

**MINUTES
MID-BAY BRIDGE AUTHORITY
THURSDAY, MARCH 18, 2021**

**CITY OF NICEVILLE COUNCIL CHAMBERS
208 NORTH PARTIN DRIVE
NICEVILLE, FLORIDA**

I. OPENING

Members present: Gordon E. Fornell
 James D. Neilson, Jr.
 Parker Destin

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

Absent: Bryant Paulk FDOT Ex officio, non-voting

II. INTRODUCTION OF VISITORS & PUBLIC COMMENTS

Mr. Fornell welcomed all visitors and members of the press. In attendance were Michael J. A. Panarisi, Student/Resident; JoAnn Rocque, Carr, Riggs, Ingram; Kevin Bowyer, Warren Averett; and Mike Griffith, The Bay Beacon

III. APPROVAL OF MINUTES

A. Regular Meeting – February 18, 2021

A motion to approve the February 18, 2021 Regular Meeting Minutes was made by Mr. Neilson with a second by Mr. Destin and a 3-0 vote was taken for approval.

IV. TREASURER’S REPORT

Mr. Destin presented the Treasurer’s Report for February 2021. Account balances were:

FNBT	\$ 122,204.38
Regions	\$47,773,598.53

Mr. Destin made a motion to accept the Treasurer’s Report for February 2021 with a second by Mr. Neilson and a 3-0 vote was taken for approval.

V. EXECUTIVE DIRECTOR

A. Operations. Mr. Fuller reported that overall traffic and revenue on the system is good news. The Bridge revenue is ahead year over year although traffic slightly lower than projections, while the Parkway is doing well for both traffic and revenue year over year. We have been notified by the Florida Turnpike Enterprise (FTE) that Toll-By-Plate (TBP) collections, which were halted due to the COVID-19 Pandemic, started on accounts owing \$2,500 or more. We are hopeful to see revenue increases as a result.

Mr. Fuller reported that the seasonal closure of North Lakeshore Drive is on track to begin Memorial Day weekend. He expects to attend a joint planning meeting between the contractor Ferrovia and representatives from Okaloosa County Public Works and the Okaloosa County Sheriff's office in early May 2021.

With interest rates down, Mr. Fuller has been in contact with Mr. Greg Carey of Goldman Sachs, the Authority's Underwriter, and Mr. Reid Cavnar with Stifel, the Authority's Municipal Financial Advisor to discuss possible refinancing possibilities. The team will continue to monitor the market to gauge opportunities.

The Merchants Walk Property Owners Association (MWPOA) recently voted to re-roof all buildings in the complex, where the Authority owned office is located. Based on the square footage owned there are two payment options to consider: (1) a Special Assessment of \$23.6K to be paid over a ten-year period which includes interest and a lien on the property; or (2) a cash up front payment of \$18.7K with no interest or lien on the property. Mr. Fuller recommended the cash option in order to avoid both the interest costs and the lien. Ms. Anchors reported that she has reviewed and concurs with Mr. Fuller's recommendation to a cash up front payment. Discussion included that the office space is not included in the Mid-Bay Bridge Authority Transportation Asset Management Plan.

A motion was made by Mr. Neilson with a second by Mr. Destin to make a cash up front payment of \$18.7K with no interest or lien for the re-roofing of Suites 501-502 in Merchants Walk and a 3-0 vote was taken for approval.

Mr. Fuller changed the order of the agenda by presenting Item C. FY2020 Traffic Engineers Annual Report prior to Item B. FY2020 Audited Financial Statement-Carr, Riggs, Ingram and Warren Averett.

C. FY2020 Traffic Engineers Annual Report. Mr. Fuller reported that the COVID-19 Pandemic, like everywhere else nationally and globally, had a major impact on the Authority's Traffic and Revenue. The revenues barely met the Authority's Indenture covenants and did not meet the Authority's policy. As a result, the Authority's Traffic Engineers, Jacobs, recommends no rate structure study as we generated enough revenue to meet all Debt Service requirements. Jacobs will continue to monitor to ensure toll rates remain as consistent and stable as possible as Debt Service requirements continue to increase and make recommendations regarding the need for any toll rate reviews in the future.

B. FY2020 Audited Financial Statement-Carr, Riggs, Ingram and Warren Averett. Mr. Fuller introduced Ms. JoAnn Rocque with Carr, Riggs, Ingram to present the FY2020 Audited Financial Statement. Ms. Rocque thanked the Authority for the opportunity to address the Board on behalf of John Slingerland who was in the hospital again this year. It is the opinion of Carr, Riggs, Ingram that the financial statements

present fairly, in all material respects, the financial position of the Mid-Bay Bridge Authority, the changes in its financial position and the cash flows for the year in accordance with generally accepted accounting principles. The report shows revenues and operating expenses were down in FY2020 due to the COVID-19 Pandemic; however, they are expected to increase in FY2021 as life slowly returns to normal. Ms. Rocque explained there was a change in Fair Value Measurements of the Authority's reserve fund bond investments (from Level 1 in FY2019 which uses quoted prices for similar assets or liabilities in active markets; identical or similar assets in non-active markets or interest rates and yield curves to Level 2 in FY2020 which is an estimate of the present value of expected future cash flows). She pointed out that the only non-recurring events reported were the Bridge Tendon Repairs, which were completed in FY2020, and the effects of the COVID-19 Pandemic which resulted in a negative outlook rating by Standard & Poor's Global Ratings that is expected to return to stable in the future. Finally, no deficiencies in internal controls or material weaknesses were identified and the Authority is in compliance with Florida Statute and Auditor General requirements.

Mr. Kevin Bowyer with Warren Averett, the Authority's Accountant responsible for its internal accounting process, reported an interesting but good reporting year. He thanked the Authority for the opportunity to provide accounting services and Carr, Riggs and Ingram for their work in completing the audit.

VI. LEGAL COUNSEL

None

VII. BOARD MEMBER COMMENTS

None

VIII. GENERAL DISCUSSION

The next regular meeting of the Authority will be held on **Thursday, April 15, 2021** at 9:00 a.m. in the Destin City Hall Board Room, Destin, Florida.

IX. ADJOURNMENT

The meeting adjourned at approximately 9:23 a.m.

Approved this 15th day of April 2021.



Gordon E. Fornell, Chair