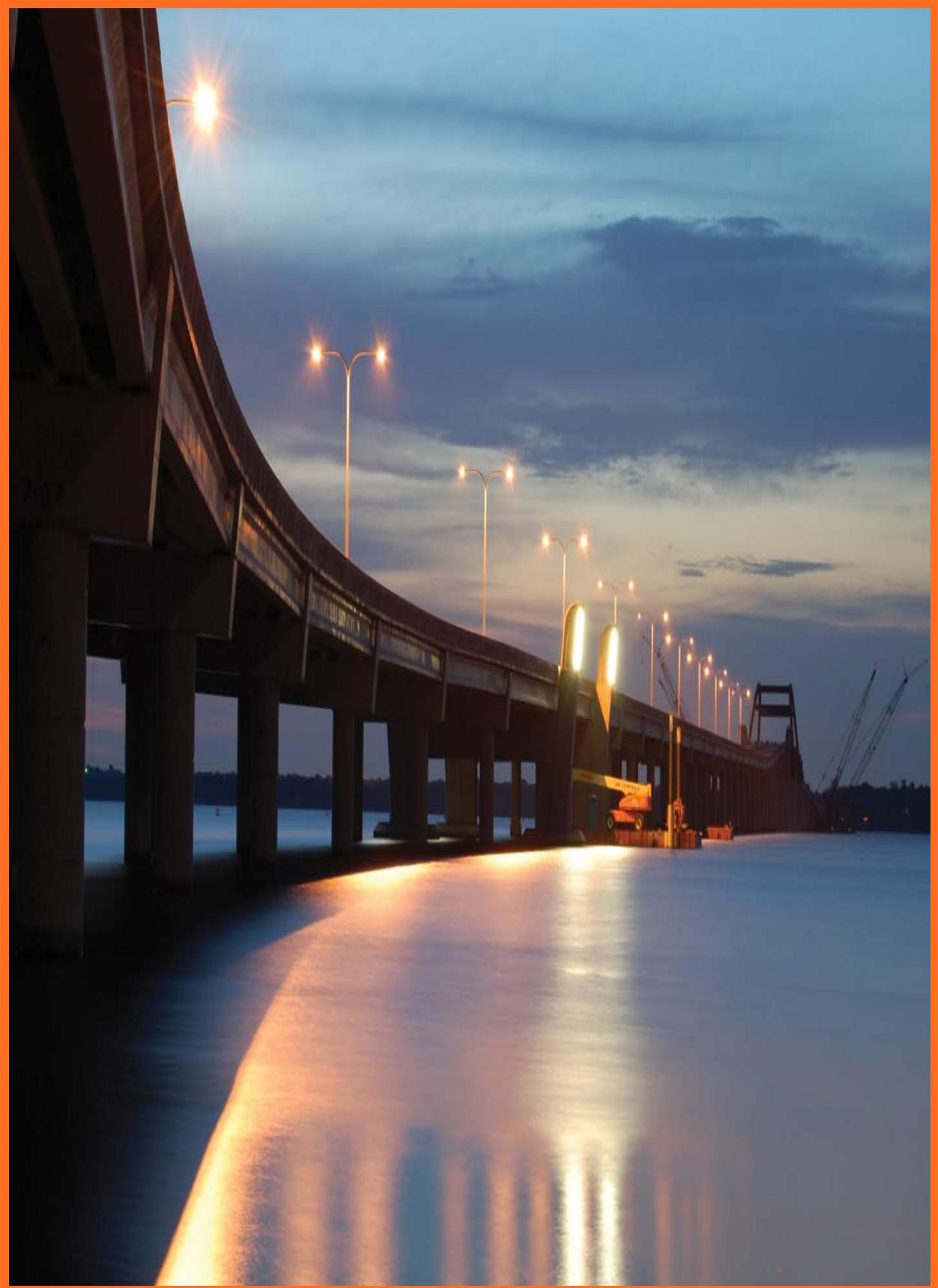


NORTH TEXAS TOLLWAY AUTHORITY

2013  
FINAL  
BUDGET





## READERS ROADMAP TO THIS DOCUMENT

This Readers Roadmap is a guide to help the reader navigate through the North Texas Tollway Authority's Fiscal Year 2013 Budget. This document is prepared in compliance with the Trust Agreement <sup>(1)</sup> and is designed to give the board, bond holders, elected officials, the public, and staff a detailed understanding of the Authority's approach to its operations for FY2013. The Authority's fiscal year begins on January 1, 2013 and ends December 31, 2013.

### BUDGET DESIGN

The budget is divided into five major sections. Footnotes and page references are used to direct the reader to other sections of the document for more detail. The sections are as follows:

**Introductory** – This section contains the transmittal letter addressed to the Board of Directors with an overview chart showing the 2013 Budget compared to 2012. The section also contains a map of the System; a document showing the history of the Authority; an organization chart and list of officials; the assumptions, goals, and accomplishments of the budget; and an Executive Summary which verbally and graphically conveys the major initiatives and issues impacting the 2013 Budget; the Five-Year Strategic Plan showing the goals, objectives, and accomplishments for 2011 through 2015; and the Government Finance Officers Association (GFOA) Distinguished Budget Award for FY2012. (See pages 9-31)

**Budget Overview** – This section contains a description of the funds addressed in the budget document. The Authority uses fund accounting to track its various activities. The funds and their corresponding activities are outlined by the Trust Agreement. Most of the reports in this section are presented by department and then fund; with the Authority grouping the departments into Administrative Services and Operational Services. The reports show comparisons to prior year or years, actual, budget, or estimate amounts. The reports included in this section are: the Revenue Detail showing toll revenues by project and detailed other revenue; the Revenue and Coverage Calculation showing the distribution of revenue to the various funds and the debt service coverage amounts; Summary of Funds for 2013 and 2012 showing all the departments estimated expenditures for all the funds; Operation and Maintenance Fund (OMF) showing actual to budget expenditure by department; OMF report showing budget amounts by account; a 2013 Staffing Summary History showing full time employee budgeted positions over a number of years; and informational graphs. (See pages 35-56)

(1) See Appendices Section, page 178

**Departmental Budget** – This section starts with the Operation and Maintenance Fund Budget showing comparisons of 2013 and 2012 budgets by departments as well as an estimated Fund Requirements report showing the beginning balance, funding sources, estimated expenditures, and estimated ending balance or requirement. It also contains an Executive Summary, a detailed account Operation and Maintenance Fund (OMF), and a detailed account Summary of All Funds; for each individual department. The Executive Summary has the department description, the departments 2012 accomplishments and 2013 initiatives, a position summary, and the departments organizational chart. The OMF Budget Summary shows the account variance from 2013 to 2012 budgets. The Summary of All Funds shows a comparison of 2013 to 2012 budgets. (See pages 59-147)

**Other Funds** – This section contains reports for the Construction Funds, the Reserve Maintenance Fund, the Capital Improvement Fund, and the CIF/Revolving Account-Feasibility Study Fund. Each fund will have the following reports: an Estimated Comparison report showing the 2013 estimated expenditures compared to 2012, summarized by department; a Fund Project report listing the major projects or purchases; an Estimated Fund Requirements report showing the estimated beginning balance, funding sources, estimated expenditures, and estimated ending balance or requirement; and a Fund Estimate report showing detailed account expenditures by department. (See pages 151-172)

**Appendices** – The last section contains documents showing the complete budget policies and process; the Authority’s financial and debt policies including a debt service schedule; and documents describing and supporting the major revenue source and the distribution of revenue. Also included, is a document discussing the long term financial plans; a schedule showing long term financial projections; a document showing the impact of capital expenditures on the operating budget; and a glossary of terms and acronyms. (See pages 175-231)

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# INTRODUCTORY SECTION



December 19, 2012

NORTH TEXAS TOLLWAY AUTHORITY  
Board of Directors

We are pleased to submit for your review the 2013 Budget of the North Texas Tollway Authority ("NTTA" or "Authority").

Section 505 of the Trust Agreement for the NTTA System, requires that the Board adopt a Preliminary Budget of current expenses (operating budget) and the deposit to the Reserve Maintenance Fund for the following year in October of the current year. The Final Budget must be adopted in December or the budget for the previous year will remain in force until the Board adopts a new budget.

This chart provides an overview of the 2013 Budget with a comparison to the 2012 Final Budget.

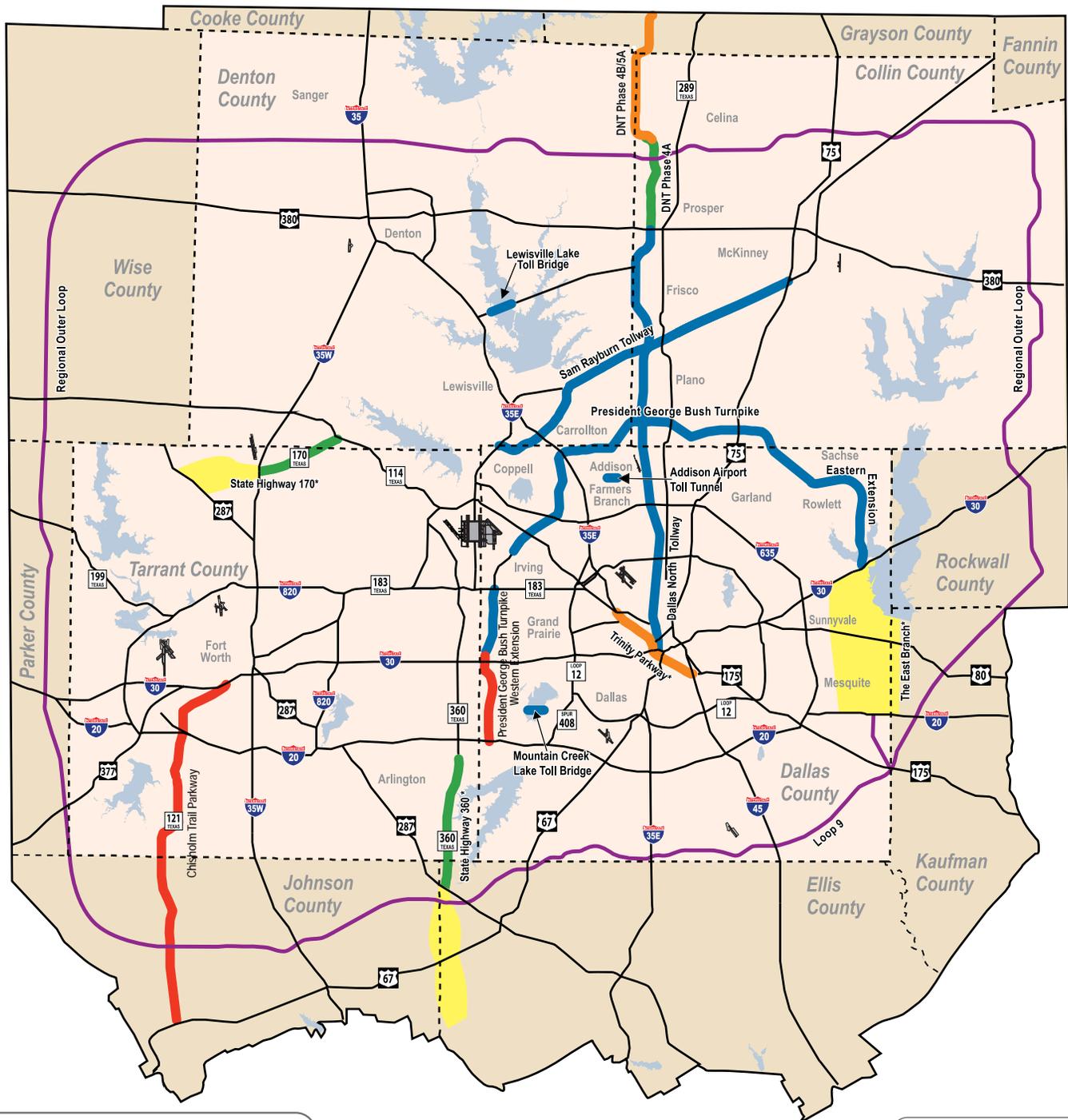
	North Texas Tollway Authority	
	2013 Budget	2012 Budget
Estimated Revenues	\$517,860,948	\$480,812,433
Operating Budget	116,268,908	\$117,389,388
Total Net Debt Service	\$325,620,273	\$274,412,484
Estimated Coverage First Tier	1.50	1.57
Estimated Coverage All Debt	1.13	1.21
Reserve Maintenance Deposit	0	8,815,969
Estimated Capital Improvement Fund Deposit	\$76,864,461	\$86,043,080

If you have any questions, or need additional information, please let us know. We look forward to presenting and discussing the 2013 Budget at the December 19, 2012 meeting.

Very truly yours,

  
Gerald Carrigan, *Executive Director*

  
Janice D. Davis, *Chief Financial Officer*



**TOLL FACILITIES**



President George Bush Turnpike



Addison Airport Toll Tunnel



Dallas North Tollway



Lewisville Lake Toll Bridge



Sam Rayburn Tollway



Mountain Creek Lake Toll Bridge

**LEGEND**



- Existing
- Under Construction
- In Development
- Corridor Study
- Study Area
- Regional Outer Loop
- - - County Line
- Airports

\*Projects subject to primacy requirements pursuant to Senate Bill 19, passed by the 82nd Texas Legislature. June 2012

# **HISTORY OF THE NORTH TEXAS TOLLWAY AUTHORITY**

The Turnpike Act of 1953 passed by the Texas Legislature and signed into law on June 9, 1953, created the Texas Turnpike Authority. The Authority issued its first bonds in June 1955 to construct the first project, a 30-mile strip of asphalt and concrete called the Dallas-Fort Worth Turnpike. On December 31, 1977, this project was declared toll-free and was turned over to the Highway Department (currently the Texas Department of Transportation).

In June 1997, the Texas Legislature approved a bill to create the North Texas Tollway Authority (the Authority), a regional tollway authority under Chapter 366, Transportation Code. Effective September 1, 1997, the Authority became the successor agency to the Texas Turnpike Authority and succeeded to all assets, rights, liabilities, and other property of the Texas Turnpike Authority located in Collin, Dallas, Denton, and Tarrant Counties. The Authority also assumed and became liable for all duties and obligations related to the Texas Turnpike Authority at that time.

The Authority is a political subdivision of the State of Texas, authorized and empowered by the Regional Tollway Authority Act (the Authority Act) to construct, maintain, repair, and operate turnpike projects within Collin, Dallas, Denton, and Tarrant Counties. The Authority is further authorized to issue turnpike revenue bonds, payable solely from tolls and other revenue of the Authority, for the purpose of paying all or any part of the cost of a turnpike project. Under the provisions of the Act, these revenue bonds shall not be deemed to constitute a debt or a pledge of the faith and credit of the State of Texas or of any other political subdivision thereof.

The North Texas Tollway Authority System (the System) is the enterprise fund of the Authority. The System is a turnpike project of the Authority and consists of the Dallas North Tollway (DNT), the Addison Airport Toll Tunnel (AATT), the President George Bush Turnpike (PGBT), the Mountain Creek Lake Bridge (MCLB), Sam Rayburn Tollway (SRT), and the Lewisville Lake Toll Bridge (LLTB). Currently, the System is approximately 100 miles long and has a total of 744 lane miles.

In April 2011, the Authority created the Special Projects System to account for two stand-alone projects. These two projects of the Authority are the President George Bush Turnpike – Western Extension (PGBT-WE), and the Chisholm Trail Parkway (CTP). Currently, the Special

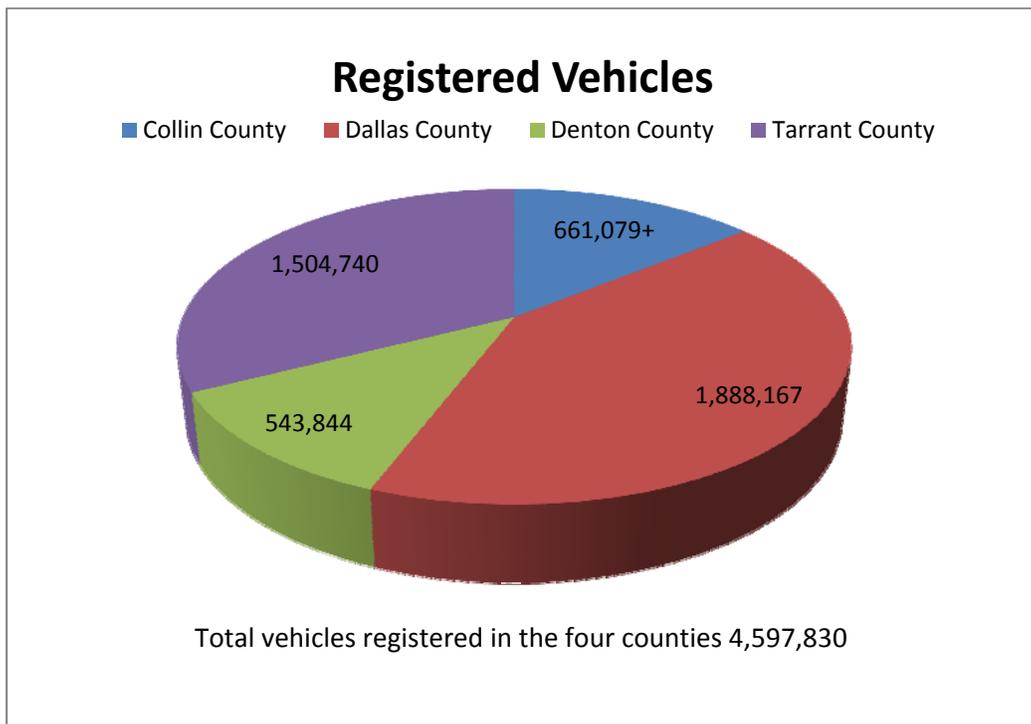
Projects System is approximately 12 miles long and has a total of 106 lane miles.

In addition, Chapter 366 authorized the Feasibility Study Fund to be used only to pay the expenses of studying the cost and feasibility and any other expenses relating to:

- 1) The preparation and issuance of bonds for the acquisition and construction of a proposed turnpike project for the Authority;
- 2) The financing of the improvement, extension or expansion of an existing turnpike or Authority;
- 3) Private participation, as authorized by law, in the financing of a proposed turnpike project or Authority, the refinancing of an existing turnpike project or Authority or the improvement, extension or expansion of a turnpike project or Authority.

Senate Bill 194, which was subsequently replaced by Chapter 366, authorized the establishment of the Dallas-Fort Worth Turnpike Transition Trust Fund, a Fiduciary Fund, to account for the payment of transition costs and other obligations payable from funds of the Dallas-Fort Worth Turnpike at December 31, 1977, such as post-employment benefits.

Today the NTTA continues working to meet the demands of traffic in the North Texas four county regions. A region with 4.6 million registered vehicles and a population that has grown by 17.5 percent in the last 10 years.



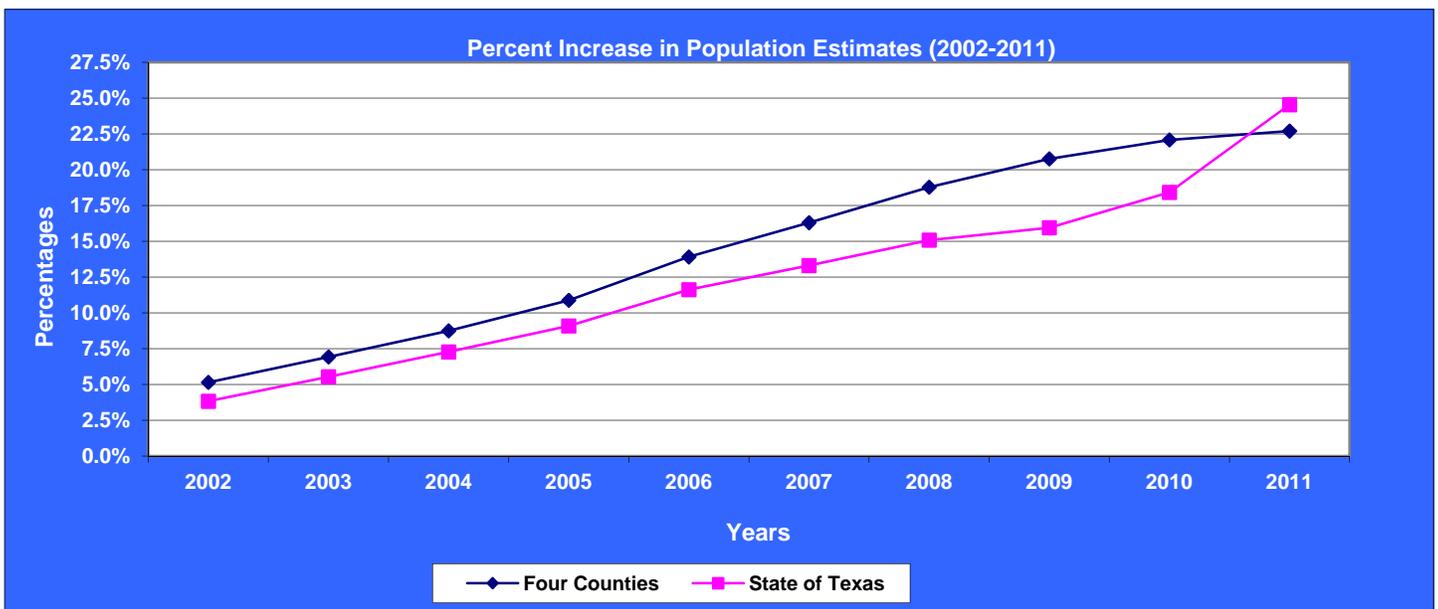
NORTH TEXAS TOLLWAY AUTHORITY

For years 2002-2011

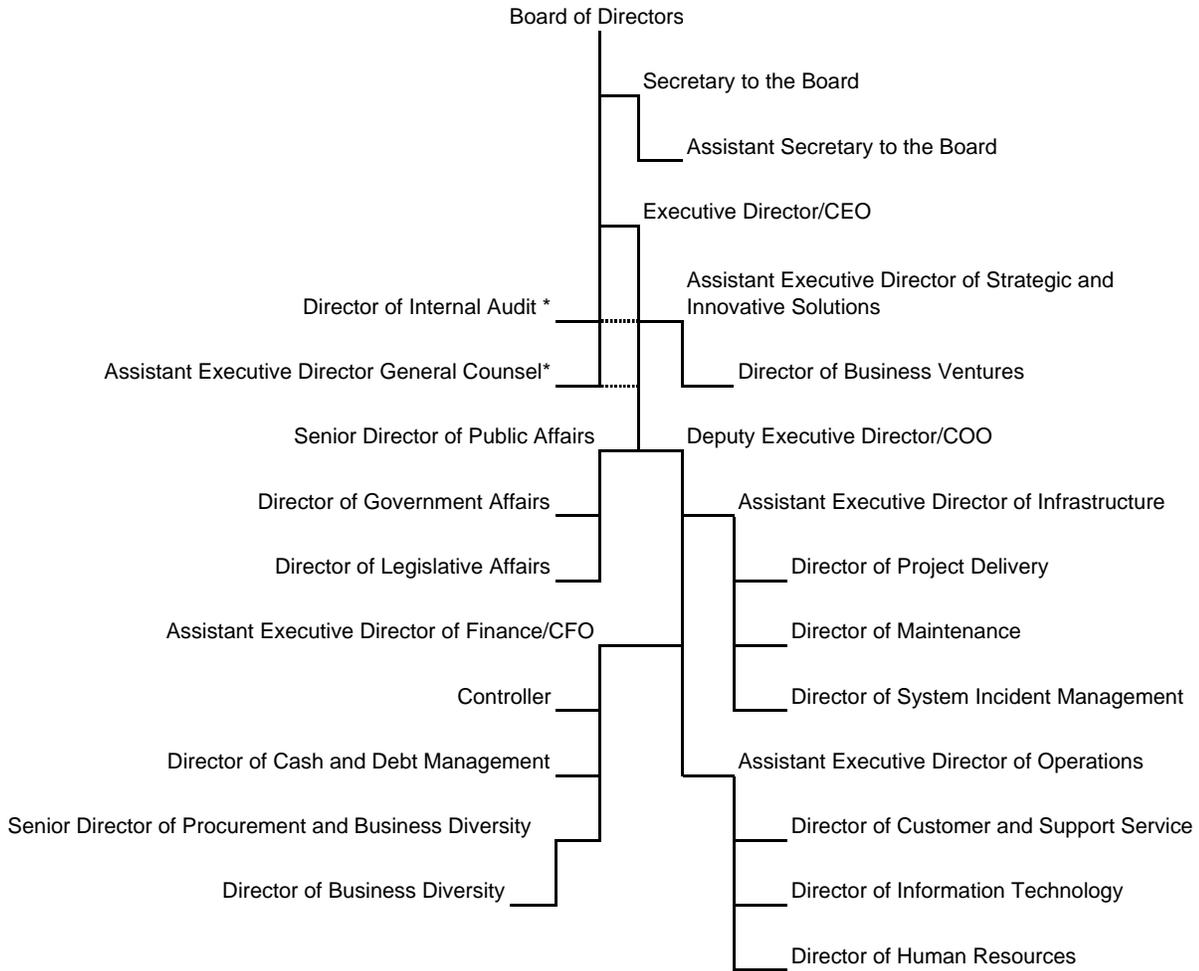
Demographic Data-Combined Four Region and State of Texas Estimated Population Data

Year	COLLIN	DALLAS	DENTON	TARRANT	Est. Four County Regional Totals	Estimated Texas Totals	Percentage Change (From Prior Years)	
							4 County	TEXAS
2002	563,565	2,250,326	487,617	1,524,249	4,825,757	21,690,325	1.47%	1.89%
2003	589,394	2,246,432	509,732	1,553,086	4,898,644	22,030,931	1.51%	1.57%
2004	617,802	2,244,020	529,811	1,580,595	4,972,228	22,394,023	1.50%	1.65%
2005	647,187	2,250,830	553,669	1,612,048	5,063,734	22,778,123	1.84%	1.72%
2006	683,935	2,275,434	581,561	1,662,005	5,202,935	23,359,580	2.75%	2.55%
2007	714,330	2,291,891	609,001	1,707,157	5,322,379	23,831,983	2.30%	2.02%
2008	741,264	2,314,018	630,104	1,745,602	5,430,988	24,309,039	2.04%	1.98%
2009	765,791	2,346,378	649,702	1,784,078	5,545,949	24,801,761	2.12%	2.03%
2010	782,341	2,368,139	662,614	1,809,034	5,622,128	25,145,561	1.37%	1.39%
2011	791,470	2,374,175	673,780	1,817,840	5,657,265	25,883,999	0.62%	2.94%
<b>Increase/Decrease Total from Year 2002 to Year 2011</b>	<b>227,905</b>	<b>123,849</b>	<b>186,163</b>	<b>293,591</b>	<b>831,508</b>	<b>4,193,674</b>		

All information obtained from US Census Bureau and North Central Texas Council of Governments



**NTTA  
Organization Chart  
2013**



\*Internal Audit and General Counsel report directly to the Board and indirectly to the Executive Director.

**North Texas Tollway Authority  
List of Officials  
For 2012**

**Board of Directors**

<b>Kenneth Barr</b>	<b>Chairman, Tarrant County Appointee</b>
<b>Bill Moore</b>	<b>Vice-Chair, Collin County Appointee</b>
<b>Matrice Ellis-Kirk</b>	<b>Director, Dallas County Appointee</b>
<b>David R Denison</b>	<b>Director, Denton County Appointee</b>
<b>Michael R. Nowels</b>	<b>Director, Denton County Appointee</b>
<b>William “Bill” Elliott</b>	<b>Director, Governor Appointee</b>
<b>George “Tex” Quesada</b>	<b>Director, Dallas County Appointee</b>
<b>Victor Vandergriff</b>	<b>Director, Tarrant County Appointee</b>
<b>Jane Willard</b>	<b>Director, Collin County Appointee</b>

**Officials**

Gerald Carrigan	Executive Director
John D. Carreker III	Deputy Executive Director
Ruby Franklin	Board Secretary
Magdalena Kovats	Director, Internal Audit
Thomas Bamonte	Assistant Executive Director, General Counsel
Janice D. Davis	Assistant Executive Director, Strategic and Innovative Solutions
Elizabeth Mow	Assistant Executive Director, Infrastructure
Vacant	Assistant Executive Director, Operations
Vacant	Assistant Executive Director, Chief Financial Officer
E. Ray Zies	Controller
Kim Jackson	Senior Director, Public Affairs
Felix Alvarez	Senior Director, Procurement and Business Diversity
Dana Gibson-Boone	Director, Cash and Debt Management
Clayton Howe	Director, Business Ventures
Nina Arias	Director, Human Resources
Kiven Williams	Director, Customer and Support Service
Anthony Coleman	Director, Business Diversity
Marty Legé	Director, System and Incident Management
Vacant	Director, Project Delivery
Dave Pounds	Director, Information Technology
Carrie Rogers	Director, Government Affairs
Eric Hemphill	Director, Maintenance
Vacant	Director, Legislative Affairs

## **2013 BUDGET ASSUMPTIONS, GOALS, AND ACCOMPLISHMENTS**

### **NTTA System Assumptions**

#### Revenue Assumptions:

- Toll transactions are assumed to increase by 31,326,600, from 552,795,200 to 584,121,800, or 5.7% over FY2012 estimate.
- Toll revenue is assumed to increase by \$33,227,200, from \$450,572,600 to \$483,799,800, or 7.4% over FY2012 estimate.
- Toll Tag accounts are expected to increase by 160,800 from approximately 1,340,400 to 1,501,200 an increase of 12.0%.
- Active Toll tags are expected to increase by 330,700 from approximately 2,543,500 to 2,874,200 an increase of 13.0%.
- 2013 traffic and revenue (T&R) estimation assumptions are based on the toll rates adopted by the Board of Directors on July 16, 2009 and includes the July 2013 rate increase of 2.75% or 0.4 cents a mile from 15.3 cents to 15.7 cents. It also takes into consideration the current economy.(1)

#### Expense Assumptions:

- TollTag account customer contacts are estimated to increase by 153,300 from FY2012 estimated 1,277,800, to 1,431,100 in FY2013.
- ZipCash transactions will increase total invoice processing by an estimated 3,776,000 from estimated 15,071,200 invoices in FY2012 to 18,847,200 in FY2013 or 25.1%, based on an average of 14 transactions per invoice. The invoices will generate an estimated 7,493,600 customer contacts. Included in these number are:
  - The implementing the business rule of 3 transactions and quarterly sweeps to create invoices for infrequent toll road users which will generate 1,739,700 invoices and an estimated 646,100 customer contacts.
  - The first Tolling Services Agreements (TSA 635 and TSA DFW-Connector) will start in 2013 and generate 352,700 invoices to process and 141,200 customer contacts.
- The increased customer contacts will be addressed with a flex capacity pilot program of contracting out the additional call center services.
- Department of Public Safety ("DPS") contract for September 1, 2013 to August 31, 2014 will remain the same.
- Assumptions as to what insurance plan employees will elect for FY2013. (2)

(1) For complete T&R estimation assumptions see CDM Smith reports in the Appendices Section pages 202-215).

(2) See Executive Summary-Staffing and Personnel Issues page 20.

## Goals

- Create a budget that efficiently handles a 5.7% increase in toll transactions, a 25.1% increase in invoice processing volume.
- Maintain a 1.50 times debt coverage ratio on first tier debt.
- Create a budget that contributes to the replenishment of reserve balances.
  - (1) The Reserve Maintenance Fund is required to maintain a \$5,000,000 reserve by the Trust Agreement.
  - (2) The Rainy Day Fund Account in the Capital Improvement Fund, with the ultimate goal of creating a balance of \$50,000,000 by end of FY2013.

## Accomplishments

- The 2013 Operating Budget handles the increase in toll transaction and invoice volume with an overall decrease of (\$1.1) million or 1.0% of the 2012 budget amount; (See page 46)
- The debt coverage ratio is estimated at 1.50 times on first tier debt and an estimated 1.13 times on all debt including the Intermodal Surface Transportation Efficiency Act of 1991 (“ISTEA”) loan and the Subordinated Debt of the Capital Improvement Fund. (See page 40)
- The Reserve Maintenance Fund will maintain the \$5 million required reserve and will accomplish all the maintenance projects identified to maintain the System at the adopted condition level of six or greater. (See page 163)
- The estimated \$76.9 million revenue distribution to the Capital Improvement Fund will allow for the transfer of \$24.9 million to fully fund the Rainy Day Fund and funding for the capital improvement projects identified in the 2013-2017 Five-Year Capital Plan. (See page 170)

# Executive Summary

## 2013 Operating Budget Overview

### Introduction

The North Texas Tollway Authority (“NTTA” or “Authority”) continues with its mission to enhance mobility through responsible and innovative tolling solutions. This puts the Authority at the forefront of solving the transportation issues of the North Texas region, in partnership with local, state and federal agencies and elected officials.

In April 2011, the Authority in partnership with the United States Department of Transportation (“USDOT”) and the Texas Department of Transportation (“TxDOT”) completed the financing for the President George Bush Turnpike – Western Extension (“PGBT-WE”). The 11.5-mile PGBT-WE is the very first project of the Special Projects System (“SPS”). The Authority is currently constructing Phase 4 of the project, scheduled for completion by fourth quarter 2012, and is currently operating Phases 1, 2 (opened 2009) and Phase 3 (opened 2010). TxDOT constructed phases 1, 2, and 3.

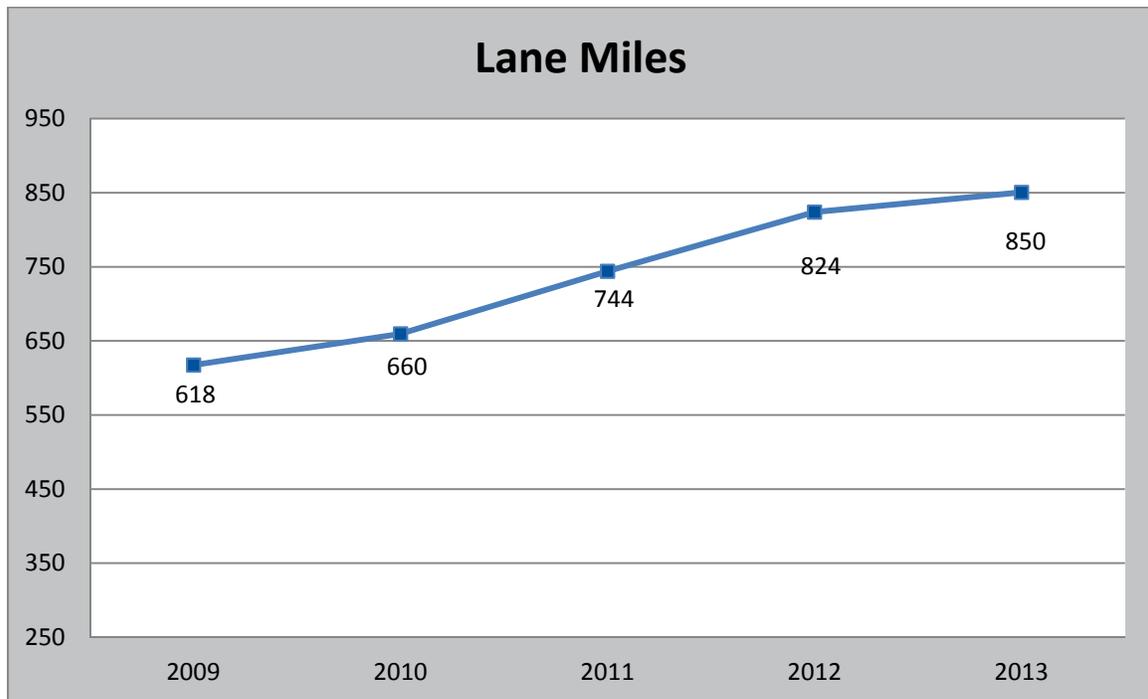
On October 2011, the NTTA Board of Directors added Chisholm Trail Parkway (“CTP”) to the Special Projects System. The CTP (formerly Southwest Parkway) is a proposed 27.6-mile toll road that will extend from downtown Fort Worth south to Cleburne. The project is collaboration between the NTTA, TxDOT, the North Central Texas Council of Governments (NCTCOG), Tarrant and Johnson counties, the cities of Fort Worth, Burleson and Cleburne, Fort Worth and Western Railroad (FWWR) and Union Pacific Railroad (UPRR). Construction on all sections began on Nov. 28, 2011. The entire corridor is expected to open to traffic in mid-2014.

These projects are stand-alone projects governed by a separate Trust Agreement. They will be operated with NTTA resources, but will not be part of the NTTA System. The SPS Operating Budget is mostly an allocation of the Authority’s operating costs and some direct cost such as contracted maintenance services, utilities, and external audit fees. The allocation of costs is a percentage of overall lane miles and toll revenue transactions. (1)

The 2013 Budget allows the Authority to continue maintaining the NTTA System to its high standards in order to provide safe, reliable, well-maintained roads for millions of people across North Texas. The facilities that make up the NTTA System consist of the Dallas North Tollway (DNT); the President George Bush Turnpike (PGBT); the President George Bush Turnpike – Eastern Extension (“PGBT-EE”); the Sam Rayburn Tollway (SRT), the Addison Airport Toll Tunnel (AATT); the Mountain Creek Lake Bridge (MCLB) and the Lewisville Lake Toll Bridge (LLTB).

The NTTA System and Special Projects System consist of revenue producing lanes (Revenue Lane Miles) and the service roads on the SRT, PGBT and PGBT-WE, which the Authority must maintain, but are not tolled (Lane Miles). Total Lane Miles has increased by 37.5% in the last five years, from 618 miles in 2009 to 850 miles in 2013.

(1) See SPS 2013 Budget at [https://www.ntta.org/whatwedo/fin\\_invest\\_info/financial\\_Info/Pages/Financial-Information.aspx](https://www.ntta.org/whatwedo/fin_invest_info/financial_Info/Pages/Financial-Information.aspx)



System	FY 2013 Lane Miles		
	Revenue Lane Miles	Service Roads	Lane Miles
DNT	179.3	-	179.3
PGBT	239.9	3.8	243.7
SRT	153.8	153.8	307.6
MCLB	3.9	-	3.9
AATT	1.4	-	1.4
LLTB	8.2	-	8.2
<b>Special Projects System</b>			
PGBT-WE	53.5	52.6	106.1
<b>Total</b>	<b>639.9</b>	<b>210.2</b>	<b>850.2</b>

Overall, the estimated toll revenue transactions for the System will increase by 31.3 million, from 552.8 million in 2012 to 584.1 million in 2013, a 5.7% increase. The Special Projects System will add an additional 28.9 million transactions. In addition, two Tolling Services Agreements will add an estimated 17.8 million transaction in 2013.

The focus of the 2013 Budget is the processing, invoicing, and collecting of ZipCash transactions. ZipCash is the Authority's trademark name for the process used to collect tolls from non-TollTag account customers, by recording license plate numbers and sending an invoice to the registered owner. The Customer and Support Services department is responsible for revenue collections. Its 2013 budget is increasing by \$8.0 million; consisting of \$2.7 for additional call center services capacity, \$1.5 million for

additional postage, \$1.5 million for additional TollTags, \$2.1 million for invoicing ZipCash transactions and image review, and \$0.2 million net decrease for all other expenses. The increases are due to the increase in TollTag accounts and the estimated increase in ZipCash transactions, which went from 111.5 million in 2012 to 135.3 million in 2013.

All other operating expenses decreased by a net amount of \$9.1 million; this includes \$3.3 million allocated to the Special Project System. Overall, the Authority's operating cost will decrease by \$1.1 million in 2013. The 2013 Operating Budget is \$117.4 million.

The budget reflects the re-organization of the Authority. A new Strategic and Innovative Solutions Department (See page 103) was created by transferring 5 positions from various departments and adding 4 new positions. The re-organization combined Communications/Marketing and Government Affairs into the Public Affairs Department; Procurement Services and Business Diversity into the Procurement and Business Diversity Department. For efficiency purposes it also aligned the reporting structure of some departments into the three key functions of infrastructure, operations and finance. (See Organizational Chart page 14). The Project Delivery, Maintenance, and System & Incident Management departments report under the infrastructure function; Customer & Support Services, Information Technology, and Human Resources report under the operations function; and Finance, Cash & Debt Management, Procurement and Business Diversity report under the finance function.

#### **Personnel comparison 2013 to 2012 budget:**

Total budgeted FTE positions for 2013 are 737. (See Staffing Summary page 54). The increase in customer contacts is handled with a pilot program of contracting out the additional call center services. This will allow the reallocating of current resources to address the increase in ZipCash transactions and invoicing.

The Internship Program has been re-implemented with 5 intern positions budgeted in Human Resources. The Legal Department maintains its own intern program with 3 positions budgeted for 2013.

#### **Staffing and Personnel Issues**

The proposed 2013 Budget includes \$1.5 million, equal to 3.5% of total base salaries, for compensation adjustments or increases.

Health care expenses continue to be a significant factor in personnel costs. The Public Employees Benefit Cooperative (PEBC) manages the Authority's health plan. Based on the insurance claim history, the insurance premiums for 2013 are increasing slightly by about \$74,000 or 1.1%.

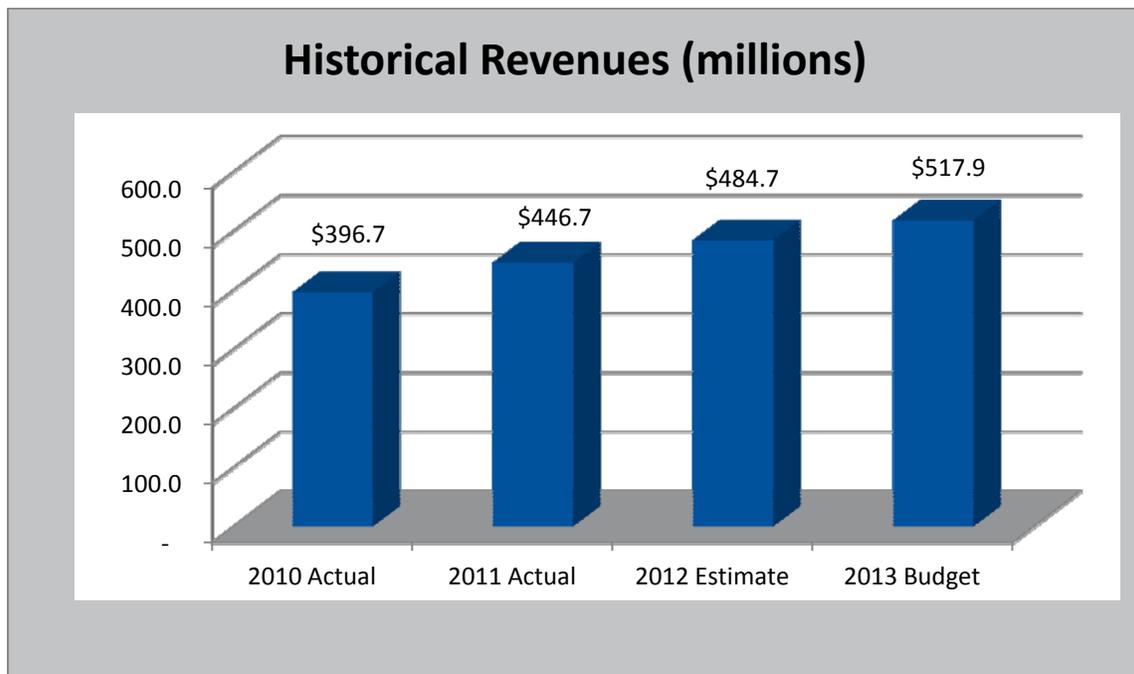
The insurance plan for 2013 will remain the same with two options, EPO and PPO. The premium cost share for both plans are as follows: 88.0% employer and 12.0% employee for the employee only coverage; 75.0% employer and 25.0% employee for the employee and spouse, child, or family coverage. The cost share on the two dental plans offered are, 25.0% employer and 75.0% employee. The 2013 Budgets include \$7.2 million for health care premiums.

The budget provides for retiree benefits at the employer/employee ratio of 8.29%/6.00%, respectfully. The budget reflects a decrease in the 2013 Texas County & District Retirement System (TCDRS) employer contribution rate from 9.10% to 8.29%, resulting in a \$312,000 decrease.

The compensation and benefits costs are budgeted 100.0% in the Operating Budgets, with transfers made from the other funds for any amounts allocated. This will allow the Authority to present a clear view of salaries and benefits and to better deal with any funding issues. The 2013 Operating Budgets (including PGBT-WE 2013 Operating Budget) have compensation and benefit costs of \$52.1 million representing 41.3% of the total budgets.

**2013 Revenues**

Total 2013 estimated revenues for the NTTA System are \$517.9 million. These revenues are comprised primarily of \$483.8 million of toll revenues, or 93.4% of total revenues. The estimated toll revenues increase by \$33.2 million from Fiscal Year 2012 (See CDM Smith projection on Pages 202-215). Other income consists of administrative fees, miscellaneous fees, and claims recovery for a combined estimate of \$28.1 million, or approximately 5.4% of total revenue. The projected Interest earned on investments is \$6.0 million, or approximately 1.2% of total revenue.



**2013 Debt Service and Loan Repayment**

Total Net Debt Service will increase to \$325.6 million in 2013 or 18.7% from \$274.4 million in 2012. Estimated 2013 total bond debt service coverage is 1.50 times first tier debt service. The Capital Improvement Fund subordinated debt interest payment for 2013 is \$23.4 million (\$11.7 million due August 1, 2013 and \$11.7 million due February 1, 2014). The \$8,000,000 ISTEPA payment is due January 1, 2014. Coverage for all debt including CIF subordinated debt and ISTEPA is 1.13 times.

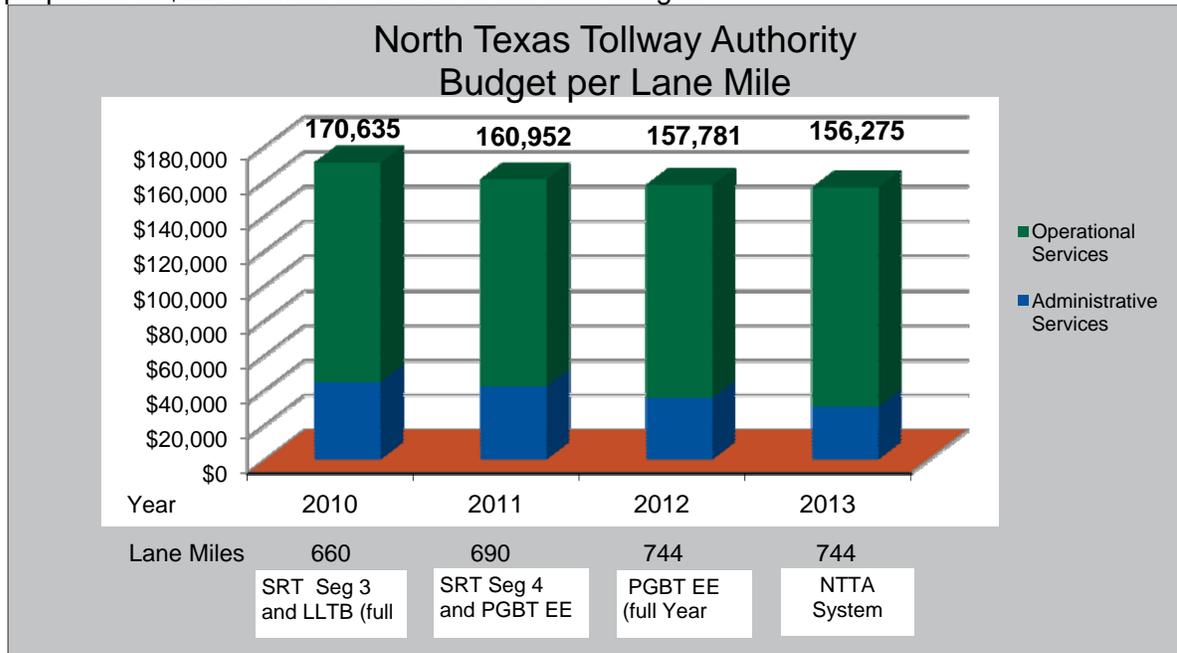
**2013 Expenditures**

The 2013 budget for operating expenses is \$116.3 million. This represents a decrease of \$1.1 million, or 1.0% over the 2012 budget of \$117.4 million.

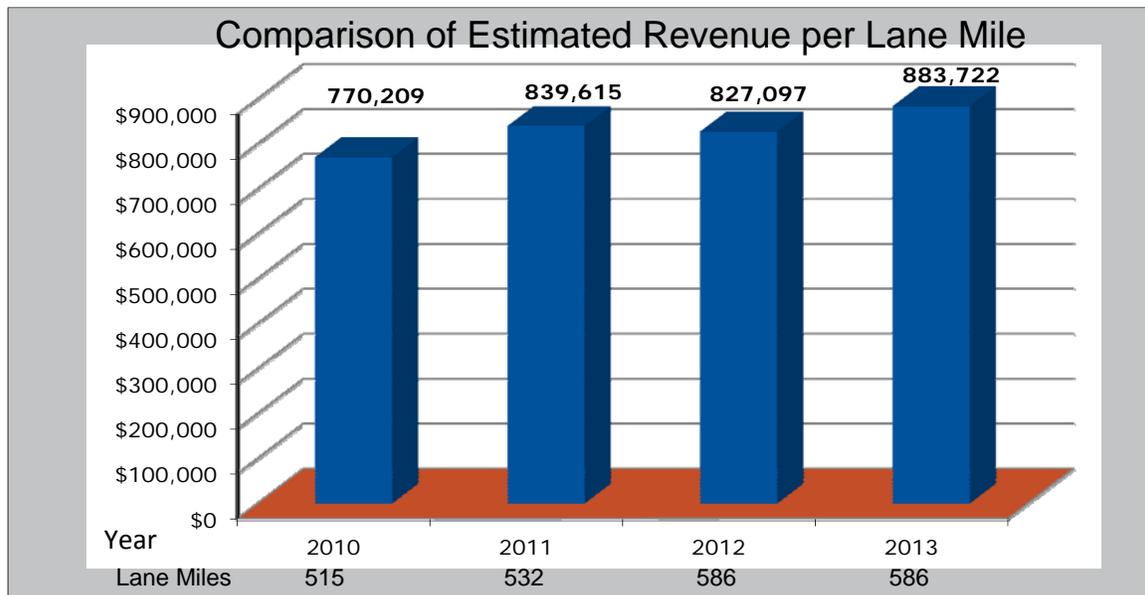
Costs directly associated with operational services of the NTTA System (Customer and Support Service, Information Technology, Maintenance, Operations, System & Incident

Management, and Project Delivery, departments) are \$93.5 million or 80.4% of the total budget.

Costs directly associated with the administrative services of the NTTA System (Administration, Board, Business Diversity, Finance, Human Resources, Internal Audit, Legal, Public Affairs, Shared Services and Strategic & Innovative Services), are proposed at \$22.8 million or 19.6% of the total budget.



The 2013 per lane mile budget of \$156,275 decreased by \$1,506 or 1.0% from 2012 budget of \$157,781; this decrease attributed to the departments' efforts to achieve greater efficiency. The 2013 System lane miles of 744.4 include 153.8 miles of service roads for SRT and 3.8 for PGBT.



System revenues per lane mile increased in 2013 to \$883,722 from \$827,097, approximately \$56,625 or 6.8%. The increase is due to a 5.7% increase in toll transactions and a scheduled toll rate increase in July 2013. The 586 lane miles for revenue represent revenue-producing lanes only.

### **Reserve Maintenance Fund**

Ongoing maintenance of the existing infrastructure is essential. Estimated expenditures of \$22.8 million for FY2013 were prefunded in 2012 so no deposit to the Reserve Maintenance Fund (RMF) is required. (See calculation on page 163) The estimated expenditures include Maintenance expenditures of \$21.2 million for infrastructure maintenance requirements, IT expenditures of \$1.4 million mostly to replace outdated servers, computer and equipment. The \$25.0 million identified in the Major Maintenance Projects section of the 2013-2017 Five Year Capital Plan (see page 220) includes \$5.6 million of 2012 projects being completed in 2013 and \$2.4 million of allocated cost.

### **Other Funds**

FY 2013 estimated expenditures of the Capital Improvement Fund (CIF) and its Revolving Account-Feasibility Study Fund (see pages 171-172) are \$47.4 million. The estimated expenditures include Maintenance expenditures of \$16.3 million for infrastructure reconstruction/repair, \$1.8 million to complete the new Frisco Maintenance Facility, and \$1.7 million for Command Center expansion at MLP 7; IT expenditures of \$14.6 million for system upgrades, enhancements, and replacements. It also contains Project Delivery expenditures of \$4.2 million to complete the ALL-ETC conversion and \$3.3 million for projects under study. The remaining expenditures of \$5.5 million are from various departments; which include \$3.0 million Letter of Credit ("LOC") for commercial paper, \$1.5 million for professional fees, traffic and revenue studies, and \$1.0 million for legal fees. The \$46.1 million identified in the Capital Improvement Projects section of the 2013-2017 Five Year Capital Plan (see page 221) is \$1.3 million less due to allocated costs estimates. The estimated deposit to the CIF is \$76.9 million, which would allow a \$24.9 million transfer to the CIF Rainy Day Fund Account (RDFA). The RDFA funding is on schedule to have a \$50 million balance by the end of FY 2013.

The Construction Funds (see page 151) of \$29.2 million is a \$3.5 million increase from the \$25.7 million identified in the NTTA System Construction Projects section of the 2013-2017 Five Year Capital Plan (see page 222). The net increase is the result of allocated costs estimates, mainly \$3.8 million for LOC and (\$0.3) million for salaries, professional and legal fees.

# **FIVE-YEAR STRATEGIC PLAN GOALS AND OBJECTIVES**

**2011 – 2015**

## **North Texas Tollway Authority Mission**

The mission of the North Texas Tollway Authority is to enhance mobility through responsible and innovative tolling solutions.

## **North Texas Tollway Authority Values**

The values of the North Texas Tollway are Integrity, Leadership, Excellence, Teamwork, and Accountability.

The five-year strategic plan with its goals and objectives developed in 2009, in a collaborative effort of NTTA's Executive Management and Board of Directors, was updated and adopted by the Board on December 2010 as the 2011 - 2015 Five Year Strategic Plan. The six goals remain the same; however the objectives have been updated. These goals and objectives drove the development of the fiscal year 2013 budget. They are the roadmap of the organization, with individual employee's goals being linked to the departmental goals and objectives, which are completely aligned with the following NTTA goals and objectives.

## **Goals and Objectives for the North Texas Tollway Authority**

Goal 1: Financially sound and vibrant organization

- Maintain compliance with Trust Agreements
- Maintain effective internal controls
- Improve and maintain financial processes

Goal 2: Highly qualified, energized and engaged team

- Recruit, develop and retain high quality people
- Recognize and reward performance
- Develop and optimize HR processes

### Goal 3: Customer-driven organization

- Reinforce the customer service culture
- Provide a high quality customer experience
- Ensure equitable collection of tolls
- Educate the public about using toll roads

### Goal 4: Innovative transportation solutions

- Plan and build quality, environmentally responsible toll facilities
- Efficiently maintain and operate system assets
- Drive internal and external safety improvements
- Leverage assets to create new customer value

### Goal 5: Respected leader and partner in the region's transportation network

- Build strong relationships with governments, partners and stakeholders
- Collaborate on regional road planning
- Ensure business relationships that reflects the diversity of the region

### Goal 6: Open and honest communications

- Develop timely and accurate internal and external communications
- Optimize use of communications channels and technology
- Maintain and improve an effective governance model

# **FIVE-YEAR STRATEGIC PLAN ACCOMPLISHMENTS and DEPARTMENT MATRIX**

**2011 – 2015**

## **Goals and Objectives Accomplished by the North Texas Tollway Authority during 2012.**

The 2011 - 2015 Strategic Plan went into effect on January 1, 2011. Since that time, staff has completed the following actions to successfully execute the strategic plan across the organization.

- Updated the strategic communications plan to support the strategy
- Completed and implemented balanced scorecards identifying executive owners
- Developed key performance indicators (KPIs) and initiatives to support each objective
- Established targets to measure progress against the plan on an ongoing basis
- Developed a progress reporting format for quarterly reporting to the Board to provide a consistent format that highlights the key trends and issues for Board input and feedback

### **Goal 1: Financially sound and vibrant organization**

- Maintain compliance with Trust Agreement.
  - Maintained First Tier debt ratio above 1.5x target
  - Maintained Debt Service Reserves at appropriate levels
- Maintain effective internal controls
  - No material weaknesses reported on 2011 audit
  - Implemented and maintained PCI compliance
- Improve and maintain financial processes
  - Financial reports delivered within target timeframes
  - Maintained investment returns above benchmark
  - The 2012 enhanced budget report was submitted and received the GFOA Distinguished Budget Presentation Award

## Goal 2: Highly qualified, energized and engaged team

- Recruit, develop and retain high quality people
- Recognize and reward performance
- Develop and optimize HR Processes
  - Percent of recruitment process completed within a week of job position closing in line with the 50% target

## Goal 3: Customer-driven organization

- Reinforce the customer service culture
  - Complain escalation rate below target rate
  - Customer satisfaction results – agent contacts above target levels
- Provide a high quality customer experience
  - Customers migrated to self-help channels above target of 35%
  - Customer satisfaction survey results at the target 90% of top box score
  - Implemented monitoring of complaint escalation rates
- Educate the public about using toll roads
- Ensure equitable collection of tolls

## Goal 4: Innovative transportation solutions

- Plan and build quality, environmentally responsible toll facilities
  - All projects/milestones completed on time and within budget
- Efficiently maintain and operate system assets
  - Maintenance Rating Program above the 90% target
  - GASB 34 asset rating at 8.9, target 8.0
- Drive internal and external safety improvements
  - Safety training compliance at 100%
  - Response time to incidents below target of 15:00 minutes
- Leverage assets to create new customer value
  - RITE solution leveraged – value estimated at \$15 million
  - DFW/Love Field partnership and services enhanced
  - Non-toll revenue increased by 1.5%

Goal 5: Respected leader and partner in the region's transportation network

- Build strong relationships with governments, partners and stakeholders
- Collaborate on regional road planning
  - 100% participation/attendance with targeted groups and organizations
- Ensure business relationships reflect the diversity of the region
  - Increased the number of subcontractors able to compete as prime contractors
  - Increased number of certified vendors in database

Goal 6: Open, honest communication

- Develop timely and accurate internal and external communications
- Optimize use of communication channels and technology
- Maintain and improve an effective governance model

The NTTA's goals are presented in the following matrix. The green highlighted areas indicate that the department's primary objectives are directly aligned with the agency goal. The department objectives are outlined in the department description section of the individual department's Executive Summary.

