous system of the Authority's toll program, providing all customer and financial functions and processes. The second major system improvement is the Roadside Toll Collection System (RTCS) retrofit for the Triangle Expressway. The RTCS retrofit project is replacing all legacy equipment necessary to identify and classify all vehicles on the expressway. Both system improvement projects were previously budgeted for based on the expected lifecycle of system components.

Overall, the Authority's continued focus on customers and effective transportation solutions is the framework of the FY 2022 budget, which allocates resources appropriately to improve key financial metrics and maintain the trust of North Carolina citizens. Fundamental components regarding the budget and associated initiatives are included herein.

COVID-19 Pandemic

During FY 2021, the pandemic continued to alter the behavior of businesses and people in a manner that is having negative effects on national, regional, and local economies, including those of the United States, the State and the regions thereof served by the Triangle Expressway, the Monroe Expressway, and I-77 Express Lanes North. The Turnpike Authority continued to see reductions in traffic volumes, toll transactions and revenues on the Triangle Expressway and the Monroe Expressway as a result of the pandemic¹.

The Turnpike Authority's FY 2021 budgets were finalized at the end of May 2020; therefore, only relatively minor assumptions or reductions² in regard to the impact of the COVID-19 pandemic were included in the final Operations and Maintenance, Renewal and Replacement or Capital Budgets. FY 2021 revenue projections for the Triangle Expressway and Monroe Expressway presented in this report are from their respective certified Traffic and Revenue Studies which do not include any assumptions or reductions due to impacts from the pandemic.

¹ As noted elsewhere, under the private partnership agreement for the I-77 Express Lanes with I-77 Mobility Partners, LLC, the Turnpike Authority is responsible for account management, billing, and customer service for that project and therefore the Turnpike Authority does not have any certified revenue projections for such project.

² See budget highlights on pages 52 and 53.

Due to COVID-19, the Turnpike Authority has worked diligently during FY 2021 to ensure it remains on track with its budgets, and as of May 31, 2021, it has a balanced budget. The Turnpike Authority engaged a traffic and revenue consultant in late 2020 to provide updated forecasts for both facilities. FY 2022 revenue projections for the Triangle Expressway and Monroe Expressway presented in this report are from their respective updated Traffic and Revenue forecasts which include any assumptions or reductions due to impacts from the pandemic.

FY 2022 Transactions

In FY 2022, strategic goals center around efficiently processing transactions, and growing the percentage of customers utilizing benefits of NC Quick Pass. Effectively meeting these goals means that NCTA can drive down operational costs, while also lowering the average toll per transaction for the customer.

Overall, toll transactions for the Triangle Expressway and Monroe Expressway combined are estimated to decrease over 9% in FY 2022, to 105.2 million due to the COVID-19 pandemic.

FY 2022 Revenue

The Turnpike Authority's business model regarding revenue sources includes collecting tolls via transactions identified on North Carolina toll facilities by either transponder (NC Quick Pass, or interoperable transponder program) or license plate identification. In addition, the Authority collects fee revenues for invoice processing and non-sufficient funds, interest earnings on account holdings, reimbursements from insurance entities regarding damages to facility assets, and credit card equity from interoperable agencies for credit card processing costs.

Total FY 2022 estimated operating revenues for the Triangle Expressway and Monroe Expressway combined are \$77.9 million³, a decrease of 7.7% from the FY 2021 budget. The primary source (91%) of revenue is from tolls (\$71.1 million). At the project level, approximately 67% of total operating revenues are attributed to the Triangle Expressway for FY 2022, an expected decrease from 72% in FY 2021. For the Monroe Expressway, total operating revenues increased from 28% in FY 2021 to almost 33% in FY 2022 due to experiencing less of an impact from the COVID-19 pandemic. Accordingly, toll revenue collected per lane mile on the Triangle Expressway is nearly one and a half times the revenue collected for the Monroe Expressway (\$425 thousand compared to \$292 thousand).

FY 2022 Debt Summary

Total indebtedness in FY 2022 for the Triangle Expressway and Monroe Expressway systems is expected to decrease by approximately 1.3% to \$2.5 billion. Both expressways are expected to decrease by approximately 1.3% to \$1.9 billion and 1.4% to \$603 million, respectively, due to principal being paid on outstanding debt.

³ Sources: Updated Triangle Expressway and Complete 540 Phase I Traffic and Revenue Forecasts dated December 2020 for the Triangle Expressway and updated Monroe Expressway Traffic and Toll Revenue Forecasts dated October 2020 for the Monroe Expressway. Both forecasts include impacts from the COVID-19 pandemic.

FY 2022 Operations & Maintenance Expenditures

Total anticipated O&M expenditures for FY 2022 are \$44.1 million, an increase of \$9.4 million (27%) from FY 2021 projections. By project, the total O&M budget in FY 2022 is 46.5%, 34.2% and 19.3% for the Triangle Expressway, Monroe Expressway, and I-77 Express Lanes, respectively.

The Turnpike Authority restructured the budget departments for FY 2022 to facilitate more accurate total costs and analyses by major discipline: 1) NCDOT Labor, Professional Services and Consultant Labor were moved to their respective budget departments; 2) a Finance department budget was created as a result of the first change, and also includes NCDOT System Charges; and 3) Customer Service was separated from Toll Operations. All data for comparison with prior years have been updated accordingly.

The most significant contributor to the O&M budget increase for FY 2022 is an additional \$4.0 million for toll operations, up 27% from FY 2021 projections. The additional budget is not unexpected due to various toll system initiatives and improvements, as well as increased costs regarding higher annual transactions and revenues as provided by updated traffic and revenue studies. Notable specifics include:

- An increase of approximately \$1.6 million across all projects regarding increased pass-through costs for the new Back Office System (currently being implemented); and
- An increase of approximately \$2.0 million across all projects regarding increased mailhouse costs for increased bill by mail transactions.

Highway Operations has the next most significant increase of \$3.0 million to the O&M budget for FY 2022, up 113% from FY 2021 projections. Notable specifics include:

- An increase for routine maintenance costs between the Triangle Expressway and Monroe Expressway of approximately \$1.1 million for each facility. For both expressways, the increase is primarily due to reduced maintenance activities in FY 2021 to help mitigate impacts from COVID-19. The FY 2022 budgets assume a return to pre-pandemic maintenance activity levels.
- An increase of over \$700 thousand for damage claims for the Triangle Expressway. Damage claims are offset with insurance recoveries, which are unpredictable.

The FY 2022 budget increase for Customer Service is approximately \$1.4 million across all projects, up nearly 11% from FY 2021 projections and is primarily related to increased credit card expenses of approximately \$1.1 million due to increased toll revenue.

The remaining O&M budget departments include Finance, Service and Safety Patrol, and Public Affairs. The FY 2022 budget increase for Finance totals \$176 thousand (10%) primarily due to increased NCDOT System Charges for increased project specific O&M costs. The FY 2022 budget increase for Service and Safety Patrol of \$65 thousand (8%) is related to the Monroe Expressway and primarily due to having 12 months of actuals to provide a better estimate. Finally, the FY 2022 increase of \$702 thousand (163%) for Public Affairs activities is anticipating a return to normal operations including, public outreach, monthly festivals and marketing campaigns.

FY 2022 Renewal & Replacement Expenditures

To protect, preserve and maintain the toll facilities in North Carolina, the Turnpike Authority has developed, and currently maintains, a 10-year R&R budget for the Triangle Expressway and Monroe Expressway systems. In addition, considerations for program-wide initiatives (e.g. Back Office System upgrades) are allocated appropriately to the I-77 Express Lanes. For FY 2022, total budgeted capital expenditures for the Triangle Expressway, Monroe Expressway and I-77 Express Lanes are \$14.9 million, \$2.7 million, and \$0.5 million, respectively.

For the Triangle Expressway, over half (\$8 million, or 53.8%) of the capital budget is allocated to roadway improvements. The majority of the roadway improvement budget is related to three projects: signs (\$3.9 million), pavement markings and markers (\$2.1 million), and concrete (\$1.3 million). All major projects are expected due to the age of the assets. In addition, \$6.4 million (43.3% of the total) has been allocated for toll collection system improvements on the Triangle Expressway, of which the majority of \$5.7 million is related to the procurement of the new RTCS vendor to complete the retrofit implementation work carried over from the previous fiscal year.

For the Monroe Expressway, over half (\$1.8 million, or 65.3%) of the capital budget is allocated to toll operations with \$800 thousand related to system enhancements for the toll collection system. In addition, \$910 thousand (33.1% of the total) has been allocated for roadway improvements. The majority of the roadway improvement budget is related to two projects: pavement markings and markers (\$640 thousand) and bridges (\$205 thousand).

Further regarding toll collection system improvements, all three projects are equally supporting Back Office System enhancement activities, budgeted at \$1.5 million. This improvement is also an effort continued from FY 2021, and both are expected due to the service life of tolling system technologies.

FY 2022 Capital Expenditures

Total anticipated Capital expenditures for FY 2022 are \$341.8 million. These expenditures are related to the construction of the Complete 540 Phase 1 project which is an extension of the existing Triangle Expressway. The largest components of the FY 2022 Capital budget include Design-Build construction, agency costs, and right-of-way acquisition that have budgets of \$233.2 million, \$43.2 million, and \$41.2 million, respectively. The Complete 540 Phase 1 project is currently expected to reach final completion in 2023.

Summary

The FY 2022 budget empowers the Turnpike Authority to meet specific program goals and initiatives, while striving to deliver safe and reliable travel options to North Carolina citizens. Overall, it is a balanced budget with projected revenue exceeding the expenses for debt service, operations and maintenance, and renewal and replacement activities for both the Triangle Expressway and Monroe Expressway.

Financial Structure, Policy & Process



Fund Structure

Description of Funds

The North Carolina Turnpike Authority operates with a project-level financial structure. Turnpike Authority projects are financed as individual systems, and revenues are subject to N.C.G.S. §136-89.188 (a) which states, “revenues derived from a Turnpike Project authorized under this Article shall be used only for the following costs associated with the project from which the revenue was derived or a contiguous toll facility:

- 1 Authority administration costs.
- 2 Development, right-of-way acquisition, design, construction, expansion, operation, maintenance, reconstruction, rehabilitation, and replacement costs.
- 3 Debt service on the Authority's revenue bonds or related purposes such as the establishment of debt service reserve funds.
- 4 Debt service, debt service reserve funds, and other financing costs related to any of the following:
 - a. A financing undertaken by a private entity under a partnership agreement with the entity for the Project.
 - b. Private activity bonds issued under law related to the Project.
 - c. Any federal or State loan, line of credit, or loan guarantee relating to the Project.
- 5 A return on investment of any private entity under a partnership agreement with the entity for the Project.
- 6 Any other uses granted to a private entity under a partnership agreement with the entity for the Project.”

To maintain the mandated project-level financial structure, the Turnpike Authority must have separate budgets for each Turnpike Project that consists of the projects' projected revenues and operating expenditures for the fiscal year. Each operational Turnpike Project has individual Operations and Maintenance as well as Renewal and Replacement budgets. There are some budget items that occur regardless of the number of operational projects. These budget items are considered 'shared' costs and are allocated to each operating Turnpike Project at the end of each month evenly or based on facility usage or revenues. These shared budget items are noted as 'Allocated' in each project specific budget to show the amount of the total shared budget items allocated to each project.

The State Appropriation Revenue Bond and Toll Revenue Bond Trust Agreements for both the Triangle Expressway and Monroe Expressway establish the flow of funds for each project. The following flow of funds is a condensed, high-level overview of the existing flow of funds. **The flow of funds for the Triangle Expressway and Monroe Expressway operate independently of each other per N.C.G.S. §136-89.188 (a) and the Turnpike Authority's Revenue Retention Policy.** The Turnpike Authority's audited financial statements are inclusive, but not limited to the funds listed below.

State Appropriation Revenue Bond Funds

State Appropriation Revenue Fund

The Turnpike Authority receives \$25 million and \$24 million in state appropriated revenue for the Triangle Expressway System and Monroe Expressway, respectively. This state appropriated revenue is transferred in four equal quarterly installments into the State Appropriation Revenue Fund for each project. The Monroe Expressway also receives Interest Subsidy Payments to support interest payments on Build America Bonds. Upon the deposit of funds in the State Appropriation Revenue Fund, the Trustee transfers all deposited amounts into the following accounts.

State Appropriation Debt Service Funds

Amounts required for interest and principal debt service payments on the State Appropriation bonds are deposited into the State Appropriation Debt Service Funds. The balance of the funds remaining after all transfers to the State Appropriation Debt Service Funds has been made is then transferred to the Revenue Bond Trust Agreement Revenue Fund.

Toll Revenue Bond Funds

Revenue Fund

The Revenue Fund accounts for all pledged revenues earned on each facility including toll revenue, processing fees, non-sufficient funds fees, interest earnings, credit card equity fees and actual damages (related to contract compliance/performance). On the last business day of each month, the trustee withdraws all receipts and other amounts held in the Revenue Fund and applies them to the following accounts.

Debt Service Funds

Amounts required for interest and principal debt service payments are deposited into the Debt Service Funds. Interest is paid semi-annually, and principal is paid annually. Each month, one sixth of the total amount of interest due and one twelfth of the total amount of principal due at the next payment date is deposited in their respective interest and principal accounts for each series of revenue bonds.

Operations & Maintenance Expense Fund

The Operations and Maintenance Fund is used to pay monthly operations and maintenance expenses incurred on each facility. Each month, an amount equal to the succeeding month's budgeted operating expenses as set forth in the Annual Budget is deposited into the Operations and Maintenance Expense Fund.

Operating Reserve Fund

The Operating Reserve Fund is used to cover any deficiencies in the Operations and Maintenance Fund. This account must be funded with at least one fourth of the total budgeted operating expenses for the current fiscal year as set forth in the Annual Budget.

Renewal & Replacement Fund

The Renewal and Replacement Fund is used to pay monthly capital expenditures that occur on each facility. The Renewal and Replacement account shall be funded with one hundred percent of the total capital expenditures budgeted for the fiscal year plus one tenth of the total budgeted capital expenditures for the next nine fiscal years.

General Reserve Fund

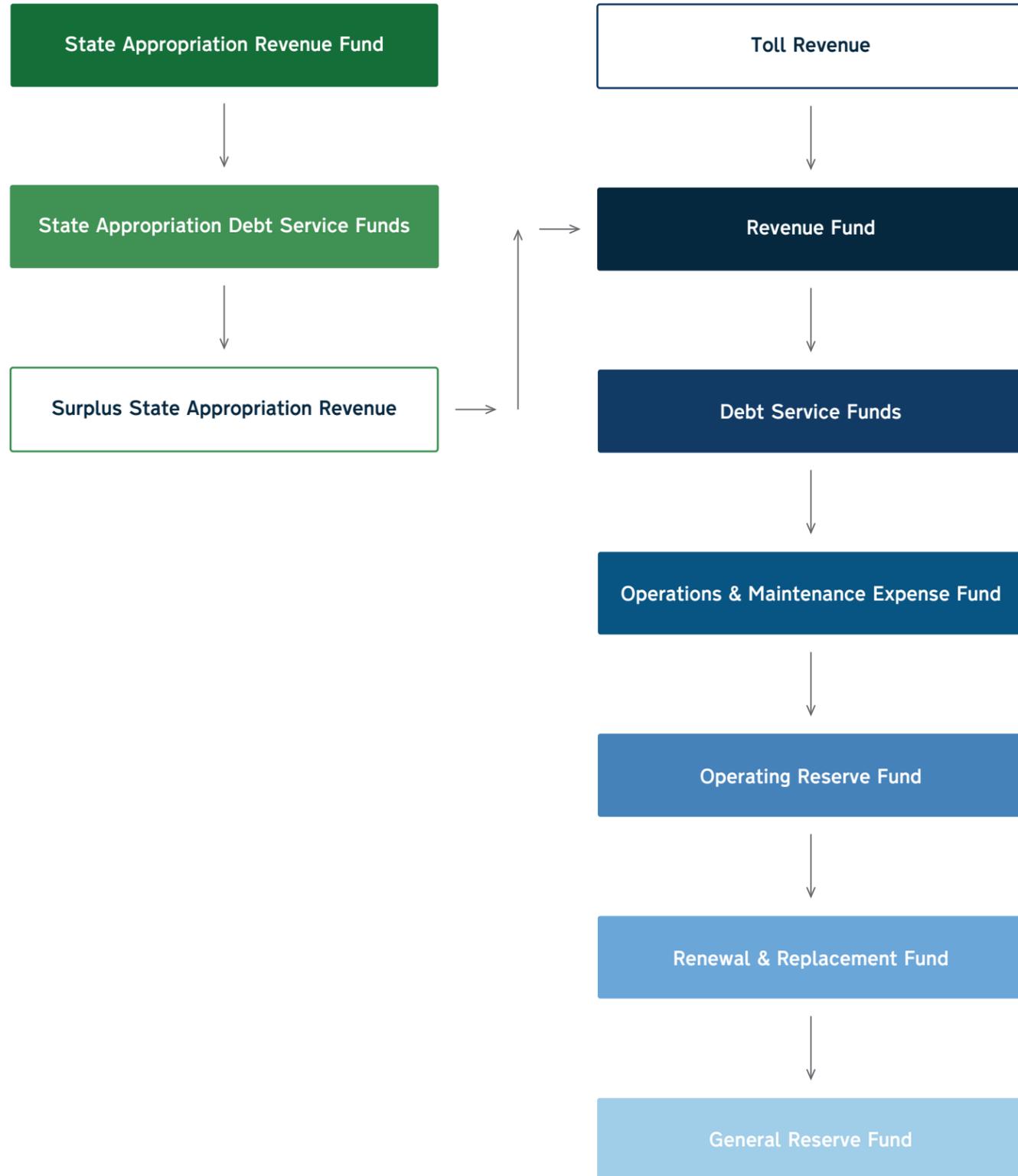
The General Reserve Fund is the last account in the flow of funds for each facility. After all required deposits are made in the accounts above, any remaining moneys shall be deposited in the General Reserve Fund. Moneys held in the General Reserve Fund shall be used for any legally available purpose, including, the payment of operating expenses or capital improvements on each facility.

Additional Project Account

The Additional Project Account is separate from each project's flow of funds and is used to pay for capital costs related to right-of-way acquisition and construction. This account is funded with proceeds from state appropriation and toll revenue bonds, as well as TIFIA loan disbursements.

Triangle Expressway System & Monroe Expressway Flow of Funds

The following chart depicts a high-level overview of the flow of funds for each project.



Fund Balances

Triangle Expressway System

The table below presents the projected balances for the major State Appropriation and Toll Revenue bond accounts for the Triangle Expressway System for June 30, 2021 along with the projected receipts and expenditures for FY 2022 and the projected ending account balances for June 30, 2022. Receipts are inclusive of deposits and interest earnings, and expenditures are inclusive of disbursements, expenditures, and debt service payments. The Renewal and Replacement Fund is projected to decrease in FY 2022 due to the budgeted R&R expenditures for the year and a lower R&R Fund requirement for FY 2023. The Project Fund is used to pay for capital expenditures related to the Complete 540 Phase 1 project and is projected to spend proceeds from the Bond Anticipation Notes that were issued in FY 2021 to cover the FY 2022 Capital Budget. Lastly, the Unrestricted General Reserve Fund is projected to decrease due to reduced toll revenue from impacts related to the COVID-19 pandemic.

	FY 2021 Budget		FY 2022 Budget	
	Balance	Receipts	Expenditures ²	Balance
State Appropriation Revenue Fund	\$0	\$25,000,000	\$(25,000,000)	\$0
State Appropriation Debt Service Funds	17,913,960	23,344,507	(23,175,920)	18,082,547
Revenue Fund	0	53,978,202	(53,978,202)	0
Senior Lien Debt Service Funds	22,620,351	40,047,952	(38,777,744)	23,890,559
Operations & Maintenance Expense Fund ¹	3,541,898	20,481,969	(20,481,969)	3,541,898
Operating Reserve Fund	5,120,492	325,843	0	5,446,335
Renewal & Replacement Fund	21,800,550	3,196,350	(14,873,432)	10,123,469
Project Fund	351,806,234	0	(341,806,746)	9,999,488
Unrestricted General Reserve Fund	43,288,677	0	(9,616,405)	33,672,272

¹ All or a portion of receipts reflects transfers from the Unrestricted General Reserve.

² Reflects debt service paid on July 1, 2020 and January 1, 2021.

Monroe Expressway

The table below presents the projected balances for the major State Appropriation and Toll Revenue bond accounts for the Monroe Expressway for June 30, 2021 along with the projected receipts and expenditures for FY 2022 and the projected ending account balances for June 30, 2022. Receipts are inclusive of deposits and interest earnings, and expenditures are inclusive of disbursements, expenditures, and debt service payments. The Renewal and Replacement Fund is projected to increase due to a higher R&R Fund requirement for FY 2023.

	FY 2021 Budget		FY 2022 Budget	
	Balance	Receipts	Expenditures ¹	Balance
State Appropriation Revenue Fund	\$0	\$24,000,000	\$(24,000,000)	\$0
State Appropriation Debt Service Funds	23,447,334	25,816,169	(33,486,191)	15,777,311
Revenue Fund	0	25,554,312	(25,554,312)	0
Senior Lien Debt Service Funds	3,482,070	5,969,263	(5,969,263)	3,482,070
Senior Lien Debt Service Reserve Fund	12,111,775	0	0	12,111,775
Operations & Maintenance Expense Fund	2,453,886	15,051,017	(15,051,017)	2,453,886
Operating Reserve Fund	3,762,754	81,507	0	3,844,261
Renewal & Replacement Fund	7,573,772	6,000,303	(2,745,444)	10,828,631
TIFIA Debt Service Reserve Fund	11,817,460	0	0	11,817,460
TIFIA Debt Service Expense Fund	1,354,196	2,300,502	(2,251,555)	1,403,143
Ramp-Up Reserve Fund	48,435,295	0	0	48,435,295
Unpledged Reserve Fund	29,183,468	0	0	29,183,468

¹ Reflects debt service paid on July 1, 2020 and January 1, 2021.

Basis of Budgeting

The North Carolina Turnpike Authority's Annual Budgets are prepared on the accrual basis of accounting; therefore, revenues are recognized when they are earned, and expenditures are recognized when the liability is incurred. This is contrary to the cash basis of accounting where revenues are recognized in the accounting period for which they are received, and expenditures are recognized in the account period for when cash is paid. The Turnpike Authority's Audited Financial Statements are in accordance with U.S. GAAP standards and are reported on an accrual basis, which is similar to the accounting method used by most private-sector businesses. The financial statements represent all financial activity of the Turnpike Authority at the fund level, therefore they are not an accurate representation of the financial position of individual Turnpike Projects.

The Annual Budgets provide the basis for operating and capital expenditures for each Turnpike Authority facility for the year. The Authority operates on a fiscal year basis and must submit the Annual Budgets to the Trustee per the project Trust Agreements. The Annual Budgets are approved by the Executive Director of the Turnpike Authority.

The Triangle Expressway System Amended and Restated Trust Agreement dated December 1, 2019, Section 705, states that for each fiscal year, the Authority shall adopt an Annual Budget as well as a Capital Improvements Budget pursuant to the Authority's bylaws, rules and regulations for the Triangle Expressway System. The Authority shall file copies of its Annual Budget promptly upon availability with the Trustee along with calculations for any required deposits into the Operations and Maintenance Expense Fund, Operating Reserve Fund, and Renewal and Replacement Fund pursuant to Section 503(k), (l), and (m).

The Monroe Expressway System Trust Agreement dated December 1, 2016, Section 705 states that for each fiscal year, the Authority shall adopt an Annual Budget as well as a Capital Improvements Budget pursuant to the Authority's bylaws, rules and regulations for the Monroe Expressway System. Pursuant to Section 705(i) expense estimates and requirements shall be based on a [report of the General Engineering Consultant](#). The Authority shall file copies of its Annual Budget promptly upon availability with the Trustee and TIFIA Lender along with calculations for any required deposits into the Operations and Maintenance Expense Fund, Operating Reserve Fund, and Renewal and Replacement Fund pursuant to Section 503(i), (j), and (k).

The Turnpike Authority is responsible for account management, billing and customer service for the I-77 Express Lanes. An Annual Budget is prepared every fiscal year for the expenditures related to these activities.

