

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

MINUTES CENTRAL FLORIDA EXPRESSWAY AUTHORITY BOARD MEETING November 13, 2014

Board Members Present:

Commissioner Welton G. Cadwell, Lake County (Chairman)
Commissioner S. Scott Boyd, Orange County (Vice Chairman)
Commissioner Brenda Carey, Seminole County (Secretary-Treasurer)
Mayor Buddy Dyer, City of Orlando
Commissioner Fred Hawkins, Jr., Osceola County
Mayor Teresa Jacobs, Orange County
Walter A. Ketcham, Jr., Gubernatorial Appointment

Non-Voting Advisor Present:

Diane Gutierrez-Scaccetti, Florida's Turnpike Enterprise

Staff Present at Dais:

Laura Kelley, Deputy Executive Director Finance & Administration
Joseph L. Passiatore, General Counsel
Mimi Lamaute, Recording Secretary/Paralegal

CALL TO ORDER

The meeting was called to order at 9:00 a.m. by Chairman Welton Cadwell.

PUBLIC COMMENT

There was no public comment.

APPROVAL OF MINUTES

A motion was made by Commissioner Carey and seconded by Commissioner Boyd to approve the minutes of the October 9, 2014 Board meeting, October 9, 2014 Workshop and November 3, 2014 Meeting to Review Executive Director Applicants as presented. The motion carried with six Board members present and voting AYE by voice vote. Mayor Jacobs was not in attendance for this item.

APPROVAL OF CONSENT AGENDA

The Consent Agenda was presented for approval (Exhibit A).

CONSTRUCTION & MAINTENANCE

1. Approval of Final Ranking and Authorization to enter into fee negotiations with Target Engineering Group, Inc. for Misc. Construction Engineering and Inspection (CEI) Services - Contract No. 001054
2. Authorization to Advertise for Construction Contractor Compliance Consultant - Contract No. 001072
3. Authorization to Advertise for S.R. 417 Mainline Toll Plazas Air Conditioner Replacements - Project No. 599-732
4. Approval of construction contract modifications on the following contracts:
 - a) Contract No. 417-304 Southland Construction \$21,012.76
 - b) Contract No. 417-110 Masci General Contractor \$36,406.85
5. Approval of (1) Second Amendment to State of Florida Department of Transportation (FDOT) Construction Agreement between FDOT and Central Florida Expressway Authority; and (2) Locally Funded Agreement for S.R. 417 Interchange with Florida's Turnpike
6. Approval of Construction Agreement between State of Florida Department of Transportation (FDOT) and Central Florida Expressway Authority for S.R. 417 Interchange with Florida's Turnpike

ENGINEERING

7. Approval of Supplemental Agreement No. 3 with URS Corporation Southern for S.R. 408/S.R. 417 Ultimate Interchange Improvements – Project No. 253F (Contract amount: \$259,048.79)
8. Approval of Final Ranking and Authorization to enter into fee negotiations with CH2M Hill for S.R. 408/I-4 Interchange Corridor Consultant Services – Contract No. 001055

EXECUTIVE

9. Approval of contract renewal with Southern Strategy Group, Inc. for Legislative Advocacy and Consultant Services – Contract No. 000894 (Contract amount: \$125,000)

EXPRESSWAY OPERATIONS

10. Approval for Award of Contract to United Signs & Signals, Inc. for Wrong Way Detection Pilot Project – Contract No. 001025 (Contract amount: \$299,689.00)

FINANCE / ACCOUNTING

11. Approval for Disposal of Inventory Items

INFORMATION TECHNOLOGY

12. Approval of Purchase Order to Oracle for Software Update Licenses and Support (P.O. amount \$57,595.51)
13. Approval of Supplemental Agreement No. 10 with Atkins North America, Inc. for Toll Collection System Replacement Consultant Services – Contract No. 000821 (Contract amount: \$97,662.00)

LEGAL

14. Approval of Second Addendum to the Agreement for Appraisal Review Services between Consortium Appraisal, Inc. and Shutts & Bowen, LLP for Wekiva Parkway Projects 429-202, 429-203, 429-204, 429-205 and 429-206 (Addendum amount: \$200,000)
15. Approval of Second Addendum to the Agreement for Appraisal Services between Pinel & Carpenter, Inc. and Shutts & Bowen, LLP for Wekiva Parkway Projects 429-202, 429-203, 429-204, 429-205 and 429-206 (Addendum amount: \$200,000)
16. Approval of First Supplemental Agreement with Shutts & Bowen, LLP (Contract amount: \$2,500,000)

TOLL OPERATIONS

17. Authorization to Advertise for Toll Facilities Operations and Management Services - Contract No. 001071
18. Authorization to Advertise for a Cost to Collect Analysis of the Authority's toll collection business

Item #6 was pulled for discussion under the regular agenda.

