



October 8, 2020
9:00 a.m.

22470 E. Stephan D. Hogan Parkway
Aurora, Colorado 80018

<https://us02web.zoom.us/j/88558088854>

Dial in Information: 669-900-9128

Webinar ID: 885 5808 8854

All participation will be via the zoom meeting location due to the State of Emergency declared by Governor Polis, as amended and extended; the Tenth Amended Public Health Order 20-28; the Safer at Home and in the Vast, Great Outdoors Executive Order D 2020 091, as amended and extended; and CDC recommendations against gathering in large groups in order to mitigate the spread of the COVID-19 virus.

1. Call to OrderChair Chaz Tedesco
2. Pledge of AllegianceChair Chaz Tedesco
3. Public Comment Chair Chaz Tedesco
4. Consent Calendar Chair Chaz Tedesco
 - a. Approve Meeting Minutes of September 10th, 2020
5. Approval of Security Upgrades and Remodel Contract..... Geoffrey Doctoroff

BUDGET WORKSHOP

6. Financial Performance Jason Myers/Jaime Heitman
7. 2021 Operating Budget..... Jason Myers
8. 2021 Capital Budget..... Jason Myers
9. Engineering and Roadway Maintenance Department Neil Thomson
10. Information Technology Department..... Ken Smith
11. Finance Department..... Jason Myers
12. Toll Operations Department and Tolling ServicesJessica Carson
13. Executive and Board of Directors Tim Stewart
14. Salary and Burden Jacob Kramer
15. Executive Director Report Tim Stewart
16. Other BusinessChair Chaz Tedesco
17. Adjourn MeetingChair Chaz Tedesco

The next anticipated Board Meeting will be November 12, 2020

Agenda Item 4a. Approve Meeting Minutes of October 8, 2020

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

E-470 PUBLIC HIGHWAY AUTHORITY

Held: Thursday, October 8, 2020, at 9:00 a.m. All participation was via the zoom meeting location due to the State of Emergency declared by Governor Polis, as amended and extended; the Tenth Amended Public Health Order 20-28; the Safer at Home and in the Vast, Great Outdoors Executive Order D 2020 091, as amended and extended; and CDC recommendations against gathering in large groups in order to mitigate the spread of the COVID-19 virus. Zoom Meeting - <https://us02web.zoom.us/j/88558088854> Dial in Information: 669-900-9128 Webinar ID: 885 5808 8854.

Attendance:

A special meeting of the Board of Directors of the E-470 Public Highway Authority was held as scheduled and in accordance with applicable statutes of the State of Colorado, with the following directors present:

Chaz Tedesco, Adams County Commissioner
Roger Partridge, Douglas County Commissioner
Craig Hurst, Councilmember Commerce City
Bill Holen, Arapahoe County Commissioner
John Diak, Councilmember Town of Parker
Tim Watts, Councilmember City of Brighton
Francoise Bergan, Councilmember City of Aurora

Wynne Shaw, Councilmember City of Lone Tree (*non-voting*)
Steve Moreno, Weld County Commissioner (*non-voting*)
Laurie Anderson, Councilmember, City and County
Broomfield (*non-voting*)

Also present were: Jessica Carson, operations director, Geoffrey Doctoroff, risk management supervisor, Ryan Dole, senior financial analyst, Bruce Emberley, operations and tolling services manager, Terry Fabrizio, operations coordinator, Mark Ferguson, ePMO, Jaime Heitman, controller, Jacob Kramer, HR manager, Moss Levenson, financial analyst 2, Diane Lundquist, executive assistant, Tricia Morales, operations analyst, Jason Myers, finance director, Ken Smith, information technology director, Tim Stewart, executive director, Brianna Summers, accounting supervisor, Neil Thomson, engineering and roadway maintenance director and Maureen Walker, communications and public affairs manager, E-470 Public

Highway Authority; Pedro Costa, Mark Shotkoski and Linda Nguyen, NWP LLC.; Susan Ermisch, Jack Nicholls, Pat McGowan and Tom Krueger, WSP; Mac Callison, City of Aurora; Michael Lund and Stacey Berlinger, Stifel; Christian Guevara, Ed Snider and Terry Ostrom, Plenary; Darryl Davis and Dan Kurz, Morgan Stanley; Julia German, Brian Harms and James Harris, LGBS; Dave Kristick, Atkins; Helen Atkeson, Hogan Lovells; Jaimie Scranton, Jeffries; Jeremy Nash and Stephanie Hayes, KPMG; Julie Hughes and Scott Prickett, Chandler; Pedro Ramos, Antii Suhonen and Taylor Hart, JP Morgan; Tom Weihe, Kutak Rock; and Tamara Seaver, Icenogle Seaver Pogue, P.C.

Call to Order: Chair Tedesco noting the presence of a quorum of the directors, called the special meeting to order.

Pledge of Allegiance: Chair Tedesco led all present in the Pledge of Allegiance.

Public Comment: None.

Consent Calendar: Commissioner Holen moved approval of the consent agenda, comprising minutes of the September 10, 2020 special meeting. The motion was seconded by Councilmember Bergan and thereafter approved unanimously by the Board of Directors.

Approval of Security Upgrades and Remodel Contract: Mr. Stewart reminded the Board of the safety study conducted by the Colorado State Patrol for the Authority's Administrative Headquarters Building and introduced Mr. Doctoroff, the Authority's Risk Manager. Mr. Doctoroff reviewed, with the Board, some of the safety enhancements and associated space reconfigurations planned for the building. He then reviewed the schedule associated with the Authority's invitation for bids, noting 14 bids were received. He reviewed the construction schedule and then the bids received. Mr. Doctoroff noted i2 Construction was the recommended bidder given their experience with construction and competitive price. Mr. Doctoroff noted the lowest bidder was not chosen based on best value considerations and input from the architect. Thereafter Commissioner Holen inquired about COVID funding opportunities and Mr. Stewart reported on the CARES Act and its application to only a very small eligible component of costs given the complexities of application. Commissioner Holen noted the County found the application process to be quite manageable and encouraged Authority to more closely analyze the process. Councilmember Bergan also noted the City was able to look at HVAC systems given COVID implications. Commissioner Tedesco asked about the positioning of the television screens to ensure visibility for both board and audience. Following the discussion, Councilmember Hurst moved that the Board of Directors approve the award of Contract No. EN-20-AUTH-1 to Integrated Interiors, LLP dba as i2 Construction, LLP, in the amount of \$936,093.00 and authorize the Executive Director to execute the contract, subject to the review and approval of General Counsel. The motion was seconded by Councilmember Bergan and approved unanimously by the Board.

Budget Workshop:

Financial

Performance:

Mr. Stewart announced commencement of the budget workshop phase, noting a 10:30 break, the availability of budget documents on BoardPaq and question submission on the Zoom “chat” function.

Mr. Myers then addressed the Board and opened the Budget and Planning Workshop with a review of the agenda and noted review by the Finance Committee.

Ms. Heitman then reviewed the Authority’s financial performance with the Board, with review of transactions for 2020 over year to date 2019 which is at a 35.6% reduction due to the pandemic. She reviewed the 2020 budget projections versus actual transactions in 2020. She then presented total transactions by roadway, noting E-470 comprises 70% of the total within the back office toll system. She also reviewed allocation of back office processing fees for 2019.

Ms. Heitman then reviewed the year-to-date operating budget for the Authority noting operating revenues, operating expenses and presenting an overall summary of the same. She mentioned the transfer of \$36M from the General Surplus Account to the Authority’s Debt Service Account during 2020 to maintain the Authority’s debt service coverage ratio as required by the Authority’s bond covenants and consider the financial goals for this coverage.

Ms. Heitman turned to the 2020 Capital Budget and how it was managed through COVID without taking critical projects offline or creating deferred maintenance.

Strategic Plan:

Mr. Myers reviewed with the Board their Strategic Plan Summary sheet, noting the icons which will be embedded in the budget slides linking to goals and budget planning. He also mentioned the Work plan developed in 2020 to ensure projects and staff work supports the strategic plan.

2021 Operating Budget:

Mr. Myers reviewed the overall 2021 Operating Budget Summary with the Board, reviewed revenues by source noting 89% of the Authority’s revenues come from tolls. Mr. Myers reviewed the anticipated 7% decrease in projected toll revenues in 2021 coming directly from the CDM Smith May 2020 traffic and revenue report and described the various COVID elements which drove the same and continue to be open questions. Commissioner Holen asked about putting additional money into reserve in anticipation of future COVID impacts and Mr. Myers reported that additional funds are available from reserves if needed and close monitoring will be necessary related to debt service ratios and budgeting before the December budget approval.

He then turned to the proposed operating expenses for 2021, noting the universal departmental reductions rolling into an overall 8% reduction in operating expenses from the 2020 budget.

2021 Capital Budget: Mr. Myers presented the 2021 Capital Budget Summary to the Board, noting the emphasis on information technology projects and software/hardware upgrades and mentioning some of the planning for capital improvements including the anticipated road widening from I-70 to potentially 104th Avenue which includes two new interchange projects and improvements to two existing interchanges. He then reviewed capital projects for 2022 and 2023, including the I-70 to 104th Avenue road widening, interchange improvements, next generation lanes systems and back office as well as relocation of the Central Maintenance Facility. Mr. Myers then touched on long term capital estimates and widening projects.

Engineering and
Roadway
Maintenance:

Mr. Thomson noted some of the 2020 accomplishments including: road widening from Quincy to I-70, MSS-A Expansion, planning and Master Plan updates, HAZMAT route analysis and petitioning, the sale of the CMF to Aurora Highlands and toll plaza redevelopment leasing to Applegreen. He also mentioned the myriad development permits, shared some images of the various projects, and reviewed the 2020 annual certification from SEH related to asset management and the need to work on embankment protectors and work on silt related issues.

He then reviewed 2021 activities and planning and design for the road widening with construction anticipated to commence in 2022 with an expanded 3-year anticipated construction window. Mr. Thomson reviewed the various interchange IGAs commenced and anticipated with other local governments.

He reviewed 2021 operational landscaping budget decreases, reduction in stand-by hours for storm events and reduced payment and sign maintenance given COVID impacts. As to capital items he noted rehabilitation of pavement needed to accommodate the Authority's Next Generation Lane System project. Commissioner Holen commended Mr. Thomson on addressing COVID fiscal constraints in a thoughtful manner. Councilmember Bergan echoed the thoughts and mentioned her appreciation for Mr. Thomson's timely budget and quality management efforts for the road widening projects. Councilmember Hurst addressed the Board and noted development in Commerce City along the E-470 corridor and that the 88th Avenue Interchange will be a great pressure relief.

Commissioner Tedesco announced a break at 10:26 with the meeting reconvening at 10:40.

Information
Technology
Department:

Mr. Smith addressed the Board and reviewed notable IT accomplishments in 2020 including TAP platform upgrades, various matters related to Next Generation Lane Software and work with HPTE related to the same and regarding various HPTE projects, the COVID-19 initiative allowing remote working during the pandemic, and security enhancements.

Mr. Smith then discussed how the 2021 projects link to the Authority's Strategic Plan mentioning a security focus.

He discussed the reductions being made for the 2021 operating budget and the move to a subscription oriented model as well as external resources being used for several large projects. He then moved to the 2021 capital budget and discussed back office upgrades and the continued Next Generation Lane System project. Councilmember Bergan asked about flexibility in the budget and Mr. Smith responded to the question

Finance Department: Mr. Myers then reviewed the Finance Department's 2020 accomplishments with the Board including: COVID-19 adaption and debt transaction refinancing and restructuring efforts, maintaining the Authority's "A" credit even during COVID, debt management efforts and the Traffic and Revenue Study adaptations and flexibility.

He then reviewed the Finance Department's linkage to the Strategic Plan noting continued debt management including the 2021 bond transaction of variable rate debt, future toll rate and financial priorities as well as the operating budget summary for the department. He noted the reduction in credit card fees related to the reduction in anticipated 2021 toll revenue. He then reviewed the capital budget for finance.

Toll Operations Department and Tolling Services: Ms. Carson reported the Operations Department 2020 accomplishments noting: the call center/image processing work with the IT Department during COVID, the IBTTA toll excellence award (Proactive Traffic Management Program), the maintenance of call center service performance levels, road management achievements and marketing efforts.

She noted focus on 3 areas from the Strategic Plan: (a) external with focus in IBTTA, movements toward NIOP and the Contact Center RFP, (b) customer with focus on implementing web chat and social media tools, implementation of next generation contact center solution and lane systems, and (c) financial with focus on enhancing/streamline DMV retrieval processes.

Ms. Carson reviewed the overall 10% decrease in the Operations Department budget, related to less travel and lower printing/postage and associated costs which decrease with lower traffic.

Finally, she reviewed the 66% decrease in the capital budget related to lower traffic, less accounts and fewer transponders and working from home as well as completion of the website.

Ms. Carson then reviewed the 2020 accomplishments for Tolling Services, which related to the many efforts made for the Authority's tolling partners, as well as discussing 2021 efforts and initiatives and the decrease in the tolling services revenues given COVID traffic impacts. She reviewed the cost model costs for the tolling services agreements as well as the anticipated 2021 reimbursable costs.

Executive and Board of Directors: Mr. Stewart addressed the Board and reviewed the Executive accomplishments noting the formalized on-boarding process, legislative tracking, virtual Board workshops and management of COVID impacts. He noted that looking strategically into 2021, the focus is on looking at ways to provide new revenues, fostering relationship with the Authority's partners, member jurisdictions and others working with local jurisdictions to collaborate on projects and continue community outreach. From an organizational perspective Mr. Stewart emphasized staff training.

Mr. Stewart then reviewed the proposed 2021 Operational Budget noting an overall decrease of 12%.

Salary and Burden: Mr. Kramer reviewed COVID impacts on salary and burden in 2020 and the associated hiring freezes. He noted that in 2021 salary and burden would be flat as compared to 2020 with only a very slight decrease and broke down proposed 2021 salary and burden by department.

Mr. Stewart then provided a summary of the proposed 2020 budget, with an 8% overall operational budget reduction. He commended the Authority's staff for their efforts in working through the pandemic's impacts.

Executive Director Report: Councilmember Hurst commended Mr. Stewart and his staff for the careful consideration and the provision of detail to the Board as well as the adjustments which were made during the pandemic. Commissioner Tedesco expressed his appreciation for the Authority's use of solid data for budgeting and his thanks for the detail provided to the Board.

Other Business: None.

Adjournment: There being no further business to come before the Board, Councilmember Bergan moved to adjourn the meeting which motion was seconded by Councilmember Hurst and approved unanimously by the Board.

Chair of the Meeting