



Maryland Transportation Authority

BOARD MEETING

THURSDAY, MARCH 28, 2024

MARYLAND TRANSPORTATION AUTHORITY
2310 BROENING HIGHWAY
BALTIMORE, MD 21224

IN-PERSON AND LIVESTREAM



MARYLAND TRANSPORTATION AUTHORITY BOARD MEETING

2310 Broening Highway * Training Room – 2nd Floor * Baltimore, MD 21224

MARCH 28, 2024 9:00 AM

This meeting will be livestreamed on the [MDTA Board Meeting Page](#)

NOTES:

- This is an In-Person Open Meeting being conducted via livestreaming.
- The public is welcomed to watch the meeting at the link above.
- *If you wish to comment on an agenda item please email your name, affiliation, and the agenda item to nhenson@mdta.state.md.us no later than 5:00 p.m. on March 26th. You **MUST** pre-register and attend the meeting in person in order to comment.* Once pre-registered, all pertinent information will be emailed to you.

AGENDA

OPEN SESSION – 9:00 AM

Call Meeting to Order

- | | | |
|---|---------------------------------|---------|
| 1. <u>Approval</u> – <u>Open Session Meeting Minutes of February 29, 2024</u> | Chairman | 5 min. |
| 2. <u>Approval</u> – <u>Contract Award</u> <ul style="list-style-type: none">• 2022-02A – Construction Management and Inspection Services | Jeffrey Davis | 5 min. |
| 3. <u>Approval</u> – <u>Board Resolution 24-02</u> – Re-Establishing the MDTA Capital Committee and Establishing the MDTA Finance and Administration Committee | Bruce Gartner | 5 min. |
| 4. <u>Update</u> – <u>Fiscal Year 2025 Department of Legislative Services Budget Analysis</u> | Chantelle Green | 10 min. |
| 5. <u>Update</u> – <u>Major Projects</u> – Quarterly Update on Major Projects Valued Over \$40 Million or of Significant Public Impact | James Harkness | 15 min. |
| 6. <u>Update</u> – <u>Information Technology Major Projects</u> – Quarterly Update on Information Technology Major Projects | David Goldsborough | 10 min. |
| 7. <u>Update</u> – <u>Civil Rights Fair Practice’s Socioeconomic Programs</u> – Quarterly Update on Socioeconomic Programs | Tia Rattini | 10 min. |
| 8. <u>Update</u> – <u>Audit Committee Report</u> – Verbal | Member Penny-Ardinger | 5 min. |
| 9. <u>Update</u> – <u>Legislative Session</u> – Verbal | Bradley Ryon
James Kittleman | 10 min. |
| 10. <u>Update</u> – <u>Executive Director’s Report</u> – Verbal | Bruce Gartner | 10 min. |

Vote to go into Closed Session

CLOSED SESSION – Expected Time 10:25 AM

- | | | |
|---|--------------------------|---------|
| 11. To Receive Legal Advice and Discuss an Investigative Proceeding Related to Employee Conduct | Kimberly Millender, Esq. | 15 min. |
|---|--------------------------|---------|

Vote to Return to Open Session

Vote to Adjourn Meeting

TAB 1

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING

THURSDAY, FEBRUARY 29, 2024
9:00 A.M.

2310 BROENING HIGHWAY, BALTIMORE MD 21224
IN-PERSON & LIVESTREAMED OPEN MEETING

OPEN SESSION

Paul J. Wiedefeld, Chairman

MEMBERS ATTENDING:

Dontae Carroll
William H. Cox, Jr.
W. Lee Gaines, Jr. – via Telephone
Mario J. Gangemi
Cynthia D. Penny-Ardinger
Jeffrey S. Rosen – Via Telephone
Samuel D. Snead
John F. von Paris

STAFF ATTENDING:

Jeffrey Brown
Percy Dangerfield
Tonya Dorsey
Jeffrey Davis
Allen Garman
Bruce Gartner
Chantelle Green
James Harkness
Natalie Henson
Christopher Imms
Richard Jaramillo
James Kittleman
Lt. Col. Corey McKenzie
Kelly Melhem
Kimberly Millender, Esq.
Sushmita Mitra
Ebony Moore
Mary O'Keeffe
Bradley Ryon
Deborah Sharpless
Jennifer Stump
Robert Usher

OTHERS ATTENDING:

Virginia Downie, Retired MDTA Police Corporal

At 9:10 a.m. Chairman Paul J. Wiedefeld called the meeting of the Maryland Transportation Authority (MDTA) Board to order. The meeting was held in-person at MDTA Headquarters, 2310 Broening Highway, Baltimore MD 21224 and was livestreamed on the MDTA Board Meeting web page.

APPROVAL – OPEN SESSION MEETING MINUTES OF JANUARY 25, 2024

Upon motion by Member William H. Cox, Jr. and seconded by Member Samuel D. Snead, the open session meeting minutes of the MDTA Board meeting held on January 25, 2024 were unanimously approved.

APPROVAL – CLOSED SESSION MEETING MINUTES OF JANUARY 25, 2024

Upon motion by Member Mario J. Gangemi and seconded by Member Cynthia D. Penny-Ardinger, the closed session meeting minutes of the MDTA Board meeting held on January 25, 2024 were unanimously approved.

RESOLUTION – YEARS OF SERVICE RECOGNITION

Mr. Bruce Gartner read and presented the Years of Service Recognition Resolution for MDTA Police Corporal Virginia Downie. Mr. Gartner also recognized MDTA Police Major Richard Ricko. On the occasion of their retirement from their distinguished careers of service, the Chairman and Members of the Maryland Transportation Authority Board expressed to them their most sincere appreciation for their excellence and commitment.

APPROVAL – CONTRACT AWARD

- **MR-3030-0000 – Environmental On-Call Phase IV**

Mr. Jeffrey Davis requested contingent approval from the MDTA Board to execute Contract No. MR-3030-0000 – Environmental On-Call Phase IV with Brawner Builders, Inc. in the amount of \$4,397,736.00.

Mr. Davis explained that the scope of work includes miscellaneous repairs, upgrades, replacements, rehabilitation, and new construction on stormwater and landscaping/natural resources mitigation assets, including storm drain systems, stormwater management Best Management Practices (BMPs), slopes, and tree and vegetation.

Upon motion by Member Mario J. Gangemi and seconded by Member Samuel D. Snead, the Members unanimously gave contingent approval to execute Contract No. MR-3030-0000 – Environmental On-Call Phase IV.

- **MA-3018-0000R – Drainage Outfall Rehabilitation**

Mr. Jeffrey Davis requested contingent approval from the MDTA Board to execute Contract No. MA-3018-0000R – Drainage Outfall Rehabilitation with JJID, Inc. in the amount of \$4,402,604.80.

Mr. Davis explained that the scope of this project is to construct drainage improvements at 19 existing drainage outfalls located along I-895, Baltimore Harbor Tunnel Thruway (BHT), and I-95, John F. Kennedy Memorial Highway (JFK) facilities. The work includes repair, removal, replacement, and installation of drainage features such as manholes, inlets, end walls, end sections, storm drain pipes, vertical bends, concrete collars, ditches, riprap aprons, riprap plunge pools, gabion baskets, etc.; performing cured-in-place pipe (CIPP) rehabilitation; stabilizing and repairing existing erosion; providing, installing, and maintaining landscaping such as trees, shrubs, seeding, etc.; and installing, maintaining, and removing erosion and sediment control practices.

Upon motion by Member William H. Cox, Jr. and seconded by Member Mario J. Gangemi, the Members unanimously gave contingent approval to execute Contract No. MA-3018-0000R – Drainage Outfall Rehabilitation.

- **MR-3020-0000 – On-Call Facility Repairs**

Mr. Jeffrey Davis requested contingent approval from the MDTA Board to execute Contract No. MR-3020-0000 – On-Call Facility Repairs with Mid-Atlantic General Contractors, Inc. in the amount of \$4,984,475.00.

Mr. Davis explained that the scope of this project includes providing all labor, equipment, and materials necessary in performing miscellaneous facility and other types of repairs, upgrades, replacements, and new construction as directed by the MDTA Project Manager in an On-Call or Task based manner at all MDTA facilities. Work could include all building components, such as roof, ceiling, flooring, interior and exterior finishes, foundations, walls, windows and doors, electrical, plumbing, mechanical, fire alarm systems, security systems, automation systems, Data/IT, elevators, etc. Work might also include underground fuel storage tanks, on-site utilities, and hazardous materials removal, etc.

Upon motion by Member Mario J. Gangemi and seconded by Member John F. von Paris, the Members unanimously gave contingent approval to execute Contract No. MR-3020-0000 – On-Call Facility Repairs.

- **HT-3018-0000 – I-895 Resurfacing North and South of the Baltimore Harbor Tunnel (BHT)**

Mr. Jeffrey Davis requested contingent approval from the MDTA Board to execute Contract No. HT-3018-0000 – I-895 Resurfacing North and South of the Baltimore Harbor Tunnel (BHT) with P. Flanigan & Sons, Inc. in the amount of \$10,588,797.75.

Mr. Davis explained that this contract is for safety and resurfacing along the I-895 corridor. The work includes but is not limited to roadway resurfacing, drainage structure cleaning, and w-beam traffic barrier replacement to meet current standards. The project consists of two sections, the Southern section and Northern section. The southern section runs from the gore area for the I-895/I-95 interchange ramps in Howard County to approximately mile marker 4.8 on I-895 in Baltimore County. The northern section runs from approximately mile marker 13.5 on I-895 to the gore area for the I-895/I-95 interchange in Baltimore City.

Upon motion by Member W. Lee Gaines, Jr. and seconded by Member Samuel D. Snead, the Members unanimously gave contingent approval to execute Contract No. HT-3018-0000 – I-895 Resurfacing North and South of the Baltimore Harbor Tunnel (BHT).

UPDATE – PROCURMENT REPORT ON OPEN CONTRACTS

Mr. Jeffrey Davis presented the MDTA Board with a verbal report on how many contracts are currently open with the MDTA excluding state credit card purchases. There are currently 208 total contracts totaling \$2,737,769,818.45.

UPDATE – SERIES 2024 TFP REVENUE REFUNDING BOND SALE

Ms. Deborah Sharpless explained that Board Resolution No. 24-01 delegated authority to the Executive Director and staff to close the Series 2024A financing to refinance the \$721 million of Series 2009B and 2010B bonds. The refunding bonds were sold on February 21, 2024 through a negotiated process with a syndicate of underwriters led by Bank of America Securities.

She further explained that as discussed at the December 2023 and January 2024 MDTA Board meetings, risk reduction associated with the federal interest subsidy cuts and refinancing savings were the key goals.

1. The risk of continued federal interest subsidy cuts has been eliminated.
2. Although near breakeven savings would have been accepted in exchange for the risk elimination, realized savings were larger than anticipated. The refinancing achieved gross cash flow savings of \$21 million through 2043, approximately \$1.1 million annually or \$15 million on a Net Present Value basis.

She also explained that the refunding bonds issued with 5% coupons and callable at par in ten years provide for probable future refinancing opportunities that may further reduce debt service. The refunded bonds did not include a par call option.

APPROVAL – QUARTERLY REVIEW OF INVESTMENT STRATEGY AND BENCHMARKS

Mr. Allen Garman requested MDTA Board approval to continue with the current investment strategies and benchmarks for all accounts.

Mr. Garman explained that for the trailing twelve-month period ended December 31, 2023, investments conformed to Investment Policy limitations. The longer duration strategies employed in certain reserves generate higher return volatility with expected higher average annual returns over multiyear periods. Portfolio structuring by account adhered to Board approved strategy and should remain consistent, despite short-term return volatility associated with the rising interest rate environment. No changes in performance strategy or benchmark are recommended.

Upon motion by Member John F. von Paris and seconded by Member Cynthia D. Penny-Ardinger, continuation of the current investment strategies and benchmarks for all accounts was unanimously approved.

UPDATE – 2ND QUARTER OPERATING BUDGET COMPARISON

Mr. Jeffrey Brown updated the MDTA Board on actual versus projected year-to-date spending for the second quarter of Fiscal Year (FY) 2024 Operating Budget. As of December 31, 2023, 39% of the budget was spent compared to a target of 49%. Object 13 is overbudget at 147% spend rate due to higher insurance premiums. All other Objects are at or below the targeted spending level. The primary variance drivers include personnel vacancies, higher insurance premiums due to market pressures, and the seasonality of expenses. Identified risks associated with areas of overspending are expected to be fully offset by underspending in other categories, so no budget amendment is anticipated at this time.

UPDATE – 2ND QUARTER CAPITAL BUDGET COMPARISON

Ms. Jennifer Stump updated the MDTA Board on the second quarter Fiscal Year (FY) 2024 Capital Budget Comparisons. As of December 31, 2023, 22.7% of the FY 2024 budget was spent as compared to the targeted spending level of 50%. The total budget for FY 2024 is \$539.6 million. The actual spending through the second quarter was \$122.6 million. The first quarter percentage is low because there are outstanding accruals for work completed in FY 2023.

She further explained that procurement and contractor delays and supply availability impacted the FY 2024 second quarter spend rate. As the weather improves, construction activity will increase in the third and fourth quarters.

UPDATE – TRAFFIC AND REVENUE

Ms. Deborah Sharpless gave a quarterly and year-to-date update to the MDTA Board regarding traffic and toll revenue trends compared to the previous year and the forecast.

Ms. Sharpless explained that this quarterly review looks at traffic and toll revenue trends and compares actual system-wide experience with traffic and toll revenue forecasts. CDM Smith tracks and evaluates the performance of traffic at the lane level and traffic and revenue collected on a cash basis

She further explained that the key takeaways are: 1) For the period ended December 31, 2023, actual toll revenue (in-lane and administrative toll) was slightly below the forecast by \$1.3 million, or 0.3%; 2) *E-ZPass*® revenue continued to exceed the forecast due to higher than forecasted daily average toll revenue; and 3) administrative toll revenue and video toll collections (at the Central Collection Unit level) were below the forecast mostly due to lower than anticipated revenue associated with MVA referrals.

