

MARYLAND TRANSPORTATION AUTHORITY
AUTHORITY MEETING
THURSDAY, JANUARY 23, 2014
2310 BROENING HWY, BALTIMORE, MD 21224

OPEN SESSION

Wilson Parran, Acting Chairman

MEMBERS ATTENDING:

Peter J. Basso
Mary Beyer Halsey
William K. Hellmann
Arthur Hock (via telephone)
A. Bradley Mims
Michael Whitson

STAFF ATTENDING:

Eric Backes
Percy Dangerfield
Donna DiCerbo
Trudy Edwards
Patrick Fleming
Lt. Col. Eric Garrison
Bruce Gartner
David Greene
Jaclyn Hartman
Meshelle Howard
Doug Hutcheson
Col. Mike Kundrat
Kimberly Millender, Esquire
Marjorie Nesbitt
Deborah Sharpless
Dennis Simpson
Cheryl Sparks
Eric Willison

At 9:06 a.m. Acting Chair Wilson Parran called the meeting of the Maryland Transportation Authority (“MDTA”) Board to order.

APPROVAL – OPEN SESSION MINUTES OF DECEMBER 19, 2013

Upon motion by Member Peter J. Basso and seconded by Member Mary Halsey, the Open Session meeting minutes of the MDTA Board Meeting held on December 19, 2013 were unanimously approved.

APPROVAL CONTRACT - AWARD:

- **Contract No. PB 2537-000-006 Roof Replacement and Exterior Masonry Repairs at MDTA Headquarters Building, 2310 Broening Highway**

Ms. Donna DiCerbo requested approval for Contract No. PB 2537-000-006, Roof Replacement and Exterior Masonry Repairs at MDTA Headquarters Building. This proposed procurement was reviewed by the Capital Committee and recommended to the MDTA Board for approval. Approval of this contract is contingent upon the approval of the Board of Public Works (BPW). The work to be performed under this contract is located at the MDTA Headquarters Building in Baltimore City. The scope of work includes but is not limited to the following: Remove and relocate existing roof installations including satellite dish and cable that impede new roof installation; Reinstall per roof manufacturer’s standards and specifications to prevent voiding new roof manufacturer’s warranty; Removal and disposal of all asbestos-containing materials (ACMs) from the roof anticipated to be disturbed by roofing activities and necessary to comply with referenced regulations prior to other work defined in other section(s) of the Contract Documents; Contact MDTA Office of Environment, Safety and Risk Management for proper documentation procedures; Completely remove all existing roof covers (approximately 31,122 SF) including all membrane flashings, insulation, etc., down to the existing substrates from the entire roof area; Protect interior ceiling in all work areas where deck penetrations are to be removed or when roof work may impact the office space below; Remove old equipment curbs and repair the roof deck as shown on the Contract plans; Properly clean, dry and repair any damaged area of the existing roof decks; Install complete SBS Membrane Built-up Roof including all membrane flashings, installation, cap sheet, metal coping over existing stone coping, etc. as specified and required by the roofing material installation standards; Remove and reset roof drain collar clamps for proper flashing of the drains in-place and use debris containment to protect the interior ceiling; Install downspout nozzle, no-hub outlet with wall flange and drain pipe scupper for roof parapet overflow protection; Perform incidental mechanical and electrical work that is required to maintain the functions of roof mounted equipment; Remove/Replace brick masonry, install new flashing and re-point masonry as shown on the Contract plans; Seal/Caulk window frames on North, East and West elevations; and Clean and apply fluid-applied membrane air barrier and joint sealant on the four elevations.

Six bids were received ranging from 40.77 percent above to 23.80 percent below the Engineer’s Estimate of \$1,587,805.00. Air Tech Solutions, Inc. is the lowest responsive and responsible bidder and is therefore recommended for award. As its bid was twenty three point eighty percent

(23.80%) below the Engineer's Estimate, a bid justification was conducted and determined to be fair and reasonable. This solicitation was advertised as a Small Business Reserve contract with a Minority Business Enterprise (MBE) goal of twenty one percent (21%) with subgoals of seven percent (7%) for African-American owned companies and four percent (4%) for Asian-American owned companies. Air Tech Solutions, Inc. has submitted an MBE plan that meets this goal.

Upon motion by Member Michael Whitson and seconded by Member A. Bradley Mims, the Members unanimously approved and awarded Contract No. PB 2537-000-006 Roof Replacement and Exterior Masonry Repair at MDTA Headquarters Building, 2310 Broening Hwy to Air Tech Solutions, Inc in the amount of \$1,209,844.00.

