

Alamo Regional Mobility Authority

*Meeting January 9, 2008, 12:00pm,
in the 1st Floor Conference Room of Transguide, at 3500 N.W. Loop 410.*

Minutes

1. **Call meeting to order.** Chairman Thornton called the meeting to order at 12:10 pm. All Board members.
2. **Approval of the minutes of the December 4, 2007 Board of Directors meeting Minutes.** *R. Diaz made the motion to approve the minutes as presented. H. Muñoz seconded. Motion approved.*
3. **Discussion and appropriate action regarding a resolution to approve the investment policy, designation of officers, and investment committee.** T. Brechtel introduced M. Nitschke, Chief Financial Officer for the Alamo RMA. M. Nitschke stated that per the Texas Public Funds Act the Alamo RMA is required to have an Investment Policy. M. Nitschke stated that the purpose of the Investment Policy is to provide a framework for the prudent and efficient investment of Alamo Regional Mobility Authority (Alamo RMA) funds, with the objectives of ensuring funds are available to meet cash flow requirements, preservation and safeguarding of principal, liquidity, diversification, and return on investments. The Act requires the governing body of an organization to annually review and approve the Investment Policy and designate certain employees and/or investment advisor firm as Investment Officers.

M. Nitschke stated that the Investment Policy designates the following employees as Investment Officers for the Alamo RMA: Chief Financial Officer and Comptroller. Additional Investment Officers may be designated as is appropriate including an investment advisor firm in the event that an outside investment advisor firm is approved by the Alamo RMA Board at a future date. The Investment Policy also designates the composition of the Alamo RMA's Investment Committee. The Investment Committee is comprised of the Alamo RMA Board of Directors Finance Committee, the Executive Director, Chief Financial Officer, Designated Investment Officers, Financial Advisor and investment advisor.

M. Nitschke stated that the Alamo RMA shall either develop the resources required to manage and execute its investment transactions or utilize a qualified and approved Investment Advisor, Asset Manager, or Investment Management Firm. Investment activities, whether performed by Alamo RMA staff or the utilization of a Securities Investment Advisor shall be under the direction of the Chief Financial Officer and shall execute transactions on a daily basis as needed, provide trade documentation and confirmations to the Alamo RMA on a same day basis as the trade or trades are executed, advise the Alamo RMA on investment strategies and options, and provide quarterly written investment reports, which among other things, will detail the Alamo RMA's investment position, detail investment transactions, show security purchase cost, book value, market value, face value, state portfolio composition, and provide a comparison to benchmark indicators.

B. Thompson questioned how the Investment Committee would govern itself, how many would make a quorum, who runs the Committee, who will be the Chair. M. Nitschke responded that the Chairman would be selected by the Committee, and that it hasn't been determined who will serve as the Chairman. M. Nitschke went over the recommended Investment Committee members.

Chairman Thornton recommended that H. Muñoz, as Finance Committee Chairman, should also be the Chairman for the Investment Committee. H. Muñoz concurred with the recommendation.

R. Thompson moved to accept resolution 08-01 with an amendment stating that the Finance Committee Chair will also be the Chair of the Investment Committee. R. Diaz seconded. Motion carried by a 7-0 vote.

Chairman Thornton reiterated that the amendment is for the resolution to designate the Chairman of the Finance Committee as Chairman of the Investment Committee.

4. **Discussion and appropriate action regarding a resolution accepting the 2007 comprehensive Annual Financial report and single audit.** T. Brechtel introduced C. Conner, Comptroller for the Alamo RMA, and R. Garza of Garza/Gonzalez & Associates, the Alamo RMA's Independent Auditor. C. Conner stated that Garza/Gonzalez reviewed the September 30, 2007 statements against the un-audited September 30, 2007 statements that were presented. C. Conner stated that there is a slight decrease in Net Loss for FY07 in the audited statements as compared to the un-audited statements previously presented to the Board. This decrease totals \$43K. Accrued expense, which estimates expenses for the reporting period, were reduced when actual invoices were received. There was also movement for certain expenses from Accrued Expense to Accounts Payable which had no financial impact. The Independent Auditor's Report states that the financial statements present fairly in all material respect the financial position of the Authority as of September 30, 2007 and 2006.

R. Garza stated that the RMA was given a "clean audit" and then went over the Report of Conduct Audit. He stated that this report is intended solely for the use of the Board of Directors and management and captures in Section X, Comments & Recommendations, brought forward by Garza/Gonzalez & Associates in the course of their FY07 Audit. There were no items listed in Section X, Comments & Recommendations, for the FY06 Audit. There are items listed in Section X, Comments & Recommendations, for the FY07 Audit. All comments and recommendations have been accepted by management. Procedures will be implemented during the next reporting period to address and resolve these issues.

A copy of the approved Audit is on file.

H. Muñoz made the motion to approve resolution 08-02 accepting the 2007 Alamo RMA Audit as presented. M.C. Rodriguez seconded the motion. Motion carried.

5. **Discussion and appropriate action regarding a resolution authorizing actions necessary to secure access to previously allocated funding for the 281 North Toll Project to be used for right-of-way acquisition and other authorized purposes.** T. Brechtel stated that there is currently \$112 million that has been allocated by the San Antonio Bexar County Metropolitan Planning Organization (MPO) for the US 281 project, \$19 million of that was allocated by the MPO to be used for the project in 2008, and the remainder to be used in 2009 and 2010. T. Brechtel explained that the resolution in front of the Board for their approval is to give authority to the Executive Director to enter into discussions with TxDOT providing for an agreement to begin drawing down from the \$19 million dollars, enabling the RMA to start with the right of way acquisition necessary for the 281 North Toll project. There are currently approximately 37 parcels, 3 of which are right entry only, that need to be purchased totaling roughly approximately \$70 million dollars.

