



**E-470 Public Highway Authority
Agenda**

**October 24, 2013
9:00 a.m.**

**22470 E. 6th Parkway
Aurora, Colorado 80018**

1. Call to Order Chair Randy Drennen
2. Pledge of Allegiance Chair Randy Drennen
3. Public Comment Chair Randy Drennen
4. Consent Calendar Chair Randy Drennen
 - a. Approve Meeting Minutes of October 10, 2013
 - b. Annual Toll Rate Confirmation (Resolution 10-10)
 - c. Common Use Agreement with IREA for Electric Utility Crossing
 - d. Valdai Street Dedication to Aurora
5. Operations Dave Kristick
 - a. Holiday Marketing Preview (Jessica Carson)
6. Non-Revenue Accounts John McCuskey
7. Executive Session Chair Randy Drennen
Executive Session pursuant to Section 24-6-402(4)(b), C.R.S., to conference with attorneys for Authority for the purposes of receiving legal advice on specific legal questions related to the status of the Authority.
8. Executive Director Report John McCuskey
9. Other Business Chair Randy Drennen
10. Adjourn Meeting Chair Randy Drennen

The next regularly scheduled meeting will be

December 12, 2013

at 9:00 a.m. at the E-470 Administrative Headquarters,

22470 E. 6th Parkway, Aurora, Colorado 80018

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD
OF DIRECTORS

OF THE

E-470 PUBLIC HIGHWAY AUTHORITY

Held: Thursday, October 10, 2013, at 8:30 a.m. at 22470 E.
6th Parkway, Aurora, Colorado 80018.

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:

Randy Drennen, City of Thornton Councilmember
Dick McLean, Mayor City of Brighton
Steve Douglas, City of Commerce City Councilmember
Josh Martin, Councilmember Town of Parker
Roger Partridge, Douglas County Commissioner
Chaz Tedesco, Adams County Commissioner
Rod Bockenfeld, Arapahoe County Commissioner,
Arapahoe County Alternate (*non-voting after Bill
Holen arrived*)
Bill Holen, Arapahoe County Commissioner (*arrived
when indicated*)
Steve Hogan, Mayor, City of Aurora

Wayne Anderson, City and County of Broomfield City
Councilmember (*non-voting*)
Sean Conway, Weld County Commissioner (*non-
voting*)
Kari Grant, CDOT/HPTE (*non-voting*)
Ron Rakowsky, DRCOG (*non-voting*)

Also present were: Shylee Ackman, HR generalist; Walt
Arnason, operations manager; Jim Brady, engineering
manager; Jessica Carson, manager of marketing and
communications; Kris Collins, staff accountant; Brent
Gienger, operations technician; David Greenaway, HR
manager; Jamie Heitman, financial analyst manager; Greg
Keller, work center supervisor; Stan Koniz, Finance Director;
Dave Kristick; deputy executive director and operations
director; Dale Lamb, application development manager;
Rhonda Loyd, accounting technician; Diane Lundquist,
executive assistant; John McCuskey, executive director;
Alexis Middlemist, operations technician; Jason Myers,

controller; Christina Shugars, financial analyst; Derek Slack, roadway maintenance engineer; Linda Soom, work center coordinator; Neil Thomson, engineering and roadway maintenance director; Alexis VeraCruz, marketing coordinator; Micheli Watson, administrative land management supervisor; Heidi Weinstein, social media coordinator; and Marsha Williams, information technology director, E-470 Public Highway Authority; Dan Christopherson, Christopherson & Co.; Josh Benninghoff, Stifel Nicolaus; Chuck Cook, Morgan Stanley; Pedro Costa and Danna Trelz, NWP, LLC; Rod Filliben and Laura McCormick, KPMG; Dick Fontane and Michael Persichitte, George K. Baum; Sandra Gonzalez, Benton Greer, Jerry Mayo, Ron Newlander, Jack Nicholls, Priscilla Scadden and Brooke Witte, MHTS; Brian Harms, Linebarger, Goggan, Blair & Sampson; Paul Marcella and Kamran Khan, CDM Smith; Michael Lund, Piper Jaffray; Tom Weihe, Kutak Rock; Tamara Seaver and Ed Icenogle, Icenogle Seaver Pogue, P.C.

