



Maryland Transportation Authority

FINANCE COMMITTEE

THURSDAY, APRIL 11, 2024

MARYLAND TRANSPORTATION AUTHORITY
2310 BROENING HWY
BALTIMORE, MD 21224

FINANCE COMMITTEE MEETING AGENDA

April 11, 2024 – 9:00 a.m.

This meeting will be livestreamed on the [MDTA Finance Committee Page](#)

NOTE: This is an Open Meeting being conducted via livestreaming. The public is welcomed to watch the meeting at the link listed above. *If you wish to comment on an agenda item please email your name, affiliation, and agenda item to cdickinson@mdta.state.md.us no later than noon on Wednesday, April 10, 2024. You **MUST** pre-register in order to comment.* Once you have pre-registered you will receive an email with all pertinent information.

AGENDA

OPEN SESSION

Call to Order

- | | | | | |
|----|--------------------------|--|--------------------|---------|
| 1. | <u>Approval</u> – | March 14, 2024 - Open Meeting Minutes | Chairman von Paris | 5 min. |
| 2. | <u>Approval</u> – | Contract No. MT-00210861 - Generator Maintenance, Testing, and Repairs | David Sharpless | 5 min. |
| 3. | <u>Approval</u> – | Contract No. J01B3600015 – Next Generation E-ZPass® Technology (Transponders) - Kapsch | Heather Koeberle | 5 min. |
| 4. | <u>Approval</u> – | Contract No. J01B3600016 – Next Generation E-ZPass® Technology (Transponders) - TransCore | Heather Koeberle | 5 min. |
| 5. | <u>Update</u> – | Contract No. MA 2257-0000 – Third Generation Electronic Toll Collection – Toll System and Services – Kapsch Modification No. 3 | Joseph Quattrone | 5 min. |
| 6. | <u>Update</u> – | Travel Plaza Update | Simon Najjar | 10 min. |
| 7. | <u>Update</u> – | Salary Compression Adjustment – Update on recent salary actions | Tonya Dorsey | 5 min. |

Vote to Adjourn

ITEM

1

FINANCE COMMITTEE MONTHLY MEETING
THURSDAY, MARCH 14, 2024
OPEN MEETING VIA LIVESTREAMING

OPEN SESSION

MEMBERS ATTENDING: Cynthia Penny-Ardinger
Dontae Carroll
Jeffrey Rosen
John von Paris

STAFF ATTENDING: Jeffrey Brown
Jeffrey Davis
Cheryl Dickinson
Allen Garman
Bruce Gartner
Chantelle Green
Natalie Henson
Richard Jaramillo
Kimberly Millender, Esq.
Kenneth Montgomery
Ebony Moore
Mary O’Keeffe
Deb Sharpless
Timothy Sheets

At 9:01 a.m., Member John von Paris, Chair of the Finance Committee, called the Finance Committee Meeting to order.

APPROVAL – AMENDED AGENDA – LEGISLATIVE UPDATE

Member von Paris requested a motion to amend today’s agenda to include the Legislative Update from the Executive Director. Member Jeffrey Rosen made the motion, and Member Dontae Carroll seconded the motion, which was unanimously approved.

APPROVAL – OPEN MEETING MINUTES FROM FEBRUARY 8, 2024 MEETING

Member von Paris called for the approval of the meeting minutes from the Open Meeting held on February 8, 2024. Member Cynthia Penny-Ardinger made the motion, and Member Dontae Carroll seconded the motion, which was unanimously approved.

UPDATE – FY 2025 DEPARTMENT OF LEGISLATIVE SERVICES BUDGET ANALYSIS

Mr. Jeffrey Brown and Ms. Chantelle Green provided an overview of the budget issues and recommendations presented by the Department of Legislative Services during the MDTA's Fiscal Year 2025 legislative budget hearing. The overview also included a brief recap of the budget and the MDTA's responses to the issues raised in the budget analysis document.

UPDATE – LEGISLATIVE UPDATE FROM THE EXECUTIVE DIRECTOR

Mr. Bruce Gartner updated the Finance Committee on the status of House Bill 1070 of 2024. Mr. Gartner advised the Committee that the House amended the bill in a manner that removes certain mandates and requires the MDTA to contribute \$750 million to the Transportation Trust Fund over a 10-year period. The amended bill also increases the MDTA's toll revenue bonding capacity from \$3 billion to \$3.75 billion.

