

FINANCE COMMITTEE MONTHLY MEETING  
TUESDAY, JANUARY 16, 2018  
POINT BREEZE HEADQUARTERS BUILDING  
BALTIMORE, MARYLAND

OPEN SESSION

MEMBERS ATTENDING: Jack Basso  
Dontae Carroll (via phone)  
John von Paris

STAFF ATTENDING: Percy Dangerfield  
Donna DiCerbo  
Joyce Diepold  
Trudy Edwards  
Chantelle Green  
Robert Harrison  
Col. Jerry Jones, Chief of Police  
Jim Loukas  
Kimberly Millender, Esq.  
Tonya Morant  
John O'Neil  
Kevin C. Reigrut  
Deb Sharpless  
Cheryl Sparks  
Christina Thompson  
Lora Tracy  
Alison Williams

At 9:02 a.m., Member Jack Basso, Chair of the Finance Committee, called the Finance Committee Meeting to order.

**Approval – Open Meeting Minutes from December 12, 2017 Meeting**

Member Basso called for the approval of the meeting minutes from the open meeting held on December 12, 2017. Member John von Paris made the motion, and Member Dontae Carroll seconded the motion, which was unanimously approved.

**Approval – Contract No. MT-3088-0000 - Maintenance of Planting Beds**

Mr. Robert Harrison requested a recommended approval from the Finance Committee to present Contract No. MT-3088-0000, Maintenance of Planting Beds, to the full Maryland Transportation Authority (MDTA) Board at its next scheduled meeting. Approval of this contract is contingent upon the approval of the Board of Public Works (BPW).

Mr. Harrison advised that this is a Fixed-Price Contract to provide the labor, materials, supplies, equipment, tools, supervision, transportation, insurance, and permits necessary for the maintenance of planting beds in selected landscape areas within the project right-of-way of the Intercounty Connector (ICC) roadway. The contract will be serviced by Landscape Services, Inc., a certified Small Business Reserve (SBR) in the State of Maryland. The contract has a base term of three years valued at \$265,714.00 with one two-year renewal option valued at \$146,383.00, for a total contract term of five years in the amount of \$412,097.00.

Member Basso called for a motion to recommend the approval of this item to the full MDTA Board at its next scheduled meeting. Member von Paris made the motion, and Member Carroll seconded the motion, which was unanimously approved.

**Approval – Contract No. MT-3093-0000 - Additional Replacement Tree Planting at ICC**

Mr. Robert Harrison requested a recommended approval from the Finance Committee to present Contract No. MT-3093-0000, Additional Replacement Tree Planting at ICC, to the full MDTA Board at its next scheduled meeting. Approval of this contract is contingent upon the approval of the BPW.

Mr. Harrison advised that this is a Fixed-Price Contract to provide the labor, materials, supplies, equipment, tools, supervision, transportation, insurance, and permits necessary to plant additional trees within the project right-of-way of the ICC facility. This contract will be serviced by Landscape Services, Inc., a certified SBR in the State of Maryland. The contract has a base term of three years valued at \$263,630.00 with one two-year Renewal Option valued at \$145,910.00 for a total contract term of five years in the amount of \$409,540.00.

Member Basso called for a motion to recommend the approval of this item to the full MDTA Board at its next scheduled meeting. Member von Paris made the motion, and Member Carroll seconded the motion, which was unanimously approved.

**Approval – Contract No. CC-3352-0000 - Certified Law Enforcement Motorcycle Harley-Davidson® FLHTP Electra Glide® Police**

Mr. Jim Loukas requested a recommended approval from the Finance Committee to present Contract No. CC-3352-0000, Certified Law Enforcement Motorcycle Harley-Davidson® FLHTP Electra Glide® Police, to the full MDTA Board at its next scheduled meeting.

Mr. Loukas advised that this Contract is to provide one Certified Law Enforcement Motorcycle, Harley-Davidson® FLHTP 174cc Electra Glide® Police with ducted fairing and windshield (No Substitute). This unit will be utilized by the MDTA Police for law enforcement activities on major State highways and roadways. The MDTA solicited pricing from Harley Davidson® dealers in Maryland. This contract will be serviced by Harley-Davidson® of Baltimore, Inc. The Contract is valued at \$27,000.00.

Member Basso called for a motion to recommend the approval of this item to the full MDTA Board at its next scheduled meeting. Member von Paris made the motion, and Member Carroll seconded the motion, which was unanimously approved.

