

**MIAMI-DADE EXPRESSWAY AUTHORITY (MDX)
JOINT BUDGET & FINANCE AND OPERATIONS COMMITTEE MEETING
WEDNESDAY, NOVEMBER 30, 2016
11:00 AM
WILLIAM M. LEHMAN MDX BUILDING
3790 NW 21ST 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:

Maurice A. Ferré

Budget & Finance Committee Members:

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

Present MDX Board Members

Louis V. Martinez, Esq., MDX Chair
Shelly Smith Fano Vice Chair – in attendance via phone

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
Francine Steelman, Esq., Associate General Counsel
Helen Cordero, Manager of Procurement and Contract Administration
Maria Luisa Navia Lobo, MDX Board Secretary

Consultants:

Albert Sosa, HNTB (GEC-A)
Reynaldo Cortez, EAC, (GEC-B)
William Blend, Moore Stephens Lovelace (CPA and Advisors)

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.

ACTION ITEMS

A) Approval of Summary Minutes:

- Joint Budget & Finance and Operations Committee Meeting of September 20, 2016
- Operations Committee Meeting of October 20, 2016

Mr. Rodriguez Piña moved to approve the Summary Minutes. Mr. Martinez seconded the motion. The motion was unanimously approved.

APPROVAL OF TREASURER'S REPORT

Ms. Schafer reported overall revenues for October 2016, the fourth month of the fiscal year are down by the forecast by \$3.8 million mainly due to Hurricane Matthew impact of \$1.1 million and toll suspension impact of \$2.4 million. Overall year to date revenue is below the forecast by \$3.2 million. Prior to October, traffic was running approximately 2% above the forecast. In the month of October with the impacts of Hurricane Matthew and the toll suspension the forecast is 12% below the forecast. Expenses are below the budget. Overall net revenues are \$34.3 million which is below the forecast by \$2.1 million.

Mr. Rodriguez clarified the loss of revenues is not reimbursable. He further explained protocol for suspending tolls as: the system was shut down as the storm approached on Thursday, when the storm passed and Miami-Dade County was out of harms-way, the system was turned back on. MDX requested a "reinstatement" from the Governor's office through Florida's Turnpike Enterprise, which was not granted until Sunday at midnight.

Mr. Boord asked if staff had identified the action to be taken to remedy the shortfall in the budget. Ms. Schafer explained that staff is monitoring expenses and by January 2017 staff will be able to identify actions to remedy the shortfall.

B) Endorsement of Fiscal Year 2016 CAFR, Disposal of Fixed Assets & Other Assets and Contribution of Assets to Other Entities

Mr. William Blend, representing Moore Stephens Lovelace CPAs and Advisors presented the Auditors overview and highlighted the required communications, services and deliverables and financial highlights in compliance with the Trust Indenture, as well as the applicable Florida Statutes. The audit resulted in an unmodified (clean) opinion of the financial statements.

As part of the year-end process, the General Engineering Consultant is required to review and

recommend fixed assets that need to be disposed. For fiscal year 2016 asset disposals totaled \$2.7 million, which was comprised of outdated toll equipment and damaged roadway infrastructure.

Fiscal Year 2016 financial statements reflect several contributions of assets to other entities. The Authority contributed the remaining Central Blvd assets to the County for the Miami International Airport in the amount of \$1.7 million. The Authority also contributed off system open road toll "ORT" sign panels of \$7.7 million; and \$2.2 million Killian Parkway improvements to Miami-Dade County and FDOT.

Mr. Blend and Ms. Schafer entertained questions from Members. Ms. Schafer clarified that the requested action is the endorsement of the following:

- External Audited Comprehensive Annual Financial Report (CAFR)
- Disposal of Fixed Assets
- Contribution of Assets to Other Entities

Mr. Vazquez moved to endorse the CAFR, disposal of fixed assets and contribution of assets to other entities. Mr. Boord seconded the motion. The motion was unanimously endorsed.

PUBLIC COMMENT

Mr. Vazquez introduced the following individuals from the Town of Miami Lakes: Councilman Tony Lama, Councilman Nelson Rodriguez and newly elected Mayor Manny Cid. The gentlemen referred to projects 92408 and 92404 as well as their desired improvements to NW 67th Avenue. They also requested that of sound barrier walls be constructed on the ramps and enhancement of the landscaping in the area.

ACTION ITEMS

C) MDX SR 836 Smart/XT Designation

- Endorsement of MDX Resolution No. 16-25 designating SR 836 as a Smart/XT Road.

Mr. Zaldivar read the agenda item. Ms. Gutierrez informed Members this item is being brought back from the previous meeting. Mr. Toledo explained the resolution was reevaluated with all the recommendations from the last meeting.

The adoption of this resolution will allow MDX to further our collaborations with other government and private entities and continue to move forward towards transportation technology solutions.

Mr. Boord stated the importance of solving the \$2 million shortfall before spending \$500,000 designated for IT.

