

**MIAMI-DADE EXPRESSWAY AUTHORITY (MDX)**

**BOARD MEETING**

**TUESDAY, OCTOBER 21, 2014**

**4:00 PM**

**WILLIAM M. LEHMAN MDX BUILDING  
3790 NW 21<sup>ST</sup> STREET  
MIAMI, FLORIDA 33142**

**Members Present:**

Maurice A. Ferré, Chair  
Maritza Gutierrez, Vice Chair  
Carlos R. Fernandez-Guzman, Treasurer  
Gus Pego, P. E., District VI Secretary  
Alfredo L. Gonzalez, Esq.  
Robert W. Holland, Esq. – via phone  
Rick Rodriguez Piña  
Shelly Smith Fano  
Javier L. Vázquez, Esq.  
Luz Weinberg

**Members Absent:**

Louis V. Martinez, Esq.

**Staff:**

Javier Rodriguez, Executive Director  
Marie Schafer, Chief Financial Officer  
Steve Andriuk, Director of toll Operations  
Juan Toledo, P.E., Director of Engineering  
Helen Cordero, Manager of Procurement and Contracts Administration  
Ivan Del Campo, Chief Information Officer/Manager of ITS  
Mario Diaz, Public Information Manager  
Francine Steelman, Associate General Counsel  
Maria Luisa Navia Lobo, Board Secretary

**Consultants:**

Legal: Richard Weiss, WSH  
Matthew Pearl, WSH  
Finance: Randy Topel, First Southwest Co.  
Norm Pellegrini, CitiGroup  
Transportation: Albert Sosa, HNTB (GEC-A)  
Rick Crooks, EAC Consultants (GEC-B)  
Tere Garcia, Bermello Ajamil (GEC-A)

### **CALL TO ORDER & ROLL CALL**

Chair Gutierrez called the meeting to order. Ms. Navia Lobo called the roll and announced a quorum of the MDX Board was present.

### **DECLARATIONS OF VOTING CONFLICTS**

Mr. Weiss asked Members if there were any voting conflicts regarding the items on the Board Agenda for this meeting. No conflicts were declared.

### **PLEDGE OF ALLEGIANCE**

Chair Gutierrez asked Ms. Smith Fano to lead in the Pledge of Allegiance.

### **CITIZEN COMMENT**

No comments received

### **APPROVAL OF AGENDA**

Chair Gutierrez requested a motion to approve the revised agenda.

Mr. Ferré moved to approve the agenda and Mr. Pego second the motion. The agenda was unanimously approved.

Ms. Gutierrez recognized past Board Member Al Maloof and presented him with a plaque for his service to the MDX Board 2009-2013.

### **APPROVAL OF SUMMARY MINUTES**

Board Meeting of August 19, 2014

Ms. Smith Fano moved to approve the Summary Minutes corresponding to the August 19, 2014 meeting. Mr. Vazquez seconded the motion. The motion was unanimously approved.

### **EXECUTIVE DIRECTOR'S REPORT**

Mr. Rodriguez briefed Members on the following topics of interest since the last Board meeting:

- On-going project for ORT on SR 836 and SR112. The mainline gantries are up on Sr 112 and the new wing on 17<sup>th</sup> avenue has been completed. The ramps are still on-going. The ORT go-live target date is November 15, 2014. During this time a total of 52 stories were published in newspapers and television a no cost. A short video on the SR 836 new wing erection was presented.
- Series 2014B Refunding Bonds completed. A brief overview of the results will be presented later on the agenda.
- On-going meeting with County Commissioners on MDX projects, educating them about effect of the Work Program on the community; and soliciting their input and support to move projects forward.
- Interview Process and selection of MDX General Counsel has been finalized. The contract is on the agenda for approval

- Public kick off meeting for the SR836 Southwest extension.
- Staff and several Members attended the IBTTA Annual meeting in Austin Texas. While in Austin, he had the opportunity to testify on behalf of the State of Florida, before the Texas Legislature and Senate Transportation Committee. “How to Finance Infrastructure, in particular Transportation”
- Strategic Plan update – Scheduling of meetings to finalize this plan
- Passing of Armando de Moya – the founder of the DeMoya Group

### **GENERAL COUNSEL’S REPORT**

Mr. Weiss informed Members that he reached out to the new General Counsel, Mr. Zaldivar, and offered his firm’s assistance for a smooth transition.

