

MIAMI-DADE EXPRESSWAY AUTHORITY (MDX)

BOARD MEETING

TUESDAY, AUGUST 19, 2014

4:00 PM

**WILLIAM M. LEHMAN MDX BUILDING
3790 NW 21ST 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 – via phone
Alfredo L. Gonzalez, Esq. – not present for agenda ítem IX. A
Robert W. Holland, Esq.
Louis V. Martinez, Esq
Shelly Smith Fano – via phone
Javier L. Vázquez, Esq.
Luz Weinberg

Members Absent:

Rick Rodriguez Piña

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: Matthew Pearl, WSH
Finance: Randy Topel, First Southwest Co.
Bond Legal Counsel: Luis Reiter, Squire Patton Boggs
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.

PLEDGE OF ALLEGIANCE

Chair Gutierrez asked Ms. Navia Lobo to lead in the Pledge of Allegiance.

APPROVAL OF AGENDA

Chair Gutierrez requested a motion to approve the revised agenda.

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

DECLARATIONS OF VOTING CONFLICTS

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

CITIZEN COMMENT

Chair Gutierrez asked if there are any Citizen Comments to address the Board. Mr. Carlos Garcia 127th Ave. & Kendal Drive addressed the Board regarding video recordings of Committee meetings.

Chair Gutierrez informed Members that audio files would be uploaded to the YouTube for all meetings.

APPROVAL OF SUMMARY MINUTES

- Board Meeting of June 24, 2014

Mr. Fernandez-Guzman moved to approve the Summary Minutes corresponding to the June 24th meeting. Mr. Martinez seconded the motion. The motion was unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

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

- He and Member Gus Pego and Chair Gutierrez had meetings with the Board of County Commissioners to explain the transfer of the Miami Intermodal Center. The County's Transportation and Aviation Committee will hear the item on August 27th at 2pm; then the item will be present to the Board of County Commissioners as a resolution. General Counsel Position interviews have begun, after the first round of interviews a shortlist will be submitted for a second round of interviews with the Executive Director. A final shortlist will be presented to the Board for interviews.
- Staff has been actively working with Secretary Pego and his staff to see if we can combine FDOT's I-395 Project with MDX's project No. 83611.
- Centralized Customer Service Center – as the Board knows, there was a protest filed by two of the vendors. The administrative judge held a hearing in Tallahassee in July 2014. The hearings

have concluded and a final ruling is expected in September 2014.

Chair Gutierrez informed Members that she joined Secretary Pego the Executive Director in all the meetings with the County Commissioners regarding the transfer of the MIC to MDX. She expressed the commitment that MDX made to the County Commissioners. Once the transfer is completed- MDX's work begins in identifying and realizing the potential of the MIC Enterprise, which includes:

- Must be complimentary to the Airport's operations
- Must be revenue positive
- Structures need to be iconic and welcoming
- MIC Enterprise will not entertain anything that has to do with gaming.

She further stated that this is how we must move forward for the greater good of the Miami-Dade County community.

GENERAL COUNSEL'S REPORT

No report.

MPO REPRESENTATIVE REPORT

Mr. Ferré reported the only pertinent issue that affects MDX is that Commissioner Moss requested a bus rapid transit (BRT) study of the Kendall and Miami Gardens Corridor.

TREASURER'S REPORT

Ms. Schafer reported for the month of July 2014, first month of FY 2015. Toll and fee revenues were \$14.5 million compared to \$14.8 million on the forecast, down by approximately \$400,000. Overall the total revenue was \$260,000 below the forecast. On the expense side, nothing stands out, all on budget. Net revenues for the first month of the fiscal year are approximately \$3.2 million.

COMMITTEE REPORTS

- A) Operations Committee, 8/7/14
- B) Budget & Finance Committee, 8/7/14
- C) Inter-Governmental & Public Communications Committee, 8/14/14

The Committee reports were waived.

CONSENT AGENDA

Travel Approval

- September 7-11, 2014, Trip to Detroit, MI by Board Member Rodriguez Piña to attend the ITS World Congress
- October 26-28, 2014, Trip to Charleston, SC by Executive Director Rodriguez to attend American Society of Association Executives (ASAE) conference – Exceptional Boards; Strengthening the Governance Team – (IBTTA Executive Board)

Mr. Pearl read the Consent agenda into the record. Mr. Martinez moved to approve the Consent

Agenda. Mr. Holland seconded the motion. The motion was unanimously approved.

REGULAR AGENDA

A) MDX Procurement/Contract Number RFQ-10-05; MDX Work Program No. 11211.050; Construction Engineering and Inspection (CE&I) Services for Central Boulevard Reconstruction (\$484,753.13) (Endorsed by the Operations Committee on 8/7/14)

- Approval of Amendment No. 3

Mr. Pearl read the agenda item into the record. Mr. Toledo explained the Authority entered into MDX Contract No. RFQ-10-05 with Parsons Brinkerhoff, Inc, on June 18, 2010 for the Construction, Engineering, and Inspection (CE&I) and Contract Administration of MDX Work Program Project No. 11211.030 Design-Build Project for Central Boulevard Widening, Realignment, and Service Loop Reconstruction at MIA.

The Design Build Firm (DBF), Community Asphalt Corporation, has been behind schedule on this Project for some time and was granted a contract extension until March 15, 2014. Liquidated damages are being assessed against the DBF for all work extending beyond March 15, 2014. The current estimated Project completion date is August 30, 2014.