Budget Procedure

The annual budgeting process begins in November with a kick-off meeting held by the Finance Department and includes the Executive Director, Chief of Staff and all Turnpike Authority directors that oversee budget departments. The kick-off meeting provides an overview of the budgeting schedule along with each director's areas of responsibility. After the kick-off meeting, each director receives their preliminary budgets based on the previous fiscal year budget, along with a template to provide the Finance Department with any changes to their budgets. The directors either confirm the preliminary budgets that were provided to them or provide any requested budget changes to the Finance Department by the middle of December. The budget directors also provide their department's objectives for the year that support the Turnpike Authority strategic goals. From there, the Finance Department compiles all requested budgets into the budget models and updates any other budget assumptions for the upcoming fiscal year. Once the budgets have been compiled and all miscellaneous assumptions and calculations have been updated, the Finance Department presents the budgets along with any material budget changes to the Executive Director and Chief of Staff. After the check-in meeting, the Finance Department follows up with each of the directors to see if there are any final adjustments to make to their budgets. Once all of the final adjustments are made to each budget, the Finance Department brings the final budgets back to the Executive Director for approval. Once the budgets are approved by the Executive Director, the final O&M and R&R budgets for the Triangle Expressway and Monroe Expressway are provided to the Trustee. Historically, the Turnpike Authority has not amended the Annual Budgets. Pursuant to Section 705 of the Monroe Expressway Trust Agreement, if the Turnpike Authority looks to amend the Annual Budget, notice of any amendments or revisions along with a report from the General Engineering Consultant, with its approval thereof, shall be provided to the Trustee and TIFIA lender.

Budget Development Schedule

Date	Action
Week of November 2nd	The Finance Department held a kick-off meeting for the FY 2022 budgeting process. Attendees included the Executive Director, Chief of Staff and all NCTA directors that oversee segments of any or all of the budgets.
November 5th	The Finance Department sent the budget directors their preliminary FY 2022 O&M and R&R budgets based on their FY 2021 budgets.
December 18th	The directors submitted their requested O&M and R&R budgets as well as their FY 2022 department objectives that support the Turnpike Authority's strategic goals.
December 21st – January 15th	The Finance Department compiled all of the requested budgets they received from the directors.
January 18th – February 19th	The Finance Department followed up with directors as needed and continued to make further updates to the budget models.
February 25th	The Finance Department presented the draft FY 2022 O&M and R&R budgets to the Executive Director and Chief of Staff.
March 1st – April 9th	The Finance Department performed final reviews and edits to the O&M and R&R budgets.
April 12th	The Finance Department presented the updated and final FY 2022 O&M budgets as well as the FY 2022-2031 R&R budgets to the Executive Director and Chief of Staff and the Executive Director approved the budgets.
May 31st	The Finance Department submitted the FY 2022 Annual Budgets to the Trustee per Section 705 of the Triangle Expressway System and Monroe Expressway Trust Agreements.

Financial Summaries



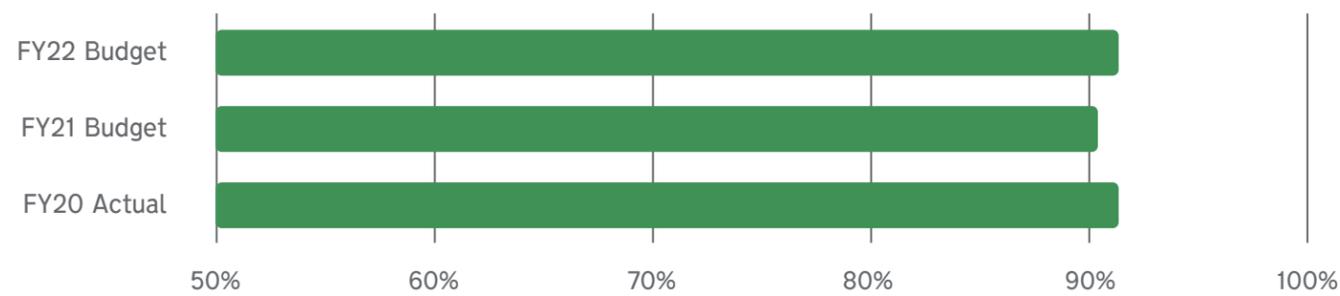
Key Financial Metrics

Toll Revenue as a Percent of Operating Revenue

Toll revenue as a percent of operating revenue is calculated by dividing the toll revenue by the total operating revenue of each facility. Toll revenue as a percent of operating revenue is budgeted to decrease on both the Triangle Expressway and Monroe Expressway in FY21 due to actual toll revenue coming in higher than projections in FY20 on both facilities. For FY22, these percentages are projected to increase for both facilities due to updated traffic and revenue forecasts, which include COVID-19 pandemic impacts.

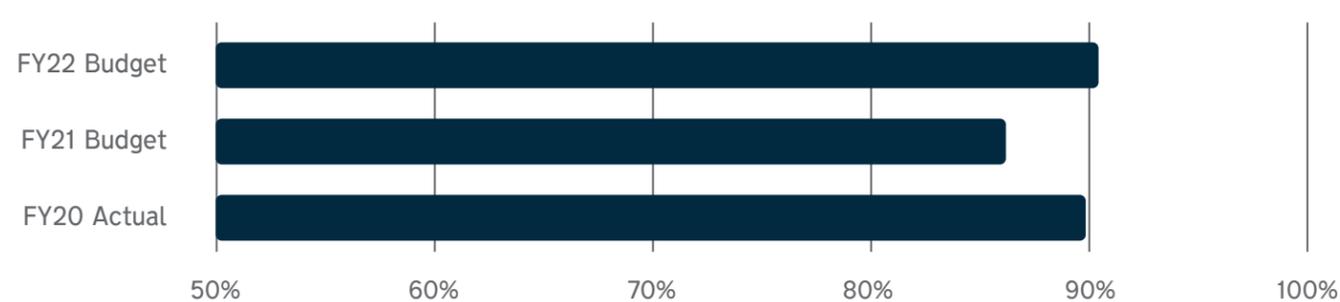
Triangle Expressway

	FY20 Actual	FY21 Budget	FY22 Budget
Toll Revenue	\$47,553,565	\$54,844,000	\$47,960,000
Operating Revenue	\$51,951,156	\$60,714,000	\$52,323,000
Toll Revenue as a Percent of Operating Revenue	91.5%	90.3%	91.7%



Monroe Expressway

	FY20 Actual	FY21 Budget	FY22 Budget
Toll Revenue	\$20,508,839	\$20,326,000	\$23,123,000
Operating Revenue	\$22,866,480	\$23,659,000	\$25,554,000
Toll Revenue as a Percent of Operating Revenue	89.7%	85.9%	90.5%

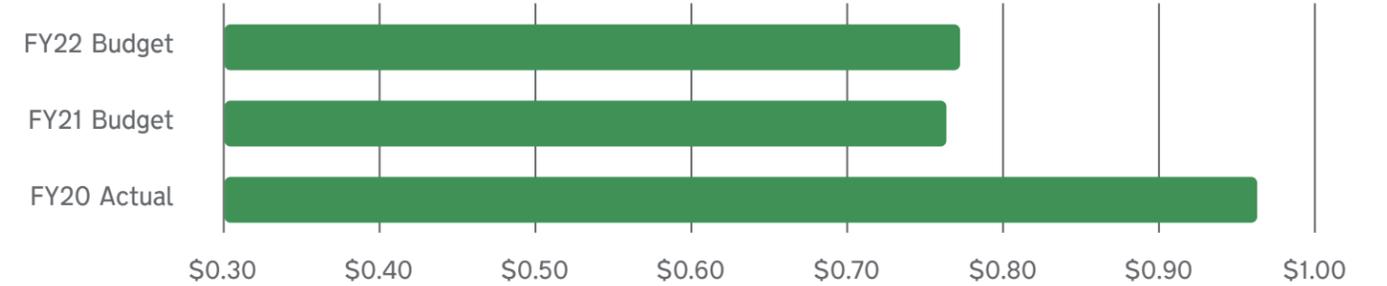


Average Toll per Transaction

The average toll per transaction is calculated by dividing toll revenue by the total number of toll transactions of each facility. The average toll per transaction is budgeted to decrease in FY21 and FY22 from FY20 on both the Triangle Expressway and Monroe Expressway. This is due to impacts from the COVID-19 pandemic affecting FY20 actuals, as well as updated traffic and revenue projections for FY22. FY21 budgets did not include assumptions for impacts due to the pandemic.

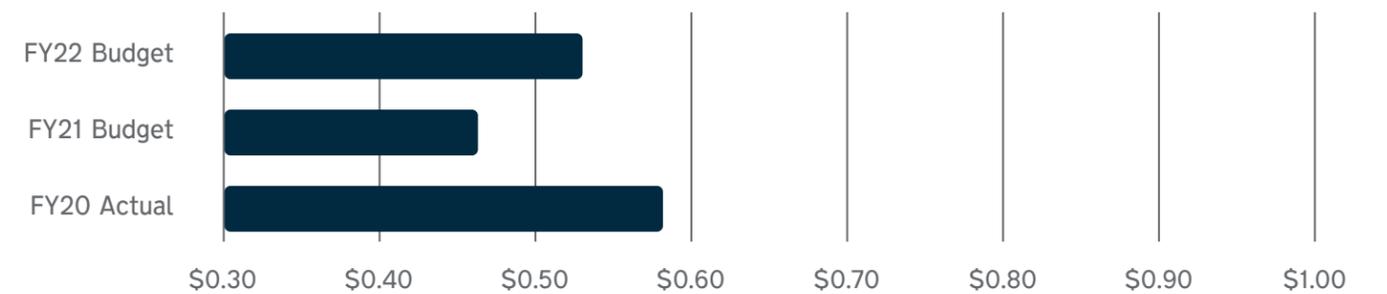
Triangle Expressway

	FY20 Actual	FY21 Budget	FY22 Budget
Toll Revenue	\$47,553,565	\$54,844,000	\$47,960,000
Toll Transactions	49,528,840	72,237,000	61,907,000
Average Toll Per Transaction	\$0.96	\$0.76	\$0.77



Monroe Expressway

	FY20 Actual	FY21 Budget	FY22 Budget
Toll Revenue	\$20,508,839	\$20,326,000	\$23,123,000
Toll Transactions	35,240,510	44,034,000	43,306,000
Average Toll Per Transaction	\$0.58	\$0.46	\$0.53

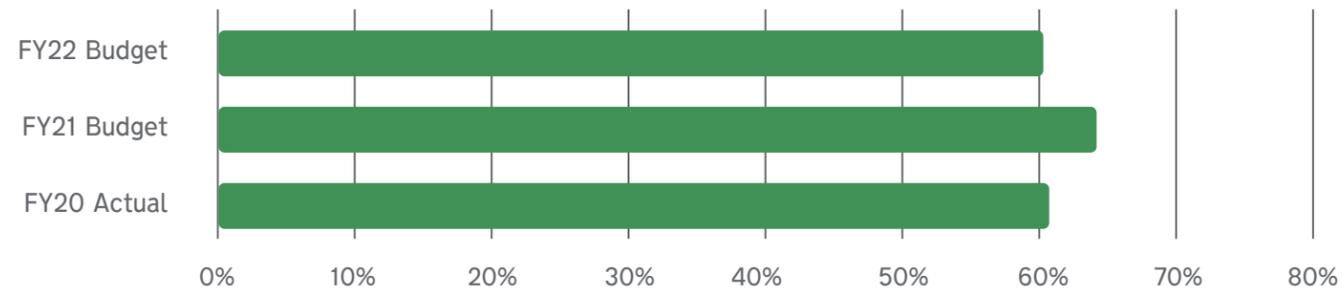


Operating Margin

The operating margin is calculated by dividing operating income by the operating revenue of each facility. The operating margin is budgeted to increase slightly for the Triangle Expressway in FY21 and then decrease in FY22 due to impacts from the COVID-19 pandemic. The operating margin for the Monroe Expressway is budgeted to decrease significantly in FY21 and FY22 due to operating revenue exceeding projections and operating expenses coming in well below budget in FY20.

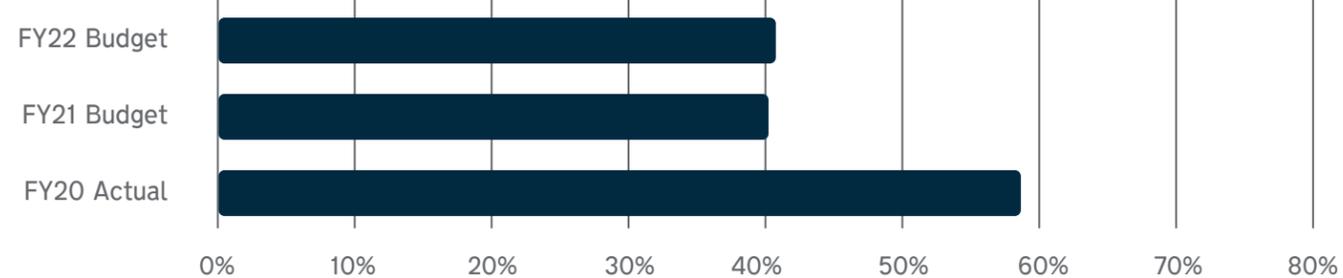
Triangle Expressway

	FY20 Actual	FY21 Budget	FY22 Budget
Operating Revenue	\$51,951,156	\$60,714,000	\$52,323,000
Operating Expenses	\$20,279,418	\$21,610,847	\$20,481,969
Operating Income	\$31,671,738	\$39,103,153	\$31,841,031
Operating Margin	61.0%	64.4%	60.9%



Monroe Expressway

	FY20 Actual	FY21 Budget	FY22 Budget
Operating Revenue	\$22,866,480	\$23,659,000	\$25,554,000
Operating Expenses	\$9,502,204	\$14,091,676	\$15,051,017
Operating Income	\$13,364,276	\$9,567,324	\$10,502,983
Operating Margin	58.4%	40.4%	41.1%



Toll Revenue per Lane Mile

Toll revenue per lane mile is calculated by dividing toll revenue by the lane miles of each facility. The toll revenue per lane mile on the Triangle Expressway is expected to increase in FY21 and then decrease in FY22 due to FY21 budgets not including assumptions for impacts due to the COVID-19 pandemic. The toll revenue per lane mile on the Monroe Expressway is expected to decrease slightly in FY21 and then increase in FY22.

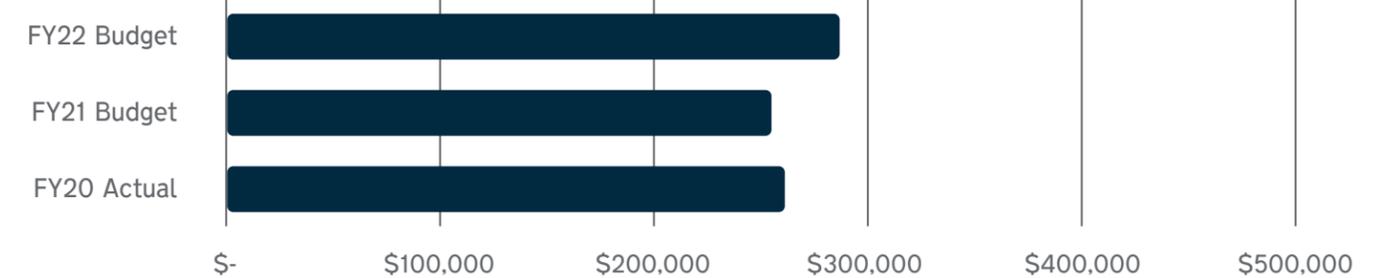
Triangle Expressway

	FY20 Actual	FY21 Budget	FY22 Budget
Toll Revenue	\$47,553,565	\$54,844,000	\$47,960,000
Lane Miles	112.8	112.8	112.8
Toll Revenue per Lane Mile	\$421,574	\$486,206	\$425,177



Monroe Expressway

	FY20 Actual	FY21 Budget	FY22 Budget
Toll Revenue	\$20,508,839	\$20,326,000	\$23,123,000
Lane Miles	79.2	79.2	79.2
Toll Revenue per Lane Mile	\$258,950	\$256,641	\$291,957



Operating Cost per Lane Mile

The operating cost per lane mile is calculated by dividing the operating expenses by lane miles for each facility. The operating cost per lane mile on both the Triangle Expressway and Monroe Expressway is budgeted to increase in FY21 and FY22 due to operating budgets increasing slightly each year. The major increase on the Monroe Expressway to the FY21 budget from FY20 actuals is due to operating expenses being significantly under budget while the project is in ramp-up.

Triangle Expressway

	FY20 Actual	FY21 Budget	FY22 Budget
Operating Expenses	\$20,279,418	\$21,610,847	\$20,481,969
Lane Miles	112.8	112.8	112.8
Operating Cost per Lane Mile	\$179,782	\$191,586	\$181,578



Monroe Expressway

	FY20 Actual	FY21 Budget	FY22 Budget
Operating Expenses	\$9,502,204	\$14,091,676	\$15,051,017
Lane Miles	79.2	79.2	79.2
Operating Cost per Lane Mile	\$119,977	\$177,925	\$190,038



Debt per Lane Mile

Debt per lane mile is calculated by dividing the total indebtedness as of June 30 each year by the lane miles of each facility. The debt per lane mile on the Triangle Expressway is budgeted to increase in FY21 from FY20 due to additional debt issued to finance the construction of the Complete 540 Phase 1 project, which is a system expansion of the Triangle Expressway. The debt per lane mile on the Monroe Expressway is budgeted to decrease in FY21 and FY22 due to principal being paid on the outstanding debt.

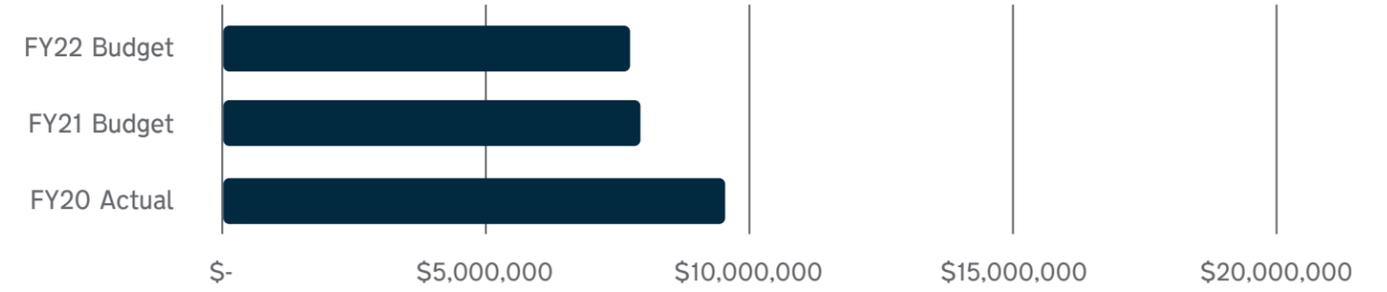
Triangle Expressway

	FY20 Actual	FY21 Budget	FY22 Budget
Outstanding Debt	\$1,432,156,359	\$1,911,136,359	\$1,887,234,359
Lane Miles	112.8	112.8	112.8
Debt Per Lane Mile	\$12,696,422	\$16,942,698	\$16,730,801



Monroe Expressway

	FY20 Actual	FY21 Budget	FY22 Budget
Outstanding Debt	\$716,306,904	\$611,456,904	\$603,081,904
Lane Miles	79.2	79.2	79.2
Debt Per Lane Mile	\$9,044,279	\$7,720,415	\$7,614,671



Revenue Summary

The largest source of revenue for the Triangle Expressway and Monroe Expressway is toll revenue. Toll revenue is collected based on two main transaction types: Electronic Toll Collection (ETC) and Bill by Mail (BBM). ETC tolls are paid electronically with a transponder. These tolls are automatically deducted from a prepaid account. BBM tolls are an alternative payment option for customers without a transponder. Cameras at toll zones capture an image of the vehicle's license plate, and an invoice is mailed to the registered owner of the vehicle. Toll and processing fee revenue projections are provided from Traffic and Revenue forecasts, updated in late 2020. The remaining sources of revenue include interest earnings, credit card equity fees, non-sufficient funds fees (returned check fees), and actual damages (related to contract compliance/performance). These revenues are immaterial and not estimated.

In 2008, the Turnpike Authority Board of Directors adopted a **toll rate policy**, which provides guidelines pursuant to which the Turnpike Authority shall establish and adjust toll rate schedules for its projects. After receipt of a Traffic and Revenue Study, the Toll Rate Policy directs the Turnpike Authority Board of Directors to adopt a toll rate schedule that forecasts revenues on the project that are at least the same level as the revenue set forth in the Traffic and Revenue report.

Pursuant to the policy, the Board of Directors has adopted toll rate schedules for both the Triangle Expressway and Monroe Expressway projects based on their respective Traffic and Revenue Studies. The toll rate schedules for each facility provide the toll rates for every year through the final maturity date for all indebtedness issued to finance each project. Toll rates on both facilities increase each January 1 based on the approved toll rate schedules. The calendar year 2021 and 2022 toll rates for both the Triangle Expressway and Monroe Expressway are shown below by vehicle classification and payment type.

Toll Rates

Triangle Expressway

	CY 2021		CY 2022	
	ETC	BBM	ETC	BBM
Class 1	\$3.60	\$5.52	\$3.71	\$5.68
Class 2	7.20	11.04	7.42	11.36
Class 3	14.40	22.08	14.84	22.72

Monroe Expressway

	CY 2021		CY 2022	
	ETC	BBM	ETC	BBM
Class 1	\$2.66	\$4.10	\$2.72	\$4.20
Class 2	5.32	8.20	5.44	8.40
Class 3	10.64	16.40	10.88	16.80

Full trip on the Triangle Expressway starting at N.C. 147 at I-40 to N.C. 55 Bypass in one direction.

Full trip on the Monroe Expressway in one direction.

Vehicle Classifications



Class 1

Vehicles with 2 axles



Class 2

Vehicles with 3 axles

Two times (2x) the Class 1 vehicle toll rate



Class 3

Vehicles with 4 axles or more

Four times (4x) the Class 1 vehicle toll rate

Actuals, Projections & Budgets for FY 2020 to FY 2022

Triangle Expressway

	FY 2020	FY 2021	FY 2021	FY 2021	FY 2022	FY 2022
	Actual	Budget	Projection	Variance Projection to Budget	Budget	Variance to FY 2021 Projection
Revenue						
Toll Revenue	\$46,715,007	\$54,844,000	\$35,522,000	\$(19,322,000)	\$47,960,000	\$12,438,000
Fee Revenue	6,075,360	5,870,000	2,173,000	(3,697,000)	4,363,000	2,190,000
Total	\$52,790,367	\$60,714,000	\$37,695,000	\$(23,019,000)	\$52,323,000	\$14,628,000
Operating Expenses						
Finance	\$699,760	\$1,022,836	\$788,845	\$(233,991)	\$866,468	\$77,623
Highway Operations	3,536,572	2,956,973	1,147,563	(1,809,410)	3,040,194	1,892,631
Service & Safety Patrol	216,422	265,000	266,989	1,989	265,000	(1,989)
Toll Operations	7,373,677	8,728,202	6,801,288	(1,926,914)	8,352,399	1,551,111
Customer Service	7,729,296	7,876,762	6,619,248	(1,257,514)	7,172,401	553,153
Public Affairs	269,657	336,074	154,252	(181,822)	360,507	206,255
Administrative	454,034	425,000	434,266	9,266	425,000	(9,266)
Total	\$20,279,418	\$21,610,847	\$16,212,451	\$(5,398,396)	\$20,481,969	\$4,269,518

FY 2020 Actual Revenue is presented on a cash basis.

The FY 2021 revenue budget is from the Triangle Expressway and Complete 540 Phase 1 Traffic and Revenue Study dated September 2019.

The FY 2021 revenue projection and FY 2022 revenue budget are from the updated Triangle Expressway and Complete 540 Phase 1 Traffic and Revenue Forecasts to include impacts from the COVID-19 pandemic dated December 2020.

