

Alamo Regional Mobility Authority

*Meeting October 13, 2011, 1:00p.m.,
Al J. Notzon III Conference Room
Alamo Area Council Of Governments, at 8700 Tesoro Drive.*

Minutes

1. **Call meeting to order.** Chairman Thornton called the meeting to order at 1:00 p.m. All Board members present except Robert Rodriguez.
2. **Approval of minutes from the Regular Board of Directors Meeting of September 8, 2011.** R. Thompson made the motion to approve the minutes as presented to the Board. J. Reed seconded. All voted in favor of adopting the resolution.
3. **Discussion and appropriate action on a resolution approving an amended contract for bond counsel services with Vinson & Elkins LLP (Terry Brechtel/Lisa Adelman) (Resolution No. 11-15).** T. Brechtel introduced the item and stated that Lisa Adelman would make a power point presentation. Lisa Adelman walked through the power point (see attached) and discussed the history of the bond counsel prior procurement, role of bond counsel, experience of Vinson & Elkins and proposed changes to the contract. *R. Diaz made the motion to approve the resolution and A. Downey made the second.* T. Calvert asked about the procurement process. T. Brechtel stated that it was originally done in 2006 and this action is a continuation of the existing contract authorized by its terms. T. Calvert stated that he has concerns that this was not done as a new procurement and he has serious misgivings about V&E given the Enron situation and the firm has a lot of PR strife. R. Diaz stated that it was discussed in several Finance Committee meetings and in the course of discussions it was Glenn Opel's experience that stood out in representing RMAs in toll road transactions. R. Diaz stated that the experience is what the RMA needs and why the Finance Committee didn't recommend going out for an RFQ. Chairman Thornton stated that this role is not a traditional one and our RMA is unknown and there is a lot of information to be transmitted. Chairman Thornton stated that he didn't want to discount T. Calvert's comments but the first bond issue will be tricky and the RMA needs bond counsel with extensive experience in this area of RMA toll roads in Texas and with personal relationships developed over time. Glenn Opel introduced himself and stated that he has represented the RMA for over 5 years and has not billed for the prior work done on the 281 North Toll transaction. G. Opel stated that he has extensive experience with RMAs and especially with CTRMA which originally was a start up. He stated that these transactions can be very intricate and deals often get more complex as more are done due to the different issues such as credit or rate covenants and that he has learned a lot from negotiations with TIFIA and rating agencies which he will bring to our deals. R. Thompson asked Glenn if he has had discussions with Milo on the process he is proposing. G. Opel stated that he has had discussions to understand it and how it fits with the market view and investors, he has done numerous fourth lien deals and will monitor it. R. Thompson stated that he wants to make sure there is a clear understanding of the working relationship and hopes that it will help bond counsel. G. Opel stated that the analysis should help all – financial advisors, underwriters and he has been through it before and there were some of the same issues with the CTRMA deals in the past and Milo is further down the process on how to analyze the information. R. Thompson stated that he wants to capitalize on the experience and he understands that the fees are based on that but with fees at such high rates then they should make decisions faster and with the experience that V&E has now. R. Thompson stated that an extension of a contract rather than a new procurement invites suspicion and possibly political issue but it can be overcome with

performance and we looked at it as well as the existing market and he hopes V&E will deliver the products so the decision is defensible. J. Reed stated that he has had experience with new lawyers and he has had to do the training and it costs more and the RMA always checks what other RMAs are doing and the list of V&Es experience gives him additional comfort. T. Calvert stated that he is not moved by the arguments and he doesn't know who the competition is and the firm had issues with Enron and the RMA should put it through an RFQ and we didn't look deeper into the issues and it doesn't pass the smell test. G. Opel stated that he is the only one in Texas with experience with green field projects with toll road revenue only and he had extensive discussions with the Texas Attorney General's Office to get the deals reviewed and approved and the firm's public finance section has not had any SEC or ethics complaints filed against them. T. Brechtel stated that she is conscious of the fees and that our in house counsel has bond counsel experience and will assist with the transactions. R. Diaz stated that the Finance Committee decisions were made over several meetings and they asked staff who else could do the work and whether there was anyone local and the committee went through the list and it came down to V&E for these services. R. Diaz stated that he in no way condones what happened with Enron but this bond counsel decision was not a quick one and it involved several meetings and long discussions and even if the RMA went through a procurement process we would likely end up with the same decision. All voted in favor of adopting the resolution except T. Calvert who voted no.

4. **Discussion and appropriate action on a resolution approving amendments to the Alamo RMA's Policies and Procedures Governing Procurements of Goods and Services (Terry Brechtel/Lisa Adelman) (Resolution No. 11-16).** T. Brechtel introduced this item and stated this action is to adopt amendments to the Procurement Policy to reflect recent legislative changes to various statutes and clean up language. T. Brechtel stated that this was reviewed in Planning Committee. *J. Reed made the motion to approve the resolution and R. Thompson made the second.* J. Reed stated that it was reviewed in detail in Planning to reflect legislative changes and to be consistent with other RMAs but said no to proposed changes for increases to minimum amounts the Executive Director can spend without Board approval since the RMA is still a growing organization. T. Calvert stated that there is a discussion in the procurement about RFQs and we should be looking at requiring procurements instead of extending contracts. R. Thompson asked how much does T. Calvert want to spend to bring them under contract and the procedures should vary depending on the facts and circumstances and that each Board member has a different way of looking at things. R. Diaz stated that in Finance Committee they actively look at available market and they are not just rubber stamping the proposed extensions and they are continually looking at new businesses and people. Chairman Thornton stated that you must go with the market and it depends on the supply. Chairman Thornton stated that what has held this Board together is trusting the actions of the other committee and if you don't trust, don't come into an open meeting discounting it and he will counsel all board members to be respectful of those who have done good work and that if there is a concern you can contact staff to brief you before the meeting. T. Calvert stated that he apologized if others were offended but he stands by what he said and he wants more time to review the procedures so that we don't do things like this again and he wants an extra level of scrutiny and care given to spending public funds and he was not prepared to approve the changes without more discussion. A. Downey stated that they were given enough information in the Finance Committee to see that re-procuring bond counsel services was not necessary and based upon the expertise and specialty a decision was made and it

