

MARYLAND TRANSPORTATION AUTHORITY  
BOARD MEETING

THURSDAY, NOVEMBER 17, 2022  
9:00 A.M.

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

OPEN SESSION

James F. Ports, Jr., Chairman

MEMBERS ATTENDING:

Dontae Carroll  
William H. Cox, Jr.  
William C. Ensor, III  
W. Lee Gaines, Jr. – via Telephone  
Mario J. Gangemi  
John F. von Paris

STAFF ATTENDING:

Col. Kevin Anderson  
Jeffrey Brown  
Donna DiCerbo  
Allen Garman  
Chantelle Green  
James Harkness  
Natalie Henson  
Jeanne Marriott  
Kimberly Millender, Esq.  
Sushmita Mitra  
William Pines – via Telephone  
Deb Sharpless

OTHERS ATTENDING:

Ebony Moore, MDOT TSO

At 9:00 a.m. Chairman James F. Ports, Jr. called the meeting of the Maryland Transportation Authority (MDTA) Board to order. The meeting was held in-person at 2310 Broening Highway, Baltimore MD and was livestreamed on the MDTA Board Meeting web page.

**APPROVAL – OPEN SESSION MEETING MINUTES OF OCTOBER 27, 2022**

Upon motion by Member William H. Cox, Jr. and seconded by Member Mario J. Gangemi, the open session meeting minutes of the MDTA Board meeting held on October 27, 2022 were unanimously approved.

**APPROVAL – CLOSED SESSION MEETING MINUTES OF OCTOBER 27, 2022**

Upon motion by Member Mario J. Gangemi and seconded by Member John F. von Paris, the closed session meeting minutes of the MDTA Board meeting held on October 27, 2022 were unanimously approved.

**APPROVAL – CONTRACT AWARDS**

- **HT-2709-0000 – Envelope and Switchgear Replacements at Baltimore Harbor Tunnel Vent Buildings**

Ms. Donna DiCerbo requested contingent approval from the MDTA Board to execute Contract No. HT-2709-0000 – Envelope and Switchgear Replacements at Baltimore Harbor Tunnel (BHT) Vent Buildings with W.M. Schlosser Company, Inc. in the amount of \$67,877,000.00.

Ms. DiCerbo explained that the work to be performed under this contract is located at the Fairfield and Canton Vent buildings of the BHT facility. The scope of work includes the complete removal of the existing building facades, intake louvers, and roofs with the installation of new architectural precast concrete wall panels, storm proof louvers, and new roofing systems implementing phased construction practices at each building. Complete removal and replacement of the existing end of service life primary Switchgear/MCC lineups that support all tunnel operations (ventilation, life safety, lane use, traffic signing, lighting, and pumps). These primary units will be removed and new installed applying detailed phased construction to maintain all safe tunnel operations during the construction duration. A single-story building addition is required at the Canton building to accommodate new switchgear and other new electrical components. Existing deficient elevators will be removed and replaced with new modern code compliant systems and construction of additional safety egress stairways. New code compliant fire pumps will be installed to complete the fire safety systems. All new systems will be integrated into the SCADA controls system and tested.

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. HT-2709-0000 – Envelope and Switchgear Replacements at Baltimore Harbor Tunnel (BHT) Vent Buildings.

- **KH-3031-0000 – Noise Wall Along I95 Southbound South of Calvary Road**

Ms. Donna DiCerbo requested contingent approval from the MDTA Board to execute Contract No. KH-3031-0000 – Noise Wall Along I-95 Southbound South of Calvary Road with The Six-M Company, Inc. in the amount of \$9,819,000.00.

Ms. DiCerbo explained that the work to be performed under this contract is located adjacent to I-95 (John F. Kennedy Memorial Highway) in Harford County. The scope of work includes constructing a noise barrier along I-95 southbound south of Calvary Road for approximately 0.7 miles. The noise barrier is needed to attenuate noise coming from vehicular traffic on the existing and planned future expansion of I-95.

Upon motion by Member Mario J. Gangemi and seconded by Member William H. Cox, Jr., the Members unanimously gave contingent approval to execute Contract No. KH-3031-0000 – Noise Wall Along I-95 Southbound South of Calvary Road.