APPROVAL CONTRACT - MODIFICATION:

• **CONTRACT NO. 60834436R I-95 TRAVEL PLAZAS P3 LEASE AND CONCESSION AGREEMENT**

Mr. George Fish requested approval from the MDTA Board to proceed with a contract modification to the Maryland House and Chesapeake House Lease and Concession Agreement ("Agreement") and to delegate authority to the Executive Director to finalize and execute approval documents for the modification with an effective date as of the opening date of the Maryland House Sunoco. This item was reviewed by the Capital and Finance Committees and recommended for full MDTA Board approval.

As part of the capital investment for fueling facilities at the Maryland House and Chesapeake House, Sunoco is installing a diesel exhaust fluid ("DEF") offering at the high flow diesel truck lanes in both the north and southbound directions. At the time the Agreement was finalized the sale of DEF at the fuel dispensers wasn't anticipated as a separate item to be sold. Areas and Sunoco, in order to be able to set a competitive price for DEF obtained as the Fuel Service Equipment, are requesting that DEF obtained at the fuel dispensers be treated as a new revenue source and to calculate revenue payments using the same method used for diesel fuel. In addition the tier level used to calculate the payment will be based on a total of gallons of diesel and DEF sold per lease year. Pre-packaged DEF will also be sold inside of the convenience stores at the Maryland House and Chesapeake House. This product is sold in 1 or 2.5 gallon containers. The sale of the pre-packaged DEF will be treated as merchandise sales and will be subject to the tiered rent schedule as established in the Concession Agreement. Projected monthly sales volume of DEF is 5,000 gallons.

Upon motion by Member Whitson and seconded by Member Mims, the Members unanimously approved the modification to Contract No. 60834436R I-95 Travel Plazas P3 Lease and Concession Agreement for the sale of DEF as outlined and to delegate authority to the Executive Director to finalize and execute documents for the modification with an effective date of the opening of the Maryland House Sunoco.

• **CONTRACT NO. MA 490-000-006 INSTALL CCTV SYSTEMS AT FRANCIS SCOTT KEY (FSK), HARRY W. NICE (HWN), THOMAS J. HATEM (TJH) BRIDGES AND THE BALTIMORE HARBOR TUNNEL (BHT)**

Mr. Doug Hutcheson requested approval to increase the Executive Director's delegated authority for MA 490-000-006 Install CCTV Systems at FSK, HWN, TJH and BHT. This item was reviewed at the Capital Committee and was recommended to the MDTA Board for approval.

The original budget reflected a low bid amount of \$3,992,341.85 plus \$399,234.19 or 10% for extra work. The current authorized budget is \$4,391,576.04. The request for approval is to increase the delegated limit for extra work to \$1,186,657.90 or 29.73%. This will increase the contract amount to \$5,178,999.75. The increase to the Executive Director's delegated authority is needed for completed extra work and unforeseen overruns. A design change was issued to provide additional protection to the fiber optic cables by encapsulating them in conduit. This change accounts for a significant portion of the item overruns.

These EWA's and overruns were inadvertently paid prior to increasing the delegated authority limit. Controls have been instituted to prevent this from happening on future contracts.

Portions of the work in this project had significant time delays due to the unavailability of site access as a result of higher priority system preservation projects including the Hatem re-decking and subsequent painting projects. The Contractor agreed to hold the original bid prices during these delays with no additional costs to the MDTA. A non-compensable time extension will be issued as part of the contract closeout process.

Upon Motion by Member Whitson, and seconded by Member Mims, the Members unanimously approved the increase to the Executive Director's delegated authority for Contract MA 490-000-006 Install CCTV Systems at FSK, HWN, TJH and BHT to \$1,186,657.00 or 29.73% revising the authorized budget to \$5,178,999.75.

• **MODIFICATIONS TO THE RENTAL CAR CONCESSIONS CONTRACTS RELATED TO THE CONSOLIDATED RENTAL CAR FACILITY AND THE SERIES 2002 REVENUE BONDS**

Ms. Jaclyn Hartman requested retroactive approval for changes to the rental car concession contracts which the Maryland Aviation Administration (MAA) issued with Board of Public Works (BPW) approval in 2010, and for the 2013 term extension and said contracts. This item was reviewed by the Finance Committee and recommended to the MDTA Board for approval.