**Update – Annual review of Revenue Sufficiency**

Ms. Deb Sharpless provided an update on the annual review of revenue sufficiency for the FY 2018-2023 financial forecast period.

Ms. Sharpless advised that the MDTA's Board Policy on Revenues requires an annual review of revenue sufficiency to determine if current rate and fee levels are appropriate based on levels of expected spending. The FY 2018-2023 financial forecast shows that current toll rates, fees, and discounts provide sufficient revenue over the next six years to meet forecasted spending and exceed all legal and policy requirements.

**Update – Annual Update on Conduit Debt Financings**

Ms. Alison Williams provided the Finance Committee with an update on outstanding conduit debt issued by the MDTA on behalf of others. This includes Grant and Revenue Anticipation (GARVEE) Bonds issued for the Intercounty Connector, Lease Revenue Refunding Bonds issued to refinance parking facilities for the Washington Metropolitan Area Transit Authority and the Department of General Services, and Revenue Bonds issued for the Maryland Aviation Administration (MAA) to finance various projects at Baltimore/Washington International Thurgood Marshall Airport. Ms. Williams advised that conduit bonds are repaid from revenues that are not toll-related and not backed by the MDTA. All outstanding bonds have stable ratings, sufficient reserves, and strong coverage.

### **Update – Quarterly Update on the Finance Division**

Ms. Chantelle Green briefed the Finance Committee on the Finance Division's progress on reaching its fiscal 2018 goals and status of its vacancies.

Over the last six months, the *Moving Finance Forward* team has assessed the current and desired state of certain operations in Finance. The team has met several times as a group to establish team rules, understand the issues, and have an open house for all of Finance to solicit ideas. In addition, each of the sub-teams met to establish recommendations and present them to the full group. The full group discussed and voted on each recommendation. All recommendations were then sent to the entire Finance team for review and comment. In January and beyond, the *Moving Finance Forward* team is working on implementing these numerous recommendations so that the division can attain its goals.

Member Basso acknowledged the hard work and dedication of the MDTA's Chief Financial Officer (CFO), Jaelyn Hartman, and commended her on becoming the new CFO for the Maryland Department of Transportation.

### **Update – Annual Update on Finance IT Project**

Ms. Joyce Diepold briefed the Finance Committee on the IT projects currently underway in the Finance Division. Ms. Diepold noted that since the last update in December 2016, progress has been made on the division's multiple IT projects. These projects include the budget system, the purchasing card system, the comprehensive annual financial report software, the Maximo implementation, and the requisition system. Most recently, in January 2018, the Division provided two training sessions for the Office of Engineering and Construction in WebApps. This completed the implementation of the entry and approval process for contracts and purchase orders.

### **Approval – Collective Bargaining Agreement with FOP 34**

Ms. Chantelle Green requested a recommended approval from the Finance Committee to the MDTA Board for an agreement reached between the State and the MDTA Police Lodge #34, Fraternal Order of Police (FOP).

In December 2017, the State negotiated additional benefits for the FOP for FY 2019 and beyond. The additional benefits include a cost-of living allowance (COLA) of 2% effective January 1, 2019, and two health insurance premium holidays. In addition, if actual revenue attainment for the State's General Fund meets an established minimum and legislative approval of a budget modification is obtained, then an additional COLA of 0.5% and a one-time bonus of \$500 will be provided on April 1, 2019. Although the MDTA does not receive funding

from the State's General Fund and legislative approval of the MDTA's budget is not required, the granting of the additional benefits are contingent on these actions because the same benefits are being provided to the members of the Maryland State Police, who do receive General Funds and are required to have legislative approval of budget amendments. In recent years, the State has been actively pursuing parity in additional benefits granted to all State law enforcement agencies and this contingency language ensures that MDTA officers do not receive benefits that the Maryland State Police do not.

Assuming the contingency is met and all additional benefits are provided, the additional fiscal impact of this agreement is \$893,745 in fiscal year 2019 for FOP members. Of this amount, \$345,035 will be passed on to the Maryland Aviation Administration and Maryland Port Administration through memorandums of understanding with those agencies for the provision of law enforcement services at the airport and port, respectively. The fiscal impact will increase in fiscal year 2020 to \$1,254,960 for FOP members due to the annualization of the actions, less the one-time bonus granted in fiscal year 2019. Of this amount, \$486,180 will be passed on to the Maryland Aviation Administration and Maryland Port Administration through memorandums of understanding with those agencies for the provision of law enforcement services at the airport and port, respectively.

