

FINANCE COMMITTEE MONTHLY MEETING  
TUESDAY, FEBRUARY 16, 2016  
POINT BREEZE HEADQUARTERS BUILDING  
BALTIMORE, MARYLAND

OPEN SESSION

MEMBERS ATTENDING: Jack Basso  
Rev. Dr. William Calhoun, Sr.  
Michael Leahy, Esq. (via phone)  
Randall Nixon, Esq. (via phone)

STAFF ATTENDING: Donna DiCerbo  
Joyce Diepold  
Allen Garman  
Chantelle Green  
Jaclyn Hartman  
Carroll Hicks  
Meshelle Howard  
Jeannie Marriott  
Kim Millender, Esq.  
Kitty Sarvinas  
Deb Sharpless  
Dennis Simpson  
Cheryl Sparks

Others Attending Chuck Gomer – Davenport (via phone)  
Greg Warner – First Southwest (via phone)

At 9:05 a.m., Member Jack Basso, Chair of the Finance Committee, called the Finance Committee Meeting to order.

**Approval – Open and Closed Meeting Minutes from January 20, 2016 Meeting**

Member Basso called for the approval of the open and closed meeting minutes from the meeting held on January 20, 2016. Member Randall Nixon made the motion, Member Michael Leahy seconded the motion; and the motion was passed unanimously.

**Approval – Contract J01B6400012 Livescan Fingerprinting Equipment**

Ms. Donna DiCerbo requested a recommended approval from the Finance Committee to present Contract J01B6400012, Livescan Fingerprinting Equipment, to the full MDTA Board at its next scheduled meeting.

This is a fixed-price contract to provide Cross Match Livescan Fingerprinting Equipment, software licenses and extended warranties to the MDTA Police on an as-needed basis. The products purchased on this contract must be Cross Match as this is the equipment currently in use at eight MDTA locations. Additional equipment, software licenses and extended warranties must be compatible with the existing equipment.

The solicitation was advertised as a Competitive Sealed Bid, pursuant to the Code of Maryland Regulations (COMAR) 21.06.03.02 B (1)5.01.02, with no Minority Business Enterprise (MBE) participation goal, no Veteran Small Business Enterprise (VSBE) goal, and no Small Business Reserve (SBR) designation.

Two bids were received and the lowest responsive and responsible bidder, MOSA Technology Solutions, LLC (MOSA), is recommended for award. This Contract is for a term of three years with a total not-to-exceed contract value of \$200,000.00. As the total value of this Contract exceeds the delegated authority of Resolution 15-01 dated January 21, 2015, MDTA will seek the approval of the Maryland Department of Information Technology.

Member Basso asked why we are purchasing the equipment for the Maryland State Police (MSP) at the JFK Facility. Ms. Deb Sharpless noted it is more cost-effective for MDTA to purchase these services directly rather than reimburse MSP for this expense.

Member Basso called for a motion to recommend the approval of this item to the full MDTA Board at its next scheduled meeting. Member Leahy made the motion, and Member Nixon seconded the motion, which was unanimously approved.

**Approval – Contract MT 3040-0000 – Janitorial Services – Ft McHenry Tunnel Building 3990 and 4000 and Baltimore Harbor Tunnel Administration Building**

Mr. Carroll Hicks requested a recommended approval from the Finance Committee to present Contract No. MT 3040-0000, Janitorial Services – Ft McHenry Tunnel Building 3990 and 4000 and Baltimore Harbor Tunnel Administration Building to the full MDTA Board at its next scheduled meeting.

This is a fixed-price contract to provide all labor, materials, equipment, supervision and incidental materials necessary to ensure the satisfactory performance of janitorial services for the Fort McHenry Tunnel Building 3990 and 4000 and Baltimore Harbor Tunnel Administration

Building. MDTA solicited pricing from the Maryland Works Program for these services. Pricing for this contract was approved by the Pricing and Selection Committee as fair market value on February 1, 2016. The Lyles Cleaning Services, LLC, trading as MultiCorp, is the incumbent for the current services and the MDTA is satisfied with the janitorial service Lyles Cleaning Services has provided.

