

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING

THURSDAY, MAY 19, 2022
9:00 A.M.

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

OPEN SESSION

Sean Powell, Acting Chairman

MEMBERS ATTENDING:

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

STAFF ATTENDING:

Jeffrey Brown
Jeffrey Davis
Allen Garman
Chantelle Green
Natalie Henson
Jeanne Marriott
Selena McKissick
Kelly Melhem
Kimberly Millender, Esq.
Mary O’Keeffe
Will Pines
Joe Quattrone
Joseph Sagal
Deb Sharpless

At 9:00 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 2310 Broening Highway, Baltimore MD and was livestreamed on the MDTA Board Meeting web page.

APPROVAL – OPEN SESSION MEETING MINUTES OF APRIL 28, 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 April 28, 2022 were unanimously approved.

APPROVAL – CLOSED SESSION MEETING MINUTES OF APRIL 28, 2022

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 April 28, 2022 were unanimously approved.

APPROVAL – CONTRACT AWARDS

• **J01B2600015 – OpenText Content Server Maintenance and Support**

Mr. Jeffrey Davis requested approval from the MDTA Board to execute Small Business Reserve (SBR) Contract No. J01B2600015 – OpenText Content Server Maintenance and Support with En-Net Services, LLC in the bid amount of \$651,674.49.

Mr. Davis explained that this SBR contract is for the provision of OpenText Content Server Maintenance and Support for the MDTA Office of Information Technology. OpenText Content Server is used to maintain, store, and allow quick access to various documents as well as allows fluent workflow management. The MDTA leverages the OpenText Content Server for management of document to include Procurement Card Log processing and approval, Financial File Cabinet for storage of important finance documents, Human Resource Scanning for digital storage and allows sorting of important documents, as well as allowing for upcoming storage of Police and Civil Rights and Fair Practices files. The continued software maintenance and support will allow the MDTA to maintain our current licenses, continued use of the OpenText software, as well as access to technical support as needed.

Upon motion by Member William H. Cox, Jr. and seconded by Member Jeffrey S. Rosen, the Members unanimously gave approval to execute SBR Contract No. J01B2600015 – OpenText Content Server Maintenance and Support.

• **KH-3035-0000R – Off-Site Reforestation, Raphel Road**

Mr. Jeffrey Davis requested approval from the MDTA Board to execute Contract No. J01B3400068 – Rubrik Software Maintenance with CAS Severn, Inc. in the bid amount of \$1,805,580.00.

Mr. Davis explained that this backup software is critical to MDTA. In addition to performing reliable backups of all MDTA enterprise servers/systems, Rubrik also takes backups of the multiple file shares hosted on MDTA's NetApp storage system. By taking multiple backups of MDTA file shares throughout the day, MDTA is better protected in the event that the organization encounters a ransomware attack. Without the renewal of Rubrik, all data protection services it affords MDTA will cease to continue.

Upon motion by Member Jeffrey S. Rosen and seconded by Member William C. Ensor, III, the Members unanimously gave approval to execute Contract No. J01B3400068 – Rubrik Software Maintenance.

- **MT-3145-0000 and MT-3155-0000 – HVAC Maintenance and Repairs for MDTA Facilities Contract**

Mr. Jeffrey Davis requested approval from the MDTA Board to execute Contract Nos. MT-3145-0000 and MT-3155-0000 – HVAC Maintenance and Repairs for MDTA Facilities Contract in the bid amounts for each contract as stated below.

<u>Contract No.</u>	<u>Proposer</u>	<u>Contract Amount</u>
MT-3145-0000	Denver-Elek, Inc.	\$3,097,216.00
MT-3155-0000	Electrical Automation Services, Inc.	\$2,440,010.00

Mr. Davis explained that these contracts are for the provision of HVAC Repair and Maintenance. The requested repair and maintenance services include: all boilers, dampers, air handling units, chillers, cooling towers, air conditioning and control compressors, electrical, electronic, and pneumatic controls, coils, pumps, valves, gauges, nozzles, motors, exhaust fans, and any other item directly related to the heating and air conditioning systems at the various MDTA facilities.

Upon motion by Member Mario J. Gangemi and seconded by Member W. Lee Gaines, Jr., the Members unanimously gave approval to execute Contract Nos. MT-3145-0000 and MT-3155-0000 – HVAC Maintenance and Repairs for MDTA Facilities Contract.

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 230 total contracts totaling \$3,161,682,196.28.

UPDATE – SERIES 2022 TFP REVENUE REFUNDNG BONDS

In accordance with Resolution 22-02, Ms. Deb Sharpless reported the results of the Series 2012 TFP bonds economic refinancing that occurred on May 5, 2022.

Ms. Sharpless explained that Board Resolution 22-02 delegated authority to the Executive Director and staff to close the Series 2022 financing to economically refinance the \$39 million of Series 2012 bonds. Through municipal market analysis and solicitation of bank bids, the MDTA determined that a bank loan represented the lowest cost and the fastest potential closing option in the rising rate environment.