Operating Expenses for FY20 and FY21 have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

Monroe Expressway

	FY 2020	FY 2021	FY 2021	FY 2021	FY 2022	FY 2022
	Actual	Budget	Projection	Variance Projection to Budget	Budget	Variance to FY 2021 Projection
Revenue						
Toll Revenue	\$18,917,561	\$20,326,000	\$19,718,000	\$(608,000)	\$23,123,000	\$3,405,000
Fee Revenue	2,417,699	3,333,000	1,222,000	(2,111,000)	2,431,000	1,209,000
Total	\$21,335,260	\$23,659,000	\$20,940,000	\$(2,719,000)	\$25,554,000	\$4,614,000
Operating Expenses						
Finance	\$427,159	\$726,925	\$592,421	\$(134,504)	\$686,161	\$93,739
Highway Operations	1,763,700	2,471,850	1,541,831	(930,020)	2,692,650	1,150,819
Service & Safety Patrol	458,086	544,520	567,604	23,084	634,520	66,916
Toll Operations	3,140,335	6,437,488	5,640,175	(797,313)	6,849,595	1,209,420
Customer Service	3,128,234	3,098,829	3,094,022	(4,808)	3,380,974	286,952
Public Affairs	244,166	399,563	159,707	(239,856)	394,616	234,909
Administrative	340,525	412,500	421,493	8,993	412,500	(8,993)
Total	\$9,502,204	\$14,091,676	\$12,017,254	\$(2,074,422)	\$15,051,017	\$3,033,763

FY 2020 Actual Revenue is presented on a cash basis.

The FY 2021 revenue budget is from the Monroe Expressway Traffic and Toll Revenue Study dated November 2016.

The FY 2021 revenue projection and FY 2022 revenue budget are from the updated Monroe Expressway Traffic and Revenue Forecasts to include impacts from the COVID-19 pandemic dated October 2020.

Operating Expenses for FY20 and FY21 have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

I-77 Express Lanes

The I-77 Express Lanes project is a public-private partnership between NCDOT and I-77 Mobility Partners, LLC and is the first P3 toll project in the State of North Carolina. The Turnpike Authority is responsible for account management, billing, and customer service for the express lanes. An Annual Budget is prepared every fiscal year for the expenditures related to these activities. Since the agreement is between NCDOT and I-77 Mobility Partners, the Turnpike Authority does not have any certified revenue projections for the project.

	FY 2020	FY 2021	FY 2021	FY 2021	FY 2022	FY 2022
	Actual	Budget	Projection	Variance Projection to Budget	Budget	Variance to FY 2021 Projection
Operating Expenses						
Finance	\$245,597	\$450,006	\$407,653	\$(42,353)	\$412,315	\$4,662
Highway Operations	-	-	-	-	-	-
Service & Safety Patrol	-	-	-	-	-	-
Toll Operations	2,375,620	3,225,588	2,273,976	(951,612)	3,528,333	1,254,357
Customer Service	2,846,970	4,066,592	3,229,970	(836,622)	3,794,181	564,211
Public Affairs	209,198	415,563	117,366	(298,197)	378,036	260,670
Administrative	340,525	412,500	421,493	8,993	412,500	(8,993)
Total	\$6,017,910	\$8,570,248	\$6,450,457	\$(2,119,791)	\$8,525,364	\$2,074,907

Operating Expenses for FY20 and FY21 have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 Staffing Summary

The following table depicts the number of staffing positions the Turnpike Authority had in FY 2020 and 2021, as well as, the number of budgeted positions for FY 2022 and the change from FY 2021. The Turnpike Authority is budgeting for staffing to increase by four field positions and decrease by one administrative position. Field employees charge time directly to projects, whereas administrative employees charge time only to the administrative budget. Budgets for Turnpike Authority staff are presented as 'NCDOT Labor' or 'NCTA Labor' throughout the report.

	FY 2020	FY 2021	FY 2022	Change From
	Actual	Actual	Budget	2021
Finance	2	2	3	+1
Highway Operations	3	3	3	0
Service & Safety Patrol	-	-	-	-
Toll Operations	3	3	5	+2
Customer Service	1	1	2	+1
Public Affairs	2	2	3	+1
Administrative	6	6	5	-1
Total	17	17	21	+4

FY 2022 Operations & Maintenance Budgets

	Triangle Expressway	Monroe Expressway	I-77 Express Lanes
Finance	\$866,468	\$686,161	\$412,315
NCDOT Labor - Allocated	172,717	167,637	167,637
NCDOT Labor - Project Specific	51,345	20,538	10,269
Consultant Labor - Allocated	49,300	47,850	47,850
Consultant Labor - Project Specific	25,000	25,000	150,000
Professional Services - Allocated	30,197	29,309	29,309
Professional Services - Project Specific	377,506	252,450	-
NCDOT System Charges	160,403	143,376	7,250
Highway Operations	3,040,194	2,692,650	-
NCDOT Labor - Project Specific	330,147	20,538	-
Consultant Labor - Project Specific	350,000	425,000	-
Routine Maintenance	1,916,500	1,964,900	-
Damage Claims	15,000	15,000	-
Traffic Management Center Staffing & Facilities	428,547	267,212	-
Service & Safety Patrol	265,000	634,520	-
Highway Patrol	145,000	364,520	-
Incident Management Assistance Patrol	120,000	270,000	-
Toll Operations	8,352,399	6,849,595	3,528,333
NCDOT Labor - Allocated	77,985	75,691	75,691
NCDOT Labor - Project Specific	60,742	40,942	44,699
Consultant Labor - Allocated	288,192	279,716	279,716
Consultant Labor - Project Specific	387,539	357,968	23,775
Utilities	215,000	60,000	-
Electronic Toll Collection System Maintenance	146,985	95,770	-
Roadside Toll Collection System Maintenance	3,311,738	2,833,391	-
Back Office System Pass Throughs - Allocated	700,319	660,146	638,882
Mailhouse - Allocated	1,907,004	1,258,447	1,063,695
Collections - Allocated	104,295	68,825	58,174
Back Office System Maintenance - Allocated	1,152,600	1,118,700	1,118,700
HOV Application Maintenance	-	-	225,000
Customer Service	7,172,401	3,380,974	3,794,181
NCDOT Labor - Allocated	63,519	61,651	61,651
Consultant Labor - Allocated	227,899	221,196	221,196
Operations Staffing - Allocated	5,267,342	2,114,195	2,298,117
Customer Service Center Facilities - Allocated	299,037	290,242	290,242
Credit Card Expenses - Allocated	1,151,100	562,195	830,935
Other - Allocated	17,000	16,500	16,500
IAG Credit Card Expenses	146,504	114,994	75,540
Public Affairs	360,507	394,616	378,036
NCDOT Labor - Allocated	18,232	17,696	17,696
NCDOT Labor - Project Specific	17,875	61,620	45,040
Consultant Labor - Allocated	85,000	82,500	82,500
Consultant Labor - Project Specific	15,000	15,000	15,000
Marketing & Communications - Allocated	224,400	217,800	217,800
Administrative	425,000	412,500	412,500
Administrative - Allocated	425,000	412,500	412,500
Total	\$20,481,969	\$15,051,017	\$8,525,364

Department Budgets & Information

The Turnpike Authority has all of its operating activities and corresponding expenditures organized under seven budget departments: finance, highway operations, service and safety patrol, toll operations, customer service, public affairs, and administrative. The following table presents the FY 2022 O&M budgets for the Triangle Expressway, Monroe Expressway and I-77 Express Lanes broken down by department.

	Triangle Expressway	Monroe Expressway	I-77 Express Lanes
Finance	\$866,468	\$686,161	\$412,315
Highway Operations	3,040,194	2,692,650	-
Service & Safety Patrol	265,000	634,520	-
Toll Operations	8,352,399	6,849,595	3,528,333
Customer Service	7,172,401	3,380,974	3,794,181
Public Affairs	360,507	394,616	378,036
Administrative	425,000	412,500	412,500
Total	\$20,481,969	\$15,051,017	\$8,525,364

Finance

Finance Department Overview

The Finance Department O&M budget includes NCTA labor, consultant labor, various professional services and NCDOT System Charges. Consultant labor in the Finance Department consists of finance and reporting support, as well as, traffic and revenue support. Many of the professional services included in this group support the Turnpike Authority's financial management. These professional services include but are not limited to, trustee fees, TIFIA fees, rating agency fees, investment advisory, bond counsel services, business interruption insurance, and NCTA's continuing disclosure dissemination agent.

NCDOT has several programs that benefit construction, highway maintenance, and other activities. The costs associated with these programs are considered indirect costs since all NCDOT projects benefit from them. NCDOT charges each of their projects with surcharges that are applied to expenditures to pay for these indirect costs. The rates for these surcharges are developed each year based on the projected expenditures for the department. Below is a description of the three system charges that are applied to Turnpike Authority operating expenditures:

Business System Improvement Project (BSIP) - This project was established for the development, implementation, and support of a new Enterprise Resource Planning (ERP) tool. This initiative was a departmental wide effort to implement a comprehensive financial and management information system to aid management in optimally allocating resources. The current rate is 0.42%.

Computer Support (CS) – Costs for computer support are relative to supporting the computer environment within the NCDOT Division of Highways. The current rate is 0.64%.

Special Assessments – Special Assessments are for miscellaneous items or programs that support both state and federal projects. The current rate is 0.93%

Staffing Summary

The following table depicts the number of staffing positions the Finance Department had in FY 2020 and 2021, as well as, the budgeted positions for FY 2022 and the change from FY 2021. These employees can charge time to the Triangle Expressway, Monroe Expressway, I-77 Express Lanes and/or a shared charge code to allocate their time across the three projects evenly. The Turnpike Authority is increasing their Finance Department staff by one position in FY 2022 with the hiring of a budget officer. This role has historically been filled by consultant staff.

	FY 2020	FY 2021	FY 2022	Change From
	Actual	Actual	Budget	2021
Controller	1	1	1	0
Budget Officer	0	0	1	+1
Director of Program Development	1	1	1	0
Total	2	2	3	+1

FY 2022 Department Objectives (Supporting Turnpike Authority Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Oversee the preparation of a sustainable financial plan to support Phase 2 of the Triangle Expressway System expansion.
- Maintain favorable bond ratings for future project financings.



Broaden Influence as a Respected Leader & Partner

- Implement best practices that meet the Government Finance Officers Association's program criteria for the Certificate of Achievement for Excellence in Financial Reporting Program and Distinguished Budget Presentation Award.
- Produce annual financial reports, including an Annual Comprehensive Financial Report and Budget Report, which are timely, compliant, and transparent.
- Ensure all procurement documents and resulting contracts comply with all applicable laws and regulations and policies, utilize the competitive bid process, and reconcile activity.



Strengthen Customer Relationships

- Partner with NCTA Directors to understand ongoing needs and provide collaborative, fiscally responsible solutions.
- Optimize current Enterprise Resource Planning system to accelerate and improve financial reporting.



Preserve a Strong Financial Standing

- Adopt and begin implementation of the Turnpike Authority's Three-Year Work Plan.
- Monitor the market for opportunities to refund outstanding debt to achieve savings on future debt service payments.
- Maintain compliance with all required bond and TIFIA loan documentation, including complying with any arbitrage rebate or other federal tax filings and providing for secondary market disclosure.



Develop a Highly Qualified & Engaged Team

- Review and update department policies and procedures to implement leading practices and document current workflows.
- Partner with NCDOT and NCDIT to streamline core business processes.
- Promote industry participation.

Triangle Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor	\$122,335	\$222,347	\$224,062	\$1,715	1%
NCDOT Labor - Allocated	60,949	199,692	172,717	(26,974)	-14%
NCDOT Labor - Project Specific	61,387	22,656	51,345	28,689	127%
Consultant Labor	106,304	76,591	74,300	(2,291)	-3%
Consultant Labor - Allocated	87,415	55,092	49,300	(5,792)	-11%
Consultant Labor - Project Specific	18,889	21,499	25,000	3,501	16%
Finance & Reporting Support	18,889	9,940	15,000	5,060	51%
Traffic & Revenue Support	-	11,559	10,000	(1,559)	-13%
Professional Services	314,093	384,271	407,703	23,432	6%
Professional Services - Allocated	28,049	25,850	30,197	4,348	17%
Professional Services - Project Specific	286,044	358,422	377,506	19,084	5%
Rating Agencies	10,000	77,000	40,000	(37,000)	-48%
Trustee Fees	15,000	17,790	21,000	3,210	18%
Investment Advisory	50,868	55,656	75,000	19,344	35%
Arbitrage Reports	21,000	15,000	15,000	0	0%
Bond Counsel	0	10,000	30,000	20,000	200%
Cherry Bekaert	2,600	2,700	2,700	0	0%
Continuing Disclosure Agent	750	750	750	0	0%
Business Interruption Insurance	175,628	179,026	188,056	9,030	5%
Miscellaneous	10,198	500	5,000	4,500	900%
NCDOT System Charges	157,028	105,636	160,403	54,767	52%
Total	\$699,760	\$788,845	\$866,468	\$77,623	10%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 Triangle Expressway Budget Highlights

The Finance Department budget for the Triangle Expressway has a variance of \$77,623 from FY 2021 projections. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- NCDOT System Charges are assessed as a percentage of all project specific expenditures and have a variance of \$54,767 due to a higher amount of expenditures budgeted in FY 2022 than actual expenditures in FY 2021.

Monroe Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor	\$59,098	\$208,661	\$188,175	\$(20,486)	-10%
NCDOT Labor - Allocated	46,061	193,818	167,637	(26,181)	-14%
NCDOT Labor - Project Specific	13,038	14,843	20,538	5,695	38%
Consultant Labor	80,336	67,816	72,850	5,034	7%
Consultant Labor - Allocated	65,561	53,472	47,850	(5,622)	-11%
Consultant Labor - Project Specific	14,775	14,344	25,000	10,656	74%
Finance & Reporting Support	14,775	14,344	15,000	656	5%
Traffic & Revenue Support	-	0	10,000	10,000	-
Professional Services	204,771	222,781	281,759	58,978	26%
Professional Services - Allocated	21,037	25,089	29,309	4,220	17%
Professional Services - Project Specific	183,734	197,691	252,450	54,759	28%
Rating Agencies	17,000	30,000	30,000	0	0%
Trustee Fees	10,000	10,000	15,000	5,000	50%
TIFIA Fees	13,500	14,000	14,000	0	0%
Investment Advisory	27,386	29,792	35,000	5,208	17%
Arbitrage Reports	10,500	7,000	10,000	3,000	43%
Bond Counsel	5,225	0	30,000	30,000	-
Cherry Bekaert	-	2,700	2,700	0	0%
Continuing Disclosure Agent	750	750	750	0	0%
Business Interruption Insurance	99,373	103,449	115,000	11,551	11%
NCDOT System Charges	82,953	93,164	143,376	50,213	54%
Total	\$427,159	\$592,421	\$686,161	\$93,739	16%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 Monroe Expressway Budget Highlights

The Finance Department budget for the Monroe Expressway has a variance of \$93,739 from FY 2021 projections. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- NCDOT System Charges are assessed as a percentage of all project specific expenditures and have a variance of \$50,213 due to a higher amount of expenditures budgeted in FY 2022 than actual expenditures in FY 2021.

I-77 Express Lanes

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor	\$47,327	\$197,084	\$177,906	\$(19,178)	-10%
NCDOT Labor - Allocated	46,148	193,818	167,637	(26,181)	-14%
NCDOT Labor - Project Specific	1,179	3,266	10,269	7,003	214%
Consultant Labor	153,864	181,286	197,850	16,564	9%
Consultant Labor - Allocated	65,561	53,472	47,850	(5,622)	-11%
Consultant Labor - Project Specific	88,302	127,814	150,000	22,186	17%
Finance & Reporting Support	88,302	127,814	150,000	22,186	17%
Professional Services	21,037	25,089	29,309	4,220	17%
Professional Services - Allocated	21,037	25,089	29,309	4,220	17%
NCDOT System Charges	23,369	4,194	7,250	3,056	73%
Total	\$245,597	\$407,653	\$412,315	\$4,662	1%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 I-77 Express Lanes Budget Highlights

The Finance Department budget for the I-77 Express Lanes has a variance of \$4,662 from FY 2021 projections. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- No variances to report.

Highway Operations



Highway Operations Department Overview

The Highway Operations Department O&M budget includes NCTA labor, consultant labor, routine maintenance, damage claims, and traffic management center staffing and facilities. The Turnpike Authority is mandated by state law and the terms of the Trust Agreements to maintain safe facilities in sound condition. Routine maintenance for NCTA facilities includes, but is not limited to, maintenance of the following items: concrete and asphalt roadways, bridges, pavement markings, signs, mowing and landscaping, snow and ice removal, guardrail, lighting and litter removal. Traffic management center operators verify roadway incidents, dispatch Incident Management Assistance Patrol (IMAP) and other emergency resources, and monitor, control and disseminate data to and from roadside cameras, traffic detectors and dynamic message signs. NCTA operations personnel are co-located with traffic management staff within the TMC and will oversee the various toll operation contracts, monitor performance requirements, and provide audit and accounting for these operations.

Maintenance Rating Program

The Turnpike Authority has a Maintenance Rating Program (MRP) which was developed through a collaborative effort by NCTA managers, NCDOT maintenance staff, and consultants to monitor, manage, and proactively maintain NCTA's roadway assets. The MRP is a comprehensive planning, measuring and managing process that provides a means for communicating to managers, stakeholders and customers, the impacts, policy and budget decisions on program service delivery. The roadway maintenance performance standards were created with the purpose of providing a clear and quantitative set of goals to ensure the facility meets customer expectations, as well as considerations unique to NCTA. NCTA coordinates closely with NCDOT division maintenance crews to conduct routine field visits in order to maintain an accurate asset inventory and ensure the validity of the MRP survey.

The rating process consists of quarterly inspections that are conducted during the months of February, May, August, and November to account for dynamic changes in assets during each season. A randomly selected sample of maintenance characteristics is evaluated each quarter according to performance standard threshold criteria. These quarterly inspection results are shared with managers and maintenance providers to identify areas requiring additional resources and to prioritize maintenance operations. The annual rating score represents the percentage of assets inspected during the four quarterly inspections that are meeting the condition standards. The following table presents the annual rating scores for the Triangle Expressway and the Monroe Expressway. The NCTA's overall target rating score is 90.0.

	CY 2018	CY 2019	CY 2020
Triangle Expressway	94.7	93.0	91.5
Monroe Expressway	-	-	94.6*

*This rating is from the baseline inspection on the Monroe Expressway. Quarterly inspections as a part of the MRP began in CY 2021.

Staffing Summary

The following table depicts the number of staffing positions the Highway Operations Department had in FY 2020 and 2021, as well as, the budgeted positions for FY 2022 and the change from FY 2021. These employees can charge time to the Triangle Expressway or Monroe Expressway.

	FY 2020	FY 2021	FY 2022	Change From
	Actual	Actual	Budget	2021
Deputy Chief Engineer for Highway Operations	1	1	1	0
Triangle Expressway Roadway Manager	1	1	1	0
Triangle Expressway Roadway Maintenance Engineer	1	1	1	0
Total	3	3	3	0

FY 2022 Department Objectives (Supporting Turnpike Authority Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Integrate a 35-year Capital Maintenance Plan to aid in the development and funding of new projects as well as the implementation of rehabilitation projects.



Broaden Influence as a Respected Leader & Partner

- Collaborate with the North Carolina Department of Transportation and other industry leaders to improve safety for our employees, contractors and the traveling public.



Strengthen Customer Relationships

- Measure and encourage quality, efficiency and customer service through the Maintenance Rating Program (MRP).
- Repair deficiencies and damage in accordance with established performance metrics.
- Monitor the safety of individuals (private citizens, employees, contractors, etc.) using the facility from the Traffic Management Center and manage incidents with support from service and safety patrols.
- Before, during and after construction, maintenance and rehabilitation projects, communicate impacts directly to affected motorists and/or residents and provide timely responses to questions/inquiries.



Preserve a Strong Financial Standing

- Monitor the maintenance budget to ensure fiscally prudent repairs are made in a timely manner.
- Confirm that all available insurance claims are processed, and reimbursements are collected for asset damage caused by private motorists.



Develop a Highly Qualified & Engaged Team

- Develop a Roadway Maintenance Crew to ensure compliance with the Maintenance Rating Program.
- Continue to participate in and actively get involved with regional and national technical organizations such as ITS Carolinas and International Bridge, Tunnel and Turnpike Association.

Triangle Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor - Project Specific	\$331,563	\$307,566	\$330,147	\$22,581	7%
Consultant Labor - Project Specific	269,864	318,411	350,000	31,589	10%
Roadway Operations Support	269,864	318,411	350,000	31,589	10%
Routine Maintenance	2,452,177	864,607	1,916,500	1,051,893	122%
Pavement	245,157	199,493	170,000	(29,493)	-15%
Roadside	892,537	143,827	665,000	521,173	362%
Maintenance	995,012	76,714	678,500	601,786	784%
Traffic	116,731	62,020	146,000	83,980	135%
Bridge	64,488	139,926	2,500	(137,426)	-98%
Other	4,620	29,367	0	(29,367)	-100%
Miscellaneous	133,632	213,259	254,500	41,241	19%
Damage Claims	121,169	(709,221)	15,000	724,221	102%
Traffic Management Center Staffing & Facilities	361,799	366,201	428,547	62,346	17%
Total	\$3,536,572	\$1,147,563	\$3,040,194	\$1,892,631	165%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 Triangle Expressway Budget Highlights

The Highway Operations Department budget for the Triangle Expressway has a variance of \$1,892,631 from FY 2021 projections. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Routine Maintenance has a variance of \$1,051,893 due to reduced maintenance activities in FY 2021 to help mitigate impacts from the COVID-19 pandemic. The FY 2022 budget assumes a return to pre-pandemic maintenance activity levels.
- Damage Claims has a variance of \$724,221 due to increased insurance recoveries in FY 2021 which are unpredictable.

Monroe Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor - Project Specific	\$9,032	\$14,706	\$20,538	\$5,832	40%
Consultant Labor - Project Specific	386,687	360,431	425,000	64,569	18%
Roadway Operations Support	386,687	360,431	425,000	64,569	18%
Routine Maintenance	1,085,247	900,162	1,964,900	1,064,738	118%
Roadside	215,061	261,791	722,000	460,209	176%
Maintenance	798,047	302,255	787,400	485,145	161%
Traffic	34,721	37,932	73,000	35,068	92%
Bridge	15,527	0	25,000	25,000	-
On-Call	0	0	100,000	100,000	-
Miscellaneous	21,891	298,183	257,500	(40,683)	-14%
Damage Claims	(12,407)	19,042	15,000	(4,042)	-21%
Traffic Management Center Staffing	295,141	247,489	267,212	19,723	8%
Total	\$1,763,700	\$1,541,831	\$2,692,650	\$1,150,819	75%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 Monroe Expressway Budget Highlights

The Highway Operations Department budget for the Monroe Expressway has a variance of \$1,150,819 from FY 2021 projections. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Routine Maintenance has a variance of \$1,064,738 due to reduced maintenance activities in FY 2021 to help mitigate impacts from the COVID-19 pandemic. The FY 2022 budget assumes a return to pre-pandemic maintenance activity levels.

Service & Safety Patrol



Service & Safety Patrol Department Overview

The Service and Safety Patrol Department O&M budget consists of the costs for the North Carolina State Highway Patrol, as well as, the NCDOT Incident Management Assistance Patrol (IMAP). The staff of the Service and Safety Patrol department are not Turnpike Authority personnel. The Turnpike Authority is charged activity rates for the efforts of this department. One of the primary missions of the North Carolina State Highway Patrol is to ensure safe, efficient transportation on the state's streets and highways. The Turnpike Authority has troopers from Troop C patrolling the Triangle Expressway and troopers from Troop H patrolling the Monroe Expressway. Each facility is patrolled two full shifts per day including one each during the morning and evening peak periods.

Since 2015, State Farm has served as the official sponsor of NCDOT's IMAP program, a free service that provides roadway assistance to stranded motorists, regardless of their insurance provider. IMAP services include changing flat tires, providing fuel, jumpstarting batteries, clearing roadways and providing temporary traffic control to help keep major North Carolina roadways safe. IMAP also aids law enforcement and first responders during incidents. The Turnpike Authority utilizes dedicated IMAP resources during weekday hours on both the Triangle Expressway and Monroe Expressway, supporting motorists in need during inclement weather events (hurricanes, snowstorms, etc.), as well as informing the TMC of road conditions.

FY 2022 Department Objectives (Supporting Turnpike Authority Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Analyze crash patterns through the Highway Safety Improvement Program (HSIP) to identify locations for improvement.



