

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING
THURSDAY, SEPTEMBER 24, 2020
OPEN MEETING VIA CONFERENCE CALL

OPEN SESSION

Sean Powell, Acting 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:

Col. Kevin Anderson	Kimberly Millender, Esq.
Jeffrey Brown	Sushmita Mitra
Donna DiCerbo	Kenneth Montgomery
Jacqueline Djomo	Ebony Moore
Allen Garman	Mary O'Keefe
David Goldsborough	John O'Neill
Normetha Goodrum	Will Pines
Chantelle Green	James F. Ports, Jr.
Lynnea Green	Mike Rice
Valencia Hainesworth	Bradley Ryon
James Harkness	John Sales
Amber Harvey	Deb Sharpless
Natalie Henson	Elizabeth Sogard
April King	Ganine Steffe
Jeanne Marriott	Chris Thompson
Kelly Mellhen	Christina Thompson

OTHER ATTENDEES:

Al Carr, Delegate, State of Maryland
Ronald Davis, Consultant, CDM Smith
James Kruszynski, President, FOP Lodge 34

At 9:00 a.m. Acting Chairman Sean Powell called the meeting of the Maryland Transportation Authority (MDTA) Board to order. With this open meeting being conducted via conference call, a roll call of participants was taken by Ms. Natalie Henson to ensure the minutes accurately reflected those persons on the call and to ensure a quorum of the Board was present.

APPROVAL – OPEN SESSION MEETING MINUTES OF AUGUST 27, 2020

Upon motion by Member William H. Cox, Jr. and seconded by Member Mario J. Gangemi, the open session meeting minutes of the MDTA Board meeting held on August 27, 2020 were unanimously approved.

APPROVAL – TOLL MODERNIZATION

Ms. Deborah Sharpless requested Maryland Transportation Authority (MDTA) Board approval to move the effective date of certain Toll Modernization elements that include Pay-By-Plate payment option, Video Toll Early Payment Discount, and Vehicle Classification changes. Ms. Sharpless explained that on November 21, 2019 the MDTA Board voted to accept the final recommendations of the Toll Modernization Plan which included these three elements.

She asked that the MDTA Board vote to approve the new effective dates for the Pay-by-Plate payment option and the Video Toll Early Payment Discount, which new dates will align with the updated 3G transition timeline, and the vehicle classification changes would go into effect on the first day of the month following 90 days from the 3G transition date.

Upon motion by Member Jeffrey S. Rosen, and seconded by Member W. Lee Gaines, Jr., the Members unanimously approved to move the effective date of the Toll Modernization elements that include Pay-By-Plate payment option, Video Toll Early Payment Discount, and Vehicle Classification changes.

UPDATE – OPERATING BUDGET COMPARISON

Mr. Jeffrey Brown updated the MDTA Board on the Actual versus Projected Fiscal Year 2020 Operating Budget.

Mr. Brown explained that as of June 30, 2020, 88 percent of the budget was spent compared to a target of 100 percent. Except for Communications (object 03) and Fixed Charges (object 13), all other objects were significantly below budget. He stated that as a result of COVID-19, traffic decreased, on-site work was minimized, and teleworking increased. This reduced costs for utilities, maintenance, vehicles, and deferred costs associated with personnel (reduced hiring), training, and purchases. This, plus a mild winter, resulted in favorable budget performance across most of the MDTA.

APPROVAL – CAPITAL BUDGET INCREASE AMENDMENT

Mr. Will Pines requested retroactive approval from the MDTA Board to increase the Fiscal Year (FY) 2020 Capital Budget.

Mr. Pines explained to the MDTA Board that 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 Fiscal Year (FY) 2020-2025 Consolidated Transportation Program (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 1) Replacing Nice/Middleton Bridge (\$39.9 million) and 2) I-895 Bridge Replacement (\$6.2 million). All of these overages, 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. He explained that the increases in cash flows in FY 2020 will be offset by reductions in the Final CTP FY 2021-2026 scheduled to be presented to the Board for approval in November 2020.

