

NORTH TEXAS TOLLWAY AUTHORITY
Finance & Audit Committee Meeting Minutes
December 4, 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 December 4, 2014 at 10:45 a.m.

CALL TO ORDER

Committee Chairman Moore called the meeting to order at 11:10 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
William Elliott	Member
Matrice Ellis-Kirk	Member
Gary Kloepper	Member

Chairman Barr and Director Willard were also in attendance.

NTTA employees attending the Committee meeting were: Gerry Carrigan, CEO/Executive Director; Lorelei Griffith, Secretary; Karen Madison Ponds, Assistant Secretary; Horatio Porter, CFO/Treasurer; Dana Gibson-Boone, Director of Cash and Debt Management/Assistant Treasurer; Tom Bamonte, General Counsel; Elizabeth Mow, Assistant Executive Director of Infrastructure; James Hofmann, Assistant Executive Director of Operations; Kim Tolbert, Chief Strategic Officer; Magdalena Brady, Director of Internal Audit; Eric Hemphill, Director of Maintenance; John Bannerman, Director of Customer Service; Kim Jackson, Director of Public Affairs; Craig Lockett, Director of Human Resources; Anthony Coleman, Director of Business Diversity; Carrie Rogers, Director of Government Affairs; Pete Havel, Director of Legislative Affairs; Brian Reich, Controller; Robert Rangel, Director of Financial Planning and Analysis; Gio Rodriguez, Director of Collections and Toll Enforcement; Sabu Stephen, Director of Information Technology

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 October 2, 2014 Finance and Audit Committee meeting

Director Ellis-Kirk made a motion to approve the minutes of the October 2, 2014 Finance and Audit Committee meeting, and Director Nowels seconded the motion. The minutes were approved unanimously. (Resolution No. 14-125)

4. Approval of the Fiscal Year (FY) 2015 NTTA System Final Budget

Horatio Porter, Chief Financial Officer (CFO), provided a brief overview of the FY2015 NTTA System Budget. Mr. Porter presented the following final key points: review the outcomes, highlight budget changes and summarize the strategy.

The NTTA FY2015 System Final Budget was unanimously approved to be forwarded to the Board.

5. Pricing results for issuance of Series 2014 A, B & C Bonds

Dana Gibson-Boone, Director of Cash and Debt Management, presented a summary of the 2014 A & B pricing including current market conditions. On the day of pricing, rates started moving in NTTA's favor. The order period resulted in demand of \$4.6B in priority orders (10 x's oversubscribed). Refunding results for A & B pricing resulted in a \$50.1M net present value savings or a 10.96% savings.

Ms. Gibson-Boone also provided an overview of the 2014 C Pricing. The par amount of floating rate notes equal about \$224M and Morgan Stanley acted as Senior Manager (Loop Capital-Co-Manager). Pricing date was on December 3, 2014 and interest rate was set at SIFMA + 67bps. Refunding results for the 2014C series are projected to yield approximately \$35M in net present value savings.

6. Briefing on Selection of RBC Capital Markets, as substitute credit provider and letter of credit and related reimbursement agreement for Series 2009D Bonds

Dana Gibson-Boone, Director of Cash and Debt Management, presented a briefing on the substitute credit provider and the letter of credit related to the reimbursement agreement for Series 2009D bonds. NTTA entered into a Letter of Credit (LOC) reimbursement agreement with JPMorgan Chase Bank, N.A. originally approved by the Board in October 2009. Based on review and analysis by staff and financial advisors, it was determined that RBC Capital Markets submitted the most competitive rate structure.

The staff recommends RBC Capital Markets as the new LOC provider and Remarketing Agent. No Committee action recommended at this time.

7. Briefing on FY 2014 toll receivables for annual write-off pursuant to Toll Write-Off Policy

Brian Reich, Controller, presented an overview of the Write-Off Policy for invoices aged beyond 24 months and in the Citation stage. Toll receivable debt is written off from accounting and financial reporting perspectives and the customer is still obligated to pay the debt. Receivables that meet the write-off criteria totaling \$20M will be written off in December 2014.

Staff recommends Committee approval of recommendation authorizing Executive Director to write-off \$20M in toll receivables.

EXECUTIVE SESSION

An Executive Session was not held.

ADJOURNMENT

The meeting adjourned at 11:35 a.m.



William Moore, Committee Chairman
NTTA Finance & Audit Committee



Lonelei Griffith, Secretary