

## Alamo Regional Mobility Authority

*Meeting March 10, 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. **Swearing-in of Tommy Calvert, Jr. to the Board of Directors of the Alamo Regional Mobility Authority for a term of office to expire on February 1, 2012.** Judge Ron Rangel provided the oath to Tommy Calvert, Jr.
3. **Discussion and appropriate action on a resolution approving the selection of firm(s) to provide financial advisory services (Terry Brechtel/Milo Nitschke) (Resolution No. 11-04).** T. Brechtel introduced the item and Milo Nitschke presented the item with a power point (see attached) that addressed the staff recommendation of First Southwest Company, the procurement schedule, voting members and oversight committee, procurement process, the firms that proposed, written proposal evaluation factors, proposal scorings, oral evaluation scoring factors, final scoring and components of the scope of services and the next steps. M. Nitschke stated that action would authorize a three year contract with two one-year renewal options. R. Diaz stated that this action has been reviewed by the Finance Committee. R. Diaz made the motion to approve the resolution and Art Downey, Jr. made the second. R. Diaz stated that the County was also invited to participate on the review team but they chose not to and that First Southwest Company received the highest scores and that it was a good process and easy to accept the recommendation of staff. R. Diaz stated that the Finance Committee reviewed it on Monday, March 7 and that was why the agenda packet was release with the recommendation blank to ensure the committee could review it and accept staff recommendation prior to Board action. A. Downey stated that as a new member of the Finance Committee he had questions on the process that was used and he agrees with the results. Chairman Thornton stated that the RMA wants an objective process using knowledgeable people. T. Calvert asked about the financial models that distinguished First Southwest Company from the other proposers. M. Nitschke stated that there is a traditional financing model but with the RMA's needs, we will need more complex models that can analyze varying degrees of risk with respect to the revenue structure that use probabilities because the rating agencies use standard criteria for coverage and the RMA will need additional analyses. M. Nitschke also stated that First Southwest Company offers support for this type of analysis and has 2 senior members with lengthy experience, quantitative capabilities and a structured finance group that can implement a statistical approach along with a credit analyst and a traditional analyst. T. Calvert asked if other transportation was noted and M. Nitschke stated that it had been considered in both the financial advisor role as well as underwriting and First Southwest has experience with start-up RMAs. T. Calvert asked if First Southwest Company has experience around the country and M. Nitschke stated that they did. Chairman Thornton stated that we have no idea what the municipal bond market will be like in 2 years. R. Diaz stated that M. Nitschke had been very helpful in answering questions and explaining the process. Bob Thompson asked about Appendix A to the contract with First Southwest and the range of fees and when it would be finalized and he stated that he hopes we won't be at the top of the range. M. Nitschke stated that it will be a timing issue and depend on the financing structure. T. Brechtel stated that the scope of services and agreements for specific fees will be brought to the Finance Committee for

review. R. Thompson stated that he knows the fees can be difficult to analyze but trust staff and their experience in this area to negotiate appropriately. All Board members voted in favor of the resolution. T. Brechtel thanked the staff and the committee for their work and Don Gonzales, Paul Jack and Estrada Hinojosa for their prior hard work. Don Gonzales spoke and thanked the RMA for their prior work and stated he enjoyed working with the RMA and the staff and they will continue to look forward to future work and plan to participate in the underwriter selections. T. Calvert stated that he wants to make sure that the Alamo RMA keeps its doors open to DBEs and T. Brechtel stated that there were points given for these firms and that only Estrada qualified for a portion due to its size.

4. **Discussion and appropriate action on a resolution approving the selection of a firm to provide quantitative financial risk management services (Terry Brechtel/Milo Nitschke) (Resolution No. 11-05).** T. Brechtel introduced the item and stated that the same team and process were used for the QFRM and the FA so there is no need to re-review that. M. Nitschke made a power point presentation (see attached) and stated that staff is still negotiating a contract with the recommended firm, Resource Systems Group and will bring the proposed contract back to the Board for approval at a subsequent Board meeting. M. Nitschke stated that this firm will provide probability and statistics which are not part of a traditional financing. M. Nitschke reviewed the written proposal evaluation factors, scoring, oral interview considerations and the oral interview assessment, scope of services and the next steps. R. Diaz made the motion to approve the resolution, A. Downey made the second. R. Diaz stated that a few months ago staff discussed with the Finance Committee the RFQ and the need for additional help with the quantitative analysis because it is a new area and the RMA wants to be prepared and he agrees with the staff recommendation. A. Downey stated that he also agreed with the staff recommendation and it was a favorable process. Chairman Thornton asked if the analysis will be available to bond buyers and M. Nitschke answered that it would be available. All Board members voted in favor of the resolution.
5. **Executive Session.** The Board convened in Executive Session at 1:45 pm to discuss pending litigation. The Board re-convened the regular meeting at 2:00 pm.  
  