Exceeding the amended FY 2020 budget in the FY 2020-2025 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 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 Mario J. Gangemi, and seconded by Member Cynthia D. Penny-Ardinger, the retroactive Capital Budget Increase Amendment was unanimously approved.

UPDATE – CAPITAL BUDGET COMPARISON

Ms. Jeanne Marriott updated the MDTA Board on the status of the actual Fiscal Year (FY) 2020 spending against the FY 2020 capital budget in the FY 2020-2025 Draft Consolidated Transportation Program (CTP).

She explained that the FY 2020 capital spending was \$464.8 million which is 18 percent over the \$396.9 million budget in the FY 2020-2025 Draft CTP. The actual FY 2020 spending is 4 percent over the FY 2020 budget in the amended FY 2020-2025 Final CTP (\$450.4 million). The increases in cash flows in FY 2020 will be offset by reductions in FY 2021-2026 Final CTP scheduled to be presented to the MDTA Board for approval in November 2020.

UPDATE – BWI CREDIT RATINGS

Mr. Allen Garman updated the MDTA Board on two recent credit ratings downgrades of the Passenger Facility Charge (PFC) and Parking nonrecourse financings for the Maryland Aviation Administration at the Baltimore Washington International Thurgood Marshall Airport (BWI).

Mr. Garman explained that on August 7, 2020 the credit ratings agency Standard and Poor's (S&P) placed 98 airport credits (representing 63 obligors) on Credit Watch Negative, including the BWI PFC and Parking bonds.

Following the credit review process, S&P downgraded both the BWI Airport Parking and PFC bonds on September 2, 2020 by one notch to single-A-minus and single-A, respectively. S&P's outlooks for the credits are Negative. He further explained that the downgrades were attributed to S&P's expectation that activity levels at the airport will be materially depressed, unpredictable, or demonstrate anemic growth due to the COVID-19 pandemic and associated effects outside of management's control.

He stated that the nonrecourse financings at BWI are secured by separate trust agreements with unique pledged revenues from Parking fees and Passenger Facility Charges, respectively. The bonds are not backed by the MDTA's toll revenues and do not include any security interests in the revenues of MDOT or the State of Maryland. In addition to the separate pledged revenues of Parking and PFC fees, both credits are supported by debt service reserves that currently approximate maximum annual debt service. The PFC trust also includes a pledged Improvement account with a balance that currently exceeds annual debt service.

UPDATE – DIVISION OF INFORMATION TECHNOLOGY MAJOR PROJECTS UPDATE

Mr. David Goldsborough provided a quarterly update to the MDTA Board on MDTA's Division of Information Technology (DoIT).

Mr. Goldsborough explained that as of September 24, 2020, DoIT has an active portfolio of 19 projects and that during the last quarter four projects were closed out.

He further informed the MDTA Board that DoIT also completed the renewal of both CATS contracts that support the use of our contractual resources. He explained that this was a critical milestone because DoIT relies heavily on contract staff to rollout and support IT projects.

He also explained to the MDTA Board that in compliance with the State's requirement to have all employees who are able to telework, to work from home to facilitate social distancing, that all DoIT staff, except for service desk staff and field technicians, are on telework status. And as guidance develops, DoIT will comply with staffing levels in the office when appropriate. Until such time all project work will continue to support MDTA objectives.

Mr. Goldsborough explained that MDTA DoIT is also working closely with The Secretary's Office to support the infrastructure that runs remote connections for employees on telework status.

UPDATE – CIVIL RIGHTS AND FAIR PRACTICE’S SOCIOECONOMIC PROGRAMS STATUS

Ms. Valencia Hainesworth provided a quarterly update to the MDTA Board on the MDTA’s progress toward achieving the legislative mandated program goals.