UPDATE – HUMAN RESOURCES COMMITTEE

Member W. Lee Gaines, Jr. presented an update on the Human Resources Committee meeting that took place on February 6, 2024. The Human Resources Committee Members were given updates on the new PULSE eLearning Appraisal tool; the end of calendar year Recruitment and Examination report including 393 recruitment requests received in 2023; an overview of a facilitative process employed within MDTA to bridge communication gaps and address conflicts within divisions; and, the launch of the MDOT New Employee Orientation program where new hires will receive an overview of and exposure to all the MDOT modes.

UPDATE – LEGISLATIVE SESSION

Ms. Mary O’Keeffe briefly introduced Mr. James Kittleman, Assistant Manager of Government Relations. Mr. James Kittleman then gave an update to the MDTA Board regarding the bills that have been filed that will have an impact to the MDTA and the number of legislative casework/inquiries that his office has received thus far. He then passed the floor to Mr. Bruce Gartner who gave a more detailed update on SB1093/HB1070.

UPDATE – EXECUTIVE DIRECTOR’S REPORT

Mr. Bruce Gartner started his remarks by thanking the Chairman and the Members for his appointment as the Executive Director for a second tour. He stated that his priorities are safety, customer service, and project delivery and that he looks forward to working with everyone to accomplish these goals.

Mr. Gartner then gave updates on the following items: Legislative Session and meetings with Elected Officials; the implementation of the web-based PRISM System – Phase I; the February 7 Maryland Quality Initiative Conference in Baltimore where MDTA projects won 3 awards – I-95 Express Toll Lanes Northbound Extension – Abingdon Road Overpass Replacement Project received an award for Construction Subcontractor, US 50/301 Chesapeake Bay Bridge Automated Lane Closure System Project received an award for Partnering Project Over \$10 million, and the new Nice/Middleton bridge Project was awarded the MdQI Project of the Year – Over \$5 million; a scheduling update on two Bay Bridge projects; the Bay Bridge Reconstruction Advisory Group (BBRAG) meeting to be held on April 3 at 6:00 pm; and the March 21 from 9:00 am – 1:00 pm MDTA’s Civil Rights and Fair Practices outreach event – Doing Business with the Maryland Transportation Authority – at MDOT Headquarters. He ended his remarks by announcing the public engagement campaign to name our new tunnel cleaning vehicle.

Chairman Paul Wiedefeld then welcomed Bruce Gartner back to the MDTA and stated that he has received overall positivity on the decision to bring him back for a second tour.

VOTE TO ADJOURN MEETING

There being no further business, upon motion by Member Cynthia D. Penny-Ardinger and seconded by Member Dontae Carroll, the Members unanimously voted to adjourn the meeting at 10:15 a.m.

The next MDTA Board Meeting will be held on Thursday, March 28, 2024 at 9:00 a.m. at MDTA, 2310 Broening Highway, Baltimore MD and will be livestreamed on the MDTA Board webpage.

APPROVED AND CONCURRED IN:

Paul J. Wiedefeld, Chairman

TAB 2



Maryland Transportation Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:

Dontae Carroll	Cynthia D. Penny-Ardinger
William H. Cox, Jr.	Jeffrey S. Rosen
W. Lee Gaines, Jr.	Samuel D. Snead, MCP, MA
Mario J. Gangemi, P.E.	John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Deputy Director of Procurement Jeffrey Davis, NIGP-CPP
SUBJECT: MDTA 2022-02A – Construction Management And Inspection Services
DATE: March 28, 2024

PURPOSE

To seek approval from the Maryland Transportation Authority (MDTA) Board to execute Contract No. MDTA 2022-02A – Construction Management And Inspection Services.

SUMMARY

The services to be performed under this contract are Construction Management and Inspection (CMI) Services for the MDTA. The consultant shall provide professional Construction Management Services related to supplementing and supporting the construction phase of the MDTA Consolidated Transportation Program. The consultants shall perform services in the following general areas: service shall include, but not be limited to; constructability reviews, conduct detailed inspections of all construction work including erosion and sediment control contract compliance, maintenance of traffic, detail materials testing, critical path method cash flow schedules, document control and assist the MDTA's compliance officers with monitoring and enforcement of Minority Business Enterprise goals.

RECOMMENDATION

To provide approval to execute Contract No. MDTA 2022-02A – Construction Management And Inspection Services.

ATTACHMENT

- Project Summary



AUTHORITY BOARD PROJECT SUMMARY

Contract No. MDTA 2022-02A CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES

PIN NUMBER N/A
CONTRACT NUMBER MDTA 2022-02A
CONTRACT TITLE Construction Management and Inspection Services (CMI)

PROJECT SUMMARY The services to be performed under this contract are Construction Management and Inspection (CMI) Services for the Maryland Transportation Authority (MDTA). The consultant shall provide professional Construction Management Services related to supplementing and supporting the construction phase of the Maryland Transportation Authority Consolidated Transportation Program. The Consultants shall perform services in the following general areas: service shall include, but not be limited to; constructability reviews, conduct detailed inspections of all construction work including erosion and sediment control contract compliance, maintenance of traffic, detail materials testing, critical path method cash flow schedules, document control and assist the Authority's compliance officers with monitoring and enforcement of Minority Business Enterprise goals.

SCHEDULE			PROPOSER				CONTRACT AMOUNT
ADVERTISEMENT DATE	January 3, 2023		A. Morton Thomas & Associates/ Wallace Montgomery			AE 3115	\$16,000,000.00
ANTICIPATED NTP DATE	April 1, 2024		Gannet Fleming			AE 3116	\$16,000,000.00
DURATION/TERM	FIVE (5) YEARS		KCI/ STV			AE 3118	\$16,000,000.00
			O'Connell & Lawrence/ACTS			AE 3123	\$14,000,000.00
			Michael Baker International/ Prime AE			AE 3124	\$11,000,000.00
PROTEST	YES	NO	DFI/ Pennoni/ CES			AE 3126	\$11,000,000.00
		✓					
MBE PARTICIPATION							
		AMT/ WMA	GF	KCI/ STV	OCL/ ATCS	MBI/ Prime	DFI/ Pennoni/CES
		AE-3115	AE-3116	AE-3118	AE-3123	AE-3124	AE-3126
	ADVERTISED GOAL	PROPOSED GOAL	PROPOSED GOAL	PROPOSED GOAL	PROPOSED GOAL	PROPOSED GOAL	PROPOSED GOAL
	(%)	(%)	(%)	(%)	(%)	GOAL (%)	(%)
MBE PARTICIPATION - OVERALL							
OVERALL MBE	26.00%	26.00%	26.00%	28.00%	30.00%	26.00%	26.00%
AFRICAN AMERICAN	7.00%	9.00%	8.00%	7.00%	8.00%	7.00%	7.00%
ASIAN AMERICAN	-	5.00%	3.00%	5.00%	6.00%	6.00%	9.00%
HISPANIC AMERICAN	-	0.00%	0.00%	0.00%	2.00%	2.00%	0.00%
WOMEN OWNED	10.00%	10.00%	11.00%	12.00%	10.00%	10.00%	10.00%
OTHER		2.00%	4.00%	4.00%	4.00%	1.00%	0.00%
VSBE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

TAB 3



Maryland Transportation Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:
Dontae Carroll
William H. Cox, Jr.
W. Lee Gaines, Jr.
Mario J. Gangemi, P.E.
Cynthia D. Penny-Ardinger
Jeffrey S. Rosen
Samuel D. Snead, MCP, MA
John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Executive Director Bruce Gartner
SUBJECT: Maryland Transportation Authority Capital and Finance Committees
DATE: March 28, 2024

PURPOSE OF MEMORANDUM

To obtain approval from the Maryland Transportation Authority (MDTA) Board for Board Resolution No. 24-02 to re-establish the Capital Committee and establish a new Finance and Administration Committee.

SUMMARY

Per MDTA Board Resolution No. 10-09, the MDTA Board formally established the Capital Committee and Finance Committee, as permanent standing committees of the MDTA Board and public bodies for purposes of compliance with the Maryland Open Meetings Act (OMA). Per MDTA Board Resolution No. 14-05, the MDTA Board established quorum requirements for each Committee in compliance with the OMA.

MDTA Board Resolution No. 24-02 confirms the Capital Committee as a permanent standing committee of the MDTA Board and a public body under the OMA. Further, Resolution No. 24-02 defines the matters and issues to be reviewed by the committee.

MDTA Board Resolution No. 24-02 replaces the former Finance Committee and Human Resources Committee with a new Finance and Administration Committee. The new Finance and Administration Committee will be a permanent standing committee of the MDTA Board and a public body under the OMA. Further, Resolution No. 24-02 defines the matters and issues to be reviewed by the committee.

The MDTA Board shall periodically designate members from the MDTA Board to serve on each Committee and designate an individual to serve as Chair.

MDTA Board Resolution No. 24-02 will supersede and replace MDTA Board Resolution Nos. 10-09 and 14-05.

REQUESTED ACTION

Approve MDTA Board Resolution No. 24-02.

ATTACHMENT

- MDTA Board Resolution No. 24-02

MARYLAND TRANSPORTATION AUTHORITY
RESOLUTION 24-02

**A RESOLUTION RE-ESTABLISHING THE MDTA
CAPITAL COMMITTEE AND ESTBLISHING THE
MDTA FINANCE AND ADMINISTRATION COMMITTEE**

WHEREAS, the Maryland Transportation Authority, an agency of the State of Maryland (the “MDTA”) is authorized and empowered under Section 4-101 through 4-406 of the Transportation Article of the Annotated Code of Maryland to finance, construct, operate, maintain, and repair “transportation facilities projects” to issue revenue bonds for the purpose of financing the cost of transportation facilities projects, and to perform any actions necessary or convenient to carry out the powers granted in the Transportation Article; and

WHEREAS, pursuant to MDTA Resolution No. 10-09, the MDTA Board formally established the Capital and Finance Committees consisting of no more than four (4) Members designated by the MDTA Board including one Member designated as the Committee Chair; and

WHEREAS, pursuant to MDTA Resolution No. 10-09, the MDTA Board also formally designated both the Capital and Finance Committees as “public bodes” subject to the provisions of the Maryland Open Meetings Act, Title 3 of the General Provisions Article of the Annotated Code of Maryland (the “Act”); and

WHEREAS, pursuant to MDTA Resolution 14-05, the MDTA Board defined a quorum for the Capital and Finance Committees for compliance with the Act and for the efficient operation of business; and

WHEREAS, the MDTA Board now desires to supersede Resolution Nos. 10-09 and 14-05 and re-establish a Capital Committee and establish a Finance and Administration Committee including establishing compliance with the Act and definition of a quorum.

NOW, THEREFORE, BE IT RESOLVED BY THE MARYLAND TRANSPORTATION AUTHORITY THAT:

Section One. The MDTA Board hereby adopts this Resolution to re-establish the MDTA Capital Committee. The Capital Committee shall consist of no more than four (4) MDTA Board Members. The MDTA Board shall designate the membership of the Capital Committee and select one (1) Member to serve as Chair. The Capital Committee will review matters and issues related to capital contract, major projects, including project communications and outreach, and major information technology projects.

Section Two. The MDTA Board hereby establishes the MDTA Finance and Administration Committee replacing the former Finance Committee and the former ad-hoc Human Resources Committee. The Finance and Administration Committee shall consist of no more than four (4) MDTA Board Members. The MDTA Board shall designate the membership of the Finance and Administration Committee and select one (1) Member to serve as Chair. The

RESOLUTION 24-02

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Finance and Administration Committee will review matters and issues related to finance, budget, revenue, investments, bonding, tolling, general procurement, human resources, civil rights and fair practices, socio-economic program administration and compliance, general information technology issues, environment and risk management, asset control and damage recovery, and other matters of general administration.

Section Three. The Capital Committee and the Finance and Administration Committee shall be considered “public bodies” as defined by the Act. All meetings of the Capital Committee and the Finance and Administration Committee shall be held in accordance with the requirements of the Act.

Section Four. For compliance with the Act and to conduct business, a quorum of the Capital Committee or the Finance and Administration Committee shall consist of three Members, if four Members are currently designated. However, if only three Members are designated to the Capital Committee or the Finance and Administration Committee, a quorum shall consist of two Members; and, if only two Members are designated, a quorum shall consist of both Members.

Section Five. If a quorum of designated Members is not present at a duly scheduled meeting of the Capital Committee or the Finance and Administration Committee, the Members present may conduct the meeting; however, no recommended actions will become effective until concurred in by the required number of Member(s) to equal a quorum.

Section Six. Concurrence of the Member(s) required to equal a quorum may be made by electronic mail, telephone, or in writing. Receipt of an electronic mail from the Member(s) confirming their concurrence in the specific actions taken from the Members’ known electronic mail address shall be sufficient to constitute concurrence. If by telephone, verbal confirmation witnessed by the Executive Director and Principal Counsel, or their designee, shall be sufficient to constitute concurrence. Concurrence of the Member(s) required to equal a quorum shall be noted in the meeting minutes including the method, date, and time of the concurrence.

Section Seven. This Resolution hereby supersedes and replaces previously adopted Resolution Nos. 10-09 and 14-05.

Dated as of: _____

WITNESS:

MARYLAND TRANSPORTATION AUTHORITY

Bruce W. Gartner
Executive Director

Paul J. Wiedefeld
Chairman

RESOLUTION 24-02

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**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:**

Kimberly A. Millender
Assistant Attorney General

TAB 4



Maryland
Transportation
Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:

Dontae Carroll	Cynthia D. Penny-Ardinger
William H. Cox, Jr.	Jeffrey S. Rosen
W. Lee Gaines, Jr.	Samuel D. Snead, MCP, MA
Mario J. Gangemi, P.E.	John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Director of Finance Chantelle Green
SUBJECT: Department of Legislative Services Fiscal Year 2025 Budget Analysis
DATE: March 28, 2024

PURPOSE OF MEMORANDUM

To provide an overview of the budget issues and recommendations presented by the Department of Legislative Services (DLS) during the Maryland Transportation Authority's (MDTA) Fiscal Year (FY) 2025 legislative budget hearing.

SUMMARY

The DLS budget analysis is a comprehensive document that examines multiple facets of the MDTA's operations, including changes in proposed funding and personnel. The budget analysis document typically examines an agency's goals and mission, raises public policy issues, includes recommended budget actions, and provides appendices that summarize fiscal activity for the prior, current, and proposed fiscal years.