## Strategic Plan Goals Matrix

Departments	Goal 1: Financially Sound & Vibrant Organization	Goal 2: Highly Qualified, Energized & Engaged Team	Goal 3: Customer Driven Organization	Goal 4: Innovative Transportation Solutions	Goal 5: Respected Leader & Partner in the Region's Transportation Network	Goal 6: Open and Honest Communication
<b>Administrative Services:</b>						
Administration						
Board						
Finance						
Human Resources						
Internal Audit						
Legal Services						
Public Affairs						
Strategic & Innovative Solutions						
<b>Operational Services:</b>						
Customer Service Center						
Information Technology						
Maintenance						
Operations						
Project Delivery						
System & Incident Management						

## **Distinguished Budget Presentation Award**

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to North Texas Tollway Authority, Texas for its annual budget for the fiscal year beginning January 1, 2012. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, 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.

During 2012 the Authority also received a Certificate of Achievement for Excellence in Financial Reporting from GFOA for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending December 31, 2011. The certificate is presented to government units whose CAFRs achieve the highest standards in government accounting and financial reporting.

One of the goals in the Authority's Five-Year Strategic Plan is to maintain a financially sound and vibrant financial system. One of the objectives to accomplish this is to improve and maintain financial processes. The receiving of the award and the certificate are evidence of the Authority's commitment and dedication to accomplishing its goal and to supplying documents that clearly and openly communicate the Authority's financial condition to the board, bondholders, elected officials, and the public.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**North Texas Tollway Authority  
Texas**

For the Fiscal Year Beginning

**January 1, 2012**

*Christopher P. Morrell*

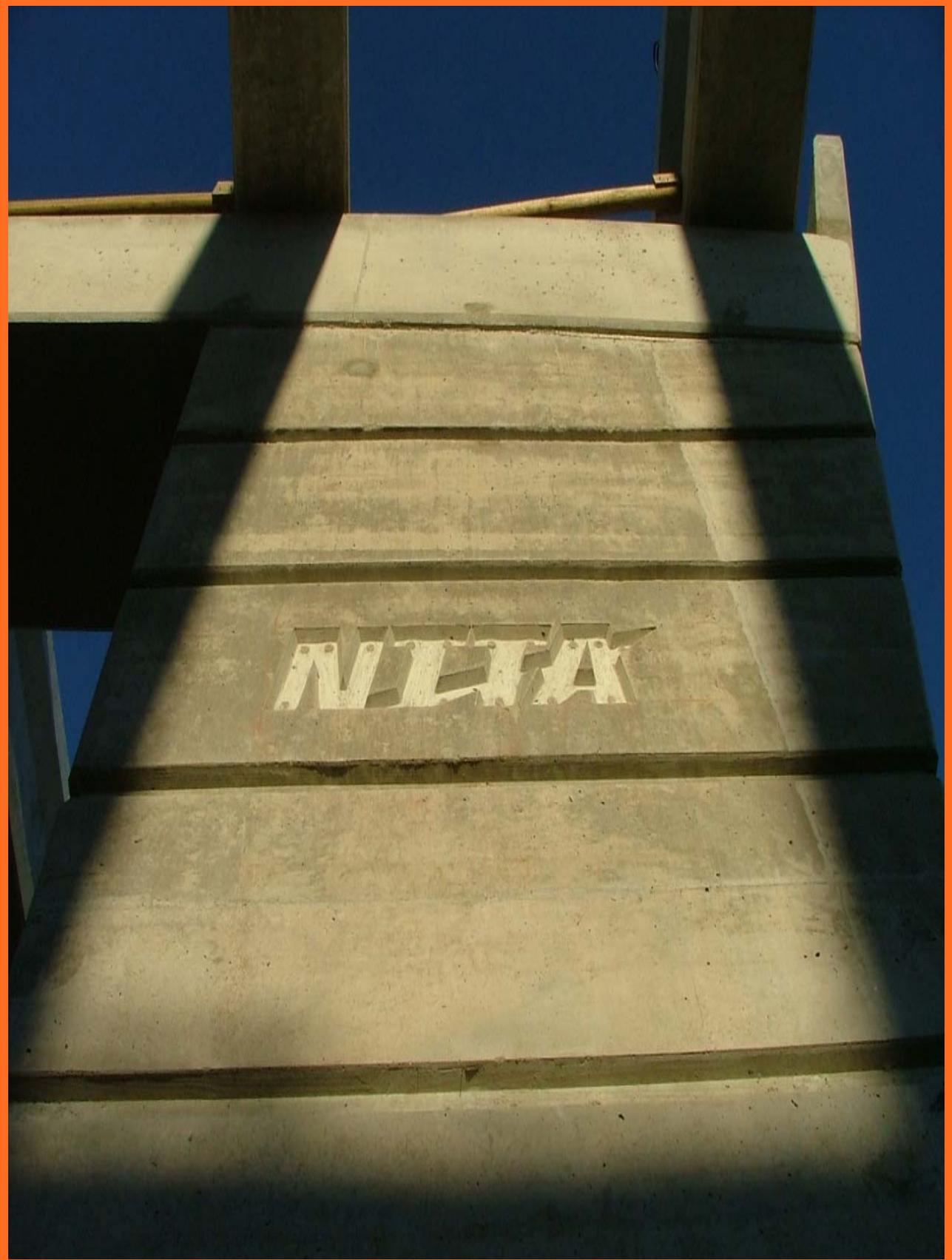
President

*Jeffrey R. Egan*

Executive Director



# BUDGET OVERVIEW SECTION



## **North Texas Tollway Authority**

### **Fund and Account Descriptions**

The operations of the System are accounted for as an enterprise fund in accordance with United States generally accepted accounting principles (GAAP). The Trust Agreement also requires that certain funds and accounts be established and maintained. The Authority considers these funds to be major funds and creates a schedule of net assets reporting the funds and accounts as separate columns. This schedule is presented as supplementary information in the basic financial statements and is audited by the external independent auditors. The Authority is a non-appropriated political subdivision of the state so none of its funds are subject to appropriations.

The funds and accounts created by the Trust Agreement are as follows:

**Revenue Fund (RF) – 1101** - The Revenue Fund was created to account for all revenues (all tolls, other revenues, and income) arising or derived by the Authority from the operation and ownership of the System. All revenues of this fund are distributed to other funds in accordance with the Trust Agreement. (See Revenue Distribution pages 200 and 201)

**Operation and Maintenance Fund (OMF) – 1001** - The Operation and Maintenance Fund was created to account for and pay current operating expenses of the North Texas Tollway Authority System.

**Reserve Maintenance Fund (RMF) – 1201** - The Reserve Maintenance Fund was created to account for those maintenance expenses that do not recur on an annual or more frequent basis.

**Capital Improvement Fund (CIF) – 1501** - The Capital Improvement Fund was created to account for the costs of repairs, enlargements, extensions, additions, improvements, reconstruction and replacement and capital expenses.

**CIF-Revolving Account/Feasibility Study Fund (FSF) – 1601 -**

The Feasibility Study Fund was created to account for the initial cost of determining if a project is appropriate. While the Feasibility Study Fund is being separately identified, it is defined as a revolving fund in Section 366 of the Texas transportation Code and is funded from surplus of the Capital Improvement Fund. The estimates for this fund vary from year-to-year based on the number of projects that are under consideration.

**Construction Fund (CF) – 3700s -**

The Construction Fund was created to account for that portion of the proceeds from the sale of Revenue Bonds or other financing sources and funds received from other entities to pay all costs of construction of new projects of the System. A separate Construction Fund is created and maintained for each project. The estimates for this fund vary from year-to-year based on the amount of construction estimated for that year.

**Interest and Sinking Funds (I&SF) – 4211, 4221, & 4231 -**

The Interest and Sinking Funds are the debt service funds of the Authority and were created to account for all the payments of debt obligations. The Amended and Restated Trust Agreement, dated April 1, 2008, re-designated the funds as First, Second, or Third Tier Interest and Sinking Funds. The First Tier debt obligations have a security interest in the Net Revenues senior to that securing the Second Tier and the Third Tier debt obligations. The Second Tier debt obligations have a security interest in the Net Revenues senior to that securing the Third Tier debt obligations. Three accounts were created within each of these I&SF Tiers as follows:

- First, Second, or Third Tier Bond Interest Account – This account was created to account for the interest payments for the debt obligation within each tier.
- First, Second, or Third Tier Reserve Account – This account was created to account for any required reserves provided for in the Supplemental Agreement associated with the issuance of debt within each tier.
- First, Second, or Third Tier Redemption Account – This account was created to account for the principal payments for the debt obligation within each tier.

The relationship between the Authorities departments and the major funds is illustrated below in a matrix format. The utilization of a fund by the department is highlighted in yellow and the percent of the budget associated

with the department is shown in the square. The dollar amounts are shown on the Summary of Funds FY 2013 on page 42-43 and in detail on the Departmental Budget Summary Report – Summary of Funds after the department Executive Summary in the Departmental Budget Section; starting with the Administration Department on page 61.

Department	Operation & Maintenance Fund	Construction Fund	Reserve Maintenance Fund	Capital Improvement Fund	Feasibility Study Fund	Interest and Sinking Funds
<b>Administrative Services:</b>						
Administrative	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Board	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Business Diversity	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Finance	3.3%	13.4%	0.0%	7.3%	0.0%	100.0%
Shared Services	7.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Human Resource	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Internal Audit	0.8%	0.2%	0.1%	0.1%	0.0%	0.0%
Legal Services	2.2%	1.7%	0.7%	1.6%	5.3%	0.0%
Public Affairs	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Strategic & Innovative Solutions	1.1%	0.0%	0.0%	0.0%	37.0%	0.0%
<b>Total Administrative Services</b>	<b>19.7%</b>	<b>15.3%</b>	<b>0.8%</b>	<b>9.0%</b>	<b>42.3%</b>	<b>100.0%</b>
<b>Operational Services:</b>						
Customer Support Services	38.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Information Technology	11.1%	0.0%	6.2%	34.5%	0.0%	0.0%
Maintenance	22.4%	0.0%	93.0%	46.6%	0.0%	0.0%
Operations	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Project Delivery	0.2%	84.7%	0.0%	9.9%	57.7%	0.0%
System & Incident Mgmt.	8.1%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Operational Services</b>	<b>80.3%</b>	<b>84.7%</b>	<b>99.2%</b>	<b>91.0%</b>	<b>57.7%</b>	<b>0.0%</b>
<b>2013 Totals</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**North Texas Tollway Authority  
FY 2013 Revenue Detail**

	2010		2011	
	Actual	Budget	Actual	Budget
<b>Toll Revenue</b>				
Dallas North Tollway (DNT)	\$ 164,722,090	\$ 168,535,000	\$ 169,209,491	\$ 167,952,000
President George Bush Turnpike (PGBT)	129,173,904	135,324,000	147,297,693	146,129,500
PGBT Eastern Extension (PGBTEE)	-	-	488,060	8,700
Sam Rayburn Tollway (SRT)	67,612,526	65,352,100	92,500,338	91,325,900
Mountain Creek Lake Bridge (MCLB)	1,630,894	1,876,400	1,122,790	971,300
Addison Airport Tunnel Tollway (AATT)	894,019	876,000	945,760	853,500
Lewisville Lake Toll Bridge (LLTB)	2,563,890	5,169,300	3,469,110	3,508,800
<b>Total Toll Revenues</b>	<b>366,597,323</b>	<b>377,132,800</b>	<b>415,033,242</b>	<b>410,749,700</b>
<b>Investment Income</b>	<b>12,817,761</b>	<b>9,300,000</b>	<b>12,788,898</b>	<b>9,753,600</b>
<b>Other Income</b>				
Interoperability Fees	2,640,321	2,120,000	3,153,283	1,501,700
Statement and Lost TollTag Fees	1,399,495	1,200,000	1,751,009	1,534,500
Administrative and Late Fees	13,139,828	19,898,616	12,179,867	19,763,300
Rents & Miscellaneous Revenues	62,898	370,000	1,769,122	964,500
	<b>17,242,542</b>	<b>23,588,616</b>	<b>18,853,281</b>	<b>23,764,000</b>
<b>Total Revenues</b>	<b>\$ 396,657,626</b>	<b>\$ 410,021,416</b>	<b>\$ 446,675,421</b>	<b>\$ 444,267,300</b>

(1) Estimated actual FY 2012 based on August 2012 actual.

(2) Estimated FY 2013 toll revenue per CDM Smith Traffic and Toll Revenue Study, investment and other revenue estimated by staff.

2012		2013		
Estimated Actual (1)	Budget	Budget (2)	Increase or (Decrease)	% Change
\$185,992,175	\$177,809,200	\$ 188,742,600	\$ 10,933,400	6.1%
167,052,076	153,296,300	161,183,400	7,887,100	5.1%
17,850,389	12,899,200	17,881,500	4,982,300	38.6%
103,779,928	100,602,400	109,555,000	8,952,600	8.9%
1,149,739	1,075,000	1,149,200	74,200	6.9%
992,873	970,300	1,000,100	29,800	3.1%
3,996,023	3,920,200	4,288,000	367,800	9.4%
<b>480,813,203</b>	<b>450,572,600</b>	<b>483,799,800</b>	<b>33,227,200</b>	<b>7.4%</b>
<b>8,368,244</b>	<b>9,000,000</b>	<b>6,000,000</b>	<b>(3,000,000)</b>	<b>(33.3%)</b>
3,315,334	3,137,112	3,255,247	118,135	3.8%
1,950,096	1,492,503	1,537,278	44,775	3.0%
13,451,450	15,415,828	22,050,346	6,634,518	43.0%
2,218,025	1,194,390	1,218,277	23,887	2.0%
<b>20,934,905</b>	<b>21,239,833</b>	<b>28,061,148</b>	<b>6,821,315</b>	<b>32.1%</b>
<b>\$ 510,116,352</b>	<b>\$ 480,812,433</b>	<b>\$ 517,860,948</b>	<b>\$ 37,048,515</b>	<b>7.7%</b>

**North Texas Tollway Authority  
Revenue and Coverage Calculation  
FY 2013 to 2012**

	(A)	(B)	(C)	2013 Budget to 2012 Budget	
	2011	2012	2013	Amount	Percent Increase
	Actual	Budget	Budget		
Toll Revenue (1)	\$ 415,033,242	\$ 450,572,600	\$ 483,799,800	\$ 33,227,200	7.4%
Investment Income	12,788,898	9,000,000	6,000,000	(3,000,000)	(33.3%)
Other Income (2)	18,853,281	21,239,833	28,061,148	6,821,315	32.1%
<b>Total Revenues</b>	<b>446,675,421</b>	<b>480,812,433</b>	<b>517,860,948</b>	<b>37,048,515</b>	<b>7.7%</b>
<b>Revenue Transfers to Operation and Maintenance Fund</b>					
Operating Expenses (3)	99,324,591	117,389,388	116,268,908	(1,120,480)	(1.0%)
Inter-Fund Transfers (3)	(6,968,809)	(9,602,665)	(4,923,720)	4,678,945	(48.7%)
<b>Net Operating Expenses (3)</b>	<b>92,355,782</b>	<b>107,786,723</b>	<b>111,345,188</b>	<b>3,558,465</b>	<b>3.3%</b>
<b>Bad Debt Expense (unbudgeted)</b>	<b>12,463,708</b>	<b>3,754,177</b>	<b>4,031,026</b>	<b>276,849</b>	<b>7.4%</b>
<b>Net Revenues for Debt Service</b>	<b>341,855,931</b>	<b>369,271,533</b>	<b>402,484,734</b>	<b>33,213,201</b>	<b>9.0%</b>
<b>Debt Service</b>					
First Tier Debt Service	334,633,571	315,462,621	286,980,223	(28,482,398)	(9.0%)
First Tier Capitalized Interest and Credit	(160,414,711)	(78,895,016)	(19,398,225)	59,496,791	(75.4%)
Second Tier Debt Service	58,038,275	58,038,275	58,038,275	-	0.0%
Second Tier Capitalized Interest	(37,504,935)	(20,313,396)	-	20,313,396	(100.0%)
Second Tier Commercial Paper Debt Service	269,399	120,000	-	(120,000)	(100.0%)
Third Tier Debt Service	-	-	-	-	0.0%
<b>Total Net Debt Service</b>	<b>195,021,599</b>	<b>274,412,484</b>	<b>325,620,273</b>	<b>51,207,789</b>	<b>18.7%</b>
Revenues Available after Debt Service	146,834,332	94,859,049	76,864,461	(17,994,588)	(19.0%)
Reserve Maintenance Fund Required Deposit	42,289,060	8,815,969	-	(8,815,969)	(100.0%)
Revenues Available for Capital Improvement Fund	104,545,272	86,043,080	76,864,461	(9,178,619)	(10.7%)
CIF Subordinated Debt	23,416,150	23,416,150	23,416,150	-	0.0%
ISTEA Payment	8,250,000	8,250,000	8,000,000	(250,000)	(3.0%)
<b>Revenues Available for Capital Projects</b>	<b>72,879,122</b>	<b>54,376,930</b>	<b>45,448,311</b>	<b>(8,928,619)</b>	<b>(16.4%)</b>

**Debt Service Coverage**

<b>First Tier Coverage</b>	<b>1.96</b>	<b>1.57</b>	<b>1.50</b>
<b>First &amp; Second Tier Coverage</b>	<b>1.75</b>	<b>1.35</b>	<b>1.24</b>
<b>All Debt Coverage</b>	<b>1.51</b>	<b>1.21</b>	<b>1.13</b>

Trust Agreement All Debt Coverage

First Tier	1.35
First & Second Tier	1.20
All Debt	1.00

(A) 2011 Actual from 2011 Financial Statements.

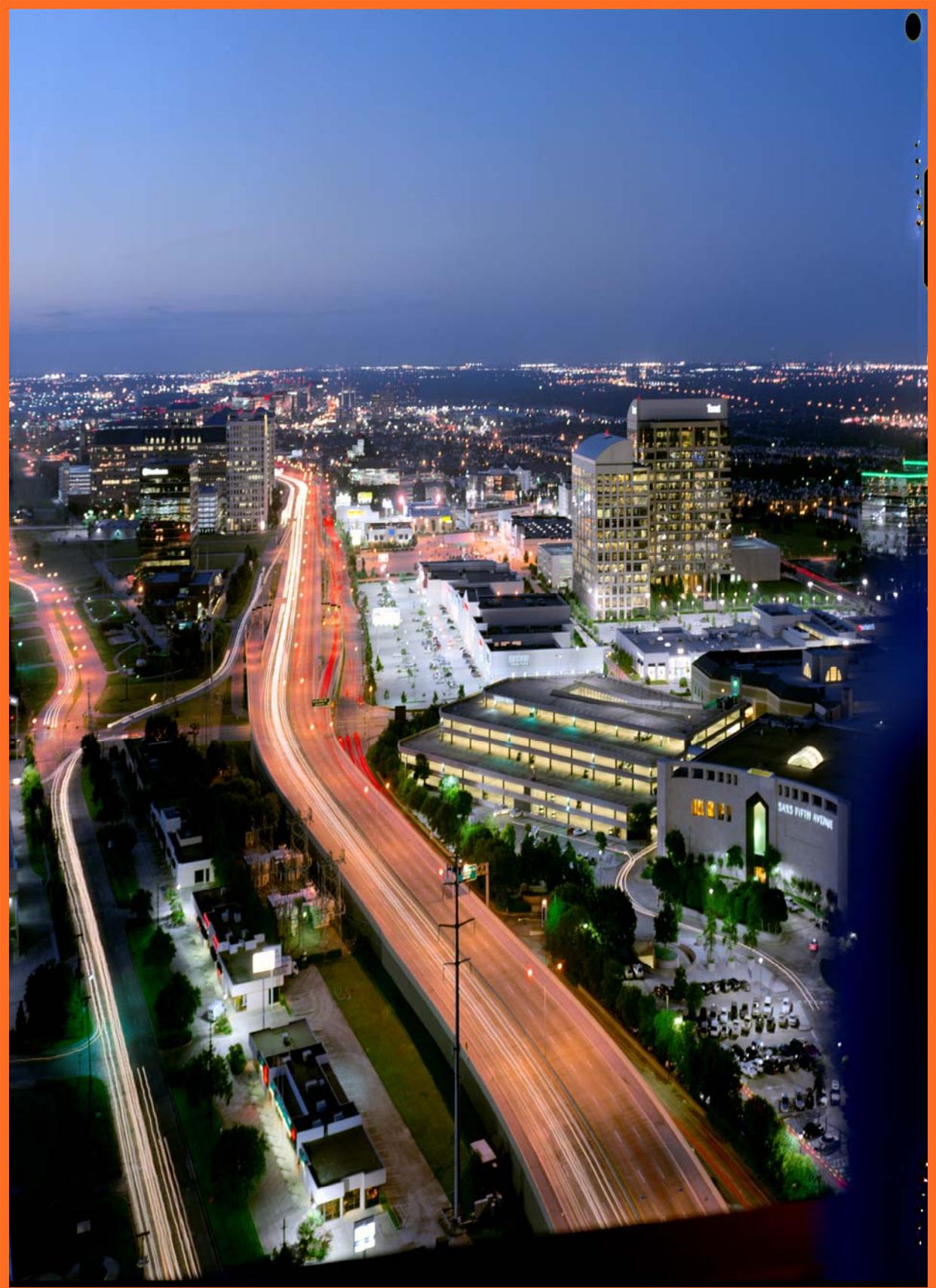
(B) 2012 Budget as approved in December 2011.

(C) 2013 Budget as proposed.

(1) 2013 Toll Revenue Estimates are based on CDM Smith estimates.

(2) Other Income includes Violation Fees, ZipCash Fees, Interoperability Fees, and Statement Fees, & Net Rental Income from Property.

(3) 2013 Budgeted Operating Expenses include 100% of the Total Salaries/Wages/Retirement/Healthcare costs. Approximately \$4.9 of these costs will be allocated to other funds.



**North Texas Tollway Authority  
Summary of Funds  
FY 2013**

<b>Department</b>	<b>Operation and Maintenance Fund - (1001)</b>	<b>NTTA System Construction Fund - (3700)</b>
<b>Administrative Services:</b>		
Administration	\$922,225	\$0
Board	235,003	0
Finance	4,246,847	3,911,320
Human Resources	1,470,626	0
Internal Audit	875,746	67,966
Legal Services	2,504,759	500,000
Public Affairs	2,773,697	0
Shared Services	8,474,022	0
Strategic & Innovative Solutions	1,267,881	0
<b>Total Administrative Services</b>	<b>\$22,770,806</b>	<b>\$4,479,286</b>
<b>Operational Services:</b>		
Customer & Support Services	\$44,387,815	\$0
Information Technology	12,949,116	0
Maintenance	26,046,348	0
Operations	356,845	0
Project Delivery	285,051	24,760,839
System & Incident Mgmt.	9,472,926	0
<b>Total Operational Services</b>	<b>\$93,498,102</b>	<b>\$24,760,839</b>
<b>2013 Grand Totals</b>	<b>\$116,268,908</b>	<b>\$29,240,125</b>
<b>2013 Compared to 2012</b>		
<b>2012 Grand Totals</b>	<b>\$117,389,388</b>	<b>\$47,570,683</b>
Increase / (Decrease)	(1,120,480)	(18,330,558)

<b>Reserve Maintenance Fund - (1201)</b>	<b>Capital Improvement Fund - (1501)</b>	<b>CIF/Revolving Acct. FSF - (1601)</b>	<b>Total</b>
\$0	\$0	\$0	\$922,225
0	0	0	235,003
0	3,071,920	0	11,230,087
0	0	0	1,470,626
22,656	22,655	0	989,023
150,000	700,000	300,000	4,154,759
0	0	0	2,773,697
0	0	0	8,474,022
0	0	2,102,300	3,370,181
<b>\$172,656</b>	<b>\$3,794,575</b>	<b>\$2,402,300</b>	<b>\$33,619,623</b>
\$0	\$0	\$0	\$44,387,815
1,415,400	14,576,051	0	28,940,567
21,231,300	19,689,931	0	66,967,579
0	0	0	356,845
0	4,180,000	3,274,665	32,500,555
0	0	0	9,472,926
<b>\$22,646,700</b>	<b>\$38,445,982</b>	<b>\$3,274,665</b>	<b>\$182,626,288</b>
<b>\$22,819,356</b>	<b>\$42,240,557</b>	<b>\$5,676,965</b>	<b>\$216,245,911</b>
<b>\$20,722,271</b>	<b>\$90,467,770</b>	<b>\$5,867,849</b>	<b>\$282,017,961</b>
2,097,085	(48,227,213)	(190,884)	(65,772,050)

North Texas Tollway Authority  
Summary of Funds  
FY 2012

Department	Operation and Maintenance Fund - (1001)	NTTA System Construction Fund - (3700)	Reserve Maintenance Fund - (1201)
<b>Administrative Services:</b>			
Administrative	1,112,881	0	0
Board	255,875	0	0
Business Diversity	457,660	0	0
Communications/Mkting	2,603,135	7,500	0
Finance	4,760,243	4,507,950	0
Government Affairs	450,515	0	0
Human Resource	1,431,990	0	0
Internal Audit	879,785	65,520	10,920
Legal Services	2,903,761	1,250,000	600,000
Shared Services	11,584,006	0	0
<b>Total Administrative Services</b>	<b>\$26,439,851</b>	<b>\$5,830,970</b>	<b>\$610,920</b>
<b>Operational Services:</b>			
Customer Service Center	36,459,525	0	0
Information Technology	14,322,096	27,000	1,792,825
Maintenance	27,763,922	0	18,309,426
Operations	862,682	0	0
Project Delivery	1,834,997	41,712,713	0
System & Incident Mgmt.	9,706,315	0	9,100
<b>Total Operational Services</b>	<b>\$90,949,537</b>	<b>\$41,739,713</b>	<b>\$20,111,351</b>
<b>2012 Grand Totals</b>	<b>\$117,389,388</b>	<b>\$47,570,683</b>	<b>\$20,722,271</b>
<b>2012 Compared to 2011</b>			
<b>2011 Grand Totals</b>	<b>\$111,056,702</b>	<b>\$547,901,500</b>	<b>\$30,491,503</b>
Increase / (Decrease)	6,332,686	(500,330,817)	(9,769,232)

Capital Improvement Fund - (1501)	CIF/Revolving Acct. - (1601)	Total
0	0	\$1,112,881
0	0	255,875
0	0	457,660
0	7,500	2,618,135
3,232,455	1,125,000	13,625,648
0	0	450,515
0	0	1,431,990
21,840	0	978,065
225,000	1,284,000	6,262,761
0	0	11,584,006
<b>\$3,479,295</b>	<b>\$2,416,500</b>	<b>\$38,777,536</b>
0	0	\$36,459,525
13,471,626	0	29,613,547
67,379,128	0	113,452,476
0	0	862,682
6,137,721	3,451,349	53,136,780
0	0	9,715,415
<b>\$86,988,475</b>	<b>\$3,451,349</b>	<b>\$243,240,425</b>
<b>\$90,467,770</b>	<b>\$5,867,849</b>	<b>\$282,017,961</b>
<b>\$67,360,801</b>	<b>\$8,975,000</b>	<b>\$765,785,506</b>
23,106,969	(3,107,151)	(483,767,545)

**NORTH TEXAS TOLLWAY AUTHORITY  
OPERATIONS AND MAINTENANCE FUND  
ACTUAL VS BUDGET LISTED BY DEPARTMENTS  
FY 2011 TO 2013**

	2011	
	BUDGET	ACTUAL
Toll Revenue	\$ 410,749,700	\$ 415,033,242
Investment Income	9,753,600	12,788,898
Other Income	23,764,000	18,853,281
<b>Total Revenues</b>	<b>444,267,300</b>	<b>446,675,421</b>
 <b>Increase from Previous Year</b>	 <b>8.4%</b>	
<b>Percent of Actual to Budget</b>		<b>100.5%</b>
 <b>ADMINISTRATIVE SERVICES</b>		
Administration	1,490,194	852,568
Board	303,454	267,574
Business Diversity (5)	545,097	438,012
Communications/Marketing (3)	3,330,459	2,567,636
Finance (5)	5,031,019	4,470,153
Shared Services	11,705,114	8,781,152
Government Affairs (3)	498,671	427,469
Human Resources	1,586,315	1,359,505
Internal Audit	912,639	584,811
Legal Services	3,720,514	2,410,302
Public Affairs (3)	-	-
Strategic & Innovative Solutions (4)	-	-
<b>Sub-total</b>	<b>29,123,476</b>	<b>22,159,182</b>
 <b>OPERATIONAL SERVICES</b>		
Customer & Support Services	31,835,048	31,281,972
Information Technology	13,822,894	12,095,346
Maintenance	25,251,000	24,252,346
Operations	1,027,086	921,466
Project Delivery	1,956,011	1,570,825
System & Incident Management	8,041,187	7,043,453
<b>Sub-total</b>	<b>81,933,226</b>	<b>77,165,408</b>
 <b>TOTAL</b>	<b>111,056,702</b>	<b>99,324,590</b>
 <b>Increase from Previous Year</b>	 <b>1.2%</b>	
<b>Percent of Actual to Budget</b>		<b>89.4%</b>

(1) Actual through August 2012

(2) Estimated FY 2013 toll revenue per CDM Smith Traffic and Toll Revenue Estimate.

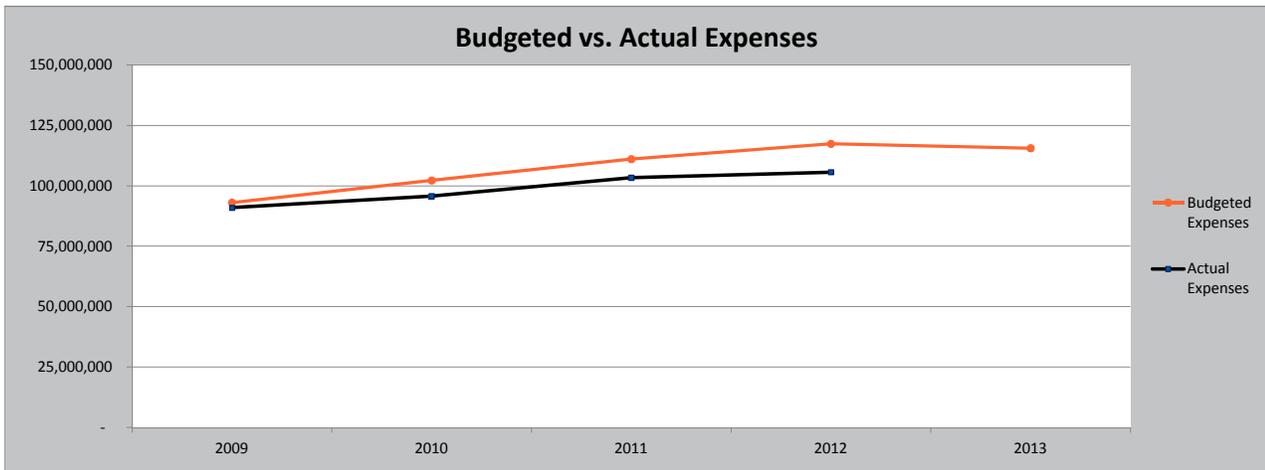
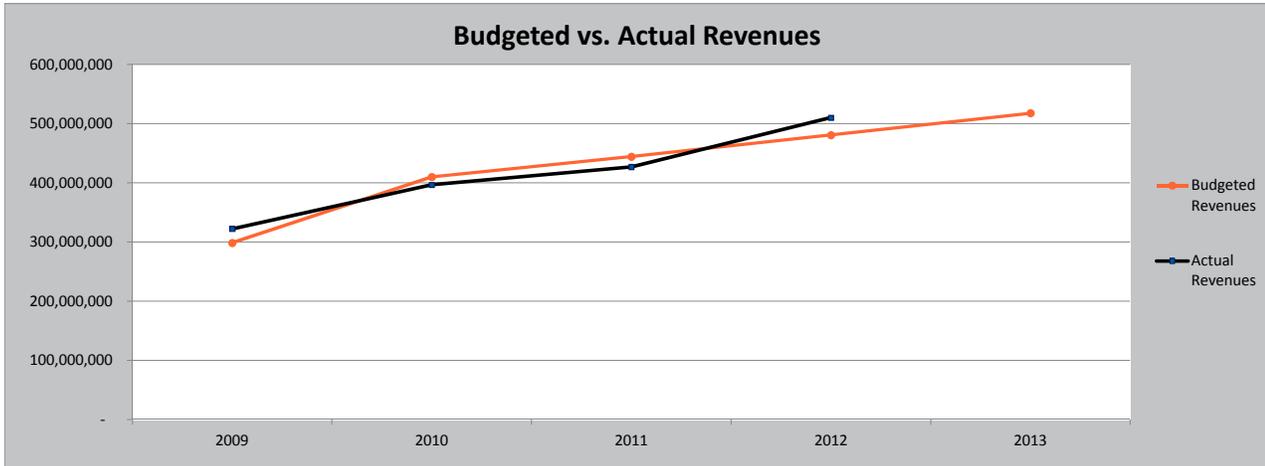
(3) The re-organization of the Authority combined Communication/Marketing and Government Affairs to create the Public Affairs Department for 2013.

(4) The re-organization also created the Strategic & Innovative Solutions Department for 2013.

(5) The re-organization of the Authority combined Business Diversity into the Finance Department for 2013.

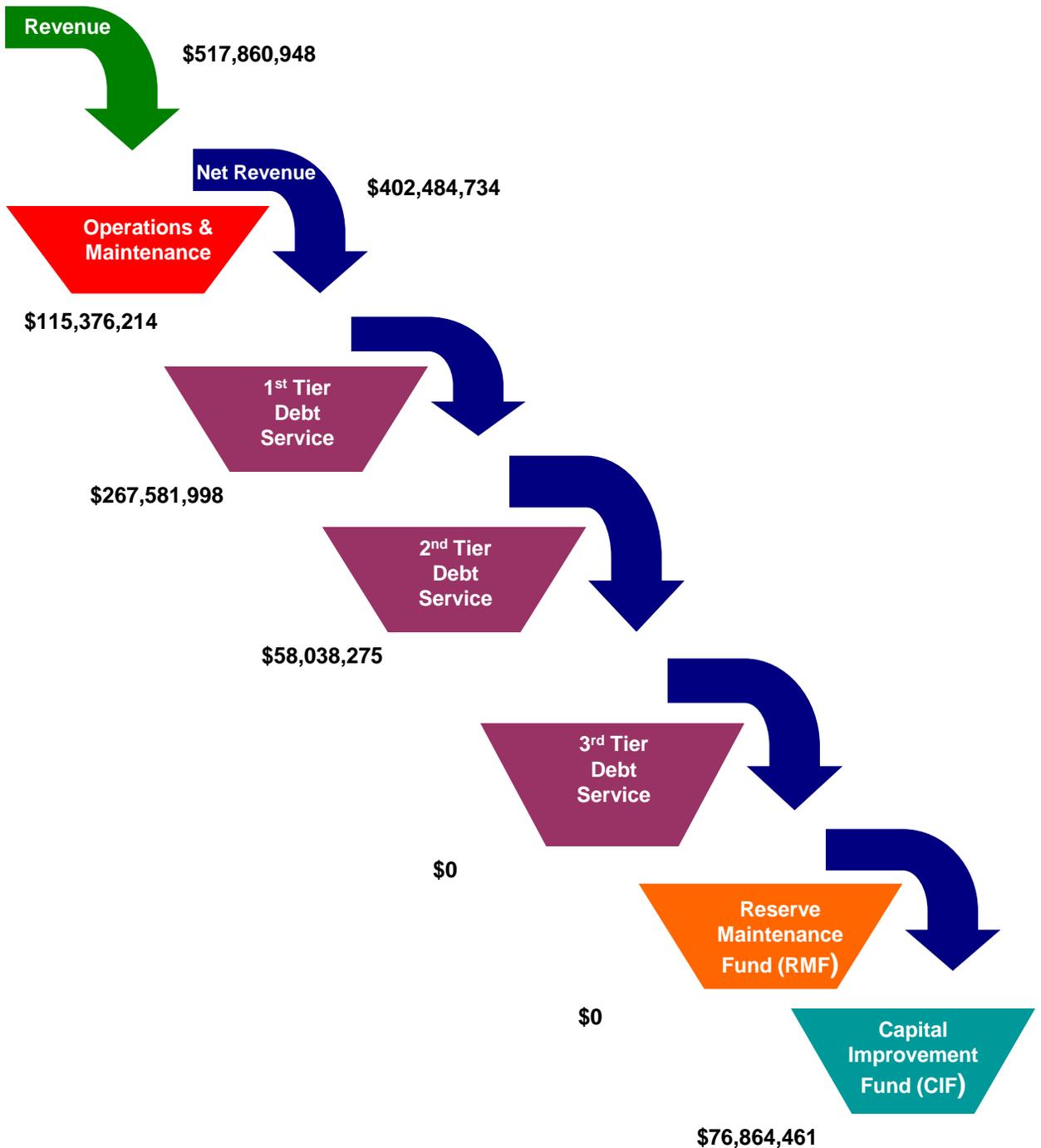
2012			2013	
BUDGET	Actual (1)	ESTIMATED	BUDGET	
\$ 450,572,600	\$ 320,542,136	\$ 480,813,204	(2) \$ 483,799,800	
9,000,000	5,578,829	8,368,244	6,000,000	
21,239,833	13,956,603	20,934,905	28,061,148	
<u>480,812,433</u>	<u>340,077,568</u>	<u>510,116,352</u>	<u>517,860,948</u>	
<b>8.2%</b>				
			<b>106.1%</b>	
1,112,881	519,232	843,752	922,225	
255,875	235,169	232,754	235,003	
457,660	320,286	450,429	-	
2,603,135	1,283,859	2,045,789	-	
4,760,243	2,440,019	3,660,029	4,246,847	
11,584,006	4,559,625	7,409,391	8,474,022	
450,515	258,317	419,765	-	
1,431,990	747,275	1,120,913	1,470,626	
879,785	430,058	645,087	875,746	
2,903,761	1,669,295	2,501,653	2,504,759	
-	-	-	2,773,697	
-	-	-	1,267,881	
<u>26,439,851</u>	<u>12,463,135</u>	<u>19,329,559</u>	<u>22,770,806</u>	
36,459,525	23,380,666	37,993,582	44,387,815	
14,322,096	8,555,068	12,832,602	12,949,116	
27,763,922	13,573,195	24,235,817	26,046,348	
862,682	516,801	775,202	356,845	
1,834,997	960,310	1,440,465	285,051	
9,706,315	5,167,555	9,043,221	9,472,927	
<u>90,949,537</u>	<u>52,153,595</u>	<u>86,320,889</u>	<u>93,498,102</u>	
<u>117,389,388</u>	<u>64,616,730</u>	<u>105,650,449</u>	<u>116,268,908</u>	
<b>5.7%</b>			<b>(1.0%)</b>	
			<b>90.0%</b>	

## Budget vs. Actual Revenues and Expenses



# NTTA System Flow of Funds

## Cash Flow Waterfall – FY2013



North Texas Tollway Authority  
 Operation and Maintenance Fund Budget by Account  
 FY 2013

Account	Administration	Board	Finance	Human Resources
Salaries and Wages-Direct - (511101)	\$526,526	\$132,765	\$2,616,498	\$886,609
Salaries and Wages-Comp Adj. - (511103)	0	0	0	0
Salaries and Wages-Internship - (511202)	0	0	0	24,000
Salaries and Wage-Overtime - (511301)	138	0	1,415	1,774
Group Insurance - (512101)	0	0	0	0
Retirement Contributions - (512401)	66,349	17,488	343,086	117,167
Retirement Contr.-Internship - (512402)	0	0	0	3,178
Retirement Contr.-Comp. Adj. - (512403)	0	0	0	0
Tuition Reimbursement - (512501)	0	0	0	29,383
Unemployment Insurance - (512601)	0	0	0	0
OPEB Annual Req'd Contribution - (512602)	0	0	0	0
Worker's Comp Ins - (512701)	0	0	0	0
Relocation Expenses - (512901)	0	0	0	0
Meeting Expense - (521101)	900	58,580	1,733	6,558
Consulting/Professional - (521201)	234,483	0	253,880	233,930
Legal Fees - (521202)	0	0	0	0
Auditing Fees - (521203)	0	0	0	0
Trustee Fees - (521204)	0	0	63,885	0
Traffic Engineering Fees - (521207)	0	0	760,000	0
Police Services (DPS) - (521208)	0	0	0	0
Armored Car Services - (521209)	0	0	0	0
Outside Maintenance Services - (521212)	0	0	0	0
Landscaping - (522202)	0	0	0	0
Rentals - Land - (522301)	0	0	0	0
Rentals - Equipment - (522302)	0	0	0	0
Insurance Expense - Other - (523101)	0	0	0	0
Postage - (523201)	0	0	0	0
Telecommunications - (523202)	0	0	0	0
Public Information Fees - (523203)	0	0	0	0
Recruitment - (523301)	0	0	0	20,309
Magazine and Newspaper - (523302)	0	0	3,856	17,010
Television & Radio - (523303)	0	0	0	0
Promotional Expenses - (523304)	29,424	0	35,936	2,104
Printing and Photographic - (523401)	0	0	650	1,103
Maps & Pamphlets - (523402)	0	0	0	0
Travel - (523501)	14,813	20,100	15,594	1,245
Dues & Subscriptions - (523601)	38,647	0	22,743	20,527
Education and Training - (523701)	9,028	0	12,369	98,656
Licenses - (523801)	0	0	2,232	0
Temporary Contract Labor - (523851)	0	0	0	1,055
Liability Claims - (523902)	0	0	0	0
Office Supplies - (531101)	1,332	4,460	11,415	5,978
Other Materials and Supplies - (531102)	0	0	0	0
Mobile Equipment Expense - (531103)	0	0	0	0
Repairs & Maintenance - (531104)	0	0	0	0
Freight and Express - (531105)	585	1,610	1,315	40
Motor Fuel Expense - (531107)	0	0	0	0
Water - (531211)	0	0	0	0
Gas - (531221)	0	0	0	0
Electricity - (531231)	0	0	0	0
Books & Periodicals - (531401)	0	0	240	0
Inven for resale(toll tags) - (531501)	0	0	0	0
Small Tools and Shop Supplies - (531601)	0	0	0	0
Software - (531651)	0	0	0	0
Uniforms - (531701)	0	0	0	0
Bank Charges - (573001)	0	0	100,000	0
Credit Card Fees - (573002)	0	0	0	0
<b>Totals</b>	<b>\$922,225</b>	<b>\$235,003</b>	<b>\$4,246,847</b>	<b>\$1,470,626</b>

North Texas Tollway Authority  
 Operation and Maintenance Fund Budget by Account  
 FY 2013 (Cont.)

Account	Internal Audit	Legal Services	Public Affairs	Shared Services	Strategic & Innovative Solutions
Salaries and Wages-Direct - (511101)	\$616,429	\$530,782	\$1,017,321	\$0	\$993,859
Salaries and Wages-Comp Adj. - (511103)	0	0	0	1,299,352	0
Salaries and Wages-Internship - (511202)	0	0	0	0	0
Salaries and Wage-Overtime - (511301)	0	0	1,200	0	0
Group Insurance - (512101)	0	0	0	5,975,922	0
Retirement Contributions - (512401)	81,280	70,439	132,017	0	129,796
Retirement Contr.-Internship - (512402)	0	0	0	0	0
Retirement Contr.-Comp. Adj. - (512403)	0	0	0	171,985	0
Tuition Reimbursement - (512501)	0	0	0	0	0
Unemployment Insurance - (512601)	0	0	0	592,891	0
OPEB Annual Req'd Contribution - (512602)	0	0	0	0	0
Worker's Comp Ins - (512701)	0	0	0	268,057	0
Relocation Expenses - (512901)	0	0	0	0	0
Meeting Expense - (521101)	871	0	796	0	0
Consulting/Professional - (521201)	20,000	0	616,492	0	103,750
Legal Fees - (521202)	0	1,800,000	0	0	0
Auditing Fees - (521203)	124,605	0	0	0	0
Trustee Fees - (521204)	0	0	0	0	0
Traffic Engineering Fees - (521207)	0	0	0	0	0
Police Services (DPS) - (521208)	0	0	0	0	0
Armored Car Services - (521209)	0	0	0	0	0
Outside Maintenance Services - (521212)	0	0	0	0	0
Landscaping - (522202)	0	0	0	0	0
Rentals - Land - (522301)	0	0	0	0	0
Rentals - Equipment - (522302)	0	0	0	100,000	0
Insurance Expense - Other - (523101)	0	0	0	0	0
Postage - (523201)	91	0	0	0	0
Telecommunications - (523202)	0	0	0	0	0
Public Information Fees - (523203)	0	0	111,420	0	0
Recruitment - (523301)	0	0	0	0	0
Magazine and Newspaper - (523302)	0	0	297,349	0	0
Television & Radio - (523303)	0	0	400,000	0	0
Promotional Expenses - (523304)	0	0	90,661	0	0
Printing and Photographic - (523401)	0	0	1,896	0	0
Maps & Pamphlets - (523402)	0	0	50,411	0	0
Travel - (523501)	11,258	12,167	31,711	0	22,500
Dues & Subscriptions - (523601)	5,710	42,995	9,196	815	9,876
Education and Training - (523701)	11,596	3,809	5,910	0	5,000
Licenses - (523801)	260	0	0	0	1,000
Temporary Contract Labor - (523851)	0	0	0	0	0
Liability Claims - (523902)	0	0	0	0	0
Office Supplies - (531101)	2,734	44,111	5,066	65,000	2,100
Other Materials and Supplies - (531102)	0	0	2,085	0	0
Mobile Equipment Expense - (531103)	0	0	0	0	0
Repairs & Maintenance - (531104)	0	0	0	0	0
Freight and Express - (531105)	456	456	166	0	0
Motor Fuel Expense - (531107)	0	0	0	0	0
Water - (531211)	0	0	0	0	0
Gas - (531221)	0	0	0	0	0
Electricity - (531231)	0	0	0	0	0
Books & Periodicals - (531401)	456	0	0	0	0
Inven for resale(toll tags) - (531501)	0	0	0	0	0
Small Tools and Shop Supplies - (531601)	0	0	0	0	0
Software - (531651)	0	0	0	0	0
Uniforms - (531701)	0	0	0	0	0
Bank Charges - (573001)	0	0	0	0	0
Credit Card Fees - (573002)	0	0	0	0	0
<b>Totals</b>	<b>\$875,746</b>	<b>\$2,504,759</b>	<b>\$2,773,697</b>	<b>\$8,474,022</b>	<b>\$1,267,881</b>

North Texas Tollway Authority  
 Operation and Maintenance Fund Budget by Account  
 FY 2013 (Cont.)

Account	Customer & Support Services	Information Technology	Maintenance	Operations	Project Delivery
Salaries and Wages-Direct - (511101)	\$9,145,148	\$4,457,591	\$8,303,955	\$201,555	\$234,187
Salaries and Wages-Comp Adj. - (511103)	0	0	0	0	0
Salaries and Wages-Internship - (511202)	0	0	0	0	0
Salaries and Wage-Overtime - (511301)	143,149	46,000	250,500	0	0
Group Insurance - (512101)	0	0	0	0	0
Retirement Contributions - (512401)	1,211,509	588,052	1,098,734	26,686	24,071
Retirement Contr.-Internship - (512402)	0	0	0	0	0
Retirement Contr.-Comp. Adj. - (512403)	0	0	0	0	0
Tuition Reimbursement - (512501)	0	0	0	0	0
Unemployment Insurance - (512601)	0	0	0	0	0
OPEB Annual Req'd Contribution - (512602)	0	0	0	0	0
Worker's Comp Ins - (512701)	0	0	0	0	0
Relocation Expenses - (512901)	0	0	0	0	0
Meeting Expense - (521101)	10,835	0	270	50	0
Consulting/Professional - (521201)	6,913,890	97,886	366,000	124,500	0
Legal Fees - (521202)	0	0	0	0	0
Auditing Fees - (521203)	0	0	0	0	0
Trustee Fees - (521204)	0	0	0	0	0
Traffic Engineering Fees - (521207)	0	0	0	0	0
Police Services (DPS) - (521208)	0	0	0	0	0
Armored Car Services - (521209)	27,812	0	0	0	0
Outside Maintenance Services - (521212)	0	4,176,228	7,140,472	0	0
Landscaping - (522202)	0	0	41,050	0	0
Rentals - Land - (522301)	153,000	0	335,500	0	0
Rentals - Equipment - (522302)	37,308	0	33,000	0	0
Insurance Expense - Other - (523101)	0	0	0	0	0
Postage - (523201)	7,040,951	0	0	0	0
Telecommunications - (523202)	0	550,000	0	0	0
Public Information Fees - (523203)	0	0	0	0	0
Recruitment - (523301)	0	0	0	0	0
Magazine and Newspaper - (523302)	4,000	0	4,100	0	0
Television & Radio - (523303)	0	0	0	0	0
Promotional Expenses - (523304)	0	0	0	0	0
Printing and Photographic - (523401)	0	0	0	0	0
Maps & Pamphlets - (523402)	0	0	0	0	0
Travel - (523501)	1,124	8,140	8,801	4,000	15,293
Dues & Subscriptions - (523601)	522	14,349	10,630	0	3,000
Education and Training - (523701)	9,457	53,969	48,055	0	5,000
Licenses - (523801)	0	0	11,716	0	0
Temporary Contract Labor - (523851)	2,652,832	0	0	0	0
Liability Claims - (523902)	0	0	0	0	0
Office Supplies - (531101)	57,657	102,312	13,480	54	3,000
Other Materials and Supplies - (531102)	0	49,000	2,700,704	0	0
Mobile Equipment Expense - (531103)	0	0	748,046	0	0
Repairs & Maintenance - (531104)	0	0	18,000	0	0
Freight and Express - (531105)	622	0	200	0	500
Motor Fuel Expense - (531107)	0	0	1,220,605	0	0
Water - (531211)	0	0	571,200	0	0
Gas - (531221)	0	0	98,000	0	0
Electricity - (531231)	0	0	2,822,000	0	0
Books & Periodicals - (531401)	0	0	0	0	0
Inven for resale(toll tags) - (531501)	6,960,226	0	0	0	0
Small Tools and Shop Supplies - (531601)	0	0	38,361	0	0
Software - (531651)	0	2,805,589	0	0	0
Uniforms - (531701)	5,792	0	162,969	0	0
Bank Charges - (573001)	659,193	0	0	0	0
Credit Card Fees - (573002)	9,352,790	0	0	0	0
<b>Totals</b>	<b>\$44,387,815</b>	<b>\$12,949,116</b>	<b>\$26,046,348</b>	<b>\$356,845</b>	<b>\$285,051</b>

North Texas Tollway Authority  
 Operation and Maintenance Fund Budget by Account  
 FY 2013 (Cont.)

Account	System & Incident Mgmt.	FY13 Budget	FY12 Budget	Increase or (Decrease) Amount	Increase or (Decrease) Percent
Salaries and Wages-Direct - (511101)	\$3,744,703	\$33,407,928	\$34,760,938	(\$1,353,010)	(3.9%)
Salaries and Wages-Comp Adj. - (511103)	0	1,299,352	1,242,983	56,369	4.5%
Salaries and Wages-Internship - (511202)	0	24,000	0	24,000	100.0%
Salaries and Wage-Overtime - (511301)	8,926	453,102	463,122	(10,020)	(2.2%)
Group Insurance - (512101)	0	5,975,922	6,876,807	(900,885)	(13.1%)
Retirement Contributions - (512401)	495,308	4,401,982	4,866,321	(464,339)	(9.5%)
Retirement Contr.-Internship - (512402)	0	3,178	0	3,178	100.0%
Retirement Contr.-Comp. Adj. - (512403)	0	171,985	174,639	(2,654)	(1.5%)
Tuition Reimbursement - (512501)	0	29,383	29,383	0	0.0%
Unemployment Insurance - (512601)	0	592,891	1,113,986	(521,095)	(46.8%)
OPEB Annual Req'd Contribution - (512602)	0	0	1,700,000	(1,700,000)	(100.0%)
Worker's Comp Ins - (512701)	0	268,057	295,996	(27,939)	(9.4%)
Relocation Expenses - (512901)	0	0	9,111	(9,111)	(100.0%)
Meeting Expense - (521101)	0	80,593	90,070	(9,477)	(10.5%)
Consulting/Professional - (521201)	52,669	9,017,480	7,199,840	1,817,640	25.2%
Legal Fees - (521202)	0	1,800,000	2,146,160	(346,160)	(16.1%)
Auditing Fees - (521203)	0	124,605	120,120	4,485	3.7%
Trustee Fees - (521204)	0	63,885	64,410	(525)	(0.8%)
Traffic Engineering Fees - (521207)	0	760,000	1,120,000	(360,000)	(32.1%)
Police Services (DPS) - (521208)	4,205,944	4,205,944	4,254,852	(48,908)	(1.1%)
Armored Car Services - (521209)	0	27,812	9,606	18,206	189.5%
Outside Maintenance Services - (521212)	9,160	11,325,860	11,963,800	(637,940)	(5.3%)
Landscaping - (522202)	0	41,050	43,398	(2,348)	(5.4%)
Rentals - Land - (522301)	0	488,500	366,000	122,500	33.5%
Rentals - Equipment - (522302)	0	170,308	255,909	(85,601)	(33.4%)
Insurance Expense - Other - (523101)	832,212	832,212	822,929	9,283	1.1%
Postage - (523201)	4,071	7,045,113	5,518,273	1,526,840	27.7%
Telecommunications - (523202)	0	550,000	581,596	(31,596)	(5.4%)
Public Information Fees - (523203)	0	111,420	111,420	0	0.0%
Recruitment - (523301)	0	20,309	40,833	(20,524)	(50.3%)
Magazine and Newspaper - (523302)	0	326,315	288,182	38,133	13.2%
Television & Radio - (523303)	0	400,000	501,390	(101,390)	(20.2%)
Promotional Expenses - (523304)	3,027	161,152	180,452	(19,300)	(10.7%)
Printing and Photographic - (523401)	0	3,649	10,889	(7,240)	(66.5%)
Maps & Pamphlets - (523402)	0	50,411	76,119	(25,708)	(33.8%)
Travel - (523501)	1,215	167,961	212,072	(44,111)	(20.8%)
Dues & Subscriptions - (523601)	1,780	180,790	206,491	(25,701)	(12.4%)
Education and Training - (523701)	5,119	267,968	376,224	(108,256)	(28.8%)
Licenses - (523801)	0	15,208	14,451	757	5.2%
Temporary Contract Labor - (523851)	0	2,653,887	4,555	2,649,332	58,163.2%
Liability Claims - (523902)	10,366	10,366	17,356	(6,990)	(40.3%)
Office Supplies - (531101)	7,750	326,449	459,617	(133,168)	(29.0%)
Other Materials and Supplies - (531102)	56,723	2,808,512	3,703,118	(894,606)	(24.2%)
Mobile Equipment Expense - (531103)	0	748,046	722,630	25,416	3.5%
Repairs & Maintenance - (531104)	0	18,000	15,000	3,000	20.0%
Freight and Express - (531105)	295	6,245	14,359	(8,114)	(56.5%)
Motor Fuel Expense - (531107)	0	1,220,605	1,377,500	(156,895)	(11.4%)
Water - (531211)	0	571,200	566,000	5,200	0.9%
Gas - (531221)	0	98,000	98,000	0	0.0%
Electricity - (531231)	0	2,822,000	2,830,900	(8,900)	(0.3%)
Books & Periodicals - (531401)	0	696	456	240	52.6%
Inven for resale(toll tags) - (531501)	0	6,960,226	5,416,418	1,543,808	28.5%
Small Tools and Shop Supplies - (531601)	0	38,361	70,650	(32,289)	(45.7%)
Software - (531651)	0	2,805,589	3,578,396	(772,807)	(21.6%)
Uniforms - (531701)	33,658	202,419	209,072	(6,653)	(3.2%)
Bank Charges - (573001)	0	759,193	705,421	53,772	7.6%
Credit Card Fees - (573002)	0	9,352,790	9,491,168	(138,378)	(1.5%)
<b>Totals</b>	<b>\$9,472,926</b>	<b>\$116,268,908</b>	<b>\$117,389,388</b>	<b>(\$1,120,480)</b>	<b>(1.0%)</b>

**North Texas Tollway Authority  
FY 2013 Staffing Summary**

	<u>Projected 2013 Budget</u>						
	Approved in 2012 Budget	Change in 2012	Ending in 2012	Requested for 2013	Full Time	Part Time	On Call
<b>Administrative Services</b>							
Administration	6	-	-	(2)	4	-	-
Board	2	-	-	-	2	-	-
Finance	47	(2)	-	(1)	44	-	-
Human Resources	13	-	-	-	13	5	-
Internal Audit	8	-	-	-	8	-	-
Legal Services	5	-	-	-	5	3	-
Public Affairs	18	-	-	-	18	-	-
Strategic and Innovative Solutions	0	-	-	9	9	-	-
<b>Total Administrative Services</b>	<b>99</b>	<b>(2)</b>	<b>0</b>	<b>6</b>	<b>103</b>	<b>8</b>	<b>-</b>
<b>Operational Services</b>							
Customer & Support Services	260	2	-	-	262	10	4
Information Technology	78	-	-	-	78	-	-
Maintenance	193	-	-	-	193	-	-
Operations	3	-	-	(2)	1	-	-
Project Delivery	13	-	-	-	13	-	-
System & Incident Management	87	-	-	-	87	1	-
<b>Total Operational Services</b>	<b>634</b>	<b>2</b>	<b>0</b>	<b>(2)</b>	<b>634</b>	<b>11</b>	<b>4</b>
<b>Total</b>	<b>733</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>737</b>	<b>19</b>	<b>4</b>

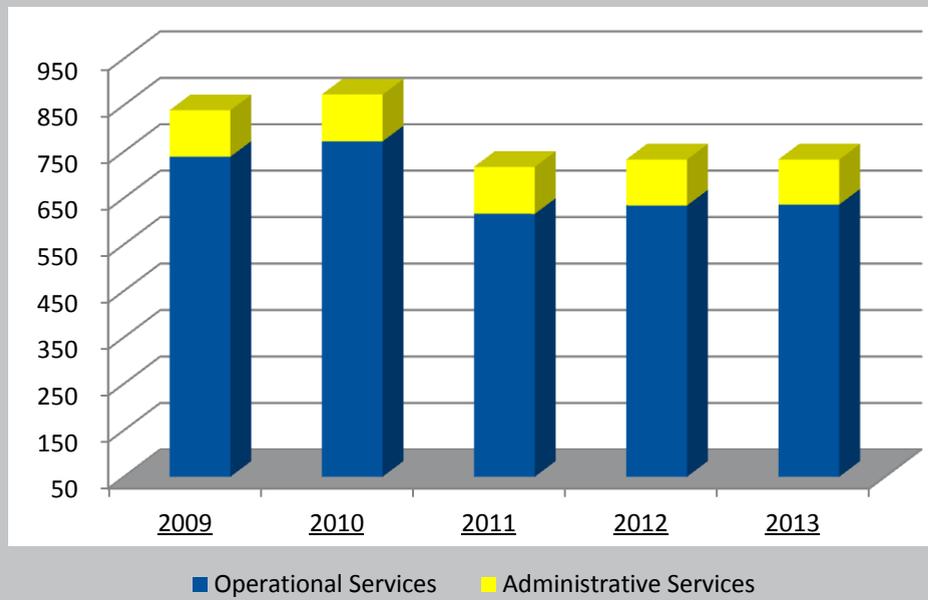
**North Texas Tollway Authority  
FY 2009 - 2013 FTE Staffing Summary History**

	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>Proposed 2013 Budget</b>	<b>Change in Budgeted FTEs 2012 to 2013</b>
<b><i>Administrative Services</i></b>						
Administration	8	7	7	6	4	(2)
Board	1	2	2	2	2	-
Finance	43	49	48	47	44	(3)
Human Resources	15	13	13	13	13	-
Internal Audit	12	8	8	8	8	-
Legal Services	3	5	5	5	5	-
Public Affairs	18	17	18	18	18	-
Strategic and Innovative Solutions	-	-	-	-	9	9
<b>Total Administrative Services</b>	<b>100</b>	<b>101</b>	<b>101</b>	<b>99</b>	<b>103</b>	<b>4</b>
<b><i>Operational Services</i></b>						
Customer & Support Services	224	251	251	260	262	2
Information Technology	51	67	77	78	78	-
Maintenance	193	187	191	193	193	-
Operations	3	3	3	3	1	(2)
Project Delivery	13	15	14	13	13	-
Project Evaluation	6	-	-	-	-	-
System & Incident Management	63	73	80	87	87	-
Toll Collection	173	156	-	-	-	-
Vault	13	20	-	-	-	-
<b>Total Operational Services</b>	<b>739</b>	<b>772</b>	<b>616</b>	<b>634</b>	<b>634</b>	<b>-</b>
<b>Grand Total</b>	<b>839</b>	<b>873</b>	<b>717</b>	<b>733</b>	<b>737</b>	<b>4</b>

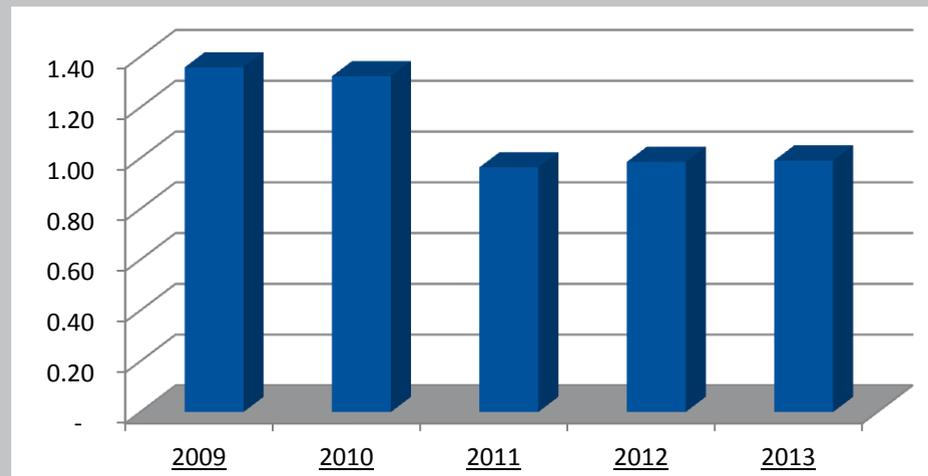
FTEs - Full Time Employees

**North Texas Tollway Authority  
FY 2012 Informaional Graphs**

**Staffing Summary**

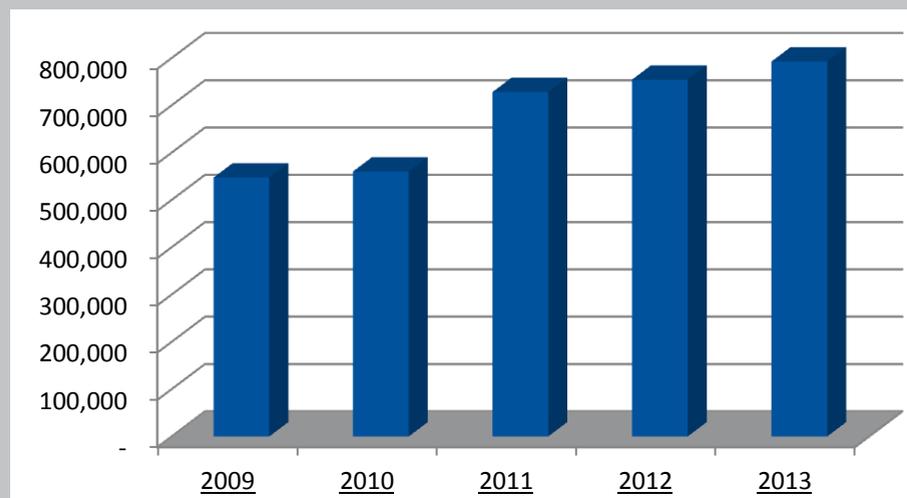


**Budgeted Employees per Lane Mile**



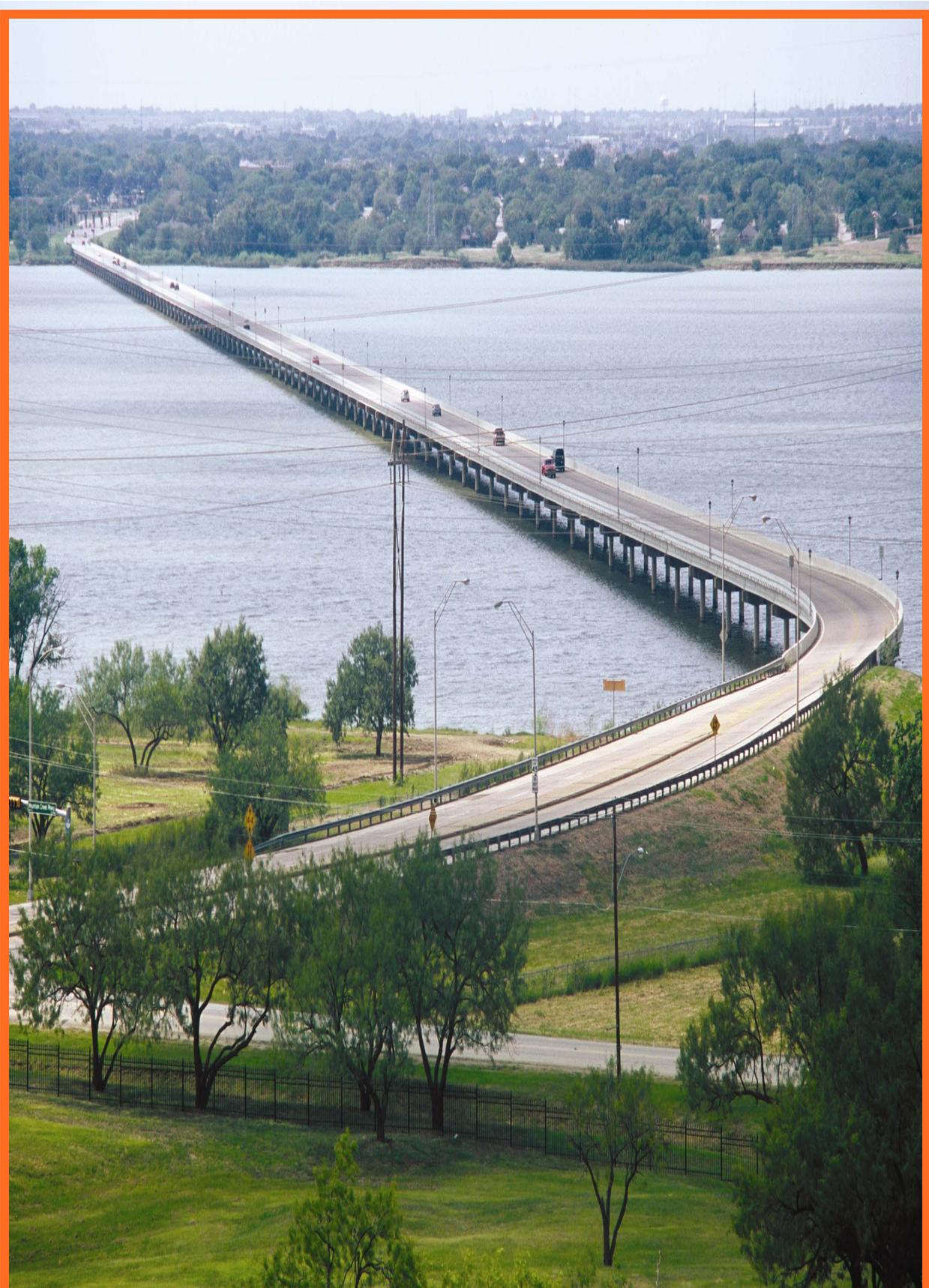
(Lane Miles)    618            660            744            744            744

**Transactions per Budgeted Employee**



(Employees)    839            873            717            733            737

# DEPARTMENTAL BUDGETS SECTION



**North Texas Tollway Authority**  
**Operation and Maintenance Fund - (1001) Budget Comparisons**  
**FY 2013 to 2012**

<b>Department</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>2013 Budget to 2012 Budget Amount</b>	<b>Percent</b>
<b>Administrative Services:</b>				
Administration	\$1,112,881	\$922,225	\$(190,656)	(17.1%)
Board	255,875	235,003	(20,872)	(8.2%)
Finance	5,217,903	4,246,847	(971,056)	(18.6%)
Human Resources	1,431,990	1,470,626	38,636	2.7%
Internal Audit	879,785	875,746	(4,039)	(0.5%)
Legal Services	2,903,761	2,504,759	(399,002)	(13.7%)
Public Affairs	3,053,650	2,773,697	(279,953)	(9.2%)
Shared Services	11,584,006	8,474,022	(3,109,984)	(26.8%)
Strategic & Innovative Solutions	0	1,267,881	1,267,881	100.0%
<b>Total Administrative Services</b>	<b>26,439,851</b>	<b>22,770,806</b>	<b>(3,669,045)</b>	<b>(13.9%)</b>
<b>Operational Services:</b>				
Customer Service Center	36,459,526	44,387,815	7,928,289	21.7%
Information Technology	14,322,096	12,949,116	(1,372,980)	(9.6%)
Maintenance	27,763,922	26,046,348	(1,717,574)	(6.2%)
Operations	862,682	356,845	(505,837)	(58.6%)
Project Delivery	1,834,997	285,051	(1,549,946)	(84.5%)
System & Incident Mgmt.	9,706,314	9,472,926	(233,387)	(2.4%)
<b>Total Operational Services</b>	<b>90,949,537</b>	<b>93,498,102</b>	<b>2,548,565</b>	<b>2.8%</b>
<b>Grand Totals</b>	<b>117,389,388</b>	<b>116,268,908</b>	<b>(1,120,480)</b>	<b>(1.0%)</b>

**North Texas Tollway Authority  
 Estimated Operation Maintenance Fund Requirements  
 FY 2013**

<b>Operation Maintenance Fund Estimated Balance as of 12/31/2012</b>		<b>\$ 19,564,898</b>
Estimated Transfers:		
Revenue Distribution	111,158,441	
Other Funds - Salary Allocations	4,923,720	
Total Transfers		116,082,161
Estimated Expenditures from 2013 Operating Budget		(116,268,908)
<b>Estimated Balance at 12/31/2013</b>		<b>19,378,151</b>
<b>Required Balance per Trust Agreement at 12/31/2013 (1/6 of 2013 Operating Budget)</b>		<b>19,378,151</b>

# EXECUTIVE SUMMARY

## Administration Department

### 2013 Budget

#### Executive Staff

Gerry Carrigan, Executive Director  
John D. Carreker III, Deputy Executive Director

#### Department Description

The Administration Department directs and oversees the strategic planning process; communication and implementation of directives and policies of the NTTA Board of Directors; oversees all aspects of NTTA's operations; sets the tone, values and culture of the organization; and manages communications with local, regional, state and national transportation partners.

#### Accomplishments for 2012

- **Independent Financial and Performance Review (County Review)** – The NTTA Board of Directors received an Independent Financial and Performance Review (County Review) from Alvarez & Marsal in October 2011, which included 82 recommendations to be reviewed and considered for implementation by the NTTA Board of Directors. As part of the next steps, staff developed an action plan to evaluate and implement the recommendations by the end of fourth quarter 2012. As of June 2012, staff implemented approximately 76 percent (62) of the recommendations. The full interactive County Review action plan matrix was placed on the NTTA website to keep the public abreast of progress made.
- **Employee Engagement** – Employee engagement remains front and center on the NTTA's list of priorities. Employee-led committees host activities throughout the year to foster engagement and satisfaction including a Diversity Committee appreciation event, employee talent show and an education fair. Additionally, employees from all departments and across all levels participated in focus groups and the action planning process as part of the biennial employee engagement survey, which was conducted this year. In 2012, there was a 65 percent employee response rate, which reflects a 15 percent increase over the 2010 participation level.
- **Jere W. Thompson, Jr. Scholarship** – The Jere W. Thompson, Jr. Scholarship provides scholarship funds to full-time undergraduate students from disadvantaged backgrounds who are pursuing degrees in civil engineering and closely related disciplines at Texas colleges and universities. The Administration Department assumed ownership of the recruitment, application, review, and selection process in 2012. Outreach was expanded to include 19 colleges and universities across the state, local and national chapters of professional industry organizations, and regional chambers of commerce.
- **Strategic Planning Performance Metrics (Big Rocks)** – Under the direction of the NTTA Board of Directors, staff implemented a monthly metrics report for monitoring NTTA core operations that included 22 strategic performance metrics in Finance, Operations, Administrative Services and Projects.

#### Goals and Objectives for 2013

- The Administration Department will:
  - Continue to enhance reporting and trend analysis of strategic metrics to keep stakeholders abreast of NTTA core operations.
  - Engage an independent consultant to conduct a regional economic, fiscal and developmental impact assessment of the NTTA's investments and ongoing operations.

This assessment will be an update to the 40-year retrospective conducted by the University of North Texas Center for Economic Development & Research in 2006.

- Continue to expand opportunities for employee engagement by providing outlets for employees to provide input on employee-related issues and implement feasible suggestions to foster engagement.
- Increase the caliber and number of Jere W. Thompson, Jr. scholarship candidates to support the education of engineering students from disadvantaged backgrounds.

### **Major Budget Items for 2013**

- The department's Operation & Maintenance Fund budget decreased (17.1%) or (\$190,656) from \$1,112,881 in FY 2012 to \$922,225 in FY 2013. Details about budget variances are addressed below.
  - Salaries decreased by (32.2%) or (\$250,090) from \$776,616 to \$526,526. Additionally, retirement decreased by (35.0%) or (\$35,734) from \$102,083 to \$66,349. This is due to the transfer of three employees to the new Strategic and Innovative Solutions Department and the allocation to Special Projects System of \$43,426.
  - Meeting expenses decreased (21.7%) or (\$250) from \$1,150 to \$900 due to the historically low expenditures in this account.
  - Education and training expenses decreased (64.5%) or (\$16,432) from \$25,460 to \$9,028 due to the nature of education and training expenses anticipated to occur in 2013.
  - Office supplies expenses decreased (31.1%) or (\$600) from \$1,932 to \$1,332 due to the historically low expenditures in this account.
  - Consulting/Professional fees increased 47.0% or \$75,000 from \$159,483 to \$234,483 due to the nature of the projects anticipated to require consulting services. Funds allocated for consulting/professional fees will be used to provide consulting support for enhancing strategic measures and core operations, Authority-wide employee engagement strategies, and other initiatives as directed by the NTTA Board of Directors and Executive Director.
  - Promotional expenses increased 1,353.8% or \$27,400 from \$2,024 to \$29,424 due to the fact that employee engagement related expenses were transferred from the Communications & Marketing department budget to the Administration department budget to align executive ownership and management of the employee culture.
  - Travel expenses increased 23.8% or \$2,850 from \$11,963 to \$14,813 due to the anticipated travel needs of the Administrations department staff, including the travel needs of the Deputy Executive Director.
  - Dues & subscriptions expenses increased 22.4% or \$7,075 from \$31,572 to \$38,647 due to a projected increase in IBTTA membership dues and allocation of funds for membership dues for the Deputy Executive Director.
  - Freight & express expenses increased 27.2% or \$125 from \$460 to \$585 due to the allocation of funds for shipping of Jere W. Thompson, Jr. Scholarship materials.

**Other Funds**

- CF \$0
- RMF \$0
- CIF \$0
- CIF/FSF \$0

**Special Projects System**

- OMF PGBT-WE \$109,471
- CF PGBT-WE & CTP \$0

**Position Summary**

<b>Administration Department</b>			
<b>Full-Time Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
Administrative Specialist	1	-	(1)
AED Administrative Services	1	-	(1)
Deputy Executive Director	1	1	-
Executive Assistant	1	1	-
Executive Assistant	-	1	1
Executive Director	1	1	-
Management Analyst	1	-	(1)
<b>Total Full-Time Positions</b>	<b>6</b>	<b>4</b>	<b>(2)</b>

**Organization Chart**

**Administration Department**



**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Administration - (10011)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$776,616	\$526,526	(\$250,090)	(32.2)%
Salaries and Wage-Overtime - (511301)	138	138	0	0.0%
Retirement Contributions - (512401)	102,083	66,349	(35,734)	(35.0)%
Meeting Expense - (521101)	1,150	900	(250)	(21.7)%
Consulting/Professional - (521201)	159,483	234,483	75,000	47.0%
Promotional Expenses - (523304)	2,024	29,424	27,400	1,353.8%
Travel - (523501)	11,963	14,813	2,850	23.8%
Dues & Subscriptions - (523601)	31,572	38,647	7,075	22.4%
Education and Training - (523701)	25,460	9,028	(16,432)	(64.5)%
Office Supplies - (531101)	1,932	1,332	(600)	(31.1)%
Freight and Express - (531105)	460	585	125	27.2%
<b>Total Expenses</b>	<b>\$1,112,881</b>	<b>\$922,225</b>	<b>(190,656)</b>	<b>(17.1)%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Administration - (10011)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$526,526	\$0	\$0	\$0	\$0	\$526,526
Salaries and Wage-Overtime - (511301)	138	0	0	0	0	138
Retirement Contributions - (512401)	66,349	0	0	0	0	66,349
Meeting Expense - (521101)	900	0	0	0	0	900
Consulting/Professional - (521201)	234,483	0	0	0	0	234,483
Promotional Expenses - (523304)	29,424	0	0	0	0	29,424
Travel - (523501)	14,813	0	0	0	0	14,813
Dues & Subscriptions - (523601)	38,647	0	0	0	0	38,647
Education and Training - (523701)	9,028	0	0	0	0	9,028
Office Supplies - (531101)	1,332	0	0	0	0	1,332
Freight and Express - (531105)	585	0	0	0	0	585
<b>2013 Totals</b>	<b>\$922,225</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$922,225</b>
<b>2012 Totals</b>	<b>\$1,112,881</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,112,881</b>

# **EXECUTIVE SUMMARY**

## **Board Department**

### **2013 Budget**

#### **Executive Staff**

Board of Directors  
Ruby Franklin, NTTA Secretary  
Lorelei Griffith, NTTA Assistant Secretary

#### ***Department Description***

The Board of Directors monitors and provides oversight of the NTTA's annual budget process; advocates the agency's legislative agenda; reviews and monitors all activities related to the financing of projects and internal audit functions. The Board of Directors also monitors and provides oversight for the planning, design, construction and operation of NTTA projects, including final approval of contracts over \$300,000.00.

#### **Accomplishments for 2012:**

- Advancement of Chisholm Trail Parkway
- Finalized construction of the Sam Rayburn Tollway
- Finalized construction of the President George Bush Turnpike Eastern Extension, from SH 78 to IH 30
- Construction was also completed on the Dallas North Tollway conversion to all electronic toll collection (All-ETC)
- Bond refinancing
- Internal Compensation study
- County Review updates to County Judges

#### **Goals and Objectives for 2013**

- Continued construction of the President George Bush Turnpike Western Extension
- Continued construction of the Chisholm Trail Parkway
- Continue to support and guide the NTTA's policy development and review process
- Continue to participate in initiatives with NTTA's stakeholders
- Attend approximately 35 Board/Special Called Board/Committee/Workshop meetings
- Participate in International Bridge Tunnel and Turnpike Association (IBTTA) meetings
- Participate in political outreach/advocacy

#### **Major Budget Items for 2012**

- The department's overall budget decreased by (8.2%) or (\$20,872) from \$255,875 to \$235,003
- Meeting expenses have increased by 2.1% or \$1,180 from \$57,400 to \$58,580 due to the addition of one to two retreats a year.
- Travel expenses have decreased by (32.8%) or \$9,800 from \$29,900 to \$20,100 due to less travel by the Board.

- Freight and Express expenses have decreased by (67.8%) or (\$3,390) from \$5,000 to \$1,610 due to less use of courier and FedEx.
- Printing/Office Supply expenses have decreased by (36.3%) or (\$2,540) from \$7,000 to \$4,460 due to the electronic Board books.

**Other Funds**

- CF \$0
- RMF \$0
- CIF \$0
- CIF/FSF \$0

**Special Projects System**

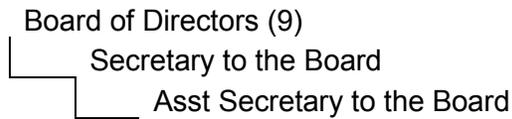
- OMF PGBT-WE \$19,710

**Position Summary**

<b>Board Department</b>			
<b>Full-Time Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
NTTA Secretary	1	1	-
NTTA Assistant Secretary	1	1	-
<b>Total Full-Time Positions</b>	<b>2</b>	<b>2</b>	<b>-</b>

**Organization Chart**

**Board Department**



**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Board - (10111)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$137,286	\$132,765	(\$4,521)	(3.3)%
Retirement Contributions - (512401)	19,289	17,488	(1,801)	(9.3)%
Meeting Expense - (521101)	57,400	58,580	1,180	2.1%
Travel - (523501)	29,900	20,100	(9,800)	(32.8)%
Office Supplies - (531101)	7,000	4,460	(2,540)	(36.3)%
Freight and Express - (531105)	5,000	1,610	(3,390)	(67.8)%
<b>Total Expenses</b>	<b>\$255,875</b>	<b>\$235,003</b>	<b>(20,872)</b>	<b>(8.2)%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Board - (10111)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$132,765	\$0	\$0	\$0	\$0	\$132,765
Retirement Contributions - (512401)	17,488	0	0	0	0	17,488
Meeting Expense - (521101)	58,580	0	0	0	0	58,580
Travel - (523501)	20,100	0	0	0	0	20,100
Office Supplies - (531101)	4,460	0	0	0	0	4,460
Freight and Express - (531105)	1,610	0	0	0	0	1,610
<b>2013 Totals</b>	<b>\$235,003</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$235,003</b>
<b>2012 Totals</b>	<b>\$255,875</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$255,875</b>

# **EXECUTIVE SUMMARY**

## **Finance Department**

### **2013 Budget**

#### **Executive Staff**

Vacant, Assistant Executive Director/Chief Financial Officer  
E. Ray Zies, Contoller  
Dana Gibson-Boone, Director of Cash & Debt Management  
Felix Alvarez, Sr. Director of Procurement & Business Diversity  
Daniel Ford, Assistant Director of Procurement  
Anthony Coleman, Director of Business Diversity  
Dennis Gakunga, Assistant Director of Business Diversity

#### **Department Description**

The purpose of the Finance Department is to contribute to the overall mission of the North Texas Tollway Authority of providing fiscally sound toll facilities by managing all financial functions of the Authority including Finance (Accounting, Budgeting), Cash and Debt Management, Procurement Services, Business Diversity and Shared Services.

#### **Accomplishments for 2012**

- Successfully completed first audit and preparation of the First CAFR for the Special Projects System
- Obtained Government Finance Office Association's GFOA's Distinguished Budget Presentation Award
- Obtained Award of Excellence in Procurement from National Procurement Institute (NPI)
- Completed succession plan for the Finance Department Senior Management
- Successfully completed contracts awards or renewals for the Financial Advisors for general advisory services and Private Public Partnership (P3) and Traffic and Revenue Engineers for the System and the Special Projects System
- Developed a comprehensive cumulative cash flow requirement schedule to give Senior Management and the Board a better understanding of the financial condition of NTTA
- Developed a more robust Monthly Financial Report Presentation to give Senior Management and the Board a better understanding of the operational status of the NTTA
- Successfully converted the 2009D Variable Rate Demand Bonds into a Callable Commercial Paper mode and negotiated a lower Letter of Credit (LOC) fee which will yield an estimated savings of \$430,000 annually through June 30, 2015 (LOC expiration).
- Obtained the Government Treasurers' Organization of Texas Certification of Investment Policy
- Developed the first comprehensive outstanding debt book, including System debt, System subordinate debt and the Special Project System debt to allow a comprehensive overview of NTTA's debt
- Developed a methodology and model for revenue loss associated with accidents and road closures
- Completed Finance Department Internal Control documentation
- Developed Finance 101 training, including procurement, for internal and external customers
- Successfully obtained Board approval for the following policies
  - Procurement
  - Investment
  - Debt Management

- SWAP Management
- Increased the number of D/M/W/SBEs registered in the NTTA database through increased outreach efforts and initiatives to the business community, advocacy groups, D/M/WBE firms and NTTA departments.
- Reviewed the business diversity department's Contracting and Compliance Manual to ensure compliance and incorporated best practices.
- Enhanced the business diversity department performance metrics reporting process and developed performance measures metrics and targets as part of the Administrative Services reporting to the NTTA Board of Directors.
- Increased the number of D/M/W/SBE firms serving in prime contractor roles through expanded capacity building initiatives and increased outreach with the business community, advocacy groups, regional partners, D/M/WBE firms and NTTA departments.
- Continued the monthly NTTA 'Business Chat Sessions' and the quarterly Vendor Outreach Symposiums across all four member counties.
- Developed the M/WBE industry-specific subcontracting goals for the construction and professional services procurement categories. The consulting services and goods and services procurement category goals are established on a contract-by-contract basis.
- Implemented the automated contract compliance tracking software for more effective monitoring of contract commitments and facilitated compliance training sessions for both prime contractors and subcontractors on the new system and reporting requirements.
- Continued monthly business diversity updates reports to the NTTA Board of Directors.

### **Goals and Objectives for 2013**

- Finance Department reorganization to accommodate Alvarez and Marsal and Executive Director structure changes
- Develop new financial/accounting policies as needed and begin preparing a comprehensive accounting procedures and guidelines manual used to identify and clarify roles, procedures, and policies of the accounting/finance function within the Authority.
- Explore financing alternatives to allow the Authority to maintain its role as a regional partner in the development and implementation of the region's mobility needs.
- Continue to develop and train Finance Department personnel to achieve and maintain a high level of professionalism within the Department to allow us to better serve our internal and external customers.
- Continue outreach efforts and initiatives to the business community, advocacy groups, D/M/WBE firms and NTTA departments efforts to increase the number of D/M/W/SBEs registered in the NTTA database.
- Increase the number of D/M/W/SBE firms serving in prime contractor roles through expanded capacity building initiatives and outreach with the business community, advocacy groups, regional partners, D/M/WBE firms and NTTA departments.
- Continue monthly business diversity updates reports to the NTTA Board of Directors.
- Facilitate compliance training sessions for both prime contractors and subcontractors on the new automated compliance tracking system and reporting requirements.
- Review the Diversity Policy and the business diversity department's Contracting and Compliance Manual to ensure compliance and incorporate best practices.
- Enhance and augment the business diversity department performance metrics reporting process.

## Major Budget Items for 2013

### Finance, Cash & Debt, and Procurement

- The department's overall 2013 budget has decreased (18.4%) or (\$878,001) from \$4,760,243 in FY 2012 to \$3,882,232 in FY 2013.
- Salaries decreased (12.3%) or (\$330,660) from \$2,684,580 to \$2,353,920; \$220,860 due to the elimination of two financial analysts; the transfer of one project manager position to Strategic & Innovative Solutions department; the conversion of a vacant Senior Accountant position to a Senior Buyer position; and \$109,800 due to additional allocation to the Special Projects System.
- Traffic Engineering Fees decreased (32.1%) or (\$360,000) from \$1,120,000 to \$760,000 due to refinement of estimates.
- Bank charges decreased (42.4%) or \$73,527 from 173,527 in 2012 to \$100,000 in 2013 to reflect historical spending.

### Business Diversity Division

- In the re-organization, the Business Diversity Department is now a division of the Procurement & Business Diversity Department under Finance and reports through the finance function of the Authority. The purpose of the Business Diversity Division (BDD) is to strengthen the North Texas Tollway Authority (NTTA) through the inclusion of Disadvantaged, Minority, Women-Owned, and Small Business Enterprises (D/M/W/SBEs) in the procurement of goods and services. A continuing goal of the BDD is to maximize the participation of D/M/W/SBEs in all phases of the Authority's purchasing and contracting opportunities.
- The division's overall 2013 budget has decreased (20.3%) or (\$93,045) from \$457,660 in FY 2012 to \$364,615 in FY 2013 due to various reductions in (6) categories, including travel, promotional expenses, dues & subscriptions, education & training and office supplies.
- Magazine and newspaper expenses decreased (88.6%) or (\$10,500) from \$11,856 to \$1,356 due to the launch of alternative outreach methods including the use of the department's e-Newsletter.
- Promotional expenses increased 127.5% or \$20,000 from \$15,686 to \$35,686 to include participation in the Cooperative Inclusion Plan (CIP).
- Dues and subscription expenses decreased (61.7%) or (\$25,090) from \$40,657 to \$15,567 due mainly the reallocation to the special projects system.
- Education and training expenses decreased (27.4%) or (\$500) from \$1,824 to \$1,324 due to a reduction in scheduled employee training.
- Office supplies decreased (48.7%) or (\$2,000) from \$4,104 to \$2,104 due to a reduction in printing costs.
- Freight expenses decreased (75.4%) or (\$172) from \$228 to \$56 due to the reduction of mailing costs.

### Shared Services

- Shared Services is a division within Finance, where agency wide expenditures and contingency amounts are budgeted. The contingency budgets are amounts from all departments that require additional Executive Director sign-off to utilize. Once these expenses are approved, a budget transfer will be made to the authorized department. No amounts are currently identified for 2013.
- The division's overall 2013 budget has decreased (26.8%) or (\$3,109,984) from \$11,584,006 in FY 2012 to \$8,474,022 in FY 2013. The net decrease includes an allocation of \$598,575 to Special Projects System.

- Other Post Employment Benefits (OPEB) annual required contribution decreased (100.0%) or (\$1,700,000) due to the balance in the account currently being at the 2013 required amount.
- The following agency-wide budget items reported in the Shared Services budget are the responsibility of the Human Resources department.
  - Compensation adjustments – increased by \$56,369 or 4.5%. Compensation adjustment is 3.5% of total payroll and will be used for performance and merit increases.
  - Unemployment Compensation – decreased by (\$521,095) or (46.8%) due to benefits ending for 2011 reduction in force.
  - Group Hospitalization – decreased by (\$900,885) or (13.1%) mostly due to \$598,575 additional allocation to Special Projects System.
  - Worker’s Compensation – decreased by (\$27,939) or (9.4%) due to reduction of deductible for prior year claims.
- All other expenses decreased (\$16,529) or (5.7%) to reflect historical spending.

<b>Other Funds</b>	<b>Finance</b>	<b>Shared Services</b>
• CF	\$3,911,320	\$0
• RMF	\$0	\$0
• CIF	\$3,071,920	\$0
• CIF/FSF	\$1,595,000	\$0

**Special Projects System**

• OMF PGBT-WE	\$601,705	\$225,693
• OMF CTP	\$234,900	
• CF PGBT-WE & CTP	\$342,512	\$372,882

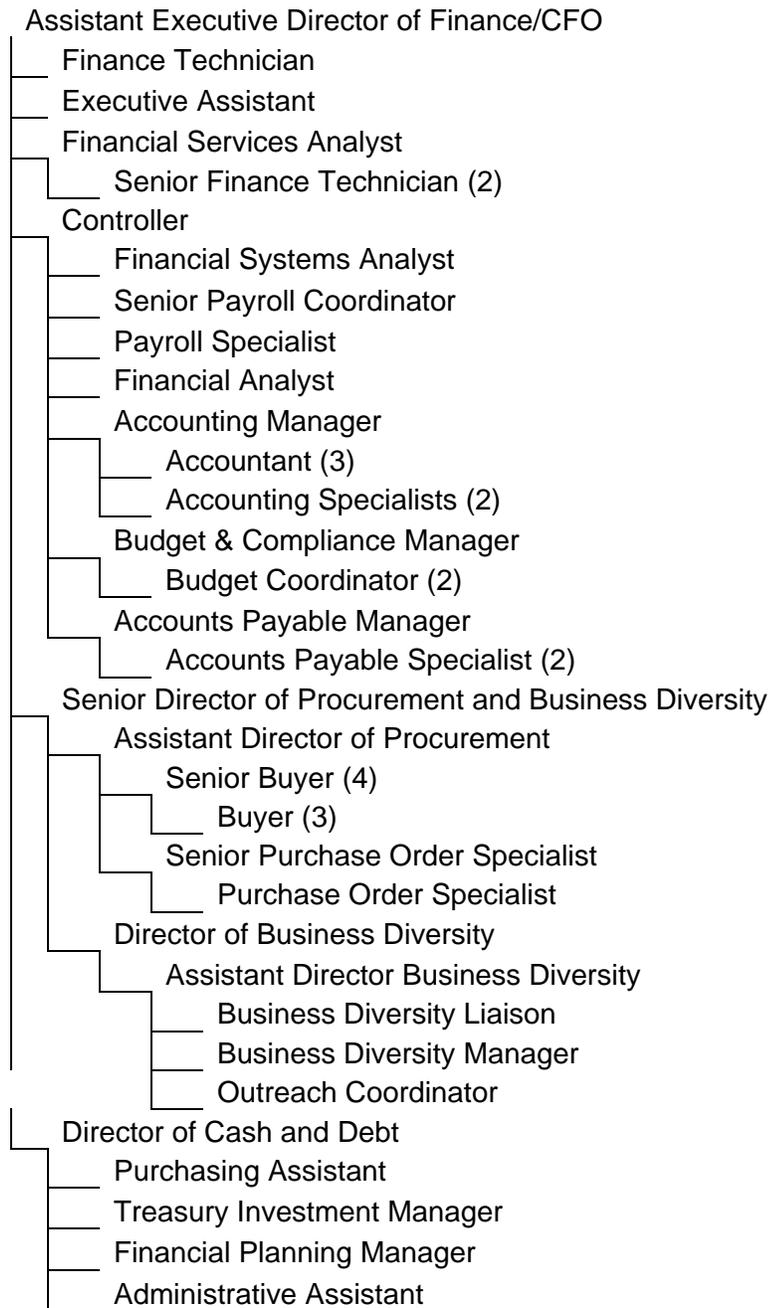
**Position Summary**

<b>Finance</b>			
<b>Full-Time Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
<b>Finance</b>			
Accountant	3	3	-
Accounting Manager	1	1	-
Accounting Specialists	2	2	-
Accounts Payable Manager	1	1	-
Accounts Payable Specialist	2	2	-
Budget & Compliance Manager	1	1	-
Budget Coordinator	2	2	-
Assistant Executive Director of Finance/CFO	1	1	-
Controller	1	1	-

Executive Assistant to CFO	1	1	-
Financial Analyst	3	1	(2)
Financial Services Analyst	1	1	-
Financial Systems Analyst	1	1	-
Financial Technician	1	1	-
Payroll Specialist	1	1	-
Project Evaluation Manager	1	-	(1)
Senior Finance Technician	2	2	-
Senior Accountant	1	-	(1)
Senior Payroll Coordinator	1	1	-
<b>Procurement and Business Diversity</b>			
<b>Procurement Services Division</b>			
Buyer	3	3	-
Senior Director of Procurement & Business Diversity	1	1	-
Procurement Manager	1	-	(1)
Purchase Order Specialist	2	1	(1)
Purchasing Assistant	1	1	-
Assistant Director of Procurement	-	1	1
Senior Purchase Order Specialist	-	1	1
Senior Buyer	3	4	1
<b>Business Diversity Division</b>			
Director of Business Diversity	1	1	-
Asst. Director B/D	1	1	-
Bus. Diversity Liaison	2	1	(1)
Business Diversity Manager	1	1	-
Outreach Coordinator	-	1	1
<b>Cash &amp; Debt Management</b>			
Administrative Assistant	1	1	-
Director of Cash & Debt Management	1	1	-
Financial Planning Manager	1	1	-
Treasury Investment Manager	1	1	-
<b>Total Full-Time Positions</b>	<b>47</b>	<b>44</b>	<b>(3)</b>

## Organization Chart

### Finance Department



**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Finance Department - (10500)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$3,009,659	\$2,616,498	(\$393,161)	(13.1)%
Salaries and Wage-Overtime - (511301)	1,345	1,415	70	5.2%
Retirement Contributions - (512401)	421,782	343,086	(78,696)	(18.7)%
Meeting Expense - (521101)	1,733	1,733	0	0.0%
Consulting/Professional - (521201)	274,870	253,880	(20,990)	(7.6)%
Trustee Fees - (521204)	64,410	63,885	(525)	(0.8)%
Traffic Engineering Fees - (521207)	1,120,000	760,000	(360,000)	(32.1)%
Magazine and Newspaper - (523302)	33,775	3,856	(29,919)	(88.6)%
Promotional Expenses - (523304)	15,686	35,936	20,250	129.1%
Printing and Photographic - (523401)	0	650	650	100.0%
Travel - (523501)	19,333	15,594	(3,739)	(19.3)%
Dues & Subscriptions - (523601)	47,935	22,743	(25,192)	(52.6)%
Education and Training - (523701)	16,447	12,369	(4,078)	(24.8)%
Licenses - (523801)	1,513	2,232	719	47.5%
Office Supplies - (531101)	13,638	11,415	(2,223)	(16.3)%
Freight and Express - (531105)	2,250	1,315	(935)	(41.6)%
Books & Periodicals - (531401)	0	240	240	100.0%
Bank Charges - (573001)	173,527	100,000	(73,527)	(42.4)%
<b>Total Expenses</b>	<b>\$5,217,903</b>	<b>\$4,246,847</b>	<b>(971,056)</b>	<b>(18.6)%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Finance Department - (10500)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$2,616,498	\$0	\$0	\$0	\$0	\$2,616,498
Salaries and Wage-Overtime - (511301)	1,415	0	0	0	0	1,415
Retirement Contributions - (512401)	343,086	0	0	0	0	343,086
Meeting Expense - (521101)	1,733	0	0	0	0	1,733
Consulting/Professional - (521201)	253,880	0	0	19,920	0	273,800
Trustee Fees - (521204)	63,885	0	0	2,000	0	65,885
Rating Agency Fees - (521205)	0	0	0	50,000	0	50,000
Remarketing/Loc Provider Fees - (521206)	0	0	0	3,000,000	0	3,000,000
Traffic Engineering Fees - (521207)	760,000	0	0	0	0	760,000
Magazine and Newspaper - (523302)	3,856	0	0	0	0	3,856
Promotional Expenses - (523304)	35,936	0	0	0	0	35,936
Printing and Photographic - (523401)	650	0	0	0	0	650
Travel - (523501)	15,594	0	0	0	0	15,594
Dues & Subscriptions - (523601)	22,743	0	0	0	0	22,743
Education and Training - (523701)	12,369	0	0	0	0	12,369
Licenses - (523801)	2,232	0	0	0	0	2,232
Office Supplies - (531101)	11,415	0	0	0	0	11,415
Freight and Express - (531105)	1,315	0	0	0	0	1,315
Books & Periodicals - (531401)	240	0	0	0	0	240
Bank Charges - (573001)	100,000	0	0	0	0	100,000
<b>2013 Totals</b>	<b>\$4,246,847</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,071,920</b>	<b>\$0</b>	<b>\$7,318,767</b>
<b>2012 Totals</b>	<b>\$5,217,903</b>	<b>\$4,497,012</b>	<b>\$0</b>	<b>\$3,232,455</b>	<b>\$650,000</b>	<b>\$13,597,370</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Shared Services - (10571)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Comp Adj. - (511103)	\$1,242,983	\$1,299,352	\$56,369	4.5%
Group Insurance - (512101)	6,876,807	5,975,922	(900,885)	(13.1)%
Retirement Contr.-Comp. Adj. - (512403)	174,639	171,985	(2,654)	(1.5)%
Unemployment Insurance - (512601)	1,113,986	592,891	(521,095)	(46.8)%
OPEB Annual Req'd Contribution - (512602)	1,700,000	0	(1,700,000)	(100.0)%
Worker's Comp Ins - (512701)	295,996	268,057	(27,939)	(9.4)%
Rentals - Equipment - (522302)	113,875	100,000	(13,875)	(12.2)%
Dues & Subscriptions - (523601)	815	815	0	0.0%
Office Supplies - (531101)	64,905	65,000	95	0.1%
<b>Total Expenses</b>	<b>\$11,584,006</b>	<b>\$8,474,022</b>	<b>(3,109,984)</b>	<b>(26.8)%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Shared Services - (10571)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Comp Adj. - (511103)	\$1,299,352	\$0	\$0	\$0	\$0	\$1,299,352
Group Insurance - (512101)	5,975,922	0	0	0	0	5,975,922
Retirement Contr.-Comp. Adj. - (512403)	171,985	0	0	0	0	171,985
Unemployment Insurance - (512601)	592,891	0	0	0	0	592,891
Worker's Comp Ins - (512701)	268,057	0	0	0	0	268,057
Rentals - Equipment - (522302)	100,000	0	0	0	0	100,000
Dues & Subscriptions - (523601)	815	0	0	0	0	815
Office Supplies - (531101)	65,000	0	0	0	0	65,000
<b>2013 Totals</b>	<b>\$8,474,022</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,474,022</b>
<b>2012 Totals</b>	<b>\$11,584,006</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,584,006</b>

# **EXECUTIVE SUMMARY**

## **Human Resources Department**

### **2013 Budget**

#### **Executive Staff**

Nina Arias, Director of Human Resources

Joni Lee, Assistant Director of Human Resources

#### **Department Description**

The Office of Human Resources is committed to providing high quality service to all prospective, current and past employees and to treating such individuals with respect, good care, and individual attention from their first inquiries about position vacancies, services and programs, through retirement. By making this commitment to the Authority and its customers, the NTTA's Human Resources staff will be able to maintain its high level of mutual trust and respect. Under the re-organization this department now reports through the operations function of the Authority.

- The Human Resources Department is divided into functional units that partner with both internal and external customers.
  - Total Rewards - Compensation and Benefits Services
  - Employee Development and Training Services
  - Employment Sourcing and Recruitment Services
  - Employee Relations and Wellness
  - Performance Management
  - HR Administration - Policies and Procedure
- The department is responsible for planning and implementing a comprehensive human resources program, including: recruitment of qualified applicants into a diverse workforce; employment and orientation services; retirement processing; administration of employee benefits; pre-payroll administration and processes; policy development and administration; job classification, compensation and labor market research; employee relations; employee assistance programs; maintenance of personnel records; maintenance of the Authority's personnel database; and the administration of performance evaluation programs and the employee grievance process. In addition, the department is responsible for ensuring compliance with federal, state and local laws and regulations as well as the NTTA's policies and procedures.

#### **Accomplishments for 2012**

- Updated the strategic departmental mission statement and established departmental team values to enhance the effectiveness of the department in alignment with the values of the organization.
- Partnered with the Information Technology Department's staff in the facilitation of Project Torch HCM 9.1 upgrade to enhance People Soft's platform capabilities and streamline recordkeeping and administration of the employee base. Project expected completion date is October 2012.
- Partnered with departments to update the Human Resources Policies and Procedures Handbook Fourth Edition, to be released in 4<sup>th</sup> quarter 2012.
- Issued a Temporary Staffing Services RFP and established a pool of staffing consultants to provide qualified temporary employees for departments on an as needed bases
- Issued a go forward business strategy related to Total Compensation for NTTA employees and presented recommendations for the 2013 O&M Budget, based on the following activities:
  - Developed the scope of services, selected a provider, and managed the implementation of a comprehensive assessment of NTTA's health and other related benefits. Implementation plan underway for specific recommendations resulting from the assessment to ensure coordination with PEBC for 2014 health and other related benefits.

- Developed the scope of services for, issued, and managed an RFP for 401(k), and 457 benefits providers. Recommendations for new provider (s), if necessary, to be presented to the Board.
- Facilitated NTTA's second annual Education and Book Fair featuring the NTTA Educational Assistance Program; an overview of the new online training site: Lynda.com; and librarian tips: What and How to read to your child.
- Enhanced and streamlined the recruitment and selection process by working in partnership with IT to develop weekly recruiting reports to proactively provide recruiting data to departments and executive leadership.
- Implemented activities to enhance diversity awareness at the NTTA and provided training for the purpose of increasing cultural competence.
- Enhanced the New Hire Orientation process to enrich the learning environment and enhance the knowledge transfer for newly hired employees.
- Developed and executed succession plans for identified positions in the County Review and other mission critical positions.

### **Goals and Objectives for 2013**

- Identify items to be implemented in response to the recommendations issued by the 2012 benefits assessment and work with the PEBC leadership in their implementation.
- Identify items to be implemented in 2013, and beyond, and develop an implementation plan based on the results of the retirement analysis scheduled to begin the four quarter of 2012.
- Conduct a "Desk Audit" to ensure consistency between duties performed and the content of job descriptions for all positions at the NTTA.
- Structure and establish a comprehensive wellness program. The program will be implemented in phases beginning in 2013 through 2014.
- Update the 2009 Total Compensation study.
- Implement enhancements to the on-line application tracking system as determined by the results of a Request for Proposal for an on line tracking system to be conducted in the fourth quarter of 2012.

### **Major Budget Items for 2013**

- The department's overall 2013 budget has increased by 2.7% or \$38,635 from \$1,431,990 in FY2012 to \$1,470,626 in FY2013.
- Salaries and Wages-Internship increased 100% or \$24,000, as this program was deleted from the 2012 Human Resources OMF Budget Fund.
- Meeting Expenses increased 18% or \$1,000 from \$5,558 to \$6,558 which includes additional resources to support a two day Benefits and Wellness Fair.
- Overtime increased 39.5% or \$502 from \$1,272 to \$1,774. Overtime increased to support HR projects and activities over the year that includes open enrollment and the Benefits Fair.
- Magazine and Newspaper Ads decreased by (19.8%) or (\$4,200) from \$21,210 to \$17,010. The annual EOE Diversity Journal and various web sites on line postings were decreased.
- Promotional Expenses decreased (48.2%) or (\$1,960) from \$4,460 to \$2,104 as promotional items for recruiting was omitted from the budgeted account.
- Travel budget decreased by (67.6%) or (\$2,593) from \$3,838 to \$1,245 due to decreasing the HR staff attendees to the TCDRS Annual Meeting.
- Dues and Subscriptions decreased (21.9) % or (\$5,756) from \$26,283 to \$20,527 primarily due to elimination of the resume database and use of a less expensive and equally effective recruiting subscription *Indeed*.
- Temporary Contract Labor decreased by (76.8%) or (\$3,500) from \$4,555 to \$1,055.
- Office Supplies decreased by (43.4%) or (\$4,582) from \$10,560 to \$5978. The variance is due to the completion of the HR files renovation in 2012.
- Education and Training decreased (10.4%) or (\$11,494) from \$110,150 to \$98,656 as budgeted resources will provide in-house training, and more effective use of self service and on line training services.

- Consulting/Professional Expenses increased 3.3% or \$7,537 from \$226,393 to \$233,930. This is due to drug screenings, background checks and other project related costs.
- Relocation expenses decreased (100%) from (\$9,111) to \$0 due to low historical usage and reallocation of expenses to respected departments.
- Recruitment decreased (10.2%) or (\$2,300) from \$22,609 to \$20,309 due to better usage of recruitment resources and online tools.
- Printing and Photographic decreased (63.8%) or (\$1,940) from \$3,043 to \$1,103 due to elimination of the number of printed materials and increased use of NTTA's Intranet for communicating information to employees.

**Other Funds**

- CF \$0
- RMF \$0
- CIF \$0
- CIF/FSF \$0

**Special Systems Projects**

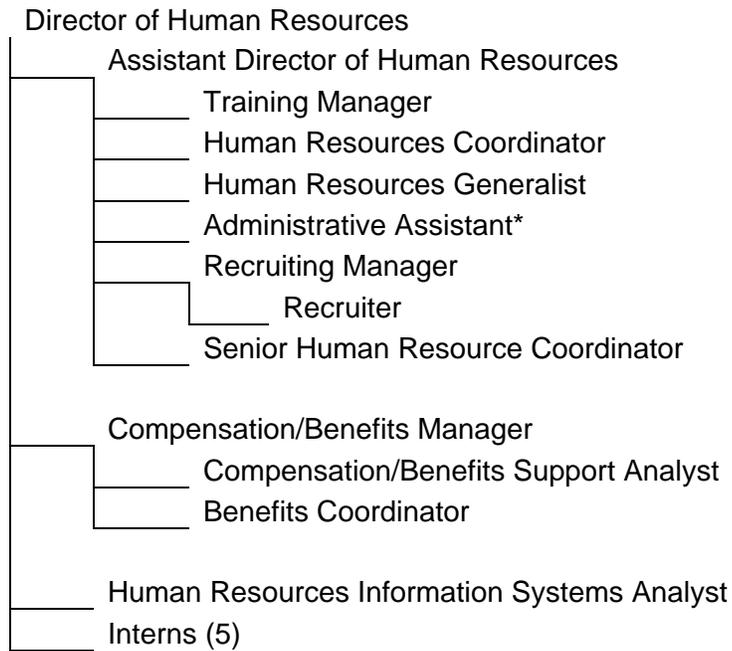
- OMF PBGT-WE \$139,589

**Position Summary**

<b>Human Resources</b>			
<b>Full-Time Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
Administrative Assistant	1	1	-
Assistant Director of Human Resources	1	1	-
Benefits Coordinator	1	1	-
Compensation/Benefits Manager	1	1	-
Director of Human Resources	1	1	-
Human Resources Coordinator	1	1	-
Human Resources Generalist	1	1	-
HRIS Systems Analyst	1	1	-
Recruiting Manager	1	1	-
Recruiter	1	1	-
Senior HR Coordinator	1	1	-
Compensation/Benefits Support Analyst	1	1	-
Training Manager	1	1	-
<b>Total Full-Time Positions</b>	<b>13</b>	<b>13</b>	<b>-</b>

## Organization Chart

### Human Resources Department



\* Position supports the Human Resources Department

**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Human Resources - (20002)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$835,990	\$886,609	\$50,619	6.1%
Salaries and Wages-Internship - (511202)	0	24,000	24,000	100.0%
Salaries and Wage-Overtime - (511301)	1,272	1,774	502	39.5%
Retirement Contributions - (512401)	117,698	117,167	(531)	(0.5)%
Retirement Contr.-Internship - (512402)	0	3,178	3,178	100.0%
Tuition Reimbursement - (512501)	29,383	29,383	0	0.0%
Relocation Expenses - (512901)	9,111	0	(9,111)	(100.0)%
Meeting Expense - (521101)	5,558	6,558	1,000	18.0%
Consulting/Professional - (521201)	226,393	233,930	7,537	3.3%
Recruitment - (523301)	22,609	20,309	(2,300)	(10.2)%
Magazine and Newspaper - (523302)	21,210	17,010	(4,200)	(19.8)%
Promotional Expenses - (523304)	4,064	2,104	(1,960)	(48.2)%
Printing and Photographic - (523401)	3,043	1,103	(1,940)	(63.8)%
Travel - (523501)	3,838	1,245	(2,593)	(67.6)%
Dues & Subscriptions - (523601)	26,283	20,527	(5,756)	(21.9)%
Education and Training - (523701)	110,150	98,656	(11,494)	(10.4)%
Temporary Contract Labor - (523851)	4,555	1,055	(3,500)	(76.8)%
Office Supplies - (531101)	10,560	5,978	(4,582)	(43.4)%
Freight and Express - (531105)	273	40	(233)	(85.3)%
<b>Total Expenses</b>	<b>\$1,431,990</b>	<b>\$1,470,626</b>	<b>\$38,636</b>	<b>2.7%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Human Resources - (20002)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$886,609	\$0	\$0	\$0	\$0	\$886,609
Salaries and Wages-Internship - (511202)	24,000	0	0	0	0	24,000
Salaries and Wage-Overtime - (511301)	1,774	0	0	0	0	1,774
Retirement Contributions - (512401)	117,167	0	0	0	0	117,167
Retirement Contr.-Internship - (512402)	3,178	0	0	0	0	3,178
Tuition Reimbursement - (512501)	29,383	0	0	0	0	29,383
Meeting Expense - (521101)	6,558	0	0	0	0	6,558
Consulting/Professional - (521201)	233,930	0	0	0	0	233,930
Recruitment - (523301)	20,309	0	0	0	0	20,309
Magazine and Newspaper - (523302)	17,010	0	0	0	0	17,010
Promotional Expenses - (523304)	2,104	0	0	0	0	2,104
Printing and Photographic - (523401)	1,103	0	0	0	0	1,103
Travel - (523501)	1,245	0	0	0	0	1,245
Dues & Subscriptions - (523601)	20,527	0	0	0	0	20,527
Education and Training - (523701)	98,656	0	0	0	0	98,656
Temporary Contract Labor - (523851)	1,055	0	0	0	0	1,055
Office Supplies - (531101)	5,978	0	0	0	0	5,978
Freight and Express - (531105)	40	0	0	0	0	40
<b>2013 Totals</b>	<b>\$1,470,626</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,470,626</b>
<b>2012 Totals</b>	<b>\$1,431,990</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,431,990</b>

# **EXECUTIVE SUMMARY**

## **Internal Audit Department**

### **2013 Budget**

#### **Executive Staff**

Magdalena Kovats, Director of Internal Audit  
Marvin Reader, Assistant Director of Internal Audit

#### **Department Description**

- The Internal Audit Department is an independent, objective, assurance, and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of risk management, control, and governance processes.

#### **Accomplishments for 2012**

- The Internal Audit Department continued to complete assurance and consulting projects identified by a risk based assessment and requests by management. Additionally, the work plan was reviewed midyear and the work plan adjusted accordingly.
- The Internal Audit Department continued to monitor the NTTA ethics hotline, perform the Ombudsman role/responsibilities, and monitor Chase Paymentech instant alerts. Based upon the requirements of these functions, a position was reclassified to focus on these areas.
- The Internal Audit Department assisted with any special requests.
- The Internal Audit Department facilitated the completion of the Revenue Process Gaps and Risk Assessment.

#### **Goals and Objectives for 2013**

- The Internal Audit Department will continue to complete assurance and consulting projects identified by a risk based assessment and requests by management. Additionally, the work plan will be reviewed during the year to determine whether risks have changed and adjust the work plan accordingly.
- The Internal Audit Department will continue to monitor the NTTA ethics hotline, perform the Ombudsman role/responsibilities, and monitor Chase Paymentech instant alerts.
- The Internal Audit Department will continue direct and open communication with members of the Board of Directors related to opportunities identified or other relevant information. On an as needed basis, Audit will communicate directly with members of the Board.

#### **Major Budget Items for 2013**

- The department's OMF 2013 budget has decreased (.5%) or (\$4,039) from \$879,785 in FY 2012 to \$875,746 in FY 2013
- Auditing Fees increased 3.7% or \$4,485 from \$120,120 to \$124,605, per contract amounts
- Travel decreased (15.1%) or (\$2,000) from \$13,258 to \$11,258, due to localized training
- Dues and Subscriptions increased 34.2% or \$1,455 from \$4,255 to \$5,710, dues previously budgeted under licenses
- Education and Training decreased (45%) or (\$9,480) from \$21,076 to 11,596, localized training

- Licenses decreased (74.8%) or (\$770) from \$1,030 to \$260. Dues previously paid from this account reclassified to dues and subscriptions.

**Other Funds**

- CF \$ 67,966
- RMF \$ 11,328
- CIF \$ 22,655
- CIF/FSF \$ 0

**Special Project System**

- OMF-PGBT-WE/CTP \$161,117

**Position**

**Summary**

<b>Internal Audit Department</b>			
<b>Full-Time Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
Administrative Assistant	1	1	-
Assistant Director of Internal Audit	1	1	-
Director of Internal Audit	1	1	-
Information Technology Auditor	2	2	-
Internal Auditor	2	1	(1)
Internal Audit Analyst	-	1	1
Senior Internal Auditor	1	1	-
<b>Total Full-Time Positions</b>	<b>8</b>	<b>8</b>	<b>-</b>

**Organization Chart**

**Internal Audit Department**



**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Internal Audit - (10811)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$611,076	\$616,429	\$5,353	0.9%
Retirement Contributions - (512401)	85,998	81,280	(4,718)	(5.5)%
Meeting Expense - (521101)	1,011	871	(140)	(13.8)%
Consulting/Professional - (521201)	0	20,000	20,000	100.0%
Auditing Fees - (521203)	120,120	124,605	4,485	3.7%
Postage - (523201)	91	91	0	0.0%
Recruitment - (523301)	18,224	0	(18,224)	(100.0)%
Travel - (523501)	13,258	11,258	(2,000)	(15.1)%
Dues & Subscriptions - (523601)	4,255	5,710	1,455	34.2%
Education and Training - (523701)	21,076	11,596	(9,480)	(45.0)%
Licenses - (523801)	1,030	260	(770)	(74.8)%
Office Supplies - (531101)	2,734	2,734	0	0.0%
Freight and Express - (531105)	456	456	0	0.0%
Books & Periodicals - (531401)	456	456	0	0.0%
<b>Total Expenses</b>	<b>\$879,785</b>	<b>\$875,746</b>	<b>(4,039)</b>	<b>(0.5)%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Internal Audit - (10811)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$616,429	\$0	\$0	\$0	\$0	\$616,429
Retirement Contributions - (512401)	81,280	0	0	0	0	81,280
Meeting Expense - (521101)	871	0	0	0	0	871
Consulting/Professional - (521201)	20,000	0	0	0	0	20,000
Auditing Fees - (521203)	124,605	67,966	22,656	22,655	0	237,882
Postage - (523201)	91	0	0	0	0	91
Travel - (523501)	11,258	0	0	0	0	11,258
Dues & Subscriptions - (523601)	5,710	0	0	0	0	5,710
Education and Training - (523701)	11,596	0	0	0	0	11,596
Licenses - (523801)	260	0	0	0	0	260
Office Supplies - (531101)	2,734	0	0	0	0	2,734
Freight and Express - (531105)	456	0	0	0	0	456
Books & Periodicals - (531401)	456	0	0	0	0	456
<b>2013 Totals</b>	<b>\$875,746</b>	<b>\$67,966</b>	<b>\$22,656</b>	<b>\$22,655</b>	<b>\$0</b>	<b>\$989,023</b>
<b>2012 Totals</b>	<b>\$879,785</b>	<b>\$65,520</b>	<b>\$10,920</b>	<b>\$21,840</b>	<b>\$0</b>	<b>\$978,065</b>

# **EXECUTIVE SUMMARY**

## **Legal Services Department**

### **2013 Budget**

#### **Executive Staff**

Thomas Bamonte, General Counsel  
Bob Schell, Assistant General Counsel

#### **Department Description**

The Legal Services Department (“Legal”) supports the NTTA’s mission by providing high-quality legal services at reasonable expense.

#### **Accomplishments for 2012**

- Development and implementation of a variety of toll violation enforcement initiatives, including website publicity, collections litigation, and administrative ban of repeat toll violator vehicles.
- Adoption of Board and employee ethics policies.
- Successful completion of legal services RFQ.
- Developed fee-for-services TSA model for DFW Connector project.
- Early implementation of Legal Services Protocols, resulting in greater diversity of legal services providers.
- Implementation of a law student Intern program.

#### **Goals and Objectives for 2013**

- Provide the NTTA with quality legal services.
- Support the NTTA’s innovative financing and project delivery goals.
- Continue to manage costs without adversely affecting service quality.
- Fully implement the Legal Services Protocols.

#### **Major Budget Items for 2013**

- The department’s overall 2013 budget has decreased (13.7%) or (\$399,002) from \$2,903,761 in FY 2012 to \$2,504,759 in FY 2013 due to an anticipated reduction in operating costs.
- Salaries decreased (9.7%) or (\$56,842) from \$587,624 to \$530,782 due to allocation to the Special Projects construction fund. These figures do not include a new half-time lawyer.
- Legal fees decreased (16.1%) or (\$346,160) from \$2,146,160 to \$1,800,000.
- Office supplies have increased 49.0% or \$14,500 from \$29,611 to \$44,111. The cost of records storage and retrieval, and shredding has increased with demand from litigation matters, PCI compliance and the conversion to ETC.
- Two part-time law student interns funded. Interns provide basic legal research at approximately \$20/hour.

**Other Funds**

- CF \$500,000
- RMF \$ 150,000
- CIF \$ 700,000
- CIF/FSF \$ 300,000

**Special Systems Projects**

- OMF PGBT-WE \$ 329,633
- CF PGBT-WE \$ 368,901
- CF CTP \$2,347,206

**Position Summary**

<b>Legal Services Department</b>			
<b>Full-Time Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
Assist Executive Director General Counsel	1	1	-
Executive Assistant to AED	1	1	-
Asst Director General Counsel	1	1	-
Paralegal	1	1	-
Records Retention Manager	1	1	-
<b>Total Full-Time Positions</b>	<b>5</b>	<b>5</b>	<b>-</b>
<b>Part-Time &amp; Temporary Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
P/T Intern-Legal (Law Students)	2	3	1
<b>Total Part-Time Positions</b>	<b>2</b>	<b>3</b>	<b>1</b>

**Organization Chart**

**Legal Department**

- Assistant Executive Director General Counsel
  - \_\_\_\_ Assistant Director General Counsel
  - \_\_\_\_ Paralegal
  - \_\_\_\_ Records Retention Coordinator
  - \_\_\_\_ Executive Assistant
  - \_\_\_\_ Interns P/T (3)

**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Legal Services - (10911)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$587,624	\$530,782	(\$56,842)	(9.7)%
Retirement Contributions - (512401)	76,599	70,439	(6,160)	(8.0)%
Legal Fees - (521202)	2,146,160	1,800,000	(346,160)	(16.1)%
Travel - (523501)	12,600	12,167	(433)	(3.4)%
Dues & Subscriptions - (523601)	42,711	42,995	284	0.7%
Education and Training - (523701)	8,000	3,809	(4,191)	(52.4)%
Office Supplies - (531101)	29,611	44,111	14,500	49.0%
Freight and Express - (531105)	456	456	0	0.0%
<b>Total Expenses</b>	<b>\$2,903,761</b>	<b>\$2,504,759</b>	<b>(399,002)</b>	<b>(13.7)%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Legal Services - (10911)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$530,782	\$0	\$0	\$0	\$0	\$530,782
Retirement Contributions - (512401)	70,439	0	0	0	0	70,439
Legal Fees - (521202)	1,800,000	500,000	150,000	700,000	0	3,150,000
Travel - (523501)	12,167	0	0	0	0	12,167
Dues & Subscriptions - (523601)	42,995	0	0	0	0	42,995
Education and Training - (523701)	3,809	0	0	0	0	3,809
Office Supplies - (531101)	44,111	0	0	0	0	44,111
Freight and Express - (531105)	456	0	0	0	0	456
Deferred Charges (153001)	0	0	0	0	300,000	300,000
<b>2013 Totals</b>	<b>\$2,504,759</b>	<b>\$500,000</b>	<b>\$150,000</b>	<b>\$700,000</b>	<b>\$300,000</b>	<b>\$4,154,759</b>
<b>2012 Totals</b>	<b>\$2,903,761</b>	<b>\$1,250,000</b>	<b>\$600,000</b>	<b>\$225,000</b>	<b>\$1,284,000</b>	<b>\$6,262,761</b>

# EXECUTIVE SUMMARY

## Public Affairs

### 2013 Budget

#### Executive Staff

Kim Jackson, Senior Director of Public Affairs  
 Carrie Rodgers, Director Government Affairs  
 Vacant, Director Legislative Affairs  
 Christine Connelly, Assistant Director Public Affairs

#### Department Description

The re-organization of NTTA combines the activities of the Communications and Marketing Department and Government Affairs Department. These two departments become divisions of the Public Affairs Department.

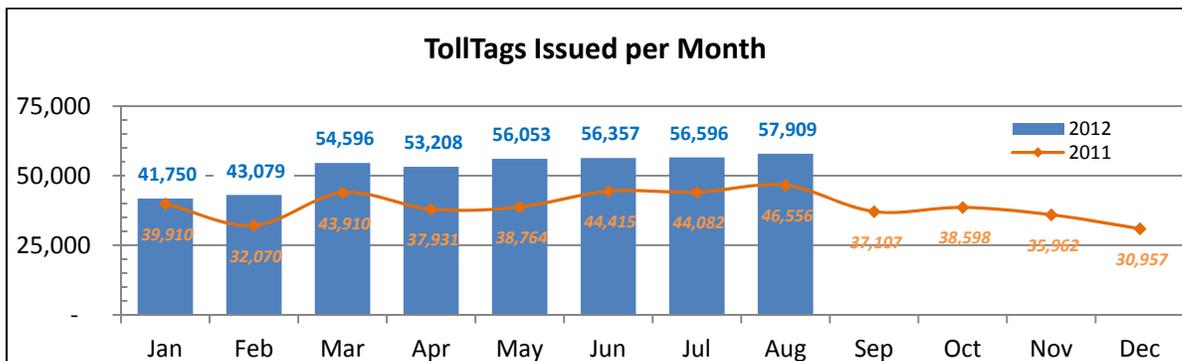
#### Communications and Marketing Division Description

The NTTA Communications and Marketing Division supports the Authority’s strategic goals and business objectives through quantifiable communications with internal and external audiences. There are seven focus areas: strategy and planning, media relations, marketing and advertising, project communications, speaker’s bureau and outreach, online communications and internal communications.

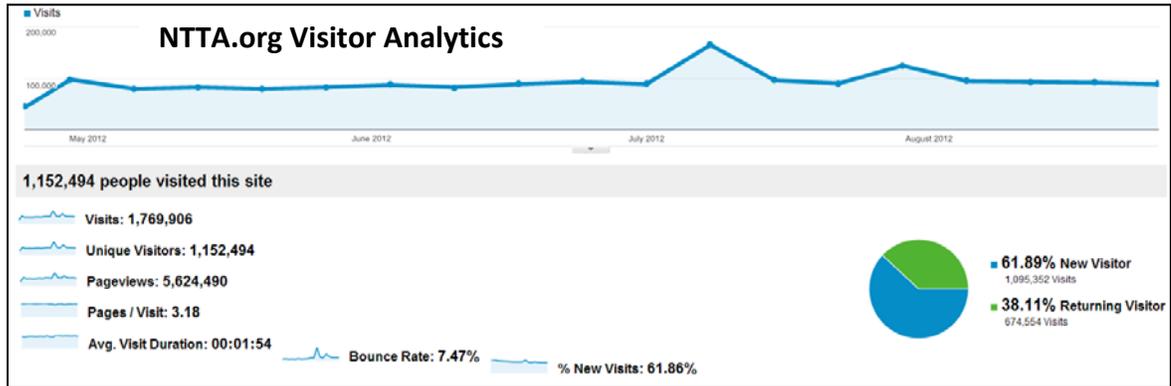
#### Accomplishments for 2012

The Communications & Marketing Division achieved the following 2012 business objectives.

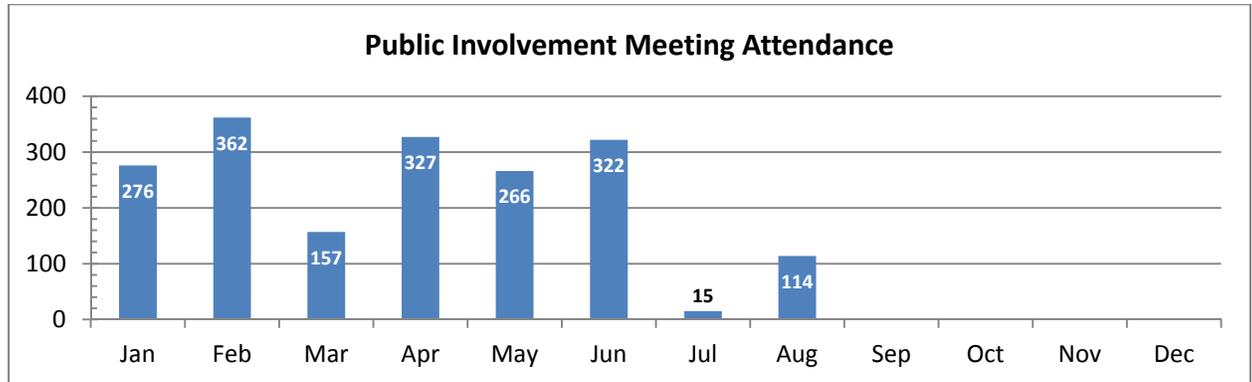
- **Customer Research:** Conducted [biennial customer/ stakeholder surveys](#) and general market and Latino focus groups to inform communications and operations. The research was used to develop targeted marketing/advertising programs, operational programs and to drive TollTag market share back to 80%.
- **Payment and Toll Violator Initiatives:** Supported efforts to reduce V-Toll rates, increase TollTag market share and on-time ZipCash payment. Through July of 2012, the TollTag rates have climbed from a low of 63% to 78% (measured at 90 days). Developed new TollTag account plans in cooperation with operations and finance. Launched Top Toll Violator Webpage and “Pay Up” advertising campaign aimed at encouraging early invoice payment and TollTag use. TollTag distribution through all channels increased an average of 28% per month as of Aug. 31, 2012.



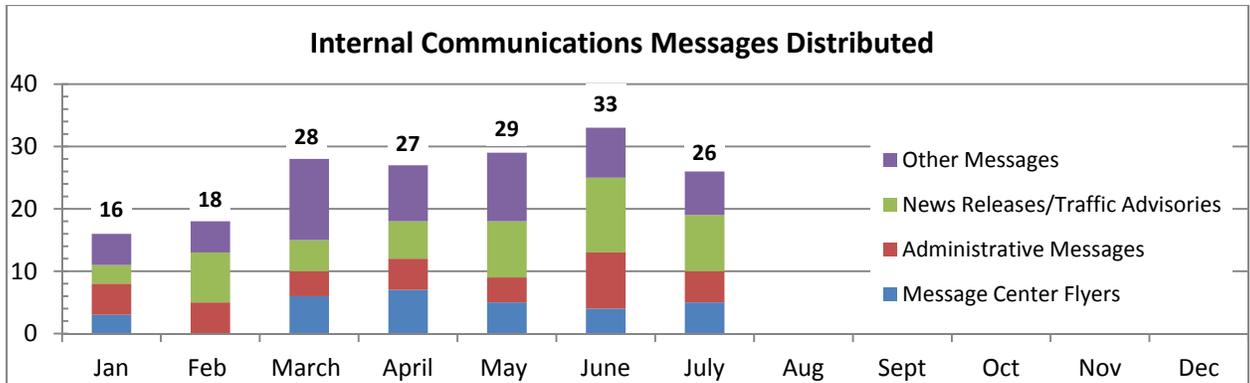
- Online/Mobile/Social Media presence:** Improved online and mobile communications to support organizational objectives, enhance customer service, and create a dialogue with customers and stakeholders. Launched a redesigned NTTA.org, expanded outreach to Latino market by adding Google Translate and key Spanish language pages, worked with IT to develop mobile app to make account management and bill payment easier, significantly expanded presence on social media sites including YouTube, Facebook, Twitter and Pinterest.



- CTP Outreach:** Increased visibility and outreach in Tarrant and Johnson counties through speaking engagements, storefronts, mobile displays, e-newsletters and stakeholder/business outreach. Initiated Business Information Group (B.I.G.) and community meetings. Expanded TollTag marketing through DFW Airport initiative to drive TollTag sales. Created four additional area specific e-newsletters.



- PGBT-EE Outreach:** Expanded outreach in Eastern Dallas and Rockwall counties TollTag market share on the Eastern Extension. Launched “It’s a GoTag” campaign to encourage TollTag adoption and use of the toll road.
- Employee Communication:** Facilitated two-way communication between executives and staff to foster understanding of NTTA mission and goals. Executed biennial engagement survey, weekly executive director emails, internal communications surveys, and employee “point of view” videos.



- **Imaging/PR Campaign:** Began reframing NTTA public image through use of videos, expanded media relations and speaker's bureau outreach, and County Review and SB 469 action.

### Goals and Objectives for 2013

- The budget focus continues to shift toward promoting products and services to maintain visibility while preserving financial resources.
- The message will continue to focus on value and remind customers what they are getting for the money.
- The budget includes a sustained advertising program to maintain TollTag acquisition progress and improve TollTag use.
- To improve brand confidence and encourage customer/stakeholder behavior, the budget also includes a further investment in strategic outreach through a ramp up of digital, social media and public relations activities.
- Large scale communications initiatives planned for 2013 include:
  - Improve TollTag market share to 80% on NTTA System roads, and reduce undesirable customer behavior
  - Support RITE upgrade and customer communications
  - Launch new TollTag products/plans
  - Complete all-ETC conversion of PGBT
  - Effectively communicate toll rate increase to maintain traffic levels
  - Continue public relations campaign to encourage understanding of NTTA and its mission
  - Improve TollTag access through strategic/retail partnerships
  - Expand online/mobile/social media presence
  - Expand employee communications (intranet)
  - Support legislative efforts (grassroots initiatives)

### Major Budget Items for 2013

- The division's proposed FY 2013 NTTA System Operations and Maintenance budget decreased by (17.1%) or (\$444,256) from \$2,603,135 in FY 2012 to \$2,158,879 in FY 2013.
- Reductions were made in all accounts except three: Public Information Fees, which remained flat; Magazine/Newspaper, which increased to expand billboard advertising; and Overtime, which had not previously been budgeted.
- **Salaries & Wages (Direct):** reduced by (21.3%) or (\$200,771) from \$940,854 to \$740,083 due to additional allocation to Special Projects System.

- **Salaries & Wages (Overtime):** increased 100% from \$0 to \$1,200 to accommodate minimal overtime resulting from new online time clock system implemented in 2012.
- **Retirement Contributions:** reduced by (27.8%) or (\$36,766) from \$132,250 to \$95,484.
- **Meeting expense:** reduced by (68.8%) OR (\$543) from \$789 in FY 2012 to \$104 in FY 2013 by eliminating participation in IBTTA and other functions.
- **Consulting/Professional:** decreased by (17.4%) or (74,860) from \$429,110 to \$354,250 by reducing expenses for creative design fees and website functionality. Also identified cost savings in media monitoring/analysis.
- **Public Information Fees:** remained flat at \$111,420. This account covers payments to Regional TollTag Partners that serve as retail locations.
- **Magazine/Newspaper:** increased 36.3% or \$79,152 from \$218,197 to \$297,349 to accommodate expanded billboard and airport advertising. Includes \$55,686 transferred from TV/Radio account. The account also covers online advertising.
- **TV/Radio:** decreased (20.2%) or (\$101,390) from \$501,390 to \$400,000. Made overall reduction and further reallocated \$55,686 to Magazine/Newspaper account for expanded billboard and airport advertising.
- **Promotional Expenses:** decreased by (42.4%) or (\$66,688) from \$157,149 to \$90,461 by eliminating promotional give-away items and making incremental reductions throughout the account. Expenses for employee engagement activities were absorbed by the Administration Department budget. Retained expenditures for customer rewards programs/incentives and marketing sponsorships.
- **Printing/Photographic:** decreased by (75.8%) or (\$5,950) from \$7,846 to \$1,896 by eliminating stock photo shoots and reducing board/staff photos shoots and prints.
- **Maps and Pamphlets:** decreased by (33.5%) or (\$25,208) from \$75,208 to \$50,000 by eliminating printing of Annual Summary Report, which will be available only online, and making other reductions throughout the account.
- **Travel:** decreased by (64.1%) or (\$1,785) from \$2,785 to \$1,000 by eliminating travel to IBTTA. Includes only mileage reimbursement for employees if an NTTA vehicle is not available
- **Dues and Subscriptions:** decreased by (24.5%) or (\$1,000) from \$4,085 to \$3,085 by reducing professional/trade association memberships and subscriptions.
- **Education and Training:** decreased by (37.9%) or (\$3,608) from \$9,518 to \$5,910 by reducing professional development/skills training.
- **Office Supplies:** decreased by (53.6%) or (\$4,975) from \$9,285 to \$4,310.
- **Other Materials & Supplies:** decreased by (25.1%) or (\$700) from \$2,785 to \$2,085.
- **Freight & Express:** decreased by (78.4%) or (\$364) from \$464 to \$100.

#### Other Funds

- CF \$0
- RMF \$0
- CIF \$0
- CIF/FSF \$0

#### Special Projects System

- OMF PGBT-WE \$453,476
- OMF CTP \$1,165,246
- CF PGBT-WE & CTP \$129,846

### **Government Affairs Division Description**

- The purpose of the Government Affairs Division is to oversee governmental relations activities and develop and execute strategy, objectives and initiatives which support the mission of the NTTA; assist in managing the image of the agency, monitor public policy, and maintain positive relationships with local, state and federal elected and community officials. This is accomplished by managing the legislative process; working with staff, legislative consultants and elected officials; analyzing legislation; attending meetings and updating staff and the Board on issues, reviewing government notices and communications; developing and distributing newsletters, executive summaries and reports. The Government Affairs Department is also responsible for advocating for and supporting the Board-approved legislative goals throughout the legislative session, working with other departments and representing the agency to elected officials and other external stakeholders to promote policy changes which impact the NTTA.

### **Accomplishments for 2012**

- Board approved 2013 legislative program to support the NTTA's mission to provide fiscal and responsible tolling solutions to North Texas.
- All four NTTA member counties approved resolutions supporting the NTTA's 2013 legislative program, which includes asking the Texas legislature to provide stronger toll enforcement and collection tools.
- Increased legislative outreach to all Dallas-Fort Worth legislators, NTTA member counties and regional leadership by 3,000 points over 2011 from 75,216 to 78,000 points of contact through consistent and targeted communications by issue and/or project, including the NTTA's completion and dedication of Sam Rayburn Tollway/Dallas North Tollway (SRT/DNT) interchange; President George Bush Turnpike Eastern Extension (PGBT EE) Grand Opening; President George Bush Turnpike Western Extension (PGBT WE) updates; Chisholm Trail Parkway (CTP) groundbreaking and updates; NTTA County Review updates; all Business Diversity initiatives and communications. These points of contact are in addition to regular communications of the NTTA Board's monthly meeting agendas and the NTTA's monthly project delivery reports.
- Provided legislative training for DFW Legislators' staff members in Austin and Plano to expand their role and knowledge of the legislative process.

### **Goals and Objectives for 2013**

- The proposed 2013 Government Affairs budget supports the Department's strategic planning goals of:
  - Advocate for the NTTA's legislative goals for the 83<sup>rd</sup> Texas Legislature.
  - Complete legislative research materials for 83<sup>rd</sup> Texas Legislature to provide a comprehensive resource on legislative issues to the NTTA team during the session.
  - Effectively monitor and address legislation impacting the NTTA during the 83<sup>rd</sup> Texas Legislature.
  - Enhance consistent and target outreach to local, state and federal officials to reach 75,000 points of contact for elected officials on targeted issues important to the NTTA's mission. Outreach will focus on major initiatives identified for 2013, including the NTTA's legislative program for the 83<sup>rd</sup> Texas Legislature; new and ongoing Business Diversity initiatives, TollTag marketing initiatives, communication regarding the County Review Audit; and ongoing project-related updates, including the Chisholm Trail Parkway Project.

### Major Budget Items for 2013

- The division's proposed FY2013 budget is an increase of 36.5% or \$164,303 from \$450,515 to \$614,818.
- The increase in salaries of \$91,404 or 49.2% is due to the addition of a Director of Legislative Affairs.
- The increase in Consulting Fees of \$70,000 or 36.4% is due to an additional legislative consultant.

### Other Funds

- **FSF** **\$0**
- **CF** **\$0**
- **RMF** **\$0**
- **CIF** **\$0**

### Special System Projects

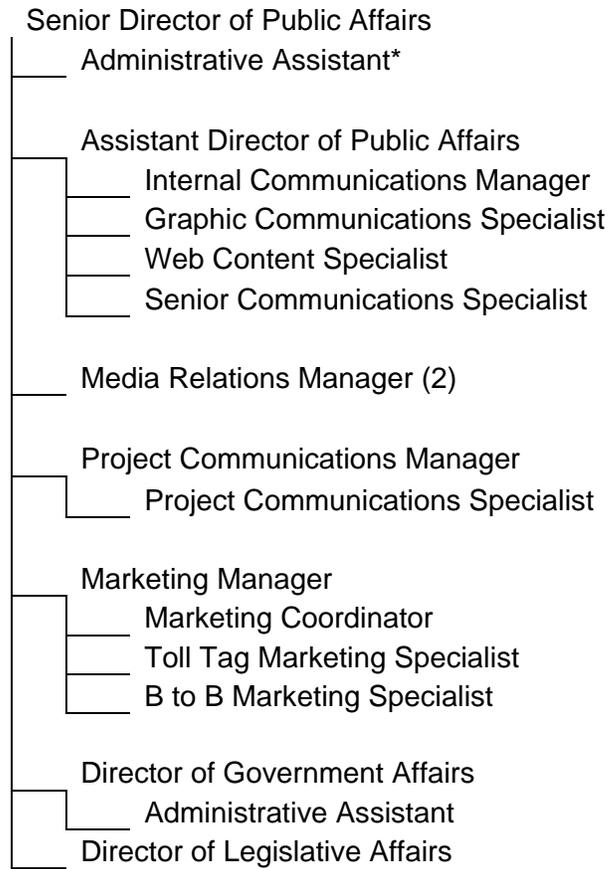
- **OMF PGBT-WE** **\$43,788**
- **CF PGBT-WE/CTP** **\$ 9,540**

### Position Summary

<b>Public Affairs Department</b>			
<b>Communications and Marketing Division</b>			
<b>Full-Time Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
Assistant Director Public Affairs	1	1	-
Administrative Assistant	1	1	-
Media Relations Managers	2	2	-
Marketing Manager	1	1	-
B-to-B Marketing Specialist	1	1	-
TollTag Marketing Specialist	1	1	-
Marketing Coordinator	1	1	-
Project Communications Manager	1	1	-
Project Communications Specialist	1	1	-
Internal Communications Manager	1	1	-
Graphic Communications Specialist	1	1	-
Senior Communications Specialist	1	1	-
Senior Director of Public Affairs	1	1	-
Web Content Specialist	1	1	-
<b>Government Affairs Division</b>			
Director of Government Affairs	1	1	-
Administrative Assistant	1	1	-
Support Analyst	1	-	(1)
Director Legislative Affairs	-	1	1
<b>Total Full-Time Positions</b>	<b>18</b>	<b>18</b>	<b>-</b>

## Organization Chart

### Public Affairs Department



**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Public Affairs Department - (10400)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$1,126,688	\$1,017,321	(\$109,367)	(9.7)%
Salaries and Wage-Overtime - (511301)	0	1,200	1,200	100.0%
Retirement Contributions - (512401)	158,403	132,017	(26,386)	(16.7)%
Meeting Expense - (521101)	2,839	796	(2,043)	(72.0)%
Consulting/Professional - (521201)	621,352	616,492	(4,860)	(0.8)%
Public Information Fees - (523203)	111,420	111,420	0	0.0%
Magazine and Newspaper - (523302)	218,197	297,349	79,152	36.3%
Television & Radio - (523303)	501,390	400,000	(101,390)	(20.2)%
Promotional Expenses - (523304)	158,015	90,661	(67,354)	(42.6)%
Printing and Photographic - (523401)	7,846	1,896	(5,950)	(75.8)%
Maps & Pamphlets - (523402)	76,119	50,411	(25,708)	(33.8)%
Travel - (523501)	37,636	31,711	(5,925)	(15.7)%
Dues & Subscriptions - (523601)	9,096	9,196	100	1.1%
Education and Training - (523701)	9,518	5,910	(3,608)	(37.9)%
Office Supplies - (531101)	11,791	5,066	(6,725)	(57.0)%
Other Materials and Supplies - (531102)	2,785	2,085	(700)	(25.1)%
Freight and Express - (531105)	555	166	(389)	(70.1)%
<b>Total Expenses</b>	<b>\$3,053,650</b>	<b>\$2,773,697</b>	<b>(279,953)</b>	<b>(9.2)%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Public Affairs Department - (10400)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$1,017,321	\$0	\$0	\$0	\$0	\$1,017,321
Salaries and Wage-Overtime - (511301)	1,200	0	0	0	0	1,200
Retirement Contributions - (512401)	132,017	0	0	0	0	132,017
Meeting Expense - (521101)	796	0	0	0	0	796
Consulting/Professional - (521201)	616,492	0	0	0	0	616,492
Public Information Fees - (523203)	111,420	0	0	0	0	111,420
Magazine and Newspaper - (523302)	297,349	0	0	0	0	297,349
Television & Radio - (523303)	400,000	0	0	0	0	400,000
Promotional Expenses - (523304)	90,661	0	0	0	0	90,661
Printing and Photographic - (523401)	1,896	0	0	0	0	1,896
Maps & Pamphlets - (523402)	50,411	0	0	0	0	50,411
Travel - (523501)	31,711	0	0	0	0	31,711
Dues & Subscriptions - (523601)	9,196	0	0	0	0	9,196
Education and Training - (523701)	5,910	0	0	0	0	5,910
Office Supplies - (531101)	5,066	0	0	0	0	5,066
Other Materials and Supplies - (531102)	2,085	0	0	0	0	2,085
Freight and Express - (531105)	166	0	0	0	0	166
<b>2013 Totals</b>	<b>\$2,773,697</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,773,697</b>
<b>2012 Totals</b>	<b>\$3,053,650</b>	<b>\$7,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,500</b>	<b>\$3,068,650</b>

## **EXECUTIVE SUMMARY**

### **Strategic and Innovative Solutions Department**

### **2013 Budget**

#### **Executive Staff**

Janice D. Davis, Assistant Executive Director of Strategic and Innovative Solutions  
Clayton Howe, Director of Business Ventures  
Kimberly Tolbert, Chief Strategic Officer

#### **Department Description**

The Department of Strategic and Innovative Solutions was created to provide a greater level of focus on the NTTA's future growth opportunities and strategic priorities. The Department seeks to develop, direct, and implement plans to improve and expand the NTTA's strategic position as a toll road provider while leveraging internal and external partnerships to maximize achievement of business goals. Responsibilities include leading innovative financing efforts, coordinating the strategic planning process, and negotiating and implementing toll services agreements. The unit will work to ensure that the Authority's day-to-day operations promote a cohesive strategy that ensures sustainability, drives performance and fuels growth. The Department will also evaluate potential business ventures by providing analysis, consultation, gap assessments and recommendations for future projects. The department is divided into four functional areas, which are outlined below:

#### Innovative Finance

The primary focus of this group is to lead the development of innovative and sustainable financing mechanisms and leverage resources to advance new toll projects. Utilizing contemporary financial tools, the group will identify investors in the private and public sectors; and develop an infrastructure investment fund to support projects in the region.

#### Business Ventures

The primary focus of this group is to implement existing tolling services agreements and seek additional opportunities to enter into tolling services agreements. This group will also develop and evaluate strategic business plans and proposals designed to leverage NTTA assets and competencies with outside parties to increase revenue opportunities for the Authority.

#### Strategic Planning and Performance

The primary focus of this group is to manage the organization's scorecard and performance metrics. This group will work with senior leadership and key stakeholders to define goals and priorities of the Authority. This includes integrating the strategic plan with business planning and analysis, in conjunction with the innovative finance team. Additionally, this group in collaboration with the Financial Analysis and Feasibility Review group will also benchmark competitive performance, measure success, monitor and communicate performance.

#### Financial Analysis and Feasibility Review

This group will be responsible for performing robust financial analyses for potential projects and business ventures, resource planning and management for current and potential future projects, and for providing analysis in support of Authority-wide decision making.

## Accomplishments for 2012

- Not applicable

## Goals and Objectives for 2013 (This needs more work)

- The Strategic and Innovative Solutions Department will:
  - Develop and implement a project funding strategy that brings together resources from varied and diverse sources
  - Implement existing Tolling Services Agreements(TSA)
  - Negotiate the future tolling services agreement
  - Evaluate potential partnerships and business ventures
  - Implement robust analysis and reporting of current financial and operating results
  - Align the performance metrics and financial reporting into a consolidated reporting tool for internal and external stakeholders
  - Work with senior staff to develop measurable goals and objectives linked to the strategic plan to streamline effective decision making
  - Oversee and manage the completion of the Independent Financial and Performance Review (County Review)

## Major Budget Items for 2013

- Total OMF budget for 2013 is \$1,267,881. The department was created by transferring five positions from various departments (A Strategic Officer, Manager, Executive Assistant and two Analyst) for a salary cost of \$471,211 and creating four additional positions (Assistant Executive Director, Director, and two additional Analyst) at a salary cost of \$652,474.

## Other Funds

- |           |             |
|-----------|-------------|
| • CF      | \$0         |
| • RMF     | \$0         |
| • CIF     | \$0         |
| • CIF/FSF | \$2,102,300 |

## Special Projects System

- |                    |     |
|--------------------|-----|
| • OMF PGBT-WE      | \$0 |
| • CF PGBT-WE & CTP | \$0 |

## Position Summary

<b>Strategic and Innovative Services Department</b>			
<b>Full-Time Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
AED of Strategic and Innovative Services	-	1	1
Business Analyst	-	1	1
Chief Strategic Officer	-	1	1
Director of Business Ventures	-	1	1
Executive Assistant	-	1	1
Financial Analyst	-	2	2
Management Analyst	-	1	1
Strategic and Innovative Solutions Manager	-	1	1
<b>Total Full-Time Positions</b>	<b>-</b>	<b>9</b>	<b>9</b>

## Organization Chart

### Strategic and Innovative Solutions Department



**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Strategic & Innovative Solutions - (10021)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$0	\$993,859	\$993,859	100.0%
Retirement Contributions - (512401)	0	129,796	129,796	100.0%
Consulting/Professional - (521201)	0	103,750	103,750	100.0%
Travel - (523501)	0	22,500	22,500	100.0%
Dues & Subscriptions - (523601)	0	9,876	9,876	100.0%
Education and Training - (523701)	0	5,000	5,000	100.0%
Licenses - (523801)	0	1,000	1,000	100.0%
Office Supplies - (531101)	0	2,100	2,100	100.0%
<b>Total Expenses</b>	<b>\$0</b>	<b>\$1,267,881</b>	<b>\$1,267,881</b>	<b>0.0%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Strategic & Innovative Solutions - (10021)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$993,859	\$0	\$0	\$0	\$0	\$993,859
Retirement Contributions - (512401)	129,796	0	0	0	0	129,796
Consulting/Professional - (521201)	103,750	0	0	0	947,300	1,051,050
Traffic Engineering Fees - (521207)	0	0	0	0	75,000	75,000
Travel - (523501)	22,500	0	0	0	0	22,500
Dues & Subscriptions - (523601)	9,876	0	0	0	0	9,876
Education and Training - (523701)	5,000	0	0	0	0	5,000
Licenses - (523801)	1,000	0	0	0	0	1,000
Office Supplies - (531101)	2,100	0	0	0	0	2,100
Deferred Charges (153001)	0	0	0	0	1,080,000	1,080,000
<b>2013 Totals</b>	<b>\$1,267,881</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,102,300</b>	<b>\$3,370,181</b>
<b>2012 Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# **EXECUTIVE SUMMARY**

## **Customer and Support Services**

### **2013 Budget**

#### **Executive Staff**

Kiven Williams, Director of Customer and Support Services  
John Bannerman, Assistant Director of Contact Center  
James Warren, Interim Assistant Director of Support Services

#### **Department Description**

Mission: The purpose of the NTTA Customer and Support Services is to deliver effective and friendly world-class customer and toll collection services in an exceptionally fun environment.

#### **Accomplishments for 2012**

- Implementation of e-tag invoicing (paper plates)
- We have successfully migrated 60% of our total contacts from higher cost contact channels to lower cost contact channels through our channel migration strategy. We have 4.4 million contacts utilizing self help IVR (Integrated Voice Recognition) and Web applications from a total of 9.8 million contacts.
- Active TollTag accounts are trending to increase by 285,763 for a total of 1,482,545 by EOY 2012 for an increased growth of 20%.
- Active TollTags are trending to increase by 408,404 for a total of 2.9 million by EOY 2012 for an increased growth of 13%.
- Customer Satisfaction rating of 4.88 (on a 5-point scale with 5 being the highest) and a Top Box satisfaction score of 91%.
- Customer Loyalty rating of 4.88 (on a 5-point scale with 5 being the highest) and a Top Box satisfaction score of 91%.
- Of the total 9.8 million contacts for EOY 2012 we are projected to receive .0003% of those in total escalations.
- Implemented United States Postal Service(USPS) Track and Trace status reporting for all outgoing notices to ensure consistent delivery of all ZipCash and Violation notices
- Implemented manual pursuit of Out of State (OOS) drivers using NTTA roads to ensure consistent billing practices. Out of the 600M projected transactions, OOS license plates consist of approximately 1.67% of all traffic.
- Implementation of SB 469 for adherence to the multiple billing/collection stages that is regulated and mandated for the Toll Authority.
- Lockbox services were established in order to make payments timelier and lower internal costs. These services brought the costs from \$0.77 per transaction to \$0.36 per transaction totaling approximately \$521,606.00 in annual savings.
- Implemented 48 months National Change of Address (NCOA).

### Goals and Objectives for 2013

- Continue to improve the monitoring of outside collection agency practices to ensure the quality and responsibility meets or exceeds the Customer and Support Services mission statement.
- Implement the Call Center Flex Capacity staffing
- Continue to utilize the Customer Driven Management Employee Satisfaction Survey tool to gauge employee and customer feedback of customer services provided by the Customer and Support Services department. Our current goal is to be at 4.50 or above, equivalent to a 90%. We are currently averaging a 4.88 (97.6% equivalent)
- Increase quality of the Image Review Process by insuring that training and monitoring of staff is meeting established efficiency goals in addition to reducing backlog of images. Our current goal is 85%. We are currently averaging 78.52%
- Develop Career Path initiatives for continued development of skills for long-term career success. Emphasize leadership and management training and the benefits of higher education and utilizing tuition reimbursement.
- Decrease employee turnover by 3%.

### Major Budget Items for 2013

- The department's overall OMF 2013 budget increased from \$36,459,526 million in FY 2012 to \$44,387,815 million in FY 2013. The increase of \$7,928,289 or 21.75% is due to an increase in transaction and invoice processing.
- TollTags and Supplies – increase \$1,543,808 or 28.5% over 2012 budget due to increase in forecasted transactions from CDM Smith.
- Employees Training decreased (\$12,492) or (56.9%) from \$21,948 to \$9,457.
- Armored Carrier Services increased \$18,206 or 189.5% from \$9,606 to \$27,812 due to the addition of two storefront locations.
- Professional Fees increased \$2,114,186 or 44.1% from \$4,799,704 to \$6,913,890 due to the increase of contracting of image review and out of state lookups.
- Rent increased \$153,000 or 100.0% from \$0 to \$153,000 due to opening of two storefronts in underserved markets.
- Postage increased \$1,531,980 or 27.8% from \$5,508,971 to \$7,040,951 due to increased ZipCash and Violation invoicing.
- Flex Capacity- \$2,652,832 is budgeted for this pilot program to handle overflow call volumes within the call center.

**Other Funds**

- CF \$0
- RMF \$0
- CIF \$0
- CIF/FSF \$0

**Special Projects System**

- OMF PGBT-WE \$0
- CF PGBT-WE & CTP \$0

**Position Summary**

<b>Customer and Support Services</b>	<b>2012</b>	<b>2013</b>	<b>Variance</b>
Director of Customer and Support Services	1	1	-
Assistant Director Contact Center	1	1	-
Assistant Director of Support Services	1	1	-
Call Center Manager	1	1	-
Customer Center Manager	1	1	-
Support Services Manager	1	1	-
Contact Center Manager	1	1	-
CSC QA/QC Manager	1	1	-
Workforce Manager	1	1	-
Senior Training Coordinator	1	1	-
CSC Training Coordinator	1	1	-
Court Coordinator	2	2	-
Administrative Assistant	1	1	-
Administrative Technician	1	1	-
Receptionist	1	1	-
Mail Specialist	1	1	-
Customer Services Center Team Lead	4	4	-
Senior CSS	15	15	-
Contact Center Supervisors	12	12	-
Workforce Analyst	1	1	-
CSS II – Regular	102	107	5
CSS II – Bilingual	41	42	1
CSS I	65	61	(4)
QA/QC CSS	3	3	-
<b>Total Full-time Positions</b>	<b>260</b>	<b>262</b>	<b>2</b>
<b>Part-Time and On-Call Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
Administrative Technician P/T	1	1	-
CSS I - Part-Time 8@0.5	-	8	8
CSS-II - Part-Time	3	-	(3)
CSS-II – On-Call	11	4	(7)
CS Specialist – P/T	0	1	1
<b>Total Part-Time and On-Call Positions</b>	<b>15</b>	<b>14</b>	<b>(1)</b>

# Organization Chart

## Customer and Support Service Department

Director of Customer and Support Service

Administrative Assistant

Customer Center Manager

Receptionist

Support Services Manager

Customer Service Center Team Leader (4)

Customer Service Specialist I (61)

Mail Specialist

Customer Service Center Quality Assurance/Quality Control Manager

Customer Service Center Training Coordinator

Sr. Training Coordinator

QA/QC CSS (3)

Assistant Director Contact Center

Contact Center Manager

Contact Center Supervisor (12)

Workforce Manager

Workforce Analyst

Assistant Director Support Services

Court Coordinator (2)

Administrative Technician

Administrative Technician P/T

Call Center Manager

Senior Customer Service Specialist (15)

Customer Service Specialist II (107)

Customer Service Specialist II Bilingual (42)

Customer Service Specialist II On-Call (4)

Customer Service Specialist I P/T (8)

Customer Service Specialist P/T

**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Customer Service Center - (20011)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$9,074,630	\$9,145,148	\$70,518	0.8%
Salaries and Wage-Overtime - (511301)	121,295	143,149	21,854	18.0%
Retirement Contributions - (512401)	1,272,500	1,211,509	(60,991)	(4.8)%
Meeting Expense - (521101)	16,559	10,835	(5,724)	(34.6)%
Consulting/Professional - (521201)	4,799,704	6,913,890	2,114,186	44.0%
Armored Car Services - (521209)	9,606	27,812	18,206	189.5%
Rentals - Land - (522301)	0	153,000	153,000	100.0%
Rentals - Equipment - (522302)	38,122	37,308	(814)	(2.1)%
Postage - (523201)	5,508,971	7,040,951	1,531,980	27.8%
Magazine and Newspaper - (523302)	0	4,000	4,000	100.0%
Travel - (523501)	5,603	1,124	(4,479)	(79.9)%
Dues & Subscriptions - (523601)	1,165	522	(643)	(55.2)%
Education and Training - (523701)	21,948	9,457	(12,492)	(56.9)%
Temporary Contract Labor - (523851)	0	2,652,832	2,652,832	100.0%
Office Supplies - (531101)	138,084	57,657	(80,427)	(58.2)%
Other Materials and Supplies - (531102)	486	0	(486)	(100.0)%
Freight and Express - (531105)	486	622	136	28.0%
Inven for resale(toll tags) - (531501)	5,416,418	6,960,226	1,543,808	28.5%
Uniforms - (531701)	10,887	5,792	(5,095)	(46.8)%
Bank Charges - (573001)	531,894	659,193	127,299	23.9%
Credit Card Fees - (573002)	9,491,168	9,352,790	(138,378)	(1.5)%
<b>Total Expenses</b>	<b>\$36,459,526</b>	<b>\$44,387,815</b>	<b>\$7,928,289</b>	<b>21.7%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Customer Service Center - (20011)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$9,145,148	\$0	\$0	\$0	\$0	\$9,145,148
Salaries and Wage-Overtime - (511301)	143,149	0	0	0	0	143,149
Retirement Contributions - (512401)	1,211,509	0	0	0	0	1,211,509
Meeting Expense - (521101)	10,835	0	0	0	0	10,835
Consulting/Professional - (521201)	6,913,890	0	0	0	0	6,913,890
Armored Car Services - (521209)	27,812	0	0	0	0	27,812
Rentals - Land - (522301)	153,000	0	0	0	0	153,000
Rentals - Equipment - (522302)	37,308	0	0	0	0	37,308
Postage - (523201)	7,040,951	0	0	0	0	7,040,951
Magazine and Newspaper - (523302)	4,000	0	0	0	0	4,000
Travel - (523501)	1,124	0	0	0	0	1,124
Dues & Subscriptions - (523601)	522	0	0	0	0	522
Education and Training - (523701)	9,457	0	0	0	0	9,457
Temporary Contract Labor - (523851)	2,652,832	0	0	0	0	2,652,832
Office Supplies - (531101)	57,657	0	0	0	0	57,657
Freight and Express - (531105)	622	0	0	0	0	622
Inven for resale(toll tags) - (531501)	6,960,226	0	0	0	0	6,960,226
Uniforms - (531701)	5,792	0	0	0	0	5,792
Bank Charges - (573001)	659,193	0	0	0	0	659,193
Credit Card Fees - (573002)	9,352,790	0	0	0	0	9,352,790
<b>2013 Totals</b>	<b>\$44,387,815</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$44,387,815</b>
<b>2012 Totals</b>	<b>\$36,459,526</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,459,526</b>

# EXECUTIVE SUMMARY

## Information Technology Department

### 2013 Budget

#### Executive Staff

- Dave Pounds, Director of Information Technology
- Barry Weems, Assistant Director of IT for Roadway Systems
- Randi Oldham, Assistant Director of IT for Business Applications
- Shannon Burton, Assistant Director of IT for Enterprise Systems and Operations

#### Department Description

- The mission statement of the Information Technology (IT) Department is to “advance innovative reliable solutions.” Operationally, to support that mission statement, the IT Department installs, integrates, manages, maintains and supports hardware, software, telecommunications, and network functions for the NTTA.
- The IT Department organization is focused on three major areas of operations:
  - **Business Applications.** The Business Applications area is divided into three groups: *RITE Applications* is focused on all tolling back office systems; *Enterprise Applications* is focused on all other applications, with primary attention to PeopleSoft HR and Financials, Hansen Asset Management, Enterprise Project Delivery System (EPDS); and, the *Geographic Information Systems (GIS)* group develops and maintains the GIS information vital to the NTTA, with specific emphasis on the Project Delivery Department and the Maintenance Department.
  - **Roadway Systems Operations and Support.** Currently, the Roadway Systems group is divided into three groups. First, *Roadway Systems* is focused on the installation and support of the tolling system at the lane level. Currently, they maintain all installed equipment on President George Bush Turnpike (PGBT), Dallas North Tollway (DNT), Sam Rayburn Tollway (SRT), Mountain Creek Lake Bridge (MCLB), Addison Airport Toll Tunnel (AATT), Lewisville Lake Toll Bridge (LLTB), and the completed portion of PGBT Western Extension. In addition, this group has played a major role in the conversion of PGBT, DNT, MCLB and AATT to All Electronic Toll Collection (All-ETC). Second, the *Parking Systems* group supports Dallas/Fort Worth International Airport and Dallas Love Field parking operations where NTTA TollTags are interoperable with the airports’ parking systems. Third, the *Intelligent Transportation System (ITS)* group has been established to manage and support the extensive closed circuit television (CCTV) and incident detection system (IDS) deployed on all NTTA roadways.
  - **Enterprise Systems and Operations.** This area includes three groups: the *Service Desk* is primarily focused on the deployment and support of user workstations and the associated desktop applications; *Enterprise Communications* is focused on all aspects of the network to include routers, switches, cabling, telephones and telephone service; and, *Enterprise Systems* which is responsible for all servers, software systems, and storage devices that provide enterprise services such as

- email, printing, individual and group network file storage. The Enterprise Systems group is also responsible for all backups and patching.
- Underpinning and over-watching all of these groups is the Information Security group which assists by ensuring that information security is a consideration in every aspect of our operations. This group is responsible for conducting risk and vulnerability assessments, payment card industry (PCI) compliance reviews, network monitoring, and security awareness training. In 2012, we added one new information security engineer to address the workload associated with security monitoring required for PCI compliance and general overall security. The NTTA achieved a significant milestone in early 2012 when it received its Report of Compliance specifying the NTTA as PCI compliant as a Level 2 Merchant.
  - Over the last four years, core competency positions were identified that represented vulnerabilities for the IT Department because those areas were being performed in part or solely by consultants.
    - In 2009, four consultant positions were converted to NTTA employee positions. In 2010, we continued the process with the identification of ten additional core competency positions – database management, GIS analysis, reports administration, and roadway technical support – for conversion to NTTA staff positions. In 2011, we identified and converted an additional seven positions – network support, GIS analysis, ITS support, report writing, and enterprise application support (specifically support of the Enterprise Project Delivery System (EPDS)). In 2012, while we did not identify any new core competency positions for conversion, we did eliminate outside consulting services used for the installation and maintenance of ITS cameras and related components. The Roadway Parking Systems group picked up that additional workload without any increase in staff.
    - For 2013, we have not identified any additional core competency position conversions.
  - With continued emphasis on lane performance and revenue assurance associated with All-ETC, we have completed the replacement of our legacy violation enforcement system with an improved video tolling system with a simplified architecture and commercially available components. The last component to be installed is the redundant rear camera, with installation completed at all location except the toll ramps on PGBT, which will be completed in 4th quarter, 2012.

### **2013 Budget Initiatives**

- The proposed FY 2013 OMF budget is \$12,949,116, which reflects a decrease of (\$1,372,980) or (9.6%) from the final FY 2012 budget. This decrease is due in large part to the decreases in Software and Outside Maintenance Services.
- Assumptions for 2013. The following assumptions provided the framework for preparation of this budget:
  - No personnel growth in FY 2013
  - Adjusted for actual expenses in FY 2011 and estimated actual expenses in FY 2012
  - Internal customer support requirements will remain essentially the same as 2012, with only growth in Customer Service
  - Increase in roadway support activity due to PGBT WE opening

- IT operations costs are largely insensitive, either positively or negatively, to changes in transactions or lane miles
- **Organizational Changes.** The IT Department has gone through rapid growth and reorganization for the last four years. In 2013, the emphasis will be on continued analysis to determine if we have arrived at the correct organizational structure with the proper balance of NTTA staff and outside consulting resources. We will look closely at each of the three operational areas to determine what, if any, changes will need to be made in 2014 and what additional core competency position conversions should be considered in 2014 and beyond; and, what additional NTTA staff positions should be added going forward. The following personnel actions are included in the 2013 Budget:
  - **Core competency conversions:** No new core competency position conversions have been identified for 2013.
  - **Strengthen other core areas with the addition of new positions.** No new positions are being requested for 2013.
- **Key Projects for 2013:**
  - **Information Security and PCI Compliance** – To maintain our PCI compliance, we must continue to conduct assessments both internally and with outside experts to identify any areas of weakness in our network and applications infrastructure where we can improve our use of existing tools and technology, apply additional technology, or dedicate resources to ensure our networks, applications and databases remain secure. Our credit card transaction counts will continue to rise, with projections indicating they could triple to around 19 million over the next five years. Protecting the credit card information through continuous vigilance and comprehensive defenses will remain the highest priority of the NTTA's information security efforts.
  - **RITE software upgrade** – This project represents a major milestone in the evolution of the NTTA's back office systems. The major upgrade provides the software and hardware platforms necessary to support the projected customer and traffic demands for the next five years, and positions the NTTA to provide the required levels of service for the tolling service agreements for North Tarrant Express and IH 635 Managed Lanes. With the target date for the Upgrade being moved to March 2013, the RITE Enhancements budget was reduced accordingly. However, significant integration costs will still be required to support the integration and testing to go live with the TSA agreements for NTE, LBJ, and DFW Connector. Testing and integration are also required for new features that will be available with the upgrade, such as automated out of state lookup and EFT payment processing.
  - **Revenue Assurance** – With the conversion of all facilities to All-ETC, the continuous and aggressive maintenance of our electronic toll collection systems will be critical to the minimization of revenue leakage at the lane level, which is critical to the success of the NTTA. Significant quality improvements have been realized in 2012 through more aggressive lane equipment maintenance and the improved performance of manual image review through retraining, improved optical character recognition, and improved images from the redundant rear cameras. These efforts will continue in 2013.

- **Intelligent Transportation Systems** – The ITS team will continue the planning and coordination process for Chisholm Trail Parkway. PGBT Western Extension is opening in October 2012, with a full complement of ITS components. ITS Set C project is being completed in 2012. An additional project for 2013, if approved by the Board, will continue to close the video coverage gaps on DNT and PGBT; get dynamic message signs installed where necessary; add supplemental travel time sensors; and, deal with some fiber infrastructure issues.
- **Disaster Recovery (DR)** – Disaster recovery remains high on the priority list, but we still need to establish a true disaster recovery site. We have redundancy established for email and Call Center phone service at one of our main lane tolling plazas, and we continue our backup strategy with tapes rotating off site to two separate locations. Our long term plan is to include a computer facility in the plans for an operations building along Chisholm Trail Parkway to use as a disaster recovery site.

- **Other Funds**

- **CF** **\$0**
- **RMF** **\$1,415,400**
- **CIF** **\$14,576,051**
- **CIF/FSF** **\$0**

- **Special Projects System**

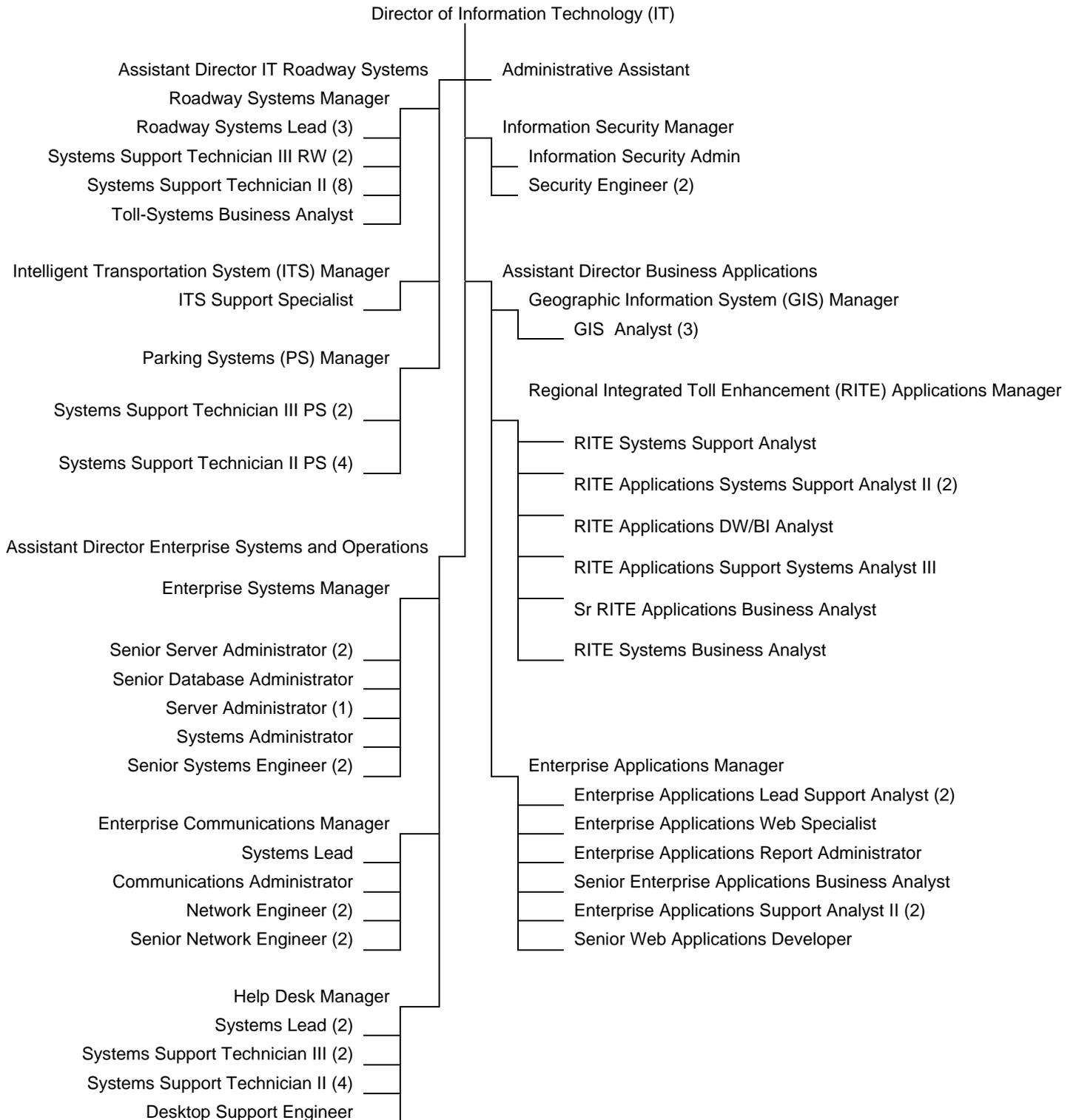
- **OMF PGBT-WE** **\$942,137**
- **CF PGBT-WE & CTP** **\$371,704**

### Position Summary

<b>Information Technology</b>			
<b>Full-Time Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
Admin. Asst IT	1	1	-
Assistant Director Business Applications	1	1	-
Assistant Director of IT Enterprise Systems and Operations	1	1	-
Assistant Director of IT Roadway Systems	1	1	-
Communications Administrator	1	1	-
Desktop Support Engineer	-	1	1
Director of IT	1	1	-
Enterprise Applications Lead Support Analyst	2	2	-
Enterprise Applications Manager	1	1	-
Enterprise Applications Report Administrator	1	1	-
Enterprise Applications Support Analyst II	1	2	1
Enterprise Applications Web Specialist	1	1	-
Enterprise Comm Manager	1	1	-
Enterprise Systems Manager	1	1	-
GIS Analyst	3	3	-

GIS Manager	1	1	-
Help Desk Manager	1	1	-
Information Security Admin.	1	1	-
Information Security Manager	1	1	-
ITS Manager	1	1	-
ITS Support Specialist	1	1	-
Network Engineer	3	2	(1)
Parking Systems Manager	1	1	-
Enterprise Applications Report Specialist	1	-	(1)
RITE Applications Manager	1	1	-
RITE Apps DW/BI Analyst	1	1	-
RITE Systems Business Analyst	2	1	(1)
RITE Systems Support Analyst	1	1	-
RITE Applications Systems Support Analyst II	2	2	-
RITE Applications Systems Support Analyst III	1	1	-
Roadway Systems Lead	3	3	-
Roadway Systems Manager	1	1	-
Security Engineer	2	2	-
Server Administrator	2	1	(1)
Sr. Database Administrator	1	1	-
Sr. Ent. App. Business Analyst	1	1	-
Sr. Network Administrator	1	-	(1)
Sr. Network Engineer	-	2	2
Sr. RITE Apps Bus Analyst	-	1	1
Sr. Server Administrator	3	2	(1)
Sr Systems Engineer	1	2	1
Sr. Web Applications Developer	1	1	-
Systems Administrator	1	1	-
Systems Lead	2	2	-
Systems Support Tech II	12	12	-
Systems Support Tech II - PS	4	4	-
Systems Support Tech III	2	2	-
Systems Support Tech III - PS	2	2	-
Systems Support Tech III RW	3	2	(1)
Toll-Systems Business Analyst	-	1	1
<b>Total Full-Time Positions</b>	<b>78</b>	<b>78</b>	<b>-</b>

## Information Technology



**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Information Technology - (20111)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$4,574,301	\$4,457,591	(\$116,710)	(2.6)%
Salaries and Wage-Overtime - (511301)	36,715	46,000	9,285	25.3%
Retirement Contributions - (512401)	643,448	588,052	(55,396)	(8.6)%
Consulting/Professional - (521201)	96,941	97,886	945	1.0%
Outside Maintenance Services - (521212)	4,520,926	4,176,228	(344,698)	(7.6)%
Telecommunications - (523202)	581,596	550,000	(31,596)	(5.4)%
Travel - (523501)	11,342	8,140	(3,202)	(28.2)%
Dues & Subscriptions - (523601)	14,415	14,349	(66)	(0.5)%
Education and Training - (523701)	50,504	53,969	3,465	6.9%
Office Supplies - (531101)	147,786	102,312	(45,474)	(30.8)%
Other Materials and Supplies - (531102)	65,726	49,000	(16,726)	(25.4)%
Software - (531651)	3,578,396	2,805,589	(772,807)	(21.6)%
<b>Total Expenses</b>	<b>\$14,322,096</b>	<b>\$12,949,116</b>	<b>(1,372,980)</b>	<b>(9.6)%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Information Technology - (20111)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$4,457,591	\$0	\$0	\$0	\$0	\$4,457,591
Salaries and Wage-Overtime - (511301)	46,000	0	0	0	0	46,000
Retirement Contributions - (512401)	588,052	0	0	0	0	588,052
Consulting/Professional - (521201)	97,886	0	0	0	0	97,886
Outside Maintenance Services - (521212)	4,176,228	0	0	0	0	4,176,228
Consulting/Profess Serv Tech - (521301)	0	0	0	4,765,500	0	4,765,500
Telecommunications - (523202)	550,000	0	0	0	0	550,000
Travel - (523501)	8,140	0	0	0	0	8,140
Dues & Subscriptions - (523601)	14,349	0	0	0	0	14,349
Education and Training - (523701)	53,969	0	0	0	0	53,969
Office Supplies - (531101)	102,312	0	0	0	0	102,312
Other Materials and Supplies - (531102)	49,000	0	0	0	0	49,000
Electronic Supplies - (531106)	0	0	187,500	0	0	187,500
Computers - (531641)	0	0	809,000	2,785,000	0	3,594,000
Software - (531651)	2,805,589	0	183,900	5,541,951	0	8,531,440
Infrastructure Rdway/Hwy/Bridg - (541401)	0	0	235,000	0	0	235,000
Infrastructure - Other - (541403)	0	0	0	1,483,600	0	1,483,600
<b>2013 Totals</b>	<b>\$12,949,116</b>	<b>\$0</b>	<b>\$1,415,400</b>	<b>\$14,576,051</b>	<b>\$0</b>	<b>\$28,940,567</b>
<b>2012 Totals</b>	<b>\$14,322,096</b>	<b>\$27,000</b>	<b>\$1,792,825</b>	<b>\$20,677,067</b>	<b>\$0</b>	<b>\$36,818,988</b>

# **EXECUTIVE SUMMARY**

## **Maintenance Department**

### **2013 Budget**

#### **Executive Staff**

Eric Hemphill, P.E., Director of Maintenance  
Mark Pavageau, Assistant Director of Maintenance Operations  
Victor Pavloff, P.E., Assistant Director of Maintenance Infrastructure

#### **Department Description**

The Department is responsible for asset management of the Dallas North Tollway (DNT), Mountain Creek Lake Toll Bridge (MCLB), Addison Airport Toll Tunnel (AATT), President George Bush Turnpike (PGBT), Sam Rayburn Tollway (SRT), President George Bush Turnpike Western Extension (PGBT-WE SH 161), and Lewisville Lake Toll Bridge (LLTB), including roadways, structures, buildings, roadway illumination, landscape, signing, fencing, traffic signals, safety devices, rights-of-way and authority wide responsibility for fleet and warehousing. Under the re-organization this department now reports through the infrastructure function of the Authority.

#### **Accomplishments in 2012**

- The Department assumed responsibility for landscape maintenance on the DNT, and created a specialized landscape maintenance crew without increasing the overall Full Time Employees (FTE) count.
- The Department assumed maintenance responsibility of (SRT) Segment 5.
- The Infrastructure Division has reduced the need for outsourcing construction management services by using in-house staff to provide these services on small projects.
- The Infrastructure Division continued to advance projects to maintain our system by completing 19 projects, having 9 currently under construction and an additional 5 projects under design.
- In an average month, the Operations Division has repaired an average of 1,000 linear feet of guardrail, driven 2,000 miles sweeping the roadway, picked up 3,415 cubic yards of litter (equivalent to approximately 341 truckloads), and replaced 444 light bulbs.
- The Department filed for a patent on a truck designed for safely setting up and taking down lane closures.
- The Department partnered with the Texas Transportation Institute to improve night time work zone signage.

#### **Goals and Objectives for 2013**

- The Department will open the new Frisco Maintenance Center and Central Warehouse for the SRT maintenance crews.
- The Department will develop specialized crews to focus on gaining efficiency and production with in-house repairs.
- The Department will continue to lead efforts to integrate a “total cost” (life-cycle) approach to the development of new projects as well as the implementation of rehabilitation or modification projects.
- The Department will continue to expand the use of in-house staff to handle construction management responsibilities for Maintenance Department construction projects further reducing the reliance on outside firms to provide these services.

- The Department will continue to use the Government Accounting Standards Board Statement 34 Modified Approach to assess the condition and budget for maintenance of the Authority's assets by conducting annual and specialized inspections, reporting on results, and budgeting for deficiencies.
- The Department will continue to use and train our staff on our computer maintenance management work order system to validate and improve the Department's continuous improvement processes and recognition programs.
- The Department will continue to utilize the Maintenance Rating and Supporting Success Programs to measure and encourage quality, efficiency, and customer service in the operations of the Maintenance Department.
- The Department will continue collaboration with the Texas Transportation Institute and other industry leaders to improve safety for our employees, contractors, and traveling public.
- The Department will continue to provide appropriate training opportunities for all employees including the promotion of technical and professional certifications, continuing education and training for crews and managers.
- The Department will develop a maintenance plan for the opening of Chisholm Trail Parkway (CTP) in 2014.
- The Department will perform an evaluation of Department Policies and Procedures using the American Public Works Association's (APWA) management practices manual to identify improvements to processes and procedures, and ultimately become accredited by the APWA.
- The Department will evaluate Energy Star initiatives for the Gleneagles Campus to find potential savings in our utilities

### Major Budget Items for 2013

- The department's overall 2013 OMF budget has decreased (6.2%) or (\$1,717,574) from \$27,763,922 in FY 2012 to \$26,046,348 in FY 2013.
- Consulting/Professional services has decreased by (13.7%) or (\$58,199) from \$424,199 to \$366,000 in response to anticipated reduction in operation and maintenance funded professional services and the revised rates from the new MMC
- Outside Maintenance Services has decreased by (3.9%) or (\$287,263) from \$7,427,735 to \$7,140,472 primarily as a result of the actual costs for Total Routine Maintenance Contract received in the bid was lower than estimated in 2012.
- Other Materials and Supplies have decreased (24.4%) or (\$871,566) from \$3,572,270 to \$2,700,704 to reflect a change in how the amount of materials actually needed for snow and ice is calculated.
- Small Tools and Shop Supplies have decreased by (45.7%) or (\$32,289) from \$70,650 to \$28,361 because the Department will delay purchasing of small tools or supplies that are determined not to be time critical.
- Rentals – Equipment has decreased (68.2%) or (\$70,912) from \$103,912 to \$33,000 as a result of equipment purchases made in 2012 that reduced the need for renting.

### Other Funds

- |           |              |
|-----------|--------------|
| • CF      | \$0          |
| • RMF     | \$21,231,300 |
| • CIF     | \$19,689,931 |
| • CIF/FSF | \$0          |

## Special Projects System

- OMF PGBT-WE \$2,837,775
- CF PGBT-WE & CTP \$0

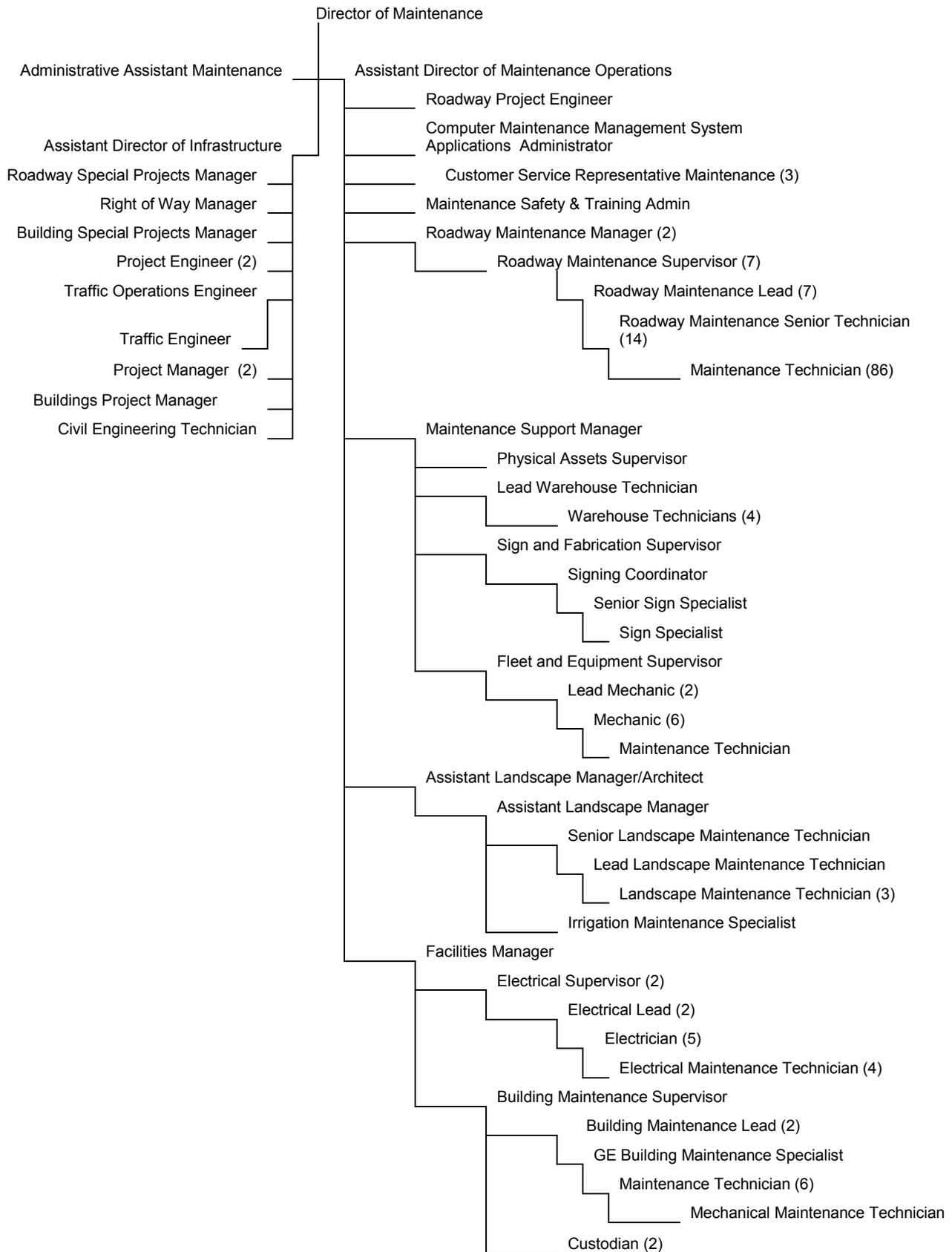
## Position Summary

<b>Maintenance Department</b>			
<b>Full-Time Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
<b>Roadway</b>			
CSR Maintenance	3	3	-
Roadway Maintenance Lead	7	7	-
Maintenance Technician	86	86	-
Roadway Maintenance Supervisor	7	7	-
Roadway Maintenance Manager	2	2	-
Roadway Maintenance Senior Technician	14	14	-
<b>Facilities</b>			
Bldg Maintenance Supervisor	1	1	-
Custodian	2	2	-
Electrician	5	5	-
Electrician Maintenance Technician	5	4	(1)
Electrician Supervisor	2	2	-
Facilities Manager	1	1	-
GE Bldg Maintenance Specialist	1	1	-
Bldg Maintenance Lead	2	2	-
Electrician Lead	2	2	-
Maintenance Technician	6	6	-
Mechanical Maintenance Technician	1	1	-
<b>Landscape</b>			
Asst Landscape Manager /Architect	1	1	-
Asst Landscape Manager	1	1	-
Senior Landscape Maintenance Technician	1	1	-
Lead Landscape Maintenance Technician	2	1	(1)
Landscape Maintenance Technician	1	3	2
Irrigation Maintenance Specialist	-	1	1
<b>Support Services</b>			
Fleet and Equipment Supervisor	1	1	-
Lead Mechanic	2	2	-
Maintenance Support Manager	1	1	-
Maintenance Technician	1	1	-
Mechanic	6	6	-

Physical Assets Supervisor	1	1	-
Sign & Fabrication Supervisor	1	1	-
Sign Specialist	1	1	-
Signing Coordinator	1	1	-
Senior Sign Specialist	1	1	-
Lead Warehouse Technician	-	1	1
Warehouse Technician	5	4	(1)
<b>Adminstration / Infastructure</b>			
Admin Asst Maintenance	1	1	-
Asst Director / Maintenance Ops	1	1	-
Asst Director Infrastructure	1	1	-
Bldg Project Manager	1	1	-
Bldg Special Project Manager	1	1	-
CMMS App Administrator	1	1	-
Director of Maintenance	1	1	-
Civil Engineering Technician	2	1	(1)
Maintenance Safety & Training Admin	1	1	-
Roadway Project Engineer	1	1	-
Project Engineer	2	2	-
Project Manager	2	2	-
Right of Way Manager	1	1	-
Roadway Special Project Manager	1	1	-
Traffic Engineering EIT	1	1	-
Traffic Operations Engineer	1	1	-
<b>Total Full-Time Positions</b>	<b>193</b>	<b>193</b>	<b>-</b>

# Organization Chart

## Maintenance Department



**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Maintenance Dept - (20200)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$8,348,062	\$8,303,955	(\$44,107)	(0.5)%
Salaries and Wage-Overtime - (511301)	292,300	250,500	(41,800)	(14.3)%
Retirement Contributions - (512401)	1,172,762	1,098,734	(74,028)	(6.3)%
Meeting Expense - (521101)	3,270	270	(3,000)	(91.7)%
Consulting/Professional - (521201)	424,199	366,000	(58,199)	(13.7)%
Outside Maintenance Services - (521212)	7,427,735	7,140,472	(287,263)	(3.9)%
Landscaping - (522202)	43,398	41,050	(2,348)	(5.4)%
Rentals - Land - (522301)	366,000	335,500	(30,500)	(8.3)%
Rentals - Equipment - (522302)	103,912	33,000	(70,912)	(68.2)%
Magazine and Newspaper - (523302)	15,000	4,100	(10,900)	(72.7)%
Travel - (523501)	13,650	8,801	(4,849)	(35.5)%
Dues & Subscriptions - (523601)	10,489	10,630	141	1.3%
Education and Training - (523701)	98,956	48,055	(50,901)	(51.4)%
Licenses - (523801)	11,908	11,716	(192)	(1.6)%
Office Supplies - (531101)	16,460	13,480	(2,980)	(18.1)%
Other Materials and Supplies - (531102)	3,572,270	2,700,704	(871,566)	(24.4)%
Mobile Equipment Expense - (531103)	722,630	748,046	25,416	3.5%
Repairs & Maintenance - (531104)	15,000	18,000	3,000	20.0%
Freight and Express - (531105)	1,000	200	(800)	(80.0)%
Motor Fuel Expense - (531107)	1,377,500	1,220,605	(156,895)	(11.4)%
Water - (531211)	566,000	571,200	5,200	0.9%
Gas - (531221)	98,000	98,000	0	0.0%
Electricity - (531231)	2,830,900	2,822,000	(8,900)	(0.3)%
Small Tools and Shop Supplies - (531601)	70,650	38,361	(32,289)	(45.7)%
Uniforms - (531701)	161,871	162,969	1,098	0.7%
<b>Total Expenses</b>	<b>\$27,763,922</b>	<b>\$26,046,348</b>	<b>(1,717,574)</b>	<b>(6.2)%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department: Maintenance Dept - (20200)  
Budget Year: 2013**

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$8,303,955	\$0	\$0	\$0	\$0	\$8,303,955
Salaries and Wage-Overtime - (511301)	250,500	0	0	0	0	250,500
Retirement Contributions - (512401)	1,098,734	0	0	0	0	1,098,734
Meeting Expense - (521101)	270	0	0	0	0	270
Consulting/Professional - (521201)	366,000	0	0	0	0	366,000
Traffic Engineering Fees - (521207)	0	0	95,000	0	0	95,000
Outside Maintenance Services - (521212)	7,140,472	0	0	0	0	7,140,472
General Engineering - (521213)	0	0	150,000	0	0	150,000
Consulting/Profess Serv Tech - (521301)	0	0	3,944,460	0	0	3,944,460
Landscaping - (522202)	41,050	0	0	0	0	41,050
Signing Expense - (522203)	0	0	1,397,680	0	0	1,397,680
Pavement Markings - (522204)	0	0	1,540,000	0	0	1,540,000
Pavement & Shoulders - (522205)	0	0	4,173,200	0	0	4,173,200
Bridge Repairs - (522206)	0	0	1,921,800	0	0	1,921,800
Rentals - Land - (522301)	335,500	0	0	0	0	335,500
Rentals - Equipment - (522302)	33,000	0	0	0	0	33,000
Magazine and Newspaper - (523302)	4,100	0	0	0	0	4,100
Travel - (523501)	8,801	0	0	0	0	8,801
Dues & Subscriptions - (523601)	10,630	0	0	0	0	10,630
Education and Training - (523701)	48,055	0	0	0	0	48,055
Licenses - (523801)	11,716	0	0	0	0	11,716
Office Supplies - (531101)	13,480	0	0	0	0	13,480
Other Materials and Supplies - (531102)	2,700,704	0	0	0	0	2,700,704
Mobile Equipment Expense - (531103)	748,046	0	0	0	0	748,046
Repairs & Maintenance - (531104)	18,000	0	0	0	0	18,000
Freight and Express - (531105)	200	0	0	0	0	200
Motor Fuel Expense - (531107)	1,220,605	0	0	0	0	1,220,605
Water - (531211)	571,200	0	0	0	0	571,200
Gas - (531221)	98,000	0	0	0	0	98,000
Electricity - (531231)	2,822,000	0	0	0	0	2,822,000
Small Tools and Shop Supplies - (531601)	38,361	0	0	0	0	38,361
Machinery - (531611)	0	0	313,300	0	0	313,300
Vehicles - (531621)	0	0	1,330,000	0	0	1,330,000
Uniforms - (531701)	162,969	0	0	0	0	162,969
Buildings - (541301)	0	0	0	1,750,000	0	1,750,000
Building Improvements - (541302)	0	0	200,000	1,680,333	0	1,880,333
Infrastructure Rdway/Hwy/Bridg - (541401)	0	0	6,165,860	16,259,598	0	22,425,458
<b>2013 Totals</b>	<b>\$26,046,348</b>	<b>\$0</b>	<b>\$21,231,300</b>	<b>\$19,689,931</b>	<b>\$0</b>	<b>\$66,967,579</b>
<b>2012 Totals</b>	<b>\$27,763,922</b>	<b>\$0</b>	<b>\$18,025,926</b>	<b>\$42,270,840</b>	<b>\$0</b>	<b>\$88,060,688</b>

# EXECUTIVE SUMMARY

## Operations Department

### 2013 Budget

#### Executive Staff

Vacant, Assistant Executive Director Operations

#### Department Description

- The purpose of the Operations Administration group is to implement directions and policies of the Board of Directors and the Executive Management Team in the operational service areas; set the tone, values and culture; oversee all aspects of the operations departments (Customer Service Center, Information Technology, and Human Resources); and create an environment of accomplishment, accountability, partnership, trust and integrity. These departments represent 48.0% of the budgeted FTE's and 50.9% of the proposed system OMF budget.

#### Accomplishments for 2012

- Increased TollTag usage
- Reduced un-pursuable transactions
- Increased Image capture rate
- Increased Image quality rating
- Increased customer satisfaction ratings
- Reduced transaction processing costs
- Reduced cost of roadway maintenance per lane mile
- Revenue collected exceeds T&R projections

#### Goals and Objectives for 2013

- Expand infrastructure/ customer access points
- Deliver RITE toll collection system upgrade
- Increase ZipCash collection rates
- Reduce collection cycle for receivables

#### Major Budget Items for 2013

- The department's proposed O&M budget for 2013 is \$356,845, a decrease of (\$505,837) or (58.6%) from the 2012 budget of \$862,682. The department's responsibilities of creating and implementing Tolling Services Agreements; and creating new business ventures has been transferred to the new Strategic & Innovative Solutions department. The decrease in salaries is due to one business analyst position being transferred to the new department, along with the following expenses.
- Consulting and Professional Fees decreased (74.7%) or (\$366,702) from \$491,202 to \$124,500
- Travel decreased (89.1%) or (\$32,809) from \$36,809 to \$4,000.

#### Other Funds

- CF \$0
- RMF \$0
- CIF \$0
- CIF/FSF \$0

#### Special Projects System

- OMF PGBT-WE \$173,586
- CF PGBT-WE & CTP \$40,868

## Position Summary

<b>OPERATIONS</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
Exec. Asst. to AED Ops	1	-	(1)
Asst. Exec. Director Operation	1	1	-
Sr. Bus Ops & Stats Analyst	1	-	(1)
<b>Total Full-time Positions</b>	<b>3</b>	<b>1</b>	<b>(2)</b>

## Organization Chart

### Operations Department

Assistant Executive Director Operations

**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Operations - (20001)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$281,999	\$201,555	(\$80,444)	(28.5)%
Retirement Contributions - (512401)	39,793	26,686	(13,107)	(32.9)%
Meeting Expense - (521101)	550	50	(500)	(90.9)%
Consulting/Professional - (521201)	491,202	124,500	(366,702)	(74.7)%
Travel - (523501)	36,809	4,000	(32,809)	(89.1)%
Dues & Subscriptions - (523601)	11,000	0	(11,000)	(100.0)%
Office Supplies - (531101)	504	54	(450)	(89.3)%
Freight and Express - (531105)	825	0	(825)	(100.0)%
<b>Total Expenses</b>	<b>\$862,682</b>	<b>\$356,845</b>	<b>(505,837)</b>	<b>(58.6)%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Operations - (20001)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$201,555	\$0	\$0	\$0	\$0	\$201,555
Retirement Contributions - (512401)	26,686	0	0	0	0	26,686
Meeting Expense - (521101)	50	0	0	0	0	50
Consulting/Professional - (521201)	124,500	0	0	0	0	124,500
Travel - (523501)	4,000	0	0	0	0	4,000
Office Supplies - (531101)	54	0	0	0	0	54
<b>2013 Totals</b>	<b>\$356,845</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$356,845</b>
<b>2012 Totals</b>	<b>\$862,682</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$862,682</b>

# **EXECUTIVE SUMMARY**

## **Project Delivery Department**

### **2013 Budget**

#### **Executive Staff**

Elizabeth Mow, P.E., Assistant Executive Director  
Vacant, Director of Project Delivery

#### **Department Description**

The project delivery department is responsible for planning, design and construction of toll facilities in the region. Our goals are to improve mobility and quality of life in the North Texas area through the successful delivery of regional transportation projects and the continual improvement of the processes of planning, design and construction. Under the re-organization this department now reports through the infrastructure function of the Authority.

#### **Accomplishments for 2012**

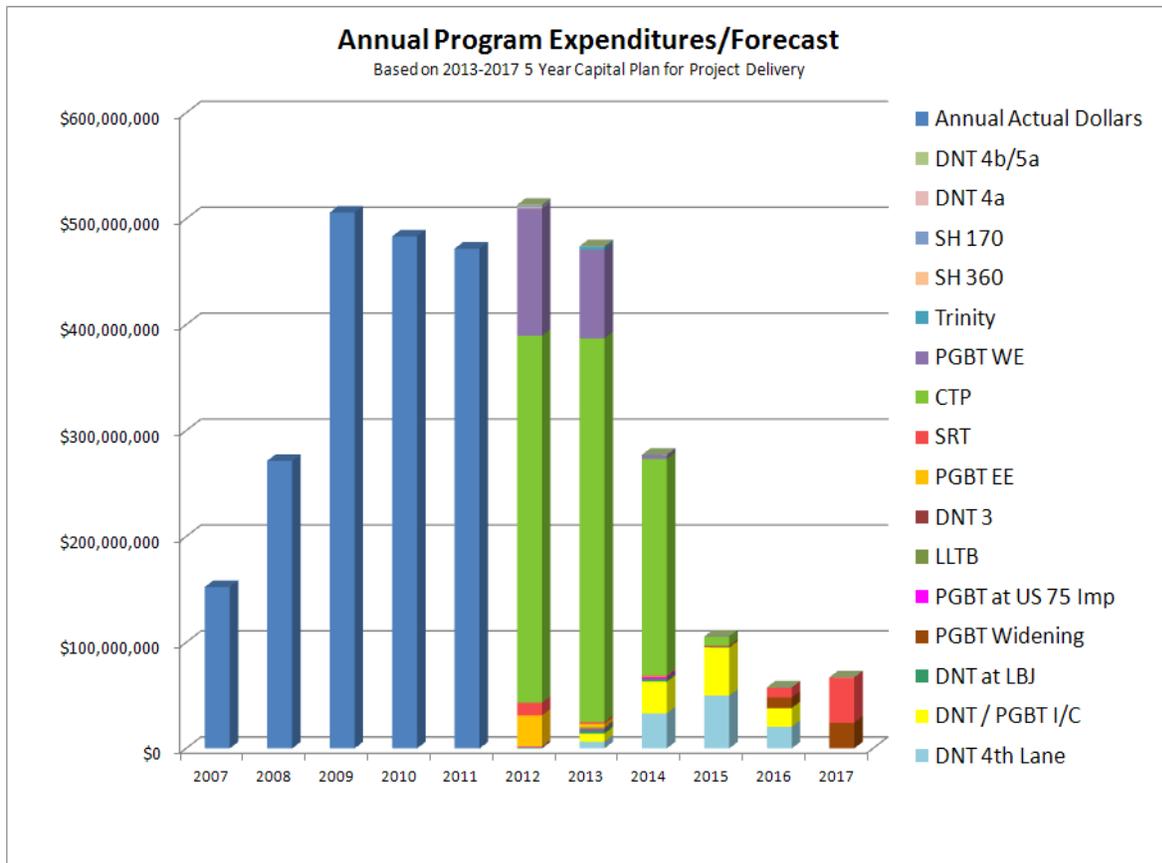
- The Project Delivery Department completed construction of the Sam Rayburn Tollway and the President George Bush Turnpike Eastern Extension, from SH 78 to IH 30. Construction was also completed on the Dallas North Tollway conversion to all electronic toll collection (All-ETC).
- The Project Delivery Department continued construction of the President George Bush Turnpike Western Extension as well as the Chisholm Trail Parkway.
- Also in 2012, we completed the planning and environmental process for DNT Phase 4/5. We continued to advance the SH 360, SH 170 and Trinity Parkway projects through the planning and environmental process.

#### **Goals and Objectives for 2013**

- The Project Delivery department will complete the construction for President George Bush Turnpike Western Extension.
- The Project Delivery department will continue construction on the following projects:
  - Chisholm Trail Parkway
  - Landscape on the Sam Rayburn Tollway and President George Bush Turnpike Eastern Extension
- The Project Delivery department will complete the planning and environmental process for SH 360 and SH 170.
- The Project Delivery Department will continue to advance the Trinity Parkway project through the planning and environmental process.

## Major Budget Items for 2013

- The department's overall OMF budget has decreased (84.5%) or (\$1,549,946) from \$1,834,997 in FY 2012 to \$285,051 in FY 2013. Due mostly to salary costs allocated to Chisholm Trail Parkway and President George Bush Turnpike Western Extension Construction Funds.



### Other Funds

- CF \$ 24,760,839
- RMF \$ 0
- CIF \$ 4,180,000
- CIF/FSF \$ 3,274,665

### Special Project System <sup>(1)</sup>

- CF - CTP \$363,300,678
- CF - PGBT-WE \$84,211,483

(1) Special Project System CTP and PGBT-WE Construction Funds for comparison purpose. For FY 2013 these projects are presented in the separate 2013 Special Projects System Budget book.

## Position Summary

Project Delivery Department			
Full-Time Positions	2012	2013	Difference
Technical Specialist	1	1	-
AED Project Delivery	1	1	-
Chief Engineer Construction	1	1	-
Construction Manager	1	1	-
Contracts Manager	1	1	-
Corridor Manager	1	1	-
Design Manager	1	1	-
Director Project Delivery	1	1	-
Executive Assistant	1	1	-
Manager of Program Controls	1	1	-
Project Manager	1	1	-
Roadway Project Manager	1	1	-
Senior Project Manager Design Guidelines	1	1	-
<b>Total Full-Time Positions</b>	<b>13</b>	<b>13</b>	<b>-</b>

## Organization Chart

### Project Delivery Department

Assistant Executive Director of Project Delivery

Director Project Delivery

Senior Project Manager Design Guidelines

Executive Assistant

Technical Specialist

Contracts Manager

Project Manager

Manager of Construction

Project Manager

Roadway Project Manager

Manager of Program Controls

Manager of Design

Project Manager

**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** Project Delivery - (20511)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$1,581,917	\$234,187	(\$1,347,730)	(85.2)%
Retirement Contributions - (512401)	218,280	24,071	(194,209)	(89.0)%
Travel - (523501)	15,500	15,293	(207)	(1.3)%
Dues & Subscriptions - (523601)	4,800	3,000	(1,800)	(37.5)%
Education and Training - (523701)	7,500	5,000	(2,500)	(33.3)%
Office Supplies - (531101)	5,000	3,000	(2,000)	(40.0)%
Freight and Express - (531105)	2,000	500	(1,500)	(75.0)%
<b>Total Expenses</b>	<b>\$1,834,997</b>	<b>\$285,051</b>	<b>(1,549,946)</b>	<b>(84.5)%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** Project Delivery - (20511)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$234,187	\$0	\$0	\$0	\$0	\$234,187
Retirement Contributions - (512401)	24,071	0	0	0	0	24,071
Consulting/Profess Serv Tech - (521301)	0	0	0	130,000	0	130,000
Travel - (523501)	15,293	0	0	0	0	15,293
Dues & Subscriptions - (523601)	3,000	0	0	0	0	3,000
Education and Training - (523701)	5,000	0	0	0	0	5,000
Office Supplies - (531101)	3,000	0	0	0	0	3,000
Freight and Express - (531105)	500	0	0	0	0	500
Infrastructure Rdway/Hwy/Bridg - (541401)	0	0	0	3,550,000	0	3,550,000
Infrastructure - Other - (541403)	0	0	0	500,000	0	500,000
Deferred Charges (153001)	0	0	0	0	3,274,665	3,274,665
Right-of-Way (06)	0	1,283,733	0	0	0	1,283,733
Administration (01)	0	1,520,000	0	0	0	1,520,000
Planning (02)	0	1,921,786	0	0	0	1,921,786
Design (03)	0	9,035,320	0	0	0	9,035,320
Construction (04)	0	10,000,000	0	0	0	10,000,000
Other (176999)	0	1,000,000	0	0	0	1,000,000
<b>2013 Totals</b>	<b>\$285,051</b>	<b>\$24,760,839</b>	<b>\$0</b>	<b>\$4,180,000</b>	<b>\$3,274,665</b>	<b>\$32,500,555</b>
<b>2012 Totals</b>	<b>\$1,834,997</b>	<b>\$41,708,697</b>	<b>\$0</b>	<b>\$5,588,750</b>	<b>\$3,451,349</b>	<b>\$52,583,793</b>

## **EXECUTIVE SUMMARY**

### **System & Incident Management Department**

### **2013 Budget**

#### **Executive Staff**

Marty Legé, Director  
Peter Harrison, Assistant Director – Administration  
Robert Digman, Assistant Director – Operations

#### **Department Description:**

The purpose of the Department is to support the mission of the North Texas Tollway Authority (NTTA) by providing a work and expedient traveling environment free from harm and hazard, and reducing risks and hazards at the Authority. The Department focuses on NTTA fiscal soundness through effective risk and safety management programs which strive to provide accountability and safety for everyone traveling and working on the system. The Department uses advanced technology and a highly skilled work force to improve mobility and safety. The Department takes real-time 24-hour system knowledge of current conditions that impact customers, and relays it to them in dynamic means to improve the NTTA travel experience. The Department provides industry-leading dispatch and incident response to lessen the impact of incidents and to make the system safer. Under the re-organization this department now reports through the infrastructure function of the Authority.

#### **Accomplishments YTD in 2012**

- The SIM's Insurance Division expanded the 3<sup>rd</sup> party claims process we began in 2011 with the 2012 addition of a part-time Claims Coordinator. Since implementation, the Insurance Division has been enhancing the process to ensure the complete, accurate and timely processing of claims, and to ensure that the NTTA recaptures all losses possible due to customer-caused damage. Thus far in 2012, the claims team has processed 595 incidents representing a 23.1% increase over 2011's total of 483. Total claim value collected as of October 18, 2012, is \$ 359,813.89. The total number of workable claim opportunities for 2012 has increased from previous years by 46% due to the increase in system lane miles, increases in transactions, and pursuit of lost revenue even in crashes with no NTTA property damage. If current trends continue, we estimate we will process 795 incidents this year, a 35% increase from the 591 incidents processed in 2011. Also part of the program is the processing of liability claims where the NTTA has damaged the property of others. The Claims Coordinator has processed 69 of these liability claims and 33 fleet accident claims YTD for 2012. If current trend continues, the Claims Coordinator is estimated to process nearly 83 liability and 39 fleet claims in 2012, representing a 43% decrease as compared to the 167 liability and 45 fleet claims processed in 2011.
- The SIM's Safety Division developed a new Personal Protective Equipment (PPE) and Fall Protection Training course in 2012. This course walks students through NTTA PPE policy, the proper wearing and type of PPE required for various jobs, Inspecting PPE, and the development of a safety plan prior to starting a task/job (escape routes, emergencies, etc.). This course also includes demonstrations related to the proper donning and inspection of PPE.
- In 2012, the Insurance Division finalized the implementation of CS Stars, a Risk and Information Systems-compliant web-based claims management tool that allows insurance program staff to efficiently manage NTTA 3<sup>rd</sup> party and liability claims from beginning to end. CS Stars increases claims processing accuracy and productivity, and decreases administrative costs through more efficient use of staff time and process management. As noted, we've continued to see an increase in claims handled, and CS Stars has allowed staff to efficiently track claims data by a number of variables, produce related reports, and track claims and damage costs. All 2012 claims are being tracked using CS Stars.

- The SIM and IT Departments completed initial implementation in 2011 of a long-awaited incident management tool; computer-aided dispatch (CAD) and report management systems (RMS). The RMS portion came online in September 2011 and has assisted the staff in record keeping via a computerized system and eliminated the old manual system previously used. The RMS tool assists with response time analysis, activity analysis, activity reports, as well as operational and management reports. Along with the implementation of RMS, the “Property” module was also implemented and will be used by Loss Prevention to manage controlled property that has become the subject of an investigation (i.e. found, lost, or stolen property). The system includes core and support modules, a mobile component, analytic components, and performance graphs and management tools. We are still testing data management to ensure information is being properly entered by staff, and that we can extract data needed to support staffing and incident trend analysis.
- In 2012 SIM, seeking to engage a second wrecker service provider to assess our readiness for using multiple wrecker companies upon the expansion of the Chisholm Trail Parkway (CTP) in 2014, initiated a “Wrecker Services Pilot Project”. The lowest qualified bidder was selected for the project and began providing services on the Sam Rayburn Tollway August 1, 2012. This agreement will be in place until SIM re-procures wrecker services system-wide in mid-2013 in preparation for the opening of the CTP. The NTTA does not pay for wrecker services provided to customers, so there is no dollar amount or funding source associated with this contract.
- SIM conducted an external “Insurance Program Review” (slated for completion in December 2012). This review, conducted every three years, engages an external firm to assess elements of the insurance program including coverage types, coverage limits, deductibles, policy language, benchmarks us against peer agencies, and reviews our worker’s compensation experience modifier. At the writing of this summary we have not completed the review.
- SIM’s Safety Division continues to develop the NTTA Defensive Driving Initiative aimed at assisting NTTA employees in becoming safer drivers, reducing the number of crashes, and reducing associated costs. We utilize the acclaimed Smith Systems Defensive Driving Course taught by the NTTA Safety Coordinator. Using an in-house resource saves money and speeds delivery of the training to existing and newly hired employees. In 2012, we added a safe backing portion to the course in an effort to reduce backing incidents. To date, 260 NTTA employees have been trained using this system, and since its inception in 2010 we have seen a 10.9% reduction in at-fault crashes. Trained employees state they feel they are better prepared to handle high risk vehicles and driving situations required for their work.
- The SIM’s Safety Division, in conjunction with the Human Resources Department, completed the development and implementation of a Department of Transportation-compliant Drug and Alcohol Testing Program for pre-employment, random, and post-accident drug testing for employees who possess a commercial driver’s license. Random drug and alcohol testing is conducted monthly under the direction of the Safety Manager in accordance with program requirements. The NTTA currently tests approximately 20-25 NTTA drivers monthly who meet program criteria for mandatory random testing.
- In 2012, the SIM Department developed and oversees the NTTA Safety Committee made up of representatives from all departments. The group meets quarterly and their purpose is to assist staff in the reduction and management of safety risks and exposures with the goal of achieving and maintaining a safe work environment for employees and customers. Some initiatives currently before the committee include the review of accident, incident, and fleet vehicle crash statistics and trends; the review of safety hazards identified during departmental and facility safety assessments; the development of a communication plan for the dissemination of emergency evacuation maps and procedures to staff; the review and revision of NTTA’s accident and incident reporting forms; and the review of traffic control and safety enhancements for the Gleneagles parking lot.
- SIM staff assisted the Executive Director with an external Enterprise-wide Risk Assessment (slated for completion in March 2013). This initiative was undertaken to assist the NTTA in defining and assessing organizational risks and exposures; defining the Authority’s risk appetite/philosophy; conducting in depth information technology and fraud risk assessments, as well as overall risk agency-wide; developing risk management tools and templates that the NTTA

can use going forward; and developing an outline for the implementation of a clearly defined Enterprise Risk Management (ERM) program.

## 2013 Goals and Objectives

In 2013 the focus of the SIM Department will be to implement the newly developed toll enforcement remedies which involve our teams, continue to recover costs associated with damaged NTTA property, reevaluate the service provided by our staff to enhance efficiencies and the customer experience, and prepare for the expansion of the system in 2014.

- NTTA's Insurance Program: Implement approved insurance recommendations made by Roach Howard Barton & Smith during the insurance program review conducted in the 4<sup>th</sup> quarter of 2012.
- Toll Enforcement Remedies: Work the Communications, Customer Service, DPS and Legal Services to bring the NTTA's top violators into compliance by conducting investigations for the purpose of identifying and locating violators; assisting with the development of new strategies and legislation; and partnering with DPS and local law enforcement to successfully implement the enforcement arm of the remedies.
- CCURE Integrator: Ensure delivery of a new third party software integrator for our access control systems.
- Security Devices and Video Retention Validation: Since implementation of all-ETC, the NTTA's security requirements regarding camera locations and video retention have changed. SIM will reassess NTTA facility camera locations and retention schedules to determine if they meet current security protocols and best practices. This review will include the removal or addition of cameras and modification of views; review and modification of video retention schedules; and may ultimately drive the purchase of more server space/resources to ensure appropriate security of NTTA and customer resources.
- NTTA Accident Review Committee: Work with the Human Resources Department to develop and implement a fair and consistent agency-wide accident/incident/vehicle crash review committee to review incidents organization-wide and recommend actions based on established procedures and disciplinary matrix in order to quantify and reduce risk.
- Drug and Alcohol Testing Provider: Work with Human Resources to facilitate the procurement of a single drug and alcohol testing service provider. There are currently two providers used; one for pre-employment and DOT and the other for post-accident testing. We will be seeking to enter into an agreement with one provider that can satisfy all program elements at reduced cost.
- DPS Communications: Execute a contract for the installation of police radio communications equipment along the PGBT-WE and the CTP, thereby widening our simulcast radio network.

### KEY NTTA SYSTEM STATISTICS AND PROJECTIONS

Activity Type	2012 Weekly Average
Motorist Assists	341
Road Hazard/Debris Calls	106
Accidents	43
Traffic Safety Monitoring Sessions via Camera	102
DPS Traffic Stops	685
9-1-1 & Non-Emergency Telephone Calls	1706
RCS Response Time Average	11 Min.
RCS Clearance Time Average	12 Min.

Incident Type	2011 Actuals	2012 Projected	2013 Projected
Accidents	2,150	2,184	2,303
Motorist Assists	12,346	16,848	17,766
Road Hazards/Debris	3,552	5,252	5,538
Abandoned Vehicles	178	208	219
Traffic/Security Alarms	155,288	179,556	189,341
Criminal Offenses	5	16	17
<b>Totals</b>	<b>173,519</b>	<b>204,064</b> +17.6% OVER 2011	<b>215,184</b> +5.45% OVER 2012

## SIM 2013 NTTA SYSTEM OMF BUDGET

### 2013 System & Incident Management NTTA System OMF Budget - \$9,472,926

SIM Department teams provide diverse service offerings and support many of the NTTA Strategic Plan Goals and Objectives. Listed below are each division's budget and the goals that Division supports.

- 2013 decrease from total SIM Department 2012 budget is \$233,388 or -2.40%, down from \$9,706,314
- The SIM Department is comprised of four divisions; SIM Administration, the NTTA Insurance Program, Roadway Customer Service (RCS), and the Command Center (CC).
- Staff estimates a 5.45% increase in system incidents in 2013 over 2012 levels. We use a combination of lane miles, transactions, and a historical review of actuals to make projections.

2012/2013 SIM Comparison	2012 Budget	2013 Budget	% of Change
Overall Costs w/o DPS and Insurance	\$4,611,177	\$4,410,519	-4.35% Decrease
Overall Costs with DPS	\$8,866,029	\$8,616,463	-2.81% Decrease
Overall Costs with DPS and Insurance – All In	\$9,706,314	\$9,459,041	<b>-2.55% Decrease</b>

## SIM DIVISIONAL BUDGETS FOR NTTA SYSTEM

### Roadway Customer Service NTTA System OMF Budget #20621 - \$1,798,433

The Roadway Customer Service Division is the Authority's only 24/7 on-the-road customer touch-point providing safety and support to customers and employees in all types of hazardous situations including crashes, vehicle breakdowns, flat tires, and debris calls. This team supports NTTA Strategic Plan Goals 2, 3, 4 and 6.

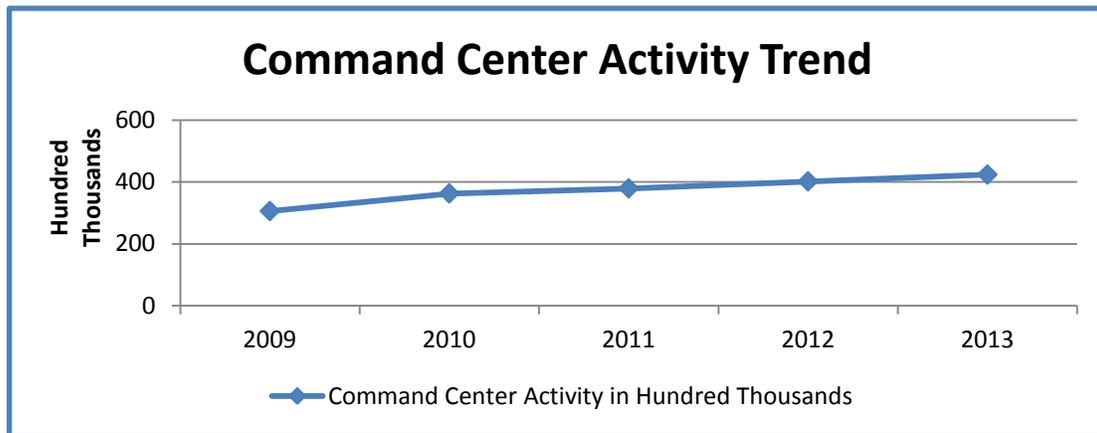
- 2013 decrease from RCS Division 2012 budget is \$119,289 or -6.20%, down from \$1,917,722
  - Training and Education decreased by \$1,024 or -39.98% from 2012. The reduction comes because we are not adding any new FTE's for 2013; we'll only need to train based on needs and attrition.
  - Promotional Expense increased by \$1,927 or 600.21%. This is primarily due to the addition of funds (\$375 per FTE) to pay for potential SIM employee retirement event items. The RCS division will have five (5) such eligible employees in 2013.
  - Additional reductions include: Uniforms, Materials and Supplies, and Freight and Express representing -8.36%, -8.31%, and -45.1% respectively.
- Thus far in 2012, RCS has handled over 24,564 incidents; a 17.7% increase over the same period in 2011.

- Customer feedback to the RCS Program has been astounding. We've received over 6,610 hand-written Customer Commendations since inception in September 2008.
- Utilization of RCS as First Responders on calls which don't require a police response has increased Trooper lane miles by 38.8% from 18 lane miles per Trooper to 25 lane miles per Trooper.
- 2012 Average Response Time = 10:39 minutes
- 2012 Average Clearance Time = 10:50 minutes
- Staff estimates an 8.5% increase in 2013 total RCS activity levels over 2012. Activity levels are established by assessing historical actuals, transactions, and system miles to make incident projections.

**Command Center NTTA System OMF Budget #20641 - \$5,712,685**

The Command Center Division oversees the activities of all RCS, police, fire, EMS, HAZMAT, wrecker service, work crew traffic impacts, security, traffic, Intelligent Transportation Systems (ITS), and traveler notifications on Dynamic Message Signs and the NTTA website. They handle emergency and non-emergency incidents on and around the NTTA system and at NTTA buildings. They also oversee safety and security of NTTA resources, employees, and customers through the use of CCTV and access control technology. They support NTTA Strategic Plan Goals 1, 2, 3, 4, and 6.

- 2013 decrease from CC Division 2012 budget is \$79,262 or -1.40%, down from \$5,791,947
  - Uniforms costs increased by \$219 or 11.29% over 2012 due to an increase in the Command Center attrition rate.
- CC Activity - In 2013, CC Staff are expected to handle approximately 228,692 incidents and will complete another 194,811 incident management support tasks; a 5.45% increase over 2011.



COMMAND CENTER/DPS COSTS	2012	2013	% OF CHANGE
Command Center Budget	\$5,791,947	\$5,712,685	-1.37% Decrease
Command Center Budget <b>w/o DPS</b>	\$1,537,095	\$1,506,741	<b>-1.97% Decrease</b>

**CC 2013 STAFFING PROJECTIONS & ASSUMPTIONS –**

- Staff estimates a 5.45% increase in 2013 CC activity levels over 2012, but will add no FTE's. Activity levels are established by assessing historical actuals, transactions, and system miles to make incident projections.
- The Set C ITS project will be completed by the fourth quarter of 2012. Adding ITS sites increases our chance of finding hazards quickly, but also increases alarm rates (both false and positive alarms) to which CC staff must respond. This too will cause an increase in activity in 2013 as more ITS sites are brought online.

### **SIM Administration NTTA System OMF Budget #20611 - \$956,483**

The SIM Administration Division consists of 10.5 FTE's who deliver NTTA-wide programs including safety, risk management, loss prevention, security, and emergency management, as well as assisting the other SIM Divisions in managing emergencies and disasters. They support Strategic Plan Goals 1, 3, 5 and 6.

- 2013 decrease in the SIM Administration budget from 2012 is \$27,108 or -2.76%, down from \$983,591
  - Professional fees decreased by \$8,130 or -15.22% from 2012. SIM completed an under-\$50K project in 2012, and added the Enterprise Risk Assessment (ERA) which will be completed in 2013. \$45K has been budgeted in 2013 for completion.
  - Training & Education increased by \$167 or 8.8% over 2012. The increase is due to additional professional training requirements for the Safety Manager hired in 2012. Training is required to maintain the following safety certifications: Certified Safety Professional (CSP) and Certified Industrial Hygienist (CIH).
  - Promotional Expense increased by \$392 or 404.6% over 2012, and is primarily due to the addition of funds (\$375 per employee) to pay for potential employee retirement events in 2013. SIM Administration has one (1) employee eligible for retirement in 2013.
  - Dues and Subscriptions increased by \$110 or 37.58% over 2012. Increase is due to the addition of three (3) professional board certifications for the Safety Manager hired in 2012. Certifications include: American Board of Industrial Hygienist (ABIH); Board of Certified Safety Professionals (BCSP); and National Association of Fire Investigators (NAFI).
  - Travel increased by \$575 or 89.85% over 2012. Increase is due to the addition of travel for staff to one professional training conference not budgeted for in 2012.
- This budget includes the risk and safety programs, the facility security and access control program, the loss prevention program, and administrative staff for the department.

### **NTTA Insurance Program NTTA System OMF Budget #20631 - \$1,005,325**

The Insurance Division manages the NTTA's insurance program, establishes insurance requirements for NTTA contracts, monitors insurance coverages throughout the life of NTTA contracts to ensure continued compliance, and manages all property claims made against or by the NTTA. This division supports Strategic Plan Goals 1, 4, and 5.

- 2013 decrease from the Insurance division 2012 budget is \$7,729 or -0.76%, down from \$1,013,054
- 2013 Insurance Premiums increased \$9,282 or 1.13% from \$822,929 to \$832,211
  - Estimated deposit to the TML Risk Pool = \$724,024
  - Estimated premiums for coverage placed with other carriers = \$108,187
    - *NOTE: Staff estimates premiums because it is too early for TML to predict rates*
- Insurance costs increased due to TML initiated coverage increases and the addition of fixed assets:
  - Increase in Errors and Omissions coverage of 5.6% over 2012
  - Increase in Auto Liability coverage of 0.23% over 2012
  - Increase in Pollution coverage of 100% over 2012 due to the scheduled addition of Fuel and Propane tanks at the new Frisco Maintenance Center and Warehouse (January 2013)
- Salaries and Retirement increased by \$16,186 or 14.1% from \$114,815 to \$131,001. Increase is primarily due to the conversion of one Part-Time employee from the Command Center (P/T CC Service Specialist) to the Insurance Program (P/T Claims Coordinator) in 2012.
- Professional fees decreased by \$44,897, or -85.9% from \$52,291 to \$7394 from 2012 because we completed the contracted external insurance review in 2012.
- We decreased the budget for our payout of liability claims by \$6,990 or -40.27% from \$17,356 to 10,366 because there will be no increase in system miles or risk in 2013, and we've seen no increase in damage per mile in 2012. Our liability claims budget is based on system miles and historical claims data related to damage caused to others by routine tasks such as mowing and weed-eating.