There being no further business, the meeting of the Finance Committee adjourned at 9:23 a.m., following a motion by Member Rosen, and seconded by Member Penny-Ardinger.

John von Paris, Chairman

ITEM

2



Maryland Transportation Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:
Dontae Carroll Cynthia D. Penny-Ardinger
William H. Cox, Jr. Jeffrey S. Rosen
W. Lee Gaines, Jr. Samuel D. Snead, MCP, MA
Marion J. Gangemi, P.E. John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: Finance Committee
FROM: David Sharpless, Contract Manager, Manager of Fleets/Heavy Equipment
SUBJECT: Contract No. MT-00210861, Generator Maintenance, Testing, and Repairs at Various MDTA Locations
DATE: April 11, 2024

PURPOSE OF MEMORANDUM

The purpose of this memo is to present the above-mentioned contract to the Finance Committee for Contingent approval.

SUMMARY

This contract is for the provision of Generator Maintenance, Testing, and Repairs at various MDTA locations. This includes all labor, transportation, and services necessary for adequate performance in accordance with all applicable local, State, and federal regulations pertaining to worker protection and the protection of the environment.

Three (3) Bids were opened on this project on 11/29/23. The list of bidders are as follows:

VarcoMac, LLC.	\$ 812,790.84
Premium Power, LLC.	\$1,106,922.00
Curtis Power Solutions	\$1,382,985.00

The apparent lowest Bidder/Awardee is VarcoMac, LLC. Bid justification is not required.

RECOMMENDATION

To obtain contingent recommended approval by the Finance Committee to present the above-mentioned contract to the full MDTA Board at its next scheduled meeting.

ATTACHMENT

- Finance Committee Project Summary



FINANCE COMMITTEE PROJECT SUMMARY

Contract No. MT-00210861- Generator Maintenance, Testing, and Repairs at Various MDTA Locations

PIN NUMBER
CONTRACT NUMBER
CONTRACT TITLE

N/A
MT-00210861
Generator Maintenance, Testing, and Repairs at Various MDTA Locations

PROJECT SUMMARY

The purpose of this contract is to provide Generator Maintenance, Testing, and Repairs at various MDTA locations to ensure the proper operation of critical generators. The Contract includes all labor, materials, replacement parts, transportation, and services necessary to ensure the satisfactory performance and efficient operation of the generators.

		MBE PARTICIPATION (N/A)		
SCHEDULE		MBE PARTICIPATION - OVERALL	ADVERTISED GOAL (%)	PROPOSED GOAL (%)
	ADVERTISEMENT DATE		0.00%	0.00%
	ANTICIPATED NTP DATE		0.00%	0.00%
	DURATION/TERM			
	9/6/2023	OVERALL MBE	0.00%	0.00%
	6/1/2024	VSBE	0.00%	0.00%
	Four (4) Years w/one 2-Year Renewal Option			
		BID PROTEST	YES	NO
				✓
BID RESULTS		BID AMOUNT(S)		
VARCOMAC, LLC		\$	812,790.84	
Premium Power, LLC		\$	1,106,922.00	
Curtis Power Solutions		\$	1,382,985.00	

ITEM

3



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Board Members:
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Jeffrey S. Rosen
Samuel D. Snead, MCP, MA
John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: MDTA Finance Committee
FROM: Heather S. Koeberle, Director of *E-ZPass* Operations
SUBJECT: Contract No. J01B3600015 - Next Generation Electronic Toll Collection Equipment and Services
DATE: April 11, 2024

PURPOSE OF MEMORANDUM

To seek a recommended approval from the Finance committee to request authorization to enter into a five (5) year Intergovernmental Cooperative Purchasing Agreement (ICPA) with Kapsch TrafficCom to procure transponders, antennas, transponder readers, programmers and testers required to support *E-ZPass*® Maryland operations, and to propose this contract to the full MDTA board for approval at its next scheduled meeting.

SUMMARY

The *E-ZPass* Group completed proposal evaluations for the new transponder and equipment contract in December 2021 and selected Kapsch as a provider. Each of the 38 *E-ZPass* agencies are required to execute an individual ICPA with Kapsch to allow purchases.