Broaden Influence as a Respected Leader & Partner

- Collaborate monthly with the North Carolina State Highway Patrol to discuss quarterly safety statistics and observed motorist trends.



Strengthen Customer Relationships

- Monitor the safety of individuals (private citizens, employees, contractors, etc.) using the facility from the Traffic Management Center and manage incidents with support from service and safety patrols.



Preserve a Strong Financial Standing

- Monitor the safety and service patrol budget to ensure there is adequate coverage from Highway Patrol and Incident Management Assistance Patrol.
- Coordinate with the North Carolina State Highway Patrol to collect information for insurance claims.



Develop a Highly Qualified & Engaged Team

- Continue to participate in coordination activities during Emergency Operation Center activation events.
- Coordinate with local first responder agencies upon completion of new projects to determine response routes and traffic control measures during incidents.

Triangle Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
Highway Patrol	\$113,404	\$147,687	\$145,000	\$(2,687)	-2%
Incident Management Assistance Patrol	103,018	119,302	120,000	698	1%
Total	\$216,422	\$266,989	\$265,000	\$(1,989)	-1%

Totals may not add due to rounding.

FY 2022 Triangle Expressway Budget Highlights

The Service and Safety Patrol Department budget for the Triangle Expressway has a variance of \$(1,989) from FY 2021 projections. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- No variances to report.

Monroe Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
Highway Patrol	\$265,353	\$304,181	\$364,520	\$60,339	20%
Incident Management Assistance Patrol	192,733	263,423	270,000	6,577	2%
Total	\$458,086	\$567,604	\$634,520	\$66,916	12%

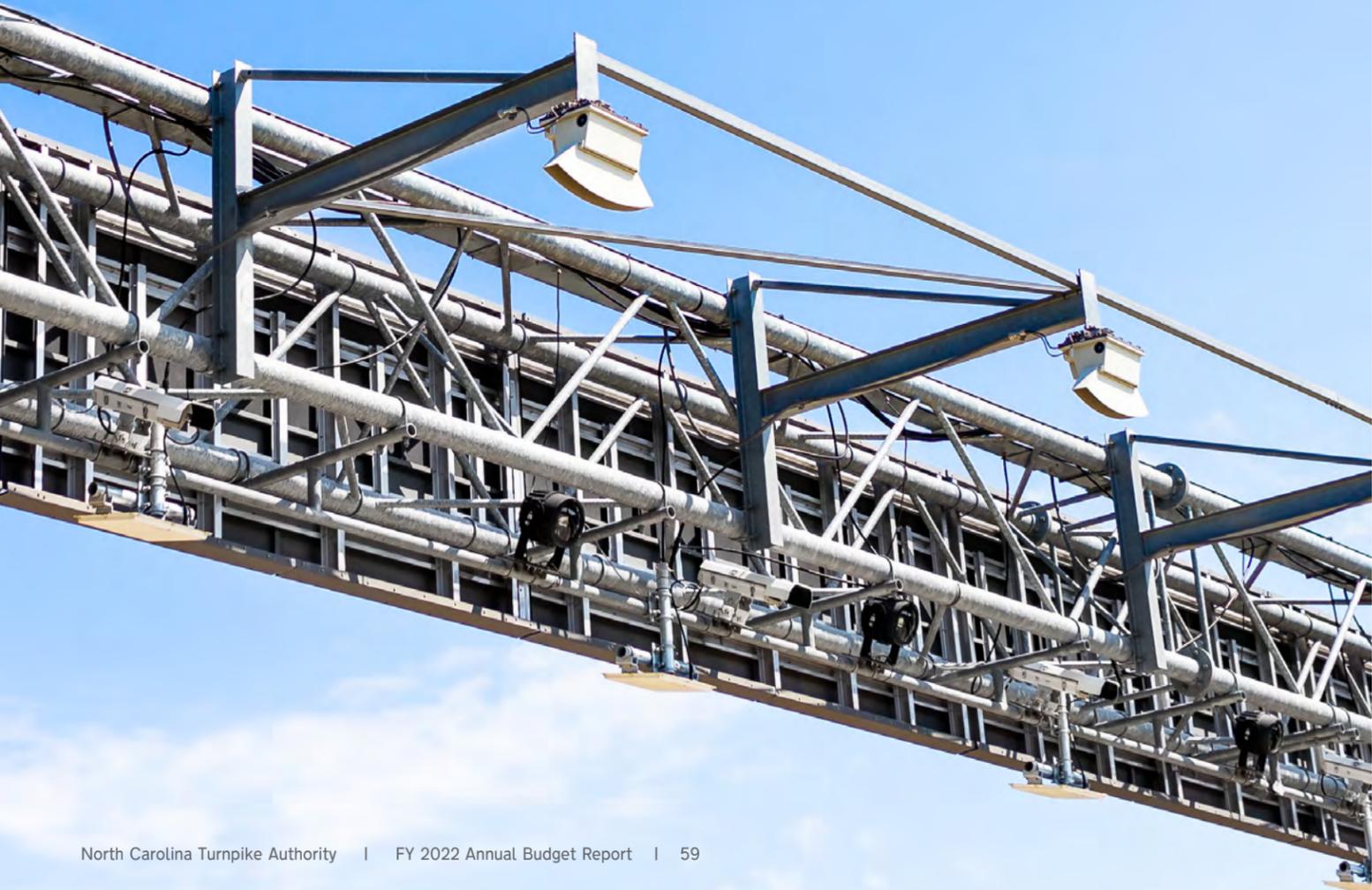
Totals may not add due to rounding.

FY 2022 Monroe Expressway Budget Highlights

The Service and Safety Patrol Department budget for the Monroe Expressway has a variance of \$66,916 from FY 2021 projections. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- No variances to report.

Toll Operations



Toll Operations Department Overview

The Toll Operations Department O&M budget consists of NCTA labor, consultant labor, utilities, Electronic Toll Collection System (ETCS) maintenance, Roadside Toll Collection System (RTCS) maintenance, and costs related to NCTA's Back Office System (BOS).

Staffing Summary

The following table depicts the number of staffing positions the Toll Operations Department had in FY 2020 and 2021, as well as, the budgeted positions for FY 2022 and the change from FY 2021. These employees can charge time to the Triangle Expressway, Monroe Expressway, I-77 Express Lanes and/or a shared charge code to allocate their time across the three projects evenly. In FY 2021, NCTA's toll operations group gained two staff members and their positions are new to the FY 2022 budget.

	FY 2020	FY 2021	FY 2022	Change From
	Actual	Actual	Budget	2021
Chief Technology Officer	1	1	1	0
Director of Innovation and Strategy	0	0	1	+1
Back Office System Manager	1	1	1	0
Business Systems Officer	0	0	1	+1
Roadside Toll Collection System Manager	1	1	1	0
Total	3	3	5	+2

FY 2022 Department Objectives (Supporting Turnpike Authority Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Build NCTA platform for toll collection that integrates with new technologies.
- Build independent services-based system integrator, service management, change and release management.
- Continue managed service environment but internalize change management and IT service management using enterprise service management.



Broaden Influence as a Respected Leader & Partner

- Actively participate in technical committees of E-ZPass agencies and neighboring interoperable toll agencies.
- Work closely with NC Division of Motor Vehicles (DMV) and other state DMVs to enhance data exchange using modern technologies.



Strengthen Customer Relationships

- Automate workflows to increase quality and reliability of customer service, audit, and compliance to service levels.
- Increase customer interaction channels such as chatbots, web chat, mobile app, and social communications.
- Always protect customer privacy data.



Preserve a Strong Financial Standing

- Enhance business intelligence/data analytics environment to enhance Traffic and Revenue dashboards.
- Make data-driven decisions to increase collections on all assets.
- Multi-sourced vendors for all applications and infrastructure (cloud) on NCTA Platform.
- Regionalize Level-1 and Level-2 roadside field maintenance.
- Conduct yearly tests to ensure the disaster recovery and business continuity plans are kept current.



Develop a Highly Qualified & Engaged Team

- Implement succession planning and career path development program.
- Align technical teams to meet NCTA five-year transformation plan.
- Adopt Dev Ops software development methodology for active collaboration of technology and operations staff.

Triangle Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor	\$99,687	\$129,393	\$138,727	\$9,334	7%
NCDOT Labor - Allocated	54,420	58,628	77,985	19,357	33%
NCDOT Labor - Project Specific	45,267	70,765	60,742	(10,023)	-14%
Consultant Labor	617,298	666,965	675,732	8,766	1%
Consultant Labor - Allocated	220,314	267,399	288,192	20,793	8%
Consultant Labor - Project Specific	396,984	399,566	387,539	(12,027)	-3%
RTCS & ETCS Support	396,984	399,566	387,539	(12,027)	-3%
Utilities	156,165	190,028	215,000	24,972	13%
Electronic Toll Collection System Maintenance	78,844	142,382	146,985	4,603	3%
Roadside Toll Collection System Maintenance	2,672,031	3,237,660	3,311,738	74,078	2%
Back Office System Pass Throughs - Allocated	253,736	119,613	700,319	580,706	485%
Mailhouse - Allocated	2,239,683	1,083,836	1,907,004	823,168	76%
Collections - Allocated	93,897	28,771	104,295	75,524	262%
Back Office System Maintenance - Allocated	1,162,335	1,202,638	1,152,600	(50,038)	-4%
Total	\$7,373,677	\$6,801,288	\$8,352,399	\$1,551,111	23%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 Triangle Expressway Budget Highlights

The Toll Operations Department budget for the Triangle Expressway has a variance of \$1,551,111 from FY 2021 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Back Office System Pass Throughs – Allocated has a variance of \$580,706 due to additional activities being included as pass through items under the new Back Office System contract.
- Mailhouse – Allocated is calculated based on projected bill by mail transactions for the fiscal year and has a variance of \$823,168 due to a proportional increase in bill by mail transactions from FY 2021.
- Collections – Allocated is calculated based on the projected revenue for the fiscal year and has a variance of \$75,524 due to a proportional increase in projected revenue from FY 2021.

Monroe Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor	\$56,307	\$99,930	\$116,633	\$16,703	17%
NCDOT Labor - Allocated	40,815	56,903	75,691	18,788	33%
NCDOT Labor - Project Specific	15,492	43,026	40,942	(2,084)	-5%
Consultant Labor	338,873	648,234	637,684	(10,550)	-2%
Consultant Labor - Allocated	165,236	259,534	279,716	20,182	8%
Consultant Labor - Project Specific	173,638	388,700	357,968	(30,732)	-8%
RTCS & ETCS Support	173,638	388,700	357,968	(30,732)	-8%
Utilities	42,370	47,936	60,000	12,064	25%
Electronic Toll Collection System Maintenance	54,797	94,877	95,770	893	1%
Roadside Toll Collection System Maintenance	636,651	2,768,361	2,833,391	65,030	2%
Back Office System Pass Throughs - Allocated	117,897	116,095	660,146	544,051	469%
Mailhouse - Allocated	979,640	679,621	1,258,447	578,827	85%
Collections - Allocated	42,049	17,855	68,825	50,970	285%
Back Office System Maintenance - Allocated	871,751	1,167,267	1,118,700	(48,567)	-4%
Total	\$3,140,335	\$5,640,175	\$6,849,595	\$1,209,420	21%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 Monroe Expressway Budget Highlights

The Toll Operations Department budget for the Monroe Expressway has a variance of \$1,209,420 from FY 2021 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Back Office System Pass Throughs – Allocated has a variance of \$544,051 due to additional activities being included as pass through items under the new Back Office System contract.
- Mailhouse – Allocated is calculated based on projected bill by mail transactions for the fiscal year and has a variance of \$578,827 due to a proportional increase in bill by mail transactions from FY 2021.
- Collections – Allocated is calculated based on the projected revenue for the fiscal year and has a variance of \$50,970 due to a proportional increase in projected revenue from FY 2021.

I-77 Express Lanes

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor	\$41,330	\$56,903	\$120,390	\$63,487	112%
NCDOT Labor - Allocated	40,815	56,903	75,691	18,788	33%
NCDOT Labor - Project Specific	515	0	44,699	44,699	-
Consultant Labor	180,795	259,534	303,491	43,957	17%
Consultant Labor - Allocated	165,236	259,534	279,716	20,182	8%
Consultant Labor - Project Specific	15,559	0	23,775	23,775	-
RTCS & ETCS Support	15,559	0	23,775	23,775	-
Back Office System Pass Throughs - Allocated	134,144	116,095	638,882	522,787	450%
Mailhouse - Allocated	717,815	437,436	1,063,695	626,259	143%
Collections - Allocated	30,111	11,992	58,174	46,182	385%
Back Office System Maintenance - Allocated	871,751	1,167,267	1,118,700	(48,567)	-4%
HOV Application Maintenance	399,674	224,748	225,000	252	0%
Total	\$2,375,620	\$2,273,976	\$3,528,333	\$1,254,357	55%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 I-77 Express Lanes Budget Highlights

The Toll Operations Department budget for the I-77 Express Lanes has a variance of \$1,254,357 from FY 2021 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Back Office System Pass Throughs – Allocated has a variance of \$522,787 due to additional activities being included as pass through items under the new Back Office System contract.
- Mailhouse – Allocated is calculated based on projected bill by mail transactions for the fiscal year and has a variance of \$626,259 due to a proportional increase in bill by mail transactions from FY 2021.

Customer Service



Customer Service Department Overview

The Customer Service Department O&M budget consists of the costs related to the NC Quick Pass customer service centers. The budget includes costs for NCTA labor, consultant labor, customer service center staffing and facility costs, as well as credit card expenses. Many of the costs associated with customer service are considered shared costs and are allocated to each project based on facility usage or revenues.

Staffing Summary

The following table depicts the number of staffing positions the Customer Service Department had in FY 2020 and 2021, as well as, the budgeted positions for FY 2022 and the change from FY 2021. These employees charge time to a shared charge code to allocate their time across the three projects evenly. The Customer Service department gained one staff member in FY 2021 and their position is new to the FY 2022 NCTA labor budget.

	FY 2020	FY 2021	FY 2022	Change From
	Actual	Actual	Budget	2021
Manager of Customer Service	1	1	1	0
Data Analyst	0	0	1	+1
Total	1	1	2	+1

FY 2022 Department Objectives (Supporting Turnpike Authority Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Transform NCTA product solutions to NCTA platform (a service-based system).
- Leverage state cloud contracts as well as business intelligence and analytics contracts.
- Build standard gateway to enable interfacing with third party vendors.



Broaden Influence as a Respected Leader & Partner

- Work closely with NC Division of Motor Vehicles (DMV) and other state DMV's to allow data exchange.
- Develop workgroups to enable data sharing and best practices among different tolling agencies across the country.



Strengthen Customer Relationships

- Implement solutions to increase payment options for customers using NCTA roadways.
- Automate workflows to increase quality and reliability of customer service, audit, and compliance to service levels.
- Increase customer interaction channels such as chatbots, web chat, mobile app, and social communications.
- Always protect customer privacy data.



Preserve a Strong Financial Standing

- Enhance business intelligence/data analytics environment to enhance customer service dashboards.
- Make data-driven decisions to increase collections on all assets.
- Conduct yearly tests to ensure the disaster recovery and business continuity plans are kept current.



Develop a Highly Qualified & Engaged Team

- Implement succession planning and career path development program.
- Adopt Dev Ops software development methodology for active collaboration of technology and operations staff.

Triangle Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor - Allocated	\$41,018	\$60,565	\$63,519	\$2,954	5%
Consultant Labor - Allocated	177,523	186,413	227,899	41,487	22%
Operations Staffing - Allocated	5,793,848	5,200,101	5,267,342	67,241	1%
Customer Service Center Facility Pass Throughs - Allocated	457,531	319,593	299,037	(20,556)	-6%
Credit Card Expenses - Allocated	1,111,956	746,695	1,151,100	404,405	54%
Other - Allocated	12,848	23,809	17,000	(6,809)	-29%
IAG Credit Card Expenses	134,573	82,071	146,504	64,432	79%
Total	\$7,729,296	\$6,619,248	\$7,172,401	\$553,153	8%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 Triangle Expressway Budget Highlights

The Customer Service Department budget for the Triangle Expressway has a variance of \$553,153 from FY 2021 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Credit Card Expenses – Allocated is calculated based on projected revenue for the fiscal year and has a variance of \$404,405 due to a proportional increase in projected revenue from FY 2021.
- IAG Credit Card Expenses is calculated based on projected revenue for the fiscal year and has a variance of \$64,432 due to a proportional increase in projected revenue from FY 2021.

Monroe Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor - Allocated	\$28,745	\$41,613	\$61,651	\$20,039	48%
Consultant Labor - Allocated	133,142	180,930	221,196	40,266	22%
Operations Staffing - Allocated	2,067,423	2,041,462	2,114,195	72,733	4%
Customer Service Center Facility Pass Throughs - Allocated	343,148	310,193	290,242	(19,952)	-6%
Credit Card Expenses - Allocated	453,934	407,211	562,195	154,983	38%
Other - Allocated	9,636	23,109	16,500	(6,609)	-29%
IAG Credit Card Expenses	92,204	89,503	114,994	25,491	28%
Total	\$3,128,234	\$3,094,022	\$3,380,974	\$286,952	9%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 Monroe Expressway Budget Highlights

The Customer Service Department budget for the Monroe Expressway has a variance of \$286,952 from FY 2021 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Credit Card Expenses – Allocated is calculated based on projected revenue for the fiscal year and has a variance of \$154,983 due to a proportional increase in projected revenue from FY 2021.

I-77 Express Lanes

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor - Allocated	\$41,759	\$60,668	\$61,651	\$984	2%
Consultant Labor - Allocated	133,142	180,930	221,196	40,266	22%
Operations Staffing - Allocated	1,960,359	2,215,772	2,298,117	82,344	4%
Customer Service Center Facility Pass Throughs - Allocated	343,148	310,193	290,242	(19,952)	-6%
Credit Card Expenses - Allocated	330,868	395,384	830,935	435,550	110%
Other - Allocated	9,636	23,109	16,500	(6,609)	-29%
IAG Credit Card Expenses	28,058	43,913	75,540	31,627	72%
Total	\$2,846,970	\$3,229,970	\$3,794,181	\$564,211	17%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 I-77 Express Lanes Budget Highlights

The Customer Service Department budget for the I-77 Express Lanes has a variance of \$564,211 from FY 2021 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Credit Card Expenses – Allocated is calculated based on projected revenue for the fiscal year and has a variance of \$435,550 due to a proportional increase in projected revenue from FY 2021.

Public Affairs



Public Affairs Department Overview

The Public Affairs Department O&M budget includes NCTA labor, consultant labor, as well as, costs associated with marketing and increasing public awareness of the NC Quick Pass Program. The customer service and public outreach initiatives consist of outreach programs to local businesses, creative services, advertising, branding, sales and other promotional activities. Outreach also includes meetings with municipalities, neighborhood and community groups, and other stakeholders.

Staffing Summary

The following table depicts the number of staffing positions the Public Affairs Department had in FY 2020 and 2021, as well as, the budgeted positions for FY 2022 and the change from FY 2021. These employees can charge time to the Triangle Expressway, Monroe Expressway, I-77 Express Lanes and/or a shared charge code to allocate their time across the three projects evenly. The Public Affairs department gained one staff member in FY 2021. This role was previously filled by a consultant so their position is new to the FY 2022 NCTA labor budget.

	FY 2020	FY 2021	FY 2022	Change From
	Actual	Actual	Budget	2021
Director of Public Affairs	1	1	1	0
Director of Outreach & Community Affairs	1	1	1	0
Communications Manager	0	0	1	+1
Total	2	2	3	+1

FY 2022 Department Objectives (Supporting Turnpike Authority Strategic Goals)



Broaden Influence as a Respected Leader & Partner

- Develop strong relationships with the public, reporters and influencers across all media outlets.



Strengthen Customer Relationships

- Increase the number of NC Quick Pass Accounts.
- Educate drivers on NC Quick Pass Account options and benefits.
- Strong use of communication channels to notify customers and residents of ongoing construction and maintenance activities.
- Continually improve overall customer experience.



Preserve a Strong Financial Standing

- Increase the NC Quick Pass participation as a percent of transactions on the Triangle Expressway by two percent per year.
- Increase NC Quick Pass participation as a percent of transactions on the Monroe Expressway by five percent per year.
- Increase “on-time” payment of Bill by Mail transactions by five percent.



Develop a Highly Qualified & Engaged Team

- Develop NC Quick Pass and NCTA staff training and orientation.

Triangle Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor	\$19,214	\$70,930	\$36,107	\$(34,823)	-49%
NCDOT Labor - Allocated	13,638	21,146	18,232	(2,913)	-14%
NCDOT Labor - Project Specific	5,577	49,785	17,875	(31,910)	-64%
Consultant Labor	91,074	76,435	100,000	23,565	31%
Consultant Labor - Allocated	82,108	70,300	85,000	14,700	21%
Consultant Labor - Project Specific	8,967	6,136	15,000	8,864	144%
Marketing & Communications Support	8,967	6,136	15,000	8,864	144%
Marketing & Communications - Allocated	159,368	6,886	224,400	217,514	3159%
Total	\$269,657	\$154,252	\$360,507	\$206,255	134%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 Triangle Expressway Budget Highlights

The Public Affairs Department budget for the Triangle Expressway has a variance of \$206,255 from FY 2021 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Marketing and Communications – Allocated is has a variance of \$217,514 due to a significant reduction in marketing activities in FY 2021 to help mitigate impacts from the COVID-19 pandemic. The FY 2022 budget assumes pre-pandemic marketing and communications efforts.

Monroe Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor	\$57,310	\$82,792	\$79,316	\$(3,475)	-4%
NCDOT Labor - Allocated	10,228	20,524	17,696	(2,828)	-14%
NCDOT Labor - Project Specific	47,082	62,268	61,620	(648)	-1%
Consultant Labor	67,330	70,232	97,500	27,268	39%
Consultant Labor - Allocated	61,581	68,232	82,500	14,268	21%
Consultant Labor - Project Specific	5,749	2,000	15,000	13,000	650%
Marketing & Communications Support	5,749	2,000	15,000	13,000	650%
Marketing & Communications - Allocated	119,526	6,684	217,800	211,116	3159%
Total	\$244,166	\$159,707	\$394,616	\$234,909	147%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 Monroe Expressway Budget Highlights

The Public Affairs Department budget for the Monroe Expressway has a variance of \$234,909 from FY 2021 projections. All variances within each budget that exceed \$100,000 or are greater than 25% are explained below.

- Marketing and Communications – Allocated is has a variance of \$211,116 due to a significant reduction in marketing activities in FY 2021 to help mitigate impacts from the COVID-19 pandemic. The FY 2022 budget assumes pre-pandemic marketing and communications efforts.

I-77 Express Lanes

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
NCDOT Labor	\$17,846	\$31,495	\$62,736	\$31,241	99%
NCDOT Labor - Allocated	10,228	20,524	17,696	(2,828)	-14%
NCDOT Labor - Project Specific	7,618	10,971	45,040	34,068	311%
Consultant Labor	71,826	79,187	97,500	18,313	23%
Consultant Labor - Allocated	61,581	68,232	82,500	14,268	21%
Consultant Labor - Project Specific	10,245	10,955	15,000	4,045	37%
Marketing & Communications Support	10,245	10,955	15,000	4,045	37%
Marketing & Communications - Allocated	119,526	6,684	217,800	211,116	3159%
Total	\$209,198	\$117,366	\$378,036	\$260,670	222%

FY20 and FY21 amounts have been reclassified to match FY22 presentation.

Totals may not add due to rounding.

FY 2022 I-77 Express Lanes Budget Highlights

The Public Affairs Department budget for the I-77 Express Lanes has a variance of \$260,670 from FY 2021 projections. All variances within each budget that exceed \$100,000 or are greater than 25% are explained below.

- Marketing and Communications – Allocated is has a variance of \$211,116 due to a significant reduction in marketing activities in FY 2021 to help mitigate impacts from the COVID-19 pandemic. The FY 2022 budget assumes pre-pandemic marketing and communications efforts.

Administrative

Administrative Department Overview

The Administrative Department budget consists of costs associated with certain NCTA staff labor and travel charges, professional services fees related to but not limited to NCTA's financial advisor and auditor, as well as supplies and materials.

