

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING

THURSDAY, NOVEMBER 18, 2021
9:00 A.M.

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

OPEN SESSION

Greg Slater, Chairman
Sean Powell, Acting Chairman

MEMBERS ATTENDING:

Dontae Carroll – via Telephone
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:

Jeffrey Brown
Carl Chamberlin
Percy Dangerfield
Donna DiCerbo
Tonya Dorsey
Allen Garman
Chantelle Green
James Harkness
Jason Harris
Natalie Henson
Richard Jaramillo
Jeanne Marriott
Kimberly Millender, Esq.
Ebony Moore
Mary O'Keeffe
Will Pines
James F. Ports, Jr. – via Telephone
Deb Sharpless
Christina Thompson

OTHER ATTENDEES:

Samantha Biddle, MDOT-TSO

At 9:03 a.m. Acting Chairman Sean Powell called the meeting of the Maryland Transportation Authority (MDTA) Board to order. The meeting was held in-person at MDTA located at 2310 Broening Highway, Baltimore MD 21224 and was livestreamed on the MDTA Board Meeting web page. Acting Chairman Powell announced that Chairman Greg Slater would be joining later in the meeting and that Member Carroll and James F. Ports, Jr. would be participating in the meeting via conference call.

APPROVAL – OPEN SESSION AND CLOSED SESSION MEETING MINUTES OF OCTOBER 28, 2021

Upon motion by Member William H. Cox, Jr. and seconded by Member John F. von Paris, the open session meeting minutes of the MDTA Board meeting held on October 28, 2021 were unanimously approved.

Upon motion by Member Mario J. Gangemi and seconded by Member William C. Ensor, III, the closed session meeting minutes of the MDTA Board meeting held on October 28, 2021 were unanimously approved.

APPROVAL – CONTRACT AWARDS

• **MR-3029-0000 – On-Call Miscellaneous Paving Repair**

Ms. Donna DiCerbo requested contingent approval from the MDTA Board to execute Contract No. MR-3029-0000 – On-Call Miscellaneous Paving Repair with P. Flanigan & Son, Inc. in the bid amount of \$8,755,167.00.

This contract provides for the removal by grinding and the replacement of bituminous concrete paving at bridge approaches, toll plazas, shoulders, acceleration and deceleration lanes, ramps, parking lots, joint repairs, slab failures, and mainline roadways which are experiencing surface distortion or distresses. The work on this contract will be performed as on-call task assignments directed by the MDTA Engineer. The work under this contract may be performed at any of Maryland Transportation Authority (MDTA) facilities, including the Baltimore Harbor Tunnel, Fort McHenry Tunnel, Francis Scott Key Bridge, Governor Harry W. Nice/Senator Thomas “Mac” Middleton Memorial Bridge, Intercounty Connector, John F. Kennedy Memorial Highway, Point Breeze Office Complex, Thomas J. Hatem Memorial Bridge, US40/MD222, and the William Preston Lane Jr. Memorial Bridge; and related approach roadways located in Anne Arundel County, Baltimore City, Baltimore County, Cecil County, Charles County, Harford County, Howard County, Montgomery, Prince Georges County, and Queen Anne’s County.

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. MR-3029-0000 – On-Call Miscellaneous Paving Repair.

- **J01B600011 – DYNAC® Maintenance Contract**

Ms. Donna DiCerbo requested contingent approval from the MDTA Board to execute Sole Source Contract No. J01B1600011 – DYNAC® Maintenance Contract with Kapsch Trafficcom USA, Inc. in the bid amount of \$8,884,230.00.

The MDTA issued this Sole Source Contract to procure a full-service software maintenance and service plan (including repairs) for the DYNAC® SCADA system. The primary purpose of the DYNAC® Supervisory Control and Data Acquisition (SCADA) system is to manage tunnel ventilation fans, pumps, lighting systems, hydrocarbon and carbon monoxide sensors, cameras, traffic control gates, signs, and signals at the Baltimore Harbor Tunnel, Fort McHenry Tunnel, and the InterCounty Connector Deckover.

Upon motion by Member William H. Cox, Jr. and seconded by Member Mario J. Gangemi, the Members unanimously gave contingent approval to execute Sole Source Contract No. J01B1600011 – DYNAC® Maintenance Contract.

