

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING
THURSDAY, SEPTEMBER 26, 2019
2310 BROENING HIGHWAY, BALTIMORE, MD 21224

OPEN SESSION

Sean Powell, Acting Chairman

MEMBERS ATTENDING:

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

STAFF ATTENDING:

Abigail Alam
Percy Dangerfield
Donna DiCerbo
Jacqueline Djomo
Allen Garman
Chantelle Green
Lynnea Green
Natalie Henson
Meshelle Howard
Cheryl Lewis-Orr
Lt. Col. Lucy Lyles
Kelly Melham
Kimberly Millender, Esq.
Tonya Morant
Mary O'Keeffe
John O'Neill
Will Pines
Mike Rice
Deborah Sharpless
Chris Thompson
Paul Truntich
Agnes Vadasz
Melissa Williams
Eric Willison

OTHER ATTENDEES:

Jim Kruszynski, FOP 34

At 9:00 a.m. Acting Chair Sean Powell called the meeting of the Maryland Transportation Authority (MDTA) Board to order.

APPROVAL – OPEN SESSION MEETING MINUTES AND CLOSED SESSION MEETING MINUTES OF AUGUST 29, 2019

Upon motion by Member W. Lee Gaines and seconded by Member William Ensor, the open meeting minutes and closed meeting minutes of the MDTA Board meeting held on August 29, 2019 were unanimously approved.

APPROVAL – CANTON RAILROAD

Ms. Deborah Sharpless requested approval from the Maryland Transportation Authority (MDTA) Members of the proposed Canton Development Corporation, Inc. (Canton) Board of Directors and designation of the Chief Financial Officer or designee as proxy to attend the Annual Meeting of stockholders of Canton on October 30, 2019 to vote to approve the election of the Canton Board of Directors.

Ms. Sharpless explained that the MDTA is the sole stockholder of Canton and the day-to-day operations of Canton are managed by John Magness, the President and CEO, with the oversight of a Board of Directors. Per the By-Laws of Canton, the stockholders are to gather annually and elect the members of the Board of Directors.

As the sole stockholder of Canton, the MDTA must vote on the election of members of the Canton's Board of Directors at Canton's Annual Meeting. The Canton Board, generally, consisted of six Directors, including a MDTA board member who serves in an ex officio capacity. The Directors serve three-year terms and the terms are staggered, resulting in the election of two Directors each year. Additionally, at least one additional Director is needed to fill the vacancy resulting from the resignation of R. Nicholas Palarino who recently moved out of state.

Upon motion by Member William Ensor and seconded by Member Jeffrey S. Rosen, the Members unanimously approved the Canton Railroad Board of Directors and the designation of the Chief Financial Officer or designee as proxy to attend the Annual Meeting of Stockholders.

APPROVAL – RESOLUTION 19-06

Ms. Kimberly Millender, Esq. requested approval from the MDTA Board for amendments to the MDTA Board Operating Policy, Resolution No. 18-01, to clarify certain items requiring Board approval and information items to be presented to the Board.

Ms. Millender explained that draft Resolution 19-06 presents several amendments to the existing Board Operating Policy for consideration. The amendments include requiring Board approval of all competitive procurements resulting in a single bid or sole source with a value over \$200,000 (amended from a value of \$2,000,000); requiring Board approval of all competitive

procurements with a value greater than \$500,000 (new language); and requiring presentation of a report on major projects with a value over \$10 Million dollars monthly (amended from a value of \$30 Million and quarterly). These amendments are recommended to provide the Board greater transparency in the transaction of MDTA business and greater oversight for MDTA projects.

Upon motion by Member Mario Gangemi and seconded by Member William Cox, the Members unanimously approved Resolution 19-06.

APPROVAL – QUARTERLY REVIEW OF INVESTMENT STRATEGY AND PERFORMANCE

Mr. Allen Garman requested approval from the Board to continue with the current investment strategy and performance described in the quarterly update. This item was discussed in detail at the September 10, 2019 Finance Committee meeting and the committee supports the continuation of the current investment strategy.

For the trailing twelve-month period ended June 30, 2019, investment strategy was in line with the agency's Investment Policy and the investment portfolio's total return performance was commensurate with the benchmark index. No changes in performance strategy or benchmark are recommended for the core unrestricted reserve accounts. However, the Investment Committee is currently considering other strategies and benchmarks.

Upon motion by Member William Cox and seconded by Member John von Paris, the Members unanimously approved continuing with the current investment strategy and performance described in the quarterly update.

UPDATE – BUDGET POLICIES AND PROCEDURES

Ms. Christina Thompson provided an overview of the MDTA's policies and procedures regarding the preparation of the annual operating budget. The overview also included a brief explanation of the major cost drivers that impact the operating budget.

UPDATE – BUDGET COMPARISON – ACTUAL VS PROJECTED FISCAL YEAR (FY) 2019 OPERATING BUDGET SPENDING

Ms. Christina Thompson briefed the MDTA Board on the status of year-to-date spending against the Fiscal Year (FY) 2019 Operating Budget. As of June 30, 2019, approximately 95% of the FY 2019 budget was spent compared to the target of 100%. Excluding Comptroller's objects 07 (motor vehicle operations and maintenance) and 08 (contractual services), all Comptroller's objects were more than 5% below budget. Contractual services and motor vehicle operations and maintenance expenses exceeded the budget by 1% and 4%, respectively.