ANALYSIS

During the contract period, Kapsch will supply transponders and equipment to fill the following needs:

- Transponders sold to new accounts generated from general growth and conversion to all electronic tolling (AET).
- Transponders sold to existing accounts to replace those that have reached the end of their lifecycle of approximately 8 to 10 years after initial issuance.
- Transponders issued to existing accounts to replace those that have failed prematurely.
- Transponder readers for new facilities, replacement of failed units at existing facilities, and lifecycle replacement of all existing units under the Next Generation Electronic Toll Collection contract starting in 2018.

Contract No. J01B3600015 - Next Generation Electronic Toll Collection Equipment and Services

Page Two of Two

- Transponder programmers and testers for use in new Customer Service Centers, replacement of failed units at existing Customer service Centers, and lifecycle replacement of existing units.

During the contract term, the MDTA expects to purchase and issue approximately 2,800,000 transponders with a value of \$22,500,000 and purchase antennas, transponder readers, programmers and testers valued at approximately \$1,500,000.

CONTRACT VALUE:

\$38,114,196 (estimated base contract)

CONTRACT TERM:

Five (5) year base contract with 3 – one-year renewal options
May 16, 2024 through December 12, 2028 (base contract)

ITEM

4



Maryland Transportation Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:
Dontae Carroll
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Cynthia D. Penny-Ardinger
Jeffrey S. Rosen
Samuel D. Snead, MCP, MA
John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: MDTA Finance Committee
FROM: Heather S. Koeberle, Director of *E-ZPass* Operations
SUBJECT: Contract No. J01B3600016 - Next Generation Electronic Toll Collection Equipment and Services
DATE: April 11, 2024

PURPOSE OF MEMORANDUM

To seek a recommended approval from the Finance committee to request authorization to enter into a five (5) year Intergovernmental Cooperative Purchasing Agreement (ICPA) with TransCore, LP to procure transponders, antennas, transponder readers, programmers and testers required to support *E-ZPass*® Maryland operations, and to propose this contract to the full MDTA board for approval at its next scheduled meeting.

SUMMARY

The *E-ZPass* Group completed proposal evaluations for the new transponder and equipment contract in December 2021 and selected TransCore as a provider. Each of the 38 *E-ZPass* agencies are required to execute an individual ICPA with TransCore to allow purchases.

ANALYSIS

During the contract period, TransCore will supply transponders and equipment to fill the following needs:

- Transponders sold to new accounts generated from general growth and conversion to all electronic tolling (AET).
- Transponders sold to existing accounts to replace those that have reached the end of their lifecycle of approximately 8 to 10 years after initial issuance.
- Transponders issued to existing accounts to replace those that have failed prematurely.
- Transponder readers for new facilities, replacement of failed units at existing facilities, and lifecycle replacement of all existing units under the Next Generation ETC contract starting in 2018.

Contract No. J01B3600016 - Next Generation Electronic Toll Collection Equipment and Services

Page Two of Two

- Transponder programmers and testers for use in new Customer Service Centers, replacement of failed units at existing Customer service Centers, and lifecycle replacement of existing units.

During the contract term the MDTA expects to purchase and issue approximately 2,800,000 transponders with a value of \$22,500,000 and purchase antennas, transponder readers, programmers and testers valued at approximately \$1,500,000.

CONTRACT VALUE:

\$38,114,196 (estimated base contract)

CONTRACT TERM:

Five (5) year base contract with 3 – one-year renewal options
May 16, 2024 through December 12, 2028 (base contract)

ITEM

5



Maryland Transportation Authority

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Paul J. Wiedefeld, Chairman

Board Members:
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Cynthia D. Penny-Ardinger
Jeffrey S. Rosen
Samuel D. Snead, MCP, MA
John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: MDTA Finance Committee
FROM: Joseph Quattrone, ETC Project Manager
SUBJECT: MA 2257-0000 – 3rd Generation Electronic Toll Collection – Toll System and Services – Modification No. 3
DATE: April 11, 2024

PURPOSE OF MEMORANDUM

To update the Finance Committee on Modification No. 3 for Contract No. MA 2257-0000 with Kapsch TrafficCom USA Inc., for the 3G Electronic Toll System Operation.