- **MDTA 2020-02 – ITS & Electrical Design Services**

***** Member John F. von Paris reclused himself from Contract No. MDTA 2020-02. He stepped out of the room prior to the presentation and discussion of this item. *****

Ms. Donna DiCerbo requested contingent approval from the MDTA Board to execute Contract No. MDTA 2020-02 – ITS & Electrical Design Services - Contract #'s AE 3077-0000, AE 3078-0000, AE 3079-0000, and AE 3080-000 in the bid amount of \$4,250,000.00 for each contract as stated below.

AE 3077-0000	Rummel, Klepper & Kahl, LLP/Whitman, Requardt and Associates, LLP
AE 3078-0000	Jacobs Engineering Group, Inc.
AE 3079-0000	Mead & Hunt, Inc./WSP USA, Inc.
AE 3080-0000	Dewberry Engineering, Inc./Whitney, Bailey, Cox & Magnani, LLC

This project involves the award of four (4) contracts to consultant engineering firms to provide professional design services for ITS & Electrical projects as directed by the MDTA. The scope includes but is not limited to providing concept designs, feasibility studies, alternatives and planning, preliminary design services, technical recommendations, preparing system availability analysis, and developing operational cost and life cycle analysis for various system options where required. Such services are necessary to ensure that MDTA's ITS & Electrical assets are planned and designed in accordance with all applicable codes and standards. Scope will also include assisting in the diagnosis of problems within ITS & Electrical systems; providing analysis of proposed changes in operations or systems design for impacts potentially unanticipated to other components of operations to identify any needs for improvement or changes.

Upon motion by Member Jeffrey S. Rosen and seconded by Member W. Lee Gaines, Jr., the Members unanimously gave contingent approval to execute Contract No. MDTA 2020-02 – ITS & Electrical Design Services - Contract #'s AE 3077-0000, AE 3078-0000, AE 3079-0000, and AE 3080-000.

***** After the vote was complete, Ms. Natalie Henson left to the room to bring Member John F. von Paris back into the meeting for the remainder of the agenda items. *****

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 218 total contracts totaling \$3,045,272,841.46.

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

Mr. Will Pines updated the MDTA Board on the Third Generation Electronic Toll Collection (3G ETC) post-transition operations.

Mr. Pines explained that the TransCore and Kapsch systems went live on April 29, 2021. Post-transition and software development activities and risk management continue and implementation of the plan to address the backlog of unprocessed transactions is ongoing.

***** Chairman Greg Slater joined the meeting during the 3G ETC Update. Once the update was completed, Acting Chairman Sean Powell asked for a vote to move Agenda Item # 6 – Approval – Phase 1 South: American Legion Bridge I-270 to I-370 Toll Setting Process and Agenda Item # 7 – CLOSED SESSION – To Discuss Matters Related to the Pending Collective Bargaining Negotiations up in the agenda. Upon motion by Member William H. Cox, Jr. and seconded by Member W. Lee Gaines, Jr., the Board unanimously approved moving these items up in the agenda. The floor was then turned over to Chairman Slater to continue with these two items. *****

APPROVAL – PHASE 1 SOUTH: AMERICAN LEGION BRIDGE I-270 TO I-370 TOLL SETTING PROCESS

Mr. Carl Chamberlin provided a summary of comments received during the second public comment period for the Phase 1 South: American Legion Bridge I-270 to I-370 Toll Setting Process. On September 30, 2021, the MDTA Board unanimously approved to proceed with opening the second public comment period on the Phase 1 South: American Legion Bridge I-270 to I-370 Tolling Proposal as part of the toll rate range setting process. The public comment period began on September 30, 2021 and continued until 5PM, October 28, 2021.

Mr. Chamberlin explained that a total of 95 respondents provided comment, with their comments categorized into 164 total individual comments. Ninety-one percent of the comments (150) were received via the online comment form. Comments received via email accounted for the remaining 9% (14). Categorizing the comments by element of the recommended toll rate ranges, there were 33 comments (20%) regarding the minimum and maximum toll rate ranges, 10 comments (6%) regarding the soft rate cap, 17 comments (10%) regarding the process for annual escalation, 26 comments (16%) regarding the toll discounts, and 78 comments (48%) regarding different issues associated with the MDTA that were categorized as “other.”

Once the updated was complete, Chairman Greg Slater opened the floor for any additional public comment. There was none.