A motion was made by Commissioner Hawkins and seconded by Commissioner Boyd to approve the Consent Agenda with the exception of item #6, which was heard under the regular agenda items. The motion carried with six Board members present and voting AYE by voice vote. Mayor Jacobs was not in attendance for this item.

CHAIRMAN'S REPORT

- 1) Due to a new interoperability agreement, electronic tolling customers in Florida, Georgia and North Carolina can now easily use toll roads in all three states.

(Mayor Jacobs arrived at this time - 9:08 a.m.)

- 2) Chairman Cadwell attended the TEAMFL meeting on October 30 & 31 in Tampa. Atlee Mercer from the Osceola County Expressway Authority will continue to be the Chair, Curtis Stokes from the Tampa Hillsborough County Expressway Authority is the Vice Chair, Jackie VanderPol of Fulcrum International will serve as the Secretary and Nathaniel Ford of Jacksonville Transportation Authority will serve as the Treasurer. CFX won second place in the annual Chairman's award for sign inventory and reflectivity projects.

TREASURER'S REPORT

Commissioner Carey reported that toll revenues for November were \$25,672,279 which is 5.37% above projections and 7.67% above prior year. The Authority's total revenues were \$27.1 million for the month.

Total OM&A expenses were \$4.4 million for the month and \$10.1 million year-to-date, which is 5.8% under budget.

After debt service the total net revenue was \$10.8 million for September and \$38 million year-to-date.

STAFF'S REPORT

Deputy Executive Director Laura Kelley provided the Staff Report in written form (Exhibit "B").

The following item was taken out of order for the courtesy of the speaker.

BUSINESS DEVELOPMENT AND SMALL BUSINESS ADMINISTRATION (SBA) PARTNERSHIP

Director of Business Development Iranetta Dennis introduced Cassius Butts, Presidential Appointee and Regional Administrator of the Small Business Administration (SBA). The purpose of the Strategic Alliance Memorandum is to develop and foster mutual understanding and a working relationship between the Small Business Administration and the Central Florida Expressway Authority to support small business development.

Mr. Butts talked about the accomplishments of the Small Business Administration. In the past fiscal year the SBA backed nearly \$30 billion in loans nationwide; \$1.3 billion of those dollars stayed in Central Florida. He introduced a beneficiary of the SBA program.

(This item was presented for information only. No Board action was taken.)

APPOINTMENT OF BOARD REPRESENTATIVE TO TEAMFL

A motion was made by Mayor Dyer and seconded by Commissioner Hawkins to appoint Chairman Cadwell to represent CFX at TeamFL meetings. The motion carried unanimously with all seven members present and voting AYE by voice vote.

The next TeamFL meeting will be in Orlando on January 22 & 23, 2015. The Board requested General Counsel Joseph L. Passiatore to notice the attendance of CFX Board members to the next TeamFL meeting.

UPDATE ON EXECUTIVE DIRECTOR SEARCH, APPROVAL OF SHORT LIST FOR INTERVIEWS AND ESTABLISHING SALARY RANGE FOR POSITION

The following applicants were short listed for interviews with Board members:

Matthew Click
Phillip D. Miller
Katherine D. Nees
Robert J. Sweeney
David Lair (has withdrawn due to personnel reasons)

A motion was made by Mayor Jacobs and seconded by Commissioner Carey to approve the short listed candidates for interviews. The motion carried unanimously with all seven members present and voting AYE by voice vote.

A list of county, city and toll industry salaries was distributed to the Board members. Discussion ensued as to the salary range and being able to have flexibility so as not to lose qualified candidates.

A motion was made by Commissioner Hawkins and seconded by Commissioner Boyd to establish the Executive Director salary at \$175,000 to \$200,000, with the understanding that the Board has the final say in salary negotiations. The motion carried unanimously with all seven members present and voting AYE by voice vote.

PRESENTATION BY EAST CENTRAL FLORIDA CORRIDOR TASK FORCE

James Stansbury of the Florida Department of Economic Opportunity began with information about the East Central Florida Corridor Task Force:

- Created by Executive Order on November 1, 2013.
- Purpose is to evaluate and develop consensus recommendations on future transportation corridors serving established and emerging economic activity centers in portions of Brevard, Orange and Osceola Counties.
- Composed of 13 members representing public, private and civic organizations.

Task Force Charge:

- Recommend guiding principles for coordination of future transportation and land use planning
- Review and determine consistency among existing state, regional and local transportation plans
- Review local and regional land use and development plans and determine consistency with transportation plans
- Consider and recommend general purpose, need and location for new or enhanced transportation corridors
- Solicit and consider agency, stakeholder and public input
- Recommend proposed action plan for new or enhanced transportation corridors

The Task Force shall submit a report on its findings and recommendations to the Governor by December 1, 2014. Local governments, regional planning, water and transportation agencies are encouraged to consider possible amendments to their respective plans by September 30, 2015. The Department of Economic Opportunity, Florida Department of Transportation and other agencies will then move forward with planning of recommended state investments.