T. Brechtel stated that the RMA would like to begin the acquisitions now while the RMA is still developing the Design/Build CDA and working with the Design Builders to get the right of way purchases underway. T. Brechtel stated that access to the dollars would allow the RMA to begin that process.

H. Muñoz made the motion to approve Resolution 08-03 as presented, B. Thompson seconded. Motion carried by 7-0 vote..

6. **Discussion and appropriate action regarding a resolution requesting to increase the RFDP stipend for the 281 Design/Build CDA procurement from \$200,000 or 0.1% of winning bid, whichever is less, to \$395,000 or 0.1% of winning bid, whichever is less.** T. Brechtel stated that on October 11, 2007 the Alamo Board of Directors authorized the issuance of a stipend for unsuccessful short listed proposers equal to the lesser of \$200,000 or 0.1% of winning bid for the 281 North Toll project. The amount was based on the assumption that the project would be handled in two separate design/build procurements , with the first extending to the Stone Oak / Marshall Road area. On December 4, 2007 the RMA Board members authorized the issuance of Request for Detailed Proposal for the 281 North Toll corridor project, establishing the limit of the project to the Bexar / Comal County Line, in line with the action taken on December 3, 2007 at the San Antonio Bexar County Metropolitan Planning Organization reallocating toll equity to the 281 corridor to allow the project to be completed as one contract. The increase in the scope of the project from what was originally envisioned will result in increased cost for development of the project by the design/build teams and as such an increase in the proposed stipend amount to be \$395,000 or 0.1% of the winning bid, whichever is less, to be paid to the unsuccessful proposing team in this project is now recommended.

J. Reed stated that there were four leading factors for the why the Planning Committee felt comfortable to come forward with the stipend increase resolution. The first reason was the extension of the scope of the project. Second were the risk factors involved. Third was competition from larger projects throughout the state with some limited resources for the firms to be able to do all the projects. Finally, the Planning Committee looked at what other entities had in the past including SAWS, and other construction. J. Reed then stated that the Planning Committee asked themselves if it was reasonable to increase the level of stipend, and after further studying and investigating they determined that yes, it is a fair and reasonable amount.

H. Muñoz stated that for the Finance Committee in the end it became the issue of an investment in the best possible responses that the RMA would received and to ensure the RMA gets the best design, and most cost effective design proposals. In order for that to happen, the Finance Committee agreed that it was fair to consider a stipend to ensure that within the two proposing teams, the appropriate amount of work, time, and creativity was invested in the competitive bids. H. Muñoz further stated, from both a time and efficiency standpoint the appropriate action for the RMA to take is to begin acquiring right of way on its own accord. Therefore, the estimated total for this project stipend should be reduced to account for the RMA acquiring right of way. H. Muñoz suggested amending the resolution to lower the stipend amount to \$325,000 or .1% of the winning bid.

Board discussion ensued.

H. Muñoz made the motion to approve resolution 08-04 with an amendment stating an increase in the proposed stipend amount to be \$395,000 or .1% of winning bid, whichever is less, to include right of way acquisition, or, \$325,000 or .1% of winning bid whichever is less, whichever is less, without right of way acquisition. J. Reed seconded. Motion carried by a 7-0 vote.

7. **Discussion and appropriate action regarding a resolution authorizing an amendment to, and extension of, the Professional Services Agreement with James W. Griffin, P.E.** T. Brechtel introduced J. Griffin. T. Brechtel stated that the resolution before the Board is to amend the contract for advisory services which J. Griffin provides the RMA. The contract was originally a one two-year term extended by one-year last year and also extending this year to December 31, 2008. There are minor modifications that have been made to the contract relative to J. Griffin's rate, including increasing rate for professional services after the sale of Bonds.

Board discussion ensued.

B. Thompson made the motion to accept resolution 08-05, amendment to and extension of the Professional Services Agreement with James W. Griffin, P.E., as presented. H. Muñoz seconded. Motion carried by a 7-0 vote.

8. **Discussion and appropriate action on the financial statements for the periods ending November 30, 2007 and December 31, 2007.** C. Conner presented the financial statements for periods ending November 30 and December 31, 2007. She reviewed the balance sheet, described the assets, liabilities, and fund equity; the statement of revenue, expenses, and changes in fund deficit, explained the monies allocated for each column, and the statement of cash flow.

H. Muñoz made the motion to accept the financial statements as presented. M.C. Rodriguez seconded. Motion carried by a 7-0 vote.

9. **Citizens to speak.** No citizens signed up to speak.

10. **Presentation/briefing - Executive Director Report.** T. Brechtel went over the GEC Reports, as well as the Board calendars for January through March.

11. **Executive Session.**

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The Board did not meet in Executive Session
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There being no further business to come before the board, Chairman Thornton adjourned the meeting at 2:25 p.m.

APPROVED:



DR. WILLIAM E. THORNTON, CHAIRMAN

DATE ADOPTED: 2/13/2008

I hereby certify that the above foregoing pages constitute the full, true, and correct minutes of all the proceedings and official records of the Alamo Regional Mobility Authority at its meeting on January 9, 2008.

ATTEST:


REYNALDO I. DIAZ, JR
SECRETARY/TREASURER