Mr. Chamberlin then asked for the MDTA’s Board approval on the Staff’s Recommended Proposal by reading the following:

“The recommended action (recommended toll rate ranges) for Phase 1 South: American Legion Bridge I-270 to I-370 will consist of minimum toll rates, soft toll rate caps, and maximum toll rates for the HOT lanes. The toll rate ranges will be set to ensure the HOT lanes operate to established operational metrics and provide managed lane users with a faster and more reliable trip. The rates will also include annual escalation factors to ensure the toll rate ranges are adequate to cover the full term of the P3 Phase Developer Agreement (anticipated to be 50 years). The recommendation also includes a free passage discount that will be granted along the Phase 1 South: American Legion Bridge I-270 to I-370 HOT lanes for HOV 3+, buses and motorcycles. Toll rates will be set dynamically, meaning they could change up to every five minutes based on traffic volumes in the HOT lanes to provide customers who choose to pay a toll a faster and more reliable trip. The actual toll rates will change based on real-time traffic at each tolling point. The following encompasses the full recommended action.

A. Minimum Toll Rates

The minimum toll rate is the lowest toll rate per mile that will be charged within any tolling segment for the HOT lanes or the lowest total toll a vehicle will pay regardless of how far they travel. The minimum toll rate is intended to cover toll capture, processing, and collection costs.

B. Soft Rate Caps

The soft rate cap is the toll rate amount that can only be exceeded when at least one of the following thresholds are met within a given tolling segment during the preceding five-minute period: the average traffic volume exceeds 1,600 passenger car equivalent vehicles per hour per lane (PCEphpl) or the average speed in a tolling segment is below 50 mph. The soft rate cap will always be lower than the maximum toll rate and can be exceeded only temporarily to provide customers who choose to pay a toll, a faster and more reliable trip. The soft rate cap will only be exceeded until the throughput and speed performance targets are achieved, and then the toll rate will gradually return to the soft cap or below.

C. Maximum Toll Rates

The maximum toll rate is the highest per-mile toll rate that may be charged within any tolling segment for the HOT lanes. The actual per-mile rate paid by customers is responsive to real-time traffic. The maximum rates cannot be exceeded under any circumstance. The maximum rate will only be realized under conditions where the soft rate cap is exceeded, which would be during times of deteriorating performance. In extremely rare circumstances, when traffic demand is very high and customers are experiencing decreased speeds in a given tolling segment, the toll rate may reach the maximum toll rate. The toll rate is determined on a segment-by-segment basis. The maximum toll rate is required for the most congested tolling segments and likely would not come into effect for many segments.

D. Escalation

The MDTA staff recommends the minimum and maximum per-mile toll rates, soft rate caps, minimum toll, and unregistered video surcharge escalate annually. The adjustments are necessary to ensure the toll rates will keep up with (1) the growing traffic demand for the HOT lanes, (2) annual inflation, and (3) the goal of providing a faster and more reliable trip for customers who choose to pay the toll. The minimum per-mile toll rate and minimum toll would be escalated based on inflation only.

E. Discounts

In addition, the recommended action includes discounts for qualifying vehicles—including HOV 3+ (including car-vanpools), buses and motorcycles.

F. Recommended Action (Recommended Toll Rate Ranges)

We are seeking the Board's approval to accept the final recommendation.”

Upon motion by Member William H. Cox, Jr. and seconded by Member W. Lee Gaines, Jr., the Members unanimously approved the Phase 1 South: American Legion Bridge I-270 to I-370 Toll Setting Process.

VOTE TO GO INTO CLOSED SESSION

At 10:17 a.m., upon motion by Member Jeffrey S. Rosen and seconded by Member William C. Ensor, III, the Members voted unanimously to move into Closed Session under the Maryland Open Meetings Act, the MDTA Board will meet in Closed Session under the General Provisions Article, Sections 3-305(b)(9) to consider matters related to collective bargaining negotiations between the State and FOP #34.

In attendance for Closed Session was Chairman Greg Slater, Acting Chairman Sean Powell, Members Carroll (via telephone), Cox, Ensor, Gaines, Gangemi, Penny-Ardinger, Rosen, and von Paris; and Samantha Biddle (MDOT TSO), Percy Dangerfield, Tonya Dorsey, Chantelle Green, Natalie Henson, Kim Millender, Mary O'Keeffe, Jim Ports (via telephone), Deb Sharpless, and Christina Thompson.

