

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING

THURSDAY, MAY 20, 2021
9:00 A.M.

OPEN MEETING VIA VIDEO CONFERENCE AND LIVESTREAMING

OPEN SESSION

Greg Slater, Chairman

MEMBERS ATTENDING:

Dontae Carroll
William H. Cox, Jr.
William C. Ensor, III
W. Lee Gaines, Jr.
Mario J. Gangemi
Cynthia D. Penny-Ardinger, Esq.
Jeffrey S. Rosen
John F. von Paris

STAFF ATTENDING:

Tekeste Amare	Kimberly Millender, Esq.
Jeff Brown	Ebony Moore
Carl Chamberlin	Mary O'Keeffe
Percy Dangerfield	James F. Ports, Jr.
Jeff Davis	Will Pines
Donna DiCerbo	Deb Sharpless
Allen Garman	Tim Sheets
Jim Harkness	Christina Thompson
Amber Harvey	Melissa Williams
Natalie Henson	Eric Willison
Jeanne Marriott	

OTHER ATTENDEES:

Ron Davis, CDM Smith
Jeff Folden, MDOT SHA
Meshelle Howard, Retired MDTA Employee
Sean Powell, MDOT TSO
James Walsh, MDOT MAA

At 9:02 a.m. Chairman Greg Slater called the meeting of the Maryland Transportation Authority (MDTA) Board to order. The meeting was held via video conference and livestreamed on the MDTA Board Meeting web page.

APPROVAL – OPEN SESSION AND CLOSED SESSION MEETING MINUTES OF APRIL 26, 2021

Upon motion by Member William H. Cox, Jr. and seconded by Member Dontae Carroll, the open session and closed session meeting minutes of the MDTA Board meeting held on April 26, 2021 were unanimously approved.

RESOLUTIONS – YEARS OF SERVICE RECOGNITION

Mr. James F. Ports, Jr. read the Years of Service Recognition for retired employees Ms. Valencia Hainesworth and Ms. Meshelle Howard. On the occasion of their retirement from their distinguished careers of service, the Chairman and Members of the Maryland Transportation Authority hereby express to them their most sincere appreciation for their excellence and commitment.

Ms. Howard attended the meeting to receive her Board Resolution. Chairman Slater and Executive Director Ports congratulated Ms. Howard on her retirement. Ms. Howard said a brief thank you.

APPROVAL – CONTRACT AWARDS

- **BB-2726-0000 – Eastbound William Preston Lane, Jr. Memorial (Bay Bridge) Rehabilitation, Phase 1 – Pre-Construction Services (Design)**

Ms. Donna DiCerbo requested approval from the MDTA Board to execute Contract No. BB-2726 – Eastbound William Preston Lane, Jr. Memorial (Bay Bridge) Rehabilitation, Phase 1 – Pre-Construction Services (Design) with Corman/McLean in the bid amount of \$655,571.00 for Pre-Construction Services.

This Contract is for Pre-Construction Services (Design) for the Eastbound Bay Bridge Rehabilitation, Phase 1 - Pre-Construction Services. The MDTA evaluated five (5) proposals for a Construction Management at Risk (CMAR) contract for Pre-Construction and Construction services. The Construction Services of this project will include the deck floor system replacement and up to 4'0" widening for deck truss Spans T1-T13 and T14-T22, utility relocation, painting, facility-wide rehabilitation, and off-site storm water management work.

Upon motion by Member Mario J. Gangemi and seconded by Member W. Lee Gaines, Jr., the Members unanimously gave approval to execute Contract No. BB-2726 – Eastbound William Preston Lane, Jr. Memorial (Bay Bridge) Rehabilitation, Phase 1 – Pre-Construction Services (Design).

- **FT-3019-0000 – Fort McHenry Tunnel (FMT) All Electronic Tolling (AET) Conversion**

Ms. Donna DiCerbo requested contingent approval from the MDTA Board to execute Contract No. FT-3019-0000 – Fort McHenry Tunnel (FMT) All Electronic Tolling (AET) Conversion with Allan Myers MD, Inc. in the bid amount of \$13,597,777.00.

The work to be performed under this contract includes the total removal of the existing Fort McHenry Tunnel toll plaza elements, installation of the new All Electronic Tolling toll gantries, and reconfiguration of the travel lanes along the I-95 mainline and the ramps to and from Keith Avenue.

Upon motion by Member Jeffrey S. Rosen and seconded by Member Dontae Carroll, the Members unanimously gave contingent approval to execute Contract No. FT-3019-0000 – Fort McHenry Tunnel (FMT) All Electronic Tolling (AET) Conversion.

- **BB-3013-0000R – On-Call Structural Repairs and Miscellaneous Modifications for William Preston Lane, Jr. Memorial (Bay) Bridge**

Ms. Donna DiCerbo requested contingent approval from the MDTA Board to execute Contract No. BB-3013-0000R – On-Call Structural Repairs and Miscellaneous Modifications for William Preston Lane, Jr. Memorial (Bay) Bridge with M.D. Miller Co. (Marksmen) in the bid amount of \$12,914,651.00.

The work to be performed under this contract includes performing structural steel, concrete, and miscellaneous on-call repairs on an as needed basis. This contract also contains time sensitive priority repairs on the William Preston Lane, Jr. Memorial (Bay) Bridge structures. In addition to the twin structures, the on-call repairs will be performed on the William Preston Lane, Jr. Memorial (Bay) Bridge facility, which include the toll plaza, sign structures, gantries, etc.

Upon motion by Member Mario J. Gangemi and seconded by Member W. Lee Gaines, Jr., the Members unanimously gave contingent approval to execute Contract No. BB-3013-0000R – On-Call Structural Repairs and Miscellaneous Modifications for William Preston Lane, Jr. Memorial (Bay) Bridge.

UPDATE – PROCUREMENT 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.

APPROVAL – QUARTERLY REVIEW OF INVESTMENT STRATEGY AND PERFORMANCE

Mr. Allen Garman provided the MDTA Board with a quarterly update on the investment strategy/performance and requested MDTA Board approval of the continuation of the current investment strategies for all accounts.

Mr. Garman explained that for the trailing twelve-month period ended March 31, 2021, investments conformed to Investment Policy limitations. Portfolio structuring by account adhered to Board approved strategy. Total return performance for the General account was commensurate with the benchmark index. During the duration extension transition period for the M&O Reserve, the account will continue to remain short relative to the new benchmark index and portfolio duration will transition over several months. Total return performance for the M&O Reserve will not have a good comparable benchmark during the transition period.

The MDTA Board approved an investment strategy and benchmark change at its February 27, 2020 meeting to lengthen the average maturity of certain unrestricted reserves to 7.5-years from 3-years, as well as the associated *Effective Duration* (rate driven price volatility) to 7.0 from 3.0. Implementation of this strategy change was delayed as a result of the pandemic induced market volatility, distortions, and record low interest rates. At the November 2020 meeting, the Board approved a gradual transition for a small portion (14%) of the unrestricted cash held in the M&O Reserve. The Investment Committee will continue to update the Board periodically on the recommended timing for restructuring the remaining 86% of unrestricted reserves held in the General account.

Upon motion by Member W. Lee Gaines, Jr. and seconded by Member John F. von Paris, the Members unanimously approved the continuation of the current investment strategies for all accounts.

UPDATE – NON-RECOURSE FINANCINGS

Mr. Allen Garman provided the MDTA Board an update to recent bond defeasances and pandemic impacts on airport revenues and provided an update on the WMATA and BWI nonrecourse financings. The update also included an explanation of pledged revenues, monthly flow of funds, and trust specific reserves.

Mr. Garman explained that as a conduit issuer, the MDTA has financed nonrecourse debt for the Maryland Aviation Administration (MAA) to fund airport projects and Washington Metropolitan Area Transit Authority (WWMATA) for parking garages. These financings are individually secured by unique pledged revenues of parking garages and airport related projects and are not secured by the MDTA's toll revenues or revenues of the Maryland Department of Transportation (MDOT). The three airport pledged revenue categories include enplanement or Passenger Facility Charges (PFC), Consolidated Rental Car Facility fees (CRCF), and Parking Facility fees (Parking).

Mr. Garman further explained that the Series 2012 BWI Parking bonds were fully defeased in February 2021 with proceeds of General Airport Revenue Bonds issued by MDOT. Principal and interest will be paid from the escrow investments through the March 1, 2022 call date. The MDTA's leasehold interest and prior BWI Parking trust agreement terminated with the legal defeasance of all outstanding bonds under the trust.

