

NORTH TEXAS TOLLWAY AUTHORITY
Finance & Audit Committee Meeting Minutes
March 7, 2013

A public notice of this meeting containing all items was filed in the Office of the Secretary of State as required by Chapter 551 of the Texas Government Code, referred to as "The Open Meetings Act."

Minutes of the Finance & Audit Committee meeting held at the North Texas Tollway Authority, 5900 West Plano Parkway, Plano, Texas, on March 7, 2013 at 11:00 a.m.

CALL TO ORDER

Committee Chairman Moore called the meeting to order at 11:00 a.m.

1. ESTABLISHMENT OF QUORUM

Committee Chairman Moore established a quorum by calling the roll. The following committee members were in attendance:

William Moore	Committee Chairman
Michael Nowels	Member
Bill Elliott	Member
Matrice Ellis-Kirk	Member

Chairman Barr and Director Haddad were also in attendance.

NTTA employees attending the Committee meeting were: Gerry Carrigan, CEO/Executive Director; John Carreker, COO/Deputy Executive Director; Tom Bamonte, General Counsel; Ruby Franklin, Secretary; Lorelei Griffith, Assistant Secretary; Janice Davis, Assistant Executive Director of Strategic & Innovative Solutions/Treasurer; Dana Gibson-Boone, Director of Cash and Debt Management/Assistant Treasurer; Elizabeth Mow, Assistant Executive Director of Infrastructure; Kim Tolbert, Chief Strategic Officer; Ray Zies, Controller; Magdalena Kovats, Director of Internal Audit; Eric Hemphill, Director of Maintenance; John Bannerman, Interim Director of Customer Service Center; Marty Legè, Director of System Incident Management; Anthony Coleman, Director of Business Diversity; Kim Jackson, Director of Public Affairs; Carrie Rogers, Director of Government Affairs; Dave Pounds, Director of Information Technology; Felix Alvarez, Director of Procurement Services; and Nina Arias, Director of Human Resources.

Also present at the meeting representing the Authority were Frank Stevenson, Locke Lord LLC, Board Counsel; Greg Schaecher, McCall Parkhurst & Horton, Bond Counsel to the Authority; Bill Mahomes, Mahomes Bolden, PC, Bond Counsel to the Authority; Stephanie Halliday, HNTB, Project Management Consultant to the Authority; Keith Jackson, Atkins North America, Inc., General Engineering Consultant to the Authority;

Phani Jammalamadaka, CDM Smith Associates, Traffic & Revenue Consultant to the Authority.

2. General public comments not related to specific agenda items

No comments were made under this item.

3. Approval of the minutes from the December 6, 2012 Finance and Audit Committee meeting

Director Elliott made a motion to approve the minutes of the December 6, 2012 Finance and Audit Committee meeting, and Director Ellis-Kirk seconded the motion. The minutes were approved unanimously. (Resolution No. 13-30)

4. Approval of the Investment Policy and Strategy and the authorized Financial Institutions

Janice Davis, Assistant Executive Director of Strategic and Innovative Solutions (AED of SIS), presented the Investment Policy & Qualified Financial Institutions. She discussed the background, including governing documents, and mentioned that there were no content changes; the changes were to formatting and outline. Ms. Davis noted that Procurement issued Requests for Qualifications for qualified financial institutions (including minority agencies and associations). After independent evaluation, a short-list of 15 firms was established. She concluded the presentation with an overview of NTTA's investment process and responded to questions from the Committee.

The 2013 Investment Policy & Qualified Financial Institutions were unanimously approved for recommendation to the Board.

5. Proposed amendments to the Debt Policy and the Interest Rate Risk Management Plan

Janice Davis, AED of SIS, also presented the Debt Policy and IRRMP. She stated the IRRMP was formerly known as the Swap Management Plan (SWP). Ms. Davis provided the background and reason for the update – it adds the Special Projects System (SPS), describes coverage for the System and SPS, and integrates changes in State Law. Changes to the IRRMP included defining reasons why NTTA would enter into an IRRMP, guidelines, risks, requirements, definitions, and approvals. Ms. Davis responded to questions from the Committee and the proposed Amendments were unanimously approved for recommendation to the Board.

6. Selection of an underwriting pool from which the NTTA could form underwriting syndicates for future NTTA financings

Dana Gibson-Boone, Director of Cash & Debt Management, presented the recommendation to establish a new Underwriting Pool. The recommended pool would be comprised of national, regional, and minority firms. She elaborated on changes to the pool; firms added as well as those removed. Ms. Gibson-Boone also stated that bond transactions would be selected from the established underwriting pool, on a case

by case basis, before Board approval. She closed the presentation responding to questions from the Committee.

Selection of an Underwriting Pool was unanimously approved for recommendation to the Board.

7. Service Agreement with TIAA-CREF for provision of 401(k) and 457(b) Administrative, Trustee and Investment Services

Nina Arias, Director of Human Resources, presented the Service Agreement with TIAA-CREF for provision of 401(k) and 457(b) Administrative, Trustee and Investment Services. She began the presentation with a background of the plans and an overview of the selection process; outreach, evaluation, responders, criteria, and outcome. Ms. Arias stated NTTA's contribution remains the same and employees benefit from the contribution. A diversity goal was not set but TIAA-CREF has committed to NTTA's "good faith effort" diversity component.

Ms. Arias and a representative from TIAA-CREF explained cost variables between the current plan and the one proposed by TIAA-CREF. The Service Agreement was presented to the Finance & Audit Committee because the Administrative Committee did not meet this month.

The Service Agreement was unanimously approved for recommendation to the Board.

8. Monthly Financial Report for October 2012

Ray Zies, Controller, presented the MFR for January 2013. Mr. Zies highlighted positive factors related to transactions (NTTAS is ahead of projection), increase in uninvoiced transactions, AVI growth, and ZipCash collection status. He also communicated that SPS transactions are below projections (the challenge is ramp-up) but the T&R consultants are evaluating the impact of construction on IH 20 and the free 3-mile area located on SH 161. Mr. Zies stated the reduction will not impact SPS cash flow or debt service. Staff responded to questions from the Committee.

9. 2014 Budget Calendar briefing

Armando Garza, Budget Manager, presented the 2014 Budget calendar. He briefed the Committee on dates that impact the Committee and Board, discussed the main focus of the NTTAS budget, communicated why the SPS budget increased, shared information related to the Construction Fund, and transfers. Mr. Garza mentioned that all projects included in the 5-Year Capital Plan can be paid without issuing additional debt. Staff responded to questions from the Committee and changes to the schedule were recommended. Mr. Garza will revise the schedule and bring it back to the Board.

10. EXECUTIVE SESSION

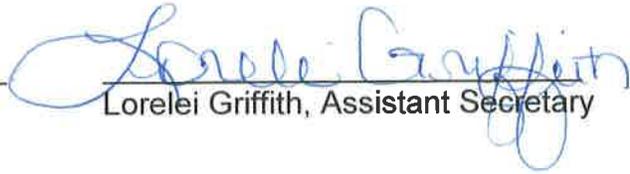
An Executive Session was not held.

ADJOURNMENT

The meeting adjourned at 12:26 p.m.



William Moore, Committee Chairman
NTTA Finance & Audit Committee



Lorelei Griffith, Assistant Secretary