As a result of the Project delay, additional funds are need for the CE&I contract to cover the Project inspection requirements and closeout responsibilities.

Staff has negotiated with the CE&I the staffing need to extend the CE&I services, assuming the DBF completes the Project by the end of August; and recommends that the CE&I contract be increased by \$484,753.13, which will result in a new CE&I contract limiting amount of \$5,869,420.47. The additional CE&I contract costs will be offset by the liquidated damages assessed against the DBF.

Mr. Fernandez-Guzman moved to approve Amendment No. 3. Mr. Holland seconded the motion. The motion was unanimously approved.

PUBLIC HEARING ITEM

B) Approval of Resolution No. 14-03, Authorizing the Issuance of MDX Toll System Revenue and Refunding Bonds, Series 2014B, in an aggregate principal amount not to exceed \$280,000,000 (endorsed by the Budget & Finance Committee on 8/7/24)

Mr. Pearl read the item into the record. Chair Gutierrez opened the Public Hearing. Mr. Fernandez-Guzman moved to close the Public Hearing. The Public Hearing was unanimously approved.

Mr. Fernandez-Guzman informed Members that this item was extensively discussed at the Budget & Finance Committee with full Board Membership participation.

Ms. Schafer highlighted the following regarding the issuance of Series 2014B Bonds:

- Refinancing a portion of **Series 2005**
 - Refinance \$160 million of the \$241 million outstanding bonds
 - Finance a portion of the cancellation (termination) fee
 - Utilize general reserve not to exceed \$9.5 million
 - Board approved \$15 million
- Refinancing a portion of **Series 2006**

- Refinance \$105 million of the \$229 million outstanding bonds
- Recognize present value savings
- Continue Debt Management of Outstanding Debt
 - Manage debt service coverage
 - Preserve future capacity

Ms. Schafer further explained the added benefits and expected results of the Series 2014B Bond issuance are:

- Lower overall debt service
 - Shorten life of debt by 6.5 years
 - Total debt service lower by \$71.4 million over life of outstanding debt
 - Saving debt service \$53.8 million
 - Basis risk reduce debt service \$17.6 million
- Preserves self-financing for FY 2015-2020
- All in Interest Cost 4.85%
- Lower variable debt from 16% to 8%
 - Eliminates interest rate risk
 - Eliminates all other risks
- Strategically manages debt
 - 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
 - Positive rating change lowers future cost of funds

Mr. Topel, First Southwest Co. recommends that MDX refund \$160 million of the Series 2005A-E and terminate the associated swap agreements. The swap termination will be financed with bond proceeds and general reserves. In addition, he recommends advance refunding a portion of Series 2006 for no less than a present value savings of 4.5%. The Series 2014B refinancing will yield a lower overall debt service based upon maturities restructuring. In addition, the Series 2014B restructure will not impact the current capital plan and will maintain a senior coverage of no less 1.85X, from 2020 and beyond.

Bond Legal Counsel Mr. Reiter, with Squire Patton Boggs, informed Members that they prepared all the documents and feel comfortable with the recommendation.

Mr. Fernandez-Guzman moved to approve Resolution No. 14-03. Mr. Ferré seconded the motion. The motion was unanimously approved.

INFORMATIONAL ITEMS

- Procurement Report

Mr. Rodriguez informed Members that both GEC's have exceeded the small business and local business requirements of their contracts.

CHAIR'S COMMENTS

Chair Gutierrez thanked the Members for giving her the opportunity to lead the Board.

She expressed the importance of following the process with transparency, efficiency and accountability; and regaining the community's respect. She also stated that the Work Program must be implemented with new and enhanced safety features. She further explained that the MIC Enterprise is important because it serves as a solid blue-print for the future generations and should build a new and friendly MDX- not an overly complicated organization just simple and simplified.

SHADE-ATTORNEY CLIENT PRIVILEGED MEETING

- Shade Meeting regarding ETCC Litigation

Chair Gutierrez informed Members of the Attorney Client privileged meeting regarding the ETCC Litigation. She informed Members there might be an Action Item considered after the meeting:

Chair Gutierrez read into the record:

Attorney Client Privileged Meeting, Shade Meeting regarding ETCC Litigation
Electronic Transaction Consultants Corporation v. Miami-Dade County Expressway Authority,
Case No. 12-46272 CA 40, is pending in the 11th Judicial Circuit, Miami-Dade County, Florida.

The proceedings will be recorded by a certified court reporter. The session is estimated to take approximately 30 minutes.

In Attendance:

MDX Board of Directors present and in attendance via phone
Javier Rodriguez, Executive Director
Joseph H. Serota, Legal Counsel
Michael D. Ehrenstein, Legal Counsel
Matthew Pearl, Legal Counsel

The Board Meeting was recessed for the Shade-Attorney Client privileged meeting.

The Board Meeting reconvened and Chair Gutierrez announced that the Shade-Attorney Client meeting has concluded.

ACTION ITEM:

A) MDX Procurement/Contract Number RFP 09-02A

- Consideration and approval of Supplemental Agreement #5

Mr. Pearl read the Agenda item into the record.

Mr. Holland moved to approve Supplemental #5. Mr. Gonzalez seconded the motion. The motion was unanimously approved.

ANNOUNCEMENTS

- Board of Directors Meeting, September 30, 2014 at William M. Lehman MDX Building, Board Room

ADJOURNMENT

Chair Gutierrez adjourned the Meeting.

Summary Minutes prepared by Maria Luisa Navia Lobo, Board Secretary