Staffing Summary

The following table depicts the number of administrative staffing positions the Turnpike Authority had in FY 2020 and 2021, as well as, the budgeted positions for FY 2022 and the change from FY 2021. These employees charge all of their time to the Administrative Department budget which is allocated across all operational projects evenly. The Program Analyst position was transferred to NCDOT during FY 2021.

	FY 2020	FY 2021	FY 2022	Change From
	Actual	Actual	Budget	2021
Executive Director	1	1	1	0
Chief of Staff	1	1	1	0
Chief Financial Officer	1	1	1	0
Contract Administrator	0	1	1	0
Communications Manager	1	0	0	0
Executive Assistant	1	1	1	0
Program Analyst	1	1	0	-1
Total	6	6	5	-1

FY 2022 Department Objectives (Supporting Turnpike Authority Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Oversee the studying, designing, planning, construction, and financing of regional transportation and system improvement projects.



Broaden Influence as a Respected Leader & Partner

- Ensure the Authority and its mission and services are consistently presented with a positive image to relevant stakeholders.
- Continue to develop and build relationships with local and regional planning organizations.



Strengthen Customer Relationships

- Orchestrate the delivery of NCTA's strategic directives to increase value and mobility options for customers.



Preserve a Strong Financial Standing

- Enhance performance reporting and trend analysis of organizational-wide metrics to drive the business and meet financial targets.



Develop a Highly Qualified & Engaged Team

- Expand employee engagement opportunities to develop and recruit talent and maintain a preferred work environment.
- Set the tone, values and culture of the organization and manage internal communications.

Triangle Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
Administrative – Allocated	\$454,034	\$434,266	\$425,000	\$(9,266)	-2%
Total	\$454,034	\$434,266	\$425,000	\$(9,266)	-2%

Monroe Expressway

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
Administrative – Allocated	\$340,525	\$421,493	\$412,500	\$(8,993)	-2%
Total	\$340,525	\$421,493	\$412,500	\$(8,993)	-2%

I-77 Express Lanes

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actuals	Projection	Budget	Variance from FY 2021 Projection (\$)	Variance from FY 2021 Projection (%)
Administrative – Allocated	\$340,525	\$421,493	\$412,500	\$(8,993)	-2%
Total	\$340,525	\$421,493	\$412,500	\$(8,993)	-2%

FY 2022 Budget Highlights

The Administrative expenditures for the Triangle Expressway, Monroe Expressway and I-77 Express Lanes budgets have variances from FY 2021 projections of \$(9,266), \$(8,993) and \$(8,993), respectively. There are no significant changes to the FY 2022 administrative budget from FY 2021.

Capital & Debt

FY 2022 Renewal & Replacement Budgets

The Turnpike Authority is required to protect, preserve and maintain its facilities. During the initial years of operation, a new facility should require relatively minor renewal and replacement activities. However, as the many elements of the facility are subjected to aging and wear, increasing amounts of maintenance and rehabilitation will be required. In order to protect the investments in its assets, revenues are to be allocated annually to a Renewal and Replacement fund established in connection with the issuance of bonds to finance each project. Amounts in the Renewal and Replacement fund are to be used for paying all or any of the cost of any capital improvements, or for any unusual or extraordinary maintenance or repairs that do not occur annually. It should be noted that the Renewal and Replacement budgets presented in this section are in present day dollars.

The FY 2022 Renewal and Replacement budgets total \$14,873,432 for the Triangle Expressway System, \$2,745,444 for the Monroe Expressway, and \$544,500 for the I-77 Express Lanes. A 10-year capital plan for each budget group is included in the subsequent section. The Triangle Expressway System long-range capital plan is now inclusive of assumptions related to the Complete 540 Phase 1 project, which is an extension of the existing Triangle Expressway, currently under construction.

Department Budgets & Information

The Turnpike Authority has all of its R&R activities and corresponding expenditures organized under three budget departments: finance, highway operations, and toll operations. The following table presents the FY 2022 R&R budgets for the Triangle Expressway System, Monroe Expressway and I-77 Express Lanes broken down by department.

The existing Triangle Expressway is nearly 10 years old and is requiring a few major renewal and replacement projects for FY 2022 including, but not limited to re-sheeting signs (\$3.9 million), removing and replacing pavement markings and markers (\$2.1 million), patching concrete (\$1 million), slope repair (\$0.5 million) and procuring a new RTCS vendor to complete the retrofit implementation work carried over from FY 2021 (\$5.7 million).

The Monroe Expressway is less than three years old, and requires minimal R&R for FY 2022 which includes removing and replacing pavement markings and markers (\$0.6 million), replacing and cleaning bridge joints and bearings (\$0.2 million) and toll collection system enhancements (\$0.8 million).

	Triangle Expressway System	Monroe Expressway	I-77 Express Lanes
Finance	\$357,832	\$42,944	\$ -
NCDOT System Charges	357,832	42,944	-
Highway Operations	8,002,000	910,000	-
Roadway	8,002,000	910,000	-
Toll Operations	6,513,600	1,792,500	544,500
Facilities	0	0	-
Intelligent Transportation System	70,600	448,000	-
Toll Collection Systems	6,443,000	1,344,500	544,500
Total	\$14,873,432	\$2,745,444	\$544,500

Totals may not add due to rounding.

Finance

The 10-year Finance Department R&R budget consists of NCDOT System Charges that are assessed on all project specific expenditures. The North Carolina Department of Transportation has several programs that benefit construction, highway maintenance, and other activities. The costs associated with these programs are considered indirect costs because all the NCDOT projects benefit from them. Rates are developed each year to distribute these costs among projects. Below is a description of the seven system charges that are applied to NCTA's R&R budgets. The first three system charges are assessed against all project specific expenditures and the last four system charges are only applied to expenditures that are entered in the NCDOT's Highway Construction and Materials System (HiCAMs).

Business System Improvement Project (BSIP) - This project was established for the development, implementation, and support of a new Enterprise Resource Planning (ERP) tool. This initiative was a departmental wide effort to implement a comprehensive financial and management information system to aid management in optimally allocating resources. The current rate is 0.42%.

Computer Support (CS) – Costs for computer support are relative to supporting the computer environment within the NCDOT Division of Highways. The current rate is 0.64%.

Special Assessments – Special Assessments are for miscellaneous items or programs that support both state and federal projects. The current rate is 0.93%.

Business Development – Costs related to the administration of the disadvantaged business enterprise program for construction projects. The current rate is 0.18%.

Construction Administration – Costs related to the administration of construction projects. The current rate is 0.19%.

Materials and Test – Labor and equipment costs related to testing of materials on construction projects. The current rate is 1.15%.

Work Zone Safety – Costs related to the State Highway Patrol patrolling speeders on construction projects. The current rate is 0.03%.

Triangle Expressway System

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Business System Improvement Project Surcharges	\$58,609	\$1,772	\$12,713	\$6,258	\$2,430
Computer Support Surcharges	89,309	2,701	19,373	9,536	3,703
Special Assessment Surcharges	129,778	3,925	28,151	13,858	5,381
Business Development Surcharges	9,306	0	5,040	0	0
Central Administration Surcharges	9,823	0	5,320	0	0
Materials & Test Surcharges	59,455	0	32,200	0	0
Work Zone Safety Surcharges	1,551	0	840	0	0
Total	\$357,832	\$8,398	\$103,637	\$29,652	\$11,514

Budgets are presented in 2021 dollars.

Totals may not add due to rounding.

Monroe Expressway

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Business System Improvement Project Surcharges	\$9,064	\$1,134	\$3,184	\$28,791	\$9,295
Computer Support Surcharges	13,811	1,728	4,851	43,872	14,164
Special Assessment Surcharges	20,069	2,511	7,049	63,752	20,582
Business Development Surcharges	0	0	0	11,880	0
Central Administration Surcharges	0	0	0	12,540	0
Materials & Test Surcharges	0	0	0	75,900	0
Work Zone Safety Surcharges	0	0	0	1,980	0
Total	\$42,944	\$5,373	\$15,084	\$238,715	\$44,042

Budgets are presented in 2021 dollars.

Totals may not add due to rounding.

Triangle Expressway System (continued)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Business System Improvement Project Surcharges	\$38,800	\$49,609	\$44,653	\$41,432	\$5,300
Computer Support Surcharges	59,123	75,595	68,043	63,134	8,077
Special Assessment Surcharges	85,913	109,849	98,875	91,741	11,737
Business Development Surcharges	12,906	18,000	11,970	14,904	0
Central Administration Surcharges	13,623	19,000	12,635	15,732	0
Materials & Test Surcharges	82,455	115,000	76,475	95,220	0
Work Zone Safety Surcharges	2,151	3,000	1,995	2,484	0
Total	\$294,971	\$390,052	\$314,645	\$324,646	\$25,114

Monroe Expressway (continued)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Business System Improvement Project Surcharges	\$3,171	\$9,845	\$31,966	\$34,054	\$29,003
Computer Support Surcharges	4,832	15,001	48,711	51,892	44,195
Special Assessment Surcharges	7,022	21,799	70,783	75,405	64,220
Business Development Surcharges	0	0	0	0	0
Central Administration Surcharges	0	0	0	0	0
Materials & Test Surcharges	0	0	0	0	0
Work Zone Safety Surcharges	0	0	0	0	0
Total	\$15,025	\$46,645	\$151,460	\$161,351	\$137,417

Highway Operations

The 10-year Highway Operations Department R&R budget consists of the roadway costs related to the following 10 categories on each Turnpike Authority facility: asphalt pavement, concrete pavement, bridges, pavement markings and markers, slope repairs, lighting, signs, underdrains, paint and miscellaneous.

Triangle Expressway System

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Asphalt Pavement	\$0	\$0	\$15,000	\$15,000	\$15,000
Concrete Pavement	1,300,000	0	0	0	0
Bridges	160,000	160,000	2,960,000	160,000	160,000
Pavement Markings & Markers	2,100,000	0	0	30,000	81,000
Slope Repair	500,000	0	0	0	0
Lighting	0	0	0	0	0
Signs	3,870,000	0	0	0	0
Underdrains	20,000	0	0	0	0
Paint	0	0	0	0	0
Miscellaneous	52,000	152,000	52,000	52,000	252,000
Total	\$8,002,000	\$312,000	\$3,027,000	\$257,000	\$508,000

Budgets are presented in 2021 dollars.

Totals may not add due to rounding.

Triangle Expressway System (continued)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Asphalt Pavement	\$15,000	\$15,000	\$6,000,000	\$8,280,000	\$0
Concrete Pavement	7,170,000	0	650,000	0	0
Bridges	160,000	160,000	160,000	160,000	160,000
Pavement Markings & Markers	0	0	1,173,000	0	0
Slope Repair	0	0	0	0	0
Lighting	105,000	79,000	0	0	0
Signs	0	0	0	0	0
Underdrains	0	0	0	0	0
Paint	750,000	10,000,000	0	0	0
Miscellaneous	102,000	52,000	52,000	52,000	102,000
Total	\$8,302,000	\$10,306,000	\$8,035,000	\$8,492,000	\$262,000

Monroe Expressway

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Asphalt Pavement	\$15,000	\$15,000	\$0	\$6,600,000	\$0
Bridges	205,000	205,000	205,000	205,000	205,000
Pavement Markings & Markers	640,000	0	0	0	640,000
Slope Repair	50,000	50,000	50,000	50,000	50,000
Lighting	0	0	0	0	30,000
Total	\$910,000	\$270,000	\$255,000	\$6,855,000	\$925,000

Budgets are presented in 2021 dollars.

Totals may not add due to rounding.

Monroe Expressway (continued)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Asphalt Pavement	\$0	\$15,000	\$15,000	\$15,000	\$15,000
Bridges	205,000	205,000	205,000	205,000	205,000
Pavement Markings & Markers	0	0	0	640,000	0
Slope Repair	50,000	50,000	50,000	50,000	50,000
Lighting	0	30,000	0	0	0
Total	\$255,000	\$300,000	\$270,000	\$910,000	\$270,000

Toll Operations

The 10-year Toll Operations Department R&R budgets consist of costs related to Facilities, Intelligent Transportation Systems (ITS) and Toll Collection Systems. The Facilities budgets include costs related to the vaults on the side of the Turnpike Authority's facilities next to each toll gantry that contain equipment related to the toll collection systems. The ITS budgets consist of costs related to roadside devices including Closed Circuit Television (CCTV) cameras, Microwave Vehicle Detection Stations (MVDS), full-matrix Dynamic Message Signs (DMS) and the Wrong-Way Vehicle Detection (WWVD) and notification systems. Lastly, the Toll Collection System budgets consist of costs related to the renewal and/or replacement of the Back Office System, Roadside Toll Collection Systems, Electronic Toll Collection Systems, the Operations vendor, and upgrades to the Customer Service Centers.

Triangle Expressway System

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Facilities	\$0	\$110,000	\$0	\$0	\$0
Vault Sealant & Seal Cracks	0	0	0	0	0
HVAC Replacement	0	110,000	0	0	0
Generator Replacement	0	0	0	0	0
Intelligent Transportation System	70,600	0	0	442,030	70,600
System Enhancements	0	0	0	394,030	0
System Enhancements – Labor	0	0	0	48,000	0
ITS & Facility Maintenance Spare Parts	70,600	0	0	0	70,600
Toll Collection System	6,443,000	559,300	738,011	1,526,829	733,567
Toll Collection System - Allocated	561,000	559,300	738,011	735,784	733,567
Toll Collection System - Project Specific	5,882,000	0	0	791,045	0
RTCS & ITS Refresh	5,000,000	0	0	0	0
RTCS & ITS Refresh - Labor	700,000	0	0	0	0
RTCS & ITS Procurement	0	0	0	0	0
ETCS Refresh	0	0	0	0	0
ETCS Refresh - Labor	0	0	0	0	0
ETCS Procurement	0	0	0	0	0
Loop Recuts in Asphalt Lanes	150,000	0	0	0	0
Loop Recuts in Asphalt Lanes - Labor	32,000	0	0	0	0
Loop Recuts in Concrete	0	0	0	0	0
Loop Recuts in Concrete - Labor	0	0	0	0	0
System Enhancements	0	0	0	591,045	0
System Enhancements - Labor	0	0	0	200,000	0
Total	\$6,513,600	\$669,300	\$738,011	\$1,968,859	\$804,167

Budgets are presented in 2021 dollars.

Totals may not add due to rounding.

Triangle Expressway System (continued)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Facilities	\$60,000	\$300,000	\$0	\$0	\$0
Vault Sealant & Seal Cracks	60,000	0	0	0	0
HVAC Replacement	0	0	0	0	0
Generator Replacement	0	300,000	0	0	0
Intelligent Transportation System	0	0	434,208	0	0
System Enhancements	0	0	386,208	0	0
System Enhancements – Labor	0	0	48,000	0	0
ITS & Facility Maintenance Spare Parts	0	0	0	0	0
Toll Collection System	1,866,112	1,934,849	3,339,449	4,709,018	1,722,650
Toll Collection System - Allocated	990,112	729,168	1,176,984	3,336,371	722,650
Toll Collection System - Project Specific	876,000	1,205,681	2,162,465	1,372,647	1,000,000
RTCS & ITS Refresh	0	0	0	0	0
RTCS & ITS Refresh - Labor	0	0	0	0	0
RTCS & ITS Procurement	0	0	0	0	1,000,000
ETCS Refresh	0	905,681	901,153	896,647	0
ETCS Refresh - Labor	0	300,000	300,000	300,000	0
ETCS Procurement	500,000	0	0	0	0
Loop Recuts in Asphalt Lanes	0	0	150,000	150,000	0
Loop Recuts in Asphalt Lanes - Labor	0	0	32,000	26,000	0
Loop Recuts in Concrete	340,000	0	0	0	0
Loop Recuts in Concrete - Labor	36,000	0	0	0	0
System Enhancements	0	0	579,312	0	0
System Enhancements - Labor	0	0	200,000	0	0
Total	\$1,926,112	\$2,234,849	\$3,773,658	\$4,709,018	\$1,722,650

Monroe Expressway

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Facilities	\$0	\$0	\$0	\$0	\$60,000
Vault Sealant & Seal Cracks	0	0	0	0	60,000
HVAC Replacement	0	0	0	0	0
Intelligent Transportation System	448,000	0	184,000	0	440,060
Vehicle Detector Loops	0	0	160,000	0	0
Vehicle Detector Loops – Labor	0	0	24,000	0	0
System Enhancements	400,000	0	0	0	392,060
System Enhancements – Labor	48,000	0	0	0	48,000
Toll Collection System	1,344,500	542,850	647,005	327,015	1,114,120
Toll Collection System - Allocated	544,500	542,850	328,005	327,015	326,030
Toll Collection System - Project Specific	800,000	0	319,000	0	788,090
RTCS & ITS Refresh	0	0	0	0	0
RTCS & ITS Refresh – Labor	0	0	0	0	0
RTCS & ITS Procurement	0	0	0	0	0
ETCS Refresh	0	0	0	0	0
ETCS Refresh - Labor	0	0	0	0	0
ETCS Procurement	0	0	0	0	0
Loop Recuts in Asphalt Lanes	0	0	280,000	0	0
Loop Recuts in Asphalt Lanes - Labor	0	0	39,000	0	0
System Enhancements	600,000	0	0	0	588,090
System Enhancements - Labor	200,000	0	0	0	200,000
Total	\$1,792,500	\$542,850	\$831,005	\$327,015	\$1,614,179

Budgets are presented in 2021 dollars.

Totals may not add due to rounding.

Monroe Expressway (continued)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Facilities	\$0	\$0	\$110,000	\$0	\$0
Vault Sealant & Seal Cracks	0	0	0	0	0
HVAC Replacement	0	0	110,000	0	0
Intelligent Transportation System	0	0	0	0	184,000
Vehicle Detector Loops	0	0	0	0	160,000
Vehicle Detector Loops – Labor	0	0	0	0	24,000
System Enhancements	0	0	0	0	0
System Enhancements – Labor	0	0	0	0	0
Toll Collection System	940,050	2,368,027	7,754,162	8,680,901	6,772,575
Toll Collection System - Allocated	440,050	324,075	523,104	1,482,832	321,178
Toll Collection System - Project Specific	500,000	2,043,952	7,231,058	7,198,069	6,451,397
RTCS & ITS Refresh	0	0	5,857,492	5,828,204	5,799,063
RTCS & ITS Refresh – Labor	0	0	333,333	333,333	333,333
RTCS & ITS Procurement	0	1,000,000	0	0	0
ETCS Refresh	0	743,952	740,232	736,531	0
ETCS Refresh - Labor	0	300,000	300,000	300,000	0
ETCS Procurement	500,000	0	0	0	0
Loop Recuts in Asphalt Lanes	0	0	0	0	280,000
Loop Recuts in Asphalt Lanes - Labor	0	0	0	0	39,000
System Enhancements	0	0	0	0	0
System Enhancements - Labor	0	0	0	0	0
Total	\$940,050	\$2,368,027	\$7,864,162	\$8,680,901	\$6,956,575

I-77 Express Lanes

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Toll Collection System	\$544,500	\$542,850	\$328,005	\$327,015	\$326,030
Toll Collection System - Allocated	544,500	542,850	328,005	327,015	326,030
Total	\$544,500	\$542,850	\$328,005	\$327,015	\$326,030

Budgets are presented in 2021 dollars.

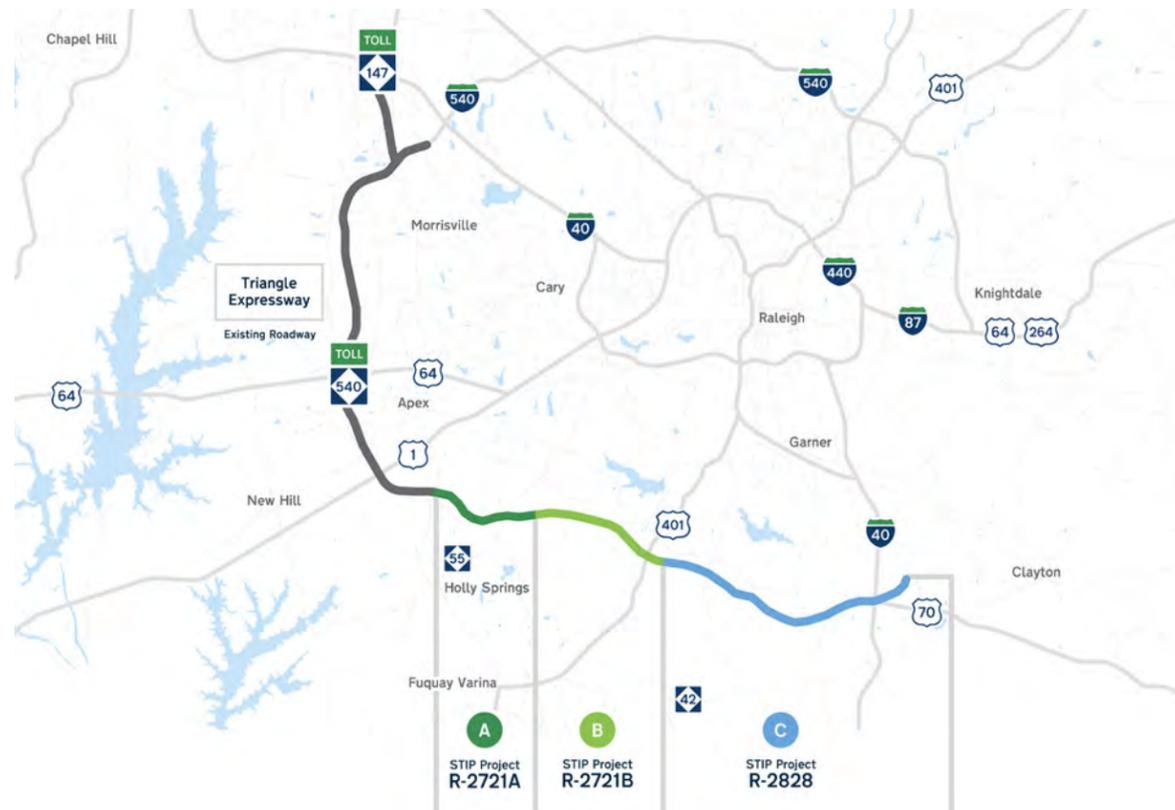
I-77 Express Lanes (continued)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Toll Collection System	\$440,050	\$324,075	\$523,104	\$1,482,832	\$321,178
Toll Collection System - Allocated	440,050	324,075	523,104	1,482,832	321,178
Total	\$440,050	\$324,075	\$523,104	\$1,482,832	\$321,178

FY 2022 Capital Budget

Capital expenditures are related to the construction and implementation of new Turnpike Authority projects. NCTA does not select roads to become toll roads. Local planning organizations responsible for developing long-range transportation plans for their region can consider tolling as a tool to accelerate certain roadway projects. N.C.G.S. §136-89.183(a)(2) requires that toll projects be approved by all affected Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs). When NCDOT receives a proposal from a local planning organization that a project be implemented as a toll facility, the project is evaluated in the NCDOT's prioritization process. Part of this evaluation includes assessing the financial feasibility to determine the ability of a toll candidate project to generate revenue sufficient to cover its own costs of operation and to assess its ability to fund all or a portion of the capital costs through toll financing. If the project scores sufficiently enough to become programmed in the State Transportation Improvement Program (STIP), the NCDOT and NCTA conduct the necessary project development studies for the project to be implemented as a toll facility.

The FY 2022 Capital Budget for the Turnpike Authority is inclusive of costs related to the construction of the Complete 540 Phase 1 project. The Complete 540 Phase 1 project is an extension of the existing Triangle Expressway and is divided into three construction contracts designated as R-2721A, R-2721B and R-2828 as shown in the map below. The project is currently expected to reach Substantial Completion in 2023. Once open to traffic, expenditures for the Complete 540 Phase 1 project will be included in the Triangle Expressway System's O&M and R&R budgets. O&M expenditures for the Triangle Expressway System are currently projected to increase by approximately 50 percent in FY 2024 when the Complete 540 Phase 1 project opens. R&R expenditures for the project are shown in the current Triangle Expressway System R&R budget starting as early as FY 2026. The Turnpike Authority is utilizing State Appropriation Bonds, Toll Revenue Bonds, a TIFIA Loan, Bond Anticipation Notes (BANs), GARVEE Bonds and State matching funds as the primary sources to finance the Complete 540 Phase 1 project. In December 2019, NCTA sold State Appropriation Bonds and Toll Revenue Bonds and closed on a TIFIA Loan. In October 2020, NCTA issued Bond Anticipation Notes to be paid off with a single draw on the TIFIA Loan upon maturity. As of May 31, 2021, the Turnpike Authority has not drawn on the TIFIA Loan.



