

**MINUTES
MID-BAY BRIDGE AUTHORITY
THURSDAY, AUGUST 16, 2018**

**DESTIN CITY HALL BOARD ROOM
4200 INDIAN BAYOU TRAIL
DESTIN, FLORIDA**

I. OPENING

Members present were: James D. Neilson, Jr.
 Gordon E. Fornell
 Parker Destin
 Robert Griggs (arrived after Minutes)
 Bryant Paulk, FDOT Ex officio, non-voting

One Authority position has been vacant since September 21, 2017

Also present: Van Fuller Executive Director
 Michelle Anchors Legal Counsel
 Cathy Demoreski Administrative Assistant

II. INTRODUCTION OF VISITORS

Mr. Neilson welcomed visitors and members of the press. In attendance were George Smith, Bryant, Miller, Olive; Reid Cavnar and Trey Monroe, Stifel; Frank Caley, Regions; Kevin Bowyer, Warren Averett; Bob Kellner, HDR Engineering; Phil Eshleman and Neal Cohen, Jacobs; Leslie Perino, EW Bullock; Chris Dudley, Southern Strategy and Mike Griffith, The Bay Beacon.

III. APPROVAL OF MINUTES

- A. Regular Meeting – June 21, 2018**
- B. Regular Meeting – July 19, 2018**

A motion to approve the June 21, 2018 and July 19, 2018 Regular Meeting Minutes was made by Mr. Fornell with a second by Mr. Destin and a 3-0 vote was taken for approval.

IV. TREASURER’S REPORT

A. June 2018

Mr. Destin presented the Treasurer’s Report for June 2018. Account balances were:

FNBT.com	\$ 158,517.79
Regions	\$41,824,203.58

B. July 2018

Mr. Destin presented the Treasurer’s Report for July 2018. Account balances were:

FNBT.com	\$ 178,940.18
Regions	\$45,274,392.94

Mr. Destin made a motion to accept the Treasurer’s Reports for June 2018 and July 2018 with a second by Mr. Fornell and a 4-0 vote was taken for approval.

V. EXECUTIVE DIRECTOR

- A. Traffic Operations.** Mr. Fuller reported that the Florida Turnpike Enterprise's (FTE) Centralized Customer Support System (CCSS) transaction backlog has been cleared. The final traffic and revenue data are still unavailable. The estimated revenues being received from the FTE are sufficient to cover all debt service requirements.
- B. Ratify Traffic and Revenue Consultant Annual Agreement – Jacobs Engineering.** Mr. Fuller requested ratification of the FY2019 Scope of Services for the annual traffic and revenue services provided by Jacobs which was presented last month and approved as authorized by the annual Executive Director Authorization for Mid-Bay Bridge Authority projects to avoid interruption of service due to a lack of quorum.

A motion was made by Mr. Destin with a second by Mr. Fornell to approve the FY2019 Annual Traffic and Revenue Retainer in the amount of \$49,903.60 and a 4-0 vote was taken for approval.

- C. FY2018 Audit Engagement – Carr, Riggs, Ingram.** Mr. Fuller presented the annual Audit Engagement letter, submitted by Carr, Riggs & Ingram for FY2018. He recommended approval of the Not to Exceed \$28,560.00 fee and requested authorization from the Authority to proceed with the execution of the Engagement.

A motion was made by Mr. Destin with a second by Mr. Griggs to approve the FY2018 Carr, Riggs & Ingram Audit Engagement Letter and authorized execution by the Executive Director. A 4-0 vote was taken for approval.

Mr. Fuller reported that the final project with Eglin under the Enhanced Use Lease (EUL)/Value Based Transaction (VBT) agreement for the Spence Parkway Easement has been completed. The USAF Escrow and USAF Supervisory and Administration accounts currently administered by the Trustee for funds associated with the projects are expected to be closed by fiscal year end.

Mr. Fornell recommended staff work in coordination with the Authority's marketing consultant, EW Bullock and Eglin Public Information Office to create a press release regarding the details of this important \$30M national model of a successful EUL/VBT. Further discussion included finalizing the Easement Amendment associated with the White Point Road legal description.

D. Annual Consultants Review

Mr. Fuller reported that the annual consultants' meeting held on August 15, 2018 was informative and successful. He then introduced select consultants to address the Board.

- 1. Financial Advisor/Investments – Trey Monroe.** Mr. Monroe reported that the Series 2015 investment agreement for the reserve funds will soon mature. The reserve funds and a portion of the general fund are intended to be invested in securities and provide a much greater return than that realized with the 2015 investment agreement.

