



MARYLAND TRANSPORTATION AUTHORITY

STATEMENT FOR CLOSING A MEETING

LOCATION: Maryland Transportation Authority
Point Breeze Headquarters Building
2310 Broening Highway.
Baltimore, Maryland 21224

DATE: May 25, 2017

TIME:

MOTION BY: Von Paris

SECONDED BY: Gaines

VOTE TO CLOSE SESSION:

Table with 5 columns: Name, AYE, NAY, ABSTAIN, ABSENT. Rows include Peter J. Basso, William K. Hellmann, P.E., W. Lee Gaines, Jr., William E. Ensor, III, William H. Cox, Jr., John Von Paris, Katherine Bays Armstrong, and Chair J. Paris.

STATUTORY AUTHORITY TO CLOSE SESSION
GENERAL PROVISIONS ARTICLE, §3-305(b)

- (1) [] 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.

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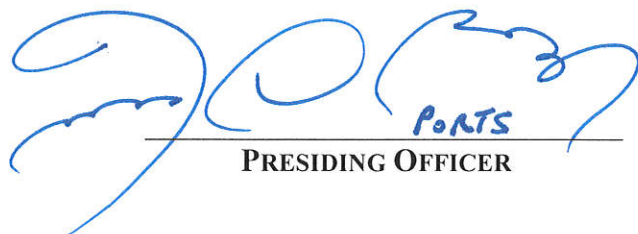
- (6) [] To consider the marketing of public securities.
- (7) [] To consult with counsel to obtain legal advice.
- (8) [X] To consult with staff, consultants, or other individuals about pending or potential litigation.
- (9) [] To conduct collective bargaining negotiations or consider matters that relate 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 § 3-305(b)(8) of the General Provisions Article of the Annotated Code of Maryland, to discuss pending litigation regarding SHA Contract No. AT3765D60 - MD 200, Intercounty Connector Contract D/E Modified Design.

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

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING
THURSDAY, MAY 25, 2017
2310 BROENING HIGHWAY, BALTIMORE, MD 21224

OPEN SESSION

Jim Ports, Acting Chairman

MEMBERS ATTENDING:

Katherine B. Armstrong
William H. Cox, Jr.
William Ensor
William K. Hellmann
John Von Paris

STAFF ATTENDING:

Roan Bennett
Percy Dangerfield
Luther Dolcar
Trudy Edwards
Chantelle Green
Michele Gross
Valencia Hainesworth
Jim Harkness
Scott Jacobs
Richard Jaramillo
Col. Jerry Jones
Jonathan Lockett
Kimberly Millender, Esquire
Megan Mohan
Tonya Morant
John O'Neill
Kevin Reigrut
Larry Schwager
Deborah Sharpless
Darol Smith
Cheryl Sparks
Tim Wendt
Alison Williams
Dan Williams
Melissa Williams

OTHERS ATTENDING:

Ed McDonald, MDOT
Catherine Provost, Senator Chris Van Hollen's office

At 9:00 a.m. Acting Chairman Jim Ports called the meeting of the Maryland Transportation Authority (“MDTA”) Board to order.

APPROVAL – OPEN SESSION MINUTES OF APRIL 27, 2017

Upon motion by Member William Cox and seconded by Member William Ensor, the open meeting minutes of the MDTA Board meeting held on April 27, 2017 were unanimously approved.

APPROVAL – METRORAIL BONDS

Ms. Alison Williams requested approval for an Amendment to the Amended and Restated Surcharge Implementation Agreement (Agreement) by and among the Washington Metropolitan Area Transit Authority (WMATA), Prince George’s County, Maryland (County), and the MDTA. This item was reviewed by the Finance Committee and recommended for approval.

As conduit issuer, the MDTA issued lease revenue bonds in 2004, and refinanced those bonds in 2014 by issuing Lease Revenue Refunding Bonds (2014 Refunding Bonds). The security for the repayment of the 2014 Refunding Bonds is the Surcharge Reserve Account (Reserve Account) held by WMATA. As of April 30, 2017, the Reserve Account held over \$23.6 million dollars. WMATA and the County have requested MDTA’s approval to withdraw up to \$6 million dollars in support of a transit oriented development (TOD) at the New Carrollton Metrorail station.

MDTA’s Office of Principal Counsel and Bond Counsel, McKennon Shelton & Henn LLP, have reviewed the requested Amendment. MDTA Finance staff reviewed the financial impact of the withdrawal, and have concluded that sufficient security for the holders of the 2014 Refunding Bonds will remain in place. A letter from County Executive, Rushern L. Baker, III, to Paul Wiedefeld, WMATA General Manager and CEO, to request the approval of the Amendment by the WMATA Board. The WMATA Board approved the request by adopting Resolution 2017-18 on April 27, 2017. MDTA staff recommended approval of the Amendment, which will result in the withdrawal of \$6 million dollars, as a not to exceed amount, from the Reserve Account.

MDTA has a lease-hold interest in the parking facilities that were financed at the College Park, Largo, and New Carrollton Metrorail stations. The lease payments from WMATA serve as a pass-through to pay debt service to bondholders along with MDTA’s administrative expenses. The revenue source is primarily a parking surcharge of \$1.25 per day assessed to those who park at the garages in the County at Metrorail stations. In Fiscal Year (FY) 2016, over \$5 million in Surcharge Revenue was collected. Annual debt service on the 2017 Refunding Bonds is level at just under \$2.5 million. The refunding in 2014 resulted in net present value savings of \$5.1 million. The par amount of bonds currently outstanding is \$23.9 million, with annual serial maturities until the final maturity date of July 1, 2028.

