

NORTH TEXAS TOLLWAY AUTHORITY
Finance & Audit Committee Meeting Minutes
August 2, 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 August 2, 2012 at 9:00 a.m.

CALL TO ORDER

Committee Chairman Moore called the meeting to order at 9:02 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
Matrice Ellis-Kirk	Member
Bill Elliott	Member

Chairman Barr and Director Willard were also in attendance.

NTTA employees attending the Committee meeting were: Gerry Carrigan, Executive Director; Tom Bamonte, General Counsel; Ruby Franklin, Secretary; Lorelei Griffith, Assistant Secretary; Janice Davis, Chief Financial Officer/Treasurer; Elizabeth Mow, 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, 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

2. General public comments not related to specific agenda items

No comments were made under this item.

3. Approval of the minutes of the June 7, 2012 Finance and Audit Committee meeting

Director Elliott made a motion to approve the minutes of the June 7, 2012 Finance and Audit Committee meeting, and Director Ellis-Kirk seconded the motion. The minutes were approved unanimously. (Resolution No. 12-116)

4. Briefing on the Internal Audit FY 2012 proposed updated work plan and issued audit reports

Magdalena Kovats, Director of Internal Audit, presented Internal Audit's FY 2012 proposed updated work plan and issued audit reports. The approved work plan included assurance projects, management requests, monitoring, and the county review. Ms. Kovats defined processes and updates to the work plan (additions and deletions, such as excluding the T&R Analysis as management is monitoring this process and excluding capital investment management because based upon the preliminary risk assessment it is no longer a focus item since it is regulated and currently not considered an area of high risk). She closed with a briefing on results of issued audit reports and responded to questions from the Committee. Committee Chairman commented that he would like all the committee members to read all the reports issued and would like to ensure that there is discussion around the opportunities identified.

5. Briefing and possible action on the first one- year contract renewal option of the QuestMark contract for printing services

Clayton Howe, Assistant Executive Director of Operations, presented background, general overview, and recommendations for QuestMark Printing Services' one-year contract renewal option. He summarized the purpose of the contract (outsources printing services related to invoice preparation and mailing, statements, and no-balance letters based on a pre-printed item model). Mr. Howe stated that an analysis from Texas, Virginia, and California shows the existing model is favorable. He responded to questions from the Committee and the one-year extension was unanimously approved for recommendation to the Board.

6. RITE System Project Update

Clayton Howe, Assistant Executive Director of Operations, also provided an update on the RITE System Project. He conveyed the project is behind schedule and disclosed the new delivery date (March 2013). Autostrade is engaged with personnel and capital, Clayton's team is verifying the project plan, and an Independent Verification and Validation (IV&V) professional is engaged to ensure both parties (NTTA and ETCC) are performing as expected. He concluded with the payment schedule, next steps, and responded to questions from the Committee.

7. Monthly Financial Report/Quarterly Investment Report June 2012

Ray Zies, Controller, presented the MFR for both the NTTA System and Special Projects System. He highlighted an increase in the AVI trend, leveling of invoices at \$11M, current month invoice comparisons, Accounts Receivables turnover, and budget versus actuals for revenues and expenses. Mr. Zies also provided an explanation for the decrease in uninvoiced/excused transactions (eTags) and presented an analysis of toll revenue and traffic.

Dana Gibson-Boone, Director of Cash and Debt Management, presented the Quarterly Investment Report illustrating weighted averages and yields to maturity, earnings for the period, portfolio composition, and portfolio performance. She commented the portfolio is performing well.

Mr. Zies and Ms. Gibson-Boone responded to questions from the Committee.

8. EXECUTIVE SESSION

An Executive Session was not held.

ADJOURNMENT

The meeting adjourned at 9:52 a.m.

William Moore, Committee Chairman
NTTA Finance & Audit Committee

Stephen Moore
for William Moore

Lorelei Griffith

Lorelei Griffith, Assistant Secretary