The Series 2014 WMATA parking garage bonds were legally defeased with a cash transfer from the WMATA surcharge account (held externally by WMATA) to the BNYM escrow account in April 2021. Principal and interest will be paid from the escrow investments through the July 1, 2022 call date. The MDTA's leasehold interest and WMATA Parking trust agreement terminated with the legal defeasance of all outstanding bonds under the trust.

UPDATE – 3RD QUARTER OPERATING BUDGET COMPARISON

Mr. Jeffrey Brown updated the MDTA Board on the status of year-to-date spending against the Fiscal Year (FY) 2021 Operating Budget

Mr. Brown explained that as of March 31, 2020, 64% of the budget was spent compared to a target of 73%. Except for Object 11(Additional Equipment – 105% spend) and Object 13 (Fixed Charges -98% spend), all other Objects were at or below the targeted spending level. The primary drivers for the underspending are timing or seasonality issues (e.g., delayed invoicing and/or expected expenses to occur in later quarters) and the effects of COVID-19 (e.g., increased teleworking, all-electronic tolling, etc.). Although year-to-date expenses are below the targeted spending level, when considering higher than anticipated spending trends in certain line items and invoice lag, the total year-end expenditures, after capturing all accrued FY 2021 expenses, may exceed the overall budget by a projected amount less than \$5 million.

He further explained that in order to reduce the revenue impacts from COVID-19, All-Electronic Tolling, and 3G transition delays, the FY 2021 budget, inclusive of any amendments, was reduced by \$30.1M compared to the FY 2020 final budget. For certain accounts the reductions were too high. For example, line item 0873, *E-ZPass* Service Center, was reduced anticipating operating savings from TransCore and Kapsch earlier in the fiscal year than realized. FY 2021 also had a considerably larger snow season than FY 2020. Additionally, the MDTA is incurring unplanned personnel expenses for COVID-19 response pay and related expenses as well as reimbursable expenses are exceeding the budget. MDTA anticipates savings in certain line items; however, the possibility exists in which these savings will not completely offset the overspent line items, at which a budget amendment would be requested in June.

In the coming month, the MDTA will continue to monitor its operating budget closely and all Chiefs and Directors are constraining their budgets to the extent possible without negatively impacting the agency. Additionally, conversations are ongoing with the Secretary's Office about the possibility of receiving funding made available through the Federal American Rescue Plan Act. The receipt of these funds will most likely occur in FY 2022.

UPDATE – 3RD QUARTER CAPITAL BUDGET COMPARISON

Ms. Jeanne Marriott updated the MDTA Board on the status of actual Fiscal Year (FY) 2021 spending against the FY 2021 Capital Budget in the FY 2021-2026 Draft Consolidated Transportation Program (CTP).

She explained that as of March 31, 2021, 46% of the FY 2021 budget was spent as compared to the targeted spending level of 75%. The total budget for FY 2021 is \$543.3 million. The actual spending through the third quarter was \$252.1 million.

UPDATE – CONSOLIDATED TRANSPORTATION PROGRAM (CTP) PROCESS AND ADDITIONS

Ms. Jeanne Marriott provided the MDTA Board with an overview of the MDTA Consolidated Transportation Program (CTP) Process and an update on the additions to the capital program.

Ms. Marriott explained that the CTP is MDTA's six-year plan for the capital program and includes the current year, the upcoming year, and the four succeeding planning years. The CTP is updated twice a year and brought to the Board Members for approval in June as the Draft CTP and in November as the Final CTP.

After approval by the Board Members in June, the Draft CTP is presented as part of the Maryland Department of Transportation (MDOT) CTP Tour to local elected officials and citizens throughout the State of Maryland for review and comment. It is then revised and submitted, after MDTA Board approval in November, as the Final CTP as part of the Governor's budget to the Maryland General Assembly in January. This process is required by statute and applies to MDTA as well as the other MDOT business units.

She further explained that the Fiscal Year (FY) 2022-2027 Draft CTP, to be presented for approval in June, will include four new projects.

UPDATE – THIRD GENERATION ELECTRONIC TOLL COLLECTION (3G ETC) SYSTEM

Ms. Deb Sharpless and Mr. Will Pines updated the MDTA Board on the 3G ETC post-transition, traffic & revenue, and post go-live backlog plan updates.