ATTACHMENTS

- DLS FY 2025 Budget Analysis
- MDTA FY 2025 Budget Analysis Responses

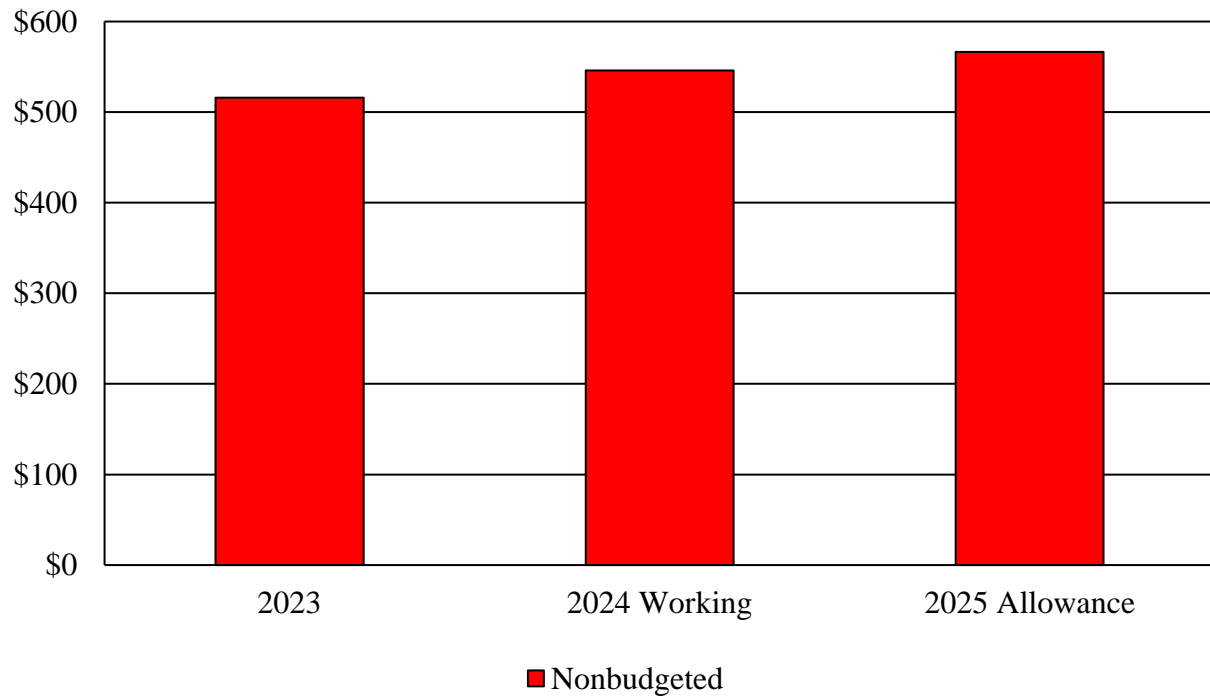
J00J00
Maryland Transportation Authority

Executive Summary

The Maryland Transportation Authority (MDTA) has exclusive authority relating to the supervision, financing, construction, operation, maintenance, and repair of Maryland's toll facilities as well as for financing new revenue-producing projects authorized under law.

Operating Budget Summary

Fiscal 2025 Budget Increases \$20.5 Million, or 3.8%, to \$566.4 Million
(\$ in Millions)



PAYGO Capital Budget Summary

**Fiscal 2025 Budget Decreases \$6.3 Million, or 1.1%, to \$556.7 Million
(\$ in Millions)**



Key Observations

- ***Financial Forecast Improves Slightly, but Additional Revenue Is Still Needed:*** MDTA's biannual forecast currently anticipates the agency being unable to meet debt service coverage requirements in fiscal 2029. Higher than anticipated projected toll revenues have pushed out this deficit, which was anticipated to occur in fiscal 2028 in last year's forecast.

Operating Budget Recommended Actions

1. Nonbudgeted.

PAYGO Budget Recommended Actions

1. Nonbudgeted.

Updates

- ***Tier 2 of Bay Crossing Study Continues:*** The project to analyze alternatives to relieve congestion for motorists crossing the Chesapeake Bay is currently in the second phase of the National Environmental Policy Act (NEPA) process. This phase includes further stakeholder engagement and developing an environmental impact statement for the selected corridor alternative (Corridor 7/Existing Corridor).
- ***Transportation Commission Considers Changes to Tolls:*** As part of its work during the 2023 interim, the Transportation Revenue and Infrastructure Needs Commission (TRAIN Commission) recommended that the General Assembly consider requiring MDTA to adjust toll rates to support transportation needs for the Maryland Department of Transportation (MDOT) outside of MDTA facilities.
- ***Beltway Toll Lanes Project Reinvented but Misses Out on Federal Funds:*** The project to replace the American Legion Bridge and add dynamic toll lanes to I-495/I-270 has been reframed under the new Administration. However, a federal grant application to the Multimodal Project Discretionary Grant program was unsuccessful.

J00J00
Maryland Transportation Authority

Budget Analysis

Program Description

MDTA has exclusive authority relating to the supervision, financing, construction, operation, maintenance, and repair of Maryland’s toll facilities as well as for financing new revenue producing transportation projects authorized under law. MDTA divides its facilities into three regions and has jurisdiction over the following facilities:

- ***Northern Region:*** includes the Thomas J. Hatem Memorial Bridge (US 40); the John F. Kennedy Memorial Highway (I-95); and the Express Toll Lanes on I-95;
- ***Central Region:*** includes the Baltimore Harbor (I-895) and Fort McHenry (I-95) tunnels and thruways; the Francis Scott Key Bridge (Key Bridge) (I-695); and I-395 leading to Baltimore City; and
- ***Southern Region:*** includes the Governor Harry W. Nice/Senator Thomas “Mac” Middleton Bridge (Nice/Middleton Bridge) (US 301); the Bay Bridge (US 50/301); and the Intercounty Connector (MD 200).

Membership of the MDTA board is comprised of eight members appointed by the Governor with the advice and consent of the Senate. The Secretary of Transportation serves as the chairman of MDTA. MDTA’s revenues are held separately from the Transportation Trust Fund, and the agency operates off budget.

MDTA’s police force is responsible for security and law enforcement services at all of MDTA’s toll facilities except the northern region of I-95, which is patrolled by the Maryland State Police (MSP). MDTA is also under contract with the Maryland Aviation Administration (MAA) to provide law enforcement services at the Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall Airport) and with the Maryland Port Administration (MPA) to provide law enforcement services at MPA-owned facilities at the Port of Baltimore.

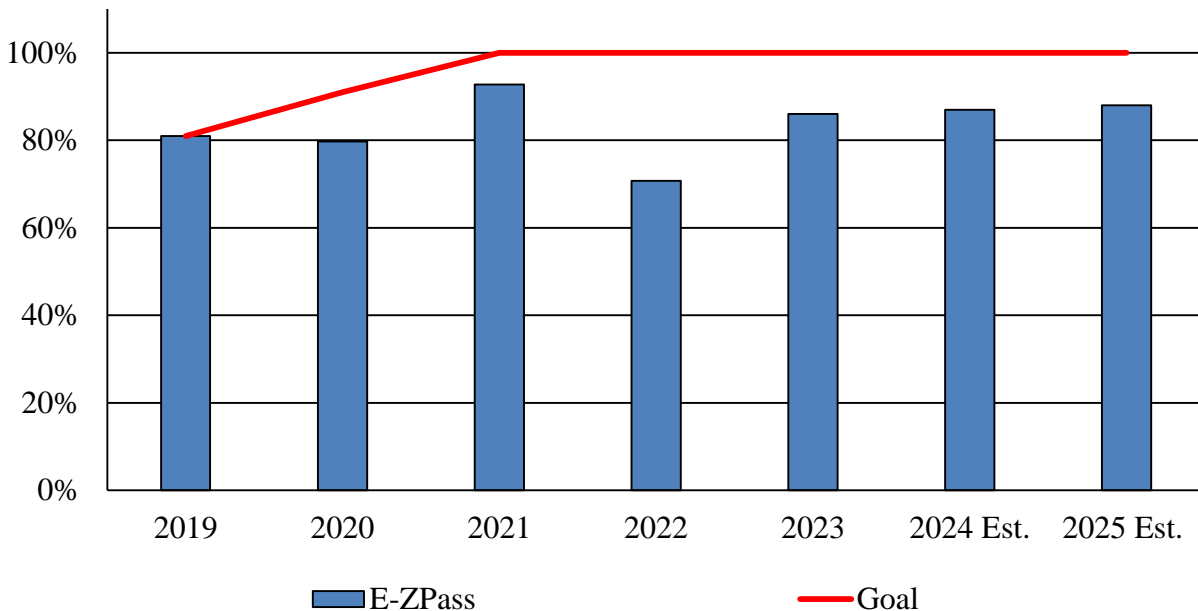
MDTA’s mission is to be a customer-driven leader that delivers safe, sustainable, intelligent, and exceptional transportation solutions in order to connect customers to life’s opportunities.

Performance Analysis: Managing for Results

1. *E-ZPass Use*

E-ZPass toll transactions reduce costs and expedite the toll collection process; reduce delays at toll plazas; reduce vehicle idling time, thereby reducing emissions; and allow for the efficient movement of goods and people. *E-ZPass* toll collection is available at all Maryland toll facilities as well as in central Florida, parts of the Midwest, and most of the northeastern United States. **Exhibit 1** shows the percentage of tolls collected with *E-ZPass* at all MDTA facilities by fiscal year. In fiscal 2023, MDTA collected 86% of tolls with *E-ZPass*, an increase from 70.8% in fiscal 2022. However, estimated rates for fiscal 2024 and 2025 are within 2 percentage points of fiscal 2023, suggesting that nearly all motorists who have interest in participating in the program are already enrolled. The figures in fiscal 2021 were artificially inflated from processing the toll backlog that accrued during the COVID-19 pandemic. **MDTA should comment on any strategies to encourage the remaining 12% to 15% of toll facility users to enroll in the *E-ZPass* program in order to enhance efficiencies and reduce costs.**

Exhibit 1
Tolls Collected Using E-ZPass
Fiscal 2019-2025 Estimated



Source: Governor's Fiscal 2025 Budget Books

Proposed Budget Change

As seen in **Exhibit 2**, the proposed fiscal 2025 budget increases by \$20.5 million. Personnel costs increase by \$7.2 million, due in large part to increased salaries. Operational expenses increase by a net \$10.3 million, including an additional \$4.0 million to operate the *E-ZPass* Service Center due to higher transaction volumes and contractual rates. Other increases include \$1.1 million in overhead rates for MSP, which patrols MDTA facilities on I-95, and \$2.9 million in contractual engineering services. Additional funding for MDTA police body cameras and other equipment is offset by reduced spending for vehicle purchases.

Exhibit 2
Proposed Budget
Maryland Transportation Authority
(\$ in Thousands)

How Much It Grows:	<u>Nonbudgeted Fund</u>	<u>Total</u>
Fiscal 2023 Actual	\$516,076	\$516,076
Fiscal 2024 Working Appropriation	545,897	545,897
Fiscal 2025 Allowance	<u>566,387</u>	<u>566,387</u>
Fiscal 2024-2025 Amount Change	\$20,490	\$20,490
Fiscal 2024-2025 Percent Change	3.8%	3.8%

Where It Goes:	<u>Change</u>
Personnel Expenses	
Salary increases to mirror statewide actions	\$7,234
Operations	
<i>E-ZPass</i> service center cost increases due to higher transaction volumes and contractual rates	4,000
Contractual engineering costs	2,900
Various contracts for systems maintenance, IT, and janitorial services	1,500
MDTA police body cameras and communications equipment	1,179
Increase in MSP overhead.....	1,100
Inflationary adjustments for supplies and equipment	564
Contractual personnel	162
Vehicle fleet replacement.....	-1,067

Where It Goes:	<u>Change</u>
Technical Adjustments	
Premiums for property and business interruption insurance.....	1,985
Utilities adjusted to match actual costs in fiscal 2023	577
Controlled subobjects.....	297
Employee travel resumes prepademic level.....	97
Debt service.....	-78
Other changes.....	40
Total	\$20,490

IT: information technology

MDTA: Maryland Transportation Authority

MSP: Maryland State Police

Note: Numbers may not sum to total due to rounding.

Financial Forecast

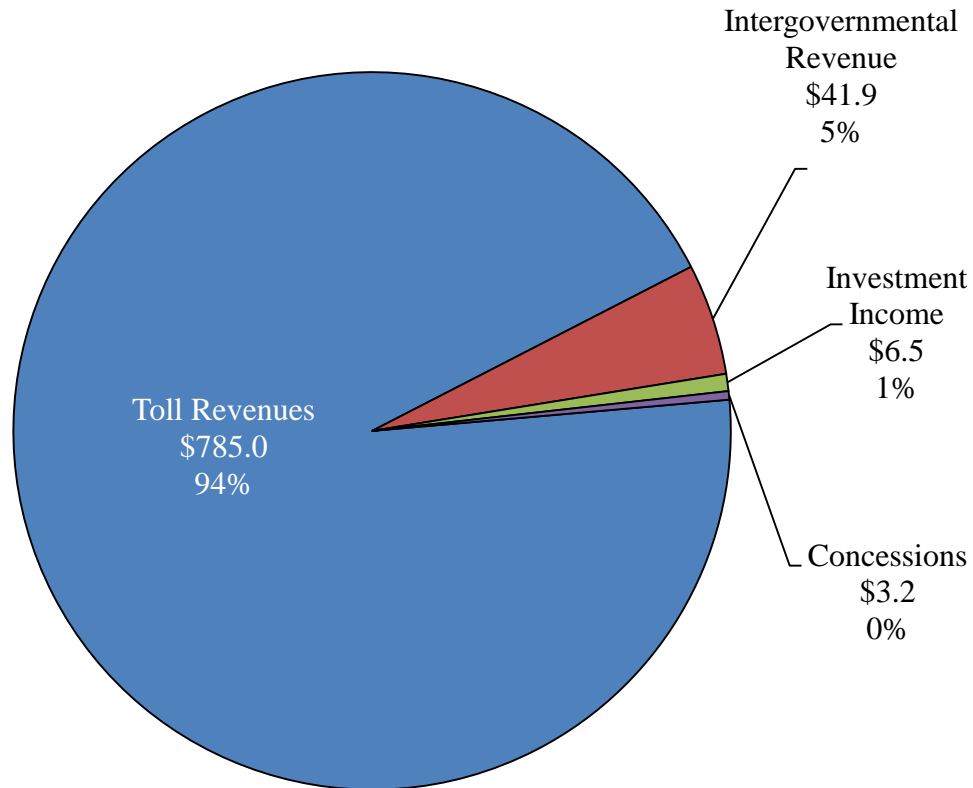
Section 4-313 of the Transportation Article establishes the Transportation Authority Fund, a nonlapsing fund into which all MDTA revenues flow, except to the extent that it is pledged under a trust agreement. MDTA revenues come primarily from tolls as well as from concession income from travel plazas that it owns along I-95, investment income, and payments from MDOT. MDOT payments comprise reimbursement for police services provided at BWI Marshall Airport and the Port of Baltimore.