**Other Funds**

- CF \$0
- RMF \$0
- CIF \$0
- CIF/FSF \$0

**Special Projects System**

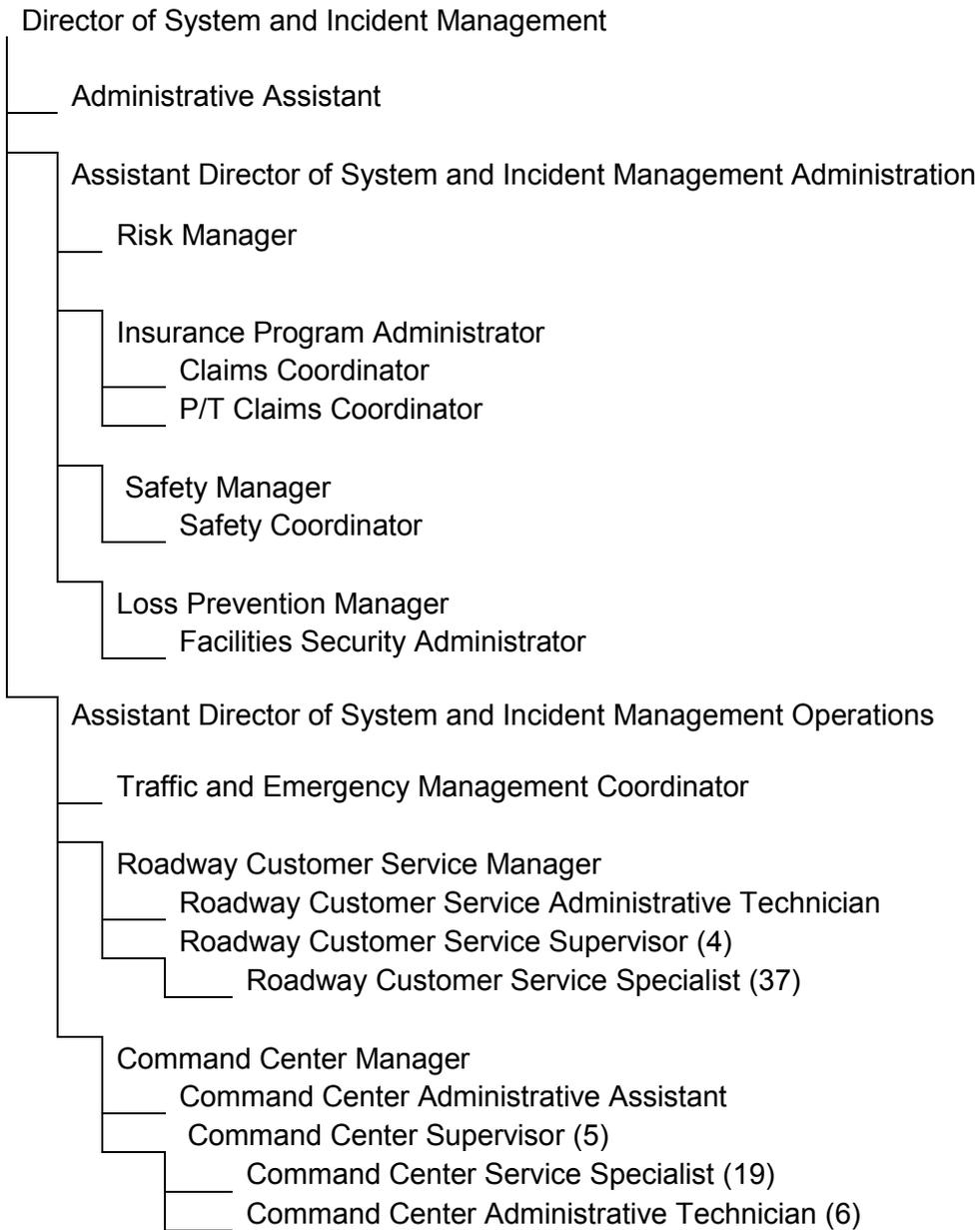
- OMF PGBT-WE \$1,065,877
- CF PGBT-WE & CTP \$ 0

**Position Summary**

<b>System &amp; Incident Management Department</b>			
<b>Full-Time Positions</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
<b>Administration</b>			
Administrative Assistant	1	1	-
Assistant Director SIM	2	2	-
Director SIM	1	1	-
Facility Security Administrator	1	1	-
Loss Prevention Manager	1	1	-
Risk Manager	1	1	-
Safety Coordinator	1	1	-
Traffic & Emergency Management Coordinator	1	1	-
Safety Manager	1	1	-
<b>Command Center</b>			
Command Center Manager	1	1	-
Command Center Service Specialist	19	19	-
Command Center Supervisor	5	5	-
Command Center (DPS) Administrative Assistant	1	1	-
Command Center Technicians	6	6	-
<b>Insurance</b>			
Claims Coordinator	1	1	-
Insurance Program Administrator	1	1	-
<b>Roadway Customer Service</b>			
Roadway Customer Service Manager	1	1	-
Roadway Customer Service Specialist	37	37	-
Roadway Customer Service Supervisor	4	4	-
Roadway Customer Service Admin Technician	1	1	-
<b>Total Full-Time Positions</b>	<b>87</b>	<b>87</b>	<b>-</b>
<b>Part-Time &amp; On-Call Positions</b>			
Claims Coordinator P/T	1	1	-
<b>Total Part-Time &amp; On-Call Positions</b>	<b>1</b>	<b>1</b>	<b>-</b>

## Organization Chart

### System and Incident Management Department



**North Texas Tollway Authority  
Departmental Budget Summary  
OMF Budget Fund**

**Department:** System & Incident Mgmt. Dept. - (20600)  
**Budget Year:** 2013

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>Variance</b>	<b>Variance %</b>
Salaries and Wages-Direct - (511101)	\$3,815,090	\$3,744,703	(\$70,387)	(1.8)%
Salaries and Wage-Overtime - (511301)	10,057	8,926	(1,131)	(11.2)%
Retirement Contributions - (512401)	537,686	495,308	(42,378)	(7.9)%
Consulting/Professional - (521201)	105,696	52,669	(53,027)	(50.2)%
Police Services (DPS) - (521208)	4,254,852	4,205,944	(48,908)	(1.1)%
Outside Maintenance Services - (521212)	15,139	9,160	(5,979)	(39.5)%
Insurance Expense - Other - (523101)	822,929	832,212	9,283	1.1%
Postage - (523201)	9,211	4,071	(5,140)	(55.8)%
Promotional Expenses - (523304)	663	3,027	2,364	356.5%
Travel - (523501)	640	1,215	575	89.9%
Dues & Subscriptions - (523601)	1,955	1,780	(175)	(9.0)%
Education and Training - (523701)	6,665	5,119	(1,546)	(23.2)%
Liability Claims - (523902)	17,356	10,366	(6,990)	(40.3)%
Office Supplies - (531101)	9,612	7,750	(1,862)	(19.4)%
Other Materials and Supplies - (531102)	61,851	56,723	(5,128)	(8.3)%
Freight and Express - (531105)	598	295	(303)	(50.6)%
Uniforms - (531701)	36,314	33,658	(2,656)	(7.3)%
<b>Total Expenses</b>	<b>\$9,706,314</b>	<b>\$9,472,926</b>	<b>(233,387)</b>	<b>(2.4)%</b>

**North Texas Tollway Authority  
Departmental Budget Summary  
Summary of Funds**

**Department:** System & Incident Mgmt. Dept. - (20600)  
**Budget Year:** 2013

<b>Account</b>	<b>OMF 1001</b>	<b>CF 3700</b>	<b>RMF 1201</b>	<b>CIF 1501</b>	<b>CIF/FSF 1601</b>	<b>Total Budget</b>
Salaries and Wages-Direct - (511101)	\$3,744,703	\$0	\$0	\$0	\$0	\$3,744,703
Salaries and Wage-Overtime - (511301)	8,926	0	0	0	0	8,926
Retirement Contributions - (512401)	495,308	0	0	0	0	495,308
Consulting/Professional - (521201)	52,669	0	0	0	0	52,669
Police Services (DPS) - (521208)	4,205,944	0	0	0	0	4,205,944
Outside Maintenance Services - (521212)	9,160	0	0	0	0	9,160
Insurance Expense - Other - (523101)	832,212	0	0	0	0	832,212
Postage - (523201)	4,071	0	0	0	0	4,071
Promotional Expenses - (523304)	3,027	0	0	0	0	3,027
Travel - (523501)	1,215	0	0	0	0	1,215
Dues & Subscriptions - (523601)	1,780	0	0	0	0	1,780
Education and Training - (523701)	5,119	0	0	0	0	5,119
Liability Claims - (523902)	10,366	0	0	0	0	10,366
Office Supplies - (531101)	7,750	0	0	0	0	7,750
Other Materials and Supplies - (531102)	56,723	0	0	0	0	56,723
Freight and Express - (531105)	295	0	0	0	0	295
Uniforms - (531701)	33,658	0	0	0	0	33,658
<b>2013 Totals</b>	<b>\$9,472,926</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,472,926</b>
<b>2012 Totals</b>	<b>\$9,706,314</b>	<b>\$0</b>	<b>\$9,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,715,414</b>



# OTHER FUNDS SECTION



**North Texas Tollway Authority**  
**NTTA System Construction Fund - (3700) Budget Comparisons**  
**FY 2013 to 2012**

<b>Department</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>2013 Budget to 2012 Budget Amount</b>	<b>Percent</b>
<b>Administrative Services:</b>				
Administration	\$0	\$0	\$0	0.0%
Board	0	0	0	0.0%
Finance	4,511,966	3,911,320	(600,646)	(13.3%)
Human Resources	0	0	0	0.0%
Internal Audit	65,520	67,966	2,446	3.7%
Legal Services	1,250,000	500,000	(750,000)	(60.0%)
Public Affairs	7,500	0	(7,500)	(100.0%)
Shared Services	0	0	0	0.0%
Strategic & Innovative Solutions	0	0	0	0.0%
<b>Total Administrative Services</b>	<b>5,834,986</b>	<b>4,479,286</b>	<b>(1,355,700)</b>	<b>(23.2%)</b>
<b>Operational Services:</b>				
Customer Service Center	0	0	0	0.0%
Information Technology	27,000	0	(27,000)	(100.0%)
Maintenance	0	0	0	0.0%
Operations	0	0	0	0.0%
Project Delivery	41,708,697	24,760,839	(16,947,858)	(40.6%)
System & Incident Mgmt.	0	0	0	0.0%
<b>Total Operational Services</b>	<b>41,735,697</b>	<b>24,760,839</b>	<b>(16,974,858)</b>	<b>(40.7%)</b>
<b>Grand Totals</b>	<b>47,570,683</b>	<b>29,240,125</b>	<b>(18,330,558)</b>	<b>(38.5%)</b>

## **NTTA 2013 Construction Fund Projects**

### **Lake Lewisville Toll Bridge**

The NTTA worked cooperatively with the Texas Department of Transportation (TxDOT), Denton County and the cities of Little Elm, Frisco and Lake Dallas to construct the Lewisville Lake Toll Bridge (LLTB) corridor. The NTTA was responsible for the design, construction and the continued operation of the approximately two-mile section that includes a 1.7-mile toll bridge and a 0.3-mile flowage easement bridge. The bridge opened to traffic in 2009. Minor construction items were completed in 2011 with only minor costs in 2012. Some lighting re-work is estimated for 2013.

### **President George Bush Turnpike Eastern Extension**

The Eastern Extension is a portion of the outer loop around Dallas and its suburbs that connects Interstate Highway (IH) 30 to the existing President George Bush Turnpike (PGBT). It is part of the Loop 9/State Highway 190 corridor first envisioned in the 1960s. Construction on the approximately 9.9-mile corridor began in October 2008. The project opened to traffic in December 2011. The project will be completed by 2012 with only minor cost in 2013 through 2014.

### **Sam Rayburn Tollway**

Sam Rayburn Tollway (SRT) stretches approximately 26 miles southwest to northeast, linking the Dallas/Fort Worth International Airport and growing communities in Collin, Dallas and Denton counties. The SRT features six main lanes with all-electronic toll collection. The project was constructed in segments with Segment 1 and 2 opening to traffic in 2008; Segment 3 in 2009; Segment 4 in 2011; and Segment 5 (the SRT/Dallas North Tollway (DNT) interchange) was opened to traffic November 2011 with only minor cost in 2013 and 2014. The 2015 through 2017 are estimated cost for additional lanes.

### **Dallas North Tollway 4th Lane**

The NTTA has been coordinating with the City Of Plano to add a 4<sup>th</sup> lane to the DNT between President George Bush Turnpike and the Sam Rayburn Tollway. The project is planned to begin design in 2013 and construction to go through 2016.

### **Dallas North Tollway at Lyndon B. Johnson SH 635**

This project is the reconstruction of the LBJ Bridge over DNT by Third Party to accommodate the possibility of additional future lanes.

### **Dallas North Tollway and President George Bush Turnpike Interchange and Ramp Modifications**

The NTTA has been coordinating with the City Of Plano to modify the existing direct connectors of the DNT/PGBT interchange and the North and South bound ramps near the interchange. This will increase capacity and improve the flow of traffic through the interchange. The project is planned to begin design in 2013 and construction to go through 2016.

### **President George Bush Turnpike at US 75 Improvements**

This is a multi agency project (NTTA, TxDOT, City of Plano) being managed, designed and constructed by TxDOT to relief congestion for US 75 at PGBT. It includes modifications of the PGBT/US 75 interchange and modifications to the 15<sup>th</sup> Street ramps

#### **Estimated NTTA System Expenditures for 2013**

LLTB Construction	\$ 2,000,000
PGBT Eastern Extension Construction	\$ 3,300,000
Sam Rayburn Tollway Construction	\$ 1,631,000
Dallas North Tollway 4 <sup>th</sup> Lane	\$ 6,388,301
Dallas North Tollway at LBJ SH 635	\$ 3,030,000
DNT/PGBT Interchange and Ramp Modifications	\$ 7,671,538
PGBT at US 75 Improvements	\$ 740,000
Allocated cost: Professional Fees, Legal Fees	<u>\$ 4,479,296</u>
<b>Total Estimated 2013 Construction Cost (1)</b>	<b>\$ 29,240,125</b>

(1) For detail expenditures see pages 155-160

**North Texas Tollway Authority  
Estimated Construction Fund Requirements  
FY 2013**

NTTA System Construction Fund Available Balance as of 08/31/2012	\$ 110,591,784
Estimated Construction Cost (August through December 2012)	
DNT Phase 3 Construction	(8,137)
LLTB Construction	(120,535)
PGBT Eastern Extension Construction	(8,781,348)
Sam Rayburn Tollway Construction	(17,291,717)
Total Estimated 2012 Construction Cost	<u>(26,201,737)</u>
 Proceeds from Bond Issuance	 <u>-</u>
 Estimated NTTA System Available Balance as of 12/31/12	 84,390,047
Estimated Expenditures for 2013	
LLTB Construction	(2,000,000)
PGBT Eastern Extension Construction	(3,300,000)
Sam Rayburn Tollway Construction	(1,631,000)
Dallas North Tollway 4th Lane	(6,388,301)
Dallas North Tollway at LBJ SH 635	(3,030,000)
DNT/PGBT Interchange and Ramp Modifications	(7,671,538)
PGBT at US 75 Improvements	(740,000)
Allocated cost: Professional Fees, Audit Fees, Legal Fees	(4,479,296)
Transfer for Allocated Salaries and Benefits	(299,672)
Total Estimated 2013 Construction Cost	<u>(29,539,807)</u>
 <b>Estimated NTTA System Available Balance as of 12/31/13</b>	 <b><u><u>\$ 54,850,240</u></u></b>

**North Texas Tollway Authority**  
**Fund 3712 - DNT 1990 Construction Fund - (3712) Estimate**  
**FY 2013**

<b>Department</b>	<b>Account</b>	
<b>Project Delivery</b>	Right-of-Way (06)	1,283,733
	Administration (01)	1,030,000
	Planning (02)	1,740,786
	Design (03)	9,035,320
	Construction (04)	3,000,000
	Other (176999)	1,000,000
	<b>Project Delivery Total</b>	<b>17,089,839</b>
<b>Total</b>	<b>\$17,089,839</b>	

**North Texas Tollway Authority**  
**Fund 3713 - 2005 Construction Fund - (3713) Estimate**  
**FY 2013**

<b>Department</b>	<b>Account</b>	
<b>Finance</b>	Consulting/Professional - (521201)	1,200
	<b>Finance Total</b>	<b>1,200</b>
<b>Internal Audit</b>	Auditing Fees - (521203)	16,991
	<b>Internal Audit Total</b>	<b>16,991</b>
<b>Legal Services</b>	Legal Fees - (521202)	25,000
	<b>Legal Services Total</b>	<b>25,000</b>
<b>Total</b>		<b>\$43,191</b>

**North Texas Tollway Authority  
Fund 3722 - PGBT EE Construction Fund - (3722) Estimate  
FY 2013**

<b>Department</b>	<b>Account</b>	
<b>Finance</b>	Consulting/Professional - (521201)	4,800
	Trustee Fees - (521204)	3,175
	<b>Finance Total</b>	<b>7,975</b>
<b>Internal Audit</b>	Auditing Fees - (521203)	16,992
	<b>Internal Audit Total</b>	<b>16,992</b>
<b>Legal Services</b>	Legal Fees - (521202)	300,000
	<b>Legal Services Total</b>	<b>300,000</b>
<b>Project Delivery</b>	Administration (01)	200,000
	Construction (04)	3,100,000
	<b>Project Delivery Total</b>	<b>3,300,000</b>
<b>Total</b>		<b>\$3,624,967</b>

**North Texas Tollway Authority  
Fund 3723 - DNT 1998 Const Fund (PGBTV) - (3723) Estimate  
FY 2013**

<b>Department</b>	<b>Account</b>	
<b>Project Delivery</b>	Administration (01)	40,000
	Construction (04)	700,000
	<b>Project Delivery Total</b>	<b>740,000</b>
<hr/>		
<b>Total</b>		<b>\$740,000</b>
<hr/>		

**North Texas Tollway Authority**  
**Fund 3751 - Sam Ray Toll Const Fund(SH121) - (3751) Estimate**  
**FY 2013**

<b>Department</b>	<b>Account</b>	
<b>Finance</b>	Consulting/Professional - (521201)	29,070
	Trustee Fees - (521204)	43,075
	Rating Agency Fees - (521205)	30,000
	Remarketing/Loc Provider Fees - (521206)	3,800,000
	<b>Finance Total</b>	<b>3,902,145</b>
<b>Internal Audit</b>	Auditing Fees - (521203)	16,992
	<b>Internal Audit Total</b>	<b>16,992</b>
<b>Legal Services</b>	Legal Fees - (521202)	150,000
	<b>Legal Services Total</b>	<b>150,000</b>
<b>Project Delivery</b>	Administration (01)	250,000
	Planning (02)	181,000
	Construction (04)	1,200,000
	<b>Project Delivery Total</b>	<b>1,631,000</b>
<b>Total</b>		<b>\$5,700,137</b>

**North Texas Tollway Authority  
Fund 3761 - LLTB Construction Fund - (3761) Estimate  
FY 2013**

<b>Department</b>	<b>Account</b>	
<b>Internal Audit</b>	Auditing Fees - (521203)	16,991
	<b>Internal Audit Total</b>	<b>16,991</b>
<b>Legal Services</b>	Legal Fees - (521202)	25,000
	<b>Legal Services Total</b>	<b>25,000</b>
<b>Project Delivery</b>	Construction (04)	2,000,000
	<b>Project Delivery Total</b>	<b>2,000,000</b>
<b>Total</b>		<b>\$2,041,991</b>

**North Texas Tollway Authority  
Reserve Maintenance Fund - (1201) Budget Comparisons  
FY 2013 to 2012**

<b>Department</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>2013 Budget to 2012 Budget</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Administrative Services:</b>				
Administration	\$0	\$0	\$0	0.0%
Board	0	0	0	0.0%
Finance	0	0	0	0.0%
Human Resources	0	0	0	0.0%
Internal Audit	10,920	22,656	11,736	107.5%
Legal Services	600,000	150,000	(450,000)	(75.0%)
Public Affairs	0	0	0	0.0%
Shared Services	0	0	0	0.0%
Strategic & Innovative Solutions	0	0	0	0.0%
<b>Total Administrative Services</b>	<b>610,920</b>	<b>172,656</b>	<b>(438,264)</b>	<b>(71.7%)</b>
<b>Operational Services:</b>				
Customer Service Center	0	0	0	0.0%
Information Technology	1,792,825	1,415,400	(377,425)	(21.1%)
Maintenance	18,309,426	21,231,300	2,921,874	16.0%
Operations	0	0	0	0.0%
Project Delivery	0	0	0	0.0%
System & Incident Mgmt.	9,100	0	(9,100)	(100.0%)
<b>Total Operational Services</b>	<b>20,111,351</b>	<b>22,646,700</b>	<b>2,535,349</b>	<b>12.6%</b>
<b>Grand Totals</b>	<b>20,722,271</b>	<b>22,819,356</b>	<b>2,097,085</b>	<b>10.1%</b>

## NTTA 2013 Reserve Maintenance Fund Major Projects or Purchases

The Reserve Maintenance Fund was created to account for maintenance expenditures that do not occur on an annual or more frequent basis. In other words, it is for the renewal and replacement of capital assets. The following are some of the major projects and purchases for FY2013.

Annual Inspection - Required by GASB 34 Modified Approach	\$ 1,130,000
Drainage Improvements	150,000
MSE Wall Repairs	162,000
Retaining Wall De-Watering	250,000
Pavement Repairs	1,000,000
DNT Concrete Pavement Repair	960,000
DNT and SRT Joint Sealing	550,000
DNT Trailblazers	356,000
Meaders Driveway Access	225,000
MCLB West Approach Replacement	310,000
Pavement Joint Repair	1,500,000
DNT Median Barrier Replacement/Repair	5,000,000
Systemwide Pavement Profiling	430,000
Systemwide Bridge Repairs	1,900,000
Trucks, Fleet & Equipment - New & Replacement	1,274,300
Facility Improvements	200,000
Computer and Equipment - New & Replacement, including software	1,415,400
Traffic Engineering Studies	95,000
Allocated Cost - Professional, Audit and Legal Fees	322,656
<b>Total 2013 RMF Budget</b>	<b><u>\$ 17,230,356</u></b>
2012 Projects Carried Over to 2013 <sup>(1)</sup>	
SRT Pavement Repair	\$ 710,000
SRT Corridor Restriping	1,540,000
Guide Sign Replacement	1,120,000
PGBT Erosion Repair	170,000
Trucks, Fleet & Equipment - New & Replacement	369,000
Systemwide Bridge Repairs	1,680,000
	<b><u>\$ 5,589,000</u></b>

(1) Projects fully funded in 2012, completed in 2013

**North Texas Tollway Authority**  
**Calculation of Deposit to Reserve Maintenance Fund**  
**FY 2013**

<b>Reserve Maintenance Fund Balance as of 08/31/2012</b>		<b>\$ 58,506,782</b>
Outstanding Reserve Maintenance Fund Deposit for FY 2012		2,938,656
Estimated Expenditures (Aug. through December 2012)		<u>(13,284,212)</u>
Estimated Balance as of 12/31/12		48,161,226
Estimated 2012 Expenditures (2012 Projects completed in 2013)	(1)	(5,589,000)
Estimated Expenditures for 2013		
Software / Licensing	(183,900)	
Computer / Equipment	(1,231,500)	
Roadway Maintenance	<u>(15,397,300)</u>	
Total RMF Projects		(16,812,700)
Allocated Cost: Professional Fees, Audit Fees, Legal Fees		(245,000)
Transfer for Allocated Salaries and Benefits		<u>(1,806,936)</u>
Total Estimated 2013 RMF Cost		(18,864,636)
Estimated Prefunding Required for 2013 Projects		<u>0</u>
Estimated 2013 Balance before Deposit		23,707,590
Estimated 2013 Deposit to Reserve Maintenance Fund		0
<b>Reserve Maintenance Fund Balance as of 12/31/2013</b>		<b><u><u>\$ 23,707,590</u></u></b>

**2013 Required Deposit to Reserve Maintenance Fund Calculation**

Estimated Fund Balance at 12/31/13	23,707,590	
Required Trust Agreement Balance	<u>5,000,000</u>	
Over Funded no Deposit Required for 2013	<u><u>18,707,590</u></u>	

(1) 2012 Projects fully funded in 2012.

**North Texas Tollway Authority  
Fund 1201 - Reserve Maintenance Fund - (1201) Estimate  
FY 2013**

<b>Department</b>	<b>Account</b>	
<b>Internal Audit</b>	Auditing Fees - (521203)	22,656
	<b>Internal Audit Total</b>	<b>22,656</b>
<b>Legal Services</b>	Legal Fees - (521202)	150,000
	<b>Legal Services Total</b>	<b>150,000</b>
<b>Operations Departments</b>	Electronic Supplies - (531106)	187,500
	Computers - (531641)	809,000
	Software - (531651)	183,900
	Infrastructure Rdway/Hwy/Bridg - (541401)	235,000
	<b>Operations Departments Total</b>	<b>1,415,400</b>
<b>Infrastructure Department</b>	Traffic Engineering Fees - (521207)	95,000
	General Engineering - (521213)	150,000
	Consulting/Profess Serv Tech - (521301)	3,944,460
	Signing Expense - (522203)	1,397,680
	Pavement Markings - (522204)	1,540,000
	Pavement & Shoulders - (522205)	4,173,200
	Bridge Repairs - (522206)	1,921,800
	Machinery - (531611)	313,300
	Vehicles - (531621)	1,330,000
	Building Improvements - (541302)	200,000
	Infrastructure Rdway/Hwy/Bridg - (541401)	6,165,860
	<b>Infrastructure Department Total</b>	<b>21,231,300</b>
<b>Total</b>		<b>\$22,819,356</b>

**North Texas Tollway Authority  
Capital Improvement Fund - (1501) Budget Comparisons  
FY 2013 to 2012**

<b>Department</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>2013 Budget to 2012 Budget Amount</b>	<b>Percent</b>
<b>Administrative Services:</b>				
Administration	\$0	\$0	\$0	0.0%
Board	0	0	0	0.0%
Finance	3,232,455	3,071,920	(160,535)	(5.0%)
Human Resources	0	0	0	0.0%
Internal Audit	21,840	22,655	815	3.7%
Legal Services	225,000	700,000	475,000	211.1%
Public Affairs	0	0	0	0.0%
Shared Services	0	0	0	0.0%
Strategic & Innovative Solutions	0	0	0	0.0%
<b>Total Administrative Services</b>	<b>3,479,295</b>	<b>3,794,575</b>	<b>315,280</b>	<b>9.1%</b>
<b>Operational Services:</b>				
Customer Service Center	0	0	0	0.0%
Information Technology	13,471,626	14,576,051	1,104,425	8.2%
Maintenance	67,379,128	19,689,931	(47,689,197)	(70.8%)
Operations	0	0	0	0.0%
Project Delivery	6,137,721	4,180,000	(1,957,721)	31.9%
System & Incident Mgmt.	0	0	0	0.0%
<b>Total Operational Services</b>	<b>86,988,475</b>	<b>38,445,982</b>	<b>(48,542,493)</b>	<b>(55.8%)</b>
<b>Grand Totals</b>	<b>90,467,770</b>	<b>42,240,557</b>	<b>(48,227,213)</b>	<b>(53.3%)</b>

## NTTA 2013 Capital Improvement Fund Major Projects and Purchases

The Capital Improvement Fund accounts for the cost of repairs, enlargements, extensions, additions, improvements, reconstruction and replacement of capital assets. The following is the list of projects and purchases for FY 2013:

Systemwide - Walls Reconstruction/Repair	\$16,259,598
RITE System Software Enhancements & Maintenance	3,818,000
Systemwide CIF - Buildings	3,430,333
Microsoft Enterprise Agreement	959,398
Security Enhancement/PCI Compliance	600,000
Disaster Recovery	500,000
Network Upgrade	800,000
ITS 2012 Retrofit	1,753,500
PeopleSoft Financial System Enhancements	250,000
Oracle Unlimited License Agreement	614,553
VoIP Upgrades	860,000
PeopleSoft HCM Enhancement	200,000
Virtualization	400,000
Maintenance Management System	1,500,000
Internet/Intranet Redesign	349,000
System Upgrades	1,738,600
Enterprise System Monitoring & Management	100,000
Impact 360 Upgrade	100,000
Digital Arial Photography	33,000
PGBT Mainlanes and Ramps Plza ETC	4,180,000
Allocated Cost - Professional, Audit, Legal Fees	3,794,575
<b>Total Expenditures</b>	<b><u><u>\$42,240,557</u></u></b>

## **NTTA 2013 CIF/Revolving Fund-Feasibility Study Fund Projects**

### **Trinity Parkway**

The proposed Trinity Parkway will connect Interstate 35E to U.S. 175, providing a new, approximately 9-mile relief route around the west and south sides of Dallas' central business district. Initially, six and four lanes will be constructed, with the ultimate facility being six lanes. When complete, the Trinity Parkway will be a tolled bypass around downtown Dallas, which will provide traffic relief for the I-30 and I-35E corridors. The NTTA is managing ongoing environmental clearance and preliminary engineering efforts to advance the project.

### **State Highway 170**

TxDOT initiated the State Highway 170 corridor study, conducted preliminary studies, processed environmental reviews, obtained environmental clearance and right of way, and built the existing frontage roads. The NTTA is now conducting further studies of the corridor. Project partnering meetings are ongoing to advance the project, which could result in a 5.8-mile toll road in southwest Denton and northern Tarrant counties.

### **State Highway 360**

TxDOT initiated the State Highway 360 corridor study, conducted preliminary studies, processed environmental reviews, obtained environmental clearance and right of way to U.S. 287, and built the existing frontage roads. The NTTA is now conducting further studies of the corridor. Project partnering meetings are ongoing to advance the project. Section 1 is expected to result in a 9.7-mile extension of SH 360 main lanes from Green Oaks Boulevard/Kingswood Boulevard in southern Tarrant County to U.S. 287 in northwestern Ellis County.

### **State Highway 190 East Branch**

TxDOT initiated the East Branch/State Highway 190 corridor study in May 1969 and is processing the project's Environmental Impact Statement (EIS). First, the Federal Highway Administration must review and approve a Draft EIS in order to conduct a public hearing, possibly in early 2011. Following the public hearing, a Final EIS will be prepared to recommend a route alternative.

### **Dallas North Tollway Phases 4A & 4B and 5A**

Is a proposed 17.6-mile extension of the Dallas North Tollway northward from U.S. 380 to the Collin/Grayson county line (Phase 4A) and from Collin/Grayson county to Farm to Market 121 (Phase 5B). The extension will be a limited access toll road with six main lanes and four frontage road lanes. A scope of work is currently under development, which includes corridor analysis, initial toll feasibility and environmental analysis.

The NTTA Board of Directors chose an alignment for the Phase 4B/5A extension that straddles the Collin-Denton county line and extends 11.9 miles from FM 423 in Collin County to FM 121 in

Grayson County. The county alignment provides a greater economic development benefit for most of the region, requires less right-of-way, and follows an existing county road system.

**Project Cost**

DNT Phase 4A, 4B/5A	\$43,000
SH 170	300,000
SH 360	200,000
Trinity Parkway	2,716,665
State Highway 190 East Branch	15,000
Allocated cost: Salaries, Professional Fees, Legal Fees	<u>2,402,300</u>
<b>Total Estimated 2013 Feasibility Cost(1)</b>	<b><u>\$5,676,965</u></b>

(1) For detail list of expenditures see pages 172.

**North Texas Tollway Authority  
Feasibility Study Fund - (1601) Budget Comparisons  
FY 2013 to 2012**

<b>Department</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>2013 Budget to 2012 Budget</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Administrative Services:</b>				
Administration	\$0	\$0	\$0	0.0%
Board	0	0	0	0.0%
Finance	1,125,000	0	(1,125,000)	(100.0%)
Human Resources	0	0	0	0.0%
Internal Audit	0	0	0	0.0%
Legal Services	1,284,000	300,000	(984,000)	(76.6%)
Public Affairs	7,500	0	(7,500)	(100.0%)
Shared Services	0	0	0	0.0%
Strategic & Innovative Solutions	0	2,102,300	2,102,300	100.0%
<b>Total Administrative Services</b>	<b>2,416,500</b>	<b>2,402,300</b>	<b>(14,200)</b>	<b>(0.6%)</b>
<b>Operational Services:</b>				
Customer Service Center	0	0	0	0.0%
Information Technology	0	0	0	0.0%
Maintenance	0	0	0	0.0%
Operations	0	0	0	0.0%
Project Delivery	3,451,349	3,274,665	(176,684)	(5.1%)
System & Incident Mgmt.	0	0	0	0.0%
<b>Total Operational Services</b>	<b>3,451,349</b>	<b>3,274,665</b>	<b>(176,684)</b>	<b>(5.1%)</b>
<b>Grand Totals</b>	<b>5,867,849</b>	<b>5,676,965</b>	<b>(190,884)</b>	<b>(3.3%)</b>

**North Texas Tollway Authority**  
**Estimated Capital Improvement Fund Requirements**  
**FY 2013**

Capital Improvement Fund Uncommitted Balance as of 08/31/2012		\$ 86,571,092
2012 Cash Inflows (Aug.-Dec. 2012)		
Estimated Deposit from Revenue Fund	69,778,126	
Proceeds from Bond Issue	0	
Commercial Paper issued	0	
		69,778,126
2012 Cash Outflows (Aug.-Dec. 2012)		
ISTEA Payment	(8,250,000)	
CIF Subordinate Debt	0	
Commercial Paper to be retired	(56,300,000)	
Transfer to Rainy Day Fund	(2,673,173)	
Estimated Expenditures CIF Projects	(16,783,291)	
		(84,006,464)
Estimated Available Balance as of 12/31/12		72,342,754
2013 Estimated Cash Inflows		
Estimated Deposit from Revenue Fund	76,864,461	
Reimbursement Agreement	2,333,335	
Proceeds from Bond Issue	0	
Commercial Paper issued	0	
		79,197,796
2013 Estimated Cash Outflows		
ISTEA Payment	(8,000,000)	
CIF Subordinate Debt	(23,416,150)	
Transfer to Rainy Day Fund	(24,916,338)	
Commercial Paper to be retired	0	
Estimated Expenditures CIF Projects	(38,445,982)	
Estimated Expenditures Revolving Account FSF Projects	(3,274,665)	
Transfer for Allocated Salaries and Benefits	(2,159,898)	
		(100,213,033)
Total Estimated Expenditures for 2013		(100,213,033)
2013 CIF Bond Payment Account balance		23,416,150
2013 CIF Rainy Day Fund Account balance		50,000,000
2013 CIF Uncommitted Cash Account balance		51,327,517
<b>Estimated Total CIF Cash Balances at 12/31/2013</b>		<b>\$ 124,743,667</b>

**North Texas Tollway Authority  
Fund 1501 - Capital Improvement Fund - (1501) Estimate  
FY 2013**

<b>Department</b>	<b>Account</b>	
<b>Finance</b>	Consulting/Professional - (521201)	19,920
	Trustee Fees - (521204)	2,000
	Rating Agency Fees - (521205)	50,000
	Remarketing/Loc Provider Fees - (521206)	3,000,000
	<b>Finance Total</b>	<b>3,071,920</b>
<b>Internal Audit</b>	Auditing Fees - (521203)	22,655
	<b>Internal Audit Total</b>	<b>22,655</b>
<b>Legal Services</b>	Legal Fees - (521202)	700,000
	<b>Legal Services Total</b>	<b>700,000</b>
<b>Information Technology</b>	Consulting/Profess Serv Tech - (521301)	4,765,500
	Computers - (531641)	2,785,000
	Software - (531651)	5,541,951
	Infrastructure - Other - (541403)	1,483,600
	<b>Information Technology Total</b>	<b>14,576,051</b>
<b>Maintenance</b>	Buildings - (541301)	1,750,000
	Building Improvements - (541302)	1,680,333
	Infrastructure Rdway/Hwy/Bridg - (541401)	16,259,598
	<b>Maintenance Total</b>	<b>19,689,931</b>
<b>Project Delivery</b>	Consulting/Profess Serv Tech - (521301)	130,000
	Infrastructure Rdway/Hwy/Bridg - (541401)	3,550,000
	Infrastructure - Other - (541403)	500,000
	<b>Project Delivery Total</b>	<b>4,180,000</b>
<b>Total</b>		<b>\$42,240,557</b>

**North Texas Tollway Authority  
Fund 1601 - Feasibility Study Fund - (1601) Estimate  
FY 2013**

<b>Department</b>	<b>Account</b>	
<b>Strategic &amp; Innovative Solutions</b>	Consulting/Professional - (521201)	947,300
	Traffic Engineering Fees - (521207)	75,000
	Deferred Charges (153001)	1,080,000
	<b>Strategic &amp; Innovative Solutions Total</b>	<b>2,102,300</b>
<b>Legal Services</b>	Legal Fees - (521202)	125,000
	Deferred Charges (153001)	175,000
	<b>Legal Services Total</b>	<b>300,000</b>
<b>Infrastructure Department</b>	Deferred Charges (153001)	3,274,665
	<b>Infrastructure Department Total</b>	<b>3,274,665</b>
<b>Total</b>		<b>\$5,676,965</b>

APPENDICES  
SECTION



## Appendix - A **BUDGET POLICY AND PROCESS**

### **Introduction**

The North Texas Tollway Authority's policy for the adoption of the budget of Current Expenses (sometimes referred to as Annual Budget, Operating Budget, or Operation Maintenance Fund) and payments into the Reserve Maintenance Fund for the ensuing fiscal year is outlined by the Trust Agreement. In conjunction with developing the Operating Budget, staff prepares a five year capital plan with estimates of expenditures for the Construction Funds, Capital Improvement Fund, Feasibility Study Fund, and the Reserve Maintenance Fund that is approved by Board resolution. The detailed reports of the 2013–2017 Five-Year Capital Plan are included under the Other Funds section of the 2013 Operating Budget.

### **Budgets Overview**

The Authority budgets and reports financial information on an accrual basis. The budget is established in accordance with the practices set forth in the provisions of the Trust Agreement for the North Texas Tollway Authority Revenue Bonds, as interpreted by the Authority. These practices are similar to U.S. generally accepted accounting principles (GAAP) for an enterprise fund on an accrual basis except that depreciation and amortization of certain non-infrastructure capital assets and related acquisition and revenue bond issuance costs are not included as an operating expense, and interest accrued for certain periods during and after official construction completion on certain of the Authority's bond issues is capitalized as allowed by the Trust Agreement and bond resolution, rather than being reflected as an expense. Otherwise, revenues are recognized when they are earned, expenses are recognized in the period in which they are incurred, and all assets and liabilities associated with the operation of the Authority are included in the statement of net assets in accordance with the Trust Agreement as described above. This means that operating budgets are adopted on a non-GAAP basis.

Line item budgeting and control was adopted for the Authority's Operation and Maintenance Fund. A carefully itemized list of proposed expenses by line items is prepared for each department and compared to same line items for the previous fiscal year. The summation of all departments will be the Authority's annual budget. The Board of Directors approves the annual budget in total, in other words bottom line. The budget control is at the department level and is maintained through the purchase requisition approval process.

The Reserve Maintenance Fund, Capital Improvement Fund/Feasibility Study Fund-Revolving Account, and Construction Funds adopted a

program budgeting and control approach, concentrated on programs and projects.

### **Cash Balances**

The Trust agreement requires that some funds maintain a cash balance. These cash balances contain both cash on deposit and investments held in the fund. (See Financial Policy page 183)

- Operations and Maintenance Fund is required to maintain a cash balance equal to one-sixth (1/6) of the total operating budget amount for the then current fiscal year, plus all prior accruals for insurance and other periodic or regularly recurring expenses.
- Reserve Maintenance Fund is required to maintain a reserve balance of \$5,000,000.

Management determined that it is prudent to retain funds within the Capital Improvement Fund as insurance against unanticipated needs. During 2010, the Authority's Executive Management requested and the Board of Directors approve a Rainy Day Fund Account in the CIF, with the goal of accumulating a balance over the next three years as funds are available \$50,000,000. Use of this balance will require specific action by the Board. With the issuance of subordinated CIF debt, a reserve has been created with an amount equal to the next three interest payments.

### **Budget Policy**

The Authority's budget policy outlined in Section 505 and 506 of the Trust Agreement is stated below.

**Section 505. Preliminary Budget of Current Expenses, and Payments into Reserve Maintenance Fund; Hearing on Budget; Annual Budget; Failure to Adopt Annual Budget; Amended or Supplemental Annual Budget; Payments for Maintenance, Repair, and Operations.** The Authority covenants that on or before the 60th day prior to the end of each Fiscal Year it will adopt a preliminary budget of Current Expenses and payments into the Reserve Maintenance Fund for the ensuing Fiscal Year. Copies of each such preliminary budget shall be filed with the Trustee and mailed to the Consulting Engineers and each bondholder who shall have filed his name and address with the Board Representative designated for such purpose, which shall initially be the Chief Financial Officer of the Authority.

If the holders of at least five percent (5%) in aggregate principal amount of the bonds then outstanding shall so request in writing on or before the 60th day prior to the end of any Fiscal Year, the Authority shall hold a public hearing on or before the 30th day prior to the end of such Fiscal Year at which any bondholder may appear in person or by agent or

attorney and present any objections he may have to the final adoption of such budget. Notice of the time and place of such hearing shall be mailed, at least ten (10) days before the date fixed by the Authority for the hearing, to the Trustee, the Consulting Engineers, and each bondholder who shall have filed his name and address with the Board Representative designated for such purpose, which shall initially be the Chief Financial Officer of the Authority. The Authority further covenants that on or before the first day of each Fiscal Year it will finally adopt the budget of Current Expenses and payments into the Reserve Maintenance Fund for such Fiscal Year (hereinafter sometimes called the "Annual Budget"). Copies of the Annual Budget shall be filed with the Trustee and mailed to the Consulting Engineers and each bondholder who shall have filed his name with the Board Representative designated for such purpose, which shall initially be the Chief Financial Officer of the Authority.

If for any reason the Authority shall not have adopted the Annual Budget before the first day of any Fiscal Year, the preliminary budget for such Fiscal Year or, if there is none prepared, the budget for the preceding Fiscal Year, shall, until the adoption of the Annual Budget, be deemed to be in force and shall be treated as the Annual Budget under the provisions of this Article.

The Authority may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year, and when so adopted the Annual Budget as so amended or supplemented shall be treated as the Annual Budget under the provisions of this Agreement; provided, however, that before the adoption of any such amended or supplemental Annual Budget, the Authority shall have obtained and filed with the Trustee the recommendations of the Consulting Engineers in connection therewith. Copies of any such amended or supplemental Annual Budget shall be filed with the Trustee and mailed to the Consulting Engineers and each bondholder who shall have filed his name with the Board Representative designated for such purpose, which shall initially be the Chief Financial Officer of the Authority.

The Authority covenants that all payments for maintenance, repair and operation in any Fiscal Year will not exceed the reasonable and necessary amount required therefore, and that it will not expend any amount or incur any obligations for maintenance, repair, and operation in excess of the amounts provided for Current Expenses in the Annual Budget, or amended or supplemental Annual Budget, except as provided in Section 506 of this Article and except amounts payable from the Reserve Maintenance Fund and Capital Improvement Fund. Nothing in this Section contained shall limit the amount which the Authority may expend for Current Expenses in any Fiscal Year provided any amounts expended therefore in excess of the Annual Budget shall be received by the

Authority from some source other than the Net Revenues of the Tollway for such Fiscal Year.

**Section 506. Payment of Current Expenses from Operation and Maintenance Fund.** The special fund held by the Authority and created and designated "Tollway Operation and Maintenance Fund" (hereinafter sometimes called the "Operation and Maintenance Fund") under the Original Agreement is hereby reaffirmed. On or before the first day of each month the Trustee shall withdraw from the Revenue Fund and deposit to the credit of the Authority in the Operation and Maintenance Fund, on written request of the Authority, an amount which the Chairman or Vice Chairman and the Chief Financial Officer shall certify to be required to make the total amount in the Operations and Maintenance Fund equal to one-sixth (1/6) of the amount of the total Current Expenses scheduled for the then current Fiscal Year in the then current Annual Budget, plus all prior accruals for insurance and other periodic or regularly recurring expenses. All Current Expenses shall be paid directly by the Authority by drawing checks or drafts on the Operation and Maintenance Fund in such manner as may be determined by the Authority and such Fund shall be used for no other purpose.

The complete Amended and Restated Trust Agreement is available at [www.ntta.org/AboutUs/News/](http://www.ntta.org/AboutUs/News/)

### Budget Process

**March**



Budget and Compliance Manager presents the ensuing year's budget calendar at the Finance and Audit Committee Meeting of the Board of Directors. Full Board approves calendar.



**April**



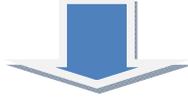
Executive Director meets with all the Department Directors to discuss the goals and priorities of the budget, based on the goals and objectives of the Authority.



**May - June**

Individual  
Departments  
Prepare  
Budgets

Budget Prepares assisted by the Budget Coordinators, input budgets into the budget module. Department Directors review and approve budgets. Any necessary meetings with Executive Management conducted during this time.



**July**

Department  
Budgets  
Submitted &  
Reviewed

Deadline for departmental budgets to be submitted to Finance and the Budget and Compliance Division for review and approval. Budget Coordinators prepare Preliminary Budget book.



**July - Aug**

Preliminary  
Budget  
Submitted to  
Executive  
Management

Preliminary Budget delivered to Executive Management for review and approval. Departmental meetings with Executive Management, Finance, and Budget and Compliance Division held during this time.



**August**

Preliminary  
Budget Sent to  
Board

Preliminary Budget delivered to all Board members for their review and recommendations.



**Aug 26-28**



Departmental Budget briefings and workshops conducted during this time with individual Board members upon their request.



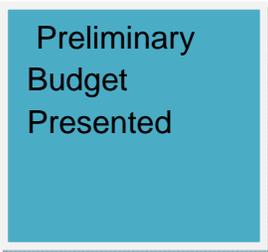
**September**



The Preliminary Budget is presented by the Budget and Compliance Manager at the public monthly Finance and Audit Committee Meeting for discussion. Any changes will be incorporated into the budget at this time.



**October**



The Preliminary Budget is presented by the Budget and Compliance Manager at the public monthly Finance and Audit Committee Meeting for final review and recommendation.



**October**



The Preliminary Budget is presented by the Budget and Compliance Manager at the public monthly Board meeting for adoption.



**October**

Adopted  
Preliminary  
Budget  
Distributed

Upon adoption by the Board, the adopted Preliminary Budget is sent to Trustee, Consulting Engineers, and Bondholders in accordance to the Trust Agreement.



**December**

Final Budget  
Presented at  
Board Work  
Session

The Final Budget is presented by the Budget and Compliance Manager at the public monthly Finance and Audit Committee Meeting for final review and recommendation.



**December**

Final Budget  
Presented to  
Board

The Final Budget is presented by the Budget and Compliance Manager at the public monthly Board meeting for adoption.



**December**

Adopted Final  
Budget  
Distributed

Upon adoption by the Board, the adopted Final Budget is sent to Trustee, Consulting Engineers, and Bondholders in accordance to the Trust Agreement.

## Appendix - B FY 2013 Budget Calendar

Date	Event
April 5, 2012 (Thursday)	Request updated fees and revenues from consultants
April 26, 2012 (Thursday)	Executive Director's 2011 Staff Budget Retreat to discuss budget priorities and overall direction, including compensation and benefits
May 7, 2012 (Monday)	Responses due for updated fees and revenues from consultants to associated departments and Finance
May 14, 2012 (Monday)	Budget module available for inputting Budget
May 11, 2012 - July 2, 2012	Individual departments prepare Budget
June 7, 2012 (Thursday)	Human Resource Department presentation of 2011 compensation and benefits methodology to the Administration Committee (If Needed)
July 6, 2012 (Friday)	Department budgets due to Finance Department, Budget and Compliance Division including organizational charts, overviews, new initiatives, detailed listing of projects and explanations for any budget items with a variance of plus or minus 5% from previous year.
July 16, 2012 (Monday)	Preliminary budget distributed to Executive Management
July 19-23, 2012	Departmental meetings with Executive Management, Finance, and Budget and Compliance Division
July 25, 2012 (Wednesday)	Approval of Preliminary Budget by Executive Management
August 3, 2012 (Friday)	Preliminary Budget delivered to Administration Committee/Board Members
August 23-25, 2012	Department Budget Briefings (If requested by Administration Committee Members)
September 6, 2012 (Thursday)	Administration Committee/Preliminary Budget Discussion
October 4, 2012 (Thursday)	Administration Committee/Preliminary Budget Recommendation
October 17, 2012 (Wednesday)	Board Meeting/Preliminary Budget Approval
December 6 2012 (Thursday)	Administration Committee/Final Budget Recommendation
December 19, 2012 (Wednesday)	Board Meeting/Final Budget Approval

Assumes Thursday Administration Committee Meetings and Wednesday Board Meetings  
 Last Revised 01/10/2012

## Appendix - C **FINANCIAL POLICIES**

### **Introduction**

The North Texas Tollway Authorities financial policies are mainly guided by the Trust Agreement and are developed to be in conformity with accounting principles generally accepted in the United States of America.

### **Basis of Accounting**

The operations of the Authority, including the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund, are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and all assets and liabilities associated with the operation of the Authority are included in the Statement of Net Assets. The assets of the Authority are stated at cost with the exception of certain investments, which are stated at fair value.

The Authority applies all applicable GASB pronouncements, as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless those statements conflict with or contradict GASB pronouncements.

The principal revenues of the Authority are toll revenues received from patrons. Operating expenses for the Authority include the costs of operating and maintaining the Authority and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Trust Agreement requires that certain funds and accounts be established and maintained. The Authority consolidates these Authority funds and accounts for the purpose of enterprise fund presentation in its external financial statements.

In accordance with House Bill 749, an act of the 72nd Legislature of Texas, the Authority may transfer an amount from a surplus fund (currently Capital Improvement Fund) established for a turnpike project to the North Texas Tollway Feasibility Study Fund (Feasibility Study Fund). However, the Authority may not transfer an amount that results in a balance in the surplus fund that is less than the minimum balance required in the trust agreement for that project, if any.

The costs of studies funded by the Feasibility Study Fund are deferred until such time as the feasibility of the project is determined. If the project is pursued, the Feasibility Study Fund is reimbursed for related study costs from the proceeds of the project's bond issue. However, the study costs associated with projects determined to be

unfeasible are removed from the statement of assets and liabilities and written off to expense when approved by the Executive Director.

### **(a) Restricted Assets**

Certain proceeds of the Revenue Bonds are restricted by applicable bond covenants for construction or restricted as reserves to ensure repayment of the bonds. Also, certain other assets are accumulated and restricted on a monthly basis in accordance with the Trust Agreement for the purpose of paying interest and principal payments that are due on a semiannual and annual basis, respectively, and for the purpose of maintaining the reserve funds at the required levels. Payments from these restricted accounts are strictly governed by the Trust Agreement and can only be made in compliance with the Trust Agreement. Limited types of expenses may be funded from these accounts. Expenses that do not meet these requirements are funded from unrestricted accounts.

The funds and accounts that have been established in accordance with the Trust Agreement are as follows:

- **Construction and Property Fund** – The Construction and Property Fund was created to account for that portion of the proceeds from the sale of the Authority Revenue Bonds, which were required to be deposited with the trustee in order to pay all costs of construction. There also may be deposited in the Construction and Property Fund any monies received from any other source for paying the cost of the Authority.
- **Revenue Fund** – The Revenue Fund was created to account for all revenues (all tolls, other revenues, and income) arising or derived by the Authority from the operation and ownership of the Authority. All revenues of this fund are distributed to other funds in accordance with the Trust Agreement.
- **Operation and Maintenance Fund** – The Operation and Maintenance Fund (OMF) was created to account for and pay current operating expenses of the Authority.
- **Reserve Maintenance Fund** – The Reserve Maintenance Fund was created to account for those expenses of maintaining the Authority that do not recur on an annual or shorter basis. As defined in the Trust Agreement, such items include repairs, painting, renewals, and replacements necessary for safe or efficient operation of the Authority or to prevent loss of revenues, engineering expenses relating to the functions of the Authority, equipment, maintenance expenses, and operating expenses not occurring at annual or shorter periods.
- **Capital Improvement Fund** – The Capital Improvement Fund (CIF) was created to account for the cost of repairs, enlargements, extensions, resurfacing, additions, renewals, improvements, reconstruction and replacements, capital expenditures, engineering, and other expenses relating to the powers or

functions of the Authority in connection with the Authority, or for any other purpose now or hereafter authorized by law. This CIF fund will also be combined with a revolving fund, called the Feasibility Study Fund to use only to pay the expenses of studying the cost and feasibility and any other expenses relating to; (1) the preparation and issuance of bonds for the acquisition and construction of a proposed turnpike project for the Authority; (2) the financing of the improvement, extension or expansion of an existing turnpike or Authority; (3) private participation, as authorized by law, in the financing of a proposed turnpike project or Authority, the refinancing of an existing turnpike project or Authority or the improvement, extension or expansion of a turnpike project or Authority.

- **First, Second and Third Tier; Bond Interest Accounts** – The Bond Interest Accounts were created to account for the payment of the interest requirements of the revenue bonds.
- **First, Second and Third Tier; Reserve Accounts** – The Reserve Accounts were created for the purpose of paying interest and principal of the bonds whenever and to the extent that the monies held for the credit of the Bond Interest Accounts and the Redemption Accounts shall be insufficient for such purpose. The required reserve is an amount equal to the average annual debt service requirements of all bonds outstanding.
- **First, Second and Third Tier; Redemption Accounts** – The Redemption Accounts were created to account for the payment of the annual principal requirements of the revenue bonds.
- **DFW Turnpike Transition Trust Fund** – The Trust Fund is used to fund post-employment healthcare benefits for retire employees of the Dallas-Fort Worth Turnpike.

## **(b) Cash and Investments**

Cash balances include amounts in demand deposits and overnight sweeps of the commercial account. These deposits are fully collateralized or covered by federal deposit insurance. The Authority considers other money market funds to be investments. The carrying amount of the investments is fair value. The net change in fair value of investments is recorded on the Statement of Revenues, Expenses, and Changes in Net Assets and includes the unrealized and realized gains and losses on investments.

## **(C) Capital Assets**

All capital assets are stated at historical cost, except for donated assets, which are valued at the estimated fair value of the item at the date of its donation. This includes costs for infrastructure assets (right-of-way, highways, bridges, and highways and

bridges substructures), toll equipment, buildings, land, toll facilities; other related costs, including software and property and equipment with a value greater than \$5,000. Highways and bridges substructure includes road sub-base, grading, land clearing, embankments, and other related costs. Also included in capital assets are the costs of certain real estate for right-of-way requirements and administrative and legal expenses incurred during the construction period.

The costs to acquire additional capital assets, which replace existing assets or improve the efficiency of the Authority, are capitalized. Under the Authority's policy of accounting for infrastructure assets pursuant to the "preservation method of accounting" or "modified approach," property costs represent an historical accumulation of costs expended to acquire rights-of-way and to construct, improve, and place in operation the various projects and related facilities. These infrastructure assets are considered to be "indefinite lived assets" that is, the assets themselves will last indefinitely and are, therefore, not depreciated. Costs related to renewing and maintaining these assets are not capitalized, but instead are considered to be period costs and are included in preservation expense classified as part of reserve maintenance and capital improvement expenses. Additional charges to preservation expense occur whenever the condition of the infrastructure assets is determined to be at a level that is below the standards adopted by the Board of Directors of the Authority.

#### **(d) Compensated Absences**

Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

#### **(e) Deferred Amount on Refunding of Revenue Bonds**

Deferred amount on refunding of revenue bonds incurred on advance refunding of such bonds relates to the difference between the reacquisition price and the net carrying amount of the refunded bonds. The amount deferred is included as a reduction to revenue bonds payable and is amortized in a systematic and rational manner over the life of the refunded bonds or the life of the refunding bonds, whichever is shorter.

#### **(f) Bond Discounts, Premiums, and Bond Issuance Costs**

Costs incurred in connection with the offering and sale of bonds for construction purposes are deferred and amortized over the life of the bonds. Revenue bonds payable are reported net of unamortized bond discount or premium.

#### **(g) Arbitrage Rebate Payable**

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements, and arbitrage rebate liability on issuers of tax-exempt debt. This represents interest earnings on bond proceeds in excess of amounts allowed under the

Act. This Act requires the remittance to the Internal Revenue Service (IRS) of 90% of the cumulative arbitrage rebate within 60 days of the end of each five-year reporting period following the issuance of governmental bonds.

#### **(h) Estimates**

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **(i) Debt Service Requirements**

Each year the Authority completes a review of its financial condition for the purpose of estimating whether the net revenues of the Authority for the year will meet its debt covenants.

Pursuant to the Trust Agreement, the Authority has agreed that it will at all times keep in effect a plan for toll collecting facilities and a schedule of rates of tolls, which will raise and produce net revenues during each fiscal year sufficient to satisfy the greatest of (1), (2), or (3) below:

- 1) 1.35 times the scheduled debt service requirements on all outstanding First Tier Bonds for the fiscal year: or
- 2) 1.20 times the scheduled debt service requirements on all outstanding First Tier Bonds and Second Tier Bonds for the fiscal year: or
- 3) 1.00 times the scheduled debt service requirements on all outstanding First Tier Bonds, Second Tier Bonds, Third Tier Bonds and all other obligations secured by net revenues for the fiscal year.

The Authority covenants that it will promptly pay the principal of and the interest on every bond, including Payment Obligations, at the places, on the dates and in the manner provided herein and in said bonds, and any premium required for the retirement of said bonds by redemption, according to the true intent and meaning thereof. The principal, interest (except interest paid from proceeds of the bonds) and premiums are payable solely in the priorities and from the sources herein described, including the tolls and other revenues derived from the ownership and operation of the Tollway, which sources, tolls, and other revenues are hereby pledged to the payment thereof in the manner and to the extent hereinabove particularly specified, and nothing in the bonds or in this Agreement shall be construed as pledging any other funds or assets of the Authority for their payment.

The Authority also covenants that, until the bonds and the interest thereon shall have been paid or provision for such payment shall have been made, none of the revenues of the Tollway will be used for any purpose other than as provided in the Trust Agreement

and no contract or contracts will be entered into or any action taken by which the rights of the Trustee or of the bondholders will be impaired or diminished, except as provided in the Trust Agreement.

#### **(j) Financial Reporting Requirements**

In accordance to the Trust Agreement the Authority covenants that it will keep an accurate record of the daily tolls and other revenues collected, of the number and class of vehicles using the Tollway and of the application of such tolls. Such record shall be open to the inspection of the bondholders and their agents and representatives.