With respect to the securities, since the yield curve currently is flat, resulting in no real difference between 30-year or 5-year securities, there is no reason to tie up the funds any longer than five years. As permitted under the Authority's bond indenture, an RFP will be issued to security dealers and the most compliant proposal will be selected by the Executive Director. The new investment agreement is expected to be in place by the end of September.

2. **Traffic Engineer – Phil Eshelman.** Mr. Eshelman reported that no changes to the current toll rate structure are recommended at this time. Revenue year-to-date on the Bridge and the Parkway is 2% and 9% above, respectively, the annual Traffic and Revenue Engineers' forecast. The effects of the 2017 Hurricane Irma toll suspension have been considered in those percentages. A meeting is being scheduled with Ms. Jennifer Adams, the Okaloosa County Tourist Develop Department Director to discuss tourism issues with beach access impact.
3. **Advertising – Leslie Perino.** Ms. Perino explained that the traditional annual program includes visitor guides, publications, outdoor advertising; rack card/distribution, production and public relations; however this year there have been additional weather-related public relations products associated with wind and hurricane issues as well as website updates for the SunPass system upgrade. This year also saw an advertising opportunity in the form of toll plaza wraps with Pepsi on the southbound booths entering Destin and the Destin-FWB Airport on the northbound booths leaving Destin. Finally, the website has had 61K views with the highest coming from Florida, Georgia, Louisiana, Texas and Alabama. Discussion included a press release regarding a wrap up of the success of the joint Okaloosa County Mid-Bay Bridge Authority efforts to relieve congestion along White Point Road this tourist season.
4. **Legislative Update – Chris Dudley.** Mr. Dudley expressed his appreciation to the Authority for the opportunity to represent them in Tallahassee. This is an election year with primaries in two weeks followed by the November General Election. New agency heads are to be expected in January 2019. During the 2018 session, Representative Jay Williamson and Senator Doug Broxson introduced a Bill to purchase the Garcon Point Bridge for a 50% payout to the bondholders of the \$135M debt less \$35K from the FDOT. The Bridge was immediately not profitable when it opened in 2000 and in default by 2001. Although the Bill was not supported, he anticipates the issue will continue to be a topic for legislation. A Bill did pass that would require Miami-Dade Expressway Authority (MDX) to legally reduce tolls by 5% by October 1, 2018 or the Board would be removed unless they provide actuarial proof that it is not financially possible. A Bill requesting the expansion of toll exemptions for law enforcement was presented. There were two road designations in memory of Greg Evers and John Aural. The Florida Turnpike issued a \$300M contract to a Division of Xerox known as Conduent in 2015 for a SunPass

system software upgrade which has resulted in 72 days of backlog in posting/collecting tolls for 350 million transactions. The Governor and the Inspector General reported that Conduent will be fined \$800K and have not been paid for two months. Customers were notified that refunds will be made for all bank charges and credit card late fees incurred and provided a procedure to follow to file a claim. They are still working on Toll-by-Plate transactions. The 2019 Legislative Session will begin in March.

Mr. Neilson thanked all the Consultants for their continued guidance in support of the Authority.

VI. LEGAL COUNSEL

Ms. Anchors expressed her appreciation for the exceptional learning experience as a participant in her first consultants' meeting. They along with the Authority's Board serve the citizens of Okaloosa County well.

VII. BOARD MEMBER COMMENTS

Mr. Fornell noted that there will be a send-off ceremony at 9:15 a.m. on Monday, August 20, 2018 at the Destin-Fort Walton Beach airport In Honor of Technical Sergeant Chapman, AFSOC, whose family will be leaving for Washington DC to be presented with his posthumous Medal of Honor. TSgt Chapman was killed in action in Afghanistan and is the first Airman recipient of the Medal of Honor in 47 years. Additionally, Hurlburt Field will host an Open House in October which will include the Blue Angels and the Thunderbirds to commemorate TSgt Chapman's sacrifice.

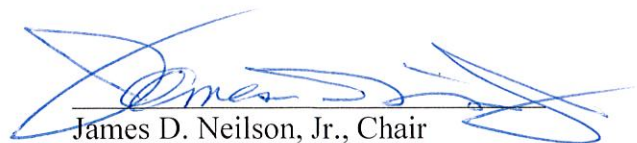
VIII. GENERAL DISCUSSION

The next regular meeting of the Authority will be held on **Thursday, September 20, 2018** at 9:00 a.m. in the Niceville City Hall Council Chambers, Niceville, Florida.

IX. ADJOURNMENT

The meeting adjourned at approximately 9:31 a.m.

Approved this 20th day of September 2018


James D. Neilson, Jr., Chair