The FY 2022 Capital Budget for the Complete 540 Phase 1 project totals \$341.81 million as seen in the table below. The five main groups of the Capital Budget include Construction, Toll Integration, Right of Way (ROW), Utilities, and Agency Costs. The FY 2022 capital expenditures will be paid for with proceeds from the Triangle Expressway System Revenue Bond Anticipation Notes that were issued in October 2020.

Complete 540 Phase 1 Capital Budget (\$ millions)	FY 2022
Construction	\$233.18
Toll Integration	6.81
Right of Way	41.18
Utilities	17.47
Agency Costs	43.17
Total	\$341.81

Totals may not add due to rounding.

Construction

The Turnpike Authority procured three Design-Build contracts for the construction of the Complete 540 Phase 1 project. The costs reflected in the Design-Build contracts include design and the construction of the following elements: earthwork, pavement, drainage, fencing, sidewalk, guardrail, bridges, walls, maintenance of traffic, signing, toll infrastructure and all other items that are a part of major highway construction.

Construction (\$ millions)	FY 2022
R-2721A	\$50.54
R-2721B	61.39
R-2828	121.25
Total	\$233.18

Totals may not add due to rounding.

Toll Integration

The first major component of the Toll Integration budget is the Roadside Toll Collection System. The scope of work for the RTCS includes the design, development, installation, and maintenance of a fully-automated toll collection system. The toll integration budget also includes costs for the design, development, installation, and implementation of hardware, software, and telecommunication networks for customer account processing, billing processing, necessary system interfaces, and maintenance. The final components of the toll integration budget include costs for amending the existing operations staffing and Electronic Toll Collection System contracts.

Toll Integration (\$ millions)	FY 2022
R-2721A	\$1.35
R-2721B	2.37
R-2828	3.09
Total	\$6.81

Totals may not add due to rounding.

Right of Way

The Right of Way budget was developed from estimates prepared by a right-of-way acquisition firm based on tax records and sales data. The budget also includes contingencies for unwilling sellers, relocations, and condemnations. The final component of the budget includes consultant costs for R-2721A and R-2721B as the right-of-way consultant costs for R-2828 are included in the Design-Build contract for that segment.

Right of Way (\$ millions)	FY 2022
R-2721A	\$12.30
R-2721B	9.98
R-2828	18.90
Total	\$41.18

Totals may not add due to rounding.

Utilities

The Utilities budget consists of costs related to the relocation of existing utilities within the project limits, which includes those owned by Duke Energy, AT&T, Century Link, Charter/Spectrum, Earthlink, Google Fiber, Level 3, MCNC, Verizon, Colonial Pipeline, Cardinal Pipeline and PSNC.

Utilities (\$ millions)	FY 2022
R-2721A	\$1.84
R-2721B	1.64
R-2828	13.98
Total	\$17.47

Totals may not add due to rounding.

Agency Costs

The budget for Agency costs includes estimates for construction administration, engineering reviews, change orders, public education and outreach, Construction Engineering and Inspection (CE&I), stipends, incentives, and contingency funds.

Agency Costs (\$ millions)	FY 2022
R-2721A	\$9.35
R-2721B	8.35
R-2828	25.46
Total	\$43.17

Totals may not add due to rounding.



Debt Outstanding

The tables below present the outstanding debt for the Triangle Expressway System and Monroe Expressway. In FY 2021, The Turnpike Authority issued the Triangle Expressway System Bond Anticipation Notes, Series 2020 and the Monroe Expressway Appropriation Revenue Refunding Bonds, Series 2021. The TIFIA Loans on both projects are subordinate to the Senior Lien Revenue Bonds. The Turnpike Authority has no legal debt limits.

Triangle Expressway System

Series	Purpose	Underlying Ratings ¹			Outstanding Par ²	Maturity
		Moody's	S&P	Fitch		
Appropriation Revenue Refunding Bonds, Series 2018A	Refunding for Savings	Aa1	AA+	-	\$150,125,000	1/1/2039
Appropriation Revenue Refunding Bonds, Series 2018B	Refunding for Savings	-	-	-	\$160,244,000	1/1/2032
Appropriation Revenue Bonds, Series 2019	New money; Complete 540 Phase 1 Capital	Aa1	AA+	AA+	\$121,716,250	1/1/2049
Senior Lien Revenue Bonds, Series 2009B	New money; Triangle Expressway Capital	Baa2	BBB	BBB	\$80,202,773	1/1/2038
Senior Lien Revenue Refunding Bonds, Series 2017	Refunding for Savings	-	BBB	BBB	\$180,730,000	1/1/2039
Senior Lien Revenue Refunding Bonds, Series 2018	Refunding for Savings	-	BBB	BBB	\$398,450,000	1/1/2041
Senior Lien Revenue Bonds, Series 2019	New money; Complete 540 Phase 1 Capital	-	BBB	BBB	\$370,975,000	1/1/2055
Senior Lien Revenue Bond Anticipation Notes, Series 2020	To be paid off by the 2019 TIFIA Loan upon maturity	-	BBB	BBB	\$499,460,000	2/1/2024
TIFIA Loan ³	New money; Complete 540 Phase 1 Capital	-	BBB	BBB	-	1/1/2058

¹ Underlying Ratings as of May 31, 2021

² Outstanding Par as of July 1, 2021

³ As of May 31, 2021, NCTA had not drawn on the TIFIA Loan

Monroe Expressway

Series	Purpose	Ratings ¹			Outstanding Par ²	Maturity
		Moody's	S&P	Fitch		
Appropriation Revenue Bonds, Series 2010A	New money; Monroe Expressway Capital	Aa1	AA+	-	\$233,920,000	1/1/2041
Appropriation Revenue Bonds, Series 2011	New money; Monroe Expressway Capital	Aa1	AA+	-	\$9,845,000	7/1/2021
Appropriation Revenue Refunding Bonds, Series 2021 (forward delivery)	Refunding for savings	Aa1	AA+	AA+	\$73,985,000	7/1/2041
Senior Lien Revenue Bonds, Series 2016A	New money; Monroe Expressway Capital	Baa3	BBB	-	\$119,455,000	7/1/2054
Senior Lien Revenue Bonds, Series 2016C	New money; Monroe Expressway Capital	Baa3	BBB	-	\$21,615,883	7/1/2041
TIFIA Loan	New money; Monroe Expressway Capital	Baa3	BBB	-	\$166,500,000	7/1/2053

¹ Ratings as of May 31, 2021

² Outstanding Par as of July 1, 2021

Debt Service

The tables below present the principal and interest payments as well as the debt service coverage ratios for the Triangle Expressway System and Monroe Expressway through maturity. Debt service paid on July 1 is included in the prior fiscal year.

Triangle Expressway System

State Appropriation Bonds (Series 2018A, 2018B & 2019)

FY	Interest	Principal	Total Debt Service	FY	Interest	Principal	Total Debt Service
2022	\$10,345,488	\$12,652,000	\$22,997,488	2036	\$3,208,100	\$21,375,000	\$24,583,100
2023	\$9,983,809	\$12,999,000	\$22,982,809	2037	\$2,335,600	\$22,250,000	\$24,585,600
2024	\$9,612,189	\$13,357,000	\$22,969,189	2038	\$1,427,400	\$23,160,000	\$24,587,400
2025	\$9,230,319	\$13,726,000	\$22,956,319	2039	\$482,100	\$24,105,000	\$24,587,100
2026	\$8,837,493	\$14,134,000	\$22,971,493	2040	\$11,315,750	\$13,684,250	\$25,000,000
2027	\$8,433,401	\$14,525,000	\$22,958,401	2041	\$11,858,000	\$13,142,000	\$25,000,000
2028	\$8,018,156	\$14,925,000	\$22,943,156	2042	\$12,363,750	\$12,636,250	\$25,000,000
2029	\$7,591,476	\$15,336,000	\$22,927,476	2043	\$12,832,250	\$12,167,750	\$25,000,000
2030	\$7,153,036	\$15,759,000	\$22,912,036	2044	\$13,262,250	\$11,737,750	\$25,000,000
2031	\$6,702,527	\$16,192,000	\$22,894,527	2045	\$13,709,500	\$11,290,500	\$25,000,000
2032	\$6,239,610	\$16,639,000	\$22,878,610	2046	\$14,090,250	\$10,909,750	\$25,000,000
2033	\$5,625,800	\$18,960,000	\$24,585,800	2047	\$14,488,250	\$10,511,750	\$25,000,000
2034	\$4,851,900	\$19,735,000	\$24,586,900	2048	\$14,875,750	\$10,124,250	\$25,000,000
2035	\$4,046,400	\$20,540,000	\$24,586,400	2049	\$15,225,000	\$9,775,000	\$25,000,000

Senior Lien Toll Revenue Bonds (Series 2009B, 2017, 2018, 2019 & 2020)

FY	Interest	Principal	Total Debt Service	FY	Interest	Principal	Total Debt Service
2022	\$27,246,494	\$11,250,000	\$38,496,494	2039	\$23,247,850	\$63,655,000	\$86,902,850
2023	\$26,615,494	\$13,990,000	\$40,605,494	2040	\$20,451,675	\$56,855,000	\$77,306,675
2024	\$34,371,044	\$17,170,000	\$51,541,044	2041	\$18,049,700	\$49,030,000	\$67,079,700
2025	\$42,002,219	\$18,965,000	\$60,967,219	2042	\$16,723,650	\$23,030,000	\$39,753,650
2026	\$40,994,594	\$21,340,000	\$62,334,594	2043	\$15,738,200	\$25,600,000	\$41,338,200
2027	\$39,861,219	\$23,995,000	\$63,856,219	2044	\$14,379,200	\$28,760,000	\$43,139,200
2028	\$38,589,719	\$26,865,000	\$65,454,719	2045	\$12,857,575	\$32,105,000	\$44,962,575
2029	\$37,319,422	\$26,600,000	\$63,919,422	2046	\$11,172,450	\$35,300,000	\$46,472,450
2030	\$36,024,875	\$32,255,000	\$68,279,875	2047	\$9,333,200	\$38,270,000	\$47,603,200
2031	\$34,480,125	\$35,650,000	\$70,130,125	2048	\$7,342,450	\$41,360,000	\$48,702,450
2032	\$32,686,375	\$39,470,000	\$72,156,375	2049	\$5,192,325	\$44,645,000	\$49,837,325
2033	\$31,322,125	\$48,795,000	\$80,117,125	2050	\$3,791,200	\$14,250,000	\$18,041,200
2034	\$30,407,625	\$53,400,000	\$83,807,625	2051	\$3,200,700	\$15,275,000	\$18,475,700
2035	\$29,353,625	\$57,590,000	\$86,943,625	2052	\$2,568,000	\$16,360,000	\$18,928,000
2036	\$28,170,000	\$61,805,000	\$89,975,000	2053	\$1,891,100	\$17,485,000	\$19,376,100
2037	\$26,994,950	\$65,845,000	\$92,839,950	2054	\$1,168,500	\$18,645,000	\$19,813,500
2038	\$25,533,650	\$60,490,000	\$86,023,650	2055	\$397,800	\$19,890,000	\$20,287,800

Junior Lien TIFIA Loan

FY	Interest	Principal	Total Debt Service	FY	Interest	Principal	Total Debt Service
2022	\$0	\$0	\$0	2041	\$11,830,562	\$19,109,475	\$30,940,038
2023	0	0	0	2042	\$11,191,621	\$37,754,980	\$48,946,601
2024	0	0	0	2043	\$10,329,719	\$38,616,882	\$48,946,601
2025	0	0	0	2044	\$9,447,379	\$39,499,222	\$48,946,601
2026	\$5,875,324	0	\$5,875,324	2045	\$8,546,421	\$40,400,180	\$48,946,601
2027	\$6,927,249	0	\$6,927,249	2046	\$7,624,133	\$41,322,468	\$48,946,601
2028	\$9,085,411	0	\$9,085,411	2047	\$6,680,790	\$42,265,811	\$48,946,601
2029	\$12,026,326	\$500,000	\$12,526,326	2048	\$5,715,148	\$43,231,453	\$48,946,601
2030	\$12,014,976	\$500,000	\$12,514,976	2049	\$4,728,989	\$44,217,612	\$48,946,601
2031	\$12,003,626	\$500,000	\$12,503,626	2050	\$3,866,966	\$18,888,642	\$22,755,607
2032	\$11,992,268	\$500,000	\$12,492,268	2051	\$3,435,760	\$19,319,847	\$22,755,607
2033	\$11,980,926	\$500,000	\$12,480,926	2052	\$2,994,356	\$19,761,251	\$22,755,607
2034	\$11,969,576	\$500,000	\$12,469,576	2053	\$2,543,585	\$20,212,022	\$22,755,607
2035	\$11,958,226	\$500,000	\$12,458,226	2054	\$2,082,169	\$20,673,439	\$22,755,607
2036	\$11,944,046	\$1,000,000	\$12,944,046	2055	\$1,610,219	\$21,145,389	\$22,755,607
2037	\$11,921,362	\$1,000,000	\$12,921,362	2056	\$1,127,139	\$21,628,468	\$22,755,607
2038	\$11,898,662	\$1,000,000	\$12,898,662	2057	\$633,742	\$22,121,865	\$22,755,607
2039	\$11,875,962	\$1,000,000	\$12,875,962	2058	\$128,726	\$11,249,077	\$11,377,804
2040	\$11,853,246	\$1,000,000	\$12,853,246				

Debt Service Coverage Ratios

Debt Service			Debt Service Coverage	
Pledged Revenue ¹	Senior Lien ²	Junior Lien ²	Senior Lien	Junior Lien
\$54,325,222	\$38,496,494	\$0	1.41x	1.41x

¹ Operating Revenue plus projected excess appropriation revenue of \$2,002,512.40.

² Per Bond Resolution calculation, debt service paid on 7/1 each year is included in the prior fiscal year.

Monroe Expressway

State Appropriation Bonds (Series 2010A, 2011 & 2021)

FY	Interest	Principal	Total Debt Service	FY	Interest	Principal	Total Debt Service
2022	\$15,818,288	\$9,765,000	\$25,583,288	2032	\$9,456,582	\$15,370,000	\$24,826,582
2023	\$15,379,136	\$10,080,000	\$25,459,136	2033	\$8,628,091	\$15,970,000	\$24,598,091
2024	\$14,910,192	\$11,395,000	\$26,305,192	2034	\$7,767,574	\$16,600,000	\$24,367,574
2025	\$14,362,738	\$11,800,000	\$26,162,738	2035	\$6,873,217	\$17,250,000	\$24,123,217
2026	\$13,761,519	\$12,235,000	\$25,996,519	2036	\$5,944,208	\$17,930,000	\$23,874,208
2027	\$13,110,944	\$12,710,000	\$25,820,944	2037	\$4,978,734	\$18,640,000	\$23,618,734
2028	\$12,435,170	\$13,200,000	\$25,635,170	2038	\$3,975,213	\$19,375,000	\$23,350,213
2029	\$11,733,533	\$13,710,000	\$25,443,533	2039	\$2,932,445	\$20,140,000	\$23,072,445
2030	\$11,004,868	\$14,240,000	\$25,244,868	2040	\$1,848,732	\$20,940,000	\$22,788,732
2031	\$10,248,128	\$14,790,000	\$25,038,128	2041	\$722,377	\$21,765,000	\$22,487,377

Senior Lien Toll Revenue Bonds (Series 2016A & 2016C)

FY	Interest	Principal	Total Debt Service	FY	Interest	Principal	Total Debt Service
2022	\$5,969,263	\$0	\$5,969,263	2039	\$8,572,293	\$1,334,969	\$9,907,263
2023	\$5,969,263	\$1,140,000	\$7,109,263	2040	\$8,836,818	\$1,360,445	\$10,197,263
2024	\$5,912,263	0	\$5,912,263	2041	\$8,817,648	\$1,719,614	\$10,537,263
2025	\$5,912,263	0	\$5,912,263	2042	\$5,892,500	\$4,910,000	\$10,802,500
2026	\$6,188,904	\$638,359	\$6,827,263	2043	\$5,647,000	\$5,445,000	\$11,092,000
2027	\$6,292,199	\$735,064	\$7,027,263	2044	\$5,374,750	\$6,025,000	\$11,399,750
2028	\$6,513,326	\$983,936	\$7,497,263	2045	\$5,073,500	\$6,670,000	\$11,743,500
2029	\$6,592,788	\$949,475	\$7,542,263	2046	\$4,740,000	\$7,350,000	\$12,090,000
2030	\$6,728,250	\$999,012	\$7,727,263	2047	\$4,372,500	\$8,025,000	\$12,397,500
2031	\$6,852,865	\$1,009,398	\$7,862,263	2048	\$3,971,250	\$8,740,000	\$12,711,250
2032	\$7,022,948	\$1,064,315	\$8,087,263	2049	\$3,534,250	\$9,525,000	\$13,059,250
2033	\$7,201,783	\$1,110,480	\$8,312,263	2050	\$3,058,000	\$10,670,000	\$13,728,000
2034	\$7,395,794	\$1,151,469	\$8,547,263	2051	\$2,524,500	\$11,460,000	\$13,984,500
2035	\$7,617,556	\$1,199,707	\$8,817,263	2052	\$1,951,500	\$12,075,000	\$14,026,500
2036	\$7,837,840	\$1,234,422	\$9,072,263	2053	\$1,347,750	\$13,150,000	\$14,497,750
2037	\$8,054,399	\$1,257,864	\$9,312,263	2054	\$690,250	\$13,805,000	\$14,495,250
2038	\$8,333,887	\$1,313,375	\$9,647,263				

Subordinate Lien TIFIA Loan

FY	Interest	Principal	Total Debt Service	FY	Interest	Principal	Total Debt Service
2022	\$2,153,661	\$0	\$2,153,661	2038	\$4,431,721	\$5,172,434	\$9,604,155
2023	\$3,915,748	0	\$3,915,748	2039	\$4,269,020	\$5,618,440	\$9,887,459
2024	\$5,571,998	\$526,780	\$6,098,777	2040	\$4,092,170	\$6,090,537	\$10,182,707
2025	\$5,551,730	\$1,076,848	\$6,628,578	2041	\$3,901,312	\$6,548,448	\$10,449,761
2026	\$5,516,761	\$1,314,261	\$6,831,022	2042	\$3,695,860	\$7,042,882	\$10,738,743
2027	\$5,474,281	\$1,577,981	\$7,052,262	2043	\$3,474,943	\$7,568,445	\$11,043,388
2028	\$5,425,157	\$1,627,105	\$7,052,262	2044	\$3,237,372	\$8,123,975	\$11,361,347
2029	\$5,371,814	\$2,072,023	\$7,443,837	2045	\$2,983,088	\$8,689,756	\$11,672,845
2030	\$5,306,191	\$2,309,547	\$7,615,738	2046	\$2,711,110	\$9,259,331	\$11,970,441
2031	\$5,232,843	\$2,601,199	\$7,834,041	2047	\$2,421,374	\$9,857,237	\$12,278,611
2032	\$5,150,229	\$2,907,793	\$8,058,022	2048	\$2,112,708	\$10,487,777	\$12,600,485
2033	\$5,058,343	\$3,236,190	\$8,294,533	2049	\$1,785,059	\$11,130,448	\$12,915,507
2034	\$4,955,987	\$3,589,154	\$8,545,141	2050	\$1,439,601	\$11,475,906	\$12,915,507
2035	\$4,842,698	\$3,950,114	\$8,792,812	2051	\$1,083,422	\$11,832,085	\$12,915,507
2036	\$4,717,937	\$4,332,923	\$9,050,860	2052	\$712,866	\$12,600,677	\$13,313,543
2037	\$4,581,436	\$4,758,798	\$9,340,234	2053	\$317,050	\$13,652,380	\$13,969,431

Debt Service Coverage Ratios

Debt Service			Debt Service Coverage	
Pledged Revenue ¹	Senior Lien ²	Subordinate Lien ²	Senior Lien	Subordinate Lien
\$29,418,203	\$5,969,263	\$2,153,661	4.93x	3.62x

¹ Operating Revenue plus projected excess appropriation revenue of \$2,416,600 and additional interest earnings on certain funds.

² Per Bond Resolution calculation, debt service paid on 7/1 each year is included in the prior fiscal year.

Demographic & Economic Information



Population

The North Carolina Turnpike Authority currently operates facilities in four NC counties: Durham, Mecklenburg, Union, and Wake. Population growth serves as one indicator of potential roadway usage. Table 1 shows the population growth in all four counties and the State for the 10-year period between 2010 and 2020. The population of the State grew by 11 percent from 2010 to 2020, for a growth rate of approximately 1.10 percent annually. The four counties within the existing Turnpike Authority service area experienced population growth ranging from 18 to 22 percent.

Table 1: Percent Increase in Population Estimates 2010-2020

	July 2010 ¹	July 2020 ²	Population Increase	Percent Increase	Average Growth Rate per Year
Durham County	271,354	320,322	48,968	18.0%	1.7%
Mecklenburg County	923,258	1,131,342	208,084	22.5%	2.1%
Union County	202,110	242,657	40,547	20.1%	1.8%
Wake County	906,882	1,109,883	203,001	22.4%	2.0%
North Carolina	9,574,293	10,630,691	1,056,398	11.0%	1.1%

Source:

¹ NC OSBM, Annual County Population Totals, 2010-2019, https://files.nc.gov/ncosbm/demog/countytotals_2010_2019.html, November 2019.

² NC OSBM, Projected Population, Voting Age, Density, Migration, 2020.

Composition of Population

Table 2 represents the racial and ethnic makeup of the four counties within the existing NCTA service area as compared with the State.

Table 2: County & State Population by Race/Ethnicity

	Total Population	White		Black or African American		American Indian & Alaska Native Alone		Asian		Native American / Pacific Islander		Some Other Race		Two or More Races	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
Durham County	311,848	161,919	51.9%	113,682	36.5%	779	0.2%	15,279	4.9%	129	0.0%	10,519	3.4%	9,541	3.1%
Mecklenburg County	1,074,475	577,943	53.8%	339,021	31.6%	4,166	0.4%	62,922	5.9%	554	0.1%	60,010	5.6%	29,859	2.8%
Union County	231,053	187,754	81.3%	26,454	11.4%	551	0.2%	6,989	3.0%	100	0.0%	3,909	1.7%	5,296	2.3%
Wake County	1,111,761	718,463	64.6%	230,927	20.8%	5,266	0.5%	83,883	7.5%	262	0.0%	45,166	4.1%	27,794	2.5%
North Carolina	10,264,876	7,049,919	68.7%	2,200,761	21.4%	123,952	1.2%	292,992	2.9%	7,213	0.1%	316,763	3.1%	273,276	2.7%

Source: US Census Bureau, American Community Survey 5-year Estimates (2015-2019), Table DP05, "Race." Totals may not add up to 100 percent due to rounding.

Table 3 shows the number of households and vehicles available. Approximately half or more of the households in all four counties and the State have two or more vehicles.

Table 3: County & State Households with Zero, One, or Two or More Vehicles

	Occupied Housing Units		No Vehicle Available		One Vehicle Available		Two or More Vehicles Available	
	#	%	#	%	#	%	#	%
Durham County	125,953		9,888	7.9%	48,052	38.2%	68,013	54.0%
Mecklenburg County	411,097		23,605	5.7%	154,951	37.7%	232,541	56.6%
Union County	76,346		1,936	2.5%	14,857	19.5%	59,553	78.0%
Wake County	400,172		15,878	4.0%	121,660	30.4%	262,634	65.6%
North Carolina	3,965,482		230,276	5.8%	1,255,017	31.6%	2,480,189	62.5%

Source: US Census Bureau, American Community Survey 5-year Estimates (2015-2019), Table B25044, "Tenure by Vehicles Available." Totals may not add up to 100 percent due to rounding.

Household Income

Table 4 shows the per capita personal income and median household income for the state of North Carolina as well as the counties within the existing Turnpike Authority service area.

