NORTH TEXAS TOLLWAY AUTHORITY
Finance & Audit Committee Meeting Minutes
March 6, 2014

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 6, 2014 at 10:00 a.m.

CALL TO ORDER

Committee Chairman Moore called the meeting to order at 10:02 a.m.

1. UESTABLISHMENT OF QUORUM

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

William Moore	Committee Chairman
William Elliott	Member
Jane Willard	Member

Chairman Barr and Directors Kloepper, Haddad and Quesada were also in attendance.

NTTA employees attending the Committee meeting were: Gerry Carrigan, CEO/Executive Director; Tom Bamonte, General Counsel; Lorelei Griffith, Secretary; Karen Madison Ponds, Assistant Secretary; Horatio Porter, CFO/Treasurer; Dana Gibson-Boone, Director of Cash and Debt Management/Assistant Treasurer; Janice Davis, Assistant Executive Director of Strategic & Innovative Solutions; Kim Tolbert, Chief Strategic Officer; Magdalena Kovats, Director of Internal Audit; Eric Hemphill, Director of Maintenance; John Bannerman, Interim Director of Customer Service Center; Anthony Coleman, Director of Business Diversity; Kim Jackson, Director of Public Affairs; Pete Havel, Director of Legislative Affairs; Dave Pounds, Director of Information Technology; Nicole Mucha, Interim Director of Procurement Services and Craig Lockett, 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, Project Management Consultant to the Authority; Keith Jackson, Atkins North America, Inc., General Engineering Consultant to the Authority; Michael Copeland, CDM Smith Associates, Traffic & Revenue Consultant to the Authority and Sam Bohluli, C&M Associates, Inc.; 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 5, 2013 Finance and Audit Committee meeting

Director Elliott made a motion to approve the minutes of the December 5, 2013 Finance and Audit Committee meeting, and Director Willard seconded the motion. The minutes were approved unanimously. (Resolution No. 14-06)

4. Annual review of the Investment Policy and Strategy and the authorized Financial Institutions approved for investment transactions with NTTA

Dana Gibson-Boone, Director of Cash and Debt Management, presented an overview of the Investment Policy and Strategy. NTTA last reviewed and updated the Policy and Strategy in March, 2013. The Public Funds Investment Act requires the Board to review the Policy and Strategy, annually, and adopt a resolution stating the required annual review has been made (and specifies changes, if any).

Ms. Boone addressed the only change to the Policy; an updated list of Qualified Financial Institutions. Procurement issued a Request for Qualifications and responses were independently evaluated by Ms. Boone and the Treasury Investment Manager. Twenty-six responses were received: 5 primary firms, 12 regional firms and 9 minority firms. Fifteen firms were selected: 5 primary, 5 regional, and 5 minority. Approval of the Policy, Strategy, and updated list of Qualified Financial Institutions were unanimously approved for recommendation to the Board.

5. Conversion of Series 2011A Bonds to a new interest rate mode and related bond resolution amendments; designation of RBC Capital Markets and Loop Capital Markets as remarketing agents for the bonds; and approval of offering documents

Dana Gibson-Boone, Director of Cash and Debt Management, provided a briefing on refunding the $100,000,000 2011A bonds. The agreement expires in July 2014 and must either be renewed, replaced with another Direct Pay Letter of Credit, or replaced with an alternative. A Request for Information was sent to firms in the underwriting pool.

Ms. Boone and staff recommended Loop Capital Markets to serve as Co-Manager on the transaction. A draft form of investment options was provided for the Committee and a final form will be provided in the next Board packet. Staff responded to questions and the offering documents were unanimously approved for recommendation to the Board.

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

Dana Gibson-Boone, Director of Cash and Debt Management, provided an overview of the Debt Policy and Interest Rate Risk Management Plan. The Debt Policy and IRRMP require an annual review, with Board approval of all changes.

Ms. Boone stated that all duties/responsibilities of the AED of Strategic and Innovative Solutions are now transferred to Horatio Porter, Chief Financial Officer (CFO). Approval of the changes was unanimously approved for recommendation to the Board.

7. Exercise of first one-year renewal option with Crowe Horwath LLP for professional auditing services in an amount not to exceed $277,160.00

Magdalena Brady, Director of Internal Audit, discussed an overview of the required annual independent audits of the North Texas Tollway Authority System and the Special Project System Financial Statements. Crowe Horwath LLP was approved during the April 17, 2013 Board of Directors meeting as the independent external auditor for fiscal years ending August 31, 2013 and December 31, 2013 under a contract that contains renewal options exercisable by the NTTA for up to four additional renewal terms of one year each.

Ms. Brady stated that 2013 estimated costs involved for the audit would be around $260,000.00, which does not exceed the limit of $277,160.00. The first one-year renewal term with Crowe Horwath LLP for professional external auditing services was unanimously approved for recommendation to the Board.

8. 2015 budget calendars overview

Horatio Porter, CFO, presented an overview of the 2015 budget calendars for the System and SPS including the calendar for the Five-Year Capital Plan. The calendars outline activities associated with preparation, discussion, and adoption of the FY2015 Preliminary and Final Budgets and the Five-Year Capital Plan.

Mr. Porter stated that an internal meeting will take place on March 20, 2014 to go over the budget planning. A draft of the budget will be presented at the workshop on April 16, 2014. Committee recommended that Finance work directly with Project Delivery during the budget planning process. Staff responded to questions.

9. EXECUTIVE SESSION

An Executive Session was not held.

ADJOURNMENT

The meeting adjourned at 10:26 a.m.

William Moore, Committee Chairman
NTTA Finance & Audit Committee

Lorelei Griffith, Secretary