VOTE TO ADJOURN CLOSED SESSION

At 11:15 a.m., a motion was made by Member Mario J. Gangemi and seconded by Member Jeffrey S. Rosen, which was unanimously approved, to adjourn the Closed Session and return to Open Session. There were no actions taken in Closed Session.

***** At 11:20 a.m. Acting Chairman Sean Powell called the Open Session Meeting to order and explained that Chairman Greg Slater had to leave and that he would be chairing the remainder of the meeting. *****

APPROVAL – QUARTERLY REVIEW OF INVESTMENT STRATEGY AND PERFORMANCE

Mr. Allen Garman requested MDTA Board approval to continue with the current investment strategy.

Mr. Garman explained that for the trailing twelve-month period ended September 30, 2021, investments conformed to Investment Policy limitations. No changes in performance strategy or benchmark are recommended.

Upon motion by Member Cynthia D. Penny-Ardinger and seconded by Member John F. von Paris, Jr., continuation of the current investment strategy was unanimously approved.

UPDATE – TRAFFIC AND REVENUE FORECAST

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

Ms. Chantelle Green provided an update to the Finance Committee on the traffic and revenue (T&R) forecast for the legacy facilities, Intercounty Connector (ICC), and the I-95 Express Toll Lanes (ETL). On a systemwide basis, through Fiscal Year (FY) 2027, forecasted revenues are expected to increase by \$133.9 million, or 2.8 percent, compared to the previous forecast. The majority of the increase is due to a \$113.6 million increase in legacy facility revenue compared to the November 2020 forecast. The increase in legacy facility revenue is mostly due to the forecasted growth in commercial vehicle transactions.

Through FY 2027, in-lane revenue on the ICC and ETL facilities is forecasted to decline by \$4.4 million compared to the November 2020 forecast. The current forecast is generally in line with the prior year forecast.

Through FY 2027, administrative toll revenue is expected to increase by \$24.7 million compared to the November 2020 forecast. Other revenue is forecasted to increase as a result of cashless tolling.

COVID-19 directly impacted the MDTA's annual revenue. While the current T&R forecast reflects improved stabilization from COVID-19, some uncertainty remains. When comparing the MDTA's current forecast to the most recent pre-COVID-19 forecast, revenues are expected to decline by \$392.1 million for 5 percent compared to the most recent pre-COVID forecast. The MDTA will continue to manage through the loss of these revenues in the years ahead.

APPROVAL – FISCAL YEAR 2023 PRELIMINARY OPERATING BUDGET

Mr. Jeffrey Brown requested MDTA Board approval of the Preliminary Fiscal Year (FY) 2023 Operating Budget.

Mr. Brown explained that the proposed FY 2023 Operating Budget for the MDTA reflects a return to new normal operations. The proposed operating budget of \$359.1 million, represents a \$1.7 million, or 0.5%, decrease versus the FY 2022 Final Budget.

Mandated changes to the budget resulted in a \$5.6 million increase. The increase is primarily due to: (1) step and grade changes for the MDTA police; (2) employee and retiree health insurance costs; (3) pension costs for civilian employees, MDTA law enforcement officers, and the Maryland State Police; (4) a \$500 bonus for sworn and civilian employees; (5) a 1% cost-of-living adjustment for civilian employees; (6) social security costs; and (7) accrued leave payouts resulting from expected retirements.

The FY 2023 operating budget includes a \$7.7 million increase in discretionary spending. Additional spending is mostly due to information technology services, engineering costs, and replacement equipment. These costs are reduced by \$15.0 million in budget reductions that include lower rent, fiscal services, and E-ZPass Service Center costs.

Upon motion by Member Jeffrey S. Rosen and seconded by Member Cynthia D. Penny-Ardinger, the Fiscal Year 2023 Preliminary Operating Budget was unanimously approved.

APPROVAL – FINAL FISCAL YEAR 2022 – 2027 CONSOLIDATED TRANSPORTATION PROGRAM

Ms. Jeanne Marriott requested MDTA Board approval for the Final Fiscal Year (FY) 2022-2027 Consolidated Transportation Program (CTP). She explained that the six-year FY 2022-2027 budget in the proposed CTP is \$2.8 billion.