The Authority further covenants that once each month it will cause to be filed with the Trustee and mailed to the Consulting Engineers, the Traffic Engineers, and each bondholder who shall have filed his name with the Board Representative designated for such purpose, which shall initially be the Chief Financial Officer of the Authority, copies of any revision of the Toll Rate Schedule during the preceding calendar month and a report setting forth in respect of the preceding calendar month:

- 1) the income and expense account of the Tollway,
- 2) the number of vehicles in each class using the Tollway,
- 3) all payments, deposits and credits to and any payments, transfers and withdrawals from each Fund and Account created under the provisions of the Trust Agreement,
- 4) all bonds issued, paid, purchased or redeemed,
- 5) the amounts at the end of such month to the credit of each Fund and Account, showing the respective amounts to the credit of each such Fund and Account, and any security held therefore, and showing the details of any investments thereof, and
- 6) the amounts of the proceeds received from any sales of property pursuant to the provisions of Section 712 of the Trust Agreement.

At the conclusion of each quarter the Controller presents the quarterly financial reports, based on the above requirements, to the Authority's Board of Directors.

The Authority further covenants that during the month following the end of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the Tollway for the previous Fiscal Year by an independent certified public accountant of recognized ability and standing. Promptly thereafter reports of each audit shall be filed with the Authority and the Trustee, and copies of such report shall be mailed by the Authority to the Consulting Engineers, the Traffic Engineers, and each bondholder who shall have filed his name with the Board Representative designated for such purpose, which shall initially be the Chief Financial Officer of the Authority. Each such audit shall set forth in respect to the preceding Fiscal Year the same matters as are hereinabove required for the monthly reports, and also the findings of such certified public accountants whether the moneys received by the Authority under the provisions of the Trust Agreement have been applied in accordance with the provisions of the Trust Agreement. Such monthly

reports and annual audit reports shall be open to the inspection of the bondholders and their agents and representatives.

At the conclusion of the Authority's fiscal year the Finance Department assembles the above reports into a Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting principles established by GASB. The statement is prepared to meet the criteria of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program.

## Appendix - D **DEBT POLICY**

### **Philosophy**

The North Texas Tollway Authority intends to use debt wisely to maximize expansion within acceptable levels of risk. Because of the wide range of projects being considered for bond funding, this policy sets parameters within which flexibility is retained to respond to specific circumstances.

### **Purposes for which debt may be issued**

- Construction and acquisition costs of projects approved by the NTTA Board of Directors (including feasibility and engineering studies).
- Major capital improvements or repairs to existing facilities.
- Refunding of outstanding debt to:
  - Realize net present value savings (with a goal of four percent),
  - Increase debt capacity,
  - Improve efficiency of debt structure, or
  - Achieve such other reasonable result.
- Shall not be used to fund routine operations or maintenance or for the purpose of investing.

### **Limitations on level of indebtedness**

- Level of indebtedness is governed by estimated net revenue stream
- Toll rates necessary to meet coverage requirement should be reasonable according to toll sensitivity analysis prepared by the Traffic Engineer.
- Goal to maintain 1.5X coverage on system senior-lien bond debt. Trust Agreement requires a 1.35X coverage.
- Compliance with all Trust Agreement and loan agreement requirements for issuance of additional debt

### **Credit objectives**

- Goal to maintain “A” rating or better
- Continue required disclosure and periodic communication with rating agencies
- Use bond insurance or other types of credit enhancement when cost effective

### **Permissible types of debt**

- Short-term
  - Variable Rate Bonds
  - Commercial Paper may be issued to minimize capitalized interest during the design phase or construction period of an eligible project or for certain equipment purchase or capital improvements
  - Total short-term debt should not exceed twenty percent of all outstanding debt
- Long-term fixed rate bonds may only be used for funding projects approved by the NTTA Board of Directors, for refunding outstanding debt or to replace/take out short-term debt

### Allowable debt structures

- Term of debt may not exceed expected useful life of the project or equipment financed, and in no case may exceed 35 years
- Debt service structure shall correspond to estimated net revenue stream
- Use of specific structural elements (zero-coupon bonds, capital appreciation bonds, subordinate lien bonds, swaps, forward delivery, derivatives, etc) will be based on analysis and recommendation of staff, financial advisor, senior underwriter and bond counsel.

#### Bonds Outstanding As of December 31, 2012

Description of Issue	Beginning Balance	Additions	Matured or Retired	Ending Balance
Series 1998	\$ 26,855,000	\$ -	\$ (26,855,000)	\$ -
Series 2003A	225,000,000	-	(189,210,000)	35,790,000
Series 2005C	178,310,000	-	-	178,310,000
Series 2008A	1,747,210,000	-	(13,080,000)	1,734,130,000
Series 2008B	226,930,000	-	-	226,930,000
Series 2008D	498,066,588	30,036,264	-	528,102,852
Series 2008E	215,000,000	-	-	215,000,000
Series 2008F	1,000,000,000	-	-	1,000,000,000
Series 2008H	209,040,000	-	(209,040,000)	-
Series 2008I	245,005,326	15,691,831	-	260,697,157
Series 2008K	205,000,000	-	-	205,000,000
Series 2008L	100,000,000	-	-	100,000,000
Series 2009A	404,005,000	-	(14,900,000)	389,105,000
Series 2009B	825,000,000	-	-	825,000,000
Series 2009C	170,730,000	-	-	170,730,000
Series 2009D	178,400,000	-	-	178,400,000
Series 2010A*	90,000,000	-	-	90,000,000
Series 2010B*	310,000,000	-	-	310,000,000
Series 2010 Rev. Refund	332,225,000	-	-	332,225,000
Series 2011A	100,000,000	-	-	100,000,000
Series 2011B	268,625,000	-	-	268,625,000
Series 2012A	-	25,930,000	-	25,930,000
Series 2012B	-	383,625,000	-	383,625,000
Series 2011B	-	-	-	-
<b>Totals</b>	<b>\$7,555,401,914</b>	<b>\$ 455,283,095</b>	<b>\$ (453,085,000)</b>	<b>\$ 7,557,600,009</b>

\*Issued out of the Capital Improvement Fund. This debt is supported solely out of excess revenues flowing into the Capital Improvement Fund.

# NTTA System Debt Service

## 1st Tier Bonds

Date	1st Tier Principal	1st Tier Accreted Principal	1st Tier Interest (Net of CAPI)	1st Tier Build America Bonds Subsidy
7/1/2012	-	-	126,014,375	(9,699,113)
1/1/2013	16,605,000	-	131,936,032	(9,699,113)
7/1/2013	-	-	154,367,243	(9,699,113)
1/1/2014	-	-	154,367,243	(9,699,113)
7/1/2014	-	-	154,367,243	(9,699,113)
1/1/2015	965,000	-	154,367,243	(9,699,113)
7/1/2015	-	-	163,653,482	(9,699,113)
1/1/2016	1,370,000	-	163,653,482	(9,699,113)
7/1/2016	-	-	163,891,407	(9,699,113)
1/1/2017	22,150,000	-	163,891,407	(9,699,113)
7/1/2017	-	-	163,283,944	(9,699,113)
1/1/2018	25,525,000	-	163,283,944	(9,699,113)
7/1/2018	-	-	162,583,507	(9,699,113)
1/1/2019	74,960,000	-	162,583,507	(9,699,113)
7/1/2019	-	-	160,510,957	(9,699,113)
1/1/2020	78,010,000	-	160,510,957	(9,699,113)
7/1/2020	-	-	158,340,919	(9,699,113)
1/1/2021	96,010,000	-	158,340,919	(9,699,113)
7/1/2021	-	-	155,615,526	(9,699,113)
1/1/2022	126,480,000	-	155,615,526	(9,699,113)
7/1/2022	-	-	151,838,831	(9,699,113)
1/1/2023	134,035,000	-	151,838,831	(9,699,113)
7/1/2023	-	-	147,874,128	(9,699,113)
1/1/2024	150,930,000	-	147,874,128	(9,699,113)
7/1/2024	-	-	143,396,981	(9,699,113)
1/1/2025	170,335,000	-	143,396,981	(9,699,113)
7/1/2025	-	-	138,362,794	(9,699,113)
1/1/2026	205,830,000	-	138,362,794	(9,699,113)
7/1/2026	-	-	132,990,736	(9,699,113)
1/1/2027	225,495,000	-	132,990,736	(9,699,113)
7/1/2027	-	-	127,020,396	(9,699,113)
1/1/2028	162,991,277	102,048,723	127,020,396	(9,699,113)
7/1/2028	-	-	123,929,114	(9,699,113)
1/1/2029	192,154,977	103,835,023	123,929,114	(9,699,113)
7/1/2029	-	-	119,706,458	(9,699,113)
1/1/2030	162,508,060	98,896,940	119,706,458	(9,699,113)
7/1/2030	-	-	116,162,748	(9,699,113)
1/1/2031	122,302,124	83,827,877	116,162,748	(9,699,113)
7/1/2031	-	-	113,548,245	(9,699,113)
1/1/2032	127,473,476	88,876,524	113,548,245	(9,699,113)
7/1/2032	-	-	110,759,970	(9,699,113)
1/1/2033	124,724,338	137,250,662	110,759,970	(9,699,113)

Continued

<b>2nd Tier Bonds</b>		<b>Net Debt Service - 1st &amp; 2nd Tier</b>	
<b>2nd Tier Principal</b>	<b>2nd Tier Interest (Net of CAPI)</b>	<b>Total Net Debt Service</b>	<b>Annual Net Debt Service</b>
-	18,862,439	135,177,701	
-	18,862,439	157,704,359	292,882,061
-	29,019,138	173,687,268	
-	29,019,138	173,687,268	347,374,536
-	29,019,138	173,687,268	
-	29,019,138	174,652,268	348,339,536
-	29,019,138	182,973,507	
-	29,019,138	184,343,507	367,317,014
-	29,019,138	183,211,432	
-	29,019,138	205,361,432	388,572,864
-	29,019,138	182,603,969	
-	29,019,138	208,128,969	390,732,939
-	29,019,138	181,903,532	
-	29,019,138	256,863,532	438,767,064
-	29,019,138	179,830,982	
-	29,019,138	257,840,982	437,671,964
-	29,019,138	177,660,944	
-	29,019,138	273,670,944	451,331,889
-	29,019,138	174,935,551	
-	29,019,138	301,415,551	476,351,101
-	29,019,138	171,158,856	
-	29,019,138	305,193,856	476,352,711
-	29,019,138	167,194,153	
-	29,019,138	318,124,153	485,318,306
-	29,019,138	162,717,006	
-	29,019,138	333,052,006	495,769,013
-	29,019,138	157,682,819	
-	29,019,138	363,512,819	521,195,638
-	29,019,138	152,310,761	
-	29,019,138	377,805,761	530,116,521
-	29,019,138	146,340,421	
-	29,019,138	411,380,421	557,720,841
-	29,019,138	143,249,139	
-	29,019,138	439,239,139	582,488,278
-	29,019,138	139,026,483	
25,075,000	29,019,138	425,506,483	564,532,965
-	28,251,216	134,714,851	
118,465,000	28,251,216	459,309,851	594,024,703
-	24,623,225	128,472,358	
135,390,000	24,623,225	480,212,358	608,684,715
-	20,730,763	121,791,620	
132,160,000	20,730,763	515,926,620	637,718,240

Continued

# NTTA System Debt Service

## 1st Tier Bonds

Date	1st Tier Principal	1st Tier Accreted Principal	1st Tier Interest (Net of CAPI)	1st Tier Build America Bonds Subsidy
7/1/2033	-	-	108,389,158	(9,699,113)
1/1/2034	165,342,717	112,977,283	108,389,158	(9,699,113)
7/1/2034	-	-	104,554,851	(9,699,113)
1/1/2035	186,019,123	158,325,877	104,554,851	(9,699,113)
7/1/2035	-	-	100,421,339	(9,699,113)
1/1/2036	233,229,065	147,985,936	100,421,339	(9,699,113)
7/1/2036	-	-	94,802,783	(9,699,113)
1/1/2037	281,592,230	130,097,770	94,802,783	(9,699,113)
7/1/2037	-	-	87,639,858	(9,699,113)
1/1/2038	323,197,009	139,022,991	87,639,858	(9,699,113)
7/1/2038	-	-	79,296,139	(9,699,113)
1/1/2039	212,420,000	-	79,296,139	(9,699,113)
7/1/2039	-	-	73,216,839	(9,699,113)
1/1/2040	284,435,000	-	73,216,839	(9,699,113)
7/1/2040	-	-	64,777,895	(8,904,667)
1/1/2041	299,250,421	28,989,579	64,777,895	(8,904,667)
7/1/2041	-	-	55,324,602	(8,075,540)
1/1/2042	320,121,224	31,678,776	55,324,602	(8,075,540)
7/1/2042	-	-	44,893,827	(7,210,320)
1/1/2043	350,301,720	34,498,280	44,893,827	(7,210,320)
7/1/2043	-	-	32,966,629	(6,307,362)
1/1/2044	143,410,000	-	32,966,629	(6,307,362)
7/1/2044	-	-	28,538,679	(5,365,020)
1/1/2045	150,695,000	-	28,538,679	(5,365,020)
7/1/2045	-	-	23,843,831	(4,381,589)
1/1/2046	160,145,000	-	23,843,831	(4,381,589)
7/1/2046	-	-	18,861,905	(3,355,305)
1/1/2047	169,760,000	-	18,861,905	(3,355,305)
7/1/2047	-	-	13,587,357	(2,284,229)
1/1/2048	225,305,000	-	13,587,357	(2,284,229)
7/1/2048	-	-	6,699,050	(1,166,480)
1/1/2049	189,720,000	-	6,699,050	(1,166,480)
7/1/2049	-	-	1,166,250	-
1/1/2050	51,000,000	-	1,166,250	-
7/1/2050	-	-	52,500	-
1/1/2051	1,000,000	-	52,500	-
7/1/2051	-	-	26,250	-
1/1/2052	1,000,000	-	26,250	-
<b>Totals</b>	<b>5,968,797,760</b>	<b>1,398,312,240</b>	<b>7,860,479,140</b>	<b>(637,251,325)</b>

<b>2nd Tier Bonds</b>		<b>Net Debt Service - 1st &amp; 2nd Tier</b>	
<b>2nd Tier Principal</b>	<b>2nd Tier Interest (Net of CAPI)</b>	<b>Total Net Debt Service</b>	<b>Annual Net Debt Service</b>
-	16,931,163	115,621,208	
142,820,000	16,931,163	536,761,208	652,382,415
-	12,825,088	107,680,826	
109,785,000	12,825,088	561,810,826	669,491,653
-	9,668,769	100,390,995	
111,505,000	9,668,769	593,110,995	693,501,990
-	6,463,000	91,566,670	
110,895,000	6,463,000	614,151,670	705,718,340
-	3,274,769	81,215,514	
113,905,000	3,274,769	657,340,514	738,556,028
-	-	69,597,026	
-	-	282,017,026	351,614,053
-	-	63,517,726	
-	-	347,952,726	411,470,453
-	-	55,873,227	
-	-	384,113,227	439,986,455
-	-	47,249,062	
-	-	399,049,062	446,298,125
-	-	37,683,507	
-	-	422,483,507	460,167,014
-	-	26,659,267	
-	-	170,069,267	196,728,533
-	-	23,173,659	
-	-	173,868,659	197,042,317
-	-	19,462,243	
-	-	179,607,243	199,069,485
-	-	15,506,600	
-	-	185,266,600	200,773,199
-	-	11,303,127	
-	-	236,608,127	247,911,255
-	-	5,532,570	
-	-	195,252,570	200,785,140
-	-	1,166,250	
-	-	52,166,250	53,332,500
-	-	52,500	
-	-	1,052,500	1,105,000
-	-	26,250	
-	-	1,026,250	1,052,500
<b>1,000,000,000</b>	<b>1,269,911,535</b>	<b>16,860,249,350</b>	<b>16,860,249,350</b>

## NTTA System CIF Subordinate Debt Service

Date	CIF Debt Principal	CIF Debt Interest	CIF Debt Build		Annual Net CIF Debt Service	January 1st CIF Bond Payment Requirement
			America Bonds Subsidy	Net CIF Debt Service		
2/1/2012	-	16,498,000	(4,789,925)	11,708,075	11,708,075	35,124,225
8/1/2012	-	16,498,000	(4,789,925)	11,708,075		
2/1/2013	-	16,498,000	(4,789,925)	11,708,075	23,416,150	35,124,225
8/1/2013	-	16,498,000	(4,789,925)	11,708,075		
2/1/2014	-	16,498,000	(4,789,925)	11,708,075	23,416,150	35,124,225
8/1/2014	-	16,498,000	(4,789,925)	11,708,075		
2/1/2015	-	16,498,000	(4,789,925)	11,708,075	23,416,150	35,124,225
8/1/2015	-	16,498,000	(4,789,925)	11,708,075		
2/1/2016	-	16,498,000	(4,789,925)	11,708,075	23,416,150	35,124,225
8/1/2016	-	16,498,000	(4,789,925)	11,708,075		
2/1/2017	-	16,498,000	(4,789,925)	11,708,075	23,416,150	35,124,225
8/1/2017	-	16,498,000	(4,789,925)	11,708,075		
2/1/2018	-	16,498,000	(4,789,925)	11,708,075	23,416,150	35,124,225
8/1/2018	-	16,498,000	(4,789,925)	11,708,075		
2/1/2019	-	16,498,000	(4,789,925)	11,708,075	23,416,150	35,124,225
8/1/2019	-	16,498,000	(4,789,925)	11,708,075		
2/1/2020	-	16,498,000	(4,789,925)	11,708,075	23,416,150	65,549,225
8/1/2020	-	16,498,000	(4,789,925)	11,708,075		
2/1/2021	30,425,000	16,498,000	(4,789,925)	42,133,075	53,841,150	95,972,663
8/1/2021	-	15,547,219	(4,789,925)	10,757,294		
2/1/2022	32,325,000	15,547,219	(4,789,925)	43,082,294	53,839,588	96,926,569
8/1/2022	-	14,537,063	(4,789,925)	9,747,138		
2/1/2023	34,350,000	14,537,063	(4,789,925)	44,097,138	53,844,275	97,935,812
8/1/2023	-	13,372,058	(4,680,220)	8,691,837		
2/1/2024	36,455,000	13,372,058	(4,680,220)	45,146,837	53,838,675	98,958,331
8/1/2024	-	11,762,687	(4,116,941)	7,645,747		
2/1/2025	38,520,000	11,762,687	(4,116,941)	46,165,747	53,811,493	99,951,537
8/1/2025	-	10,062,146	(3,521,751)	6,540,395		
2/1/2026	40,705,000	10,062,146	(3,521,751)	47,245,395	53,785,790	101,000,091
8/1/2026	-	8,265,151	(2,892,803)	5,372,348		
2/1/2027	43,010,000	8,265,151	(2,892,803)	48,382,348	53,754,696	102,103,675
8/1/2027	-	6,366,406	(2,228,242)	4,138,164		
2/1/2028	45,445,000	6,366,406	(2,228,242)	49,583,164	53,721,327	103,271,366
8/1/2028	-	4,360,156	(1,526,055)	2,834,101		
2/1/2029	48,020,000	4,360,156	(1,526,055)	50,854,101	53,688,202	104,511,397
8/1/2029	-	2,240,227	(784,080)	1,456,148		
2/1/2030	50,745,000	2,240,227	(784,080)	52,201,148	53,657,295	52,201,148
Totals	400,000,000	486,488,224	(149,668,456)	736,819,767	736,819,767	

## Appendix - E **MAJOR REVENUE SOURCE**

### North Texas Tollway Authority System – Major Revenue Source

Toll revenue collected on the System is the Authority's major source of revenue. It accounted for \$483,799,800 of the 2013 Operating Budget's total estimated revenues, or 93.4%.

#### **Toll Revenue**

The Authority Act authorizes the Authority to fix, revise, charge, and collect tolls for the use of the NTTA System, and provides that such tolls will be so fixed and adjusted as to provide funds sufficient with other revenues, if any, to pay the cost of maintaining, repairing and operating the NTTA System and the principal of and the interest on bonds issued in connection with the NTTA System as the same become due and payable, and to create reserves for such purposes. The Authority Act states that such tolls will not be subject to supervision or regulation by any agency of the State or any local governmental entity.

The Authority has adopted a toll rate schedule for the NTTA System in substantial conformity with the recommendations of the Traffic Engineers. The Authority covenants in the Trust Agreement that it will keep in effect a toll rate schedule that will raise and produce Net Revenues (Total Revenue less Operating Expenses) sufficient to satisfy its debt service requirements.

The toll rates on the System depend on the method of collection. TollTag rates are 14.5 cents per mile on the Dallas North Tollway, the President George Bush Turnpike and the Sam Rayburn Tollway. They are aligned with the regional toll rate adopted by the Regional Transportation Council in April 2006. TollTag rates are 50 cents per one way trip on both Mountain Creek Lake Bridge and Addison Airport Toll Tunnel, and \$1 on Lewisville Lake Toll Bridge. Cash and ZipCash rates on all facilities are 50% more than the TollTag rates. The premium reflects the higher costs of collection for cash and ZipCash.

The Authority's traffic and toll revenue estimates are provided by its outside Traffic Engineers, currently CDM Smith. They conducted a toll sensitivity analysis of the System that shows the current and planned toll charges on the System are below the theoretical revenue maximization points. This demonstrates that, if needed, there is expected to be potential for revenue enhancement through toll increases above those assumed for traffic and revenue forecasting purposes.

The schedule below shows CDM Smith annual toll revenue estimates for the System, over the next five years.

Estimated NTTA System Annual Toll Revenue					
Roadway	2013	2014	2015	2016	2017
DNT	188,742,600	202,429,700	216,336,600	230,242,300	241,704,200
PGBT	161,183,400	172,599,500	184,561,900	195,747,000	206,258,900
AATT	1,000,100	1,055,800	1,110,800	1,157,800	1,203,100
MCLB	1,149,200	1,283,900	1,400,600	1,494,900	1,570,700
LLTB	4,288,000	4,790,600	5,261,200	5,722,600	6,189,800
PGBT EE	17,881,500	21,042,200	23,178,600	25,330,500	27,413,800
SRT	109,555,000	120,097,700	129,683,900	138,736,000	146,951,300
System Totals	483,799,800	523,299,400	561,533,600	598,431,100	631,291,800

The above estimated revenue numbers include the following assumptions.

#### NTTA System Tolling (Excluding SRT and PGBT EE)

- Toll rate for two-axle vehicles with TollTags is \$0.145 per mile for the DNT and PGBT (Segments I through V) starting September 1, 2009. Toll rate is increased 2.75% per year thereafter, with toll adjustments made every two years commencing July 1, 2011.
- Toll rate for two-axle vehicles with TollTags is \$0.50 for the MCLB and the AATT starting September 1, 2009 and \$1.00 for LLTB upon opening. Toll rate is increased 2.75% per year thereafter, with toll adjustments made every two years commencing July 1, 2011.
- The cash toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50% of the TollTag toll or (b) 20 cents per transaction on September 1, 2009, increased 2.75% per year on each July 1 thereafter. Cash tolls are rounded to the next highest nickel.
- Video toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50% of the TollTag toll or (b) 20 cents per transaction on September 1, 2009, increased 2.75% per year on each July 1 thereafter, for DNT, PGBT, MCLB, AATT and LLTB when All-ETC starts on any portion of these facilities.
- Tolls charged to users at any tolling location are rounded to the next highest penny after the implementation of the All-ETC configuration at that location.
- Tolls for all vehicle classifications are calculated based on “N-1” weighting, where “N” denotes the number of axles. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total Video toll charged to a five-axle vehicle will be four times the total Video toll charged to a two-axle vehicle.

## SRT Tolling

- Toll rate for two-axle vehicles with TollTags is \$0.145 per mile starting September 1, 2009, and thereafter toll rates shall be determined in accordance with the SRT Project Agreement, as amended, and shall be the maximum rates allowed under the SRT Project Agreement, as amended.
- Video toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50% of TollTag toll or (b) 20 cents per transaction on September 1, 2009, increased 2.75% per year on each July 1 thereafter.
- Tolls charged to users at any tolling location are rounded to the next highest penny.
- Tolls for all vehicle classifications are calculated based on “N-1” weighting on the SRT, where “N” denotes the number of axles. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total Video toll charged to a five-axle vehicle will be four times the total Video toll charged to a two-axle vehicle.

## PGBT EE Tolling

- The Construction, Operation and Maintenance Agreement for the PGBT EE between the Authority and TxDOT dated December 5, 2007, (the "*EE Project Agreement*") provides for a supplemental toll on the PGBT EE (the "*Regional Toll*") to be collected by the Authority and held in trust for TxDOT for the benefit of the North Central Texas region. The Regional Toll and the toll charged by the NTTA (the "*NTTA Toll*") together constitute the publicly announced toll (the "*Unified Toll*"), but the Regional Toll will not constitute or be considered as the property or revenues of the Authority or the NTTA System.
- The Unified Toll rate for two-axle vehicles with TollTags is \$0.145 per mile as of September 1, 2009. The NTTA Toll rate for two-axle vehicles with TollTags is \$0.116 per mile for PGBT EE as of September 1, 2009. The Regional Toll rate for two-axle vehicles with TollTags is \$0.029 per mile for PGBT EE as of September 1, 2009. The Unified Toll rate for two-axle vehicles with TollTags is increased 3.0% per year thereafter, with toll adjustments made July 1, 2011 and every two years thereafter. Unified TollTag tolls for two-axle vehicles with TollTags at any tolling location are rounded to the next highest nickel. The ratio between the NTTA Toll and the Unified Toll remains constant at 80 percent.
- Toll rates shall be subject to the assumptions, qualifications and agreements set forth in Section 21 of the EE Project Agreement, as amended (as so amended, the "*Amended EE Project Agreement*").
- Video toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50% of TollTag toll or (b) 20 cents per transaction on September 1, 2009, increased 3.0% per year on each July 1 thereafter. The video toll for two-axle vehicles with TollTags at any tolling location is rounded to the next highest nickel.
- Tolls for all vehicle classifications are calculated based on “N-1” weighting on the PGBT EE, where “N” denotes the number of axles. For example, the

TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total Video toll charged to a five-axle vehicle will be four times the total Video toll charged to a two-axle vehicle

## Revenue Distribution

The Authority covenants that all gross revenues (all tolls, other revenue, and income) arising or derived by the Authority from the operation and ownership of the Tollway (excepting investment income from all Funds and Accounts other than the Revenue Fund) will be collected by the Authority and deposited daily, as far as practicable, with the Trustee for the credit of the Revenue Fund. Notwithstanding the foregoing, tolls collected on behalf of TxDOT pursuant to a project agreement that provides for revenue sharing with TxDOT are required to be collected by the Authority and to be held and transferred to or upon the order of TxDOT as set forth in such project agreement. The Trustee is required to disburse amounts which are required to be on deposit in the various funds and accounts described below from the Revenue Fund on the required dates.

Under the Trust Agreement, the tolls and other revenues of the System on deposit in the Revenue Fund are applied in the following manner with each deposit being made as specified below in the sequence noted:

- 1) *First*, on or before the first day of each month, funds are deposited to the Operation and Maintenance Fund in an amount sufficient to make the balance of the Operation and Maintenance Fund equal to one-sixth (1/6) of the amount of the total Current Expenses in the current Annual Budget, plus all prior accruals for insurance and other periodic or regularly scheduled recurring expenses.
- 2) *Second*, on or before the last Business Day preceding each interest payment date or principal (or sinking fund redemption) payment date for the First Tier Bonds (including First Tier Payment Obligations) or such other day as set forth in a Supplemental Agreement, funds are deposited to the applicable account in the First Tier Sinking Fund (or to a fund or account created to pay or repay amounts owed under a Credit Agreement entered into in connection with a series of First Tier Bonds in lieu of either of the foregoing) in the amounts due on any First Tier Bond (including First Tier Payment Obligations).
- 3) *Third*, on or before the first day of each month, funds are deposited to the credit of the First Tier Reserve Account (1) in the amount, if any, required to restore any deficiency in the First Tier Reserve Account due to a withdrawal or change in value of Authorized Investments in order to make the amount on deposit in the First Tier Debt Reserve Account equal to the First Tier Reserve Requirement, which restoration is intended to occur within 12 months of the occurrence of any such deficiency in 12 substantially equal monthly installments, and (2) in the amount set forth in a Supplemental Agreement if an amount different from the First Tier Reserve Requirement is required.
- 4) *Fourth*, on or before the last Business Day preceding each interest payment date or principal (or sinking fund redemption) payment date for the Second Tier Bonds

(including Second Tier Payment Obligations) or such other day as set forth in a Supplemental Agreement, funds are deposited to the applicable account in the Second Tier Sinking Fund (or to a fund or account created to pay or repay amounts owed under a Credit Agreement entered into in connection with a series of Second Tier Bonds in lieu of either of the foregoing) in the amounts due on any Second Tier Bond (including Second Tier Payment Obligations).

- 5) *Fifth*, on or before the first day of each month, funds are deposited to the credit of the Second Tier Reserve Account or subaccount therein, if one is provided for in a Supplemental Agreement, in the amounts set forth in the Supplemental Agreement establishing the Second Tier Reserve Requirement or authorizing Additional Second Tier Bonds.
- 6) *Sixth*, on or before the last Business Day preceding each interest payment date or principal (or sinking fund redemption) payment date for the Third Tier Bonds (including Third Tier Payment Obligations) or such other day as set forth in a Supplemental Agreement, funds are deposited to the applicable account in the Third Tier Sinking Fund (or to a fund or account created to pay or repay amounts owed under a Credit Agreement entered into in connection with a series of Third Tier Bonds in lieu of either of the foregoing) in the amounts due on any Third Tier Bond (including Third Tier Payment Obligations).
- 7) *Seventh*, on or before the first day of each month, funds are deposited to the credit of the Third Tier Reserve Account or subaccount therein, if one is provided for in a Supplemental Agreement, in the amounts set forth in the Supplemental Agreement establishing the Third Tier Reserve Requirement or authorizing Additional Third Tier Bonds.
- 8) *Eighth*, on or before the first day of each month, funds are required to be deposited in the Reserve Maintenance Fund in an amount equal to one-twelfth of the amount necessary in such fiscal year to accumulate in the Reserve Maintenance Fund an amount equal to the greater of (1) \$5,000,000, and (2) the amount as may be required in the then current Annual Budget to be deposited to the credit of the Reserve Maintenance Fund during the then current fiscal year; provided, however, that if the amount so deposited to the credit of the Reserve Maintenance Fund in any fiscal year is less than the budgeted amount, the requirement therefore will nevertheless be cumulative and the amount of any deficiency in any fiscal year is required to be added to the amount otherwise required to be deposited in each fiscal year thereafter until such time as such deficiency has been made up, unless such budget requirement has been modified by the Authority.
- 9) *Ninth*, at the end of each fiscal year any remaining funds on deposit in the Revenue Fund may be transferred to the Capital Improvement Fund.



8140 Walnut Hill Lane, Suite 1000  
Dallas, Texas 75231  
tel: 214 346-2800  
fax: 214 987-2017

September 12, 2012

Ms. Janice D. Davis  
Chief Financial Officer  
North Texas Tollway Authority  
5900 West Plano Parkway, Suite 100  
Plano, TX 75093

Re: North Texas Tollway Authority (NTTA) System Traffic and Revenue Update

Dear Ms. Davis:

Pursuant to your recent request, CDM Smith is pleased to provide you with a letter update of the traffic and revenue (T&R) estimates for the North Texas Tollway Authority System (NTTA System). It is our understanding that this letter update is intended to support the upcoming System Revenue Refunding Bonds, Series 2012C and Series 2012D, scheduled for November 2012. Currently, the NTTA System consists of the Dallas North Tollway (DNT), the President George Bush Turnpike (PGBT), the President George Bush Turnpike Eastern Extension (PGBT EE), the Sam Rayburn Tollway (SRT), the Addison Airport Toll Tunnel (AATT), the Mountain Creek Lake Bridge (MCLB) and the Lewisville Lake Toll Bridge (LLTB).

## Background

CDM Smith prepared the NTTA System Investment Grade Traffic and Toll Revenue Study report in October 2011 (the "October 2011 Report"). The October 2011 Report incorporated the data and models from the Mobility 2035 Plan, which was approved by the Regional Transportation Council (RTC) in March 2011 and received air quality conformity determination from FHWA in July 2011. The demographic forecasts released in early 2011 by the North Central Texas Council of Governments (NCTCOG) were revised by Research and Demographic Solutions (RDS) in mid-2011. Also incorporated in the October 2011 Report were these revised demographic datasets provided by RDS and travel demand models that were refined based on information gathered from traffic count, travel time study and travel survey programs that were completed in late 2010/early 2011 along NTTA System corridors. In addition, the TollTag/ZipCash transaction share and ZipCash revenue recovery assumptions incorporated into the October 2011 Report were mutually agreed upon by NTTA and CDM Smith staff and were based on observed data through mid-2011.

Since the completion of the October 2011 Report, there have been no changes to the regional mobility plan or the regional official demographic forecasts from NCTCOG. However, the





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following new information became available in February 2012, which warranted minor changes to the NTTA System T&R forecasts:

- Due to changes made to the project agreement between the Texas Department of Transportation (TxDOT) and the NTTA, a new PGBT EE toll rate schedule was adopted by the NTTA Board in December 2011. CDM Smith updated the NTTA System T&R estimates in early December 2011 and provided a Traffic Engineer's certificate to reflect these changes ("December 2011 Update")
- PGBT EE opened on December 21, 2011, ten days earlier than what was assumed in the October 2011 Report
- CDM Smith and NTTA mutually agreed in early 2012 to change the TollTag/ZipCash transaction distribution and ZipCash revenue recovery assumptions, and
- Refinements to the traffic and revenue forecasting models were made in early 2012 by CDM Smith to reflect the trends seen through January 2012.

The February 2012 NTTA System letter update (the "February 2012 Update") incorporated the above new information and included revised NTTA System T&R projections from years 2012 through 2062.

## Validity of the February 2012 Update

### Underlying Demographic Forecasts and Regional Mobility Plan

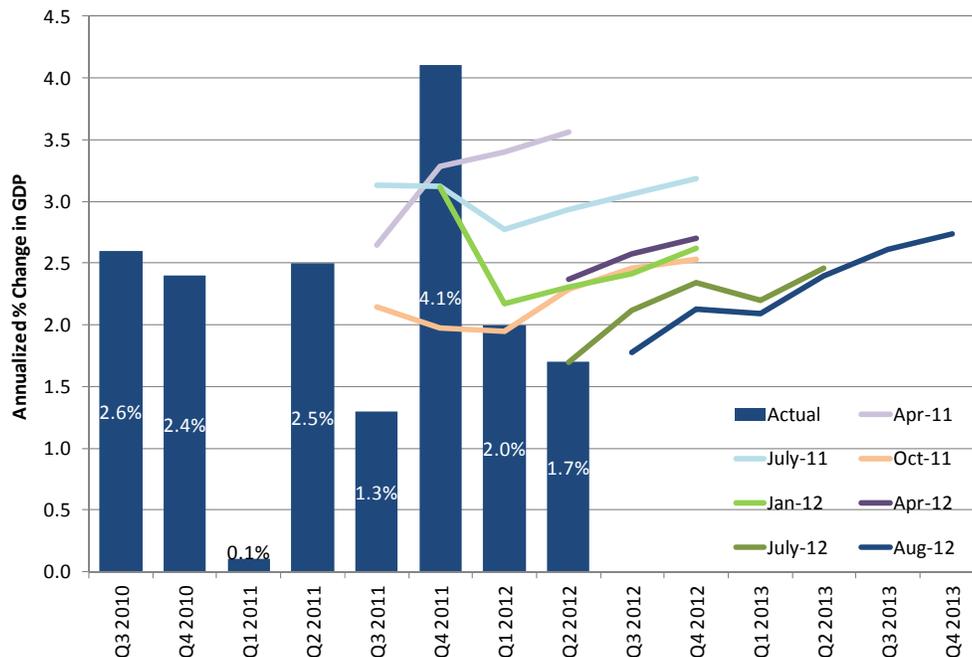
The underlying demographic forecasts remain the same as presented in the October 2011 Report and February 2012 Update. These reports incorporated results of an independent economic review by RDS of NCTCOG's latest official demographic forecasts. CDM Smith feels that no additional modifications are required to the revised set of demographics, and thus they are deemed valid for continued use.

Since the completion of the February 2012 Update, there have been no changes in relation to the regional mobility plan. However, CDM Smith recently became aware that an amendment to the Mobility 2035 ("2013 Amendment") is expected to be adopted by RTC in March 2013, and air quality conformity determination by FHWA is expected in July 2013. CDM Smith will evaluate impacts of the 2013 Amendment on the NTTA System T&R estimates once the 2013 Amendment is adopted by NCTCOG.

### Underlying Economic Climate

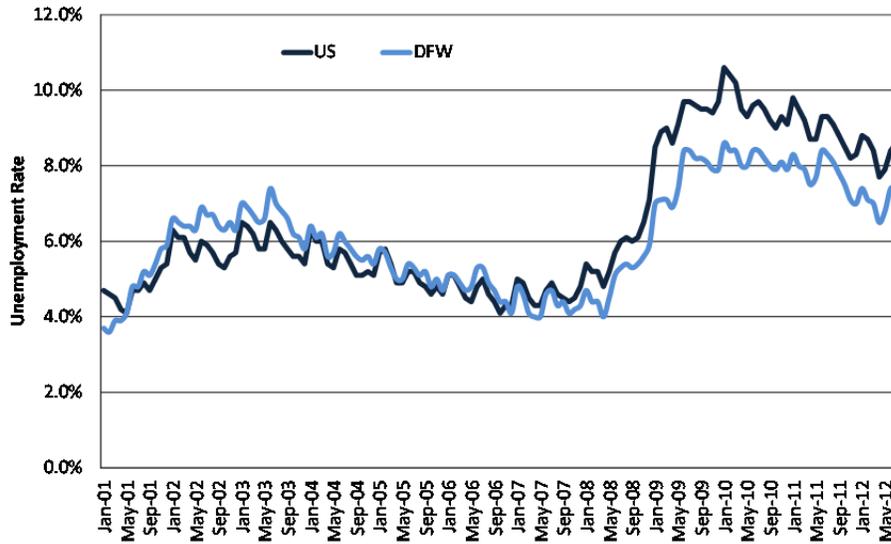
In September 2010, the National Bureau of Economic Research (NBER) announced that the nation-wide recession that began in December 2007 ended in June 2009 and that recovery began in that month. As can be seen in **Figure 1**, the actual annualized percentage change in the national Gross Domestic Product (GDP) has been positive through the second quarter of 2012.

CDM Smith tracks the monthly Economic Forecasting Surveys published by The Wall Street Journal (WSJ). Also illustrated in **Figure 1** are the average GDP change monthly forecasts from April 2011 through August 2012. It is forecasted that the national GDP will continue to show positive growth through the end of 2013. However, the latest forecasts made in August 2012 project lower GDP growth rates than the forecasts made in January 2012.

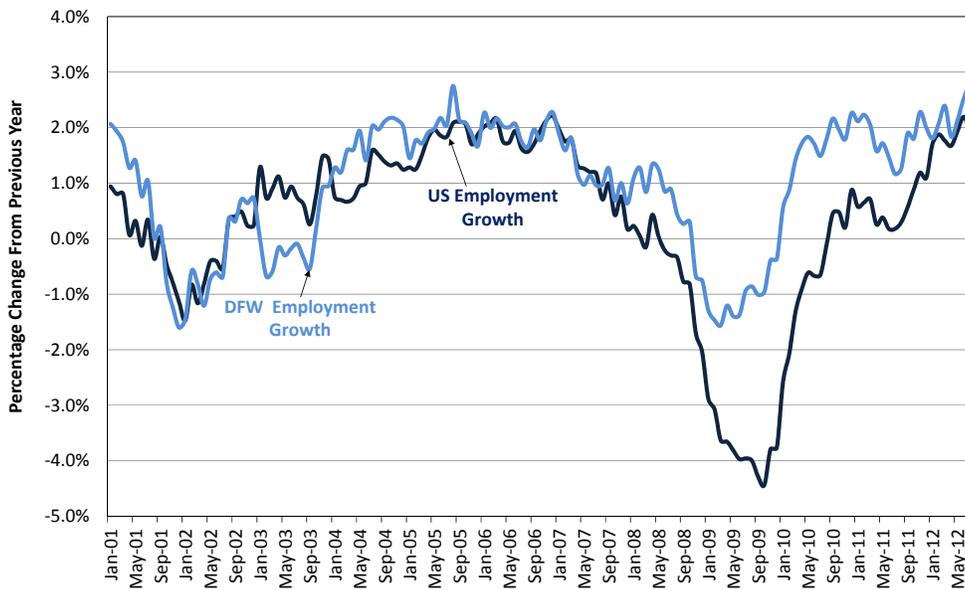


**Figure 1: Historical and Forecasted GDP Growth Comparisons by Date of Forecast**  
 Source: Wall Street Journal Economic Forecasting Survey, US Bureau of Economic Analysis (Aug. 2012)

Texas continues to experience a relatively smaller impact from the recent recession and seems to be on a faster track for recovery than many other parts of the country. Economists have referred to this as the “last in-first out” effect. **Figures 2 and 3** illustrate that the DFW area has been performing better than the rest of the nation in terms of unemployment rates and employment growth. However, in a report by the Federal Reserve Bank of Dallas dated August 3, 2012 it was reported that “Regional indicators point to a slowing in economic growth. Texas employment growth was more modest in the second quarter than in the first, although growth is still outpacing the nation due in part to strength in the energy sector. The recent slowdown appears to be related to weaknesses in the global economy and general uncertainty about the pace of the current U.S. expansion.”



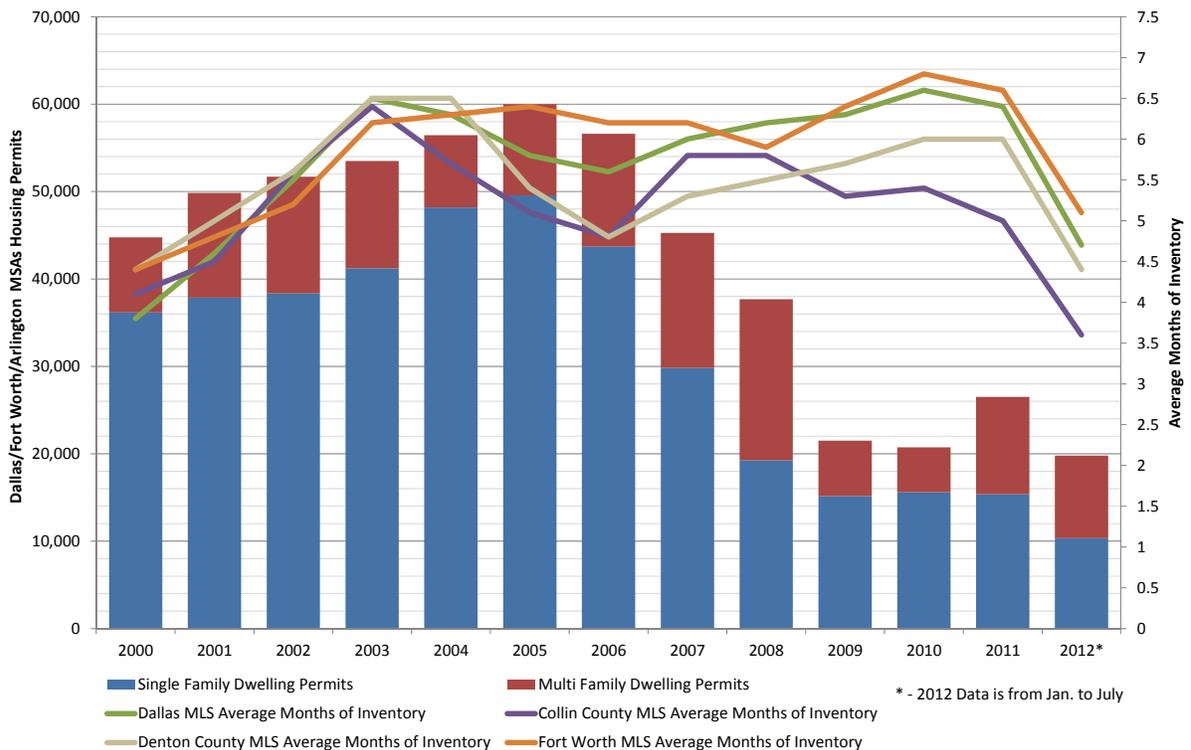
**Figure 2: Unemployment Rate Comparisons**  
 Source: Texas Workforce Commission (Aug. 2012)



**Figure 3: Employment Growth Comparisons**  
 Source: Texas Workforce Commission (Aug. 2012)

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**Figure 4** includes single family and multi family dwelling unit permits in the Dallas, Fort Worth and Arlington MSAs from 2000 through July 2012. As can be seen, there was a steady decline in the number of permits from 2007 through 2010, with 2011 posting a recovery in the permits. Data through July of this year indicate that the annual total permits for 2012 could be close to the levels seen in 2008. Also shown are the average months of inventory in Dallas MLS, Fort Worth MLS, Collin County MLS and Denton County MLS. Lower months of inventory numbers (typically 1-4 months) represent a “seller’s market” and appreciation in home values, and higher months of inventory (typically 7+ months) represent a “buyer’s market” or price depreciation. The recent trends in this parameter indicate a continued recovery in home sales and home values in the Dallas/Fort Worth Metroplex.



**Figure 4: Building Permits and Average Months of Inventory Trends**  
 Source: Texas A&M Real Estate Center (Sep. 2012)

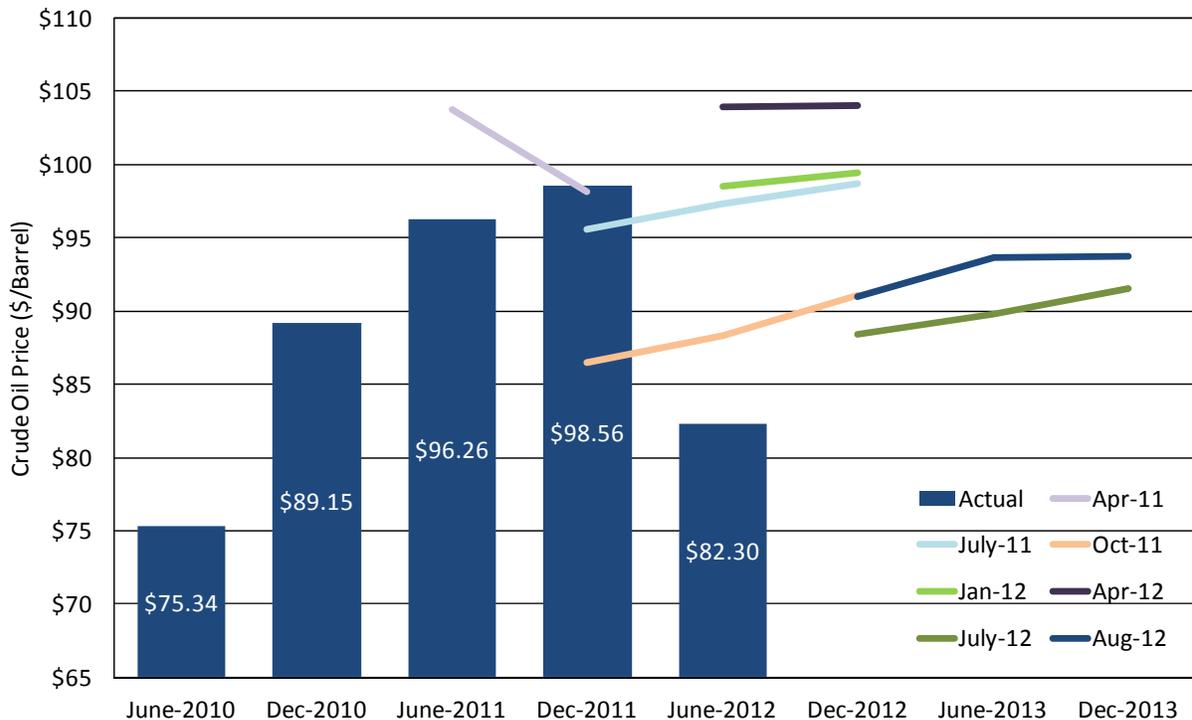
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**Figure 5** shows average weekly gasoline price in Texas since January 2008. The average weekly gasoline price in Texas was almost \$4.00 per gallon in summer of 2008 but had fallen sharply to \$1.50 per gallon by December 2008. Gasoline price increased steadily between December 2011 and April 2012 to more than \$3.80 per gallon and then dropped to about \$3.10 per gallon by July 2012. Prices have risen steadily since then and were around \$3.70/gallon at the end of August 2012. Gasoline prices in August 2012 were about 4.0 percent greater than those in August 2011.



**Figure 5: Weekly Gasoline Prices since 2008**  
 Source: US Energy Information Administration (Sep. 2012)

**Figure 6** shows the average national crude oil prices from June 2010 to June 2012 and price forecasts through December 2013 by the WSJ. The WSJ projected in January 2012 that prices in December 2012 will be close to \$100/barrel. The latest forecasts, however, expect average crude oil prices to remain between \$90/barrel and \$95/barrel through December 2013.



**Figure 6: Historical and Forecasted Crude Oil Price Comparisons by Date of Forecast**  
 Source: Wall Street Journal Economic Forecasting Survey, US Energy Information Administration (Aug. 2012)

As shown in CDM Smith’s report, “The Impacts of Gasoline Price on Traffic and Toll Revenue”, dated August 2008, transactions on the NTTA System facilities seem to be relatively inelastic to gasoline price increases. However, sharp increases in gasoline price in mid-2008 combined with the recession produced some small noticeable impacts on NTTA System transactions at that time. The following are some excerpts from a toll road sector study by the National Public Finance Guarantee in early 2010:

- “...it is apparent that Vehicle Miles Traveled (VMT) is more closely correlated to Gross Domestic Product than to the price of gasoline.”
- “Regardless of the price of gasoline, individuals still need to commute for employment and businesses requiring an efficient road network for the shipment of manufactured products. On a more discretionary basis, family members go shopping and transport children to and from activities. There may be an inflection point where higher energy prices trigger a decline in GDP and thereby indirectly lead to a decline in VMT but the direct correlation between gasoline prices and toll ridership appears weak.”



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For the purposes of this analysis, CDM Smith assumes that the crude oil prices in the near term will be below \$120 per barrel and will not adversely impact economic recovery and traffic patterns.

### Recent Traffic Patterns and Characteristics

**Table 1** shows the monthly transactions for DNT, PGBT, SRT and NTTA System from January 2007 through August 2012. SRT transactions are included from September 2008. NTTA System transactions shown in the table include transactions on DNT, PGBT, SRT, PGBT EE, AATT, MCLB and LLTB.

Between 2007 and 2008, transactions on the DNT increased by 6.1 percent, mainly due to the opening of the DNT Extension Phase 3 from SRT to US 380 in the fall of 2007. As can be seen, there was a drop in DNT transactions in early 2009 due to the economic downturn. The reduction in transactions seen in the latter part of 2009 is most likely due to the NTTA System toll rate increases that went into effect in September 2009. DNT transactions had a growth of 0.4 percent between 2009 and 2010. However, 2011 transactions were greater than the corresponding transactions in 2010 by 4.8 percent, which can be attributed to the continued recovery from the recession and conversion of the DNT to an all-Electronic Toll Collection (all-ETC) system in late 2010. Through August, the growth on the DNT transactions between 2011 and 2012 was 9.2 percent.

There was a decrease in PGBT transactions starting in 2007 through late-2009 mostly attributable to the economic downturn, toll rate increases and the opening of SRT Segment 1 in mid-2006 and opening in late 2008 of the SRT Segment 2 mainlanes, which compete with sections of the PGBT. The opening in August 2009 of the PGBT Western Extension (PGBT WE) Phase 2 mainlanes and PGBT-WE Phase 3 in April 2010 continues to help the growth of PGBT transactions, especially in its westernmost sections. The recent opening of the PGBT EE had a positive impact on the PGBT ramp and mainlane gantry transactions near the PGBT EE. In addition, the construction along IH 635, which began in early 2011, most likely had a positive impact on the PGBT transactions. The continued economic recovery, conversion of PGBT to all-ETC in July 2009, ongoing LBJ construction and the openings of the western and eastern extensions of PGBT contributed to the transaction growth of 3.6 percent between 2009 and 2010 and a growth of 5.6 percent between 2010 and 2011. The transaction growth on PGBT was 12.6 percent between 2011 and 2012 through August.

SRT's Segment 1, Segment 2 and Segment 3 opened in July 2006, August 2008 and September 2009, respectively. SRT's Segment 4, which includes the SRT/US 75 interchange, opened to traffic in late 2010 and Segment 5, which includes the SRT/DNT interchange, was substantially completed in late 2011. SRT showed strong growth trends, with a transaction growth of 28.5 percent from 2009 to 2010, a growth of 11.3 percent from 2010 to 2011 and a growth of 13.9 percent through August in 2012 compared to 2011.