MDTA issued \$117.3 million in taxable bonds on June 6, 2002, to provide funding for the construction of the Consolidated Rental Car Facility (CRCF). The original rental car concession contracts were for a ten (10) year term, with one (1) renewal option available for another ten (10) year term. MAA negotiated with the rental car companies to renew the contracts by exercising their renewal option effective December 22, 2013. The contract renewals were approved by BPW on

November 20, 2013. After reviewing the BPW agenda, it came to our attention that modifications to the concession contracts with the rental car companies were not approved by the MDTA Board in 2010 as required by the Lease; therefore, retroactive approval is being sought at this time.

The Lease between MAA and MDTA requires that the MDTA provide written consent of any material changes to the concession contracts. This is a blanket requirement that did not distinguish between contract changes which affect MAA's revenues versus the Pledged Revenues which secure the CRCF Bonds. The Pledged Revenues were not affected by the 2010 changes. A Customer Facility Charge (CFC), presently \$3.75 on each transaction day for the rental of vehicles, secures the CRC Bonds.

MAA submitted a letter outlining the changes to the concession contracts. The concession agreements were amended in 2010 to permit the rental car companies to charge customers a Transportation Facility Charge (TFC) to recover the costs of operating and maintaining 25 clean natural gas buses. The TFC is set annually by the rental car companies, subject to MAA audit and approval. The TFC is charged on a per contract day basis and was originally established at \$1.60 per transaction day. The current TFC is \$1.75 per transaction day. As part of the negotiation, the rental car companies agreed to include the TFC in the definition of gross revenues which generate an estimated \$530,000 per annum in incremental revenue to MAA. In addition, the ten percent Concession Recovery Fee was added to the definition of gross revenues which generates an estimated \$400,000 per annum in incremental revenues to MAA.

Upon Motion by Member Basso, and seconded by Member Halsey, the Members unanimously approved the changes to the rental car concession contracts with the MAA adopted in 2010 and the 2013 term extension of said contracts.

UPDATE – TRAVEL PLAZAS

Mr. Bruce Gartner gave an update on the pre-opening of the Maryland House on January 13, 2014. He stated all went very well, and with a few pending punch list items to be worked out, the opening was well accepted. Mr. Gartner also stated that construction is well under way at the Chesapeake House and is excited for its opening this summer.

UPDATE – LEGISLATIVE UPDATE

Mr. Patrick Fleming and Mr. Eric Backes gave an update of several bills that we are watching. They gave a brief synopsis on House Bill (HB) 2 Motor Vehicles – Driving to the Right on Lane Roadways; HB 77 Vehicle Laws – Single Registration Place – Class L (Historic) Vehicles and Class N (Street Rod) Vehicles; HB 127 – Central Collection Unit – Debt Certification – Withholding of Income Tax Refunds; State Bill (SB) 3 – Vehicle Laws – Operation of Vehicle When Approaching a Tow Truck or Service Vehicle; SB 157 – Vehicle Laws – Maximum Speed Limits on Highways; SB 245 – Income Tax – Subtraction Modification – Toll Charges Paid by Chesapeake Bay Bridge or Hatem Bridge Commuters.

UPDATE – MDTA POLICE CHIEF’S YEAR END REPORT

Chief Michael Kundrat gave the Members an annual review of the MDTA Police and an overview of statistics and progress in crash management, crime reduction, and security of our facilities.

UPDATE – AUDIT COMMITTEE

Member Halsey gave an update on the December 17, 2013 Audit Committee meeting.

- Member Halsey reported that the Office of Audit is on track to complete the Audit Plan for FY 2014.
- Two internal audit reports were presented and the Committee was satisfied with the results.
- Management presented its quarterly update on the status of implementing corrective actions for the findings disclosed in a prior audit of MDTA’s Information Technology General Controls. The Committee was satisfied with management’s progress.
- The Audit Committee received a verbal update by Management on the status of the financial compliance audit being conducted by the Office of Legislative Audits. The audit is nearly finished and the audit report is expected to be received during February 2014.

UPDATE – HUMAN RESOURCES COMMITTEE

Member Mims gave an update on the January 16, 2014 Human Resource Committee meeting and indicated that the following topics were discussed:

- Workforce Utilization Update
- Reorganization of the Divisions of Strategic Development (DSD), Capital Planning (DCP) and the Chief Administrative Officer’s staff.
- FOP Negotiations – Member Mims wanted to personally thank MDTA staff, and MDTA Police Command staff, Jaelyn Hartman, and MDOT’s Judy Slater for their commitment and diligence in negotiations with the FOP, which continued to just before midnight on New Years Eve. The Committee wants to thank all of you for your efforts.