- Call to Order: Chairman Drennen called to order the regular meeting of the Board of Directors of the E-470 Public Highway Authority.
- Pledge of Allegiance: Chairman Drennen led those present in reciting the pledge of allegiance.
- Public Comment: Chairman Drennen asked for comments from the public in attendance. No members of the public asked to be heard.
- Consent Agenda: Councilmember Martin moved approval of the consent calendar, consisting of approval of meeting minutes of September 12, 2013 and an Amendment (Extension) to the Credit Card Processing Agreement with U.S. Bank. Commissioner Tedesco seconded this motion, which was thereafter approved by the Board of Directors. Commissioner Holen arrived at this point in the meeting and participated on behalf of Arapahoe County.
- CDM Smith Report on Toll Rate Differential: Mr. Koniz introduced Mr. Marcella, who presented a report on a toll rate differential analysis conducted by CDM Smith. The analysis discussed the history of rate differential between ExpressToll and license plate tolling (LPT). The report also projected traffic and revenue differences if the differential remains at 25%, is increased to 33% or is increased to 50%. The Board then discussed at length factors favorable and unfavorable in connection with adjusting the toll rate differential between ExpressToll and LPT. While no action was taken, Board consensus appeared to be to leave the differential at 25% and directed staff to prepare the Authority's 2014 budget accordingly.

Capturing Toll Leakage: The Board discussed at length actions which may be undertaken to reduce “leakage,” or uncollected toll transactions, whatever the cause. A primary cause discussed was tolls lost for inability to read temporary vehicle plates. Asked about the status of efforts with the State’s Division of Motor Vehicles to change to readable temporary plates, Mr. Kristick advised that the Division has announced it is no longer pursuing such a change. Commissioner Conway suggested, and the Board agreed, that a representative of Division should be invited to a future meeting of the Board to explain that decision.

2013 Traffic and Revenue: Mr. Koniz reviewed with the Board the course of traffic and revenue year to date in 2013, showing comparisons to past years. Healthy increases in both traffic and revenue were noted.

2013 YTD Budget and Finance Update: Mr. Koniz reviewed with the Board the budgetary performance of the of the Authority year to date in 2013, and reported generally on the finances of the Authority, including its outstanding debt and projected retirement thereof.

Discussion of Authority Status:: Mayor Hogan raised as an issue reviewing the status of Authority assets, and the possibility of budgeting or reserving some funds for the benefit of member entities and related projects. He requested a discussion of measures that might be considered for the protection of Authority assets. Upon Chairman Drennen’s question, Ms. Seaver advised that some aspects of the issues raised by Mayor Hogan have previously been discussed with the Board, although at a time prior to membership of most of the present directors on the Board. She also noted that response to Mayor Hogan’s issues would, entirely or in large part, involve legal advice, which the Board may choose to receive in public session or in executive session. Board consensus was to convene an executive session to discuss such legal advice at the Board’s next meeting.

2014 Proposed Capital Budget: Mr. Koniz presented staff’s proposed 2014 capital budget, delineating projected capital projects in 2014.

Operating Budget Summary: Mr. Koniz reviewed with the Board a summary of a staff-proposed 2014 operating budget, summarizing the proposed budgets for the Authority’s operating components. He noted that tolls for 2014 are projected at \$138,787,000 and other income at \$21,690,000, for total projected revenue of \$160,477,000.

Budgeted operations expenditures were proposed at \$34,289,100, with debt service proposed at \$85,019,100. He advised the budgeted debt service ratio is 1.48, compared to an Authority bond covenant of 1.3

Departmental Budgets: In turn, Mr. Koniz, Mr. Kristick, Ms. Williams and Mr. Thomson reviewed in detail the 2013 performance and the proposed 2014 budget for their respective departments. Mr. McCuskey also reviewed performance and budget for the executive director and the Board of Directors.

