



Board of Directors | Finance Committee | Minutes

Meeting Details

Date: August 15, 2024

Time: 9:00 AM

Location: Webinar &
NCDOT Board Room - 150
1 S. Wilmington St.
Raleigh, NC 27601

Attendance

Members Present In-Person & Virtually

John Adcock, Robert Teer, Jim Walker

Members Absent

Welcome/Introductions, Call to Order & Declaration of Quorum

Robert Teer, Chair

Discussion Summary

Chairman Robert Teer called the August 15th, 2024, North Carolina Turnpike Authority Finance Committee meeting to order and welcomed those in attendance. Mr. Teer invited everyone attending the meeting in person and remotely to introduce themselves. Mr. Teer called roll and declared a quorum present. Meeting was called to order at 09:00 am.

Actions Taken

Information only/no action required.

Approval of April 17, 2024, Meeting Minutes

Robert Teer, Chair

Discussion Summary

Mr. Robert Teer noted everyone received a copy of the meeting minutes prior to the meeting and announced he would accept a motion to approve the April 17, 2024, meeting minutes as written.

Actions Taken

The April 17, 2024, Finance Committee meeting minutes were unanimously approved upon a motion by Mr. Jim Walker and second by Mr. John Adcock.

Opening Comments

David Roy, Director of Innovation Finance

Discussion Summary

Mr. David Roy began by welcoming everyone to the meeting. Mr. Roy mentioned a few staff changes including the addition of Jamaal Brodie and Stacey Mahoney. Mr. Roy also spoke about the intern Lunch and Learn. Mr. Roy also quickly mentioned the SMISHING attack would further discussed by J.J. Eden and Manish Chourey.

Actions Taken

Information only/no action required.

Finance & Budget Update

Cheryl Reed, Chief Financial Officer

Discussion Summary

Ms. Cheryl Reed spoke about the increase in revenue from FY23 to FY24 for both the Triangle Expressway and the Monroe Expressway. Ms. Reed spoke about the Operating Expenses, Cash Generated by Operations, Cash Remaining after Debt Service and Operating Expenses.

Actions Taken

Information only/no action required.

Senior & Co-Manager Underwriter Pool Selection

David Roy, Director of Innovation Finance

Discussion Summary

Mr. David Roy spoke about how the current pool is coming to an end and an RFQ has been sent out for the next pool. The bench will be active for the next five years. Five firms requested consideration for senior only; Eight firms requested consideration for co-manager only; Six firms requested consideration for both (most firms had preference for senior). Mr. Roy also spoke on potential future transactions.

Actions Taken

The motion was passed, see below for more information.

Action Item:

CONSIDERATION FOR MOTION TO RECOMMEND SHORTLISTED FIRMS FOR THE SENIOR AND CO-MANAGER UNDERWRITER POOL to North Carolina Turnpike Authority Board of Directors for consideration and approval.

Robert Teer, Chair

Discussion Summary

Chairman Robert Teer announced that he would entertain a motion that the Finance Committee recommended CONSIDERATION FOR MOTION TO RECOMMEND SHORTLISTED FIRMS FOR THE SENIOR AND CO-MANAGER UNDERWRITER POOL to North Carolina Turnpike Authority Board of Directors for consideration and approval.

Mr. Jim Walker motioned. Mr. John Adcock took second. Chairman Teer then took a roll call vote. All Committee Members voted aye. The motion passed.

Actions Taken

The motion passed.

Fuel & AC Binder Hedge

Jacob Vlanich, Financial Analyst

Discussion Summary

Mr. Jacob Vlanich spoke on the fuel hedge purchased for Complete 540 – Phase 1 to explain that it will be similar for Complete 540 – Phase 2. With the Commodity Cap we pay one upfront premium payment to a contractor with an assumed strike price, index prices that go above that strike price we receive a payment for the difference and anything below we wouldn't receive any payment. Mr. Vlanich also spoke on the Cap Parameters and its details.

Actions Taken

The motion was passed, see below for more information.

Action Item:

CONSIDERATION FOR MOTION TO RECOMMEND RESOLUTION APPROVING THE ACQUISITION OF A COMMODITY PRICE CAP FOR FUEL AND ASPHALT/CEMENT BINDER BY THE NORTH CAROLINA TURNPIKE AUTHORITY RELATING TO THE COMPLETE 540 – PHASE 2 PROJECT to the North Carolina Turnpike Authority Board of Directors for consideration and approval.

Robert Teer, Chair

Discussion Summary

Chairman Robert Teer announced that he would entertain a motion that the Finance Committee recommended CONSIDERATION FOR MOTION TO RECOMMEND RESOLUTION APPROVING THE ACQUISITION OF A COMMODITY PRICE CAP FOR FUEL AND ASPHALT/CEMENT BINDER BY THE NORTH CAROLINA TURNPIKE AUTHORITY RELATING TO THE COMPLETE 540 – PHASE 2 PROJECT to the North Carolina Turnpike Authority Board of Directors for consideration and approval.

Mr. Jim Walker motioned. Mr. John Adcock took second. Chairman Teer then took a roll call vote. All Committee Members voted aye.

Actions Taken

The motion passed.

Complete 540 Spend Update

Travis Feltes, P.E., Project Engineer

Discussion Summary

Mr. Travis Feltes discussed changes in the Engineering department. He then presented a spend update on Complete 540 Phase 1 and 2.

Actions Taken

Information only/no action required.

Adjourn

Robert Teer, Chair

Discussion Summary

Mr. Robert Teer asked for any additional questions or comments.

Mr. Roy spoke on how fuel prices have decreased since the start of the construction contract. That should lower the premium cost. Mr. Teer thanked PFM for all the work they have done over the many years.

Mr. Teer called for a motion to adjourn the August 15, 2024, North Carolina Turnpike Authority Finance Committee meeting.

Actions Taken

A motion to adjourn the August 15, 2024, Finance Committee meeting was approved upon a call for motion from Mr. John Adcock. Mr. Jim Walker seconded the motion. The meeting was adjourned at 10:00 am.