Table 4: County & State Per Capita Personal Income & Median Household

	Per Capita Personal Income	Median Household Income ³
Durham County ¹	\$51,713	\$60,958
Mecklenburg County ¹	\$62,890	\$66,641
Union County ¹	\$53,417	\$80,033
Wake County ¹	\$62,264	\$80,591
North Carolina ²	\$47,766	\$54,602

Sources:
¹ Bureau of Economic Analysis. County Per Capita Personal Income: <https://apps.bea.gov/regional/bearfacts/countybf.cfm> for 2018, as reported November 2020.
² Bureau of Economic Analysis. State Per Capita Personal Income: <https://apps.bea.gov/regional/bearfacts/statebf.cfm>, for 2019, as reported September 2020.
³ US Census Bureau. Quick Facts. Median household income (in 2019 dollars), 2015-2019.



Local Economy

Employment growth and a stable or decreasing unemployment rate is an integral factor for measuring the success of a locality. The population continues to rise in the State and unemployment in North Carolina is generally low. Consistently, the largest industries in the State continue to be education, healthcare, government (civilian, military, and federal), academia, technology, and retail.

Employment in North Carolina is spread across the state's 100 counties, with some areas being more urban or rural in their makeup. As trends in the largest private employers in the State have changed, so too have the predominant industries that compromise most of the State's non-government (and non-public) workforce. Currently, the leading private employers in the State include retailers, healthcare providers, financial institutions, and telecommunications. **Table 5** shows North Carolina's ten largest employers in 2011 and 2020, **Table 6** shows the ten largest taxpayers by County in 2020, and **Table 7** shows the 2020 employment levels for the State and the counties currently in the Turnpike Authority service area.

Table 5: North Carolina's Statewide 10 Largest Employers

2011	2020
Belk, Inc.	Wal-Mart
General Parts International, Inc.	Duke University and Health System
SAS Institute Inc.	Food Lion
Baker & Taylor, Inc.	Wells Fargo
House of Raeford Farms	Atrium Health
VPS C-Store Holding, LLC.	Lowe's Companies Inc.
New NGC, Inc.	Amazon Fulfillment Services Inc.
Lord Corporation	Harris Teeter
J.T. Davenport & Sons, Inc.	Bank of America
New Breed Logistics, Inc.	Wake Forest University and Baptist Health

Sources: US Census Bureau, NC Department of Commerce, Bureau of Economic Analysis

Secondary Sources: GrantThornton, Triad Business Journal, Charlotte Observer, WBTV, BizJournals, WRAL TechWire, Business North Carolina, BusinessNC

Table 6: Top 10 Taxpayers by County in 2020

Durham	Mecklenburg	Union	Wake
Cree Inc.	Duke Energy	Allegheny Technologies	Duke Energy
AW North Carolina Inc.	Wells Fargo	Union Electric Membership Corporation	Highwoods Realty LP
Duke Energy	Bank of America	Duke Energy	SAS Institute Inc.
Merck Sharp & Dohme Corporation	American Airlines	Charlotte Pipe & Foundry Company	Cisco Systems Inc.
Southpoint Mall LLC	Spectrum	Piedmont Natural Gas	WMCI Raleigh LLC
International Business Machines	Piedmont Natural Gas Company	AMH, NC Properties LP	CVM Holdings LLC
Parmer RTP LLC	Southpark Mall	Consolidated Metco Inc.	Network Appliance Inc.
IBM Corporation	Parkway 214 N Tryon	William H. Reule Sr. Revocable Trust	Mid America Apartments LP
Biomerieux Inc.	AT&T	ATI Powder Metals LLC	State Employee's Credit Union
EMC Corporation	301 College Street LLC	Greiner Bio-One North America	First Citizens Bank & Trust Co.

Source: Wake County Government, Mecklenburg County Government, Durham County Government, Union County Government

Table 7: County & State Employment in 2020

Geography	Labor Force	Employed	Unemployed	Unemployment Rate
Durham County	167,209	157,381	9,829	5.9%
Mecklenburg County	614,687	572,649	42,038	6.9%
Union County	120,861	114,374	6,487	5.4%
Wake County	581,517	548,322	33,194	5.8%
North Carolina	4,950,859	4,587,407	363,452	7.3%

Source: Bureau of Labor Statistics. Labor force data by county, 2020 annual averages. <https://www.bls.gov/lau/tables.htm>

Appendices



Monroe Expressway GEC Report

HNTB Corporation
The HNTB Companies
Infrastructure Solutions

343 E. Six Forks Road
Suite 200
Raleigh, NC 27609

Telephone (919) 546-8997
Facsimile (919) 546-9421
hntb.com

Page 2 of 2

May 14, 2021



Mr. James J. Eden
Executive Director
North Carolina Turnpike Authority
1 S. Wilmington Street
Raleigh, NC 27601

Dear Mr. Eden:

Pursuant to Section 703(b) of the Monroe Expressway Trust Agreement dated December 1, 2016 between Wells Fargo, as Trustee, and the North Carolina Turnpike Authority, HNTB as the General Engineering Consultant provides the following report on the fiscal year (FY) 2022 Annual Budgets for the Monroe Expressway.

The Monroe Expressway opened to traffic on November 27, 2018 in accordance with the Construction Agreement (“the Agreement”) for Substantial Completion. Final Completion was reached on October 16, 2020 in accordance with the Agreement. There is a three-year warranty period for the Monroe Expressway following Substantial Completion, therefore, an evaluation as to the proper maintenance, repair, and operation of the Monroe Expressway for purposes of the FY 2022 Annual Budgets is not needed at this time. Coinciding with Final Completion, a baseline inspection of the Monroe Expressway was completed on October 26, 2020, and quarterly inspections of the facility in accordance with the Turnpike Authority’s Maintenance Rating Program (MRP) will begin in 2021.

The FY 2022 operations & maintenance (O&M) budget, and the renewal and replacement (R&R) budgets for FY 2022 through 2031 have been updated from the base case financial model based on a review of the operating and maintenance activities as well as further development of the long-range capital plan for the facility.

The FY 2022 Annual Budgets for the Monroe Expressway were developed alongside the Turnpike Authority, and HNTB believes the following budgets are sufficient to support the proper maintenance, repair, and operation of the Monroe Expressway during the ensuing Fiscal Year:

- FY 2022 O&M Budget: \$15.05M
- FY 2022 R&R Budget: \$2.75M

In addition, the FY 2022 Annual Budgets include deposits to ensure the following fund balances:

- Operating Expense Fund: \$15.05M
- Operating Reserve Fund: \$3.76M
- Renewal & Replacement Fund: \$7.57M

Please feel free to reach out with any questions or comments upon reviewing the FY 2022 Annual Budgets.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Harris".

Jennifer Harris, P.E.
Senior Project Manager

CC: David Roy, Chief Financial Officer, NCTA
Kim Medlin, Controller, NCTA

Financial Policies

Toll Rate Policy

POLICY FOR ADOPTING TOLL SCHEDULES AND ADJUSTMENTS TO TOLL SCHEDULES

WHEREAS, the North Carolina Turnpike Authority is authorized to fix, revise, charge and collect tolls and fees for the use of turnpike projects pursuant to G.S. § 136-89.183(5);

NOW THEREFORE, the Authority hereby adopts the following policy to guide the Authority in adopting toll schedules and adjustment to toll schedules as follows:

(a) Prior to the time the Authority issues bonds to finance a turnpike project, the Authority will retain the services of a Traffic and Revenue Consultant (a "Traffic Consultant") to forecast the projected traffic for the turnpike project and the toll revenues to be generated from such traffic (a "Final Traffic and Revenue Study"). Such Final Traffic and Revenue Study shall be prepared based upon, among other things, assumptions the Traffic Consultant determines to be reasonable regarding the toll schedule to be used in collecting tolls for use of the turnpike project, together with anticipated increases in such tolls.

(b) On or prior to the date a turnpike project open for service, the Authority will adopt the toll rate schedule for the use of the turnpike project. Such toll schedule may provide for toll rates based upon the factors the Authority determines appropriate, including, but not limited to, the location of the turnpike project for which the toll is collected, the type of vehicles anticipated to use the turnpike project, the method of collection of the toll (electronic, video, cash or other method) and other factors. At the time the initial toll rate schedule for a turnpike project is adopted, the Authority shall file with the Trustee a report of a Traffic Consultant to the effect that, based upon the tolls forecasted to be collected using the toll schedule adopted, the forecasted revenues of such turnpike project are forecasted to be at least at the same levels as those set forth in the Final Traffic and Revenue Study, or if such levels cannot be achieved, that the tolls are established at rates that maximize forecasted revenues..

(c) After a toll rate schedule is adopted, the tolls set forth in the toll rate schedule adopted shall be increased on each January 1 by the same percentage amounts for each year as the toll increases in the assumptions of the Traffic Consultant used in preparing the Final Traffic and Revenue Study.

(d) Notwithstanding the preceding subsection, the Authority may determine that a toll increase otherwise required to go into effect pursuant to (c) shall not go into effect as scheduled if the Authority delivers to the Trustee, prior to the January 1 when the toll increase otherwise would go into effect:

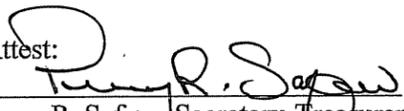
(i) a resolution of the Board, directing that the tolls shall not be increased at all or shall be increased by a lesser amount than assumed in the Final Traffic and Revenue Study;

(ii) an Officer's Certificate certifying that the Authority was in compliance with all the applicable rate covenants set forth in the bond documents for the bonds that financed the turnpike project for the most recent fiscal year; and

(iii) a report of a Traffic Consultant showing that for each succeeding fiscal year through the final maturity date of all debt incurred for the turnpike project, the forecasted revenues in each such fiscal year would be such that \$1 of additional senior lien indebtedness could be issued by the Authority in compliance with the requirements of the additional debt limitations set forth in the bond documents for such bonds issued to finance the turnpike project.

Adopted this the 17th day of September, 2008.

Signed: 
Lyndo Tippett, Chairman
North Carolina Turnpike Authority

Attest: 
Perry R. Safran, Secretary-Treasurer
North Carolina Turnpike Authority Board

Debt Policy & Procedures



NORTH CAROLINA TURNPIKE AUTHORITY Debt

NCDOT Policy
A.10.0101

Business Category: NC Turnpike Authority		Business Area: NC Turnpike Authority
Approval Date:	Last Revision Date: N/A	Next Review Date:
Authority: N.C. Gen Stat. § 136-89.183 N.C. Gen Stat. § 136-89.189 N.C. Gen Stat. § 136-89.190		Select all that apply: <input type="checkbox"/> N/A <input type="checkbox"/> Requires Board approval <input type="checkbox"/> Requires Federal Highways Administration (FHWA) approval <input type="checkbox"/> Requires other external agency approval: Click here to enter external agency name(s).
Definitions:		
Policy: I. Introduction A. Purpose The purpose of this North Carolina Turnpike Authority (NCTA) Debt Policy is to establish guidelines and a framework for the issuance and management of NCTA's debt. NCTA is committed to consistent, best practices financial management, including maintaining the financial strength and flexibility of NCTA and the full and timely repayment of all financial obligations. Debt transactions that violate any terms of existing documents including Trust Agreements, TIFIA Loan Agreements, bond insurance policies, and state and federal laws will not be considered. NCTA will be open to recommendations or ideas for any proposed transaction as well as variations from the following guidelines provided that such variation must be fully examined in conjunction with NCTA's advisors and justified to the NCTA Board of Directors. This policy does not address or govern NCTA's engagement in Public-Private-Partnerships. B. Review This Policy will be reviewed by NCTA no less than once every (2) two years and any changes to this Policy will be presented to and approved by the NCTA Board of Directors. This Policy will also be made available on the NCTA's website (https://www.ncdot.gov/divisions/turnpike/investor/Pages/default.aspx). C. Best Interest of NCTA Although adherence to this policy is desirable, deviations from the policy may be appropriate at times to address: (i) changing financial goals; (ii) emerging financial products/debt structures; and/or (iii) unique market opportunities. Consequently, the general best interests of NCTA will supersede any provision of the policy.		

- D. Authority**
 N.C. Gen Stat. § 136-89.183
 N.C. Gen Stat. § 136-89.189
 N.C. Gen Stat. § 136-89.190

II. Financial Planning and Debt Issuance Policy

- A. NCTA will retain the services of a traffic engineer and a general engineering consultant to obtain independent professional advice on the acquisition, construction, operation, and management of the Turnpike Projects. In addition to other duties, the consultants will prepare cost and revenue estimates for all bonded projects and for any projects in which the NCTA funds are used in partnership with funds from other entities.
- B. NCTA will retain the services of a registered Municipal Advisor to serve in capacity as Financial Advisor to perform the tasks set forth in this policy.
- C. In consultation with the Financial Advisor, NCTA will develop, maintain, and update, as appropriate, comprehensive Financial Planning Models as tools in developing a financing plan for existing and proposed toll systems. NCTA will annually review its capital plans and adjust them as necessary in order to comply with the annual debt coverage commitments.
- D. Financial Planning Models will incorporate longer-term capital improvements and the following elements, in addition to other factors:
 1. System revenue projections from NCTA's traffic consultant or alternative revenue projection scenarios
 2. Existing debt service requirements
 3. Projected Operations and Maintenance expenses and Renewal and Replacement Expenses along with required deposits to all reserves
 4. Estimated additional debt service requirements
 5. Estimated investment income
- E. Long-term debt will be used to finance capital projects and certain equipment where it is cost effective, prudent or otherwise determined to be in the best interest of NCTA. Long-term debt, which includes capital lease financings, will not be used to fund NCTA's operations. The maturity of long-term debt issued by NCTA to finance an asset or project should not exceed the useful life of the asset or project financed.
- F. Medium-term or "put" bonds will be used judiciously and only after careful analysis and discussion of the interest rate and rollover risks involved.
- G. Variable rate debt may be issued in various forms - e.g., bonds, commercial paper, bank lines. The amount of unhedged variable rate debt generally should not exceed 10% of outstanding debt for any NCTA System. As a goal, NCTA desires its total hedged and unhedged variable rate debt not to exceed 20% of outstanding long-term debt for any NCTA System.

III. Debt Service Coverage Targets and Limits

The amount of bonds to be issued is limited by the respective Trust Agreements, including TIFIA Loan Agreements, as applicable, that govern the debt issuance and covenants contained therein, including, but not limited to, the rate covenant and additional bonds test. Target debt service coverage levels, leverage ratios and

liquidity metrics will be set based on the most recent rating agency guidance to ensure investment grade ratings are attained on all senior lien and TIFIA lien rated debt.

IV. Method of Sale Evaluation

With the goal of obtaining the lowest cost of capital and completing a successful transaction, for each transaction recommended, the Director of Finance, with advice from the Financial Advisor, will undertake an analysis to determine the recommended method of sale, including competitive, negotiated, or direct placement.

- A. The evaluation will take into consideration, among other factors the following considerations as outlined in the Government Finance Officers' Association (GFOA) best practice recommendations:
 1. Expected credit rating of bonds being issued
 2. Strength of revenue stream
 3. Structure of bonds and potential need for extensive explanation to the bond market
 4. Disclosure requirements for various methods of sale
 5. Use of insurance or other credit enhancement
 6. Other factors that staff, in consultation with the Financial Advisor, believes favor the use of one method over the other
- B. The evaluation will be shared with the Finance Committee and a recommendation as to the method of sale will be presented.
- C. Should NCTA select the use of a negotiated sale, the following guidelines will be followed to increase the likelihood of a successful transaction and fully documented negotiated sale process:
 1. Underwriters will be selected through a formal Request for Proposal (RFP) process in accordance with NCTA's Procurement Policies either on a deal-by-deal basis or as part of a pool of underwriters for a specified term. Exceptions may be made when in the best interest of NCTA such as when time is of the essence.
 2. NCTA's Financial Advisor will advise NCTA on all aspects of the sale, including but not limited to structuring, disclosure preparation and bond pricing.
 3. Staff and the Financial Advisor will make a recommendation for lead underwriting firm and all participating co-senior and co-manager firms based on:
 - i. results of most recent RFP selection,
 - ii. firm's contribution to development of strategies for transaction,
 - iii. demonstrated ability of firm to successfully underwrite similar transactions, and
 - iv. previous work assigned to firm under current RFP selection
 4. Staff and the Financial Advisor will review all orders for bonds during pricing to understand investor interest and best negotiate a final coupon and yield scale for the bonds.
 5. The Financial Advisor will prepare a post-sale summary and analysis that documents the pricing of the bonds relative to other similar transactions priced at or near the time of NCTA's bond sale and record the true interest cost of the sale and the date of the verbal award. The analysis will be shared with the Finance Committee.
- D. Should a direct placement be recommended, staff and the Financial Advisor will undertake a competitive process for selecting the direct placement counterparty to ensure NCTA's objectives are met at the lowest cost of capital. Such process ideally would include a formal RFP or solicitation of pricing indications, as appropriate.

V. Debt Structure

- A. Debt structures will be determined in consultation with the NCDOT Chief Financial Officer.
- B. NCTA will engage the Local Government Commission (LGC) at the appropriate time for guidance on proposed debt issuances and will maintain contact with LGC staff throughout the debt issuance process. NCTA will follow LGC guidelines for requesting approval including organizing transaction updates to LGC staff, providing transaction overviews and materials to the Commission, and requesting approval in a timely manner.
- C. NCTA may utilize various debt structures to accomplish its financing goals, including but not limited to, the use of premium bonds, discount bonds, capital appreciation bonds, convertible capital appreciation bonds, bond anticipation notes, commercial paper, variable rate and multimodal bonds and capitalized interest, when appropriate in order to achieve the goals provided in this Debt Management Policy.
- D. NCTA will consider interest rate swap transactions only as they relate to its debt management program and not as an investment instrument. No swap transaction should impair the outstanding uninsured bond rating of NCTA's rated obligations.
 1. Swap Agreements may be used for one or more of the following purposes only:
 - i. To achieve significant savings as compared to a product available in the bond market. Significant savings shall be calculated after adjusting for (a) applicable fees, including takedown, remarketing and credit enhancement fees, and (b) call options that may be available on the bonds. Examples may include synthetic fixed rate debt and synthetic variable rate debt. Alternatively, significant savings are deemed to occur if the use of derivatives helps to achieve diversification of a particular bond offering.
 - ii. To prudently hedge risk in the context of a particular financing or the overall asset/liability management of NCTA. Examples may include buying interest rate caps and entering into delayed-start Swaps.
 - iii. To incur variable rate exposure within prudent guidelines, such as buying interest rate caps or entering into a Swap in which NCTA's payment obligation is based on a floating rate.
 - iv. To achieve more flexibility in meeting overall financial objectives than available in conventional markets. An example may include a Swaption (an option to enter into a Swap) with an upfront annuity payment.
 2. Swap Adviser Required: NCTA shall engage a Swap adviser (a "Qualified Independent Representative" as defined under the Dodd-Frank Act) to assist in determining whether and under what terms to enter into a Swap.
 3. Legal Opinion Required: NCTA must receive an opinion acceptable to the market from a nationally recognized bond law firm that the Swap is a legal, valid and binding obligation of NCTA and entering into the transaction complies with applicable law in effect on the date hereof and as they may be amended in the future.
 4. No Speculation Allowed: Swaps shall not be used for speculative purposes. Associated risks will be prudent risks that are appropriate for NCTA to take based on the advice, knowledge and experience of NCTA staff and NCTA's Swap adviser.
 5. Methods by which Swaps may be Solicited: In general, NCTA should procure Swaps by competitive bidding. The process used (e.g. Request for Proposal) can limit the number of

firms solicited to no fewer than three. NCTA shall determine which parties it will allow to participate in a competitive transaction. In situations in which NCTA would like to reward a particular firm or wishes to achieve diversification of counterparty exposure, NCTA may allow a firm or firms not submitting the bid that produces the lowest cost to match the lowest bid and be awarded up to a specified percentage of the notional amount of the Swap Agreement. In addition, to encourage competition, NCTA may allow bidders to match the winning bid up to a specified amount of the notional amount as long as the bid is no greater than a specified spread from the winning bidder. The parameters for the bid must be disclosed in writing to all potential bidders.

Notwithstanding the above, NCTA may procure a Swap by negotiated method in either of the following situations:

- i. NCTA makes a determination that, due to the size or complexity of a particular Swap, a negotiated transaction would result in the most favorable pricing and terms. NCTA shall use a Swap adviser to assist in the price negotiations, in the development of terms, and in risk assessment.
 - ii. NCTA makes a determination, in light of the facts and circumstances, that entering into a negotiated Swap will promote its interests by encouraging and rewarding innovation.
6. Each Swap executed by NCTA shall be subject to an independent review and analysis by a financial advisor or other qualified party and include a finding that its terms and conditions reflected a fair market value as of the date and time of its execution
7. Form and Content of Swaps: To the extent possible, the Swap shall contain terms and conditions set forth in the International Swap and Derivatives Association Inc. Master Agreement, including any schedules and confirmation. The schedule should be modified to reflect specific legal requirements and business terms desired by NCTA. NCTA shall consider including provisions that permit NCTA to assign its rights and obligations under the Swap and to optionally terminate the Swap at its market value at any time. Unless specifically noted in the Swap, the counterparty shall not have the right to assign or terminate a Swap without the prior written consent of NCTA.
8. Risk Analysis Required: Before entering into a Swap, NCTA shall evaluate all the risks inherent in the transaction. These risks to be evaluated could include counterparty risk, termination risk, rollover risk, basis risk, tax event risk and amortization risk. NCTA shall endeavor to diversify its exposure to counterparties. To that end, before entering into a Swap, NCTA should determine its exposure to the relevant counterparty or counterparties and determine how the proposed transaction would affect the exposure.
9. Counterparty Selection Criteria and Provision for Collateralization: NCTA may enter into a Swap if the counterparty has at least one long-term unsecured credit rating in the AA category and no other rating below the 'A' category from Fitch, Moody's or Standard & Poor's, and the counterparty has demonstrated experience in successfully executing Swaps. If after entering into a Swap the ratings of the counterparty are downgraded below 'BBB' by any one of the ratings agencies, then the Swap shall be subject to termination by NCTA unless (a) the counterparty provides either a substitute guarantor or assigns the Swap, in either case, to a party meeting the rating criteria reasonably acceptable to NCTA or (b) the counterparty (or

guarantor if applicable) collateralizes the Swap in accordance with the criteria set forth in the Swap and this Policy. Should the counterparty (or guarantor if applicable) elect to collateralize the Swap, then, in addition to any requirements in the Swap, the obligations of the counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America, and such collateral shall be deposited with NCTA or an agent thereof. Such collateral posted by a counterparty shall have a net market value of at least one hundred percent (100%).

10. Disclosure and Financial Reporting: NCTA will take steps to ensure that there is full and complete disclosure of all interest rate swaps to the NCTA Board of Directors, rating agencies and in disclosure documents. With respect to its financial statements, NCTA will adhere to the guidelines for the financial reporting of interest rate swaps as set forth by the Government Accounting Standards Board.
11. Dodd-Frank Act\Conformance to Dodd-Frank: It is the intent of NCTA to conform this Policy to the requirements relating to legislation and regulations for derivatives transactions under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as supplemented and amended from time to time, including any regulations promulgated in connection therewith (herein collectively referred to as "Dodd-Frank"). Pursuant to such intent, it is the policy of NCTA that, with respect to each interest rate swap: (i) each swap advisor engaged or to be engaged by NCTA will function as the designated qualified independent representative of NCTA, sometimes referred to as the "Designated QIR"; (ii) each swap advisor will agree to meet and meets the requirements specified in CFTC Regulation 23.450(b)(1) or any successor regulation thereto (herein referred to as the "Representative Regulation"); (iii) each swap advisor will provide a written certification to NCTA to the effect that such swap advisor agrees to meet and meets the requirements specified in the Representative Regulation; (iv) NCTA will monitor the performance of each swap advisor consistent with the requirements specified in the Representative Regulation; (v) NCTA will exercise independent judgment in consultation with its swap advisor in evaluating all recommendations, if any, presented by any swap dealer with respect to transactions authorized pursuant to this Policy; and (vi) NCTA will rely on the advice of its swap advisor with respect to interest rate swaps authorized pursuant to this Policy and will not rely on recommendations, if any, presented by any swap dealer with respect to interest rate swaps authorized pursuant to this Policy.
12. Legal Entity Identifier: NCTA shall obtain and maintain current at all times a "legal entity identifier" from a firm designated by the CFTC to provide such numbers.
13. Long-Term Implications: In evaluating a particular transaction involving the use of a Swap, NCTA shall review long-term implications associated with entering into Swaps, including costs of borrowing, historical interest rate trends, sensitivity analysis, variable rate capacity, credit enhancement capacity, opportunities to refund related debt obligations and other similar considerations.
14. Methods to be Used to Reflect the Use of Swaps in NCTA's Financial Statements: NCTA shall reflect the use of Swaps on its financial statements in accordance with generally accepted accounting principles and shall include appropriate information about the market value, risk

and legal authority regarding such agreements. Such disclosure in NCTA's financial statements will provide appropriate information to ratings agencies, investors and the secondary market.