Ms. Hainesworth gave the following breakdown of goals achieved by the program:

Socioeconomic Program	Program Goal	Goal Achieved
Minority Business Enterprise (MBE)	29%	(Achieved as of 4 th Quarter FY 2020) 20.01%
Veteran-Owned Small Business Enterprise (VSBE)	1%	(Achieved as of 3 rd Quarter FY 2020) 12.94%
Small Business Reserve (SBR)	15%	3.90%
Disadvantaged Business Enterprise (DBE) (Nice/Middleton Bridge Project Started as of March 17, 2020)		
Overall Goal	15.47%	0.64%
Design Goal	16.00%	4.04%

UPDATE – MAJOR PROJECTS UPDATE

Mr. Will Pines updated the MDTA Board on the status of Major Projects in the Capital Program. Mr. Pines explained that as of September 17, 2020, there are thirty-one (31) major projects in the Capital Program: seventeen (17) of the projects are under construction, ten (10) are in procurement, and four (4) are under design. He further explained that this summary only includes projects with funding for construction in the Consolidated Transportation Program and includes five (5) projects valued in excess of \$100 million. In addition, there are five (5) projects from the \$1.1 billion I-95 ETL Northbound Expansion program.

UPDATE – AUDIT COMMITTEE

Member William H. Cox, Jr. presented an update on the Audit Committee meeting that took place on September 10, 2020. The Office of Audits had thirteen (13) audits originally included in the Fiscal Year (FY) 2021 Audit Plan. However, due to staffing and pandemic issues, two (2) audits have been cancelled, two (2) audits have been combined, and one (1) audit has been added. Member Cox also stated that the Committee members expressed concern about the effect of critical audit staff vacancies that have not been filled due to the statewide hiring freeze. And finally, Member Cox, informed the MDTA Board that one (1) internal audit (Promotional Activities Audit) was presented and that the Committee was satisfied with the results of the audit.

UPDATE – EXECUTIVE DIRECTOR

Mr. James F. Ports, Jr. gave updates on: the successful September 19, 2020 all virtual Getting your Foot in the Door Outreach Event; Resuming the mailing of Notices of Toll Due (NOTD); State Employees' Appreciation Day on September 30, 2020; and reminded everyone that beginning in October our Capital, Finance, and Board meetings will be livestreamed and to reach out to Natalie Henson if you have any questions.

There being no further business, the meeting of the MDTA Board was adjourned by consensus at 10:44 a.m.

The next MDTA Board Meeting will be held on October 29, 2020 at 9:00 a.m. via Video Conference and Livestreaming.

APPROVED AND CONCURRED IN:

A handwritten signature in black ink, appearing to read "Sean Powell", written over a horizontal line.

Sean Powell, Acting Chairman

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING
WEDNESDAY, OCTOBER 7, 2020
OPEN MEETING VIA CONFERENCE CALL AND LIVESTREAMING

OPEN SESSION

Greg Slater, Chairman

MEMBERS ATTENDING: William H. Cox, Jr.
W. Lee Gaines, Jr.
Mario J. Gangemi
Cynthia D. Penny-Ardinger, Esq.
Jeffrey S. Rosen
John F. von Paris

STAFF ATTENDING: Kimberly Millender, Esq.
James F. Ports, Jr.

At 1:00 p.m., Chairman Greg Slater called the meeting of the Maryland Transportation Authority (MDTA) Board to order.

VOTE TO GO INTO CLOSED SESSION

At 1:02 p.m., upon motion by Member William H. Cox, Jr. and seconded by Member W. Lee Gaines, Jr., the Members voted unanimously to move into Closed Session under General Provisions Article, § 3-305(b)(7) to receive legal advice regarding the fiduciary obligations of the MDTA Board under Maryland law, the MDTA Trust Agreement, and MDTA Board policies related to revenue, budget, and debt.

VOTE TO ADJOURN CLOSED SESSION

At 2:56 p.m., a motion was made by Member William H. Cox, Jr. and seconded by Member W Lee Gaines, Jr., which was unanimously approved, to adjourn the Closed Session and return to Open Session. There were no actions taken during the Closed Session.

There being no further business, the meeting of the MDTA Board was adjourned by consensus at 2:58 p.m.

The next MDTA Board Meeting will be held on October 29, 2020 at 9:00 a.m. via livestreaming.

APPROVED AND CONCURRED IN:



Sean Powell, Acting Chair