### **MPO REPRESENTATIVE REPORT**

Mr. Ferré informed Members that the last MPO Board Meeting was cancelled.

### **TREASURER’S REPORT**

- Recap Refunding Bond Series 2014B

Mr. Fernandez-Guzman introduced the item and recognized Staff for their professionalism and keeping the fiscal health of MDX in mind.

Ms. Schafer reported for the three month period, September 2014, overall revenue \$35.3 million, which was \$1million dollars below the forecast primarily due to the toll-fee revues and delayed billing. Interest and dividend income, there was a swing in September for the change in negative fair market value. As far as expenses, the only expense that stands out is the legal litigation expense. Overall, the net revenue is in line with the forecast.

Mr. Topel presented the refunding Bond Series 2014B, highlighted the following:

- Lower variable debt from 16% to 8% (Achieved)
  - Eliminates interest rate risk
  - Eliminates all other risks
- Strategically manages debt (Achieved)
  - Provides for additional funding capacity in near term years
  - Position early retirement of outstanding debt
  - Senior coverage of 1.85x or greater
- Enhanced credit position (Achieved)
  - Positive rating change lowers future cost of funds
- Lower overall debt service
  - Accelerated Series 2005 final maturity by 6.5 years (Achieved)
  - Total debt service lower by \$71.4 (Actual \$79.2) million over life of outstanding debt
    - Saving debt service \$53.8 million (Actual \$61.59)
    - Basis risk reduce debt service \$17.6 million (Achieved)
    - PV savings (After taking into account \$8.125 million contribution)
    - Series 2006 \$7.857 Million (Target 4.5% Actual 7.148%)

- Series 2005 A-E \$3.6 Million ( PV savings was not expected )
- Preserves self-financing for FY 2015-2020 (Achieved)
- All in Interest Cost 4.85% (Actual 4.549%)

Mr. Fernandez-Guzman congratulated the entire Finance team for a job well done.

Mr. Ferré congratulated the team for an amazing achievement and accomplishment in the financial market.

Mr. Pellegrini, representing CitiGroup addressed the Board and gave a brief summary of the process and informed Members there were 56 institutional investors participate in the offering. The Authority's bond pricing was equivalent to a AA category.

### **COMMITTEE REPORTS**

- A) Operations Committee, 10/9/14
- B) Policy & Planning Committee, 10/16/14
- C) Inter-Governmental & Public Communications Committee, 10/21/14

The Committee reports were waived.

### **CONSENT AGENDA**

A) Travel Approval:

- October 30-31, Trip to Tampa, Florida by Board Members and Executive Director Rodriguez to attend The TEAMFL Quarterly Meeting
- November 12, 2014, Trip to Washington D.C. by Executive Director Rodriguez to attend IBTTA meetings.

Mr. Weiss read the agenda item for the record. Mr. Fernandez-Guzman moved to approve the Consent Agenda. Mr. Vazquez seconded the motion. The motion was unanimously approved.

### **REGULAR AGENDA**

- A) MDX Procurement/Contract Number MDX-15-09; Software and Hardware Maintenance Services for the Open Road Tolling (ORT) System on SR 112 and SR 836 (\$13,100,000 Not-to-Exceed Contract Amount) (Endorsed by the Operations Committee on October 9, 2014)
- Approval of Contract with TransCore, LP

Mr. Toledo introduced the item and explained the item was endorsed by the Operations Committee; on February 12, 2014, MDX executed the First Amendment to the Cooperative Purchasing Agreement with TransCore using FDOT Contract No. BDH83 for the installation of the Infinity Open Road Tolling (ORT) System on SR 112 and SR 836. At that time, Staff informed the Committee and Board that the Turnpike was just finalizing the installation of the Infinity ORT System and was negotiating a separate contract with Transcore for the maintenance services. Staff waited for the Turnpike to finalize its negotiations in order to take advantage of the economy of scales that would be realized once the Turnpike's contract was in place and TransCore could leverage the allocated resources in the Miami-Dade County area.

