

**MIAMI-DADE EXPRESSWAY AUTHORITY (MDX)  
JOINT BUDGET & FINANCE AND OPERATIONS COMMITTEE MEETING  
TUESDAY, SEPTEMBER 20, 2016  
10:00 AM  
WILLIAM M. LEHMAN MDX BUILDING  
3790 NW 21<sup>ST</sup> STREET  
MIAMI, FLORIDA 33142**

**SUMMARY MINUTES**

**Attendees:**

**Present Operations Committee Members:**

Maritza Gutierrez, Chair  
James Wolfe, P.E., Vice Chair  
Arthur J. Meyer – in attendance via phone  
Rick Rodriguez Piña  
Javier L. Vazquez, Esq.  
Cliff Walters

**Absent Members:**

**Budget & Finance Committee Members:**

Rick Rodriguez Piña, Treasurer  
Luz Weinberg – in attendance via phone  
Leonard Boord – in attendance via phone  
Mauride A. Ferré  
James Wolfe, P.E.

**Present MDX Board Members**

Louis V. Martinez, Esq., MDX Chair  
Shelly Smith Fano Vice Chair

**Staff:**

Javier Rodriguez, P.E., Executive Director  
Carlos M. Zaldivar, Esq., General Counsel  
Marie T. Schafer, CPA, Director of Finance/CFO  
Juan Toledo, P.E., Director of Engineering  
Steve Andriuk, Director of Toll Operations – via phone  
Helen Cordero, Manager of Procurement and Contract Administration  
Maria Luisa Navia Lobo, MDX Board Secretary

**Consultants:**

Albert Sosa, HNTB (GEC-A)  
Rick Crooks, EAC, (GEC-B)  
Randy Topel, First Southwest Co. (Financial Advisor)  
Luis Reiter, Squire Patton Boggs (Bond Counsel)  
Doug Draper RBC Capital Markets (Underwriter)

**CALL TO ORDER**

Ms. Gutierrez, Chair of the Operations Committee and Treasurer Rodriguez Piña called the meeting to order. Ms. Navia Lobo called the roll and announced a quorum was present.

**DECLARATIONS OF VOTING CONFLICTS**

Mr. Zaldivar asked if Committee Members if any had voting conflicts of interest to declare in regards to the agenda. No conflicts were declared.

**PUBLIC COMMENT**

No public Comment

**ACTION ITEMS**

A) Approval of Summary Minutes:

- Budget & Finance Committee Meeting of June 21, 2016

Ms. Gutierrez moved to approve the June 21, 2106 Budget & Finance Committee meeting Summary Minutes. Mr. Wolfe seconded the motion. The motion was unanimously approved.

- Operations Committee Meeting of August 25, 2016

Mr. Martinez moved to approve the August 25, 2016 Operations Committee meeting Summary Minutes. Mr. Rodriguez Piña seconded the motion. The motion was unanimously approved.

B) Treasurer's Report

As part of the Treasurer's Report, Ms. Schafer presented the FY16 Financial Statements and the Cash Back Toll Dividend Program.

C) Endorsement of the Fiscal Year 2016 Cash Back Toll Dividend

Ms. Schafer gave an overview of the preliminary Fiscal Year 2016 Financial Statements, the auditors will be onsite in October and will present the final results at the November 2016 meeting. She explained the financial statements are prepared on the accrual basis of accounting; the revenue is reported as earned and the expenses are reported as incurred. SunPass® revenue is earned when a car exits the gantry; the toll-by plate transactions go through an image review process and the revenue is recognized once the invoice is mailed out. She further explained the external auditors prepare financial statement audits that are filed with the following entities:

- Security Exchange Commission
- Bank of New York Trustee
- State of Florida Auditor General
- Swap Counter Parties
- Single Audit Division of State
- Florida Transportation Commission
- Rating Agencies

A Comprehensive Annual Financial Report (CAFR) is prepared on an annual basis, which is comprised of: introductory, financial and statistical sections. Part of the financial section included the independent auditor's report, management discussion and analysis and financial statements. Ms. Schafer highlighted the Statement of Net Position, Capital Assets, Accounts Receivables, Net, and Statements of Revenues, Expenses and Change in Net Position. A historical perspective of the Senior Coverage Ratios FY2016- FY 2006 was highlighted.

The year-end Fiscal Year 2016 results are as follows:

- Senior Debt Coverage above Policy greater than 1.5x
- Financing Plan Projected 1.98
- Actual Senior Debt Coverage 2.18
- Strong Liquidity Position
- Fiscal Year 17 work program funded
- MDX Ratings
  - Moody's A2 Positive Outlook
  - Fitch and Standard & Poor's A Stable Outlook

Ms. Schafer informed Members once all financial objectives and commitments are met, the Authority declares on an annual basis both a dollar amount and the percentage of the overall toll amount that MDX may give back to its customers registered in the Cash Back Toll Dividend (CBTD) Program. Bondholders would remain in Senior Lien and all required obligations and reserves must be satisfied prior to declaring any dividends. This year, the registration period was opened from January 2, 2016 until March 31, 2016. Those who registered their transponders in the first year of the program were automatically re-enrolled this year. The number of registered transponders increased from those registered in 2015 from 83,000 to 112,000. In order to qualify for a CBTD, customers must meet all terms and conditions of the Program, including a minimum payment of \$100 of tolls on MDX roads per registered transponder during the fiscal year. Approximately 54,000 transponders qualified for the CBTD in FY 16. Those who did not qualify paid less than a \$100 annually or \$8 monthly in MDX tolls.

The Fiscal Year 2016 CBTD to be paid per registered eligible transponder is 30% of the tolls paid during July 1, 2015 through June 30, 2016. The cumulative CBTD is approximately \$5.5 million.

Regarding the \$5.5 million, Mr. Martinez asked what would be the approximate financial impact to all drivers if MDX used it to reduce the tolls. Ms. Schafer responded that the reduced toll amount would be about half a penny. Mr. Boord asked how the potential legal contingencies are treated in the balance sheet. Ms. Schafer informed Members all litigations are disclosed and included in the financial statements. There are no liabilities on the books. From a planning perspective MDX has been very conservative in its reserve in the last couple of years and this is factored in the financing plan.

Mr. Martinez moved to endorse the FY 2016 Cash Back Toll Dividend. Ms. Gutierrez seconded the motion. The motion was unanimously endorsed.

[The FY 2016 Financial Statements presentation is filed with the Board Secretary]

D) Approval to execute lease of MDX Parcel 11205-216

Mr. Greene presented the item and explained the Property was purchased by the Authority as part of the MDX Project #11205 Interconnector to SR 112, which is not currently funded for construction. The Property is being leased to generate additional revenue. A recent market appraisal estimated the Property's current annual rental value as \$26,250.00. On August 11, 2016, the Property was advertised for competitive bidding and two sealed bids were received. The bids were in the amount of \$36,000.00 per year from National USA Corp USA, Inc. at 3947 NW 36<sup>th</sup> Street Miami, FL 33142 to operate food trucks; and \$30,600.00 by Florida Premium Rentacar at 10739 NW 81<sup>st</sup> Lane Doral, FL 33178 to store automobiles. The highest bidder, National USA Corp USA, Inc. rescinded its bid after the bidder discovered that City of Miami statutes would not allow more than one food truck on the parcel, which makes their proposed use of the Property impracticable. National USA Corp USA did not pay the required 10% security deposit. The second place bidder, Florida Premium Rentacar was noticed they had become the apparent winner and remitted the required security deposit.

The lease term will be three years with one (1) year renewal options and allows for annual rental rate increases based on the Revised Consumer Price Index U.S. City Average for All Urban Consumers All Items, 1982-84.

Mr. Rodriguez Piña moved to approve the parcel 11205-216 lease. Mr. Ferré seconded the motion. The motion was unanimously approved.

E) MDX Work Program No. 87410; SR 874 Ramp Connector to SW 128<sup>th</sup> Street

- Endorsement of MDX Resolution 16-24 for the Purchase of Parcels 117, 701, 702 and 802.

F) MDX Work Program No. 87410; SR 874 Ramp Connector to SW 128<sup>th</sup> Street

- Endorsement of MDX Resolution 16-23 for the Purchase of Parcels 118 A, 118 B, 118 C, 118 D, 700 and 803.

Agenda items IV. E and IV. F were addressed together. Mr. Zaldivar read the items into the record. Mr. Toledo informed Members that on December 9, 2014 the MDX Board adopted Resolution No. 14-06, which declared that construction of Project 87410 (SR 874 Ramp Connector to SW 128<sup>th</sup> Street) would serve a public purpose by providing additional mobility and transportation connectivity options in the southeast corner of West Kendall, an area that endures traffic congestion and limited access to expressways via the existing arterial roadway network. Resolution No. 14-06 also declared that to construct Project 87410 along a preferred route and at the recommended location, it is necessary to acquire interests in real property pursuant to the Miami-Dade Expressway Authority Property Acquisition Policy. The MDX Property Acquisition Policy requires a Board Resolution for the acquisition of Parcels with a purchase price of \$500,000 or greater.

MDX's current appraised value for Parcel No. **117** is \$3,437,000, MDX's current appraised value for Parcel Nos. **701** is \$117,100, **702** is \$84,500 and **802** is \$117,700. The combined total for all four parcels is \$3,756,300. Staff is requesting approval to make an initial offer in the amount of the appraised value of \$3,756,300.

