

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING
THURSDAY, DECEMBER 18, 2014
2310 BROENING HIGHWAY, BALTIMORE, MD 21224

OPEN SESSION

James T. Smith, Jr., Chairman

MEMBERS ATTENDING:

P. Jack Basso
Rev. Dr. William C. Calhoun, Sr.
Katrina J. Dennis, Esq.
Mary Beyer Halsey
William K. Hellmann
Arthur Hock – (by telephone)
A. Bradley Mims
Michael Whitson

STAFF ATTENDING:

Jay Ayd
David Chapin
Percy Dangerfield
Donna DiCerbo
Trudy Edwards
Bruce Gartner
Steve Gwiazdowski
Jaclyn Hartman
Meshelle Howard
Col. Mike Kundrat
Jody McCurley
Kimberly Millender, Esq.
Dennis Simpson
Cheryl Sparks
Dan Williams
Ricky Williams

OTHERS ATTENDING:

Sam Sidh, MDOT

At 9:03 a.m. Chairman James T. Smith, Jr., called the meeting of the Maryland Transportation Authority (“MDTA”) Board to order.

APPROVAL – CLOSED AND OPEN SESSION MINUTES OF NOVEMBER 18, 2014

Upon motion by Member A. Bradley Mims and seconded by Member Michael Whitson, the Closed and Open Session meeting minutes of the MDTA Board Meeting held on November 20, 2014 were unanimously approved.

RESOLUTIONS – YEARS OF SERVICE RECOGNITION

Mr. Bruce Gartner recognized the retirement of five employees: Douglas M. Hutcheson, P.E., Jean Landry, Senior Officer Susan Miller, Roger C. Millett and Douglas Novocin. On the occasion of the employees’ retirements from their distinguished careers of exemplary service, the Chairman and Members of the Maryland Transportation Authority hereby express to Douglas Hutcheson, Jean Landry, Susan Miller, Roger Millett and Douglas Novocin their most sincere appreciation for their excellence and commitment.

APPROVAL – FINANCIAL FORECAST

Mr. David Chapin requested approval for a financial forecast reflecting the proposed Final Fiscal Year (FY) 2015-2020 Consolidated Transportation Program (CTP) and Preliminary FY 2016 operating budget. This item was reviewed by the Finance Committee and recommended for approval.

The forecast indicates that, throughout the FY 2015-2020 forecast period, the Authority will remain above its financial goals and its Trust Agreement rate covenant.

Assuming revenues and expenses materialize as projected in the forecast, no system wide toll increase would be required in the FY 2015-2020 capital program period.

The Draft 2015-2020 CTP, prepared in June 2014, was sized to eliminate bond sales in FY 2015-2020 other than the final \$132 million TIFIA draw, reflecting a desire to rely more on pay go funding for a capital program which is now primarily system preservation oriented, and to reserve bonding capacity for future major capital needs. The Final 2015-2020 CTP reflects these goals.

The current forecast differs from the July 2014 forecast, producing more favorable results. Actual FY 14 “total revenues” were approximately 4.3% higher than earlier projected due to higher toll revenues. Future forecasts have been adjusted upwards using this higher base. The combination of increased revenues and decreased operating costs provide an opportunity for MDTA to utilize a portion of its cash resources to pay off higher cost debt, thus reducing outstanding indebtedness and debt service payments. The final \$132 million proceeds of the low cost TIFIA loan and \$62 million in additional cash will be encumbered in FY 2015 to undertake, in FY 16, an advanced defeasance of \$185 million in Series 2007 bonds.

The proposed defeasance of the higher interest rate bonds is a fiscally prudent measure that will improve MDTA's financial position.

Comparing the proposed January 2015 to July 2014 forecasts:

- Debt service paid in the FY 2015- 2020 period decreases by \$31 million (total).
- Outstanding debt in FY 2020 decreases by \$185 million (from \$2.113 billion to \$1.928 billion).
- The debt service coverage ratio in FY 2020 is improved from 2.8 to 3.3.
- The rate covenant ratio in FY 2020 increases from 2.2 to 2.6.

Upon motion by Member P. Jack Basso and seconded by Member Katrina Dennis, the Members unanimously approved the final Fiscal Year 2015-2020 Financial Forecast.

APPROVAL CONTRACT – AWARDS

- **CONTRACT NO. 20150001 – MAINTENANCE REPAIR & INSPECTION OF OVERHEAD, BUILDING & TOLL BOOTH DOORS**

Ms. Donna DiCerbo requested approval for Contract KH 20150001 for the maintenance, repair and inspection of overhead, building and toll booth doors. This item was reviewed by the Finance Committee and recommended for approval.

This is a Fixed-Price Contract to provide all labor, materials, specialized equipment, service and transportation necessary to perform full maintenance and repairs on an as needed basis for all overhead, building, and toll booth doors at all MDTA facilities.

The MDTA solicited Competitive Sealed Bids for these services, pursuant to the Code of Maryland Regulation (COMAR) 21.06.03.02 B(1)5.01.02.

This Contract has a base term of three (3) years valued at \$311,975, with one (1) 2-year renewal option valued at \$194,650 for a total contract term of five (5) years with a total contract value of \$506,625.

This Contract included \$70,000 in Lump Sum items, which consist of \$50,000 for repair parts and \$20,000 for non-maintenance repairs. These lump sum items will only be used if necessary and will not be used without prior approval of the Project Manager.

Two (2) bids were received. Bob's Overhead Door & Service, Inc. is the lowest responsive and responsible bid. This Contract is designated as a Small Business Reserve (SBR), with no Minority Business Enterprise (MBE) or Veteran Owned Small Business Enterprise (VSBE) participation goals established.

As the total value of this Contract exceeds the delegated authority of the MDTA Board, the MDTA will seek final approval by the Board of Public Works.

Upon motion by Member Basso and seconded by Member Rev. Dr. William C. Calhoun, Sr. the Members unanimously approved Contract No. 20150001 – Maintenance, Repair and Inspection of Overhead, Building and Toll Booth Doors.

- **CONTRACT NO. KH 2714-000-006 REMOVAL AND REPLACEMENT OF LIGHT POLES ON I-95**

Ms. DiCerbo requested approval for Contract No. KH 2714-000-006 for the Removal and Replacement of Light Poles on I-95. This item was reviewed by the Capital Committee and recommended for approval.

The work to be performed under this contract is located in Harford and Cecil counties. The project limits include the interchanges at MD 152, MD 155, and MD 222 along I-95. The scope of work includes the removal of existing weathering steel high mast light poles and the installation of new poles and luminaires. New cable along with supporting conduits and manholes will be installed to provide power to the new poles, existing poles to remain and existing cantilever and overhead sign structures. Specific elements of the Scope of Work include the following: Removal of existing weathering steel high light poles along the I-95 mainline, ramps and surface street roadways; Removal of existing pole stubs and exposed anchor bolts on existing foundations; Removal of existing foundations to one foot below grade and backfilling; Installation of new foundations, low level light poles, and LED Luminaires; Installation of new foundations, high mast light poles, and HPS Luminaires; Installation of new manholes, junction boxes and conduit to accommodate new electrical cable; Installation of new electrical cable for new light poles, existing poles within the project limits to remain and existing overhead and cantilever sign structures; Removal and resetting of existing traffic barrier along I-95; Provide required maintenance of traffic and erosion and sediment control for construction operations; Maintain existing lighting and/or provide temporary lighting during construction.

An allowance of \$30,000 has been included in the Contract to perform miscellaneous repairs to the existing lighting, as assigned by the Engineer. Two (2) bids were received ranging from 2.31% below to 0.06% above the Engineer's estimate of \$6,620,580.

Midasco, LLC., is the lowest responsive and responsible bidder. As its bid was two point thirty-one percent (2.31%) below the Engineer's Estimate, no bid justification was conducted.

The Contract was advertised with a Minority Business Enterprise (MBE) participation goal of Twenty-Eight Percent (28%) with sub-goals of Seven Percent (7%) African American-owned companies and Four Percent (4%) Asian American-owned companies; and a Two Percent (2%) Veteran-Owned Small Business Enterprise (VSBE) participation goal. Midasco, LLC. submitted MBE and VSBE plans that meet the goals.

Upon motion by Member Calhoun and seconded by Member A. Bradley Mims, the Members unanimously approved Contract No. KH 2717-000-006 Removal and Replacement of Light Poles on I-95 to Midasco, LLC., in the amount of \$6,467,616.

CONTRACT – MODIFICATION

• **CONTRACT NO. MA 510-000-006 ELECTRONIC SECURITY FOR MDTA OPERATED BRIDGES**

Ms. DiCerbo requested approval to increase the delegated authority for Contract No. MA 510-000-006 Electronic Security for MDTA Operated Bridges. This item was reviewed by the Capital Committee and recommended for approval.

The original contract budget reflected a low bid amount of \$9,014,991.49 plus \$904,799.15 or 10% for extra work. The current authorized budget is \$9,952,790.64.

This request is to increase the delegated limit for extra work to \$1,992,607 or 22.02%, which will increase the total contract amount to \$11,040,598.49.

The increase to the Executive Director's delegated authority is needed to implement a Network Video Recording System (NVR) Authority-wide and to include enhancements to the Physical Security Information System (PSIM) which would integrate the existing 600 facility interior/exterior security cameras with the central PSIM system "Vidsys", monitored by the MDTA Authority Operations Center (AOC). The NVR upgrade is critical to the Authority as it is required to replace the current Pelco DVR infrastructure. These existing standalone DVR systems are considered "End of Life" and are no longer supported by Pelco or by Microsoft for operation, maintenance, or repair. The NVR upgrade will bring the MDTA into compliance with new Maryland Department of Transportation (MDOT) Office of Information Technology (OIT) requirements and will eliminate 47 identified security vulnerabilities/threats to the MDTA/MDOT network. The new technology will also integrate into MDTA's new Data Centers and 10GB network core which will fit MDTA OIT's new standards for servers that provide efficient management, redundancy, and flexibility to 24-7 MDTA critical operations.

The MDTA considered conducting two separate procurements for these products and services: a Task Order Request For Proposal (TORFP) via the Department of Information Technology's (DOIT) Master Hardware Contract for the equipment; and a Sole Source procurement for the integration of the proprietary software system. Since the IT equipment could only be provided by one authorized vendor from the DOIT Master Hardware Contract; and the software integration would have to be performed by the proprietary software contractor via the Sole Source method, the MDTA determined it to be more efficient to modify the existing Electronic Security contract. The MDOT OIT concurred with MDTA's determination. This modification is within the Delegated Authority of MDTA Resolution 14-01, dated March 27, 2014. The original Contract established a Minority Business Enterprise (MBE) participation goal of Twenty-two percent (22%); however by Contractor's request, the goal was ultimately increased to Thirty-one point twelve percent (31.12%). Contractor compliance to date is at Thirty-four percent (34%).

There are no MBE opportunities available for Extra Work Authorization (EWA) #2, as a large amount of the requested funds are for hardware and software provided by the NVR manufacturer, and the remaining funds are for the integration and installation of the NVR system by the current Contractor.

Upon motion by Member William Hellmann and seconded by Member Calhoun, the Members unanimously approved the increase in delegated authority for Contract No. MA 510-000-006 Electronic Security for MDTA Operated Bridges for \$1,992,602 or 22.02% increasing the total contract amount to \$11,040,589.49.

UPDATE – AUDIT COMMITTEE

Member Mary Halsey presented an update on the Audit Committee Meeting that was held on December 16, 2014. The Office of Audits is on track to complete the audits in the Fiscal Year (FY) 2015 Audit Plan with the exception of one audit. The audit is nearly complete and will be presented at the next Audit Committee meeting. Two internal audit reports were presented: Audit of 1099 Reporting; and Audit of Telework Program. The Committee was satisfied with the results of both audits.

UPDATE – 2014 CONDUIT BOND SALE RESULTS

Ms. Jaclyn Hartman presented the Members an update on the results of the competitive bond sale for the Passenger Facility Charge Revenue Bonds (PFC), Series 2014 (Series 2014 Bonds) that were sold on December 3, 2014.

UPDATE – I-95 EXPRESS TOLL LANES (ETL) OPENING

Mr. Bruce Gartner reported that the I-95 ETL Opening occurred on December 6, 2014 with a successful test drive period with traffic volume totals of 30-50,000 vehicles per day. Approximately 70% of vehicles recorded were 2 axle *E-ZPass*[®] users. We are anticipating tolling 15-17,000 vehicles per day.

At 9:32 a.m. upon motion by Member Calhoun and seconded by Member Dennis, the Members unanimously voted to move into Closed Session pursuant to Section 3-305(b)(9) of the General Provisions Article of the Annotated Code of Maryland to conduct collective bargaining negotiations or consider matters that relate to the negotiations. The following persons were present during the Closed Session: James T. Smith, Jr., Chairman, Rev. Dr. William Calhoun, Katrina Dennis, Esq., Mary Beyer-Halsey, William K. Hellmann, Arthur Hock (by telephone), A. Bradley Mims, Michael Whitson, Jack P. Basso, Percy Dangerfield, Trudy Edwards, Bruce Gartner, Jaclyn Hartman, Colonel Mike Kundrat, Kimberly Millender, Esquire, Sam Sidh and Cheryl Sparks.

At 9:45 a.m., upon motion by Member Basso and seconded by Member Dennis, with the unanimous approval of the Members, the Members adjourned the Closed Session and returned to Open Session.

There were no actions taken during the closed session.

Chairman, James T. Smith, Jr stated that this was most likely his last MDTA Board Meeting and he thanked the Members and staff and expressed that he will miss everyone.

Member Mims announced that December 19, 2014 will be his last day serving as an MDTA Board Member. He has been appointed to the Washington Metropolitan Airport Authority.

There being no further business, the meeting of the MDTA Board was adjourned by general consensus at 9:54 a.m.

The next MDTA Board Meeting will be held on January 22, 2015 at 9:00 a.m. at the Point Breeze Headquarters, 2310 Broening Highway, Baltimore, Maryland 21224.



MARYLAND TRANSPORTATION AUTHORITY

STATEMENT FOR CLOSING A MEETING

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

DATE: December 18, 2014

TIME: 9:30 am

MOTION BY: Calhoun

SECONDED BY: Dennis

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 by telephone, William K. Hellmann, P.E., Katrina J. Dennis, Esq., Chairperson.

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.

STATEMENT FOR CLOSING A MEETING

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- (5) [] To consider the investment of public funds.
- (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:

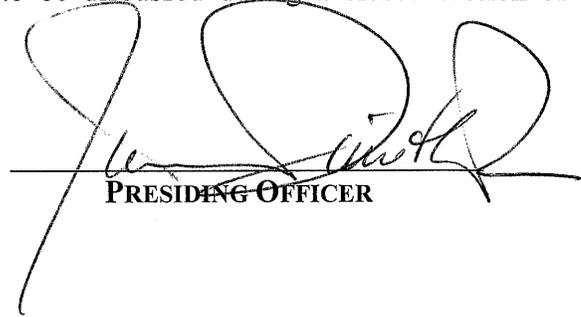
The Meeting will be closed under § 3-305(b)(9) of the General Provisions Article of the Annotated Code of Maryland, to discuss the status of collective bargaining negotiations between the State of Maryland and AFSCME and the Fraternal Order of Police.

STATEMENT FOR CLOSING A MEETING

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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.



A handwritten signature in black ink, consisting of several large, overlapping loops and a long vertical stroke extending downwards from the left side. The signature is written over a horizontal line.

PRESIDING OFFICER