



July 15, 2016

**To: Commissioners Courts of Collin, Dallas, Denton and Tarrant Counties and  
NTTA Board Members and Staff**

**Subject: Independent Financial and Performance Review of the North Texas Tollway  
Authority**

Over the past two months, Alvarez & Marsal (A&M) conducted an updated review of NTTA's financial, operating and administrative functions. The purpose was to evaluate the current business state against the recommendations from the 2011 Independent Financial and Performance Review, and to identify additional improvement opportunities. We received broad cooperation from the Board and staff as there is a genuine interest in maintaining transparency and a culture of continuous improvement.

In executing the assessment, we used the 2011 County Review and NTTA's implementation of A&M's recommendations as the foundation of the report. We also conducted interviews with various stakeholders, including all Board members and senior staff members as well as various toll and transportation partners (TxDOT, NCTCOG, CINTRA, Texas Transportation Commission, and county tax assessors). We also reviewed best practices in procurement, collections, financial management, customer service, organizational effectiveness, as well as the performance in these areas of other comparable toll authorities.

Our conclusions and recommendations are outlined in detail in this report. Our general conclusion is that NTTA has made significant strides since the 2011 county review. NTTA's four member county judges provide oversight and direction to the authority. Furthermore, NTTA's Board is delivering strong governance and leadership and our review shows that NTTA has returned to its position as a top tier organization in the toll industry.

As you may recall, the 2011 County Review identified multiple areas for improvement related to governance and operational practices. In response, our report included over 80 recommendations to address shortfalls in organizational management. For this Review, we examined the status of each of the 2011 recommendations and are pleased to report that NTTA has implemented or addressed in other ways all of the 2011 recommendations.

Significant improvements have been made by the Board and staff in the last five years, most notably in the areas of:

- Improved collections efforts
- Strengthened organization
- Improved Board-Staff communications and coordination
- Strengthened ethics policies and practices
- Greater contractor diversity
- Greater employee morale and engagement
- More transparent procurement policies
- Enhanced analytics and management reporting

- More active participation in the region and toll industry

In the course of A&M's updated assessment, new opportunities were identified and shared with the Executive Director and staff primarily related to aligning with best practices in several functional areas. A number of initiatives recommended are already underway. Notable recommendations include:

- Improve customer service levels in the call center via enhanced staffing, processes and use of technology
- Adjust toll premium to reflect the cost to collect ZipCash transactions
- Enhance vehicle registration block process by improving communications with customers and counties
- Continue bi-annual employee surveys and key issue follow up
- Execute on a comprehensive IT roadmap to enhance customer service, collections and overall analytics
- Formalize succession planning for key positions
- Align strategic priorities with performance management goals
- Build awareness of and actively manage Internal Audit priorities and results
- Conduct a procurement process review and update procedures to improve efficiencies

In our full report you will find updated analysis of the organization, status of each recommendation made in the 2011 County Review, comparison on NTTA's performance to relevant benchmarks and key recommendations.

I look forward to discussing our findings and recommendations with you in person in greater detail. Please feel free to contact me with any questions.

We appreciate your active oversight and engagement in this review.

Sincerely,



Ronald Orsini  
Managing Director  
Alvarez & Marsal