

NORTH TEXAS TOLLWAY AUTHORITY
Finance & Audit Committee Meeting Minutes
September 6, 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 September 6, 2012 at 9:00 a.m.

CALL TO ORDER

Committee Chairman Nowels called the meeting to order at 9:05 a.m.

1. ESTABLISHMENT OF QUORUM

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

Michael Nowels	Committee Chairman
Bill Elliott	Member
*Jane Willard	Member
**Victor Vandergriff	Member
**Matrice Ellis-Kirk	Member

Chairman Barr was also in attendance.

*Chairman Barr appointed Director Willard as a member of the committee in order to start the meeting with a quorum.

**Directors Vandergriff and Ellis-Kirk arrived at the meeting at 9:25 a.m.

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; Dana Boone, Director of Cash and Debt Management/Assistant 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 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 August 2, 2012, Finance and Audit Committee meeting

Director Elliott made a motion to approve the minutes of the August 2, 2012 Finance and Audit Committee meeting, and Director Willard seconded the motion. The minutes were approved unanimously. (Resolution No. 12-124)

4. 2013 preliminary budget briefing

Armando Garza, Budget and Compliance Manager, presented the 2013 Preliminary Budgets for the NTTA System and Special Projects System. He explained all of the 2013 assumptions going into the reports showing transactions, revenue increases from the prior year. In closing, he presented the next steps in the process. Janice Davis and Clayton Howe responded to questions from the Committee regarding the reviewed assumptions, Bad Debt Write-offs, and the "Flex Capacity" added to the 2013 Budget.

5. Briefing and possible approval of the TexasTERM Local Government Investment Pool as an authorized investment for NTTA funds

Dana Gibson-Boone, Director of Cash and Debt Management, made a presentation on NTTA's participation in an additional government investment pool called TexasTERM. She summarized the Public Funds and Investment Act. She further explained the need to participate in these funds in order to provide for both diversification and higher yield. Diversification adds an additional layer of protection to the portfolio in keeping with our primary objective which is to preserve the assets. Ms. Boone responded to questions from the Committee. Investment in the TexasTERM Local Government Investment Pool was unanimously approved for recommendation to the Board.

6. Exercise the first one year contract renewal of the Wells Fargo Bank Depository Services Contract

Dana Gibson-Boone, Director of Cash and Debt Management, explained the renewal process and summarized the need for an extension. She indicated that when the services were originally procured only Wells Fargo was truly qualified. At present, the best choice is to extend the existing contract and to re-procure in the future after the RITE implementation is complete. We will re-write the RPQ before then. The extension will run from 1/1/13 to 12/31/13. Ms. Boone, Mr. Clayton Howe, Assistant Executive

Director of Operations, and Mr. Tom Bamonte, General Legal Council, answered questions from the Committee.

7. Briefing on refunding of 2008L-2 and 2003A bonds and finance plan

Dana Gibson-Boone, Director of Cash and Debt Management, and Ron Morrison, RBC Financial Advisors, summarized phase 1 and phase 2 of the 2012 Finance Plan. They provided an overview and analysis of the benefits of refunding the 2008L-2 and 2003A Bonds. By refunding NTTA will save \$4.3 Million gross savings over the life of the 2003A Bonds. Ms. Boone also provided a listing of the Finance team, anticipated time table, and recommendations resulting from the Bond Refunding.

Ms. Boone and Mr. Morrison responded to questions from the Committee. Refunding was unanimously approved for recommendation to the Board.

8. Contract with CDM Smith Associates for System Traffic & Revenue Engineering Services for an initial three-year term and in an amount of \$1.1 million (per year)

Covered with item 9

9. Contract with C&M Associates, Inc., for Special Projects System Traffic & Revenue Engineering Services for an initial three-year term and in an amount of \$600,000 thousand (per year)

Janice Davis, Chief Financial Officer, presented the contracts for the System T&R Services and the Special Projects System T&R Services. She indicated that CDM Smith was selected for the System and C&M for the Special Projects System. She reviewed the background, timeline, selection process, and contract terms. Each contract is for 3 years with 2 optional one year extensions. When asked by Director Vandergriff why the contracts were just coming back to the Committee, Ms. Davis explained that she was awaiting completion of the Contract Template. Ms. Davis responded to questions from the Committee.

10. Monthly Financial Report July 2012

Ray Zies, Controller, presented the monthly financial report. He highlighted the cash-flow, revenue and receivables activity, collections, and the year to date performance against the budget. Clayton Howe, Assistant Executive Director of Operations, explained the current and future benefits resulting from changes in business rules. Mr. Zies responded to questions from the Committee.

11. **EXECUTIVE SESSION**

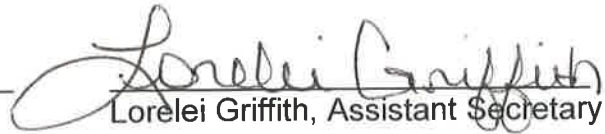
An Executive Session was not held.

ADJOURNMENT

The meeting adjourned at 10:18 a.m.



William Moore, Committee Chairman
NTTA Finance & Audit Committee



Lorelei Griffith, Assistant Secretary