- **MT-00210742 (MT-3154-0000) – Fire Alarm and Suppression Preventive Maintenance and Repair and Fire Alarm Monitoring for MDTA Facilities**

Ms. Donna DiCerbo requested approval from the MDTA Board to execute Contract No. MT-00210742 (MT-3154-0000) – Fire Alarm and Suppression Preventive Maintenance and Repair and Fire Alarm Monitoring for MDTA Facilities with Advanced Fire Protection Systems, LLC in the amount of \$1,340,010.00.

Ms. DiCerbo explained that the contract is for the provision of a fire alarm and suppression maintenance and repair and fire alarm monitoring service. The requested fire alarm and suppression preventive maintenance and repair and monitoring services requires the contractor to furnish all labor, materials, supplies, equipment, tools, supervision, transportation, insurance, permits, and confined space program necessary to provide service calls and repair and routine preventive maintenance and testing, inspections, emergency service, and monitoring at MDTA-wide fire alarm/suppression systems, which includes fire alarm and suppression mechanical components, and to adhere to applicable MDTA policies and applicable regulatory requirements regarding hazardous materials, wastes, recycling, and general refuse handling, storage, and disposal at the various MDTA facilities.

Upon motion by Member Mario J. Gangemi and seconded by Member William H. Cox, Jr., the Members unanimously gave approval to execute Contract No. MT-00210742 (MT-3154-0000) – Fire Alarm and Suppression Preventive Maintenance and Repair and Fire Alarm Monitoring for MDTA Facilities.

- **J01B3600006 – Open Text Additional Licenses**

Ms. Donna DiCerbo requested approval from the MDTA Board to execute Small Business Reserve (SBR) Contract No. J01B3600006 – Open Text Additional Licenses with Applied Technology Services in the amount of \$308,763.35.

Ms. DiCerbo explained that this SBR contract is for the provision for additional OpenText user licenses and three (3) years of OpenText Maintenance and Support for the MDTA Division of Information Technology. She further explained that the OpenText platform is used to maintain, store, and allow quick access to various documents as well as allows fluent workflow management. The MDTA leverages the OpenText Platform for management of documents to include Procurement Card Log processing and approval, Financial File Cabinet for storage of important finance documents, Procurement Review Group eSignature, Invoice tracking & approval, and task order management for the Office of Engineering and Construction, Electronic Toll Collection KPI reviews, and Human Resource Scanning for digital storage and allows sorting of important documents, as well as allowing for upcoming storage of Police and Civil Rights and Fair Practices files. The additional licenses and continued software maintenance and support will allow the MDTA to maintain our current systems, continued use of the OpenText software, as well as access to technical support as needed.

Upon motion by Member William H. Cox, Jr. and seconded by Member John F. von Paris, the Members unanimously gave approval to execute SBR Contract No. J01B3600006 – Open Text Additional Licenses.

#### **UPDATE – PROCURMENT REPORT ON OPEN CONTRACTS**

Ms. Donna DiCerbo 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 231 total contracts totaling \$2,970,185,006.85.

#### **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 the current quarter.

Mr. Garman explained that for the trailing twelve-month period ended September 30, 2022, investments conformed to Investment Policy limitations. 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 William H. Cox, Jr. and seconded by Member William C. Ensor, III, continuation of the current investment strategy was unanimously approved.

#### **UPDATE – TRAFFIC AND REVENUE FORECAST UPDATE**

Ms. Chantelle Green briefed the MDTA Board on the annual update to the Traffic and Revenue (T&R) forecasts for all facilities.

Ms. Green explained that each fall, an update to the ten-year T&R forecast is prepared by the independent T&R consultant, CDM Smith. CDM Smith was selected through a competitive process to provide the T&R forecast. The forecast is built on historical data from the MDTA's facilities and national, regional, and State socioeconomic data, such as population, employment, unemployment, real income per capita, real gross domestic product, inflation, and fuel prices. The forecast also accounts for, among other things, anticipated construction projects, the backlog of unprocessed *E-ZPass* and video toll transactions, COVID-19 impacts, new vehicle classifications, and the Customer Assistance Plan.

Ms. Green then provided an update on the traffic T&R forecast for the legacy facilities, Intercounty Connector (ICC), and the I-95 Express Toll Lanes (ETL). She explained that on a systemwide basis, through Fiscal Year (FY) 2028, forecasted revenues are down \$31 million from November 2021. Total revenue decline in FY 2023 is due to lingering COVID-19 impacts and the Customer Assistance Plan.