Member Basso called for a motion to recommend the approval of this item to the full MDTA Board at its next scheduled meeting. Member Carroll made the motion, and Member von Paris seconded the motion, which was unanimously approved.

### **Closed Session**

At 9:35 a.m., upon motion by Member Carroll and seconded by Member von Paris, the Members voted unanimously to move into Closed Session under §3-305(b)(1) of the General Provisions Article of the Annotated Code of Maryland to discuss a personnel matter.

Members Basso, Carroll (via phone), and von Paris were in attendance for the Closed Session. The following staff were present during the closed session: Percy Dangerfield, Trudy Edwards, Chantelle Green, Kim Millender, Esq., Tonya Morant, Kevin C. Reigrut, Deb Sharpless, and Christina Thompson.

At 9:45 a.m., a motion was made by Member von Paris and seconded by Member Carroll, which was unanimously approved, to adjourn the Closed Session and return to Open Session.

### **Ratification of Action Taken During Closed Session – Personnel Matter**

Upon motion by Member von Paris and seconded by Member Carroll, the Members ratified their unanimous vote in Closed Session to recommend approval to the MDTA Board for extending benefits to Police senior command staff the same as will be provided under the recent offer to the FOP.

**MDTA Reorganization**

Mr. Kevin C. Reigrut requested a recommended approval from the Finance Committee regarding proposed changes to the MDTA's organizational structure. Mr. Reigrut stated that with the departure of Ms. Hartman, a reorganization is appropriate to affirm the roles of the Chief Financial Officer, the Chief Operating Officer, the Chief Administrative Officer, and the Chief Law Enforcement Officer. The proposed organizational structure mirrors that of a corporate model. The Deputy Executive Director position will be eliminated and a Chief of Staff position will be created. Member Basso requested that this information also be shared with Member Armstrong. Member Basso called for a motion to recommend the approval of the proposed reorganization to the full MDTA Board at its next scheduled meeting. Member von Paris made the motion, and Member Carroll seconded the motion, which was unanimously approved.

There being no further business, the meeting of the Finance Committee adjourned at 9:50 a.m., following a motion by Member von Paris and seconded by Member Carroll.

Chairman's Signature \_\_\_\_\_

 2/6/18



MARYLAND TRANSPORTATION AUTHORITY

STATEMENT FOR CLOSING A MEETING

LOCATION: Maryland Transportation Authority
Finance Committee
Point Breeze Headquarters Building
2310 Broening Highway
Baltimore, Maryland 21224

DATE: January 16, 2018

TIME:

MOTION BY: [Signature]

SECONDED BY: [Signature]

VOTE TO CLOSE SESSION:

Table with 5 columns: Name, AYE, NAY, ABSTAIN, ABSENT. Rows include Peter J. Basso, John von Paris, Katherine Bays Armstrong, and Dontae Carroll phone.

STATUTORY AUTHORITY TO CLOSE SESSION
GENERAL PROVISIONS ARTICLE, §3-305(b)

- (1) [X] To discuss: (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or (ii) any other personnel matter that affects 1 or more specific individuals.
(2) [ ] To protect the privacy or reputation of individuals with respect to a matter that is not related to public business.
(3) [ ] To consider the acquisition of real property for a public purpose and matters directly related thereto.
(4) [ ] To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State.
(5) [ ] To consider the investment of public funds.
(6) [ ] To consider the marketing of public securities.

**STATEMENT FOR CLOSING A MEETING**

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- (7) [ ] To consult with counsel to obtain legal advice.
- (8) [ ] To consult with staff, consultants, or other individuals about pending or potential litigation.
- (9) [ ] To conduct collective bargaining negotiations or consider matters that relate to the negotiations.
- (10) [ ] To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including:
  - (i) the deployment of fire and police services and staff; and
  - (ii) the development and implementation of emergency plans.
- (11) [ ] To prepare, administer, or grade a scholastic, licensing, or qualifying examination.
- (12) [ ] To conduct or discuss an investigative proceeding on actual or possible criminal conduct.
- (13) [ ] To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.
- (14) [ ] Before a contract is awarded or bids are opened, discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

**TOPICS TO BE DISCUSSED:**

The Meeting will be closed under § 3-305(b)(1)(i) and (ii) of the General Provisions Article of the Annotated Code of Maryland, to discuss matters related to the compensation and benefits packages for certain individual MDTA Police command staff.

**REASON FOR CLOSING:**

To discuss matters permitted by statute to be discussed during a closed session of a meeting of a public body.

  
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**PRESIDING OFFICER**