

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING

THURSDAY, FEBRUARY 24, 2022
9:00 A.M.

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

OPEN SESSION

James F. Ports, Jr., Chairman
Sean Powell, Acting Chairman

MEMBERS ATTENDING:

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

STAFF ATTENDING:

Jeffrey Brown
Jeffrey Davis
Tonya Dorsey
Anna Dove
Allen Garman
Chantelle Green
Jeanne Marriott
Selena McKissick
Kimberly Millender, Esq.
Mary O’Keeffe
Will Pines
Joseph Quattrone
Bradley Ryon
Joseph Sagal
John Sales
Deb Sharpless

OTHER ATTENDEES:

Samantha Biddle, MDOT TSO
David Collins (and a cameraman), WBAL TV
Ebony Moore, MDOT TSO
Mallory Sofastaii (and a cameraman), WMAR TV

At 9:01 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 AND CLOSED SESSION MEETING MINUTES OF JANUARY 27, 2022

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

Upon motion by Member Mario J. Gangemi and seconded by Member Dontae Carroll, the closed session meeting minutes of the MDTA Board meeting held on January 27, 2022 were unanimously approved.

UPDATE – 2ND QUARTER OPERATING BUDGET COMPARISON

Mr. Jeffrey Brown updated the MDTA Board on actual versus projected year-to-date spending for the second quarter of Fiscal Year (FY) 2022 Operating Budget. As of December 31, 2021, 31% of the budget was spent compared to a target of 50%. All Objects were below the targeted spending level, with only Object 13 (Fixed Costs) over budget at 90%. The primary drivers for the reduced spending are personnel vacancies, the seasonality of certain expenses, and the timing of invoices. Expenses are expected to become more aligned with budget as the fiscal year progresses.

UPDATE – 2ND QUARTER CAPITAL BUDGET COMPARISON

Ms. Jeanne Marriott updated the MDTA Board on the 2nd Quarter Fiscal Year (FY) 2022 Capital Budget Comparisons. As of December 31, 2021, 31.8% of the FY 2022 budget was spent as compared to the targeted spending level of 50%. The total budget for FY 2022 is \$602.9 million. The actual spending through the second quarter was \$191.5 million.

UPDATE – TRAFFIC AND REVENUE

Ms. Deb Sharpless gave an update to the MDTA Board on Traffic and Revenue (T&R) performance through January 31, 2022.

Ms. Sharpless explained that for the period of July 1, 2021 through January 31, 2022, MDTA's actual toll revenue received totaled \$458.6 million, \$17.9 million below its official forecast. This is a \$5 million improvement from the previous month. When adjusting for timing differences in the receipt of toll revenue, MDTA is \$11.9 million above its forecast.

Ms. Sharpless further explained that timing differences are transactions that we continue to have a reasonable expectation of collection within the Fiscal Year (FY) 2022. These transactions, totaling \$29.8 million, were forecasted to be processed and collected by this reporting period. Should the estimated revenue timing differences not materialize in FY 2022, the MDTA will still exceed its financial standards.

UPDATE – LEGISLATIVE SESSION

Mr. Bradley Ryon gave an update to the MDTA Board regarding the bills that have been filed that will have an impact to the MDTA.

APPROVAL – CUSTOMER ASSISTANCE PLAN

Mr. Will Pines and Ms. Deb Sharpless requested MDTA Board approval of a temporary Customer Assistance Plan that includes (1) immediately suspending the escalation of accounts to the Maryland Department of Transportation Motor Vehicle Administration (MDOT MVA) and the Central Collections Unit (CCU); (2) waiving civil penalties when the associated Video Tolls are paid by November 30, 2022; (3) increasing the number of Call Center Customer Service Representatives (CSR) over the coming months; and (4) exploring a potential payment plan option for future deployment. It was explained that this civil penalty waiver grace period is **not** toll forgiveness (or amnesty) nor an elimination of tolls owed.

Mr. Pines provided the key takeaways for customer service, including: providing customers a grace period to spread out payments of unpaid Video Tolls at the customer's convenience; avoiding further escalations to MVA & CCU; saving customers millions on actual and potential civil penalties; and reducing customer wait times to acceptable standards.

Ms. Sharpless provided the financial key takeaways, including: adhering to financial policies (unencumbered cash and debt service coverage); unchanged long-term adherence with financial policies; focusing on net impact to the MDTA's bottom line (current civil penalty waivers, improved Video Toll payment rates, and cost avoidance); resulting in net costs projecting to be largely offset by current year revenue over-achievement compared to the official forecast; and providing a path forward for the continued payment of tolls (including proactively utilizing the website to pay Video Tolls prior to the mailing of a Notice of Toll Due and receiving a 15% discount - maximum savings of \$5.00 per transaction, or toll transfers when Video Toll customers sign up as *E-ZPass*® customers to save on tolls).

Mr. Pines also went over the key dates associated with this plan, including:

- Payments made/postmarked **BEFORE February 24, 2022**: Civil penalties that are already paid will not be reimbursed.
- Payments made/postmarked **February 24, 2022 – November 30, 2022**: For every unpaid Video Toll transaction paid in full, the corresponding civil penalty will be waived. Additionally, no toll debt will be escalated to CCU or MDOT MVA.