They explained that the TransCore and Kapsch systems went live on April 29, 2021. Post-transition and software development activities continue. Toll revenue continues to underperform the official financial forecast; however, the MDTA expects to end the fiscal year complying with its financial standards as traffic continues to meet the forecast. Implementation of the plan to address the backlog of unprocessed transactions is ongoing.

****Announcements:**

- 1) *Due to the length of the Board meeting, Chairman Slater announced a short break at 10:44 a.m. and instructed everyone to return to the meeting by 10:55 a.m.*
- 2) *Chairman Slater continued with the meeting at 10:56 a.m. at the conclusion of the short break.*
- 3) *Do to scheduling conflicts Members Rosen and Carroll had to excuse themselves from the meeting at 1:00 p.m.*

**UPDATE – PHASE 1 SOUTH: AMERICAN LEGION BRIDGE I-270 TO I-370
RECOMMENDED PREFERRED ALTERNATIVE**

Mr. Jeff Folden provided the MDTA Board with an update on the new Recommended Preferred Alternative (RPA) for the Managed Lanes Study (MLS) under the Public-Private Partnership (P3) Program.

Mr. Folden explained that on May 12, 2021, the Maryland Department of Transportation State Highway Administration (MDOT SHA) announced a new RPA for the MLS: Alternative 9: Phase 1 South. The new RPA focuses solely on building a new American Legion Bridge, a regional traffic chokepoint in need of a bridge deck replacement, and delivering two high occupancy toll (HOT) managed lanes on Phase 1 South: American Legion Bridge I-270 to I-370 with no action at this time on I-495 east of the I-270 eastern spur. The new RPA now aligns the MLS to be consistent with the phased delivery and permitting approach and is responsive to and addresses comments heard from the public and some partner agencies over the last several months. The RPA will be advanced by the Phase Developer as part of the predevelopment work to further avoid and minimize impacts to environmental resources, communities, properties, utilities, and other features by working with the agency partners, property owners, utility owners, and citizens.

**APPROVAL – TOLL RATE PHASE 1 SOUTH: AMERICAN LEGION BRIDGE I-270
TO I-370**

Ms. Deb Sharpless and Mr. Carl Chamberlin gave a detailed presentation of the Proposed Toll Rate Range Setting Process for the Phase 1 South: American Legion Bridge I-270 to I-370 to the MDTA Board. Executive Director James F. Ports, Jr. then requested approval from the MDTA Board to begin moving forward with the toll setting process including the scheduling of toll hearings.

Upon motion by Member Mario J. Gangemi and seconded by Member William H. Cox, Jr., the Members unanimously approved to begin moving forward with the toll setting process, including the scheduling of toll hearings, for the Phase 1 South: American Legion Bridge I-270 to I-370.

UPDATE – HUMAN RESOURCES COMMITTEE

Member W. Lee Gaines, Jr. presented an update on the Human Resources Committee meeting that took place on May 13, 2021. The Human Resources Committee Members were given an update on the Image Reviewer positions, IT Systems Technical Specialist Salary Review, MDTA Police Salary Review, Franklin Covey Executive Leadership Training, New Employee Orientation, and the Impact of Lifting the Hiring Freeze.

UPDATE – EXECUTIVE DIRECTOR

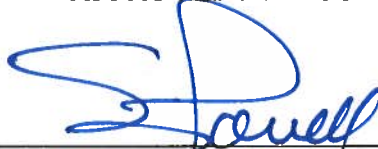
Executive Director James F. Ports, Jr. updated the MDTA Board on some of the important MDTA Police Events that took place in the month of May. These events included a Promotional Ceremony on May 5, the Annual Fallen Heroes Ceremony on May 6, and the MDTA Police Annual Awards Ceremony on May 14. In addition, on May 21 the MDTA Police will hold 2 graduations ceremonies at Sandy Point State Park to celebrate Recruitment Class 53 – who completed their training and began their careers as police officers in April 2020 – and Recruitment Class 54. Finally, he shared some fun facts about the MDTA Police for the May installment of MDTA's 50th Anniversary facts.

VOTE TO ADJOURN MEETING

There being no further business, upon motion by Member W. Lee Gaines, Jr. and seconded by Member William C. Ensor, III, the Members unanimously voted to adjourn the meeting at 1:19 p.m.

The next MDTA Board Meeting will be held on Thursday, June 24, 2021 at 9:00 a.m. via livestream.

APPROVED AND CONCURRED IN:



Sean Powell, Acting Chairman