Subsequent to the execution of the Turnpike's contract, MDX started negotiations with TransCore for the preventive and corrective maintenance services and parts, as well as the monitoring of the System on SR 112 and SR 836 schedule to Go Live later this year. The negotiated Contract also includes maintenance services for the ORT lanes to be added as part of the 83628 Design/Build Project and the 83629 Construction Project schedule to come on line in 2016, for a total of 75 ORT lanes.

The proposed Contract Term is seven (7) years with optional three (3) one (1) year renewals at MDX discretion. The Contract includes an annual escalation of the lesser of the current CPI or 3%, with a not-to-exceed Contract amount of \$13,100,000, including approved escalations. Should MDX exercise the Contract renewal options, the Contract amount will remain the same with the applicable escalations.

He further stated that given the proprietary nature of the Infinity ORT Toll System, Staff recommends endorsement of TransCore to provide maintenance services as detailed in the Scope of Services.

TransCore has committed to 10% Small Business Participation for the Maintenance of Traffic (MOT) portion of the Services

Mr. Ferré moved to approve the Contract with TranCore LLP. Ms. Smith Fano seconded the motion. The motion was unanimously approved.

B) MDX Procurement/Contract Number RFP-11-02; MDX Work Program No. 83629.020; Design Engineering Services for the Reconstruction of Northwest 87<sup>th</sup> Avenue Interchange at State Road 836 (\$880,959.17) (Endorsed by the Operations Committee on October 9, 2014)

- Approval of Amendment No. 4

Mr. Toledo introduced the item and explained that the fourth contract amendment is required to include modifications to the Contract Documents that modify the traffic control plans to facilitate a new temporary gantry location currently being designed under MDX Project 83631. The Fourth Amendment also includes the negotiated amount for post design services required during the construction phase, which was not included in the original Contract Amount. Although the Project's Scope of Services included post design services, it was decided to negotiate the amount for those services during the design phase to more accurately negotiate the fee for the post design services.

Staff has negotiated the components of the Fourth Amendment to the Agreement with A&P Consulting Transportation Engineers, Corp. and recommend increasing the contract amount by \$880,959.17 for a new total Contract Amount of \$7,038,138.93, which includes the additional design work as a Lump Sum in the amount of \$51,970.88 and the post design services as a limiting amount of \$828,988.29. The contract time is recommended to be extended through the end of construction plus two (2) months after final acceptance of the Project.

Mr. Fernandez-Guzman moved to approve Amendment No. 4. Ms. Smith Fano seconded the motion. The motion was unanimously approved.

C) MDX Work Program No. 83603; SR 836/SR 112 Interconnector Joint Participation Agreement and Roadway Transfer Agreement for the LeJeune Road-Collector Distributor Roads

between the Florida Department of Transportation (FDOT) and Miami-Dade Expressway Authority (Endorsed by the Operations Committee on October 9, 2014)

- Approval of Third Supplemental to the Joint Participation Agreement with FDOT for the funding of Right-of-Way Acquisition, design and construction for the Miami Intermodal Center (MIC) and Interconnector Projects between SR 836 and the MIC.
- Approval of the Roadway Transfer Agreement for the LeJeune Road – Collector Distributor Roads (Roadway Transfer Agreement)

Mr. Toledo introduced the item and explained that this item requires two separate actions the first endorsing the Third Supplemental to the JPA; and second, accepting certain portions of Lejeune Road from FDOT.

