

SUMMARY MINUTES  
FINANCE COMMITTEE  
MEETING OF JUNE 18, 2014

Mr. Curto called the June 18 Finance Committee Meeting to order at 11:53 a.m. A quorum was present during the meeting: Mr. Adams, Mr. Chapman, Mr. Session and Ms. Wells. Mr. Carter, Mr. Gates, Mr. Griffin, Ms. Hall, Ms. Lang, Ms. McConnell, Mr. McDermott and Mr. Williams were also present.

Financial Advisors' Report – Aviation Enterprise. Andy Rountree, Vice President for Finance and Chief Financial Officer, reported that the Authority had recently priced \$539 million of Airport System Revenue Bonds, including \$432 million in refunding bonds. He stated that the Authority had achieved more than \$65 million in net present value savings at an interest rate of 3.5 percent and a gross debt service savings totaling \$111 million. Mr. Rountree reported that staff is grateful for the efforts of the banking team, led by Bank of America Merrill Lynch as the Book-running Senior Manager and Citigroup Global Markets Inc. as the Co-Senior Manager. He stated that the timing of the transaction had served the Authority well.

Guy Nagahama of Jefferies reported that the original bond transaction date had been June 9. He explained that the finance team had suggested an accelerated schedule, to which the Committee and Board had agreed. The accelerated schedule had resulted in an additional \$6 million in net present value savings. Mr. Nagahama reviewed the history of the Authority's financial transactions.

Mr. Curto noted that the transaction had been a remarkable achievement, which had resulted in significant savings to the Authority. He stated that all involved had done an excellent job.

Mr. Nagahama recalled that the Committee had concurred with the pre-solicitation terms for bank facilities for the Aviation Enterprise at its May meeting. He noted that 11 proposals had been received, all of which were consistent with prior bids relative to the Commercial Paper (CP) Program transaction that had been finalized in March. Once the process had been completed, Mr. Nagahama stated that he was confident that the future recommendation to replace the bank facilities would save the Authority \$1 million annually.

Mr. Rountree thanked the Finance Co-Chairs, as well as Mr. Conner, for their significant time commitment and participation related to the bond transaction.

May 2014 Financial Report – Aviation Enterprise. Mr. Rountree noted that the financial report had been an indication that the Authority continued to recover since the challenging first quarter. He reported that year-to-date revenue was \$274.6 million, 2.2 percent lower than the prior year-to-date. Year-to-date expenses were \$238 million, an increase of 2.4 percent compared to the prior year-to-date. The operating income was \$36.7 million, compared to prior year operating income of \$48.5 million. The debt service coverage estimate through May was 1.37x, and Mr. Rountree noted that the estimate is expected to be 1.39x by the end of the year.

Financial Advisors' Report – Dulles Corridor Enterprise. Bryan Grote of Mercator Advisors LLC reported that the transaction for the Dulles Toll Road Second Senior Lien bonds had closed in May, which had resulted in favorable terms for the Authority. He also reported that Finance Staff and the Financial Advisors for the Authority, Loudoun and Fairfax Counties are working with the Department of Transportation and its advisors on the terms of the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan. Once the negotiations were finalized, all the planned long-term financing for the Dulles Metrorail Project would be complete. Doreen Frasca of Frasca & Associates, L.L.C. provided a brief market update. Mr. Rountree noted that the existing CP Program with JP Morgan would be extended through August 2015 to provide a contingency source of funds because staff is unable to guarantee a closing date for the TIFIA loan.

May 2014 Financial Report – Dulles Corridor Enterprise. Mr. Rountree noted that Mark Adams, Deputy Chief Financial Officer, was on travel, and that he would present the report in his absence. Consistent with the Aviation Enterprise, Mr. Rountree reported that the financial report for the Dulles Corridor Enterprise had shown that the Authority is recovering nicely after a challenging first quarter. He then reported that year-to-date Toll Road revenue was \$60.5 million, 16.4 percent higher than the prior year-to-date. Toll Road transactions totaled 39.3 million year-to-date, 3.4 percent lower than prior year-to-date. Electronic toll collections were up 2.4 percent at 83.2 percent. Toll Road expenditures were \$11.6 million year-to-date, 10.1 percent higher than prior year-to-date.

The meeting was thereupon adjourned at 12:07 p.m.