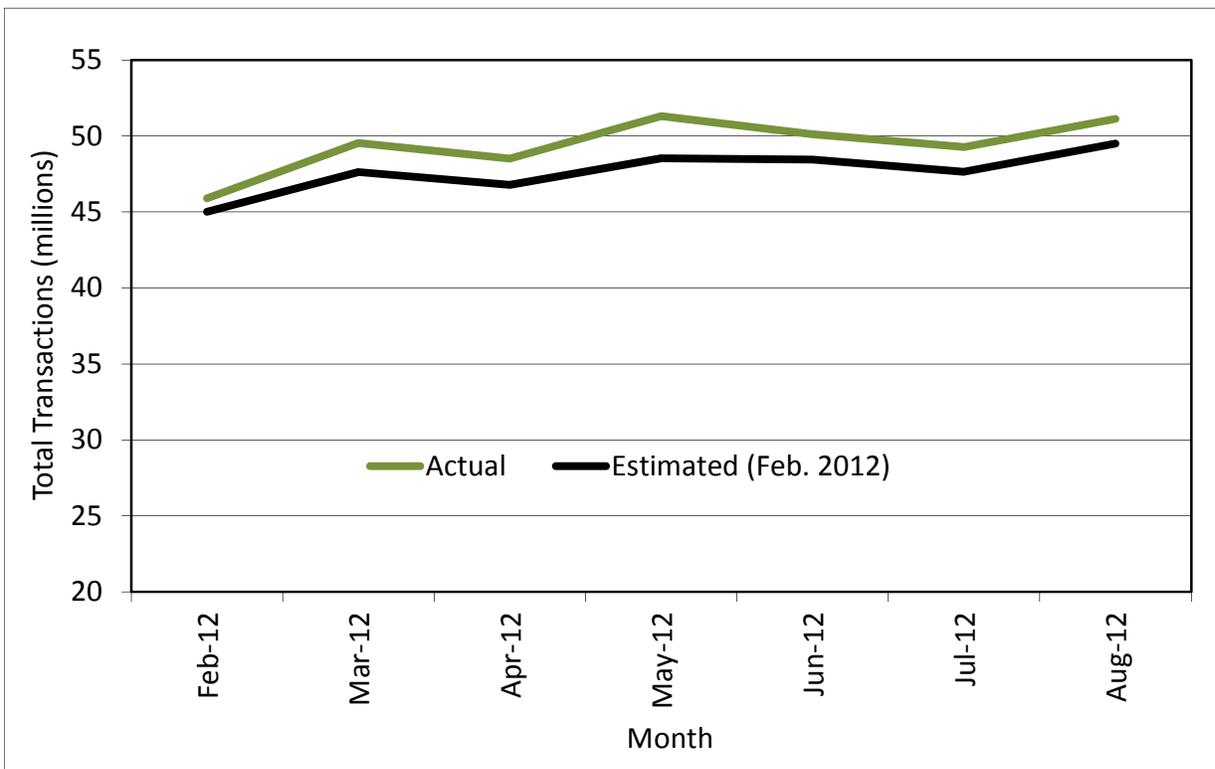
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**Table 1: Monthly Transaction Trends (see end notes on Page 13<sup>1</sup>)**

	2007	%	2008	%	2009	%	2010	%	2011	%	2012
	Txns	Change	Txns								
	(millions)		(millions)		(millions)		(millions)		(millions)		(millions)
<b>Dallas North Tollway</b>											
January	14.74	16.2	17.13	-3.7	16.49	-1.5	16.25	3.2	16.76	13.0	18.94
February	14.67	14.3	16.77	-3.7	16.16	-4.9	15.36	-4.8	14.62	26.2	18.45
March	16.67	3.9	17.32	0.9	17.49	1.5	17.75	6.1	18.84	4.8	19.73
April	16.03	10.8	17.77	-1.0	17.58	0.2	17.62	4.7	18.45	3.9	19.17
May	16.79	6.6	17.91	-1.1	17.71	-1.0	17.54	5.5	18.50	8.3	20.04
June	16.06	6.9	17.16	2.6	17.62	-1.0	17.44	4.9	18.28	6.0	19.39
July	16.07	8.4	17.43	0.2	17.46	-1.5	17.21	2.3	17.60	8.4	19.08
August	16.93	2.8	17.40	0.4	17.47	0.3	17.53	6.0	18.58	6.6	19.81
September	15.68	7.1	16.79	-1.8	16.49	2.0	16.82	7.4	18.06		
October	17.93	1.2	18.15	-4.2	17.39	2.5	17.82	5.6	18.81		
November	16.79	-3.4	16.22	-0.3	16.17	2.8	16.63	9.2	18.16		
December	17.00	1.5	17.25	-1.5	17.00	5.0	17.86	6.2	18.97		
<b>Total</b>	<b>195.37</b>	<b>6.1</b>	<b>207.31</b>	<b>-1.1</b>	<b>205.03</b>	<b>0.4</b>	<b>205.83</b>	<b>4.8</b>	<b>215.64</b>		
<b>Total (Jan-August)</b>									<b>141.63</b>	<b>9.2</b>	<b>154.60</b>
<b>President George Bush Turnpike</b>											
January	13.87	8.6	15.06	-8.4	13.80	0.7	13.90	6.1	14.74	12.8	16.62
February	13.77	7.5	14.81	-8.8	13.51	-2.2	13.21	-5.4	12.50	32.0	16.49
March	15.65	-2.7	15.22	-2.9	14.78	4.8	15.49	5.8	16.40	9.0	17.87
April	15.26	3.2	15.75	-5.8	14.84	4.4	15.49	3.9	16.09	8.9	17.52
May	16.06	-1.4	15.84	-5.8	14.92	4.4	15.57	5.3	16.40	13.8	18.66
June	15.58	-2.3	15.22	-1.3	15.03	3.1	15.50	8.0	16.73	9.0	18.23
July	15.53	-0.9	15.40	-2.9	14.95	2.7	15.36	4.9	16.11	11.1	17.90
August	16.53	-7.7	15.25	-0.7	15.14	4.3	15.80	7.9	17.04	9.3	18.63
September	15.07	-3.1	14.60	-0.8	14.48	4.8	15.18	8.3	16.44		
October	16.03	-3.8	15.42	-1.3	15.22	4.6	15.93	6.9	17.02		
November	14.90	-7.9	13.72	3.2	14.17	5.1	14.90	7.4	15.99		
December	14.68	-1.9	14.39	0.4	14.45	5.6	15.27	6.6	16.28		
<b>Total</b>	<b>182.93</b>	<b>-1.2</b>	<b>180.69</b>	<b>-3.0</b>	<b>175.28</b>	<b>3.6</b>	<b>181.58</b>	<b>5.6</b>	<b>191.73</b>		
<b>Total (Jan-August)</b>									<b>126.00</b>	<b>12.6</b>	<b>141.92</b>
<b>Sam Rayburn Tollway</b>											
January	--	--	--	--	4.72	37.2	6.47	16.7	7.55	14.4	8.63
February	--	--	--	--	4.65	32.1	6.14	5.5	6.47	30.9	8.47
March	--	--	--	--	5.25	38.5	7.27	14.9	8.35	10.2	9.20
April	--	--	--	--	5.40	35.3	7.31	11.8	8.18	11.7	9.13
May	--	--	--	--	5.55	38.3	7.67	11.8	8.58	13.3	9.72
June	--	--	--	--	5.81	32.5	7.70	12.8	8.68	11.4	9.67
July	--	--	--	--	5.99	30.5	7.81	9.4	8.55	11.2	9.50
August	--	--	--	--	5.91	33.8	7.91	10.1	8.72	12.4	9.79
September	--	--	4.64	30.2	6.04	23.9	7.49	11.3	8.34		
October	--	--	4.92	35.2	6.65	18.8	7.91	9.0	8.62		
November	--	--	4.65	42.2	6.61	13.8	7.53	11.7	8.41		
December	--	--	4.98	38.4	6.89	17.0	8.06	11.0	8.95		
<b>Total</b>	--	--	<b>19.19</b>	--	<b>69.48</b>	<b>28.5</b>	<b>89.27</b>	<b>11.3</b>	<b>99.39</b>		
<b>Total (Jan-August)</b>									<b>65.08</b>	<b>13.9</b>	<b>74.13</b>
<b>NTTA System</b>											
January	29.02	12.3	32.58	8.7	35.40	5.0	37.17	6.7	39.66	17.8	46.72
February	28.86	10.9	31.99	8.5	34.71	1.5	35.24	-3.2	34.11	34.6	45.90
March	32.80	0.5	32.97	15.1	37.94	8.4	41.13	7.7	44.28	11.9	49.54
April	31.75	7.0	33.96	12.7	38.27	7.3	41.06	5.7	43.41	11.8	48.51
May	33.34	2.6	34.20	12.9	38.62	7.2	41.42	6.7	44.18	16.2	51.31
June	32.10	2.2	32.82	18.5	38.88	6.1	41.25	7.6	44.39	12.9	50.10
July	32.06	3.7	33.26	16.7	38.82	5.6	41.00	4.7	42.92	14.8	49.26
August	33.91	-2.4	33.09	18.3	39.16	7.0	41.90	7.5	45.02	13.5	51.12
September	31.15	17.1	36.46	3.1	37.59	6.7	40.12	8.5	43.52		
October	34.37	13.3	38.93	2.4	39.84	6.2	42.31	6.7	45.15		
November	32.07	9.1	34.99	7.2	37.52	5.7	39.67	9.0	43.22		
December	32.06	15.5	37.03	5.1	38.91	7.4	41.80	8.8	45.50		
<b>Total</b>	<b>383.48</b>	<b>7.5</b>	<b>412.27</b>	<b>10.5</b>	<b>455.66</b>	<b>6.2</b>	<b>484.07</b>	<b>6.5</b>	<b>515.36</b>		
<b>Total (Jan-August)</b>									<b>337.97</b>	<b>16.1</b>	<b>392.47</b>

Transactions on the NTTA System grew by 6.5 percent between 2010 and 2011. NTTA System transactions in 2012 (through August) were greater than the corresponding 2011 transactions by 16.1 percent. This can be partly attributed to the continued economic recovery in the north Texas region, the recent openings of the PGBT EE and the DNT/SRT interchange and the absence of snow/ice related weather disruptions in early 2012.

**Figure 7** shows the actual NTTA System monthly transactions in comparison to the transactions estimated in the February 2012 Update for the period between February 2012 and August 2012. The actual transactions recorded on the NTTA System during this period were greater than the forecasts made in the February 2012 Update by 3.7 percent. This is largely attributable to the greater than anticipated growth in transactions on the PGBT EE, PGBT and SRT.



**Figure 7: Actual vs. Estimated NTTA System Transactions**

**Figure 8** shows average monthly TollTag share and TollTag/ZipCash monthly transactions trends from January 2011 through May 2012. The TollTag shares and transactions shown also include V-Tolls (transactions initially recorded at the roadway lane as ZipCash transactions, which are later identified and reclassified as TollTag transactions). The average daily TollTag

share across all NTTA facilities peaked near 81 percent in early 2011, has dropped to about 78 percent by the end of 2011 and was just below 79 percent in May 2012 (based on preliminary TollTag share information). The recent TollTag shares are slightly better than those forecasted in the February 2012 Update. This improvement could be attributed to the continued aggressive marketing of TollTags by NTTA and the recent changes implemented by NTTA to the business rules including the assessment of the ZipCash rate for a portion of V-Toll transactions.

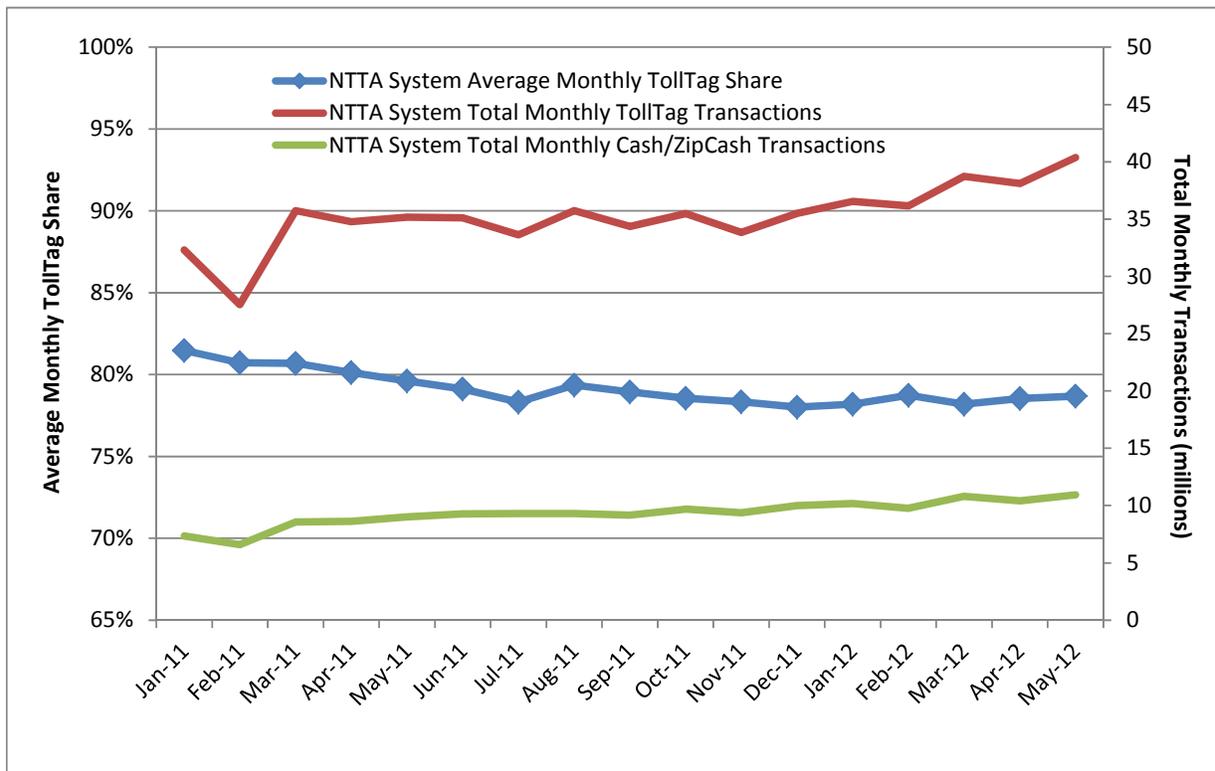


Figure 8: NTTA System TollTag Share and Monthly Transaction Trends

## Long-Term NTTA System Traffic and Revenue Estimates

Based upon the review of all pertinent assumptions supporting the February 2012 Update, it is CDM Smith’s opinion that the resulting NTTA System-wide T&R estimates are still valid. We have assessed the potential impacts of the various changes and information mentioned above and have concluded that the net effect of these changes would not cause any material negative impacts to the NTTA System T&R estimates included in the February 2012 Update.

Therefore, CDM Smith recommends that the NTTA System T&R forecasts included in the February 2012 Update be used to support the issuance of the upcoming NTTA System revenue refunding bonds. **Table 2** shows the T&R estimates from 2012 through 2062, which were developed as part of the February 2012 Update.



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**Table 2: NTTA System T&R Forecasts from February 2012 Update  
 (see end notes on Page 13<sup>ii</sup>)**

Year	Toll Transactions	Toll Revenue
2012	563,503,600	\$442,688,000
2013	584,121,800	\$483,799,800
2014	601,761,100	\$523,299,400
2015	619,608,000	\$561,533,600
2016	639,156,200	\$598,431,100
2017	656,413,800	\$631,291,800
2018	676,550,300	\$668,641,900
2019	703,237,700	\$722,430,200
2020	723,908,100	\$774,056,100
2021	736,765,100	\$810,681,400
2022	749,730,900	\$850,410,700
2023	762,950,900	\$889,024,000
2024	776,334,700	\$931,248,900
2025	790,369,900	\$974,641,200
2026	804,582,100	\$1,021,840,100
2027	819,116,800	\$1,068,524,800
2028	833,773,700	\$1,119,147,300
2029	848,682,800	\$1,170,218,600
2030	863,722,400	\$1,223,961,700
2031	876,459,600	\$1,276,124,400
2032	889,320,500	\$1,332,407,900
2033	902,741,300	\$1,388,926,000
2034	916,190,300	\$1,449,806,700
2035	933,756,500	\$1,516,676,600
2036	947,685,100	\$1,585,080,500
2037	962,343,600	\$1,652,547,800
2038	977,076,900	\$1,725,359,500
2039	992,069,000	\$1,799,685,800
2040	1,007,126,400	\$1,879,144,700
2041	1,018,521,000	\$1,951,681,100
2042	1,029,873,500	\$2,029,084,700
2043	1,041,405,700	\$2,108,158,000
2044	1,052,835,000	\$2,193,075,300
2045	1,064,793,500	\$2,277,311,600
2046	1,076,068,400	\$2,366,968,700
2047	1,087,149,200	\$2,456,770,600
2048	1,097,457,100	\$2,551,276,100
2049	1,108,352,200	\$2,645,842,100
2050	1,119,096,100	\$2,747,684,800
2051	1,129,794,100	\$2,848,654,400
2052	1,140,415,800	\$2,957,273,200
2053	1,151,686,100	\$3,067,705,400
2054	1,162,877,300	\$3,186,214,900
2055	1,174,198,600	\$3,304,638,900
2056	1,184,826,900	\$3,429,656,300
2057	1,195,477,600	\$3,552,938,800
2058	1,104,930,400	\$3,300,949,800
2059	911,381,600	\$2,626,874,600
2060	917,080,600	\$2,718,556,100
2061	922,988,500	\$2,809,142,300
2062	928,605,300	\$2,905,801,500
<b>Total</b>	<b>46,778,873,600</b>	<b>\$91,107,889,700</b>



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We hope this summary meets your needs. Please do not hesitate to call if you have any questions or if any additional information is required.

Very truly yours,

Kamran Khan  
Senior Vice President  
CDM Smith, Inc.

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<sup>i</sup> Notes:

- (1) DNT Phase 3 opened to traffic at the end of September 2007. Toll Rates on the NTTA System were increased during the same month.
  - (2) Sam Rayburn Tollway Segment 2 opened to traffic on August 31, 2008.
  - (3) LLTB opened to traffic on August 1, 2009.
  - (4) PGBT WE Phase 2 mainlanes between SH 183 and Egyptian Way opened to traffic on August 2, 2009.
  - (5) Speed-limit increases on various sections of NTTA System were implemented starting late August 2009.
  - (6) System-wide toll rates increase implemented on September 1, 2009.
  - (7) SRT segment 3S opened to traffic on September 1, 2009 and SRT segment 3N opened to traffic on September 29, 2009.
  - (8) Opening of PGBT WE Phase 3 mainlanes beginning April 10, 2010.
  - (9) Substantial opening of SRT Segment 4, including the SRT/US 75 interchange, and completion of All-ETC conversion on all NTTA System facilities in late 2010.
  - (10) NTTA Board approved speed limit increases on AATT, MCLB and LLTB in June, 2011.
  - (11) Toll rates on the NTTA System and PGBT WE were increased in July, 2011.
  - (12) Substantial opening of DNT and SRT interchange by November, 2011.
  - (13) PGBT EE opened to traffic on December 21, 2011.
  - (14) NTTA System transactions include transactions on DNT, PGBT, SRT, PGBT EE, AATT, MCLB and LLTB.
- SOURCE: North Texas Tollway Authority (unaudited numbers)

<sup>ii</sup> Key assumptions:

- (1) Background transportation networks based on the Mobility 2035 Plan.
- (2) Background demographics based on Mobility 2035 Plan demographics revised by RDS in mid-2011.
- (3) System-wide toll rate increases on July 1 of every odd year starting July 1, 2011 by applying an annual toll increase of 2.75 percent.
- (4) Improvements on DNT between PGBT and SRT by Dec. 31, 2015.
- (5) Expansion of SRT between Bus-121 and US 75 from three to four lanes per direction by Jan. 1, 2019. Congestion pricing on SRT is assumed to start with this expansion.
- (6) Expansion of PGBT between IH 35E and SH 78 from three to four lanes per direction by Jan. 1, 2019.
- (7) Expansion of SH 161 between Belt Line Road and SH 183 to eight lanes by January 1, 2020.
- (8) DNT Extension Phase 4A is assumed to open to traffic by January 1, 2020.



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- (9) PGBT East Branch is assumed to open by January 1, 2035.
- (10) 2058 is the 50<sup>th</sup> year of operation of SRT as part of the NTTA System. SRT is expected to be handed back to TxDOT at the end of August 2058.
- (11) TollTag share and ZipCash revenue recovery trends to not significantly deviate from the assumptions included in this letter. NTTA would employ business rules to encourage increases in TollTag shares on its facilities and to increase the ZipCash toll revenue recovery.
- (12) In accordance with the existing practice of the NTTA, all NTTA System facilities will be well-maintained, efficiently operated, and effectively signed to encourage maximum usage.
- (13) Growth in vehicle operating costs (which include fuel, maintenance, and tires) will not significantly deviate from the assumed inflation rate.
- (14) No local, regional, or national emergency will arise which would abnormally restrict the use of motor vehicles.

## DISCLAIMER

Current accepted professional practices and procedures were used in the development of these traffic and revenue forecasts. However, as with any forecast of the future, it should be understood that there may be differences between forecasted and actual results caused by events and circumstances beyond the control of the forecasters. In formulating its forecasts, CDM Smith has reasonably relied upon the accuracy and completeness of all of the information provided (both written and oral) by NTTA and several local and state agencies. Publicly available and obtained material has neither been independently verified, nor does CDM Smith assume responsibility for verifying such information. CDM Smith has relied upon the reasonable assurances of the independent parties that they are not aware of any facts that would make such information misleading.

CDM Smith has made qualitative judgments related to several key variables within the analysis used to develop the traffic and revenue forecasts that must be considered as a whole; therefore selecting portions of any individual results without consideration of the intent of the whole may create a misleading or incomplete view of the results and the underlying methodologies used to obtain the results. CDM Smith gives no opinion as to the value or merit to partial information extracted from the report.

All estimates and projections reported herein are based on CDM Smith's experience and judgment and on a review of independent third party projections and information obtained from multiple state and local agencies including NTTA. These estimates and projections may not be indicative of actual or future values, and are therefore subject to substantial uncertainty. Future developments cannot be predicted with certainty, and may affect the estimates or projections expressed in the report, such that CDM Smith does not specifically guarantee or warrant any estimate or projections contained within this report.

## Appendix – F **LONG TERM FINANCIAL PLAN**

### **Introduction**

The three major factors in developing the Authority's long term financial plans are the traffic and revenue estimates provided by the Traffic and Revenue Engineers, the estimated operating expenses provided by the General Engineer Consultants, and the estimated net debt service provided by the Financial Advisors. These estimates are generated during the initial feasibility study phase of the tollway projects and are prepared for a total of 50 years. They are updated during the investment grade phase and at the time of preparing the official statements for the issuance of bond debt.

Historically, the Authority has mainly concentrated on preparing budgets for the ensuing fiscal year. The process of developing a formal five-year capital plan was initiated in late 2009 and was finalized in the third quarter of 2010. The All Funds Long Term Financial Projections (See pages (219-223) included in this section are summary pages from the 2013-2017 Five-Year Capital Plan. The five-year plan has been adopted by the Board and any changes to the plan will require Board approval.

### **Revenue Fund Long Term Plan**

The majority, about 93.4%, of the long term revenue plan is the toll revenue estimates provided by the Traffic and Revenue Engineers (See Major Revenue Source page 197). The estimated other revenues, about 5.4%, are provided by the Authority and include video tolling fees and other charges, and estimated projected interest earnings at 1.2% on the First and Second Tier Debt Service Funds and an estimated balance of \$87 million in the Capital Improvement Fund. Total revenue growth is expected to average 6.9% per year between 2013 and 2017. All NTTA revenues on deposit in the Revenue Fund must be distributed to the other funds in accordance to the Trust Agreement (See Revenue Distribution page 200).

### **Operations and Maintenance Fund Long Term Plan**

The operations and maintenance fund long term plan encompasses all the day-to-day expenses of operating the Authority. The majority of these expenditures are related to employee compensation, retirement, and health and welfare benefits; which account for about 40.5% of operating cost (See 2013 Preliminary Operating Budget Overview: Introduction, Personnel comparison 2013 to 2012 Budget, Staffing and Personnel Issues, and 2013 Expenditures. Pages 20-21.)

The estimated operating expenses for the year are prepared by the individual departments and compared to the General Consultant Engineers (Currently HNTB Corporation) estimated amount. The operating expenses are expected to increase an average of 3% per year between 2013 and 2017.

The Operations and Maintenance Fund is funded from the Revenue Fund. This means that the required revenues to match expenditures and maintain the required balance will be transferred to the fund (See Revenue Distribution page 200 and Cash Balances page 176).

### **Debt Service Funds Long Term Plan**

The 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Tier Bond Interest and Redemption Funds are utilized to accumulate the amounts necessary to pay the principal and interest on debt as they become due. The long term plan estimates are provided by the Financial Advisor. The funds are funded from the Revenue Fund; which means that the revenues are expected to match the required debt service and will be transferred from the Revenue Fund (See Revenue Distribution page 200 and Debt Service page 187).

### **Reserve Maintenance Fund Long Term Plan**

This is the Authority's long term plan for the renewal and replacement of capital assets. The Authority elected to use the Modified Approach to account for maintenance of the Authority's infrastructure assets. As required by the Trust Agreement, an annual inspection of the Authority's roadways is conducted by the Authority's General Engineering Consultant. This inspection provides an overall rating, indicating the average condition of all of the Authority's infrastructure assets (roadways, bridges, and facilities). The assessment of conditions is made by visual and mechanical tests designed to reveal any condition that would reduce user benefits below the maximum level of service. The Authority's goal is to maintain the Authority's infrastructure assets at a rating of 8 or better (1 to 10 scale), and has established a minimum level for GASB No. 34 purposes of a condition level of 6 or greater. These condition levels were adopted by the Board of Directors by Resolution No. 02-31 on June 19, 2002 and further clarified by Resolution No. 07-169 on December 19, 2008.

About 85% of the Reserves Maintenance Fund expenditures are identified through the annual inspection of the systems assets. The replacement of information technology hardware and software accounts for another 8% (See detail of expenditures page 162). The 2013 through 2017 projected amounts will be adjusted based on the previous year inspection report.

The Reserve Maintenance Fund is funded from the Revenue Fund. This means that the required revenues to match expenditures and maintain the required balance will be transferred to the fund (See Revenue Distribution page 200 and Cash Balances page 176).

### **Capital Improvement Fund and CIF - Revolving Account/FSF Long Term Plan**

The Capital Improvement Fund accounts for the Authority's long term plan for the enlargements, extensions, additions, improvements, reconstruction and replacement, and certain cost of repairs to the System. This fund receives a transfer from the Revenue Fund to the extent of any available excess revenues (See Revenue Distribution page 200). In addition, the Authority may issue bonds to finance these costs of the Capital Improvement Fund.

The Authority issued \$400 million of bonds in May 2010 secured by revenues deposited into the Capital Improvement Fund. These bonds are subordinate to the Authority's Third Tier Bonds. The proceeds of the bonds are to finance a portion of the cost of developing PGBT Western Extension (previously SH 161) and Chisholm Trail Parkway (CTP). Other funding sources are being determined at this time. (See Special System Projects Construction Funds Projects page 223).

The Capital Improvement Fund revolving account, or the Feasibility Study Fund, is to be used only to pay the expenses of studying the cost and feasibility and any other expenses relating to the preparation and issuance of bonds for the acquisition and construction of a proposed turnpike project for the Authority; the financing of the improvement, extension or expansion of an existing turnpike or Authority; for private participation, as authorized by law, in the financing of a proposed turnpike project or Authority, or the refinancing of an existing turnpike project or Authority or the improvement, extension or expansion of a turnpike project or Authority.

In accordance with House Bill 749, an act of the 72nd Legislature of Texas, the Authority may transfer an amount from a surplus fund (currently Capital Improvement Fund) established for a turnpike project to the Feasibility Study Fund. However, the Authority may not transfer an amount that results in a balance in the surplus fund that is less than the minimum balance required in the trust agreement for that project, if any. The current Trust Agreement does not have a required minimum balance for the Capital Improvement Fund (See Cash Balances page 176).

### **NTTA System Construction Funds and Special Projects System Construction Funds Long Term Plan**

The long term plans for constructing or acquiring toll projects for the Authority are contained in the Construction Funds. These funds are funded with bond proceeds and amounts from other sources that are specific for the project (See NTTA System Construction Funds page 154).

Appendix G - All Funds Long Term Financial Projections

		<b>LONG TERM FINANCIAL PLANS</b>						
		<b>Operating Revenues</b>						
		<b>YEARS</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>REVENUE FUND</b>								
<b>Estimated Beginning Available Cash Balance</b>			-	-	-	-	-	-
<b>INFLOWS</b>								
Estimated Toll Revenues			442,688,000	483,799,800	523,299,400	561,533,600	598,431,100	631,291,800
Estimated Other Revenues			33,878,364	34,061,148	36,094,798	37,353,724	39,483,151	41,604,759
<b>TOTAL INFLOWS</b>			<b>476,566,364</b>	<b>517,860,948</b>	<b>559,394,198</b>	<b>598,887,324</b>	<b>637,914,251</b>	<b>672,896,559</b>
<b>OUTFLOWS</b>								
Transfer to:			-	-	-	-	-	-
<b>TOTAL OUTFLOWS</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenues Available for Operations</b>			<b>476,566,364</b>	<b>517,860,948</b>	<b>559,394,198</b>	<b>598,887,324</b>	<b>637,914,251</b>	<b>672,896,559</b>
		<b>YEARS</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Total Revenues Available for Operations</b>			<b>476,566,364</b>	<b>517,860,948</b>	<b>559,394,198</b>	<b>598,887,324</b>	<b>637,914,251</b>	<b>672,896,559</b>
<b>OPERATIONS AND MAINTENANCE FUND</b>								
<b>Estimated Beginning Available Cash Balance</b>			<b>12,620,383</b>	<b>19,564,898</b>	<b>19,088,530</b>	<b>19,661,186</b>	<b>20,251,021</b>	<b>20,858,552</b>
<b>INFLOWS</b>								
Transfer from Revenue Fund			105,205,670	106,130,303	111,906,369	115,153,352	118,566,298	122,094,515
Inter-Fund Transfers			7,389,294	7,924,507	6,633,400	6,942,610	7,192,544	7,437,090
<b>TOTAL INFLOWS</b>			<b>112,594,964</b>	<b>114,054,810</b>	<b>118,539,769</b>	<b>122,095,962</b>	<b>125,758,842</b>	<b>129,531,605</b>
<b>OUTFLOWS</b>								
Estimated Operating Expenses			(105,650,449)	(114,531,178)	(117,967,113)	(121,506,127)	(125,151,311)	(128,905,850)
<b>TOTAL OUTFLOWS</b>			<b>(105,650,449)</b>	<b>(114,531,178)</b>	<b>(117,967,113)</b>	<b>(121,506,127)</b>	<b>(125,151,311)</b>	<b>(128,905,850)</b>
<b>Estimated Ending Available Cash Balance</b>			<b>19,564,898</b>	<b>19,088,530</b>	<b>19,661,186</b>	<b>20,251,021</b>	<b>20,858,552</b>	<b>21,484,308</b>
<b>Net Revenues Available for Debt Service</b>			<b>371,360,694</b>	<b>411,730,645</b>	<b>447,487,829</b>	<b>483,733,972</b>	<b>519,347,953</b>	<b>550,802,044</b>

Appendix G - All Funds Long Term Financial Projections (Continued)

		<b>LONG TERM FINANCIAL PLANS</b>						
		<b>NTTA SYSTEM CONSTRUCTION PROJECTS</b>						
		<b>TOTAL</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>CONSTRUCTION FUNDS - NTTA SYSTEM</b>								
<b>Estimated Beginning Available Cash Balance</b>		151,217,346	151,217,346	107,621,678	81,880,499	14,114,841	0	(0)
<b>INFLOWS</b>								
Reimbursement Agreements:								
City of Plano ILA - DNT/PGBT		5,000,000	-	-	-	5,000,000	-	-
Collin County, Allen, & McKinney ILA - SRT		-	-	-	-	-	-	-
TxDOT - SRT		1,797,795	-	-	1,797,795	-	-	-
Transfer from Capital Improvement Fund		205,125,277	-	-	-	79,161,354	58,097,988	67,865,935
Bond Issues		-	-	-	-	-	-	-
<b>TOTAL INFLOWS</b>		211,923,072	-	-	1,797,795	84,161,354	58,097,988	67,865,935
<b>OUTFLOWS</b>								
Allocated Cost: Salaries, Professional Fees, Legal Fees		(5,310,242)	(559,471)	(980,341)	(892,720)	(1,261,195)	(745,581)	(870,935)
LLTB Expenses		(2,150,000)	(150,000)	(2,000,000)	-	-	-	-
SRT Expenses		(67,253,030)	(11,907,030)	(1,631,000)	(715,000)	(1,035,000)	(9,185,000)	(42,780,000)
PGBT EE Expenses		(33,160,667)	(29,510,667)	(3,300,000)	(350,000)	-	-	-
DNT Phase 3 Expenses		(41,000)	(41,000)	-	-	-	-	-
DNT at LBJ		(6,755,000)	(665,000)	(3,030,000)	(2,730,000)	(330,000)	-	-
DNT 4th Lane		(109,788,412)	(50,000)	(6,388,301)	(33,147,301)	(49,850,000)	(20,352,810)	-
DNT/PGBT Interchange and Ramps Modifications		(100,721,567)	(50,000)	(7,671,538)	(29,866,432)	(45,450,000)	(17,683,597)	-
PGBT at US 75 Improvements		(3,264,500)	(662,500)	(740,000)	(1,862,000)	-	-	-
PGBT Widening IH35E - SH78		(34,696,000)	-	-	-	(350,000)	(10,131,000)	(24,215,000)
<b>TOTAL OUTFLOWS</b>		(363,140,418)	(43,595,668)	(25,741,180)	(69,563,453)	(98,276,195)	(58,097,988)	(67,865,935)
<b>Estimated Ending Available Cash Balance</b>		(0)	107,621,678	81,880,499	14,114,841	0	(0)	(0)
		<b>TOTAL</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>SPECIAL PROJECT SYSTEM - President George Bush Turnpike - Western Extension</b>								
<b>Estimated Beginning Available Cash Balance September 1</b>		283,200,234	283,200,234	115,346,752	30,609,302	26,795,357	26,521,847	26,521,847
<b>INFLOWS</b>								
Regional Transportation Commission Contribution		-	-	-	-	-	-	-
Equity Contribution from NTTA System		-	-	-	-	-	-	-
PGBT-WE Revenue Distribution		-	-	-	-	-	-	-
Escrowed Upfront Payment Interest		-	-	-	-	-	-	-
TIFIA Loan		-	-	-	-	-	-	-
Bond Issues		-	-	-	-	-	-	-
<b>TOTAL INFLOWS</b>		-	-	-	-	-	-	-
<b>OUTFLOWS</b>								
PGBT-WE Expenses		(253,384,390)	(165,699,390)	(83,650,000)	(3,765,000)	(270,000)	-	-
Payments to TxDOT		-	-	-	-	-	-	-
Payments to CIF		-	-	-	-	-	-	-
Allocated Cost: Salaries, Professional Fees, Legal Fees		(3,293,997)	(2,154,092)	(1,087,450)	(48,945)	(3,510)	-	-
Bond Issuance Cost		-	-	-	-	-	-	-
<b>TOTAL OUTFLOWS</b>		(256,678,387)	(167,853,482)	(84,737,450)	(3,813,945)	(273,510)	-	-
<b>Estimated Ending Available Cash Balance August 31</b>		26,521,847	115,346,752	30,609,302	26,795,357	26,521,847	26,521,847	26,521,847
		<b>TOTAL</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>SPECIAL PROJECT SYSTEM - Chisholm Trail Parkway</b>								
<b>Estimated Beginning Available Cash Balance September 1</b>		-	-	507,011,110	257,356,233	50,045,783	41,637,883	41,526,453
<b>INFLOWS</b>								
Reimbursement Agreements:								
RTC Contribution		117,425,933	-	117,425,933	-	-	-	-
TxDOT formal Agreement		5,925,729	5,925,729	-	-	-	-	-
Johnson County		600,000	600,000	-	-	-	-	-
Transfer from Capital Improvement Fund		320,992,327	320,992,327	-	-	-	-	-
Bond Issues		470,526,467	470,526,467	-	-	-	-	-
<b>TOTAL INFLOWS</b>		915,470,456	798,044,523	117,425,933	-	-	-	-
<b>OUTFLOWS</b>								
CTP Expenses		(862,728,532)	(287,298,532)	(362,370,000)	(204,650,000)	(8,300,000)	(110,000)	-
Allocated Cost: Salaries, Professional Fees, Legal Fees		(11,215,471)	(3,734,881)	(4,710,810)	(2,660,450)	(107,900)	(1,430)	-
<b>TOTAL OUTFLOWS</b>		(873,944,003)	(291,033,413)	(367,080,810)	(207,310,450)	(8,407,900)	(111,430)	-
<b>Estimated Ending Available Cash Balance August 31</b>		41,526,453	507,011,110	257,356,233	50,045,783	41,637,883	41,526,453	41,526,453

Appendix G - All Funds Long Term Financial Projections (Continued)

	<b>LONG TERM FINANCIAL PLANS</b>					
	<b>Debt Service</b>					
<b>YEARS</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Net Revenues Available for Debt Service</b>	371,360,694	411,730,645	447,487,829	483,733,972	519,347,953	550,802,044
<b>DEBT SERVICE FUNDS</b>						
<b>Estimated Beginning Available Cash Balance</b>	16,400,000	16,400,000	-	-	-	-
<b>INFLOWS</b>						
Transfer from Capital Improvement Fund	-	-	-	-	-	-
Capitalized interest transfer	-	-	-	-	-	-
Transfer from Revenue Fund	277,583,007	310,884,412	345,573,796	364,724,835	386,007,315	388,140,760
<b>TOTAL INFLOWS</b>	277,583,007	310,884,412	345,573,796	364,724,835	386,007,315	388,140,760
<b>OUTFLOWS</b>						
1st Tier Net Debt Service <sup>(1)</sup>	(239,858,129)	(269,246,136)	(287,535,520)	(306,686,559)	(327,969,039)	(330,102,484)
2nd Tier Net Debt Service <sup>(1)</sup>	(37,724,878)	(58,038,276)	(58,038,276)	(58,038,276)	(58,038,276)	(58,038,276)
3rd Tier Net Debt Service <sup>(1)</sup>	-	-	-	-	-	-
<b>TOTAL OUTFLOWS</b>	(277,583,007)	(327,284,412)	(345,573,796)	(364,724,835)	(386,007,315)	(388,140,760)
<b>Estimated Ending Available Cash Balance</b>	16,400,000	-	-	-	-	-
<b>Net Revenues Available for Major Maintenance Projects</b>	93,777,687	100,846,233	101,914,033	119,009,137	133,340,638	162,661,284
First Tier Debt Service Coverage	1.55	1.59	1.56	1.58	1.58	1.67
First & Second Tier Debt Service Coverage	1.34	1.31	1.29	1.33	1.35	1.42
All Debt Service Coverage	1.20	1.15	1.19	1.22	1.24	1.31
CIF Subordinated Debt Coverage	1.17	1.15	1.18	1.16	1.18	1.24
<b>YEARS</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Net Revenues Available for Major Maintenance Projects</b>	93,777,687	100,846,233	101,914,033	119,009,137	133,340,638	162,661,284
<b>RESERVE MAINTENANCE FUND</b>						
<b>Estimated Beginning Available Cash Balance</b>	61,525,822	48,785,563	23,775,102	5,000,000	5,000,000	5,000,000
<b>INFLOWS</b>						
Transfer from Revenue Fund	8,815,969	-	3,157,719	21,459,690	22,858,788	23,692,265
<b>TOTAL INFLOWS</b>	8,815,969	-	3,157,719	21,459,690	22,858,788	23,692,265
<b>OUTFLOWS</b>						
RMF 2010 Carryover Expenses	(500,000)	-	-	-	-	-
RMF Project Expenses <sup>(1)</sup>	(18,831,625)	(17,057,700)	(19,283,844)	(18,856,924)	(20,094,016)	(20,828,138)
RMF 2011 Carryover Expenses	(4,655,500)	-	-	-	-	-
RMF 2012 Carryover Expenses	5,589,000	(5,589,000)	-	-	-	-
RMF Professional Fees	(224,805)	(231,549)	(238,496)	(245,650)	(253,020)	(260,610)
RMF Salaries/Wages	(2,933,298)	(2,132,213)	(2,410,481)	(2,357,116)	(2,511,752)	(2,603,517)
<b>TOTAL OUTFLOWS</b>	(21,556,228)	(25,010,462)	(21,932,821)	(21,459,690)	(22,858,788)	(23,692,265)
<b>Estimated Ending Cash Balance/RMF Reserve</b>	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
<b>Estimated Ending Available Cash Balance</b>	43,785,563	18,775,102	-	-	-	-
<b>Net Revenues Available for Capital Improvement Projects</b>	84,961,718	100,846,233	98,756,315	97,549,448	110,481,850	138,969,019

Appendix G - All Funds Long Term Financial Projections (Continued)

	<b>LONG TERM FINANCIAL PLANS CAPITAL IMPROVEMENT PROJECTS</b>					
<b>YEARS</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Net Revenues Available for Capital Improvement Projects</b>	84,961,718	100,846,233	98,756,315	97,549,448	110,481,850	138,969,019
<b>CAPITAL IMPROVEMENT FUND</b>						
<b>Estimated Beginning CIF Uncommitted Cash Balance</b>	118,594,089	38,679,993	40,372,398	76,012,966	42,449,254	54,438,520
<b>INFLOWS</b>						
Transfer from Revenue Fund	84,961,718	100,846,233	98,756,315	97,549,448	110,481,850	138,969,019
CIF Bond Payment Account Release	-	-	-	-	-	-
Commercial Paper Issue	-	-	-	-	-	-
Reimbursement from PGBT-WE for Expenditures	-	-	-	-	-	-
<b>TOTAL INFLOWS</b>	84,961,718	100,846,233	98,756,315	97,549,448	110,481,850	138,969,019
<b>OUTFLOWS</b>						
CIF Subordinated Debt	(23,416,150)	(23,416,150)	(23,416,150)	(23,416,150)	(23,416,150)	(23,416,150)
ISTEA Payment	(8,250,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(9,000,000)
Commercial Paper	(56,300,000)	-	-	-	-	-
CIF Project Expenses	(66,622,989)	(38,445,982)	(28,728,197)	(17,910,498)	(6,711,998)	(6,701,498)
CIF Professional Fees	(799,476)	(461,352)	(344,738)	(214,926)	(80,544)	(80,418)
CIF Salaries/Wages	(1,665,575)	(961,150)	(718,205)	(447,762)	(167,800)	(167,537)
Transfer to NTTA System Construction Funds	-	-	-	(79,161,354)	(58,097,988)	(67,865,935)
Transfer to Corridors Under Study	(3,451,349)	(941,330)	(108,000)	(108,000)	(108,000)	(58,000)
Transfer to Feasibility Study Fund	(1,697,102)	(2,011,527)	(1,800,456)	(1,854,470)	(1,910,104)	(1,967,407)
<b>TOTAL OUTFLOWS</b>	(162,202,641)	(74,237,490)	(63,115,746)	(131,113,160)	(98,492,584)	(109,256,945)
Transfer to CIF Bond Payment Account	-	-	-	-	-	-
Transfer to Rainy Day Fund Account	(2,673,173)	(24,916,338)	-	-	-	-
<b>Estimated Ending CIF Uncommitted Cash Balance</b>	38,679,993	40,372,398	76,012,966	42,449,254	54,438,520	84,150,593
<b>CIF Bond Payment Account</b>						
<b>Estimated Beginning CIF Bond Payment Account Cash Balance</b>	23,416,150	23,416,150	23,416,150	23,416,150	23,416,150	23,416,150
Transfers from CIF Cash Account	-	-	-	-	-	-
Transfers to CIF Cash Account	-	-	-	-	-	-
<b>Estimated Ending CIF Bond Payment Account Cash Balance</b>	23,416,150	23,416,150	23,416,150	23,416,150	23,416,150	23,416,150
<b>CIF Rainy Day Fund Account</b>						
<b>Estimated Beginning CIF Rainy Day Fund Account Cash Balance</b>	22,410,489	25,083,662	50,000,000	50,000,000	50,000,000	50,000,000
Transfers from CIF Cash Account	2,673,173	24,916,338	-	-	-	-
Transfers to CIF Cash Account	-	-	-	-	-	-
<b>Estimated Ending CIF Rainy Day Fund Account Cash Balance</b>	25,083,662	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
<b>Estimated Ending Total CIF Cash Balances</b>	87,179,805	113,788,548	149,429,116	115,865,404	127,854,670	157,566,743
<b>YEARS</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>REVOLVING ACCOUNT - FEASIBILITY STUDY FUND</b>						
<b>Estimated Beginning Available Cash Balance</b>	-	-	-	-	-	-
<b>INFLOWS</b>						
Bond Issues	-	-	-	-	-	-
Transfer from Capital Improvement Fund	1,697,102	2,011,527	1,800,456	1,854,470	1,910,104	1,967,407
<b>TOTAL INFLOWS</b>	1,697,102	2,011,527	1,800,456	1,854,470	1,910,104	1,967,407
<b>OUTFLOWS</b>						
Professional Fees	(390,333)	(413,991)	(414,105)	(426,528)	(439,324)	(452,504)
Salaries/Wages	(441,247)	(442,536)	(468,119)	(482,162)	(496,627)	(511,526)
Traffic Engineering Fees	(865,522)	(1,155,000)	(918,233)	(945,780)	(974,153)	(1,003,378)
<b>TOTAL OUTFLOWS</b>	(1,697,102)	(2,011,527)	(1,800,456)	(1,854,470)	(1,910,104)	(1,967,407)
<b>Estimated Ending Available Cash Balance</b>	-	-	-	-	-	-

Appendix G - All Funds Long Term Financial Projections

 NORTH TEXAS TOLLWAY AUTHORITY		<b>LONG TERM FINANCIAL PLANS CORRIDORS UNDER STUDY</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total Years 2013 -2017</b>	
<b>Corridors Under Study Fund</b>								
<b>Estimated Beginning Available Cash Balance</b>	-	-	-	-	-	-	-	
<b>INFLOWS</b>								
Reimbursement Agreements:								
TxDOT - Trinity Parkway	-	2,333,335	-	-	-	-	2,333,335	
Transfer from Capital Improvement Fund	3,451,349	941,330	108,000	108,000	108,000	58,000	1,323,330	
Bond Issues	-	-	-	-	-	-	-	
<b>TOTAL INFLOWS</b>	<b>3,451,349</b>	<b>3,274,665</b>	<b>108,000</b>	<b>108,000</b>	<b>108,000</b>	<b>58,000</b>	<b>3,656,665</b>	
<b>OUTFLOWS</b>								
SH 360 <sup>(1)(2)(3)</sup>	(778,705)	(200,000)	-	-	-	-	(200,000)	
SH 170 <sup>(1)(2)(3)</sup>	(1,986,644)	(300,000)	-	-	-	-	(300,000)	
DNT Phase 4A <sup>(1)(2)</sup>	(49,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(120,000)	
DNT Phase 4B-5A <sup>(1)(2)</sup>	(337,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(95,000)	
Trinity Parkway <sup>(1)(2)</sup>	(250,000)	(2,716,665)	(50,000)	(50,000)	(50,000)	-	(2,866,665)	
Outer Loop Southeast (Loop 9) <sup>(1)(2)</sup>	(25,000)	-	-	-	-	-	-	
Cillion County Outer Loop Southwest <sup>(1)(2)</sup>	(25,000)	-	-	-	-	-	-	
PGBT EE - East Branch <sup>(1)(2)</sup>	-	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(75,000)	
<b>TOTAL OUTFLOWS</b>	<b>(3,451,349)</b>	<b>(3,274,665)</b>	<b>(108,000)</b>	<b>(108,000)</b>	<b>(108,000)</b>	<b>(58,000)</b>	<b>(3,656,665)</b>	
<b>Estimated Ending Available Cash Balance</b>	-	-	-	-	-	-	-	
(1) Any agreement or decision to undertake any of these corridor projects will be subject to establishing the financial feasibility of the projects.								
(2) Once financial feasibility is established, the project must then be approved by the Board of Directors and funding sources must be determined to officially accept a project.								
(3) Project costs shown for SH 170 and SH 360 are for their respective Sections 1 only.								

## Appendix H – **IMPACT OF CAPITAL EXPENDITURES ON OPERATIONS**

### **Introduction**

Capital expenditures can have a major impact on both the cost of operations and the operations themselves. The North Texas Tollway Authority (NTTA) is active in investing in capital projects that will allow the NTTA to operate efficiently while providing our customers with the transportation solutions they need.

### **New Roadway Construction / Facilities**

As the NTTA grows, new road construction and existing road expansions are expected to occur. When additional lane miles are added a significant increase in operations cost is also expected. During the 2013 fiscal year the NTTA has budgeted approximately \$155,00 for each lane mile. This cost represents the marginal increase for adding an additional lane mile and has remained relatively steady over the past three years.

As the number of lane miles grow it is necessary to add additional facilities to sustain the new lane miles. In 2012 / 2013 an operations facility is planned along the Sam Rayburn Tollway. This facility will give personnel assigned to SRT a base of operations close to the project for more efficient operations and quicker response time to any safety issues.

<b>Estimated Impact of Capital Improvements on Operating Budget</b>					
<b>Construction Project</b>	<b>Years</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
President George Bush Turnpike - Eastern Extension	\$3,788,290	\$8,888,033	\$ 9,342,954	\$ 9,644,348	\$10,599,255
Sam Rayburn Tollway	\$ 595,000	\$1,026,363	\$ 1,042,450	\$ 4,489,175	\$ 7,544,200
<b>Total</b>	<u>\$4,383,290</u>	<u>\$9,914,396</u>	<u>\$ 10,385,404</u>	<u>\$14,133,523</u>	<u>\$18,143,455</u>

## Conversion to All-Electronic Toll Collection (All-ETC)

Beginning in 2008 the NTTA began converting its existing toll collection system into an All-ETC system. The conversion was complete in early 2011 and is intended to provide customers with improved traffic flow, improved air quality, reduced travel time and enhanced safety. This project had a major impact on the operations of the NTTA. The toll-collection and vault departments were eliminated some of the employees transitioning into new positions. The customer service department saw a significant increase in the number and type of customer contacts. The Customer Service department was restructured to accommodate the changes.

The conversion to All-ETC is expected to result in net present value savings of \$350 to \$507 million in operations and infrastructure maintenance cost from 2011 to 2045.

## Equipment/Hardware/Software Enhancements

The NTTA is in the process of enhancing its RITE System, which is a proprietary system that is the core of NTTA's revenue collection. The enhancement will allow the system to better handle the conversion to All-ETC.

The PeopleSoft Financials is being re-implemented to take full advantage of the various modules of the software. Included is a move to new budgeting software that will allow for more efficient planning. Once complete the Finance department should be able to automate many of the manual processes used today.

The NTTA continues to invest in network upgrades, enterprise systems upgrades, disaster recovery, and Payment Card Industry (PCI) information security and compliance software. The investment in new software and enhancement of current software has an impact on the Operating budget in terms of annual support and maintenance fees as follows:

<b>Estimated Impact of Software and Enhancement</b>					
<b>Capital Expenditures on Operating Budget</b>					
<b>Project</b>	<b>Years</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Annual Support and Maintenance	\$ 1,426,888	\$ 433,556	\$ 400,240	\$ 441,346	\$ 449,764
2011 shows the initial impact of the purchase, with the subsequent years showing the estimated increases required.					

## Appendix I - **Glossary of Terms and Acronyms**

### **A**

**AATT** – Acronym for Addison Airport Toll Tunnel an approximately 1 mile long tunnel and road that is part of the System.

**ACM** – Acronym for automatic coin machines.

**A&D** – Acronym for the Availability and Disparity study that NTTA participated in to identify the availability of M/W/S&DBEs in the region and the utilization of these businesses by NTTA.

**Advanced Refunding** – Transaction in which new debt is issued to refinance existing debt (old debt), but the proceeds must be placed in escrow pending call date or maturity.

**All-ETC** – Acronym for all-electronic toll collection, the cashless system of collecting tolls that the Authority is implementing

**Annual Budget** – The budget of Current Expenses (or Operating Budget) and payments to the Reserve Maintenance Fund for such Fiscal Year that the Authority covenants it will adopt on or before the first day of each Fiscal Year. This is the only budget required by the Trust Agreement.

**Annual Revenue Days** – A factor used by NTTA's Traffic and Revenue Engineers, to convert the daily revenue to annual revenue estimates.

**APB** – Acronym for Accounting Principles Board, the authoritative private sector standard-setting body that preceded the FASB. The APB issued guidance in the form of *Opinions*.

**Arbitrage** – In government finance, the reinvestment of the proceeds of tax-exempt securities in materially higher yielding taxable securities.

### **B**

**Balanced Budget** – All payments for maintenance, repair and operations will not exceed the reasonable and necessary amount required and it will not exceed amounts in the Annual Budget.

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

**Budget** – Plan of coordinating estimated expenses and income for a given period of time.

### **C**

**Capital Assets** – Land and improvements, easements, buildings and improvements, vehicles, machinery, equipment, infrastructure, and all other tangible and intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

**Capital Improvement Fund (CIF)** – Fund created by the Trust Agreement for the purpose of paying the cost of repairs, enlargements, extensions, resurfacing, additions, renewals, improvements, acquisition of rights of way, reconstruction and replacements, capital expenditures, engineering, studies, and other expenses relating to the powers or functions of the Authority in connection with the Tollway, or for any other purpose authorized by law

**Capital Outlays** – Cost which result in the acquisition of fixed assets with an individual value of \$5,000 or greater and a useful life of at least two years.

**Construction Fund (CF)** – Fund created by the Trust Agreement for the purpose of paying all cost of acquiring or constructing new projects or extensions of the System.

**Core Competency** – The essential duties and responsibilities of a position or department.

**Covenants** – To promise by covenant; pledge.

**CTP** – Acronym for Chisholm Trail Parkway an approximately 27.6-mile toll road that will be constructed as part of the Special Projects System.

## D

**DCSO CP** – Acronym for Dallas County Sheriff's Office Courtesy Patrol in-charge of providing incident assistance on a portion of the System.

**Debt Coverage Ratio** – The ratio of Net Debt Service (Debt Service less Capitalized Interest) to Net Revenues

(Total Revenues less Operating Expenses).

**Debt Service Funds** – Funds created by the Trust Agreement for the purpose of paying principal and interest on 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Tier debt obligations.

**DFW Airport** – Acronym for the Dallas/Fort Worth Airport, an interoperable agency.

**DMV** – Acronym for the Department of Motor Vehicles

**DNT** – Acronym for the Dallas North Tollway an approximately 31 mile portion of the System.

**DPS** – Acronym for Department of Public Safety in-charge of providing police services on the System

## E

**Enterprise Fund** – Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

**EPDS** – Acronym for Enterprise Project Delivery System

## F

**FASB** – Acronym for Federal Accounting Standards Board, the authoritative standard-setting body responsible for establishing GAAP for the federal government.

**Feasibility Study Fund (FSF)** – Is the revolving account of the CIF and was created to account for the initial cost of determining if a project is viable.

**Fiduciary Funds** – Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the governments own programs.

**First Tier Debt Service** – Debt of the Authority that is secured by and payable from a lien on and the pledge of the Net Revenues of the Authority.

**Fiscal Year** – Is a 12-month period used for the annual operating budget and the reporting of financial position and results of operations of the Authority. The Authority's fiscal year begins January 1<sup>st</sup> and ends December 31<sup>st</sup>.

**FTEs** – Acronym for full time equivalent, a measurement of staffing. One FTE is a 40 hour week position. A Part-Time position working 20 hours per week or a temporary full-time position working six months would be a ½ FTE.

**Fund** – Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

## **G**

**GAAP** – Acronym for generally accepted accounting principles, the conventions, rules and procedures that serve as the norm for the fair presentation of financial statements.

**GASB** – Acronym for Governmental Accounting Standards Board, the ultimate authoritative accounting and financial reporting standard-setting body for state and local governments

**GIS** – Acronym for Geographic Information System used for mapping infrastructure assets and location of various aspects of the assets.

## **H**

**HCTRA** – Acronym for Harris County Toll Road Authority, an interoperable agency.

## **I**

**IBTTA** – Acronym for International Bridge, Tunnel and Turnpike Association

**Interoperability** – Term used to identify agencies with compatible systems that have agreed to honor each other's transponder transactions.

**ITS** – Acronym for Intelligent Transportation System used by NTTA to monitor the System and communicate with the System users.

**ISTEA** – Acronym for Intermodal Surface Transportation Efficiency Act of 1991 that supplied a loan to assist with the construction of PGBT.

## **L**

**Lane Miles** – The total length of a road times the number of lanes. For example a 4 lane road that is 10 miles long has a total of 40 lane miles.

**Leakage** – Is a factor applied by NTTA’s Traffic and Revenue Engineers to determine the amount of revenue that the Authority will not be able to collect for various reasons.

**LLTB** – Acronym for Lewisville Lake Toll Bridge an approximately 2 mile long bridge and road that is part of the System.

## **M**

**MCLB** – Acronym for Mountain Creek Lake Bridge an approximately 2 mile long bridge that is part of the System.

**M/W/S&DBEs** – Acronym for Minority/Women/Small and Disadvantaged Business Enterprises.

## **N**

**NTTA** – Acronym for the North Texas Tollway Authority, a political sub-division of the State created by and operating pursuant to Chapter 366 of the Texas Transportation Code.

## **O**

**OPEB** – Acronym for other post employment benefits liability for health care and life insurance required by GASB Statement 45

**Operation & Maintenance Fund (OMF)** – Fund created by the Trust Agreement for the purpose of accounting for and paying current operating expenses of North Texas Tollway Authority.

## **P**

**PEBC** – Acronym for Public Employees Benefits Cooperative that manages the Authorities health and welfare benefit plans.

**PGBT** – Acronym for President George Bush Turnpike an approximately 30 mile long portion of the System

**PGBT-EE** – Acronym for President George Bush Turnpike- Eastern Extension an approximately 9.9-mile long portion of the System

**PGBT-WE** – Acronym for President George Bush Turnpike- Western Extension an approximately 11.5-mile portion of PGBT that will be a project of the Special Projects System

## **R**

**Ramp-up** – The factor applied to the potential traffic on new toll facilities to account for the time needed for travelers to become aware of the new toll roads and the benefits of using them.

**Reserve Maintenance Fund (RMF)** – Fund created by the Trust Agreement for the purpose of paying the cost of repairs, painting, renewals, replacements, improvements, and other costs and expenses necessary for safe or efficient operation of the Tollway or to prevent loss of revenues, for engineering expenses relating to the functions of the Authority, for equipment,

expenses of maintenance, and operating expenses not occurring at annual or shorter periods.

**Revenue Fund** – Fund created by the Trust Agreement for the purpose of depositing all gross revenues (all tolls, other revenues, and income) arising or derived by the Authority from the operation and ownership of the Tollway (excepting investment income from all Funds and Accounts other than the

Revenue Fund) will be collected by the Authority and deposited daily, as far as practicable.

**Revenue Lane Miles** – Lane miles on which tolls are collected on.

**RITE** – Acronym for Regional Integrated Toll Enhancements. This is an electronic toll collection system designed specifically for the NTTA.

**RTC** – Acronym for the Regional Transportation Commission

## S

**Second Tier Debt Service** – Debt of the Authority that is secured by and payable from a lien on and the pledge of the Net Revenues subordinate to the First Tier Debt.

**Service Roads** – Non-tolled roads running parallel to the tolled lanes

**SRT** – Acronym for Sam Rayburn Tollway an approximately 26 miles long portion of the System

**SWP** - Acronym for Southwest Parkway Tollway an approximately 27.2 miles long

## T

**TCDRS** – Acronym for Texas County & District Retirement System that NTTA employees belong to.

**TELA** – Acronym for Toll Equity Loan Agreement between NTTA and TxDOT to construct PGBT-WE and CTP.

**Third Tier Debt Service** – Debt of the Authority that is secured by and payable from a lien on and the pledge of the Net

Revenues subordinate to the First and Second Tier Debt.

**TIFIA** – Acronym for the Transportation Infrastructure Finance and Innovation Act of 1998 secured loan agreement between NTTA and United States Department of Transportation to construct PGBT-WE and CTP.

**Toll Revenue** – The revenue from the tolls collected by the Authority and established by the Board pursuant to the Trust Agreement. It is the main source of revenue for the Authority.

**Toll Road** – Road on which tolls are charged.

**TollTag®** – Trade mark for the transponders used by NTTA to collect electronic toll transactions.

**Trust Agreement** - The Amended and Restated Trust Agreement with Supplements, is the document that governs all matters relating to the bonds, and the operation of the Tollway and its improvement, extension, additions enlargements, and other matters relating to the Authority and the Tollway.

**TSA** – Acronym for Toll Service Agreements which are agreements between other agencies or companies and NTTA for the processing of toll transactions.

**Turnpike** – Expressway on which tolls are charged.

**TxDOT** – Acronym for Texas Department of Transportation, a state agency responsible for the state's highway system.

## **U**

**USDOT** - United States Department of Transportation

## **V**

**VES** – Acronym for Violation Enforcement System the system used by NTTA to pursue toll violators.

**VOS** – Acronym for Vendor Outreach Symposiums, meetings conducted by NTTA to better diversify its vendor base.

## **W**

**WSA** – Acronym for Wilbur Smith & Associates the firm the Authority currently uses for traffic and revenue estimations.

## **Z**

**ZipCash®** – Trade mark for NTTA's toll transaction invoicing system based on electronic reading of vehicle license plate numbers.