Brian ten Sietoff of Cambridge Systematics talked about the report, data and analysis and recommendations. He presented maps of the recommended improvements to existing transportation corridors, recommended study areas for new east-west transportation corridors, recommended study areas for new north-south transportation corridors.

Proposed Action Plan:

- Identify future investment needs to maximize the use of and add capacity to existing corridors (4 east-west, 1 north-south)
- Conduct evaluation studies of potential new corridors (2 east-west, 2 north-south)
- Develop regional passenger rail and transit system plan
- Amend existing local and regional plans to include recommended corridors and be consistent with recommended guiding principals
- Develop agreement among local and regional entities to strengthen consistency among future transportation, land use and water supply plans
- Develop planning tools and legal instruments to preserve and protect rights of way for recommended corridors
- Develop framework for partnership and co-location agreements with railroads, utilities or other infrastructure providers

Proposed Initial Implementation Activities:

- Share recommendations with local governments, regional partners, state agencies and federal agencies
- Initiate evaluation studies for recommended corridors and study areas
- Identify implementation tools
- Support ongoing working group of regional and local agencies
- Develop process for tracking progress and identifying needed policy changes

(This item was presented for information only. No Board action was taken.)

**UPDATE ON WEKIVA PARKWAY FINANCE PLAN/APPROVAL OF COMPETITIVE SALE OF BOND
ANTICIPATION NOTES PENDING TIFIA LOAN APPROVAL**

Interim Chief Financial Officer Lisa Lumbard gave an update on the Wekiva Parkway plan of finance. The finance plan includes a TIFIA loan to help pay for a portion of the project. The Transportation Infrastructure Finance and Innovation Act (TIFIA) is administered through the Federal Highway Administration and U.S. Department of Transportation. This program provides federal credit assistance in the form of direct loans, loan guarantees and standby lines of credit.

Ms. Lumbard explained the benefits of the TIFIA loan versus issuance of revenue bonds:

- Acceleration of CFX Wekiva Parkway sections
- Provides debt service savings
- Lower cost of debt (3.07% as of 11/5/14)
- Net present value savings of over \$100 million

Ms. Lumbard presented the Plan of Finance for the Wekiva Parkway:

- Receive \$191.5 million TIFIA loan
 - Bond Anticipation Notes (BANs) issued in FY 2015 to fund project costs.
 - Recommended to be issued via competitive sale
 - TIFIA loan will payoff BANs in FY 2019
 - Final payment on TIFIA loan will be July 1, 2048
- Issuance of \$127 million senior lien revenue bonds
- Rest of project costs funded by cash on hand
- Senior lien coverage ratio is projected to be at or above 1.60x through 2048 and second lien coverage is projected to be at or above 1.55x

Ms. Lumbard requested approval to move forward with the competitive sale of Bond Anticipation Notes with an estimated par amount of \$192 million, pending commercial close of the TIFIA loan. The TIFIA loan agreement will come back to the Board for final approval before we close on the loan. The approval today gives us the ability to go forward with the documents so we can issue BANs as soon as we close on the TIFIA loan. This was brought to the Finance Committee on November 5 and they gave the recommendation to go forward with the assurance that the TIFIA loan will be approved and in place before we issue BANs.

A motion was made by Commissioner Hawkins and seconded by Mr. Ketcham move forward with competitive sale of Bond Anticipation Notes with an estimated par amount of \$192 million, pending commercial close of the TIFIA loan. The motion carried unanimously with all seven members present and voting AYE by voice vote.

CONSENT AGENDA ITEM #6 - APPROVAL OF CONSTRUCTION AGREEMENT BETWEEN STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) AND CENTRAL FLORIDA EXPRESSWAY AUTHORITY FOR S.R. 417 INTERCHANGE WITH FLORIDA'S TURNPIKE

Commissioner Carey brought up the fact that this agreement is subject to review and approval of final plans by CFX staff; however, the final plans are not completed. She is concerned about approving an agreement that does not have the documents in place.

Diane Gutierrez-Scaccetti, Executive Director of Florida's Turnpike Enterprise, confirmed that the final plans will be finalized and sealed next week.

A motion was made by Mayor Jacobs and seconded by Commissioner Carey to approve the Construction Agreement between FDOT and CFX for the S.R. 417/Florida's Turnpike Interchange, subject to approval of final plans by CFX staff. The motion carried unanimously with all seven members present and voting AYE by voice vote.

BOARD MEMBER COMMENT

There were no comments from the Board members.

ADJOURNMENT

There being no further business to come before the Board, the Chairman adjourned the meeting at 10:15 a.m.

Commissioner Welton G. Cadwell
Chairman
Central Florida Expressway Authority

Mimi Lamaute
Recording Secretary/Paralegal
Central Florida Expressway Authority

Minutes approved on _____, 2014.

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