The item was thoroughly discussed. Members recommended amending the resolution as follows:

- adding the following language to the fifth WHEAEAS clause: "facilitate connected and autonomous vehicles and all intelligent transportation system technologies;" and

- Replacing the language in Section 3. with the following language: “*MDX will follow and adhere to established Federal and State policies and guidelines in advancing its technology initiatives.*”

Ms. Gutierrez asked Ms. Schafer if there would be a negative impact on the budget and what are the funding priorities. She further stated the importance of reviewing the procurement policy as it relates to technology procurements.

Mr. Boord agreed with Ms. Gutierrez and stated the procurement procedures for technology services are different than procuring for construction services.

Mr. Rodriguez clarified that when the Board requested that staff draft this resolution, it was understood that MDX wanted to designate a particular corridor as a “smart roadway” and to look for opportunities to incorporate technology enhancements to be developed in the future. He also stated that the objective of the resolution is consistent with the investment that MDX has already made in integrating this technology into its current roadway operations. Last year, during the budget cycle, it was requested by the Treasurer to set aside monies to deploy certain types of technology that would move MDX into the next generation and enhance IT systems already being utilized.

Mr. Rodriguez Piña moved to endorse Resolution No. 16-25 as amended, designating SR 836 between 42nd Avenue and 137th Avenue at SMART 836 Corridor. Mr. Wolfe seconded the motion. The motion was unanimously endorsed.

DISCUSSION ITEMS

A) MDX FY 2018-2022 Five Year Work Program

Mr. Toledo gave an overview of the FY 2018-2022 Work Program. The proposed Work Program is \$614.2 million; of that 89% is design-build and construction the other 11% is right-of-way, project development, final design and project contingency.

The proposed Work Program will have additional safety initiatives, 32 additional lane miles, increased capacity on SR 836 by 33% and 13 new access points on the five roadways.

Of the total work program, 77% is committed under contract. Mr. Toledo highlighted the projects:

Changes to Existing Projects:

- Project 92407 – SR 924 East extension to I-95
- Project 50001 – Dolphin Station Park and Ride – additional scope and funding provided by Miami-Dade Transit

Proposed New Project Phase:

- Project 92404- SR924 West extension to HEFT
- Project 92408 – SR 924 Partial Interchange at NW 67 Ave.
- Project 11212 – SR 112 Ramp improvements at NW 37th Ave
- Project 83634 – SR 836 New HEFT Ramp Connections
- Project 40048 – SR 836 Shoulder modifications from 137th Ave interchange to 97th Ave.

Requires R&R Projects - \$15.6 million

Roadway: (Trust Indenture requirements to maintain system in good condition)

- Project 30050 – SR 836 Milling, Resurfacing and Pavement Markings (\$8.3 million)
- Project 30055 – SR 836 & SR 112 Signature & Sign Structure Painting (\$371 thousand)
- Project 30056 – Systemwide Concrete Pavement at Tolling Points (\$6.3 million)

Facilities:

- Project 30051 – SR 112 Shelter Painting (\$105 thousand)
- Project 30052 – SR 836 Facilities Roof Replacement (\$228 thousand)
- Project 30053 – SR 836 & SR 112 HVAC Replacement (\$280 thousand)
- Project 30054 – SR 836 Facilities Floor Covering Replacement (\$109 thousand)

Ms. Schafer briefed Members on the Finance Plan for the projects, MDX Policy Compliance analysis; and the Finance Plan development process.

The Financing Plan Considerations:

- Complies with Trust Indenture and Debt Management Policy
- Keeps coverage consistency to Series 2016A
- Assesses financial risks
- Maintains credit worthiness and lowest cost of capital
- Provides funding of the work program under current assumptions
 - Provides funding for projects ready for construction
 - Does not include unfunded Projects of \$3.0 Billion
- Coverage Ratio **1.8x**
 - Consistent with statements to rating agencies/investors
 - Coverage create cash funding of Work Program
- Cash Funding of no less than 30% of Work Program
 - Consistent with rating agencies matrix of **A** credit rating
 - Credit rating impact interest cost direct correlation to the affordability of the capital projects.
- Cash Funding less Expensive than Borrowing
 - \$1 cash funding equal at a minimum \$1.25 of borrowing to cover issuance cost, reserves and capitalized interest.
 - \$1 borrowing equals pay back including interest \$1.75
- Cash Funding Direct Impact to Toll Rate Sensitivity
 - If net revenues less than expected not forced to increase toll rate due to debt service payments

The Financing Plan for the FY 2018-2022 Work Program:

- Meets current funding requirements and financial targets
- Complies with Trust Indenture and MDX Policies
- Allows for financial stability
- Promotes affordability and reasonableness

Ms. Schafer entertained questions from Members.

The Work Program Presentation is filed with the Board Secretary

INFORMATIONAL ITEMS

- A) MDX Work Program Monthly Status Report – October 2016
- B) HNTB SBE/LB Utilization Report
- C) EAC SBE/LB Utilization Report
- D) MDX Contingency Release History Report
- E) Procurement Report

The Informational Items were not addressed.

ANNOUNCEMENTS

- Board Meeting 12/06/16, 4:00 PM, William M. Lehman MDX Building

Mr. Rodriguez informed Members that the MDX Strategic Master Plan presentation and adoption will be presented at the December 6th Board Meeting.

ADJOURNMENT

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

Minutes prepared by Maria Luisa Navia Lobo, Board Secretary.