15. Monitoring: NCTA's staff shall monitor the use of Swaps on a continual basis.

Responsibilities for monitoring shall include the following activities:

- i. Preparing a description of each Swap, including a summary of its terms and conditions, the notional amount, rates, maturity and other provisions thereof.
- ii. Determining any amounts which were required to be paid and received, and that the amounts were paid and received in a timely manner.
- iii. Determining that each counterparty is in compliance with its rating requirements.
- iv. Determining that each counterparty is in compliance with the downgrade provisions, if any (see Counterparty Selection Criteria and Provision for Collateralization Criteria).
- v. Determining at least quarterly, that all posted collateral, if required, has a net market value of at least one hundred percent (100%) of the net market value of the Swap to NCTA (see Counterparty Selection Criteria and Provision for Collateralization).
- vi. Taking appropriate action to limit undesirable exposures.
- vii. Developing a contingency plan in the event that early termination of the Swap is determined to be desirable or warranted.
- viii. Obtaining market valuation information from counterparties or third-party advisors to meet GASB fiscal year end reporting requirements.

VI. Call Provisions

- A. Call provisions for NCTA bond issues will be made as short as possible consistent with the lowest interest cost to NCTA, taking into consideration the option value of such call provisions.
- B. When practical and cost efficient, all NCTA bonds should be callable at par.

VII. Debt Refunding

NCTA staff and the Financial Advisor will monitor the municipal bond market for opportunities to obtain interest savings by refunding or refinancing outstanding debt. As a general rule, the present value savings of a particular refunding should equal or exceed 3% of the refunded maturities and not materially extend the maturity of the outstanding debt. For an advance refunding a higher minimum savings threshold should be required, depending on how soon the bonds may be called. However, in order to meet certain restructuring or risk management goals, NCTA may elect to lower the present value savings threshold for any individual transaction.

VIII. Credit Enhancement and Liquidity

Bond insurance, surety policies, letters of credit, liquidity facilities and other credit enhancements will be used when it provides economic savings or risk management opportunities for NCTA. Letters of credit, liquidity facilities or other credit facilities may expose NCTA to bank provider risk. In those instances, bank providers should not possess long term credit ratings lower than "A2/A/A" and short-term ratings lower than "P-1/A-1/FI" from Moody's Investors Services, Standard and Poor's Corporation and Fitch Ratings, respectively.

IX. Continuing Disclosure

NCTA is committed to providing continuing disclosure of financial and pertinent credit information relevant to NCTA's outstanding securities and will continue to comply with those provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosure. NCTA has engaged the services of Disclosure Counsel to provide guidance and advice to NCTA concerning securities law and disclosure issues. NCTA will also coordinate with the North Carolina Department of Transportation and North Carolina Office of State Budget and Management as applicable. Additionally, NCTA will maintain financial information on its website to provide timely information to the market and public. Such information will include, but not be limited to, audited comprehensive annual financial reports, rate covenant reports, and ratings reports.

X. Credit Objectives

- A. It is NCTA's intent to maintain and improve the credit ratings on its outstanding and proposed bond issues. NCTA will maintain long-term debt ratings from at least two of the three major bond rating agencies - Moody's Investors Service, Standard and Poor's Corporation, and Fitch Ratings. NCTA may discontinue the use of ratings from any agency which currently rates the debt of NCTA if, based on advice from NCTA's Financial Advisor and underwriting team, the discontinuance of such rating will not adversely affect the rates that can be achieved in selling NCTA's debt without such rating. NCTA may issue non-rated debt when determined to be reasonable by NCTA's advisors and deemed in the best interest of NCTA by the NCTA Board of Directors.
- B. NCTA's Director of Finance will maintain frequent communications with the credit rating agencies that currently assign ratings to NCTA's various debt obligations, and bond insurers that currently enhance any of NCTA's various debt obligations. This effort must include providing periodic updates on NCTA's general financial condition along with coordinating meetings and presentations, as necessary, in conjunction with a new debt issuance.
- C. NCTA's Director of Finance will consider, in conjunction with the Financial Advisor and Disclosure Counsel, elements of an investor relations program that may be designed to keep present and future investors that hold NCTA's debt fully informed on current developments related to NCTA and its long-term debt.

XI. On-going Reporting Requirements

- A. At least once each year, the Director of Finance will provide the Finance Committee and the Board of Directors a report on the status NCTA's debt. At a minimum, the report must include:
 1. Amount and percentage of total debt by security type
 2. Any changes in ratings, including ratings of credit enhancers and swap counterparties
 3. Current mark-to-market value of all interest rate exchange agreements, if applicable
 4. Historical rate performance for all variable rate bonds, if applicable
- B. NCTA's Director of Finance, with the assistance of the Financial Advisor, will be responsible for analyzing any unsolicited proposals received relative to debt issues, responding to the proposal as appropriate, and recommending to the Finance Committee any action to be taken in a timely manner.

Investment Policy

§ 159-30. Investment of idle funds.

(a) A local government or public authority may deposit at interest or invest all or part of the cash balance of any fund. The finance officer shall manage investments subject to whatever restrictions and directions the governing board may impose. The finance officer shall have the power to purchase, sell, and exchange securities on behalf of the governing board. The investment program shall be so managed that investments and deposits can be converted into cash when needed.

(b) Moneys may be deposited at interest in any bank, savings and loan association, or trust company in this State in the form of certificates of deposit or such other forms of time deposit as the Commission may approve. Investment deposits, including investment deposits of a mutual fund for local government investment established under subdivision (c)(8) of this section, shall be secured as provided in G.S. 159-31(b).

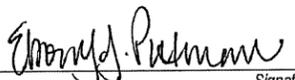
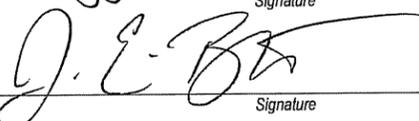
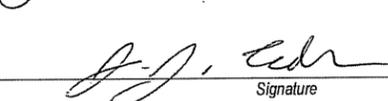
(b1) In addition to deposits authorized by subsection (b) of this section, the finance officer may deposit any portion of idle funds in accordance with all of the following conditions:

- (1) The funds are initially deposited through a bank or savings and loan association that is an official depository and that is selected by the finance officer.
- (2) The selected bank or savings and loan association arranges for the redeposit of funds in deposit accounts of the local government or public authority in one or more federally insured banks or savings and loan associations wherever located, provided that no funds shall be deposited in a bank or savings and loan association that at the time holds other deposits from the local government or public authority.
- (3) The full amount of principal and any accrued interest of each deposit account are covered by federal deposit insurance.
- (4) The selected bank or savings and loan association acts as custodian for the local government or public authority with respect to the deposit in the local government's or public authority's account.
- (5) On the same date that the local government or public authority funds are redeposited, the selected bank or savings and loan association receives an amount of federally insured deposits from customers of other financial institutions wherever located equal to or greater than the amount of the funds invested by the local government or public authority through the selected bank or savings and loan association.

- (c) Moneys may be invested in the following classes of securities, and no others:
- (1) Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States.
 - (2) Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Fannie Mae, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service.
 - (3) Obligations of the State of North Carolina.
 - (4) Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the secretary may impose.
 - (5) Savings certificates issued by any savings and loan association organized under the laws of the State of North Carolina or by any federal savings and loan association having its principal office in North Carolina; provided that any principal amount of such certificate in excess of the amount insured by the federal government or any agency thereof, or by a mutual deposit guaranty association authorized by the Commissioner of Banks of the Department of Commerce of the State of North Carolina, be fully collateralized.
 - (6) Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligation.

Scope: Click here to provide a statement identifying to whom the policy applies.
Procedures: Click here to briefly reference any standard operating procedure or procedure manual. Provide hyperlinks when applicable.
Related Documents: Click here to list any forms, tools, and/or background material relevant to the policy. Whenever possible, hyperlink to related documents.

Revision History		
Revision Date	Revision Number	Description

Policy Approval		
<p><i>Signing below certifies that the aforementioned policy has been vetted by the business area representative, applicable legal counsel (AG's office, etc.), and executive staff member(s).</i></p>		
Business Area Representative	 Signature	8-6-20 Date
Legal Counsel <small>(Responsible for the Unit)</small>	 Signature	8-6-2020 Date
Executive Staff Member <small>(Responsible for the Unit)</small>	 Signature	8-6-20 Date
Executive Staff Member <small>(Responsible for the Unit)</small>	 Signature	8-6-20 Date
Executive Staff Member <small>(Responsible for the Unit)</small>	_____ Signature	_____ Date

- (7) Bills of exchange or time drafts drawn on and accepted by a commercial bank and eligible for use as collateral by member banks in borrowing from a federal reserve bank, provided that the accepting bank or its holding company is either (i) incorporated in the State of North Carolina or (ii) has outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations.
- (8) Participating shares in a mutual fund for local government investment; provided that the investments of the fund are limited to those qualifying for investment under this subsection (c) and that said fund is certified by the Local Government Commission. The Local Government Commission shall have the authority to issue rules and regulations concerning the establishment and qualifications of any mutual fund for local government investment.
- (9) A commingled investment pool established and administered by the State Treasurer pursuant to G.S. 147-69.3.
- (10) A commingled investment pool established by interlocal agreement by two or more units of local government pursuant to G.S. 160A-460 through G.S. 160A-464, if the investments of the pool are limited to those qualifying for investment under this subsection (c).
- (11) Evidences of ownership of, or fractional undivided interests in, future interest and principal payments on either direct obligations of the United States government or obligations the principal of and the interest on which are guaranteed by the United States, which obligations are held by a bank or trust company organized and existing under the laws of the United States or any state in the capacity of custodian.
- (12) Repurchase agreements with respect to either direct obligations of the United States or obligations the principal of and the interest on which are guaranteed by the United States if entered into with a broker or dealer, as defined by the Securities Exchange Act of 1934, which is a dealer recognized as a primary dealer by a Federal Reserve Bank, or any commercial bank, trust company or national banking association, the deposits of which are insured by the Federal Deposit Insurance Corporation or any successor thereof if:
- a. Such obligations that are subject to such repurchase agreement are delivered (in physical or in book entry form) to the local government or public authority, or any financial institution serving either as trustee for the local government or public authority or as fiscal agent for the local government or public authority or are supported by a safekeeping receipt issued by a depository satisfactory to the local government or public authority, provided that such repurchase agreement must provide that the value of the underlying obligations shall be maintained at a current market value, calculated at least daily, of not less than one hundred percent (100%) of the repurchase price, and, provided further, that the financial institution serving either as trustee or as fiscal agent for the local government or public authority holding the obligations subject to the repurchase agreement hereunder or the depository issuing the safekeeping receipt shall not be the provider of the repurchase agreement;
 - b. A valid and perfected first security interest in the obligations which are the subject of such repurchase agreement has been granted to the local government or public authority or its assignee or book entry procedures, conforming, to the extent practicable, with federal regulations and satisfactory to the local government or public authority have been established for the benefit of the local government or public authority or its assignee;
 - c. Such securities are free and clear of any adverse third party claims; and
 - d. Such repurchase agreement is in a form satisfactory to the local government or public authority.
- (13) In connection with funds held by or on behalf of a local government or public authority, which funds are subject to the arbitrage and rebate provisions of the Internal Revenue Code of 1986, as amended, participating shares in tax-exempt mutual funds, to the extent such participation, in whole or in part, is not subject to such rebate provisions, and taxable mutual funds, to the extent such fund provides services in connection with the calculation of arbitrage rebate requirements under federal income tax law; provided, the investments of any such fund are limited to those bearing one of the two highest ratings of at least one nationally recognized rating service and not bearing a rating below one of the two highest ratings by any nationally recognized rating service which rates the particular fund.
- (d) Investment securities may be bought, sold, and traded by private negotiation, and local governments and public authorities may pay all incidental costs thereof and all reasonable costs of administering the investment and deposit program. Securities and deposit certificates shall be in the custody of the finance officer who shall be responsible for their safekeeping and for keeping accurate investment accounts and records.
 - (e) Interest earned on deposits and investments shall be credited to the fund whose cash is deposited or invested. Cash of several funds may be combined for deposit or investment if not otherwise prohibited by law; and when such joint deposits or investments are made, interest earned shall be prorated and credited to the various funds on the basis of the amounts thereof invested, figured according to an average periodic balance or some other sound accounting principle. Interest earned on the deposit or investment of bond funds shall be deemed a part of the bond proceeds.
 - (f) Registered securities acquired for investment may be released from registration and transferred by signature of the finance officer.
 - (g) A local government, public authority, an entity eligible to participate in the Local Government Employee's Retirement System, or a local school administrative unit may make contributions to a Local Government Other Post-Employment Benefits Trust established pursuant to G.S. 159-30.1.
 - (h) A unit of local government employing local law enforcement officers may make contributions to the Local Government Law Enforcement Special Separation Allowance Fund established in G.S. 147-69.5. (1957, c. 864, s. 1; 1967, c. 798, ss. 1, 2; 1969, c. 862; 1971, c. 780, s. 1; 1973, c. 474, ss. 24, 25; 1975, c. 481; 1977, c. 575; 1979, c. 717, s. 2; 1981, c. 445, ss. 1-3; 1983, c. 158, ss. 1, 2; 1987, c. 672, s. 1; 1989, c. 76, s. 31; c. 751, s. 7(46); 1991 (Reg. Sess., 1992), c. 959, s. 77; c. 1007, s. 40; 1993, c. 553, s. 55; 2001-193, s. 16; 2001-487, s. 14(o); 2005-394, s. 2; 2007-384, ss. 4, 9; 2010-175, s. 1; 2013-305, s. 1.)

Revenue Retention Policy

**REVENUE RETENTION POLICY
of the
NORTH CAROLINA TURNPIKE AUTHORITY BOARD**

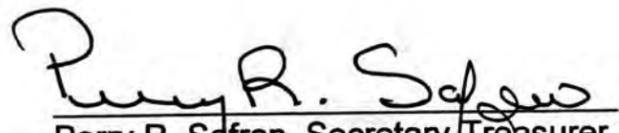
It is the policy of the North Carolina Turnpike Authority that all Turnpike Projects are intended to generate sufficient funds to cover their own operations and maintenance costs and the portion of debt service on the bonds issued to finance that Turnpike Project, and that a project that cannot show that it will eventually meet this requirement will not be undertaken.

It is further the policy of the Authority that toll revenues generated in one corridor are intended to be expended on financial obligations and improvements in the corridor from which those revenues were generated. In special circumstances, revenues from an existing Turnpike Authority project may be used temporarily to help support a project in another corridor for reasons of financial distress or to meet "ramp up" debt service coverage and debt service subsidies. In such situations any subsidy from an established project to another project shall be treated internally as a loan to be repaid to the established project as soon as the new project becomes self-sustaining or it is financially feasible.

Adopted by the North Carolina Turnpike Authority Board, this 16th day of August 2006;


Lydo Tippet, Chairman
North Carolina Turnpike Authority

Attest:


Perry R. Safran, Secretary-Treasurer
North Carolina Turnpike Authority



Glossary

A

Accrual Basis of Accounting

Revenues and expenses are considered regardless of when cash is received or paid, expenses are recorded when an obligation has been incurred.

Audited Financial Statements

The Authority's financial statements reviewed and audited by an independent auditor.

Actual Revenue

Actual revenue is reported on a cash basis and is inclusive of the following: toll revenue, processing fees, interest earnings, credit card equity fees, non-sufficient funds fees, and actual damages.

Authority Act

2002 legislation that authorized the creation of the North Carolina Turnpike Authority with the purpose to study, design, plan, construct, own, finance and operate a system of toll roads, bridges, and/or tunnels supplementing the traditional non-toll transportation system serving the citizens of North Carolina.

All Electronic Tolling (AET)

Technology which enables cashless toll collection, either through transponders and/or license plate readers, eliminating the necessity of stopping the vehicle to pay the toll.

Automated Vehicle Identification (AVI)

A system which transmits signals from an on-board tag or transponder to roadside receivers for uses such as electronic fee collection and stolen vehicle recovery.

Annual Budget

Includes the Operations and Maintenance Budgets as well as the Renewal and Replacement Budgets for the Triangle Expressway, Monroe Expressway and I-77 Express Lanes.

Average Toll per Transaction

Ratio calculated by dividing toll revenue by the total number of toll transactions.

Audit

An official inspection of an organization's accounts, systems and/or processes, typically by an independent body.

B

Back Office System (BOS)

Database system that enables registration and maintenance of customer accounts; facilitates funds transfer between participating Authorities.

Bonds

A written guarantee to pay a principal amount and/or interest at a specified date or dates known as the maturity date(s).

B (cont'd)

Balanced Budget

Annual revenues meet or exceed annual expenses including debt service, operations and maintenance costs, as well as renewal and replacement costs.

Business System Improvement Project (BSIP)

NCDOT surcharge costs related to the development, implementation and support of a new enterprise resource planning tool.

C

Capital Budget

The budget containing the costs related to the construction of the Complete 540 Phase 1 project.

Computer Support (CS) Costs

NCDOT surcharge costs for computer support relative to supporting the computer environment within the NCDOT Division of Highways.

Capital Expenditures

Capital expenditures are related to the construction and implementation of new Turnpike Authority projects.

Customer Service Center (CSC)

Walk in center for customers where they have the options to open or manage their accounts, purchase transponders, add funds to their accounts, settle disputes or pay invoices.

Cash Basis of Accounting

Recording transactions for revenue and expenses only when the corresponding cash is received, or payments are made.

D

Debt Coverage Ratio

The ratio of Net Debt Service to Net Revenues.

Debt Service Funds

Funds created by the Trust Agreement for the purpose of paying principal and interest on outstanding debt obligations.

Debt per Lane Mile

Ratio calculated by dividing bond indebtedness by total lane miles.

Department

A major administrative division of the Turnpike Authority that has overall management responsibility for a group of related operations within a functional area.

E

Electronic Toll Collection System (ETCS)

The collection of tolls based on the automatic identification and classification of vehicles using electronic systems.

E-ZPass Interagency Group (IAG)

The E-ZPass IAG is an association of 25 toll agencies in 15 states that operates the E-ZPass electronic toll collection program. E-ZPass is the world leader in toll interoperability, with more than 24 million E-ZPass devices in circulation.

F

Fiscal Year

12-month period used for the annual operating budget and reporting of the financial position of operations of the Turnpike Authority. The Authority's fiscal year begins July 1st and ends June 30th.

Fund

An account established to hold money for specific activities.

G

Generally Accepted Accounting Principles (GAAP)

The conventions, rules and procedures that serve as the norm for the fair presentation of financial statements.

H

Highway Construction and Materials System (HiCAMS)

NCDOT's construction contract management and administration system.

High Occupancy Vehicle (HOV) Lanes

Lanes typically reserved for vehicles with two or more occupants.

I

Incident Management Assistance Patrol (IMAP)

State Farm serves as the official sponsor for IMAP; a free service that provides roadway assistance to stranded motorists.

International Bridge, Tunnel & Turnpike Association (IBTTA)

The worldwide alliance of toll operators and associated industries that provides a forum for sharing knowledge and ideas to promote and enhance toll-financed and other direct-user-fee-financed transportation services.

I (cont'd)

Intelligent Transportation System (ITS)

The Authority maintains a system of vehicle detectors that continuously measure traffic volumes and speeds along the roadways.

Interoperability

A cooperative arrangement established between public and/or commercial entities (Authorities, parking lot operators, etc.) wherein tags issued by one entity will be accepted at facilities belonging to all other entities without degradation in service performance.

L

Lane Miles

The total length of a road multiplied by the number of lanes.

Loop Detector

A vehicle sensor used either to count or detect the presence of a vehicle in the toll lane. The metallic mass of a vehicle located above wires laid in the concrete produce electromagnetic signals that can be sensed electronically.

M

Maintenance Rating Program (MRP)

Maintenance evaluation program for roadway features and toll facilities on the Triangle Expressway. The MRP for the Monroe Expressway is currently under development.

N

Net Revenue

The Turnpike Authority's total revenue less its operating expenditures for the fiscal year.

North Carolina Turnpike Authority (NCTA)

A business unit of the North Carolina Department of Transportation created by the Authority Act in 2002.

North Carolina Department of Information Technology (NCDIT)

A department of the North Carolina state government.

NC Quick Pass (NCQP)

The Turnpike Authority's all-electronic toll collection program on the Triangle Expressway, Monroe Expressway and I-77 Express Lanes that offers drivers two ways to pay for tolls: a pre-paid transponder account or the post-paid Bill by Mail program.

North Carolina Department of Transportation (NCDOT)

A department of the North Carolina state government.

O

Operations & Maintenance (O&M) Budget

The budget containing the costs related to the daily operations and maintenance of the Triangle Expressway, Monroe Expressway and I-77 Express Lanes.

Operating Margin

Ratio that is calculated by dividing the budgeted operating income by the budgeted operating revenue.

Operations & Maintenance (O&M) Expense Fund

Fund created by the Trust Agreement to pay for the operations and maintenance expenses of each facility.

Operating Revenue

Operating Revenue is reported on a modified accrual basis and is inclusive of the following: toll revenue, processing fees, interest earnings, credit card equity fees, non-sufficient funds fees, and actual damages.

Operating Cost per Lane Mile

Ratio that is calculated by dividing operating expenses by total lane miles.

R

Ramp-up

Term used for potential traffic on new toll facilities to account for the time needed for travelers to become aware of the new toll road and benefit from using it.

Revenue Fund

Fund created by the Trust Agreement for the purpose of depositing gross revenues arising from the operation and ownership of the Triangle Expressway and Monroe Expressway.

Renewal & Replacement (R&R) Budget

The budget containing costs related to the renewal and replacement of assets on the Triangle Expressway, Monroe Expressway and I-77 Express Lanes.

Right of Way (ROW)

Land purchased for the construction, operations and maintenance of a facility.

Renewal & Replacement (R&R) Fund

Special fund to which deposits are made to pay all or a portion of the cost of unusual or extraordinary maintenance, repairs, renewals or replacements or capital improvements related to the roadways.

Roadside Toll Collection System (RTCS)

Detect vehicles at the toll zones, build the proper transactions, and transmit that transaction and supporting data to the BOS.

T

Toll Revenue

Revenue collected from the toll roads with the use of electronic toll collection devices either with transponders and or through the capture of license plate images.

Transponder

The in-vehicle device component of an ETC system. A receiver or transceiver permitting the operator's road-side unit to communicate with, identify, and conduct an electronic toll transaction.

Toll Revenue as Percent of Operating System

Ratio that is calculated by dividing toll revenue by the operating revenue.

Transportation Infrastructure Finance & Innovation Act (TIFIA)

Act from 1998 which secured loan agreements between NCTA and the United States Department of Transportation to construct the Triangle Expressway and Monroe Expressway.

Toll Revenue per Lane Mile

Ratio calculated by dividing toll revenues by the total lane miles.

Trust Agreement

The Amended and Restated Trust Agreement dated December 1, 2019 for the Triangle Expressway System and the Trust Agreement dated December 1, 2016 for the Monroe Expressway System that governs all matters relating to the bonds and the operation of the facilities.

Traffic & Revenue (T&R) Study

Purpose of the study is to develop a forty-year annual traffic and toll revenue forecast for the roadways.

Trustee

The Turnpike Authority's Trustee is Wells Fargo, N.A..

Traffic Management Center (TMC)

Serves as a location for the Authority to monitor traffic conditions on the roadways. Also referred to as the State Traffic Operating Center (STOC).

U

United States Department of Transportation (USDOT)

A federal department of the United States government.

W

Wrong Way Vehicle Detection (WWVD)

System that provides visual alerts to wrong-way vehicles. Roadside signage and lane striping helps discourage wrong-way turns.

Keep North Carolina Moving

North Carolina Turnpike Authority

 ncdot.gov/turnpike  (919) 707-2700