At 10:27 a.m. upon motion by Member Basso and seconded by Member Whitson the Members unanimously voted to move into Closed Session pursuant to Section 10-508(a)(1) and (9) of the State Government Article of the Annotated Code of Maryland to discuss a proposed reorganization that affects several specific individuals including a discussion of individual qualifications and changes to assignments; and (2) to discuss the status of the on-going collective bargaining negotiations between the State of Maryland and the Fraternal Order of Police and to consider the various terms and conditions presently being negotiated. The following persons were present during the Closed Session: Wilson Parran, Acting Chair, Jr., Peter J. Basso, Mary Beyer Halsey, William K. Hellmann, Arthur Hock, A. Bradley Mims, Michael J. Whitson, Bruce Gartner, Deborah Sharpless, Kimberly Millender, Esq., Marjorie Nesbitt, Percy Dangerfield, Jaelyn Hartman, Chief Michael Kundrat, Lt. Colonel Eric Garrison, and Trudy Edwards.

At 10:43 a.m. a motion was made by Member Halsey and seconded by Member Michael Whitson, with the unanimous approval of the Members, to adjourn the Closed Session and return to Open Session.

RATIFICATION TAKEN DURING CLOSED SESSION

Upon motion by Member Halsey and seconded by Member Mims, the Members ratified their unanimous votes in Closed Session to approve the re-organization involving the Division of Strategic Development (DSD) a newly renamed Division, the Division of Planning and Program Development (DPPD), assignment of certain DSD staff to the Chief Administrative Officer and to approve, pending FOP approval, the FOP Negotiation Agreement.

There being no further business, the meeting of the MDTA Board was adjourned by general consensus at 10:45 a.m.

The next MDTA Board Meeting will be held on February 27, 2014 at 9:00 a.m. at the Point Breeze headquarters, 2310 Broening Highway, Baltimore, Maryland 21224.

APPROVED AND CONCURRED IN:

James T. Smith, Jr, Chair



MARYLAND TRANSPORTATION AUTHORITY

STATEMENT FOR CLOSING A MEETING

LOCATION: Maryland Transportation Authority
2310 Broening Highway
Baltimore, Maryland

DATE: January 23, 2014

TIME: 9:00 a.m.

MOTION BY: Member Basso

SECONDED BY: Member Whitson

VOTE TO CLOSE SESSION:

Table with 5 columns: Name, AYE, NAY, ABSTAIN, ABSENT. Rows include Rev. Dr. William C. Calhoun, Sr., Michael J. Whitson, Peter J. Basso, Mary Beyer Halsey, A. Bradley Mims, Arthur Hock, William K. Hellmann, P.E., and Chairman - W. Parran.

STATUTORY AUTHORITY TO CLOSE SESSION

STATE GOVERNMENT ARTICLE, §10-508(a)

- (1) [X] To discuss: (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or (ii) any other personnel matter that affects 1 or more specific individuals. (2) [] To protect the privacy or reputation of individuals with respect to a matter that is not related to public business. (3) [] To consider the acquisition of real property for a public purpose and matters directly related thereto. (4) [] To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State. (5) [] To consider the investment of public funds.

STATEMENT FOR CLOSING A MEETING

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- (6) [] To consider the marketing of public securities.
- (7) [] To consult with counsel to obtain legal advice.
- (8) [] To consult with staff, consultants, or other individuals about pending or potential litigation.
- (9) [X] To conduct collective bargaining negotiations or consider matters that relate to the negotiations.
- (10) [] To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including:
 - (i) the deployment of fire and police services and staff; and
 - (ii) the development and implementation of emergency plans.
- (11) [] To prepare, administer, or grade a scholastic, licensing, or qualifying examination.
- (12) [] To conduct or discuss an investigative proceeding on actual or possible criminal conduct.
- (13) [] To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.
- (14) [] Before a contract is awarded or bids are opened, discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

TOPICS TO BE DISCUSSED:

The meeting will be closed under Section 10-508(a)(1) and 10-508(a)(9) of the State Government Article of the Annotated Code of Maryland (1) to discuss a proposed reorganization that affects several specific individuals including a discussion of individual qualifications and changes to assignments; and (2) to discuss the status of the on-going collective bargaining negotiations between the State of Maryland and the Fraternal Order of Police and to consider the various terms and conditions presently being negotiated.

REASON FOR CLOSING:

To discuss matters that are permitted by statute to be discussed during a closed session of a meeting of a public body.


PRESIDING OFFICER