To support its capital program, MDTA may issue toll revenue bonds with a maturity of up to 40 years. Typically, MDTA issues its toll revenue bonds with a 30- to 33-year maturity. The terms of MDTA's trust agreement with its bondholders are the driving force in MDTA finances. Maintaining its debt service coverage and liquidity ratios is the primary concern, and all revenue adjustments and operating and capital expenditures are managed to maintain these ratios. To this end, MDTA develops and maintains a six-year financial forecast. Section 4-210 of the Transportation Article requires MDTA to provide the General Assembly with a copy of its financial forecast by September 1 of each year and in conjunction with submission of the Governor's budget in January. **Appendix 1** provides the detail of MDTA's fiscal 2023 through 2029 financial forecast.

Fiscal 2025 Sources and Uses of Funding

Exhibit 3 shows the various sources of revenue in fiscal 2025. The primary source of funding is toll revenues, totaling \$785.0 million. Intergovernmental revenue includes funding reimbursements for MDTA police services provided at the Port of Baltimore and BWI Marshall Airport, loan repayments from loans issued to MDOT – The Secretary's Office and MDOT – MAA, and a federal grant to support the I-95 project.

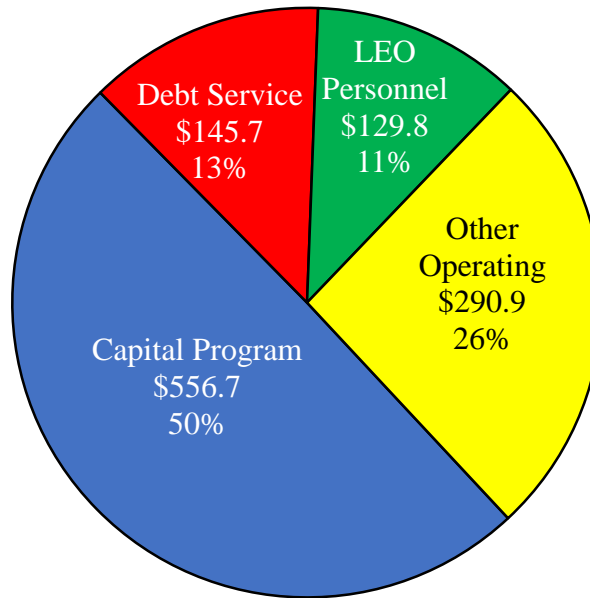
Exhibit 3
Fiscal 2025 Revenue Sources
(\$ in Millions)



Source: Governor's Fiscal 2025 Budget Books

As shown in **Exhibit 4**, the capital program accounts for 50% of spending in fiscal 2025. Operating costs, including administrative and personnel costs, account for 26% of spending. Law enforcement personnel, including MDTA police and reimbursement for MSP that patrol at the I-95 facility, comprises 11% of spending, while debt service comprises the remaining 13%.

Exhibit 4
Fiscal 2025 Use of Funding
(\$ in Millions)



LEO: law enforcement officer

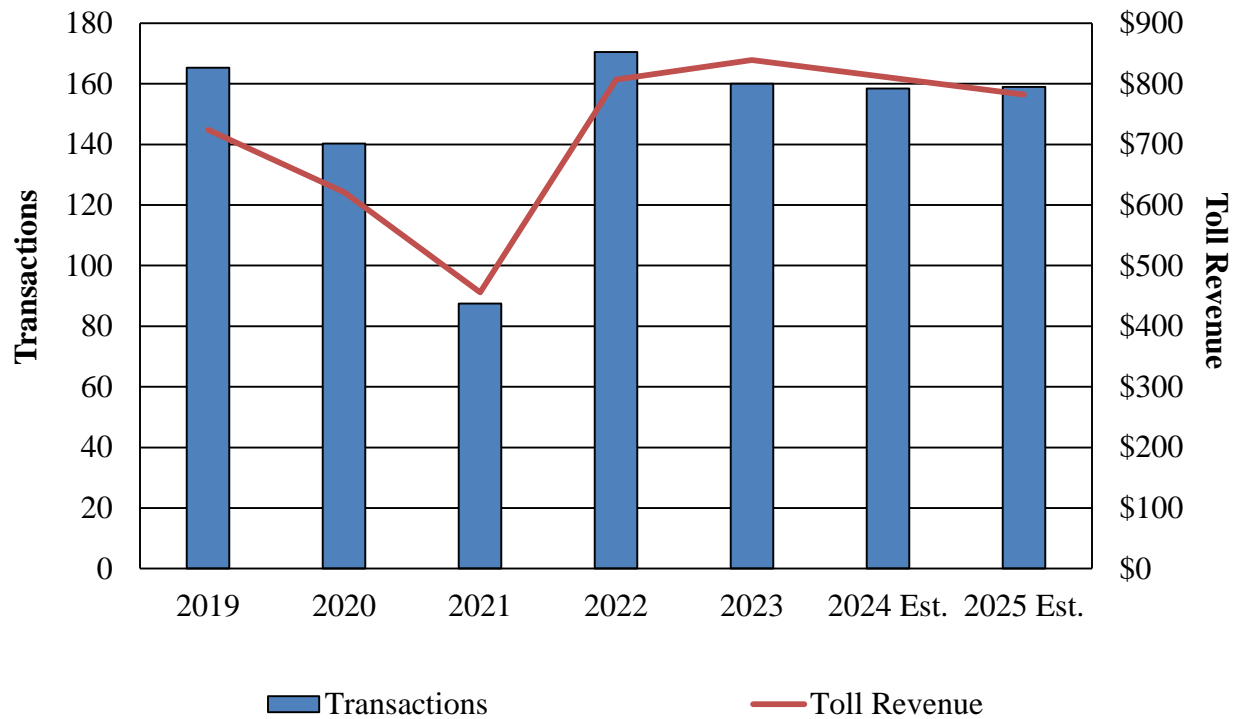
Source: Governor's Fiscal 2025 Budget Books; Maryland Transportation Authority

Revenues And Debt Affordability

Toll Revenues

Toll revenues are the primary revenue source for MDTA. In the three years prior to the pandemic, toll revenues averaged \$727.7 million. As shown in **Exhibit 5**, toll revenues have surpassed prepandemic levels. These revenues reached \$839 million in fiscal 2023, exceeding the fiscal 2019 amount of \$724 million. Revenues in fiscal 2020 and 2021 suffered due to decreased traffic associated with the pandemic; however, in fiscal 2022, revenues were artificially inflated due to processing of the toll backlog. The agency estimates that it will collect \$811 million in fiscal 2024 and \$831 million in fiscal 2029, the last year of the forecast. Changes to projected revenues are discussed in more detail in Issue 1 of this analysis.

Exhibit 5
Transactions and Toll Revenues
Fiscal 2019-2025 Est.
(Transactions in Millions, \$ in Millions)

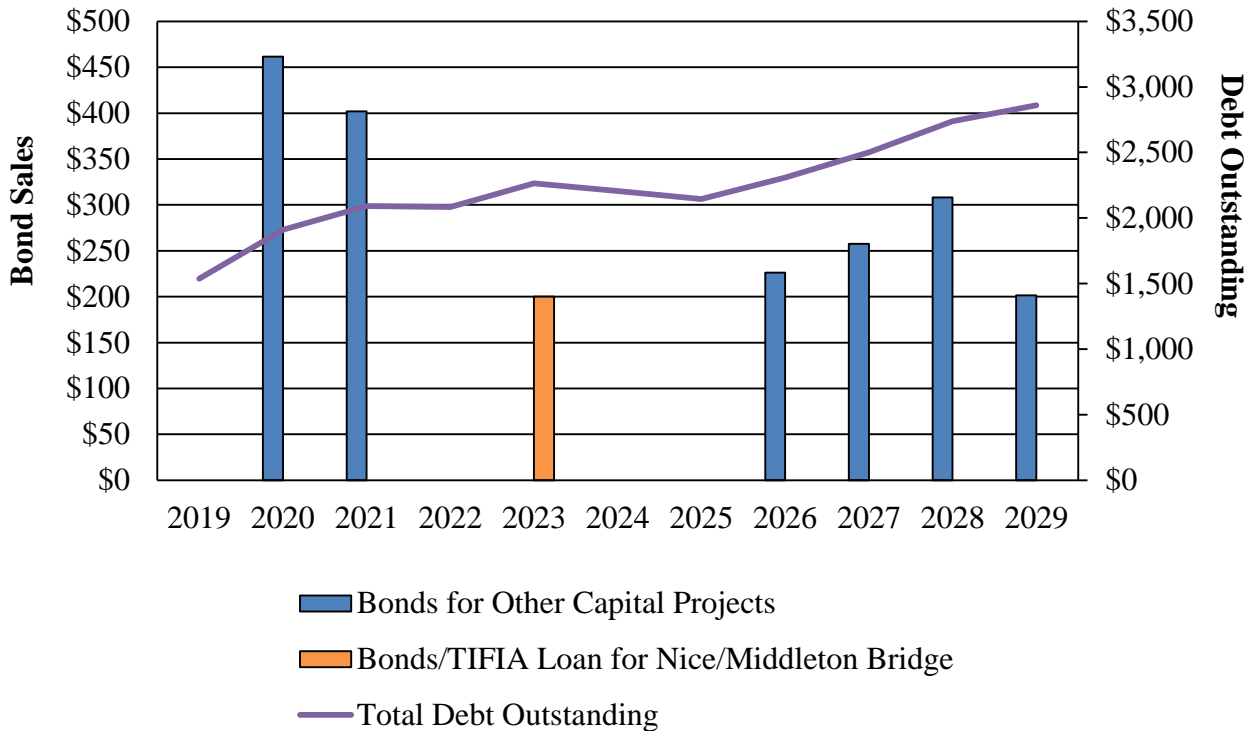


Source: Maryland Transportation Authority

Revenue Bonds and Debt Affordability

Under statute, MDTA is authorized to issue bonds without obtaining the consent of any unit or agency in the State, so long as the total bonds outstanding do not exceed \$3 billion at the end of any fiscal year. As shown in **Exhibit 6**, the total outstanding debt of \$2.15 billion in fiscal 2025 is well below the \$3.0 billion statutory limit; however, total debt is expected to increase to \$2.86 billion by fiscal 2029.

Exhibit 6
Bond Sales and Debt Outstanding
Fiscal 2019-2029
(\$ in Millions)



TIFIA: Transportation Infrastructure Finance and Investment Act

Source: Maryland Transportation Authority

MDTA bonds are backed by toll revenue and are not considered State debt and, therefore, are not limited by the State's debt affordability measures. However, MDTA does have its own debt affordability measures. Coverage ratios include the following.

- The rate covenant compliance ratio, as stipulated in the trust agreement, requires that the ratio of net revenues (total revenues minus operating expenses) to the amount deposited into the Maintenance and Operating Reserve Account plus 120.0% of debt service be at least 1.00. The additional bonds test requires the rate covenant to be met on a five-year prospective basis. The fiscal 2025 rate covenant compliance ratio is projected to be 2.3, and adequate coverage is provided through the forecast period. However, there is a steady decline throughout the forecast with the ratio falling from 3.1 in fiscal 2023 to 1.6 in fiscal 2029.

- The debt service coverage ratio is a ratio of net revenues to debt service. Although the trust agreement does not stipulate a debt service coverage ratio, the MDTA's TIFIA Loan Agreement contains a 2.0 times debt service coverage covenant and the MDTA Board has established an administrative policy require 2.0 times debt service coverage. In fiscal 2025, the debt coverage ratio is projected to be 2.8. The projected debt service coverage ratio declines steadily throughout the forecast and is expected to dip below the 2.0 level in fiscal 2029. The decline in debt service coverage is discussed further in Issue 1 of this analysis.
- The agency also has an administrative policy to maintain an unencumbered cash balance of at least \$400 million. The MDTA Board approved an increase of this threshold from \$350 million in November 2023. The agency notes that the unrestricted cash target has not been raised since calendar 2009 but should periodically be adjusted to conform to agency growth and inflation. Bond rating agencies view the amount of cash on hand relative to operating expenses as a liquidity measure to ensure that operations can continue even if revenues are lower than expected, expenses are higher than expected, or if there is a temporary loss of revenues. MDTA reports that for other AA-rated toll agencies, the median cash on hand is sufficient to fund operations for at least 12 months. Expenditures are projected to outpace revenues in each year in the forecast, largely due to growth in the capital program. These annual deficits result in a significant reduction in the unencumbered cash balance, from \$860.4 million in fiscal 2023 to \$403.8 million in fiscal 2029.

Nonrecourse Debt

In addition to its own revenue bonds, MDTA also issues debt on behalf of other State agencies and projects, which is called nonrecourse debt. Current outstanding MDTA nonrecourse debt includes \$604 million associated with expansion efforts at BWI Marshall Airport and \$23.8 million for the Calvert Street parking garage in Annapolis for State employees.

Debt service and debt outstanding for MDTA's nonrecourse bonds from fiscal 2023 through 2025 is shown in **Appendix 2**. The debt service for these projects is paid using the revenues from the projects or through lease payments from other agencies and does not affect MDTA's debt outstanding or its budget.