There is a separate Debt Service Reserve Fund of \$2.4 million that will remain on deposit with MDTA's bond trustee. There is a Deficiency Agreement by and between the County and MDTA calling for the County to request an appropriation to make up any deficiency in revenues needed to pay debt service to bondholders. The 2014 Refunding Bonds received strong credit ratings of AA+ by S&P, AA by Fitch, and Aa3 by Moody's, all with Stable outlooks.

Upon motion by Member Kathy Bays Armstrong and seconded by Member Ensor, the Members unanimously approved the Amendment to the Amended and Restated Surcharge Implementation Agreement by and the Washington Metropolitan Area Transit Authority, Prince George's County, Maryland, and the MDTA to withdraw up to \$6 million dollars in support of a transit oriented development (TOD) at the New Carrollton Metrorail station.

UPDATE – BAY BRIDGE SUMMER TRAVEL SAFETY CAMPAIGN

Ms. Cheryl Sparks provided an update to the Members on communications efforts to promote safety and trip planning for the 2017 summer-travel season at the William Preston Lane Memorial Bridge (Bay Bridge). Topics presented emphasized no texting/tailgating, planning ahead, wearing seatbelts, and using *E-ZPass*[®].

UPDATE – PORT COVINGTON

Ms. Melissa Williams briefed the Members on the progress with the Port Covington project.

UPDATE – RESOLUTION 17-02 – DIRECTING THE ESTABLISHMENT OF TOLL VIDEO ENFORCEMENT RELATED ISSUES WORKSHOP – PART 2 – EXPERIENCES, CUSTOMER AND FINANCIAL

Ms. Deborah Sharpless and Mr. Darol Smith updated the Members on the progress of the Working Group and provided additional information to follow-up from the presentation given during the April Board Meeting. Specifically, the Video Toll Enforcement – Resolution 17-02 workbooks were updated with additional materials under Tabs IV and V. Tab IV is an overview of the Customer Service Experiences. The materials provided the Board with a complete overview of customer's experiences (positive and negative), challenges faced by MDTA, and steps taken to address the challenges. Tab V was an overview of Financial Experiences. The materials outlined total revenue and drilled down to outstanding video tolls including the cost to process transactions.

UPDATE – HUMAN RESOURCE (HR) COMMITTEE REPORT

Member Lee Gaines provided an update on the HR Committee meeting that was held on May 18, 2017. Items discussed at that meeting were an update on the transition for the State Medical Advisor; an update on the Customer and Revenue Agent Specifications; and an update on Nice Bridge Employee Engagement and Recruitment Initiatives.

UPDATE – EXECUTIVE DIRECTORS UPDATE

Mr. Kevin Reigrut spoke to the Members on several topics including: activities related to the upcoming MDTA Day; Moody's revised the MDTA's rating outlook upward to Positive; distributed copies of the 2016 Annual Report; and MDTA received a Certificate of Achievement for Excellence in Financial Reporting for the fourth consecutive year for our Comprehensive Annual Financial Report (CAFR) for fiscal year 2016. The Certificate of Achievement is awarded by the Government Finance Officers Association (GFOA). Luther Dolcar and Larry Schwager presented the Members with the certificate and the medallion that will be placed on the plaque.

VOTE TO GO INTO CLOSED SESSION

At 10:47 a.m., upon motion by Member John Von Paris and seconded by Member Lee Gaines, the Members unanimously voted to go into closed session pursuant to § 3-305(b)(8) of the General Provisions Article of the Annotated Code of Maryland, to discuss pending litigation involving State Highway Administration (SHA) Contract No. AT3765D60 – MD 200, Intercounty Connector Contract D/E Modified Design Build Project.

The following persons were present during the closed session: Jim Ports, Acting Chairman, W. Lee Gaines, William H. Cox, Jr., William Ensor, John Von Paris, Katherine Bays Armstrong, Kevin C. Reigrut, Deborah Sharpless, Trudy Edwards, James Harkness, Dan Williams, Kimberly Millender, Esq., Mark Coblentz and Ed McDonald.

VOTE TO GO INTO OPEN SESSION

At 10:55 a.m., upon motion by Member Gaines and seconded by Member Von Paris, the Members adjourned the closed session and unanimously voted to return to open session.

RATIFICATION OF ACTION TAKEN DURING CLOSED SESSION

Upon motion by Member Cox and seconded by Member Armstrong, the Members ratified the vote from Closed Session to approve the negotiated settlement for SHA Contract No. AT3765D60 resolving outstanding contractual issues and to delegate signature authority to the Executive Director to execute all necessary documents to finalize the settlement in the amount of \$6.8 million.

There being no further business, the meeting of the MDTA Board was adjourned by general consensus at 10:57 a.m.

The next MDTA Board Meeting will be held on June 29, 2017, at 9:00 a.m. at 2310 Broening Highway, Baltimore, MD 21224

APPROVED AND CONCURRED IN:

R. Earl Lewis, Acting Chairman