was not brushed off but well thought out. T. Brechtel stated that the proposed amendments to the Procurement Policy were reviewed and discussed by the Planning Committee but T. Calvert was absent. Chairman Thornton stated that the information has been available since last Friday and if a member sees any issues with how things are being done, they need to contact staff and discuss it. All voted in favor of adopting the resolution except T. Calvert who abstained.

5. **Discussion and appropriate action on a resolution approving amendments to the Alamo RMA's Bylaws (Terry Brechtel/Lisa Adelman) (Resolution No. 11-17).** T. Brechtel introduced this item and stated that the proposed changes are updates for clarifications and changes in law to update the Board provisions since it is no longer a new Board and it was reviewed and discussed by Planning Committee. *J. Reed made the motion to approve the resolution and R. Thompson made the second.* Jack Finger asked to speak and he thanked T. Calvert for slowing down the train with his comments and he stated that the changes no longer require the Chair to be a resident of Bexar County which should be an issue and with the new section on rates and regulations that RMA can no longer say it is not a toll authority. B. Cassidy stated that the requirement for residency was moved to section 5 so his statement was not correct. All voted in favor of adopting the resolution.

6. **Discussion and appropriate action on approval of a lease agreement, for administrative office space, at 613 NW Loop 410, also known as the Spectrum Building, commencing on January 1, 2012 and ending on December 31, 2016 (Terry Brechtel).** T. Brechtel introduced this item and stated the current lease expires 12/31 this year and that HEB has increased rates so they have been looking at several spaces with the goal for an accessible location, free parking, room for expansion and room for large meetings and the proposed cost differentials are shown in the attachment and propose a 5 year lease with annual increases and a clause to get out after 3 years with payment of a penalty. The goal is to have something long term and stable and the offer includes 2 months free rent. *J. Reed made the motion to approve the resolution and R. Thompson made the second.* J. Reed stated that this was discussed in Planning and it is apparent that HEB no longer wants to rent the space and it has become too expensive. R. Diaz asked to confirm that the net savings is \$52,000 after paying moving expenses and T. Brechtel confirmed that is correct. R. Thompson stated that this is a forward looking action and the business in the next 5 years will change as much as it did in the last 5 years and there will be more interaction with the community and other agencies. All voted in favor of adopting the resolution.

7. **Discussion and appropriate action on the financial statements for the periods ending August 31, 2011 (Terry Brechtel / Judy Treviño).** T. Brechtel introduced Judy Treviño, the Comptroller. J. Treviño made the presentation of the financial statements and stated that she had made some formatting changes to make it more understandable and she pointed to the balance sheet on page 1 with not much change from what they had previously seen as far as the numbers and then there is the statement of revenue and expenses with the addition of the budgeted amounts and variances and that the fund balance of \$13.7M is there and the third page is the list of projects, costs and by funding sources. Chairman Thornton stated that Judy is doing a great job and the statements are much more simple to read. *R. Diaz made the motion to accept the Financial Statements as presented to the Board. A. Downey seconded.* R. Thompson stated that these were good reports. All voted in favor.

8. **Executive Director's Report.** T. Brechtel reviewed the calendar and noted the new format. T. Brechtel noted that the Mondays before the Board meetings are the meetings of the Executive, Planning and Finance Committees unless there are schedule conflicts. She stated that the November and December Board meetings may be combined into one meeting. T. Brechtel noted that there are 2 upcoming public meetings for the I35 PEL study. T. Brechtel reviewed the progress reports provided by the consultant. Leroy Alloway provided an update on the 281/1604 Interchange project and upcoming lane closures. J. Reed asked if they have discussed it with Bill Miller's and Leroy said Michelle Martinez was handling that and he would follow up with her. There was a discussion on the status of the reviews of the EIS and potential timing for public hearings. Lisa Adelman gave a DBE power point presentation (see attached). T. Calvert asked that Planning and Finance Committees be briefed on upcoming procurements and discuss the DBE efforts levels. Brian Cassidy stated that there is a new Texas Transportation Commissioner, Ted Houghton and with Ned Holmes completing his term there are 2 vacancies to be filled and the new Executive Director of TxDOT has been hired.
9. **Citizens' Communications.** None.
10. **Adjournment.** There being no further actions for the Board, Chairman Thornton called the meeting to adjournment at 2:34 p.m.

APPROVED:

DR. WILLIAM E. THORNTON, CHAIRMAN
DATE ADOPTED: 12/08/2011

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 October 13, 2011.

ATTEST: _____
REYNALDO L. DIAZ, JR
SECRETARY/TREASURER