[R. Diaz left the Board meeting]
6. **Approval of minutes from the Regular Board of Directors Meeting of February 10, 2011.** R. Thompson made the motion to approve the minutes as presented to the Board. A seconded. All voted in favor.
7. **Designation by the Chairman of the Alamo RMA of the members of the Finance and Planning Committees.** Chairman Thornton stated the Planning Committee would be chaired by Jim Reed with R. Thompson and T. Calvert as members and Finance Committee would be chaired by Rey Diaz with R. Rodriguez and A. Downey as members.
8. **Discussion and appropriate action on the financial statements for the period ending January 31, 2010 (Terry Brechtel / Carrie Conner).** Carrie Conner stated that the Finance Committee had reviewed these statements as well as February statements prior to the last Board meeting and due

to timing issues the Board is only reviewing the January statements but February would be included in the next Board packet. C. Conner reviewed the balance sheet statements and noted that there is a new report with notes to the balance sheet to provide clarity and explanations for the information. C. Conner then noted that the statement of capitalized costs now ties to the balance sheet, the statement of revenue, expenses and changes in fund deficit, and any variances are for straight lining purposes only and there are no issues of concern. C. Conner also stated that several comments were made at the Finance Committee to help with the ease of reviewing and understanding the reports and she would add those for the next month's reports. R. Thompson asked if there was anything alarming and C. Conner responded that there was not. A. Downey made the motion to accept the Financial Statements as presented to the Board. T. Calvert seconded. All voted in favor.

9. **Executive Director's Report.** T. Brechtel reviewed the calendar items and upcoming events. T. Brechtel stated that the Interchange project groundbreaking went well and she noted other events on the calendar. T. Brechtel also stated that there was a correction to the RMA holiday calendar because the holiday for Battle of Flowers had mistakenly been shown on April 22<sup>nd</sup> but it is on April 15<sup>th</sup> and the offices will be closed. T. Brechtel also noted that the monthly reports for the GEC and the two EIS teams are also included. Leroy Alloway showed several video clips that will be used for information and marketing purposes. L. Alloway also noted that copies of Baker's magazine Signature were provide and it includes an article on the 1604 EIS and the use of social media. Chairman Thornton stated that Leroy has been ahead of managing the social network use and at a low cost and doing an exceptional job. T. Brechtel stated that on the federal level, SAFETTEA-LU had been extended through September 30 of this year and that there are proposed cuts to the FTA new starts program which will impact VIA and that certain legislators are looking at streamlining issues for reviews. T. Brechtel asked Brian Cassidy to give a legislative update. B. Cassidy stated that bills had been filed for the RMA clean-up bill, transportation reinvestment zone bill, primacy environmental reviews, and CDA authority and that for concessions they are looking at specific region-filed bills. B. Cassidy also stated that he testified against a bill to prohibit system financing and he noted there is a bill to add a non-voting member to RMA boards to look at air quality issues. R. Thompson stated that the ability to have local option will change development in the future and there can be no growth with no infrastructure improvements. R. Thompson also stated that the Draft EIS for 281 is under review and he wants to make sure that all alternatives are analyzed equally and that each is kept separately and continually revised or tweaked and thereby affecting the analysis it receives. J. Reed stated that we have been working on it for 2 years and at some point there is no more changing it. A. Downey asked about the legislative possibility for local option and B. Cassidy stated that no bill had been filed yet although there was still one more day and that at this time, it is not actively being pursued. J. Reed stated that he believes Bexar County may file something on it.

10. **Citizens' Communications.** None.

11. **Adjournment.** There being no further actions for the Board, Chairman Thornton called the meeting to adjournment at 2:40 p.m.

**APPROVED:**

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**DR. WILLIAM E. THORNTON, CHAIRMAN**  
**DATE ADOPTED: 5/26/2011**

**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 March 10, 2011.**

**ATTEST: \_\_\_\_\_**  
**REYNALDO L. DIAZ, JR**  
**SECRETARY/TREASURER**