

FINANCE COMMITTEE MONTHLY MEETING
TUESDAY, DECEMBER 7, 2021
OPEN MEETING VIA LIVESTREAMING

OPEN SESSION

MEMBERS ATTENDING: Cynthia Penny-Ardinger
Dontae Carroll
Jeffrey Rosen
John von Paris

STAFF ATTENDING: Cheryl Dickinson
Vicky Dobbins
Allen Garman
Chantelle Green
Natalie Henson
Kimberly Millender, Esq.
Ken Montgomery
Ebony Moore
Mary O’Keeffe
Will Pines
Deb Sharpless
Christina Thompson
Eric Willison

OTHERS ATTENDING: Sean Walker - CliftonLarsonAllen

At 9:05 a.m., Member John von Paris, Chair of the Finance Committee, called the Finance Committee Meeting to order.

APPROVAL – OPEN MEETING MINUTES FROM NOVEMBER 9, 2021 MEETING

Member von Paris called for the approval of the meeting minutes from the Open Meeting held on November 9, 2021. Member Jeffrey Rosen made the motion, and Member Cynthia Penny-Ardinger seconded the motion, which was unanimously approved.

UPDATE – INDEPENDENT AUDITOR’S REPORT FOR THE FY 2021 FINANCIAL STATEMENTS AUDIT

Ms. Chantelle Green introduced Mr. Sean Walker, Principal in Charge of the Maryland Transportation Authority’s (MDTA) audit, from CliftonLarsonAllen, LLP (CLA). Mr. Walker noted that the FY 2021 Financial Statements Audit was primarily focused on the MDTA’s investments, capital assets, revenue recognition, accounting for long-term debt, intergovernmental agency relationships, and financial reporting. CLA expects to issue an unmodified opinion on the financial statements and reported that no material weaknesses or significant deficiencies in the MDTA’s internal controls were identified.

UPDATE – TIFIA FINANCING STATUS UPDATE

Mr. Allen Garman provided an update on the TIFIA loan application status. Mr. Garman explained that since August 2019, the MDTA has been seeking a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan to finance approximately one-third of the Nice/Middleton Bridge project. The MDTA submitted a Letter of Interest to the Build America Bureau in August 2019, received invitation into the Credit Review phase in December 2019, invitation to Submit Application in July 2021, and Credit Review Team’s recommended approval in August 2021. Although the TIFIA loan approval process was expected to take more than one year, including the credit review and loan terms negotiation, the work to date is well beyond two years.

In August 2021, the United States Department of Transportation (USDOT) Credit Council voted to defer approval of MDTA’s loan in favor of more details on bicycle accommodations. Despite the MDTA’s conformance with all federal guidelines, including the National Environmental Policy Act approval and recent responses to questions on bicycle accommodations, the loan is currently stalled with USDOT’s Credit Council and is at great risk of not receiving final approvals. The loan approval has not returned to the Credit Council’s agenda since August.

In September 2021, the MDTA received a request from Federal Highway Administration (FHWA) to investigate a request for additional information on bicycle safety components included in the Nice/Middleton Bridge project. The MDTA understands this request originated when the Credit Council failed to approve the TIFIA loan application at its August 2021 meeting. The MDTA responded to the request through the Maryland Department of Transportation Secretary’s Office on September 30. The MDTA also responded to subsequent inquiries/demands from the Bureau and FHWA that initially focused on a new loan covenant for unrelated work on I-95 and deviated to work on Route 301, a road not owned by the MDTA.

To date, no subsequent response on the status of the TIFIA loan approval or any additional requests for information have been received. No rationale has been provided for the loan approval’s exclusion from the September, October, and November Credit Council agendas. Given the lack of response or action by Build America Bureau or the USDOT Credit Council

following the September 30 communication, the MDTA drafted a follow-up letter to the Chair and Vice Chair of the USDOT Credit Council seeking action and an update on the status.

APPROVAL – BOARD RESOLUTION 21-06 – AMENDS BOARD RESOLUTION NO. 21-05 TO EXTEND TIFIA FINANCING DEADLINE FOR THE NICE/MIDDLETON BRIDGE PROJECT

Mr. Allen Garman requested a recommendation of approval from the Finance Committee to present Board Resolution 21-06 to the full MDTA Board at its next scheduled meeting. Mr. Garman explained that Board Resolution 21-06 authorizes a TIFIA loan to finance a portion of the Nice/Middleton Bridge Replacement Project. Resolution 21-06 amends Resolution 21-05 to extend the deadline to December 31, 2022. Extending the deadline will allow the MDTA to continue pursuing the loan until an official action is taken by the USDOT or the MDTA determines that pursuing the loan is no longer beneficial.

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

CLOSED SESSION

At 9:41 a.m., upon motion by Jeffrey Rosen and seconded by Member Cynthia Penny-Ardinger, the Members voted unanimously to move into Closed Session under §3-305(b)(7) and (8) of the General Provisions Article of the Annotated Code of Maryland to receive legal advice and discuss potential litigation regarding a contract claim for Contract No. MA-549.

Members von Paris, Carroll, Rosen and Penny-Ardinger were in attendance for the Closed Session. The following staff were present during the closed session: Cheryl Dickinson, Chantelle Green, Natalie Henson, Kimberly Millender, Esq., Mary O’Keeffe, and William Pines.

VOTE TO ADJOURN CLOSED SESSION

At 10:01 a.m., a motion was made by Member Rosen and seconded by Member Carroll, which was unanimously approved, to adjourn the Closed Session and return to Open Session. There were no actions taken in Closed Session.

There being no further business, the meeting of the Finance Committee adjourned at 10:02 a.m., following a motion by Member Penny-Ardinger, and seconded by Member Rosen.