MDX's current appraised value for Parcel No. **118 A-D** is \$2,271,500; therefore, staff requires a Board Resolution to acquire the property. MDX's appraised value for Parcel No. **700** is \$38,300 and Parcel No. **803** is \$409,900. The combined total for all six parcels is \$2,719,700. Staff is requesting approval to make an initial offer in the amount of the appraised value of \$2,719,700.

Staff will attempt to negotiate a settlement with the owner within the parameters of the MDX Delegation of Authority Policy. Should negotiations fail, MDX will file an Eminent Domain Lawsuit, as authorized by Resolution 15-17R. Through the Eminent Domain Process, MDX will acquire ownership of the subject Parcels by an Order of Taking as approved by the Court.

The purchase of Parcel Nos. **117, 701, 702, 802, 118 A, 118 B, 118 C, 118 D, 700, and 803** are required for the construction of MDX Project 87410, the SR 874 Ramp Connector to SW 128<sup>th</sup> Street.

Mr. Martinez moved to endorse Resolution 16-23 and 16-24. Mr. Ferré seconded the motion. The motion was unanimously endorsed.

G) MDX Work Program No. 83611; SR 836 / I-95 Interchange Improvements

- Approval to purchase 83611 Parcel No. 730 in an amount greater than \$350,000 and less than \$500,000 per the MDX Property Acquisition Policy Delegation of Authority.

Mr. Toledo introduced the item and explained that on January 26, 2016, the MDX Board adopted Resolution No. 16-08, which identified Parcel No. 730 as necessary for a public purpose to construct Project 83611 along the preferred route and recommended location. A Temporary Construction Easement is needed for Parcel No. 730. The Board also authorized Staff to acquire the property interest through negotiated conveyance or by eminent domain.

Parcel 730 is owned by a condominium association and the appraisal value is \$390,700

The MDX Property Acquisition Policy requires Operations Committee approval for the acquisition of parcels with a purchase price greater than \$350,000 but less than \$500,000.

Mr. Martinez moved to approve the acquisition of parcel No. 730. Mr. Rodriguez Piña seconded the motion. The motion was unanimously approved.

## **DISCUSSION ITEMS**

A) FY 16 Financial Statements

The item was address as part of the Treasurer's Report.

B) Series 2016A Refunding

Mr. Draper, representing RBC Capital Markets, Lead Underwriter for the Series 2016A Bonds (\$95,820,000) presented the final results of the series 2016A refunding.

Mr. Draper answered questions from Members.

[The Series 2016A Bonds results presentation is filed with the Board Secretary]

## **INFORMATIONAL ITEMS**

A) MDX Work Program Monthly Status Report – August 2016

B) HNTB SBE/LB Utilization Report

C) EAC SBE/LB Utilization Report

- D) MDX Contingency Release History Report
- E) Procurement Report
- F) IT Initiative FY 2017 – added item

Mr. Toledo presented the IT Initiates for FY 2017 and highlighted the following:

- Preparing MDX infrastructure for the future
- Connected Vehicle Applications, Safety benefits, Mobility benefits
- Bluetooth/WI/FI Applications
- MDX Smart Road Deployment and Road Designation of SR 836 from MIC to 137<sup>th</sup> Avenue
- Timeline

Mr. Toledo answered questions from Members.

### **ANNOUNCEMENTS**

- Policy & Planning Committee Meeting 10/20/16, 11:30 AM, William M. Lehman MDX Building
- Board Meeting 9/27/16, 4:00 PM, William M. Lehman MDX Building

Mr. Rodriguez encouraged Members to attend the 11th Annual MDX for Business Conference & MDX 20th Year Anniversary Commemoration on September 22, 2016 at the Airport Hilton.

Mr. Zaldivar informed Members that an Attorney Client Privileged Meeting (“Shade Meeting”) has been scheduled for Tuesday, September 27, 2016 at 3:00 p.m. prior to the monthly Board of Directors meeting regarding ETCC Litigation.

Electronic Transaction Consultants Corporation v. Miami-Dade County Expressway Authority, Case No. 12-46272 CA 40, pending in the 11th Judicial Circuit, Miami-Dade County, Florida.

The following individuals will be in Attendance:

MDX Board of Directors  
Javier Rodriguez, Executive Director  
Carlos Zaldivar, MDX General Counsel  
Joseph H. Serota, Legal Counsel  
Michael D. Ehrenstein, Legal Counsel

The proceedings will be recorded by a certified court reporter and, at the conclusion of all litigation; the transcript will be made part of the public record.

### **ADJOURNMENT**

The meeting was adjourned by Ms. Gutierrez and Mr. Rodriguez Piña

Minutes prepared by Maria Luisa Navia Lobo, Board Secretary.