

NORTH TEXAS TOLLWAY AUTHORITY
Finance & Audit Committee Meeting Minutes
June 7, 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 June 7, 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

Chairman Barr, Directors Quesada and Willard were also in attendance.

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; 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; Kiven Williams, Director of Customer Service; 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 May 3, 2012 Finance and Audit Committee meeting

Director Nowels made a motion to approve the minutes of the May 3, 2012 Finance and Audit Committee meeting, and Director Vandergriff seconded the motion. The minutes were approved unanimously. (Resolution No. 12-94)

4. NTTA System FY2011 audited Financial Statements and Reports

Kevin Smith, Partner, with Crowe Horwath presented FY2011's Audited Financial Statements and Reports for the NTTA System (NTTAS). He explained the various types of opinions – rendering an unqualified “clean” opinion. Mr. Smith also discussed Crowe Horwath's responsibilities and required communications, summarized the financials, and commented that there are no material weaknesses in internal controls for the current or prior period. In closing, he commended management (there were no disagreements or corrected/uncorrected statements).

5. 2013-2017 Five-Year Capital Plan

Armando Garza, Budget and Compliance Manager, presented the Five-Year Capital Plan. He provided an overview of the financial plan, in-depth review of the preliminary financial numbers, 6-year summary for 2012 – 2017 (including revenues, expenses, and debt service), 5-year capital plan (including a breakdown of RMF, CIF, Construction funds), and concluded with the next steps. Mr. Garza responded to questions from the Committee.

Committee Chairman Bill Moore commented that no additional loans will be required if we meet current revenue streams.

6. 2013 Special Projects System Budget

Armando Garza, Budget and Compliance Manager, also presented the 2013 Special Projects System (SPS) Budget. He provided a summary of PGBT-WE (161T and CTP), communicated that the numbers did not change, and concluded with the next steps. The budget was unanimously approved for recommendation to the Board.

7. RFQ for Traffic and Revenue Consultants

Janice Davis, Chief Financial Officer, presented the selections for Traffic and Revenue (T&R) Consultants. She reviewed the selection process, reported the number of firms receiving notices, and stated the number of responses received. She also stated the number of proposals submitted before disclosing T&R selections for the NTTAS and SPS (including their credentials and minority participants). Ms. Davis closed the presentation with the transition plan, timeline, and recommendations. She responded to

questions from the Committee. The selections were unanimously approved for recommendation to the Board.

8. Contract with P3 Financial Advisor

Janice Davis, Chief Financial Officer, presented the request for approval of the P3 Financial Advisor's contract. She reviewed the background, timeline, contract terms, and selection. Ms. Davis responded to questions from the Committee. The contract was unanimously approved for recommendation to the Board.

9. Contract with General Municipal Financial Advisor

Janice Davis, Chief Financial Officer, also presented the request for approval of the General Municipal Financial Advisor's contract. She reviewed the background, timeline, contract terms, and selection. Ms. Davis responded to questions from the Committee. The contract was unanimously approved for recommendation to the Board.

10. RITE System Projects Update

Clayton Howe, Assistant Executive Director of Operations, provided an update on the RITE System Projects upgrade conveying the history, milestones, and next period deliverables. He shared that nine modules were received (1 on 5/15, 3 on 5/25, and 5 on 5/31). Two modules, DMV/Docno and Parking Impacts, were received late. To date, the project and module deliveries are still on schedule. Mr. Howe and Randi Oldham, Assistant Director of Business Applications, responded to questions from the Committee.

11. Monthly Financial Report for April, 2012

Ray Zies, Controller, presented the MFR highlighting revenue and receivables activity, changes in net assets (inflow and outflows), increase in AVI-ZC split (70/30), and Accounts Receivables turnover (2.15x). He also presented the Toll Receivables Aging Report, status of AVI and ZC transactions (projected versus actuals), and SPS revenue, expenses, and traffic analyses. Mr. Zies noted that the increase in older receivables is being monitored.

12. EXECUTIVE SESSION

An Executive Session was not held.

ADJOURNMENT

The meeting adjourned at 10:02 a.m.



William Moore, Committee Chairman
NTTA Finance & Audit Committee



Lokelei Griffith, Assistant Secretary