UPDATE – BUDGET COMPARISON – ACTUAL VS PROJECTED FISCAL YEAR (FY) 2019 CAPITAL BUDGET SPENDING

Ms. Melissa Williams updated the MDTA Board on actual Fiscal Year (FY) 2019 spending against the FY 2019 capital budget. In FY 2019, capital spending totaled \$357.9 million, or 92%, of the \$390.2 million budgeted in the Draft FY 2019-2024 Consolidated Transportation Program.

UPDATE – FISCAL YEAR 2019 TRAFFIC AND REVENUE

Ms. Deborah Sharpless provided an update to the MDTA Board on the MDTA's quarterly and year-to-date traffic and revenue performance for the Legacy Facilities, Intercounty Connector, and the I-95 Express Toll Lanes. As of June 30, 2019, combined year-to-date transactions and revenue on the MDTA's toll facilities totaled \$165.7 million and \$683.6 million, respectively. Systemwide transactions and revenue were approximately 0.4% and 1.4% below forecast, respectively.

UPDATE – BI-ANNUAL REVIEW OF REVENUE SUFFICIENCY

Ms. Deborah Sharpless provided the MDTA Board with an update on the bi-annual review of revenue sufficiency for the Fiscal Year (FY) 2020-2025 financial forecast period. Ms. Sharpless advised the Members that the MDTA Board Operating Policy requires a bi-annual review of revenue sufficiency to determine if current rate and fee levels are appropriate based on levels of expected spending. The FY 2020-2025 financial forecast shows that current and future toll rates, fees, and discounts provide sufficient revenue over the next six years to meet forecasted spending and exceed all legal and policy requirements.

UPDATE – LEGISLATIVE REPORTS

Ms. Deborah Sharpless provided the Maryland Transportation Authority Board (MDTA) with a summary of the MDTA's response to the legislative budget committees' request for a report on multi-jurisdictional toll enforcement agreements.

The 2019 Joint Chairmen's Report (JCR) directed the MDTA to submit a report outlining the agency's out-of-state toll collection efforts. The JCR also required the MDTA to identify examples of multi-jurisdictional reciprocal toll enforcement agreements and the impact of the agreements on the collection of toll revenues, administrative fees, and penalties owed by nonresident drivers to the member jurisdictions. The report highlights the MDTA's toll enforcement agreement efforts, examples of multi-jurisdictional reciprocal toll enforcement agreements, video enforcement practices in Maryland and other jurisdictions, and the efforts that are currently underway to evaluate the feasibility of using a debt collection agency to assist with collecting unpaid tolls and penalties from nonresidents.

UPDATE – AUDIT COMMITTEE

Member John F. von Paris presented an update on the Audit Committee meeting that took place on September 19, 2019. The Office of Audits is on track to complete the fourteen audits in the Fiscal Year 2020 Audit Plan. Currently, one is complete and two are in process. The Committee was presented with the findings from four internal audit reports: Validation of Waivers for Video-Tolls and Civil Penalties; Vendor Transition; Maximo Recordkeeping Controls for maintenance Operations Audit; and Promotional Activities. The Committee was satisfied with the results of the audits.

UPDATE – EXECUTIVE DIRECTOR

Mr. John O’Neill gave a brief update on the following topics: Toll Modernization Hearings; 2019 MDOT CTP Meetings; MDTA Police Promotional Ceremony; Bay Crossing Study Open Houses; COMAR Changes for 11.07.05 Public Notice of Toll Schedule Revisions; Getting Your Foot in the Door Program; MDTA Customer Appreciation Day at the ICC; Westbound Bay Bridge Rehabilitation Project; Susquehanna River Running Festival; Fort McHenry Tunnel Run; Cashless Tolling at Hatem and Key Bridges; and the I-95 Safety Fair.

Mr. O’Neill thanked Christina Thompson for her service to the MDTA and congratulated her on her new exciting opportunity at MDOT TSO Finance. He also did an employee recognition for Mr. Paul Truntich, Director of the Office of Environment, Safety and Risk Management and the Office of Asset Control and Damage Recovery, for all that he has done for the MDTA.

There being no further business, the meeting of the MDTA Board was adjourned by consensus at 10:48 a.m.

CHAIRMAN CONCURRENCE

On September 26, 2019 at 4:30 pm a conference call was convened that included MDTA Board Chair Pete K. Rahn, Mr. Sean Powell, Mr. John O’Neill, Ms. Kimberly Millender, and Ms. Natalie Henson. On this call Chairman Rahn concurred with the four approval items that were voted on at this Board Meeting.

The next MDTA Board Meeting will be held on October 31, 2019 at 9:00 a.m. at the Maryland Transportation Authority, 2310 Broening Highway, Baltimore MD 21224.

APPROVED AND CONCURRED IN:



R, Earl Lewis, Jr., Acting Chair