



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

PAT MCCRORY
GOVERNOR

ANTHONY J. TATA
SECRETARY

North Carolina Turnpike Authority Board

Board of Directors Meeting Minutes

November 7, 2013

Members present: Anthony Tata
Perry R. Safran
Robert D. Teer, Jr.
Scott Aman

Members present via phone: John Collett
James H. Ferebee

Members absent: Robert Clay

The meeting was called to order by Chair Anthony Tata. He read the State ethics act and declared that there was a quorum present.

Robert Teer stated that the Board meeting minutes from the September 2013 meeting were in order and moved they be approved. Perry Safran seconded Mr. Teer's motion to approve the minutes. The minutes were approved unanimously.

Chair Anthony Tata gave the following remarks and updates to the Board members:

- The recent audit report indicates that the Turnpike Authority is in good fiscal health. The upcoming toll rate adjustments, as required by the bond covenants, were also discussed at the June 2013 Board meeting. During the June meeting, the Board adopted a rate adjustment policy that aligned the required toll rate adjustments to occur annually on January 1st of each year, rather than have them occur at different times of the year.

John Breedlove and Dane Berglund presented the Operations Update (slide presentation attached). Highlights and questions not included or readily apparent in the presentation are summarized as follows:

- Traffic and Revenue: Dane Berglund stated that 58% of Triangle Expressway's transactions are ETC, with the remaining 42% processed as

Bill by Mail transactions. To date, 92,600 NC Quick Pass transponders have been sold.

- Marketing Campaign: John Breedlove stated that Turnpike Authority is working with the Communications Office to increase the sales of NC Quick Pass transponders.
- Toll Rate Adjustments: Chair Anthony Tata inquired what steps, if any, need to be taken in advance of the January 1, 2014 toll rate adjustment. John Breedlove stated that the increase would happen automatically, but that the Governor and General Assembly required notification.
- Collections Process for Delinquent Accounts: Dane Berglund explained the process that will begin implementation during the week of November 12, 2013. Beginning with the delinquent account holders that owe the largest sums (>\$500), NCTA will send letters requesting payment no later than January 31, 2014 to settle up. Account holders that have declared bankruptcy will not be pursued for collection at this time. In an effort to be more customer focused, the Authority is doing the following: extending the hours of the Customer Service Center in order to meet anticipated demand and providing the delinquent accounts with more than 60 days of notice (with a due date after the holiday season) to settle up before implementing the registration hold. Mr. Teer inquired as to why the Authority is not pursuing the bankrupt account holders at this time. Mr. Safran agreed with the Authority's position, and went on to state that the Authority is keeping its promise to the bondholders to keep the amount of uncollectable revenue within the financial model's tolerances. Mr. Scott Aman inquired as to how many letters would be mailed to delinquent account holders in the week beginning November 11th. Mr. Berglund stated that 11,000 letters were anticipated to be mailed the first week, with approximately 73,000 letters sent by the end of November. Mr. Aman also inquired about the extended hours of the Customer Service Center and when they would begin. Mr. Aman further expressed a concern about the amount of unpaid tolls and fees, the excessive costs associated with the efforts to collect the unpaid tolls and fees, and the length of time associated with the collection efforts. Mr. Berglund stated that the new weekday hours would begin on November 25, 2013. The call center hours will be extended in the evening until 9:00 pm and the Customer Service Center lobby will be open until 7:00 pm. Mr. Tata asked how much revenue has been collected to date and how much remained uncollected. Mr. Breedlove stated that \$16.9 million has been collected to date, and \$815,400 is uncollected.

Chair Anthony Tata stated that discussions with the Board members would be held in the next few weeks to confirm the date and time of the next Board meeting. He then asked if there was any additional business to be discussed by the Board. There being no additional business, he asked if any members of the public would like to provide input. Being none, Chair Anthony Tata adjourned the meeting at 2:42 pm.

Attachment: *Operations Update presentation*