1. The Joint Participation Agreement between MDX and FDOT dated April 20<sup>th</sup>, 2001 and the First Supplement of October 28, 2002, provide a joint funding mechanism for the right of way acquisition and the design and construction by FDOT of the Collector – Distributor (C-D) roads to access Miami International Airport (MIA) and the MIC from SR 836 via the Interconnector. The Second Supplement dated August 21, 2007, allowed FDOT to shift funding already approved under this agreement to construction projects added within the corridor as a result of MDX's deferral of plans for the ultimate interconnector. These additional Projects were coordinated between FDOT and MDX and the design of these projects was done by MDX under MDX Project No. 11205 –Interconnector from MIA to SR 112. The Third Supplement to the JPA will reconcile MDX's funding to the actual construction projects that were required to complete the MIC Project. The Third Supplement is also intended to modify the FDOT Financial Management Numbers to appropriately conform to the FDOT Financial Management Identifiers and the expenditures previously authorized pursuant to the Original JPA and the First and Second Supplements and does not impact in any way the original MDX Contribution.
2. The Roadway Transfer Agreement is the final step required to complete the terms of the JPA that certain right of way along LeJeune Road be transferred to MDX as an acquired asset for the financial contribution provided by MDX for the MIC Project.

Mr. Toledo informed Members that the agreements for this item are presented in substantial form.

Mr. Ferré moved to approve the Third Supplemental to the JPA and Roadway Transfer Agreement.

Mr. Gonzalez seconded the motion. The motion was unanimously approved.

D) Approval of Revision to the Budget Policy (Endorsed by the Budget & Finance Committee on June 20, 2014 and the Policy & Planning Committee on October 16, 2014)

Ms. Schafer explained the following proposed revisions to the Budget Policy: (a) Senior Debt Coverage to 1.5x or greater in order to be consistent with the Debt Management Policy and maintain investment grade ratings; (b) the five year Work Program date to no later than April 30<sup>th</sup> for discussion and no later May 31<sup>st</sup> for approval and; (c) “with the exception of contingency release” total project cost cannot be exceeded the project budget without Board approval.

Mr. Fernandez-Guzman brought to the attention of Staff that in paragraph 8 the Executive Director needed to be stricken.

Ms. Smith Fano moved to approve the revisions to the Budget Policy. Mr. Vazquez seconded the

motion. The

- E) Approval of Revision to the Debt Management Policy and Rescind the Swap Policy (Endorsed by the Budget & Finance Committee on June 20, 2014 and the Policy & Planning Committee on October 16, 2014)

Ms. Schafer explained the Debt Management Policy and Swap Policy were approved by the Governing Board in September 2010 and September 2013, respectively.

The Debt Management Policy formalized the debt management practices of the Authority, which provides for accountability and transparency to the public. The main objectives of the Policy are to: 1) set parameters of debt issuance specific to funding capital projects; 2) maintain a financial plan to achieve a senior coverage ratio of 1.5x or greater; and 3) reduce the Authority's variable rate debt exposure over time.

The Series 2014A Financing Plan was structured in compliance with the Policy whereas senior coverage is no less than 1.5x; and pay as go (cash funds) is no less than 30% of the Work Program.

In order to secure the pay as you go funds and meet the Policy requirements, Staff recommends that the following language be included in the Debt Management Policy:

- 1) The pay as you go funding will be from net excess revenue and determined by the most recent financing plan; and
- 2) Such funds will be committed in order to fund the pay as you go portion of the Work Program; and
- 3) The funds will be deposited on an annual basis into the General Construction Fund.

Ms. Schafer further explained the proposed revisions to the Debt Management Policy also provides for derivatives guidelines, as well as compliance requirements that supersede those included in Swap Policy. As a result, Staff recommends that the Swap Policy be rescinded.

Mr. Fernandez Guzman recommended the following two amendments:

1. On page 3 point #2 add language that the funds will be considered committee in order to fund and pay as you go portion of the Work Program and segregated accordingly
2. The Swap policy to have a review period for the Board on these instruments at least on an annual basis

Mr. Fernandez-Guzman moved to approve the revisions and rescindment of the Swap Policy as amended. Mr. Gonzalez seconded the motion. The motion was unanimously approved.

- F) Approval of Revisions to MDX Code of Ethics Policy (Endorsed by the Policy & Planning Committee on October 16, 2014)

Mr. Weiss read the item for the record and highlighted the revisions with regards to the recent legislative session; the Florida Legislature enacted Bill No. CS/CS/CS/SB 846 which, in pertinent part, amended §348.0003, Fla. Stat., "Expressway authority; formation; membership", by imposing certain new ethical standards on the board members, employees and consultants of expressway authorities.

Mr. Weiss clarified the term "lobbyist" as narrowly defined in § 112.3215, Fla. Stat. to include only those individuals employed and receiving payment or contracting for economic consideration, for the purpose of lobbying the Executive Branch of the State of Florida or the Florida Constitution

Review Committee.

Mr. Fernandez-Guzman expressed concern with respect to page 4 (1) Disclosure Requirements for voting conflicts with regards to the absence of a particular person and business entities.

He additionally referred to page 6 first paragraphs as it relates to the General Counsel being the Ethics Officer and General Counsel reporting to the Board of Directors; his recommendation was to have the Ethics Officer report to the Executive Committee.

Ms. Weinberg stated that she is in agreement with the Policy, that the General Counsel/ Ethics Officer should report to the Board.

The item was thoroughly discussed.

Ms. Smith Fano moved to approve the revision to the MDX Code of Ethics Policy. Ms. Weinberg seconded the motion. The motion was unanimously approved.

G) MDX Procurement/Contract No. RFQ 15-04 Legislative Advocacy and Consulting Services (endorsed by the Inter-Governmental & Public Communications Committee on October 21, 2014 at 3:00 p.m.)

- Approval of TEC Recommendation of Successful Proposer

Ms. Cordero informed Members the Technical Evaluation Committee held oral interviews earlier that day from two responsive proposers. The Inter-Governmental and Public Communications endorsed the TEC recommendation of the number one ranked proposer, Gomez Barker Associates. Three proposals were received, one of the proposers was deemed non-responsive as voted by the Committee earlier today and the two responsive proposers moved forward to oral interviews.

Ms. Gutierrez recommended re-visiting the MDX Procurement Policy with regards to zero tolerance of minor irregularities on responsiveness of proposals. The item was thoroughly discussed.

Mr. Fernandez-Guzman moved to approve the TEC recommendation of the number one ranked proposer, Gomez barker Associates. Ms. Weinberg seconded the motion. The motion was unanimously approved.

H) Approval of General Counsel's Employment Contract – to be distributed

Mr. Rodriguez introduced the item. Mr. Fernandez Guzman asked that if the General Counsel is also going to serve as the Ethics Officer then it needs to be incorporated into the job description. Ms. Lang highlighted the modifications made to the agreement relative to former General Counsel's job description. Ms. Gutierrez welcomed Mr. Zaldivar to MDX.

Ms. Fano moved to approve the General Counsel's employment contract. The motion was unanimously approved.

## **INFORMATIONAL ITEMS**

- Procurement Report



**CHAIR'S COMMENTS**

Mr. Toledo introduced a safety on the roadways presentation.

**ANNOUNCEMENTS**

- Budget & Finance Committee Meeting, 11/19/14, 3:30 p.m., William M. Lehman MDX Building – Board Room
- Operations Committee Meeting, 12/2/14, 10:00 a.m., William M. Lehman MDX Building Board Room
- Board Meeting 12/9/14, 4:00 p.m., William M. Lehman MDX Building – Board Room

**ADJOURNMENT**

Chair Gutierrez adjourned the Meeting.

Summary Minutes prepared by Maria Luisa Navia Lobo, Board Secretary