Operating and PAYGO Personnel Data

	<u>FY 23 Actual</u>	<u>FY 24 Working</u>	<u>FY 25 Allowance</u>	<u>FY 24-25 Change</u>
Regular Operating Budget Positions	1,697.00	1,697.00	1,697.00	0.00
Regular PAYGO Budget Positions	0.00	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Regular Positions	1,697.00	1,697.00	1,697.00	0.00
Operating Budget FTEs	0.00	0.00	0.00	0.00
PAYGO Budget FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total FTEs	0.00	0.00	0.00	0.00
Total Personnel	1,697.00	1,697.00	1,697.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	147.64	8.7%
Positions and Percentage Vacant as of 1/1/24	231.0	13.6%
Vacancies Above Turnover	83.36	

Note: As a nonbudgeted State agency, the Maryland Transportation Authority is not part of the State Personnel Management System and has independent authority over its personnel.

- While MDTA has independent authority over its personnel, it mirrors statewide salary actions for its civilian workforce. MDTA Police compensation adjustments are collectively bargained.
- MDTA's vacancy rate decreased from 312 positions, or 18.4%, in January 2023, to 231 positions, or 13.6%, in January 2024. The budgeted turnover rate has also decreased from 10% to 8.7%.

PAYGO Capital Program

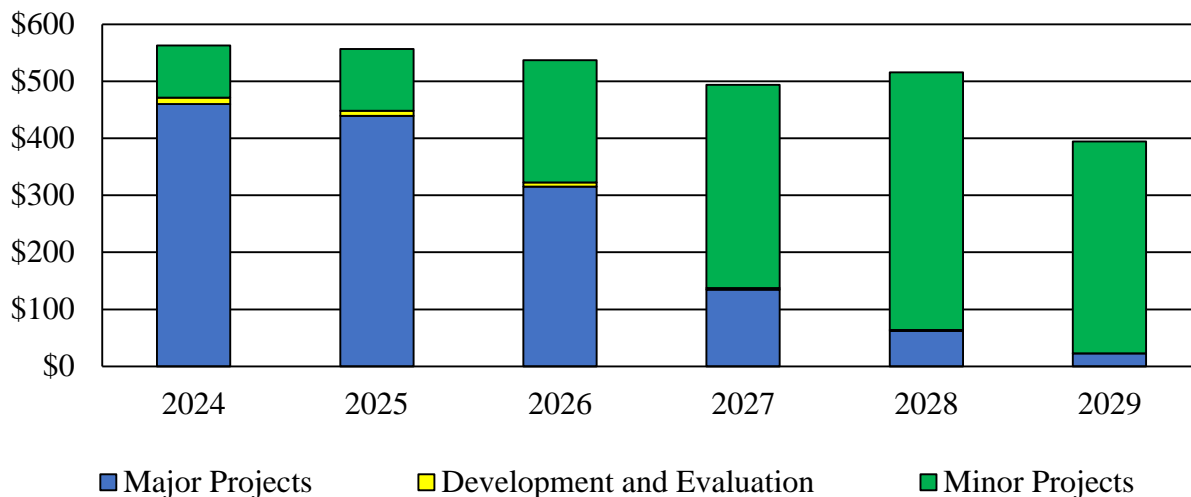
Program Description

MDTA's capital program involves the construction and maintenance of revenue-generating transportation facilities throughout the State.

Fiscal 2024 to 2029 Consolidated Transportation Program

The fiscal 2024 to 2029 *Consolidated Transportation Program* (CTP) for MDTA totals \$3.1 billion. As shown in **Exhibit 7**, while the planned amount for major projects decreases substantially during the period, total capital investment is nearly maintained through fiscal 2028 due to increased spending for minor projects. The agency notes a heightened focus on state of good repair and system preservation efforts to explain this trend in addition to generally constraining major project spending in the out-years to effectively manage financial standards.

Exhibit 7
Six-year PAYGO Allowance
Fiscal 2024-2029
(\$ in Millions)



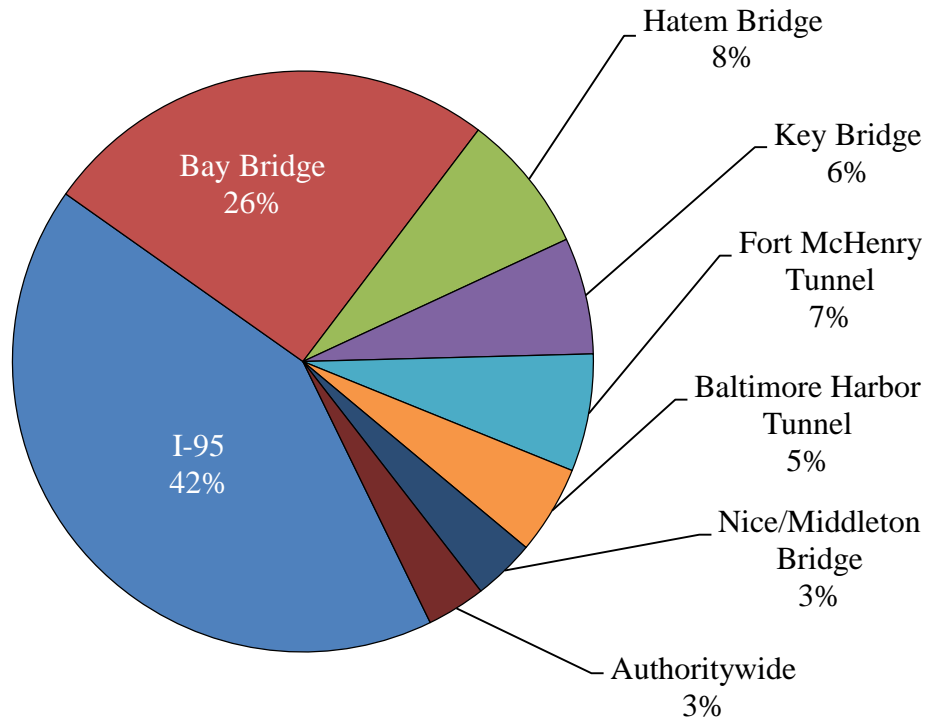
PAYGO: pay-as-you-go

Source: 2024-2029 *Consolidated Transportation Program*, Maryland Department of Transportation

Fiscal 2025 Capital Allowance by MDTA Facility

Exhibit 8 shows capital funding programmed by facility in fiscal 2025. The largest share of spending is for the various projects along I-95, primarily the Express Toll Lanes Northern Expansion project. Sixty-eight percent of MDTA’s capital spending is programmed for projects at just two facilities – the Bay Bridge and I-95. Authoritywide spending consists of development and evaluation projects and the implementation of the third-generation electronic toll collection and operating system. The programmed \$8.2 million for the Chesapeake Bay Crossing Study Tier 2 NEPA is in the development and evaluation phase and is therefore reflected in the authoritywide total.

Exhibit 8
Capital Funding by MDTA Facility
Fiscal 2025
(\$ in Millions)



Bay Bridge: William Preston Lane, Jr. Memorial Bridge (US 50/301)

Hatem Bridge: Thomas J. Hatem Memorial Bridge

I-95: John F. Kennedy Memorial Highway

Key Bridge: Francis Scott Key Bridge

MDTA: Maryland Transportation Authority

Nice/Middleton Bridge: Governor Harry W. Nice/Senator Thomas “Mac” Middleton Bridge

Note: These amounts do not include minor projects.

Source: Maryland Department of Transportation, 2024-2029 Consolidated Transportation Program

Fiscal 2025 Capital Allowance Detail

Exhibit 9 shows the programmed funds for the fiscal 2025 capital allowance by project and program along with the total estimated costs and six-year funding for each program.

Exhibit 9
PAYGO Capital Allowance
Fiscal 2025
(\$ in Thousands)

<u>Facility</u>	<u>Project Description</u>	<u>2025</u>	<u>Total Estimated Cost</u>	<u>Six-year Total</u>
I-895 Baltimore Harbor Tunnel	Envelope and Switchgear Replacements at Vent Buildings	\$20,026	\$80,675	\$72,787
	Resurfacing North and South	7,224	13,603	13,083
<i>Subtotal – I-895</i>		<i>\$27,250</i>	<i>\$94,728</i>	<i>\$85,870</i>
Bay Bridge	Rehabilitate Eastbound Bridge Deck	\$116,175	\$294,629	\$261,496
<i>Subtotal – Bay Bridge</i>		<i>\$116,175</i>	<i>\$294,629</i>	<i>\$261,496</i>
Fort McHenry Tunnel (FMT)	Rehabilitate Tunnel 15 KV Cable, Conduit, and Concrete Wall	\$11,500	\$33,284	\$22,790
	Rehabilitate Substructure and Superstructure of Various Bridges on I-95 in Baltimore City	3,584	27,326	8,451
	Convert to Cashless Tolling	1,081	22,802	8,688
	FMT Box Girder Preservation	2,829	10,496	10,349
	Rehabilitate FMT Areawide Lighting	4,458	12,042	11,575
	FMT Facilitywide Zone Paint Program	6,323	28,370	28,272
<i>Subtotal – FMT</i>		<i>\$29,775</i>	<i>\$134,320</i>	<i>\$90,125</i>
JFK Memorial Highway (I-95)	Express Toll Lane – Northern Extension	\$148,367	\$1,050,304	\$616,844
	Construct Interchange at Belvidere Road	24,492	81,529	62,974
	JFK Maintenance Facility Complex	4,630	45,937	43,743
	Southbound Hard Shoulder Running	2,248	35,360	33,376
<i>Subtotal – I-95</i>		<i>\$179,737</i>	<i>\$1,213,130</i>	<i>\$756,937</i>

Analysis of the FY 2025 Maryland Executive Budget, 2024

J00J00 – MDOT – Maryland Transportation Authority

<u>Facility</u>	<u>Project Description</u>	<u>2025</u>	<u>Total Estimated Cost</u>	<u>Six-year Total</u>
Francis Scott Key Bridge (Key Bridge)	Subgrade Improvements at Bear Creek	\$29,534	\$48,791	\$45,175
<i>Subtotal – Key Bridge</i>		<i>\$29,534</i>	<i>\$48,791</i>	<i>\$45,175</i>
Nice/Middleton Bridge	Replace Nice/Middleton Bridge	\$15,704	\$610,787	\$67,040
<i>Subtotal – Nice/Middleton Bridge</i>		<i>\$15,704</i>	<i>\$610,787</i>	<i>\$67,040</i>
Thomas J. Hatem Bridge (US 40)	Cleaning and repainting	\$35,373	\$35,915	\$65,915
<i>Subtotal – Hatem Bridge</i>		<i>\$35,373</i>	<i>\$35,915</i>	<i>\$65,915</i>
<i>Subtotal – Projects</i>		<i>\$433,548</i>	<i>\$2,461,850</i>	<i>\$1,371,710</i>
Programs				
Authoritywide	Major Development and Evaluation	\$9,300	n/a	\$32,500
Authoritywide	Minor Program	108,300	n/a	1,593,900
Authoritywide	Replace Electronic Toll Collection and Operating System	5,574	139,369	40,632
Total – Projects and Programs		\$563,388	\$2,570,679	\$3,038,722

Bay Bridge: William Preston Lane, Jr. Memorial Bridge (US 50/301)

Hatem Bridge: Thomas J. Hatem Memorial Bridge

KV: kilo volts

Nice/Middleton Bridge: Governor Harry W. Nice/Senator Thomas “Mac” Middleton Bridge

PAYGO: pay-as-you-go

Note: This table include only projects and programs that will receive funding in fiscal 2025. Additional projects appear in this year’s *Consolidated Transportation Program* (CTP) that are funded elsewhere during the six-year program. All a result, the total estimated cost and six-year total is below the figure listed in the CTP. The Chesapeake Bay Bridge Tier II National Environmental Policy Act Study is included as part of the Development and Evaluation Program.

Source: 2024-2029 *Consolidated Transportation Program*, Maryland Department of Transportation

Significant Changes from the Previous *Consolidated Transportation Program*

Exhibit 10 lists the significant changes from the fiscal 2023 to 2028 CTP, which comprises additions to the construction and development and evaluation programs.

Exhibit 10
Major Changes from the 2023 to 2028 CTP
(\$ in Millions)

<u>Projects Added to the Construction Program</u>	<u>Total Cost</u>
Construction Projects	
I-95 Fort McHenry Tunnel – Facilitywide Zone Paint Program	\$28.4
I-95 Fort McHenry Tunnel – Rehabilitate Areawide Lighting	12.0
I-95 Fort McHenry Tunnel – Box Girder Preservation	10.5
D&E Program Projects	
MD 695 Francis Scott Key Bridge – Deck Replacement	10.2

CTP: *Consolidated Transportation Program*

D&E: development and evaluation

Source: Maryland Department of Transportation, *2023-2028 Consolidated Transportation Program*

Issues

1. Increased Revenues Delay Financial Woes, but Issues Remain

As a nonbudgeted entity, MDTA must balance operating and capital costs, including debt service, to manage its financial standard requirements while also keeping facilities in a state of good repair. As shown in **Exhibit 11**, four financial standards guide MDTA: (1) rate covenant; (2) debt service coverage; (3) unencumbered cash; and (4) debt outstanding limits.

Exhibit 11 MDTA Financial Standards

<u>Financial Ratio</u>	<u>Requirement</u>
Rate Covenant (Legal)	Net revenues greater than or equal to 1.0 times sum of 120% of debt service and 100% deposits to the Maintenance and Operations Reserve
Debt Service Coverage (Policy, Legal)	Net revenues greater than or equal to 2.0 times annual debt service
Unencumbered Cash (Policy)	Cash greater than or equal to \$400 million
Debt Outstanding Limit (Statutory)	\$3.0 billion for toll revenue-backed debt

MDTA: Maryland Transportation Authority

Source: Maryland Transportation Authority

MDTA is mandated to submit a biannual financial forecast that covers the same six-year period as the current CTP. The fiscal 2023 through 2029 forecast projects financial stress in the coming years. A summary of the forecast, including projected values for each of the four financial standards, appears in **Exhibit 12**. Each standard has a threshold that is set in statute or as an agency policy to ensure that MDTA is in good financial standing and able to cover its obligations, even if revenues unexpectedly decline. While all of the financial standards approach the respective limitations throughout the forecast, the debt service coverage is currently projected to dip below the lowest allowable limit by the end of the forecast period.

