

NORTH TEXAS TOLLWAY AUTHORITY
Finance & Audit Committee Meeting Minutes
May 3, 2012

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 May 3, 2012 at 9:00 a.m.

CALL TO ORDER

Committee Chairman Moore called the meeting to order at 9:00 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
*Victor Vandergriff	Member
Michael Nowels	Member
William D. Elliott	Member

Chairman Barr was also in attendance.

*Director Vandergriff attended the meeting via phone and dropped out of the meeting at 10:33 a.m.

NTTA employees attending the Committee meeting were: Gerry Carrigan, Executive Director; Tom Bamonte, General Counsel; Lorelei Griffith, Assistant Secretary; Janice Davis, Chief Financial Officer/Treasurer; Dana Boone, Director of Cash and Debt Management/Assistant Treasurer; Elizabeth Mow, Interim Assistant Executive Director of Project Delivery; Clayton Howe, Assistant Executive Director of Operations; Kim Tolbert, Assistant Executive Director of Administrative Services; Ray Zies, Controller; Magdalena Kovats, Director of Internal Audit; Eric Hemphill, Interim Director of Maintenance; Marty Legè, Director of System Incident Management; Anthony Coleman, Director of Business Diversity; Kim Jackson, Director of Communications; 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, 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, General Engineering Consultant to the Authority; Michael

Copeland, Wilbur Smith Associates, Traffic and Revenue Consultant to the Authority;
Ron Morrison, RBC Capital Markets, Financial Advisor 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 of the April 5, 2012 Finance and Audit Committee meeting

Director Nowels made a motion to approve the minutes of the April 5, 2012 Finance and Audit Committee meeting, and Director Vandergriff seconded the motion. The minutes were approved unanimously. (Resolution No. 12-70)

4. Special Projects System 2013 Budget Briefing

Armando Garza, Budget and Compliance Manager, presented the 2013 Budget for the Special Projects System. He highlighted TIFIA, TELA, and SPS Trust Agreement requirements followed by a draft of amounts budgeted for the Special Projects System, an update on the system's performance, opening dates for the CTP corridor and the final phase of 161T, and elements triggering costs. Janice Davis and Armando Garza responded to questions from the Committee. This item was a briefing only and will be brought back to the June 7, 2012 F&A Committee.

5. Conversion of Series 2009D Bonds to a new interest rate mode and related bond resolution and credit agreement amendments and extensions and approving Remarketing Memorandum related to the Bonds

Dana Gibson-Boone, Director of Cash and Debt Management, and Ron Morrison, Financial Advisor with RBC Capital Market, LLC made a joint presentation of the material related to extending the Letter of Credit (LOC) from JPMorgan Chase & Co. They presented an overview of Basel III and its potential impact on the LOC market. They compared the existing LOC to the proposed as it relates to the term and fees. The potential risks and mitigations were also provided. Staff responded to questions from the Committee. The extension was unanimously approved for recommendation to the full Board.

6. Selection of P3 financial advisor

Janice Davis, Chief Financial Officer, presented the selection of P3 Financial Advisor. She reviewed the selection process, reported the number of proposals requested, and disclosed the P3 Financial Advisor selection (including the minority participant). Ms. Davis closed the presentation with the transition plan, timeline, and recommendation. Finance will keep the Board apprised on costs associated with the new format. The selection was unanimously approved for recommendation to the full Board.

7. Selection of general municipal financial advisors

Janice Davis, Chief Financial Officer, also presented the selection of General Municipal Financial Advisor. She reported the number of proposals requested, conveyed the number attending the conference, and disclosed the General Municipal Financial Advisor selection (including their credentials). Ms. Davis closed this presentation with the transition plan, timeline, and recommendation also. The selection was unanimously approved for recommendation to the full Board.

8. Benefits for active employees and retirees, proposed RFP and recommendations

Kim Tolbert, Assistant Executive Director of Administrative Services, presented the benefits overview, proposed RFP, and recommendations. This item should have been on the Admin Committee's agenda but they did not meet. Ms. Tolbert provided details of active and retired employee benefits, history of the PEBC and Interlocal Agreement with NCTCOG, historical costs and trends, and reported NTTA's portion of employee benefits. This item was unanimously approved for recommendation to the full Board.

9. RITE System Projects Update

Clayton Howe, Assistant Executive Director of Operations, provided an update on the RITE software upgrade. Nine modules were received (3 on 4/17 and the remainder by 4/30). Mr. Howe commented that testing is going well and should be completed by May 10th. The project is on schedule and within budget. Mr. Howe responded to questions from the Committee.

10. Monthly Financial Report and the Quarterly Investment Report for the month of March, 2012

Ray Zies, Controller, presented the Monthly Financial Report, highlighting revenue and receivables activity. He also presented the matched versus unmatched transactions and V-Toll comparisons. Mr. Zies noted that transactions aren't usually recognized as revenue until they are billed. However, unbilled Accounts Receivable has been added to the report based on discussions with outside auditors.

Dana Gibson-Boone, Director of Cash and Debt Management, presented the Quarterly Investment Report. She included earnings for the period, composition of the portfolio, status by fund, and historical portfolio performance (including weighted averages).

Finance will provide the requested forecasts, monthly projections, and NTTA's net investment in projects. Staff responded to questions from the Committee.

11. EXECUTIVE SESSION

An Executive Session was not held.

ADJOURNMENT

The meeting adjourned at 11:10 a.m.

William Moore

William Moore, Committee Chairman
NTTA Finance & Audit Committee

Lorelei Griffith

Lorelei Griffith, Assistant Secretary