Compensation Plan Review: Mr. McCuskey reviewed with the Board a proposed compensation plan, including a 2.75% market adjustment and a 2.0% performance pool for 2014.

Executive Director's Report: The Board's next regular meeting is October 24, 2013. No regular meetings will be held in November, Mr. McCuskey announced. He also reported on attendance and participation in the Long Range Legislative Transportation Committee's annual meeting.

Other Business: Chairman Drennen advised the Board that he will no longer serve on the Board after the October meetings, as he has not sought re-election to the City of Thornton Council, the election for which will be the first Tuesday in November.

Adjournment: There being no further business to come before the Board, Chairman Drennen declared the meeting adjourned.

Chair of the Meeting

E-470 2013 Calendar

January 2013

January 10 BOARD MEETING 9:00 A.M.
Board Officer Nominations and
Election
January 21 Martin Luther King, Jr.'s Day
-Office Closed
January 24 BOARD MEETING 9:00 A.M.

February 2013

February 14 BOARD MEETING 9:00 A.M.
February 18 Presidents' Day – Office Closed
February 28 BOARD MEETING 9:00 A.M.

March 2013

March 14 BOARD MEETING 9:00 A.M.
March 28 BOARD MEETING 9:00 A.M.

April 2013

April 11 BOARD MEETING 9:00 A.M.
April 25 BOARD MEETING 9:00 A.M.

May 2013

May 9 BOARD MEETING 9:00 A.M.
May 23 BOARD MEETING 9:00 A.M.
May 27 Memorial Day – Office Closed

June 2013

June 13 BOARD MEETING 9:00 A.M.
June 27 BOARD MEETING 9:00 A.M.

July 2013

July 4 Independence Day –
Office Closed
July 11 BOARD MEETING 9:00 A.M.
July 25 BOARD MEETING 9:00 A.M.

August 2013

August 8 BOARD MEETING 9:00 A.M.
August 22 BOARD MEETING 9:00 A.M.

September 2013

September 2 Labor Day – Office Closed
September 12 BOARD MEETING 9:00 AM
September 22 IBTTA 81st Annual Meeting
To 25 and Exhibition
September 26 BOARD MEETING 9:00 AM

October 2013

October 10 BOARD WORKSHOP.
October 24 BOARD MEETING 9:00 A.M.

November 2013

November 14 BOARD MEETING 9:00 A.M.
November 28 Thanksgiving – Office Closed
and 29

December 2013

December 12 BOARD MEETING 9:00 A.M.
December 24 Christmas – Office Closed
and 25

E-470 2014 Calendar

January 2014

January 9 BOARD MEETING 9:00 A.M.
Board Officer Nominations and
Election
January 20 Martin Luther King, Jr.'s Day
-Office Closed
January 23 BOARD MEETING 9:00 A.M.

February 2014

February 13 BOARD MEETING 9:00 A.M.
February 17 Presidents' Day – Office Closed
February 27 BOARD MEETING 9:00 A.M.

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March 27 BOARD MEETING 9:00 A.M.

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June 12 BOARD MEETING 9:00 A.M.
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July 4 Independence Day –
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July 24 BOARD MEETING 9:00 A.M.

August 2014

August 14 BOARD MEETING 9:00 A.M.
August 28 BOARD MEETING 9:00 A.M.

September 2014

September 1 Labor Day – Office Closed
September 11 BOARD MEETING 9:00 AM
September 14 IBTTA 82nd Annual Meeting
To 17 and Exhibition
September 25 BOARD MEETING 9:00 AM

October 2014

October 9 BOARD WORKSHOP.
October 23 BOARD MEETING 9:00 A.M.

November 2014

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November 27 Thanksgiving – Office Closed
and 28

December 2014

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December 25 Christmas – Office Closed
and 26