Exhibit 12
Financial Forecast Summary
Fiscal 2023-2029
(\$ in Millions)

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Total Revenues	\$926.8	\$871.0	\$835.1	\$850.5	\$857.2	\$864.2	\$889.0
Total Expenses	\$967.7	\$1,108.9	\$1,123.8	\$1,130.4	\$1,116.7	\$1,174.3	\$1,088.9
Annual Cash Surplus/Deficit	\$249.2	-\$219.0	-\$287.2	-\$52.5	-\$0.8	-\$1.3	\$2.7
Total MDTA Cash Balance	\$994.9	\$775.9	\$488.7	\$436.2	\$435.4	\$434.1	\$436.9
Financial Standards							
Rate Covenant Compliance (Legal; Greater Than or Equal to 1.0)	3.1	2.5	2.3	2.2	1.9	1.7	1.6
Debt Service Coverage (Policy and Legal; Greater Than or Equal to 2.0)	4.0	3.2	2.8	2.7	2.4	2.1	1.9
Unencumbered Cash (Policy; Greater Than or Equal to \$400 million)	\$860.4	\$742.9	\$455.7	\$403.2	\$402.7	\$401.1	\$403.8
Debt Outstanding (Statutory, Less Than \$3 Billion)	\$2,263.9	\$2,206.3	\$2,146.0	\$2,309.5	\$2,501.8	\$2,738.3	\$2,861.1

MDTA: Maryland Transportation Authority

Source: *MDTA Financial Forecast 2023-2029*, Maryland Transportation Authority

J00J00 – MDOT – Maryland Transportation Authority

Debt service coverage conveys the ability of the authority to adequately cover its debt service obligations without overly stressing its revenues. The ratio illustrates annual net revenues divided by annual debt service obligations. MDTA policy and the TIFIA loan agreement dictate that this ratio should be at least 2.0, demonstrating the ability of the authority to use half or less of its annual revenues to cover debt service obligations that same year. Debt service coverage is projected to reach 1.9, below the policy minimum, in fiscal 2029.

While the forecast indicates fiscal stress on the horizon, it represents an improvement over the September 2023 forecast, which projected that the debt service coverage would fall below acceptable levels in fiscal 2028. The main reason for this change was the inclusion of an additional \$293 million in projected toll revenue throughout the fiscal 2024 to 2029 forecast period, primarily in fiscal 2023 and 2024. These revenues exceeded earlier projections primarily due to higher than anticipated traffic at *E-ZPass* facilities. Other contributing factors include technical adjustments to anticipated revenue, such as accounting for when outstanding tolls would be processed, and assumptions regarding motorists paying outstanding civil penalties.

Operating Budget Recommended Actions

1. Nonbudgeted.

PAYGO Budget Recommended Actions

1. Nonbudgeted.

Updates

1. Tier 2 of Bay Crossing Study Continues

The combined Final Environmental Impact Statement (FEIS) and Record of Decision (ROD) for the Chesapeake Bay Cross Study: Tier 1 National Environmental Policy Act (NEPA) was approved by the Federal Highway Administration (FHWA) in April 2022. FHWA designated Corridor 7/Existing Corridor (US 50/301 to US 50 from the Severn River Bridge in Anne Arundel County to the US 50/US 301 split in Queen Anne's County) as the Preferred Corridor Alternative. In June 2022, \$28 million in funding was announced for the Chesapeake Bay Crossing Study: Tier 2 NEPA (Tier 2 Study). The Tier 2 study will evaluate various build alternatives and a No Build Alternative along the Preferred Corridor Alternative, consider transportation alternatives within the study corridor, and determine mitigation strategies for any unavoidable environmental impacts. Goals of the study include providing congestion relief and improving travel reliability, mobility, and safety across the Chesapeake Bay.

In 2022 and 2023, MDTA hosted two rounds of informational open houses and solicited feedback on the Tier 2 study through public meetings and written comments. MDTA also released an equity survey to identify the needs and concerns of disadvantaged and underserved communities in the study area and held a transit and bicycle/pedestrian listening meeting. The agency is currently developing the purpose and need for the Tier II study and plans to release a notice of intent to prepare an environmental impact statement, in addition to hosting a third round of open houses, in summer/fall 2024.

2. American Legion Bridge Replacement/Beltway Expansion Project Misses Out on Federal Funds

In August 2023, Governor Wes Moore announced a shift in the approach to this project. The announcement noted several key priorities for the project that were not identified by the previous Administration, including transit and ridesharing, transit-oriented development, and bicycle and pedestrian improvements. While the current facilities are under the purview of the State Highway Administration, MDTA would become involved if or when tolling lanes are added.

MDOT sought federal grants of \$2.4 billion and \$807 million from the Multimodal Project Discretionary Grant Program and the Bridge Investment Program, respectively, for Phase 1 South. The Multimodal Project Discretionary Grant application was unsuccessful, and the Bridge Investment Program grant is still pending. Construction cannot move forward until funding is secured, so the agency plans to reapply in the next grant cycle to keep the project moving.

Despite challenges with securing funding, initial project planning is moving forward. In fall 2023, the department hosted open houses in the impacted communities to solicit public feedback. The agency will develop a menu of potential projects in the corridor for further stakeholder discussion later in calendar 2024.

3. Transportation Commission Considers Tolling Adjustments

The TRAIN Commission was established by Chapter 455 of 2023 to review and make recommendations on various transportation issues. The commission is comprised of representatives from State and local governments; transit, cycling, and environmental advocacy groups; business groups; transportation industry; and labor. The commission was required to submit an interim report on its findings and recommendations by January 1, 2024, with a final report due by January 1, 2025.

One of the recommendations contained in the commission’s interim report was that the General Assembly consider requiring MDTA to adjust toll rates, including the non-Maryland *E-ZPass* rate, to maximize toll revenues to generate new revenue to support projects in Maryland’s broader transportation system outside of MDTA.

All current revenue generated by tolls is constrained according to the MDTA Trust Agreement. Any proposal to generate additional toll revenue to support operations or capital projects outside of MDTA would require a new source of revenue that is not already pledged for certain purposes under the Trust Agreement and would have no bearing on MDTA’s fiscal situation.

Appendix 1
2023 Joint Chairmen's Report Responses from Agency

The 2023 *Joint Chairmen's Report* (JCR) requested that MDTA prepare one report. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Key Bridge Tolling Report:*** The 2023 JCR requested that MDTA submit a report on the accuracy of tolling at the Key Bridge facility. The agency reassessed toll rates and the facility, and the report confirmed that motorists are being assessed appropriate toll rates based on vehicle classifications and entry and exist points. The report gives additional context regarding the facility and details several programs which offers reduced toll rates to certain customers.

**Appendix 2
MDTA Financial Forecast**

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Revenues							
Toll Revenues	839.2	810.8	782.1	797.6	802.8	807.8	\$830.9
Concessions	4.5	3.1	3.2	3.3	3.4	3.5	3.6
Investment Income and Other	47.7	17.8	9.0	7.1	6.8	6.8	6.8
MDOT Loan Repayment – Interest	1.0	0.2	0.2	0.2	0.2	0.2	0.1
MAA/MPA Police Reimbursement ⁽¹⁾	34.4	39.1	40.7	42.3	44.0	45.7	47.6
Total Revenues	\$926.8	\$871.0	\$835.2	\$850.5	\$857.2	\$864.0	\$889.0
Expenses							
Operations	\$378.2	\$400.1	\$421.4	\$442.4	\$457.2	\$475.5	\$494.5
Debt Service	137.8	145.8	145.7	151.1	166.0	183.3	200.0
Capital Program	451.7	563.0	556.7	536.9	493.5	515.5	394.4
Total Expenses	\$967.7	\$1,108.9	\$1,123.8	\$1,130.4	\$1,116.7	\$1,174.3	\$1,088.9
Capital Funding Sources/(Uses) and Intergovernmental							
Revenue Bond Proceeds	\$0.0	\$0.0	\$0.0	\$226.3	\$257.6	\$308.0	\$201.4
TIFIA	200.0	0.0	0.0	0.0	0.0	0.0	0.0
Surety Policy Expenses	0.0	0.0	0.0	-0.4	-0.5	-0.6	-0.4
MDOT Loan Repayment – Principal	49.9	1.5	1.5	1.5	1.5	1.6	1.6
VDOT Contribution/Grant	1.5	1.9	0.0	0.0	0.0	0.0	0.0
I-95 Interchange Partner Contribution	4.5	15.5	0.0	0.0	0.0	0.0	0.0
Accounting Reconciliation	34.3	0.0	0.0	0.0	0.0	0.0	0.0
Total Sources/(Uses)	\$290.2	\$18.9	\$1.5	\$227.4	\$258.7	\$309.0	202.6
Annual Cash Requirements⁽²⁾	\$677.6	\$1,090.0	\$1,122.3	\$903.0	\$858.0	\$865.3	\$886.2
Annual Cash Surplus/(Deficit)	\$249.2	-\$219.0	-\$287.2	-\$52.5	-\$0.8	-\$1.3	\$2.7
Total MDTA Cash Balance	\$994.9	\$775.9	\$488.7	\$436.2	\$435.4	\$434.1	\$436.8
MDTA Financial Standards							
Debt Outstanding	\$2,263.9	\$2,206.3	\$2,146.0	\$2,309.5	\$2,501.8	\$2,738.3	\$2,861.1
Unencumbered Cash	860.4	742.9	455.7	403.2	402.4	401.1	403.8
Debt Service Coverage	4.0	3.2	2.8	2.7	2.4	2.1	1.9*
Rate Covenant Compliance	3.1	2.5	2.3	2.2	1.9	1.7	1.6

I-95: John F. Kennedy Memorial Highway

VDOT: Virginia Department of Transportation

TIFIA: Transportation Infrastructure Finance and Investment Act

J00J00 – MDOT – Maryland Transportation Authority

* Denotes the projected value does not meet legal, statutory, or administrative limit.

(1) MDTA provides police services at BWI Marshall Airport and the Helen Delich Bentley Port of Baltimore.

(2) Sources represent an in-flow of funds to MDTA and are subtracted from Total Expenses. (Uses) represent an outflow of funds from MDTA and are added to Total Expenses as a positive value.

Source: *MDTA Financial Forecast 2023-2029*, Maryland Transportation Authority

Appendix 3
Nonrecourse Debt
Fiscal 2023-2025

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt Service Payments			
2002 Series – BWI Airport Rental Car Facility	\$8,926	\$8,913	\$8,900
2012 A Series – PFC BWI Airport	3,842	3,839	3,841
2012 B Series –PFC BWI Airport	7,968	7,969	7,968
2014 Series – PFC BWI Airport	2,957	2,955	2,955
2019 Series – PFC BWI Airport	8,470	8,471	8,471
2015 Series – Calvert Street Parking Garage Refunding	1,478	1,473	1,472
Total Debt Service Payments	\$33,641	\$33,620	\$33,608
Debt Outstanding			
2002 Series – BWI Airport Rental Car Facility	\$64,755	\$59,990	\$54,910
2012 A Series – PFC BWI Airport	28,220	25,660	22,970
2012 B Series –PFC BWI Airport	29,950	22,730	15,340
2014 Series – PFC BWI Airport	26,290	24,270	22,190
2019 Series – PFC BWI Airport	97,295	93,105	88,705
2015 Series – Calvert Street Parking Garage Refunding	12,352	11,187	9,992
Total Debt Outstanding	\$258,862	\$236,942	\$214,107

PFC: passenger facility charge

Source: Maryland Transportation Authority

Appendix 4
Object/Fund Difference Report
Maryland Transportation Authority

<u>Object/Fund</u>	<u>FY 23</u> <u>Actual</u>	<u>FY 24</u> <u>Working</u> <u>Appropriation</u>	<u>FY 25</u> <u>Allowance</u>	<u>FY 24 - FY 25</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	1,697.00	1,697.00	1,697.00	0.00	0%
Total Positions	1,697.00	1,697.00	1,697.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 190,719,013	\$ 219,789,883	\$ 227,023,848	\$ 7,233,965	3.3%
02 Technical and Special Fees	125,559	776,409	937,934	161,525	20.8%
03 Communication	2,646,156	3,177,903	4,357,240	1,179,337	37.1%
04 Travel	300,151	513,568	610,138	96,570	18.8%
06 Fuel and Utilities	4,503,170	4,336,135	4,912,901	576,766	13.3%
07 Motor Vehicles	12,888,544	13,969,859	12,903,087	-1,066,772	-7.6%
08 Contractual Services	140,705,721	137,817,877	147,315,162	9,497,285	6.9%
09 Supplies and Materials	7,618,989	10,960,490	10,974,953	14,463	0.1%
10 Equipment – Replacement	2,351,783	2,444,400	2,579,887	135,487	5.5%
11 Equipment – Additional	452,533	769,834	1,197,911	428,077	55.6%
13 Fixed Charges	153,764,359	151,340,552	153,573,506	2,232,954	1.5%
Total Objects	\$ 516,075,978	\$ 545,896,910	\$ 566,386,567	\$ 20,489,657	3.8%
Funds					
07 Nonbudgeted Fund	\$ 516,075,978	\$ 545,896,910	\$ 566,386,567	\$ 20,489,657	3.8%
Total Funds	\$ 516,075,978	\$ 545,896,910	\$ 566,386,567	\$ 20,489,657	3.8%

100J00 – MDOT – Maryland Transportation Authority

**Appendix 5
Fiscal Summary
Maryland Transportation Authority**

<u>Program/Unit</u>	<u>FY 23 Actual</u>	<u>FY 24 Wrk Approp</u>	<u>FY 25 Allowance</u>	<u>Change</u>	<u>FY 24 - FY 25 % Change</u>
41 Operating Program	\$ 516,075,978	\$ 545,896,910	\$ 566,386,567	\$ 20,489,657	3.8%
42 Capital Program	451,629,408	562,961,315	556,716,398	-6,244,917	-1.1%
Total Expenditures	\$ 967,705,386	\$ 1,108,858,225	\$ 1,123,102,965	\$ 14,244,740	1.3%
Nonbudgeted Fund	\$ 967,705,386	\$ 1,108,858,225	\$ 1,123,102,965	\$ 14,244,740	1.3%
Total Appropriations	\$ 967,705,386	\$ 1,108,858,225	\$ 1,123,102,965	\$ 14,244,740	1.3%

J00J00 – MDOT – Maryland Transportation Authority

**J00J00 Maryland Department of Transportation
Maryland Transportation Authority
Fiscal Year 2025 Operating Budget
Response to Department of Legislative Services Analysis**

Senate Budget and Taxation Committee
Public Safety, Transportation, and Environment Subcommittee
Chair Sarah Elfleth
February 23, 2024

House Appropriations Committee
Transportation and the Environment Subcommittee
Chair Courtney Watson
February 22, 2024

**J00J00 MDOT – Maryland Transportation Authority
Fiscal Year 2025 Operating Budget
Response to Department of Legislative Services Analysis**

DLS Budget Analysis

1. *E-ZPass®* Use (Page 5)

MDTA should comment on any strategies to encourage the remaining 12% to 15% of toll facility users to enroll in the E-ZPass program in order to enhance efficiencies and reduce costs.

