

**MARYLAND TRANSPORTATION AUTHORITY
CAPITAL COMMITTEE MEETING
THURSDAY, SEPTEMBER 3, 2020
OPEN MEETING VIA CONFERENCE CALL**

OPEN SESSION

MEMBERS ATTENDING: William C. Ensor, III – Chairman
William H. Cox, Jr.
Mario J. Gangemi
W. Lee Gaines

STAFF ATTENDING: Jim Ports
John O’Neill
Will Pines
James Harkness
Kim Millender
Tekeste Amare
Abey Tamrat
Simon Tseggai
Valencia Hainsworth
Ebony Moore
Jeanne Marriott
Chantelle Green
Christina Thompson
Melissa Williams
Donna DiCerbo
Mary O’Keeffe
Natalie Henson
Jeff Davis
Ganine Steffe
Chris Thompson

OTHER ATTENDEES: Al Carr, Delegate, State of Maryland

At 9:00 a.m. Chair William Ensor called the meeting of the Maryland Transportation Authority (MDTA) Capital Committee to order. With this open meeting being done via conference call, Chairman William Ensor did a roll call of participants to ensure the minutes accurately reflected those persons on the call and to ensure a quorum of the Committee was present.

APPROVAL – OPEN SESSION MINUTES OF AUGUST 6, 2020

Upon motion by Member Cox and seconded by Member Gangemi, the Open Session meeting minutes of the Capital Committee’s Meeting held on August 6, 2020 were unanimously approved.

**APPROVAL – CAPITAL BUDGET INCREASE AMENDMENT – RETROACTIVE
APPROVAL TO INCREASE THE FY 2020 CAPITAL BUDGET**

Mr. Pines presented this request to seek a retroactive approval from the Capital Committee to increase the FY 2020 capital budget. Due to the MDTA Board's fiduciary responsibilities, this information will also be presented to the MDTA Finance Committee before presentation to the full MDTA Board for final approval.

The MDTA leveraged the opportunity to expedite critical infrastructure projects from decreased traffic volumes, reduced lead times for manufactured components and more efficient permit processes, as well as recovering construction schedules. The cash flows for these projects were faster; however, the project budgets have remained constant. Recognizing the increased pace of construction, the FY 2020-2025 CTP was initially increased when preparing the Final CTP and then subsequently in May 2020 through an amendment. Through the financial year-end closeout process, staff has determined the May 2020 amendment of \$21.0 million was not sufficient to cover the increased FY 2020 cashflow, resulting in the need for a retroactive approval of an additional \$15.0 million.

Of the 120 projects budgeted in FY 2020, the largest contributors to the increase above the May 2020 amendment were the following projects:

- PIN 1024 – Replace Nice/Middleton Bridge - \$39.9 million
- PIN 0280 – I-895 Bridge Replacement - \$6.2 million

All of the overages in the projects shown above, totaling \$46.1 million, are due to expedited construction occurring faster than anticipated in the forecasted plans. In total, the FY 2020 overspending nets \$15 million (3.3%) above the May 2020 amendment.

Exceeding the amended FY2020 budget in the FY2020-2025 CTP is a violation of the MDTA's Trust Agreement; however, the violation is technical and not material. As such, the MDTA Board must approve a retroactive budget amendment, but no disclosures to bondholders or municipal markets via the electronic municipal market access (EMMA) are required.

The capital budget amendment has no negative impact on the MDTA's adherence to its financial policies. The MDTA's unencumbered cash balance remains above \$350 million. The MDTA's FY2020 debt service coverage ratio and rate covenant remain unchanged. The increases in cash flows in FY 2020 will be offset by reductions in the Final CTP FY2021-2026 scheduled to be presented to the Board for approval in November 2020.

Upon motion by Member Gangemi and seconded by Member Cox, the Members unanimously recommended to present this retroactive approval to increase the FY 20 Capital Budget to the full MDTA Board at its next scheduled meeting.

APPROVAL – MR-3022-0000 ON-CALL STRUCTURAL REPAIR AND MISCELLANEOUS MODIFICATIONS

Mr. Tamrat presented this request to seek a recommended approval from the Capital Committee to present Contract No. MR-3022-0000 – On-Call Structural Repair and Miscellaneous Modifications to the full MDTA Board for award at its next scheduled meeting.

The scope of work includes providing labor, equipment, materials, etc. necessary to perform miscellaneous structural, concrete, and other types of repairs, upgrades, replacements, and new construction as directed by the Engineer. This work may be required on any portion (bridge, tunnel, highway, building, and all appurtenances) of any of the MDTA’s facilities.

Upon motion by Member Gaines and seconded by Member Cox, the Members unanimously recommended contingent approval of Contract No. MR-3022-0000 – On-Call Structural Repair and Miscellaneous Modifications the full MDTA Board for award at its next scheduled meeting.

UPDATE – BAY BRIDGE PROJECTS

Mr. Pines provided the Members with an update of Bay Bridge projects including the Joint Replacement Process at the Bay Bridge.

There being no further business, the meeting of the MDTA Capital Committee was adjourned by consensus at 9:46 a.m. following a motion by Member Gangemi and seconded by Member Gaines.

The next meeting of the MDTA Capital Committee is scheduled for Thursday, October 1, 2020 at 9:00 a.m. at Point Breeze Headquarters, 2310 Broening Highway, Baltimore, Maryland.

APPROVED AND CONCURRED IN:
