

**MIAMI-DADE EXPRESSWAY AUTHORITY (MDX)
FINANCE, POLICY & PLANNING COMMITTEE MEETING
TUESDAY, SEPTEMBER 18, 2018
10:30 AM**

SUMMARY MINUTES

Present Committee Members:

Louis V. Martinez, Esq., Chair
Luz Weinberg, Vice Chair
Audrey M. Edmonson
James Wolfe, P.E.

Absent Committee Members:

Leonard Boord, MDX Vice Chair
Carlos A. Gimenez, MDX Chair

Present MDX Board Members:

Shelly Smith Fano

Staff:

Javier Rodriguez, Executive Director
Carlos M. Zaldivar, MDX General Counsel
Marie Schafer, Director of Finance/CFO
Juan Toledo, Director of Engineering
Steve Andriuk, Director of Toll Operations
Helen Cordero, Manager, Contract Administration & Procurement
Francine Steelman, Associate General Counsel
MariaLuisa Navia Lobo, Board Secretary

Consultants:

Kirk De Leon, Legal Counsel
Randy Topel, Hilltop Securities
Albert Sosa, HNTB GEC-A
Rick Crooks, EAC – GEC-B -David Aron - CDM Smith

CALL TO ORDER

Mr. Martinez called the meeting to order. Ms. Navia Lobo called the roll and announced a quorum was present.

DECLARATIONS OF VOTING CONFLICTS

Mr. Zaldivar asked Committee Members if there were any conflicts to declare in regards to the Agenda. No conflicts were declared.

PUBLIC COMMENT

No public comments were received.

ACTION ITEMS

A) Approval of Summary Minutes

- Joint Finance, Policy and Planning & Operations, External Communications and Inter-Governmental Committee Meeting of May 22, 2018

Ms. Weinberg moved to approve the Summary Minutes. Commissioner Edmonson seconded the motion. The motion was unanimously approved.

B) Approval of Treasurer's Report

Ms. Schafer reported for the two-month period of fiscal year 2019. The report reflects the transition at the beginning of the fiscal year to the Customer Service Center. For the two-month period \$35.2 million worth of toll revenue compared to the budget of \$37.5 million, which is below the forecast by \$2.2 million, this is mainly due to the transition delay. The revenue reflects the SunPass® revenue as well as the collection revenue from the previous vendor. Toll by Plate customers have yet to be billed. It is expected they will be billed in October 2018. Overall, total revenue base is \$1.8 million below the forecast.

Commissioner Edmonson approved the Treasurer's Report as presented. Ms. Weinberg seconded the motion. The motion was unanimously approved.

C) Approval of Staff Recommendation

- 2017/2018 Legislation

Mr. Rodriguez introduced the item which is requesting the Committee's authority of Staff's recommendation to file a lawsuit in State Circuit Court for a Declaratory Judgement concerning the 2017 and 2018 legislative amendments to Chapter 348, Florida Statutes.

On July 27, 2018, the Fitch Rating Agency issued a press release that affirmed the "A" rating for MDX but changed the outlook to Negative. Fitch stated that the change in rating reflected the *"unprecedented intervention taken by the Florida Legislature usurping local autonomy to lower toll rates and divert surplus revenue to other county obligations. The negative outlook also reflects uncertainty surrounding the long-term impact the State's intervention may have on the Authority's ability to allocate funds for the*

capital expenditures in the future years and issue additional debt. In addition, the negative outlook further encompasses uncertainty of future legislative actions that could impact MDX' independent rate making flexibility.”

This issue had been previously discussed by the General Counsel who conferred with outside legal counsel to analyze issues concerning the contractual impairment of the Transfer Agreement; and the effect on the MDX's ability to secure bond financing, on the same terms as it had the past, in the future as a result of the 2017 and 2018 amendments to Chapter 348.

Staff recommended that MDX pursue a Declaratory Judgment and seek legislative assistance to get the legislative amendments changed. If this is not possible the effect will be that MDX will have to seek alternate ways to finance projects, which will be much more costly to the public and most likely reduce the Work Program.

Member Weinberg moved for discussion Staff's recommendation. Commissioner Edmonson seconded the motion.

Secretary Wolfe expressed that he felt uncomfortable with being involved in the discussion since it is about a Transfer Agreement between FDOT and MDX. He asked if it constitutes a justification to declare a conflict. He further stated that in absence of a conflict he would vote against the item. Mr. Zaldivar clarified that the declaratory action will not be against FDOT it will be against the Attorney General who is charge of enforcing the law.

Ms. Weinberg expressed concerns about the impact to MDX's finances and asked questions regarding that matter. Mr. Topel briefed Members on the negative financial impacts of the legislative amendments. He further stated it created doubt in the bond markets and that investors and insurers are already asking questions.

The item was thoroughly discussed.

Mr. Martinez asked for a roll call for this item:

L. Martinez -aye

L. Weinberg -aye

A. Edmonson -aye

J. Wolfe -nay

The item was approved.

DISCUSSION ITEMS

A) Customer Rewards Program

Mr. Rodriguez informed Members that projects have been deferred due to the toll reduction so this year the Customer Reward Program would have to be deferred. He also stated that 89,000 registered users need to be notified.

Mr. Martinez recommended deferring the item and adding it to the Board's agenda as a discussion item.

Ms. Weinberg recommended drafting language to inform customers with the exact reason for the

suspension of the program.

INFORMATIONAL ITEMS

A) Fitch Rating's Report

The Fitch report was discussed with Agenda Item IV. C

B) External Auditor's Planning Communication to the Governing Board

Mr. Rodriguez reminded Members to complete the Related Party Questionnaire that is required by the Florida Ethics Commission.

ANNOUNCEMENTS

- Board Meeting, 9/25/18, 4:00 PM, William M. Lehman MDX Building – Board Room

ADJOURNMENT

The meeting was adjourned by Mr. Martinez.

Minutes prepared by Maria Luisa Navia Lobo, Board Secretary.