MDOT Response:

While recognizing that there will always be a segment of the motoring public who chooses not to participate in the *E-ZPass®* program, the MDTA remains committed to increasing its *E-ZPass* customer base. MDTA's regional strategies to increase enrollment include, but are not limited to (1) promoting customer awareness of *E-ZPass* Maryland and the significant discounts available via the MDTA's annual DriveEzMD educational efforts (e.g., print and digital advertising, social media, airport and sports events signage, broadcast/internet radio, etc.); (2) expanding customer accessibility by seeking new partnerships with "On-the-Go" retailers and meeting our customers in their communities at local events; and (3) establishing additional Customer Service Centers at MDOT Motor Vehicle Administration branch locations, making it more convenient for customers to sign up for *E-ZPass* and to manage their accounts.

Additionally, the MDTA continues to leverage its membership in the *E-ZPass* Group. The *E-ZPass* Group consists of 36 tolling entities across 19 states that operate under the *E-ZPass* Electronic Toll Collection Program umbrella. Key initiatives of the group include national interoperability and partnering with external hubs to collect electronic payments from customers affiliated with a tolling agency outside of the *E-ZPass* network. With over 53 million *E-ZPass* devices in circulation, the *E-ZPass* Group enjoys tremendous brand recognition and is the world leader in national toll interoperability through the sharing of business rules, file specifications, documents, plans, and other pertinent information. As more agencies convert to cashless tolling and introduce tolling, *E-ZPass* accountholders will continue to grow and membership in the *E-ZPass* Group is likely to continue to increase.

Other efforts to increase the agency's *E-ZPass* customer base include (1) the launch of the DriveEzMD Mobile App in March 2023; (2) *E-ZPass* account homepage updates on DriveEzMD.com that make it more convenient for customers to pay their tolls; and (3) establishing a "Division of Customer Experience" responsible for collecting, analyzing, and reporting pertinent customer data to best understand customer needs. While the MDTA continues to strive toward the highest possible *E-ZPass* usage rate, it's critical to give our customers alternative payment options so they can "pay their way" while traversing MDTA bridges, tunnels and highways.

**J00J00 MDOT – Maryland Transportation Authority
Fiscal Year 2025 Operating Budget
Response to Department of Legislative Services Analysis**

Operating Budget Recommended Actions

1. Nonbudgeted (Page 22)

MDOT Response:

The Department concurs with the DLS recommendation.

PAYGO Budget Recommended Actions

1. Nonbudgeted (Page 22)

MDOT Response:

The Department concurs with the DLS recommendation.

TAB 5



Maryland Transportation Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:
Dontae Carroll Cynthia D. Penny-Ardinger
William H. Cox, Jr. Jeffrey S. Rosen
W. Lee Gaines, Jr. Samuel D. Snead, MCP, MA
Mario J. Gangemi, P.E. John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Chief Engineer James Harkness, P.E., PTOE
SUBJECT: Quarterly Update on Major Capital Projects valued over \$40 Million
DATE: March 28, 2024

PURPOSE OF MEMORANDUM

The purpose of this memorandum is to update the MDTA Board on the status of the major Projects in the Capital Program.

SUMMARY

As of March 19, 2024, there are thirteen major projects in the Capital Program. Ten of the Projects are under Construction, one is in procurement, and two are in design. This update includes projects funded for construction in the current CTP and includes six projects valued in excess of \$100 million. There are four projects from the \$1.1 billion I-95 ETL Northbound Extension program.

In this update, there are two projects with construction budget changes and two projects with schedule changes. The budget for MA-2257 Replace Electronic Toll Collection – 3rd Gen has increased by \$11 million due to all-electronic conversion projects, and the budget for FT-2651R Rehabilitate Vent Fans (FMT) has increased by \$3 million due to replacement of deteriorated conduit and wiring as well as impeller repairs. The schedule for KH-3009 I-95 ETL extension from MD 43 to MD 152 has changed from the anticipated construction completion in Summer 2024 to Spring 2025 due to foundation redesigns at two bridge structures and rock impacts to drainage systems, and the schedule for KH-3024 I-95 at Belvidere Road Interchange project has changed from the anticipated construction completion in Summer 2025 to Summer 2026 due to delays in obtaining the stormwater management permit for the advance rough grading package.

ATTACHMENT

- MDTA Major Capital Projects (\$40 million) – March 2024 Update

MDTA Major Capital Projects (>\$40 Million) - March 2024 Update

Pin	Contract No.	Description	AD	NTP	Current Budget (Thousands \$)	Anticipated Construction Completion	Construction (C), Procurement (P) or Design (D)
2147	MA-2257	Replace Electronic Toll Collection - 3rd Gen	8/1/16	3/6/18	139,369 *	Summer 2025	C
1024	NB-0543	Replace Nice/Middleton Bridge	10/20/18	3/17/20	610,787	Winter 2025	C
2251	FT-2651R	Rehabilitate Ventilation Fans	9/5/19	7/1/20	44,695 *	Spring 2024	C
2453	KH-3009	I-95 ETL Northbound Extension - Express Toll Lanes to MD 152	8/17/20	5/3/21	224,455	Spring 2025 *	C
2491	KH-3019	I-95 ETL Northbound Extension - MD 152 Interchange Reconstruction	5/7/21	2/28/22	245,499	Winter 2025	C
2477	KH-3024	I-95/Belvidere Road Interchange	5/18/20	2/25/22	81,529	Summer 2026 *	C
2317	BB-2726 BB-3017 BB-3018	Eastbound Bay Bridge Deck Replacment - Phase 1	9/6/19	1/9/23	294,569	Spring 2026	C
2306	HT-2709	Envelope and Switchgear Replacements at BHT Ventilation Buildings	1/10/22	2/20/23	80,675	Winter 2027	C
2512	HB-3001	Cleaning and Painting of the Hatem Bridge	8/3/23	1/16/24	65,932	Summer 2026	C
2450	KB-3005	I-695 Subgrade Improvements at Bear Creek	6/6/23	3/18/24	48,791	Fall 2025	C
2492	KH-3020	I-95 ETL Northbound Extension - MD 24 to Bynum Run	2/23/24	8/5/24	66,000	Winter 2028	P
2493	KH-3021	I-95 ETL Northbound Extension - MD 24 Interchange	5/6/24	10/4/24	287,000	Winter 2028	D
2500	KH-3025	JFK Maintenance Facility at Raphel Road - Phase 1	10/14/24	3/6/25	46,000	Winter 2028	D

* Budget or schedule change

TAB 6



MEMORANDUM

TO: MDTA Board
FROM: Director of Information Technology David Goldsborough
SUBJECT: Quarterly Information Technology Update
DATE: March 28, 2024

PURPOSE OF MEMORANDUM

The purpose of this memorandum is to provide a quarterly update to the MDTA Board on MDTA's Division of Information Technology (DoIT).

SUMMARY

As of March 28, 2024, the Division of Information Technology maintains an active portfolio of 21 projects and continued support of the third-generation tolling system (3G) program.

Penetration testing was completed, and the final report was submitted by Cyber Defense. This covered external testing whereby attempts are made to gain access to infrastructure from outside of the network and exploit potential vulnerabilities. Also, the wireless infrastructure was tested as well.

Some of the significant initiatives that DoIT continues to work on include the following:

Project Name	Brief Description	Go-live	Status
HR Central Conversion	Moving HRC to the new Salesforce lightning platform	3/1/2025	Green
Scheduling System enhancements	EZ Pass appointment scheduling system	6/1/2025	Green
Maximo Spatial	Implementation of Maximo spatial for asset management	6/30/2023	Green
Open Text Upgrade	Upgrade from version 2016 to 2021	6/1/2023	Pending close
Dynamics SL Upgrade	Upgrade from version 2015 to 2018	12/1/2024	Green
HRIS	Moving the HRIS system to the cloud	9/24	Green
Data Center Enhancements Project	Replace power and cooling units in the ICC and JFK data centers.	Q1 2024	Green
Clearing House tracking for Health and Safety (OESRM)	Tracking of driver information for MDTA drivers that hold a CDL.	1/1/2025	Green
Police BWC	MDTAP Police body worn cameras	12/1/2026	Green
PRISM	Contract compliance tracking	8/1/2024	Green

TAB 7



Maryland Transportation Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:

Dontae Carroll	Cynthia D. Penny-Ardinger
William H. Cox, Jr.	Jeffrey S. Rosen
W. Lee Gaines, Jr.	Samuel D. Snead, MCP, MA
Mario J. Gangemi, P.E.	John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Chief Administrative Officer Percy E. Dangerfield, PhD
Director of Civil Rights and Fair Practices Tia Rattini
PREPARED BY: Compliance Officer Nicholas Lloyd
SUBJECT: Quarterly Update: Socio-economic Programs Status
DATE: March 28, 2024

PURPOSE OF MEMORANDUM

The purpose of this memorandum is to provide the Maryland Transportation Authority (MDTA) Board of Directors with an update on the MDTA's progress toward achieving the legislatively mandated socio-economic program goals.

SUMMARY

In accordance with Article II of the MDTA Board Operating Policy, as amended on January 25, 2018, this summary has been prepared and distributed. The Division of Civil Rights and Fair Practices (CRFP) is responsible for developing, overseeing, and administering the MDTA's State and federal socio-economic programs. These programs include the following:

- Disadvantaged Business Enterprise (DBE) Program.
- Minority Business Enterprise (MBE) Program.
- Small Business Reserve (SBR) Program; and
- Veteran-Owned Small Business Enterprise (VSBE) Program.

The following socio-economic programs' performance information presented is based on Quarter 2 of 2024, which covers the performance period of July 1, 2023, to December 31, 2023¹. This performance period will be referenced as Q2 FY 2024.

¹ The achieved goals reported for the MBE, SBR, and VSBE programs in this document are specific to contract awards and payments. This data does not include Purchasing Credit Card (P-Card) information and may vary from data submitted for the Governor's Office of Small Minority and Women Business Affairs (GOSBA) quarterly reporting.

Disadvantaged Business Enterprise (DBE) Program

CRFP monitors the Nice-Middleton Bridge Project's federally funded contracts to ensure compliance with nondiscrimination and affirmative action requirements. The responsibilities include oversight of the Disadvantage Business Enterprise (DBE) Program, the Contractor's Equal Employment Opportunity (EEO)/ Workforce Affirmative Action plans, On-the-Job Training (OJT) programs, and Contractor Labor Compliance. The unit also provides management, supervision, and direction to the third-party civil rights compliance monitors assigned to the Project by the General Engineering Consultant for the Nice-Middleton Bridge Replacement Project.

The Nice-Middleton Bridge Project will construct a new 4-lane crossing of US-301 over the Potomac River to replace the existing bridge, which is over 80 years old. The Project also includes minor roadway work on each side of the Potomac River, improvements to the campus infrastructure, and demolition of the existing bridge. The Nice-Middleton Bridge Project comprises five (5) contracts with an estimated value of \$531 million.

The five (5) contracts included in the Nice-Middleton Bridge Project were identified for federal financial assistance via a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan. DBE firms' utilization is monitored monthly and reported to the Federal Highway Administration (FHWA) semi-annually. DBE firms' utilization is calculated by dividing the total dollars paid to DBE subcontractors by the total dollars expended for this Project.

Table 1 depicts total DBE payments by Contract for the Nice-Middleton Bridge Projects and the newly awarded I-95 Interchange at Belvidere Road through December 31, 2023. Each contract has a contract-specific commitment to a DBE goal. Table 1 depicts each Contract's DBE utilization in payments project-to-date.

Minority Business Enterprise (MBE) Program

CRFP's Compliance Officers monitor State-funded projects to ensure compliance with Maryland's Minority Business Enterprise (MBE) Program. The MBE Program intends to increase procurement opportunities for socially and economically disadvantaged small business owners within the State contracting marketplace. Maryland's MBE Program requires State agencies to structure their procurements in a manner that allows 29 percent of the agency's total annual expenditures on procurement contracts to be paid directly or indirectly to certified MBE firms as prime contractors or subcontractors.

Table 2 depicts total MBE participation by Contracting Areas for Q2 FY 2024. MBE firms received \$23.1 million (26.93%) of the \$86 million in total contract awards during this period. These amounts represent contract awards in six (6) Procurement Categories: Construction, Architectural & Engineering (A&E), Maintenance, Information Technology (IT), Services, and Supplies and Equipment.

Table 3 depicts MBE awards by Minority Business Enterprise (MBE) classification and procurement category for Q2 FY 2024. During this period, African American firms received approximately \$1.26 million (1.46%) of the \$86 million Prime contract awards. Asian American firms received \$8 million (9.29%). Women-owned firms received \$13.9 million (16.17%). MBE participation for Q2 FY 2024 is calculated by dividing the total MBE contract award dollars by the total contract award dollars.

Small Business Reserve (SBR) Program

The Small Business Reserve (SBR) Program is administered by the Division of Procurement (DOP). CRFP is responsible for reviewing and analyzing State-funded procurements to ensure Maryland's SBR Program compliance. Maryland's SBR Program allows small businesses to participate as prime contractors on State-funded contracts by establishing a unique marketplace where small businesses compete against other small businesses instead of larger, more established companies. The SBR program is a race and gender-neutral program. Minority status is not a criterion for participation in the SBR Program. (See Md. Code Ann., State Fin. & Proc. Art. §14-501.)

On January 6, 2021, Governor Hogan signed Executive Order 01.01.2021.01 to increase small business participation in State procurements. The Executive Order enhances the SBR Program by directing all procurements between \$50,000 and \$500,000 to the SBR Program unless the procurement meets defined exemptions. The State has established a 15% SBR utilization goal.

The SBR firms' utilization for Q2 FY 2024 is calculated by dividing the total SBR designated payments by the total procurement payments. An SBR-designated payment is made to a vendor for an SBR-designated procurement.

Table 4 depicts Small Business Reserve Program utilization for Q2 FY 2024. SBR-designated firms received \$1.4 million (0.39%) of the \$377.8 million in procurement payments during this period. Non-SBR-designated payments for this quarter were \$6.2 million (1.65%). MDTA's SBR utilization was \$7.8 million (2.07%) for all SBR payments (designated and non-designated).

Veteran-Owned Small Business Enterprise (VSBE) Program

CRFP's Compliance Officers monitor State-funded projects to ensure compliance with Maryland's Veteran-Owned Small Business Enterprise (VSBE) Program. The VSBE Program provides contracting opportunities for state-funded procurements for qualified veteran-owned small businesses. In accordance with COMAR 21.11.03.01, each State procurement agency is required to structure its procedures for making procurements to achieve an overall minimum goal of one (1) percent of the unit's total dollar value of all procurement contracts made directly or indirectly with veteran-owned small business enterprises.

Table 5 depicts VSBE contract participation by contracting area for Q2 FY 2024. During this period, VSBE firms received \$7.2 million (8.43%) of the over \$86 million contracts awarded by

the MDTA. VSBE participation for Q2 FY 2024 is calculated by dividing the total contract award dollars to VSBE firms by all contract awards.

Major Initiatives

CRFP has enacted the following strategies focused on outreach, training, and data analysis to achieve its mission of championing socio-economic programs:

- *PRISM Contract Compliance System:* PRISM is a contract compliance system that supports payment and contract compliance, performance management functionality, and compliance workflow automation for the whole performance management contracting cycle from pre-solicitation to contract closeout. PRISM includes the following capabilities: vendor registration, vendor management, contract management, labor management, outreach management, and dashboard and reporting. The following is an update on the status of PRISM implementation:
 - Custom reports were tested and sent back to the vendor for corrections.
 - Federal Prime contractors received sign-on information and additional documents in December 2023.
 - Federal contracts went live in PRISM on February 9, 2024.
 - Additional training of Federal vendors and initial training of State contractors began in March 2024. Vendors can request one-on-one training.
 - State contracts prime and subcontractors will start receiving sign-on information in May 2024.
- *In-person Outreach Events:* Civil Rights and Fair Practices held their first 2024 in-person event titled "Doing Business with the MDTA," on Thursday, March 21, attended by the business community. Small, Minority, and Veteran owned businesses were invited to participate in a free 4-hour workshop to network with prime contractors, learn about upcoming procurement opportunities and resources to grow their businesses, MBE, DBE, and VSBE program requirements, and their role as prime contractors or subcontractors. Our other in-person events in 2024 are planned for June 20, 2024, and September 19, 2024.
- *Training with the Office of Engineering and Construction (OEC):* CRFP coordinated with OEC to host training sessions for MDTA Project Managers and Project Engineers. These training sessions foster relationships between the CRFP and OEC teams and increase Project Managers' and Project Engineers' awareness and understanding of the MBE, DBE, and VSBE programs and regulatory requirements. Training sessions with Project Managers and Contract Managers in the Construction Unit were completed in December 2022, March 2023, and June 2023.
 - CRFP will schedule IT, Service, and Maintenance contract training with project managers in April 2024.
- *Credit card purchases made with MBE, DBE, VSBE, and SBR vendors:* CRFP is working with the Purchasing Card Program Administrator and the IT Solutions Administrator to develop a way to identify automatically, and track credit card transactions made with

MBE, DBE, VSBE, and SBR vendors in the purchasing card system. This option would make compiling and reporting this data more manageable and efficient. This functionality within the purchasing card system would also help CRFP to identify the frequency with which cardholders make purchases using MBE, DBE, VSBE, and SBR vendors – thereby uncovering opportunities for additional training or recognition. CRFP is also working with the DOP to update the "Strive for Five" form to reference MBE and VSBE vendors.

- Civil Rights and Fair Practices had several meetings with Finance, Procurement, and IT to discuss implementing an interface to the P-Card system from MDOT's MBE Directory and eMaryland Marketplace Advantage (eMMA) that would enable our P-Card system to identify MBEs/VSBE that are utilized on credit card purchases. The P-Card form (Strive for Five) will be updated to remind P-Card users to look for DBEs/MBEs/VSBEs/SBRs that can be utilized when making purchases. We have also met with the Division of Communications (DOC) to have our Small Procurement Training Sessions recorded so that they are available for MDTA staff.
 - CRFP and IT had a Project meeting on November 27 to discuss the interface between eMaryland Marketplace Advantage (eMMA) and MDTA's Maximo System to identify MBE/VSBE/SBR firms on credit card purchases. We also discussed the need for an MOU with MDOT- Office of Minority Business Enterprise to enable MDTA to use the MDOT Directory Data.
 - IT has communicated with MDOT-TSO to coordinate the execution of the MOU.
- *Identifying additional opportunities for MBE/DBE/VSBE participation:* Evaluating the extra work authorization (EWA) and supplemental agreement (SA) process to ensure maximization of goal attainment is considered with all additional work. We are working internally with our Office of Engineering and Construction to identify these opportunities. In addition, we are reviewing the feasibility of expanding third tier subcontracting more broadly and reducing the standard requirement that Primes self-perform 50% of the contract. Lastly, we will review our task order/open-end contracts to see if we can repackage tasks into contracts with more defined work items more likely to achieve the contract goals.
- *Outstanding MBE/DBE/VSBE Subcontracting Partner Award:* The MDTA is developing the Outstanding Subcontracting Partner Award as an annual recognition of completed projects with subcontracting goals (or subgoals, if applicable) that achieve the highest MBE, DBE, or VSBE participation. The main purpose of this award is to celebrate success, share lessons learned of best practices, and honor all project stakeholders. This award is for the successful use of certified MBE, DBE, or VSBE firms on an MDTA construction, architectural/engineering, information technology, or service/maintenance project. See Table 6 of Corrective Strategies for meeting DBE/MBE/SBR goals.

ATTACHMENTS

- Table 1: Nice-Middleton Bridge Project and I-95 Interchange at Belvidere Road Project Disadvantaged Business Enterprise (DBE) Program Utilization
- Table 2: Minority Business Enterprise (MBE) Program Contract Awards by Procurement Category
- Table 3: Minority Business Enterprise (MBE) Program Contract Awards by MBE Classification and Procurement Category
- Table 4: Small Business Reserve (SBR) Program Utilization
- Table 5: Veteran-Owned Small Business Enterprise (VSBE) Contract Awards by Procurement Category
- Table 6: Corrective Strategies

ATTACHMENTS

QUARTERLY UPDATE: SOCIO-ECONOMIC PROGRAMS STATUS

**Table 1: Nice-Middleton Bridge Project and I-95 Interchange at Belvidere Road Project
Disadvantaged Business Enterprise (DBE) Program Utilization**

Disadvantaged Business Enterprise Program Utilization Project-To-Date (Period Ending December 31, 2023)					
Contract Number & Contract Value	Contract Description	Committed DBE Goal (%)	Total Payments (\$) to Primes	Total (%) Payments Paid to DBEs	Total Payments to DBEs
KH-3024-0000 NTP 02/25/22 \$65,437,722.28	I-95 Interchange at Belvidere Road	23.00%	\$10,299,569.46	8.76%	\$902,000.57
NB-0543-0000 NTP 03/17/20 \$462,957,000.00	Bridge Replacement	16.14%	\$440,550,410.71	18.13%	\$79,883,118.00
NB-3003-0000 NTP 08/28/20 \$28,472,230.19	Campus Improvements	23.86%	\$25,550,179.33	24.98%	\$6,381,430.43
AE-3049-0000 NTP 11/14/18 \$15,000,000.00	Construction Management Inspection Services	26.45%	\$9,173,466.85	27.66%	\$2,537,541.72
AE-3050-0000 NTP 11/14/18 \$15,000,000.00	Construction Management Inspection Services	26.60%	\$8,941,029.22	24.27%	\$2,170,183.71
AE-3051-0000 NTP 11/14/18 \$15,000,000.00	Construction Management Inspection Services	26.00%	\$7,166,118.77	19.99%	\$1,432,619.32

Table 2: Minority Business Enterprise (MBE) Program Contract Awards by Procurement Category

Minority Business Enterprise (MBE) Program Contract Awards by Procurement Category FY2024 Quarter 2 Report			
State MBE Program Participation Goal	29%		
MDTA-MBE Program Contract Utilization	26.93%		
Procurement Category	MBE %	MBE Subcontract Awards	Prime Contract Awards
Construction	16.83%	\$ 11,512,847.00	\$ 68,410,018.50
A&E	100.00%	\$ 10,000,000.00	\$ 10,000,000.00
Maintenance	13.04%	\$ 430,625.00	\$ 3,302,031.48
IT	29.25%	\$ 1,028,245.00	\$ 3,515,694.55
Services	59.53%	\$ 204,525.00	\$ 343,590.75
Supplies/Equipment	0.00%	\$ -	\$ 500,000.00
Total	26.93%	\$23,176,242.00	\$86,071,335.28

Table 3: Minority Business Enterprise (MBE) Program Contract Awards by MBE Classification and Procurement Category

Minority Business Enterprise (MBE) Program Contract Awards by Minority Business Enterprise (MBE) Classification and Procurement Category FY2024 Quarter 2 Report													
Procurement Category	African American (%)	African American (\$)	Hispanic American (%)	Hispanic American (\$)	Asian American (%)	Asian American (\$)	Women (%)	Women (\$)	Native American (%)	Native American (\$)	Disabled (%)	Disabled (\$)	Total Award (\$)
Construction	1.06%	\$ 726,400.00	0.00%	\$ -	0.00%	\$ -	15.77%	\$ 10,786,447.40	0.00%	\$ -	0.00%	\$ -	\$ 11,512,847.40
A&E	0.00%	\$ -	0.00%	\$ -	80.00%	\$ 8,000,000.00	20.00%	\$ 2,000,000.00	0.00%	\$ -	0.00%	\$ -	\$ 10,000,000.00
Maintenance	9.97%	\$ 329,085.00	0.00%	\$ -	0.00%	\$ -	3.08%	\$ 101,540.00	0.00%	\$ -	0.00%	\$ -	\$ 430,625.00
IT	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	29.25%	\$ 1,028,245.60	0.00%	\$ -	0.00%	\$ -	\$ 1,028,245.60
Services	59.53%	\$ 204,525.00	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	\$ 204,525.00
Supplies/Equipment	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	\$ -
Total Participation	1.46%	\$ 1,260,010.00	0.00%	\$ -	9.29%	\$ 8,000,000.00	16.17%	\$ 13,916,233.00	0.000%	\$ -	0.00%	\$ -	\$ 23,176,243.00

Table 4: Small Business Reserve (SBR) Program Utilization

Small Business Reserve (SBR) Program Utilization FY2024 Quarter 2					
SBR State Participation Goal	15%				
MDTA SBR Utilization	2.07%				
SBR Designated Payments \$	SBR Designated Payments %	SBR Non-Designated Payments \$	SBR Non-Designated Payments %	Credit Card Payments to SBR	Total Procurement Payments (\$)
\$1,456,315	0.39%	\$6,252,366	1.65%	\$ 121,068.00	\$377,825,881
Total SBR Payments \$					
\$7,829,749					

Table 5: Veteran-Owned Small Business Enterprise (VSBE) Contract Awards by Procurement Category

Veteran-Owned Small Business Enterprise (VSBE) Program Contract Awards FY2024 Quarter 2			
VSBE Participation Goal	1.00%		
MDTA - VSBE Contract Awards	8.43%		
Procurement Category	VSBE %	VSBE Awards \$	Total Awards \$
Construction	10.40%	\$7,113,615.20	\$68,410,018.50
A&E	1.00%	\$100,000.00	\$10,000,000.00
Maintenance	0.00%	\$0.00	\$3,302,031.48
IT	1.28%	\$45,098.44	\$3,515,694.55
Services	0.00%	\$0.00	\$343,590.75
Supplies/Equipment	0.00%	\$0.00	\$500,000.00
Total	8.43%	\$7,258,713.64	\$86,071,335.28

Table 6: Corrective Strategies

Corrective Strategies for Meeting Goals				
Goal Category	Goal Percentage	Reason for Not Meeting Goal	Strategy to Address Issue	Positive Outcome of Implementing Strategy
DBE A/E Contracts (AE-3050 and AE-3051)	26%	Prime had challenges with identifying willing and available staff because of project location.	Working with OEC to see if other MDTA work can be completed using these contracts.	Increase goal attainment on contract.
MBE Awards	29%	Sole source and single element of work contracts with no MBE goal. On-call and specialized requirements	Educating/working closely with OEC to look at all possible subcontracting opportunities. Working with DBEs/MBEs/VSBEs to become Certified/Registered on eMMA/keep profiles updated/ expansion of services.	Better able to identify subcontracting opportunities which would increase the goal. On-going monitoring to determine impact to overall goal. Increased knowledge of program participation and availability.
SBR	15%	Outreach efforts. Current iFMIS database doesn't track SBR information eMMA SBR profiles are missing pertinent information (i.e., email addresses) SBR's respond that they are interested in bidding and meet the qualifications to be a Prime, but they don't bid.	Implementing new Compliance System – PRISM. CRFP Quarterly Outreach events – inform vendors on programs, requirements, register on eMMA and keep profiles updated to increase the pool of potential SBR Primes	Ongoing tracking to determine increase in SBR bidders and SBR awards.

TAB 8

VERBAL

TAB 9

VERBAL

TAB 10

VERBAL

TAB 11

CLOSED SESSION

VERBAL