Ms. Sharpless further explained that bids were received from eleven banks and compared with prevailing municipal market financing rates. The winning bid from Raymond James represented a lower financing rate than available in the municipal market at the time and the fixed bank rate improved on a relative basis as municipal market rates continued to rise before closing. The refinancing generated total savings of \$2.2 million. A defeasance escrow was established for the Series 2012 bonds and funded with a U.S. Treasury security maturing prior to the July 1, 2022 full call.

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 ending March 31, 2022, investments conformed to Investment Policy limitations. The portfolio structuring by account adhered to MDTA Board approved strategy and should remain consistent, despite short-term return volatility associated with the rising interest rate environment. The multi-year returns align with financial forecast and approximate the starting rolling yield.

Upon motion by Member Jeffrey S. Rosen and seconded by Member John F. von Paris, continuation of the current investment strategy was unanimously approved.

UPDATE – 3RD QUARTER OPERATING BUDGET COMPARISON

Mr. Jeffrey Brown updated the MDTA Board on actual versus projected year-to-date spending for the 3rd quarter of Fiscal Year (FY) 2022 Operating Budget. As of March 31, 2021, 52% of the budget was spent compared to a target of 73%. Except for Object 13, all other Objects are below the targeted spending level. 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 the budget as the year progresses.

UPDATE – 3RD QUARTER CAPITAL BUDGET COMPARISON

Ms. Jeanne Marriott updated the MDTA Board on the 3rd Quarter Fiscal Year (FY) 2022 Capital Budget Comparisons. As of March 31, 2022, 51.0% of the FY 2022 budget was spent as compared to the targeted spending level of 75%. The total budget for FY 2022 is \$602.9 million. The actual spending through the third quarter was \$307.4 million.

UPDATE – TRAFFIC AND REVENUE

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

Ms. Sharpless explained that forward projections anticipate that the MDTA will be ending the fiscal year underperforming the T&R forecast. This revenue underperformance will not impact the MDTA's ability to significantly exceed its 2.0x debt service coverage policy. She explained that passenger car traffic levels are nearly back to pre-pandemic levels and commercial vehicle traffic continues to exceed pre-pandemic levels and that the key contributors to underperformance are not expected to impact MDTA's future T&R forecasts, except known revenue reductions from the Customer Assistance Plan.

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. For the period of July 1, 2021 through March 31, 2022, MDTA's toll revenue received totaled \$601.7 million, \$8.1 million below its official forecast. When adjusting for timing differences in the receipt of toll revenue through March, MDTA is \$1.4 million above its forecast.

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 ongoing and new capital projects for a six-year period for MDTA facilities. 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) 2023-2028 Draft CTP, to be presented for approval in June, will include three new projects: Northbound Over Height Vehicle Detection System (OHVDS) Improvements for the Baltimore Harbor Tunnel; Fort McHenry Tunnel Box Girder Preservation; and Generator Replacement at Various Facilities.

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 the 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

Mr. Will Pines gave the Executive Director Update. Mr. Pines spoke on the following topics: Highlights of some of MDTA's environmental achievements; he recognized MDTA's 2021 Facility Recycling Winners – JFK-1 and ICC; successes with the MDTA CDL Program; all-electronic tolling safety benefits the MDTA has seen at some of its facilities; State Employees Appreciation Day that was on May 4; the MDTA Police Fallen Heroes Ceremony that was on May 6; the agency-wide MDTA Virtual Town Hall that was held on May 17; the upcoming Rodeo, Training, and Appreciation Day that is scheduled for July 14; he thanked COO Joey Sagal and Col. Anderson for all they do for their respective divisions and for taking time to take him around to their various respective facilities/detachments; and the Executive Directors Monthly E-Mail Blast.

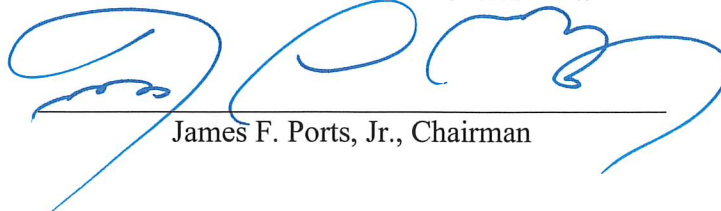
VOTE TO ADJOURN MEETING

Prior to adjourning the meeting, Acting Chairman Sean Powell took a few moments to thank the MDTA Police and Operations for their assistance in working with local agencies during the past, and upcoming, truck convoys on I-495. He also thanked the MDTA Police for their assistance with events in Ocean City. Lastly, he acknowledged National Police Week and thanked all officers for all they do to keep us safe.

There being no further business, upon motion by Member W. Lee Gaines, Jr. and seconded by Member John von Paris, the Members unanimously voted to adjourn the meeting at 11:00 a.m.

The next MDTA Board Meeting will be held on Thursday, June 23, 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