- **February 24, 2022 – Mid-March 2022:** Civil penalties will be waived for each paid Video Toll, but civil penalties remain on accounts until the software changes are in place to reflect the waiver.
- **Mid-March 2022:** The system functionality/software programming for the waiver grace period is completed, allowing customers to confirm online that their penalties are being waived following full toll payment.
- **November 30, 2022,** at midnight: Civil penalty waiver grace period ends.
- **December 1, 2022:** All unpaid tolls AND civil penalties are due based on the printed due dates, and toll debt escalations resume. Customers who choose to not pay their Video Tolls prior to the due date and do not take advantage of the waiver grace period which ends on November 30, 2022, will remain responsible for their tolls and civil penalties.

Upon motion by Member Dontae Carroll and seconded by Member Mario J. Gangemi, the Members unanimously approved the Customer Assistance Plan.

*** At 10:19 a.m., upon the conclusion of Agenda Item # 6 – Customer Assistance Plan, Chairman James F. Ports, Jr. and Acting Executive Director Will Pines excused themselves from the meeting to meet with media who were in attendance. Acting Chairman Sean Powell presided over the remainder of the Board 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 December 31, 2021, investments conformed to Investment Policy limitations, portfolio structuring by account adhered to MDTA Board approved strategy, and total return performance for the General account was commensurate with the benchmark index.

Upon motion by Member Jeffrey S. Rosen and seconded by Member William C. Ensor, III, continuation of the current investment strategy was unanimously approved.

APPROVAL – BOARD RESOLUTION NO. 22-01 – PFC BACKED DEBT REFINANCING

Mr. Allen Garman requested MDTA Board approval of Board Resolution 22-01 to authorize the issuance of the BWI Passenger Facility Charge (PFC) revenue bonds or alternative financing options (bank loan) to refinance the Series 2012 bonds for economic savings.

Mr. Garman explained that the PFC airport bonds are non-recourse to the MDTA and are issued for the Maryland Department of Transportation, Maryland Aviation Administration (MDOT MAA) to finance projects at the Baltimore Washington International Marshall Airport (BWI Marshall Airport). He further explained that this Resolution would authorize \$130 million of bonds to refinance the PFC Series 2012 A/B bonds for economic savings and potentially refinance the Series 2012 C variable rate bonds to fixed rate and would also authorize the payment of issuance costs and the optional funding of a debt service reserve.

Upon motion by Member Mario J. Gangemi and seconded by Member Dontae Carroll, Board Resolution 22-01 was unanimously approved.

APPROVAL – BOARD RESOLUTION NO. 22-02 – TOLL REVENUE BACKED DEBT REFINANCING AND FINANCING NEW PROJECTS

Mr. Allen Garman requested MDTA Board approval of Board Resolution 22-02 to authorize the issuance of toll revenue bonds or alternative financing options (bank loan) to refund the Series 2012 bonds and provide additional proceeds to fund capital projects in fiscal 2023.

Mr. Garman explained Resolution 22-02 authorizes the issuance of \$250 million of bonds to refinance the \$39 million Series 2012 Toll Revenue Bonds for economic savings and potentially add \$211 million to fund new capital projects in fiscal 2023 and that the Resolution also authorizes the payment of issuance costs and the optional funding of a debt service reserve.

Upon motion by Member W. Lee Gaines, Jr. and seconded by Member Jeffrey S. Rosen, Board Resolution 22-02 was unanimously approved.

UPDATE – PROCURMENT REPORT ON OPEN CONTRACTS

Mr. Jeffrey Davis 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 232 total contracts totaling \$3,406,643,652.63.

UPDATE – HUMAN RESOURCES COMMITTEE

Member W. Lee Gaines, Jr. presented an update on the Human Resources Committee meeting that took place on February 10, 2022. The Human Resources Committee Members were given updates on: Toll Collection Employees; E-ZPass 101 eLearning; the Career Development Program; and the MyMDCARES Program. In addition, they were given updates by the following Units: Recruitment and Examinations; Employee Services and Programs; and Classification and Compensation.

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

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

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

UPDATE – EXECUTIVE DIRECTOR

Ms. Mary O’Keeffe gave the Executive Director Update. Ms. O’Keeffe introduced Mr. Joseph “Joey” Sagal to the Board as the new Acting Chief Operating Officer. She welcomed Mr. Sagal to MDTA on behalf of the Acting Executive Director and all MDTA.

Ms. O’Keeffe informed the Board that Mr. Pines has been continuing to outreach to elected officials in the General Assembly regarding MDTA-related legislation. And that with the Board’s approval of the Customer Assistance Plan, Mr. Pines will speak again to several elected officials to update them on the plan and answer any questions they may have.

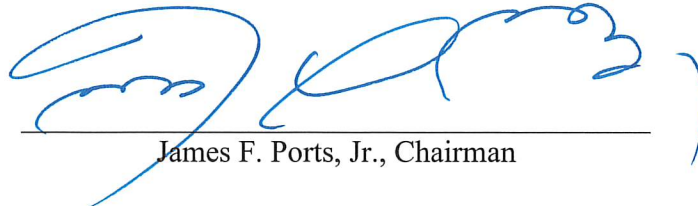
Lastly, Ms. O’Keeffe updated the Board on the email blast that was sent out in February that provided our customers with a list of E-ZPass Best Practices.

VOTE TO ADJOURN MEETING

There being no further business, upon motion by Member Jeffrey S. Rosen and seconded by Member Dontae Carroll, the Members unanimously voted to adjourn the meeting at 11:14 a.m.

The next MDTA Board Meeting will be held on Thursday, March 31, 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