#### **APPROVAL – FISCAL YEAR 2024 PRELIMINARY OPERATING BUDGET**

Mr. Jeffrey Brown requested MDTA Board approval of the Preliminary Fiscal Year (FY) 2024 Operating Budget.

Mr. Brown explained that the proposed FY 2024 operating budget of \$391.4 million represents a \$4.2 million, or a 1.1%, increase, versus the FY 2023 Final Budget. When comparing the FY 2024 Preliminary Operating Budget to the MDTA Board-approved June 2022 financial forecast, the FY 2024 budget is \$4.5 million, or 1.2%, more than projected. The key driver for the increase in projected spending is the mandatory 4.5% cost of living adjustment (COLA) for all State employees effective November 1, 2022.

The FY 2023 operating budget reflects a \$13.8 million increase in mandatory spending, a \$8.9 million increase in discretionary spending, and a \$18.5 million reduction in discretionary spending. Mandated changes increased the budget by \$13.8 million mostly due to: (1) a 4.5% COLA for all State employees effective November 1 plus a 5% COLA for the police in FY 2024; (2) employee, LEOPS, and MSP retirement costs; (3) step and grade changes; and (4) social security increasing due to increased salaries.

Upon motion by Member John F. von Paris and seconded by Member William H. Cox, Jr., the Fiscal Year 2024 Preliminary Operating Budget was unanimously approved.

#### **APPROVAL – FINAL FISCAL YEAR 2022 – 2028 CONSOLIDATED TRANSPORTATION PROGRAM (CTP)**

Ms. Jeanne Marriott requested MDTA Board approval for the Final Fiscal Year (FY) 2023-2028 Consolidated Transportation Program (CTP). She explained that the six-year FY 2023-2028 budget in the proposed CTP is \$2.7 billion.

The proposed CTP reflects a net increase in the six-year FY 2023-2028 budget of \$52.6 million. The net FY 2023-2028 increase is the result of the following:

- Increase of \$15.8 million for the Nice/Middleton Bridge.
- Increase of \$9.2 million for the I-95 Express Toll Lanes (ETL) Northern Extension.
- Increase of \$107.9 million for all projects except Nice/Middleton Bridge, I-95 ETL Northern Extension, and reserves.
- Decrease of \$80.3 million in the Allocated and Unallocated Reserves.

The FY 2022 expenditures were \$496.2 million vs. \$548.6 million in the Draft FY 2023-2028 CTP. The FY 2022 underspending was \$52.4 million and has been rolled over into the Final FY 2023-2028 CTP.

Upon motion by Member Mario J. Gangemi and seconded by Member William H. Cox, Jr., the Final Fiscal Year 2023 – 2028 Consolidated Transportation Program was unanimously approved.

#### **APPROVAL – FISCAL YEAR (FY) 2023 – 2028 FINANCIAL FORECAST**

Ms. Chantelle Green requested MDTA Board approval of the Fiscal Year (FY) 2023-2028 Financial Forecast.

Ms. Green explained that throughout the forecast period (FY 2023 – 2028), the MDTA will remain in compliance with its financial goals and legal standards and that no systemwide toll increases are needed in the near-term.

She explained that the primary differences between the current and June 2022 forecasts are reduced revenues; increased operating expenses; increased capital expenses; and increased debt issuances.

Upon motion by Member Mario J. Gangemi and seconded by Member William C. Ensor, III, the Fiscal Year 2023-2028 Financial Forecast was unanimously approved.

#### **UPDATE – BI-ANNUAL REVIEW OF REVENUE SUFFICIENCY**

Ms. Chantelle Green presented to the MDTA Board the Bi-Annual Review of Revenue Sufficiency update. The most recent financial forecast shows that current toll rates, fees, and discounts provide enough revenue over the near-term to meet forecasted spending and meet all legal and policy requirements.