The contract has a base term of three years valued at \$308,725.44 with one two-year renewal option valued at \$205,816.96. The total contract term is five years with a total value of \$514,542.40. This contract requires the approval of the Board of Public Works.

Member Basso asked if the majority of janitorial services contracts are fulfilled by the Maryland Works program. Ms. DiCerbo confirmed they were and noted that Maryland Works is the preferred provider.

Member Basso called for a motion to recommend approval of this item to the full MDTA Board at the next scheduled meeting. Member Nixon made the motion, and Member Leahy seconded the motion, which was unanimously approved.

#### **Update – Consolidated Transportation Program (CTP) Process**

Ms. Jeanne Marriott provided an explanation of the process used to build the Maryland Transportation Authority's Consolidated Transportation Program (CTP). The following topics were discussed: CTP reporting requirements, selecting capital projects, setting priorities, and funding.

Members Nixon and Basso thanked Ms. Marriott for the briefing and asked to have the briefing materials provided in writing so that they could review them further. Member Basso also requested that the agenda item come before the Finance Committee again in the future after they have had time to review the written materials.

#### **Update – Cash Flow and Capital Spending**

Mr. Allen Garman reviewed the implications of cash flow projections on future financing needs and reported on capital spending versus projections. Capital spending for the fiscal year-to-date through January totaled \$148.8 million, or 91%, of the spending projections. Net of spending, investment income, and excess operating income, MDTA's aggregate cash balances available for capital spending rose by \$6 million in January. For the remainder of fiscal 2016, average monthly capital spending is projected at \$23.3 million. No new money financings are likely needed through fiscal 2021, though refinancing opportunities may be increasingly economic as a series of call dates approach starting in fiscal 2018.

### **Update – Investment Report**

The Investment Committee provided the quarterly investment report for the trailing 12-month period, which ended December 31, 2015, detailing market conditions, portfolio strategies, total return performance, and trade allocations.

Mr. Garman discussed market drivers that may influence portfolio performance in coming months, including the economy, fiscal policy, and Federal Reserve monetary policy. He reviewed strategy revisions for various categories of accounts as discussed previously in December, as well as the transition timing to the new target durations. Mr. Garman and Mr. Chuck Gomer (Davenport) explained the portfolios' defensive positioning as a percentage of the benchmark indices and the impact on relative performance.

Member Leahy questioned recent talk about a second housing bubble and what risk this may have on the portfolio. Mr. Garman noted that MDTA has been actively monitoring and discussing the market and the status of Fannie Mae and Freddie Mac. Mr. Gomer noted that the ultimate solution for Fannie Mae and Freddie Mac is unknown at this time. Mr. Greg Warner added that the United States government has provided an effective guarantee for these securities. MDTA's investment strategy of keeping short in these securities further helps to minimize risk.

*\*\*At 9:50 a.m., Member Rev. Dr. William Calhoun, Sr. arrived for the meeting.*

### **Update – Traffic and Revenue**

Ms. Jaclyn Hartman noted that system-wide toll revenues for the month ending January 31, 2016, were \$43.9 million, which is down \$2.8 million, or 2.8%, from the previous year. Fiscal year-to-date system-wide toll revenues were \$378.3 million, which is down \$0.6 million, or 0.2%, from the previous year. When comparing fiscal year-to-date system-wide toll revenues to the Base Case revenue forecast, system-wide toll revenues exceeded the forecast by \$11.6 million, or 3.2%.

System-wide transactions for the month ending January 31, 2016, were 11.0 million, which is up 0.3 million, or 3.1%, from the previous year. Fiscal year-to-date system-wide transactions were 92.9 million, which is up 10.3 million, or 12.5%, from the previous year. When comparing fiscal year-to-date system-wide transactions to the Base Case transaction forecast, system-wide transactions exceeded the forecast by 6.2 million, or 7.2%.

There being no further business, the meeting of the Finance Committee adjourned at 9:53 a.m., following a motion by Member Rev. Dr. Calhoun and seconded by Member Nixon.