The proposed CTP reflects a net increase in the six-year FY 2022-2027 budget of \$39.3 million. The net FY 2022-2027 increase is the result of the following:

- Increase in the six-year CTP budget by \$9.4 million for the Nice/Middleton Bridge.
- Increase in the six-year CTP budget by \$6.8 million for the I-95 Express Toll Lanes (ETL) Northern Extension.

- Increase in the six-year CTP budget by \$369.0 million for all projects except Nice/Middleton Bridge, I-95 ETL Northern Extension, and reserves.
- Decrease in the Allocated and Unallocated Reserves by \$345.9 million.

The FY 2021 expenditures were \$432.4 million vs. \$471.7 million in the Draft FY 2022-2027 CTP. The FY 2021 underspending was \$39.3 million and has been rolled over into the Final FY 2022-2027 CTP.

Upon motion by Member William H. Cox, Jr. and seconded by Member Mario J. Gangemi, the Final Fiscal Year 2022 – 2027 Consolidated Transportation Program was unanimously approved.

APPROVAL – FISCAL YEAR 2022 – 2027 FINANCIAL FORECAST

Ms. Christina Thompson requested MDTA Board approval of the Fiscal Year (FY) 2022-2027 Financial Forecast.

Ms. Thompson explained that throughout the forecast period (Fiscal Years 2022 – 2027), the MDTA will remain above its financial goals and legal standards and that no systemwide toll increases are needed in the forecast period.

She explained that the primary differences between the current and August 2021 forecast are increased revenues; decreased operating expenses; increased capital expenses; decreased debt service; and decreased debt issuances.

Additionally, Ms. Thompson noted that while the financial forecast assumes that the MDTA will obtain a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, the likelihood of the obtaining a loan is now questionable. If necessary, the forecast will be updated when more information is known about the outcome of the TIFIA loan.

Upon motion by Member Dontae Carroll and seconded by Member W. Lee Gaines, Jr., the Fiscal Year 2022-2027 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 next six years to meet forecasted spending and meet all legal and policy requirements.

UPDATE – 1ST 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) 2022 Operating Budget. As of September 30, 2021, 12% of the budget was spent compared to a target of 23%. All Objects were below the targeted spending level, with only Object 09 (Supplies & Materials) close to the targeted spend at 18%. The primary driver for the reduced spend are vacancies and the seasonality of expenses. Expenses are expected to become more aligned with budget as the fiscal year progresses.

UPDATE – 1ST QUARTER CAPITAL BUDGET COMPARISON

Ms. Jeanne Marriott updated the MDTA Board on the 1st Quarter Fiscal Year (FY) 2022 Capital Budget Comparisons. As of September 30, 2021, 10.4% of the FY 2022 budget was spent as compared to the targeted spending level of 25%. The total budget for FY 2022 is \$602.9 million. The actual spending through the first quarter was \$62.8 million. The first quarter percentage is low because there are outstanding accruals for work completed in FY 2021.

UPDATE – HUMAN RESOURCES COMMITTEE

Member Dontae Carroll presented an update on the Human Resources Committee meeting that took place on November 9, 2021. The Human Resources Committee Members were given updates on: Fraudulent Unemployment Claims; Return to Work Committee; Workforce Performance Metrics Report; Recruitment and Examinations Unit; and Classification and Compensation for Occupational Safety and Health Compliance Officer, ITS Technician, and management Advocate Classifications.

UPDATE – EXECUTIVE DIRECTOR

Mr. Jim Ports updated the MDTA Board on the following items: The MDOT CTP Meetings and he gave special thanks to Melissa Williams for all she does in representing MDTA in his absence; thanked Brian Wolfe, Tony Tabasco, Natalie Henson, and Ebony Moore for their work in organizing Nice Bridge Site Visits for the Board Members; and announced that the MDTA at 50 webpage has gone live.

VOTE TO ADJOURN MEETING

There being no further business, upon motion by Member Mario J. Gangemi and seconded by Member W. Lee Gaines, Jr., the Members unanimously voted to adjourn the meeting at 12:10 p.m.

OPEN SESSION
NOVEMBER 18, 2021
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The next MDTA Board Meeting will be held on Thursday, December 16, 2021 at 9:00 a.m. at MDTA located at 2310 Broening Highway, Baltimore Maryland.

APPROVED AND CONCURRED IN:



Gregory Slater, Chairman