### **UPDATE – 1<sup>ST</sup> QUARTER OPERATING BUDGET COMPARISON**

Mr. Jeffrey Brown updated the MDTA Board on actual versus projected year-to-date spending for the first quarter of Fiscal Year (FY) 2023 Operating Budget. As of September 30, 2022, 11% of the budget was spent compared to a target of 23%. All Objects are at or below the targeted spending level. The primary drivers for the reduced spending are personnel vacancies, seasonality of expenses, and 1<sup>st</sup> quarter accruals.

### **UPDATE – 1<sup>ST</sup> QUARTER CAPITAL BUDGET COMPARISON**

Ms. Jeanne Marriott updated the MDTA Board on the 1<sup>st</sup> Quarter Fiscal Year (FY) 2023 Capital Budget Comparisons. As of September 30, 2022, 11.9% of the FY 2023 budget was spent as compared to the targeted spending level of 25%. The total budget for FY 2023 is \$556.0 million. The actual spending through the first quarter was \$65.9 million. The first quarter percentage is low because there are outstanding accruals for work completed in FY 2022.

**\*\* At approximately 9:45 am the MDTA Board Meeting was paused due to technical issues with the livestreaming cameras. The technical issues were resolved and at approximately 9:55 am the meeting resumed. \*\***

### **UPDATE – TRAFFIC AND REVENUE**

Ms. Deb Sharpless gave an update to the MDTA Board on Traffic and Revenue (T&R) performance through September 30, 2022.

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

She further explained that the key year-to-date takeaways regarding traffic and revenue performance are: (1) Passenger vehicle traffic levels continue to track closely to pre-pandemic levels; (2) Commercial vehicle traffic levels continue to outperform pre-pandemic levels; and (3) Systemwide, transactions and revenue exceeded the forecast by 2.8 percent and 7.7 percent, respectively.

Ms. Sharpless explained that actual transactions were above forecast by 1.2 million, or 2.8 percent, and revenue was above forecast by \$14.5 million, or 7.7 percent, for the quarter ended September 30, 2022. However, when adjusting for timing differences, systemwide revenue exceeded the forecast by \$4.3 million, or 2.3%. The deviation in actual performance compared to the forecast (adjusted for timing differences) was due to a combination of factors, including the back-office processing of 6 more days during the first quarter than forecasted and 1.1 million more NOTDs than forecasted.

**UPDATE – INDEPENDENT AUDITORS’ REPORT ON THE FISCAL YEAR 2022 FINANCIAL STATEMENTS**

Ms. Deb Sharpless reported to the MDTA Board that the Independent Auditors’ Report on the Fiscal Year 2022 Financial Statements. CliftonLarsonAllen, LLP, MDTA’s independent auditor, completed the audit and an unmodified opinion was issued.

**UPDATE – EXECUTIVE DIRECTOR’S REPORT**

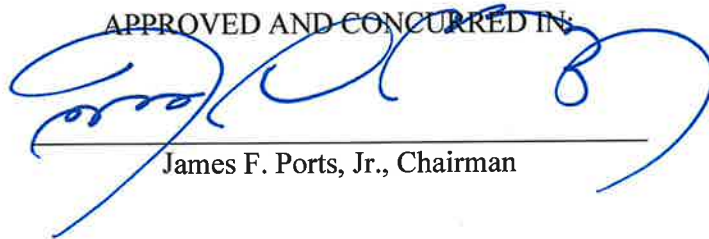
Mr. Joseph Sagal, MDTA Chief Operating Officer, gave the Executive Director’s Report. Mr. Sagal spoke on the following topics: the MDTA’s Customer Assistance Plan that is coming to a close on Wednesday, November 30 at 11:59 p.m.; How MDTA is advancing Diversity, Equity, and Inclusion; a new leadership position, Director of Customer Experience; Announced MDTA’s Employee of the Quarter, Mr. Timothy Sheets; Reported that for the 9<sup>th</sup> Consecutive Year MDTA has received the Certificate of Achievement for Excellence in Financial Reporting for the production of the Fiscal Year 2021 Annual Comprehensive Financial Report; and lastly, thanked all who were involved in making the Bay Bridge Run a success.

**VOTE TO ADJOURN MEETING**

There being no further business, upon motion by Member Mario J. Gangemi and seconded by Member William H. Cox, Jr., the Members unanimously voted to adjourn the meeting at 10:21 a.m.

The next MDTA Board Meeting will be held on Thursday, December 15, 2022 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:



James F. Ports, Jr., Chairman