SUMMARY

Contract MA 2257-000 was competitively solicited and awarded to Kapsch TrafficCom USA Inc., in the amount of \$71,911,342.78 on February 21, 2018, to furnish and provide Operator Electronic Toll Collection Technology and Associated Subsystem Components and Services for the operation of the Electronic Toll Collection System. Modification 1 was approved on July 27, 2022, for \$8,764,758.28; modification 2 was a non-cost modification and was approved on July 5, 2023.

Modification 3 will adjust the original Operations and Maintenance (O&M) line items due to the conversion from cash to All Electronic Tolling (AET). Costs associated with all work for the I-95 ETL Expansion and installation of AET Zones at the Baltimore Harbor Tunnel (BHT) facility, and task orders. Total modification three final costs are \$16,130,376.68 which would increase the total contract value to \$96,806,477.74.

ANALYSIS

Additional funds are necessary for the continuing purchasing and installation of equipment required for AET at the Baltimore Harbor Tunnel and the I-95 ETL expansion. For task orders to improve functionality for customer service and fund Operations and Maintenance for years 3&4.

MA 2257-0000 – 3rd Generation Electronic Toll Collection – Toll System and Services –
Modification No. 3
Page Two of Two

A 13.20% Minority Business Enterprise (MBE) overall goal was established for this contract, and the Contractor is currently achieving 21.64% MBE participation based on the expenditures to date.

ITEM

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Mario J. Gangemi, P.E.	John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: Finance Committee
FROM: Simon Najar, Travel Plazas Administrator
SUBJECT: Travel Plaza Update
DATE: April 11, 2024

PURPOSE OF MEMORANDUM

To update the MDTA Finance Committee on the progress of operations at the Maryland House and Chesapeake House Travel Plazas.

SUMMARY

In 2012, the Maryland Transportation Authority (MDTA) entered into a Lease and Concession Agreement with Areas USA MDTP, LLC (Areas USA), to undertake the redevelopment (including financing) and long-term operations and maintenance of the travel plazas. Pursuant to the public-private partnership (P3) arrangement, the MDTA retains oversight of the travel plazas for a period of 35 years. This presentation will provide a brief overview of the contract award and agreement; Areas USA history and expertise; current operations at the travel plazas, including the fiscal rebound from COVID-19; recent challenges; and the future outlook.

ATTACHMENT

MDTA's Travel Plazas Presentation

MDTA TRAVEL PLAZAS



MDTA FINANCE COMMITTEE

APRIL 11, 2024

WHY HAVE TRAVEL PLAZAS?

- PROVIDE A CLEAN AND SAFE RESTING AREA FOR TRAVELING PUBLIC.
- INCREASE HIGHWAY SAFETY.
- PROMOTE AND MARKET THE STATE OF MARYLAND.

WHY A PUBLIC PRIVATE PARTNERSHIP (P3)?

- THE ARRANGEMENT PROVIDES FOR BETTER SERVICES AND MORE EFFICIENT OPERATIONS.
- HOSPITALITY IS NOT A CORE COMPETENCY FOR MDTA.
- PLAZAS OPERATED AND MAINTAINED BY CONCESSIONAIRE – AREAS USA.
- NO TOLL REVENUE SPENT ON REPLACEMENT OF PLAZAS.
- TOLL DOLLARS UTILIZED FOR CAPITAL INFRASTRUCTURE.

I-95 TRAVEL PLAZAS REDEVELOPMENT

- MDTA ENTERED INTO A 35-YEAR LEASE AND CONCESSION AGREEMENT WITH AREAS USA MDTP, LLC FOR THE REDEVELOPMENT AND LONG-TERM OPERATIONS AND MAINTENANCE OF THE MARYLAND HOUSE AND CHESAPEAKE HOUSE.
- CONTRACT INCLUDES MDTA OVERSIGHT AND SPECIFIC SERVICE LEVEL REQUIREMENTS.
- \$56 MILLION INVESTMENT IN BOTH PLAZAS BY AREAS USA.
- LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN (LEED) – SILVER CERTIFIED.
- MDTA TO RECEIVE BETWEEN 10 – 15% OF THE GROSS REVENUE GENERATED AT THE TRAVEL PLAZAS.

CONCEPTS AT THE MARYLAND TRAVEL PLAZAS

CHESAPEAKE HOUSE

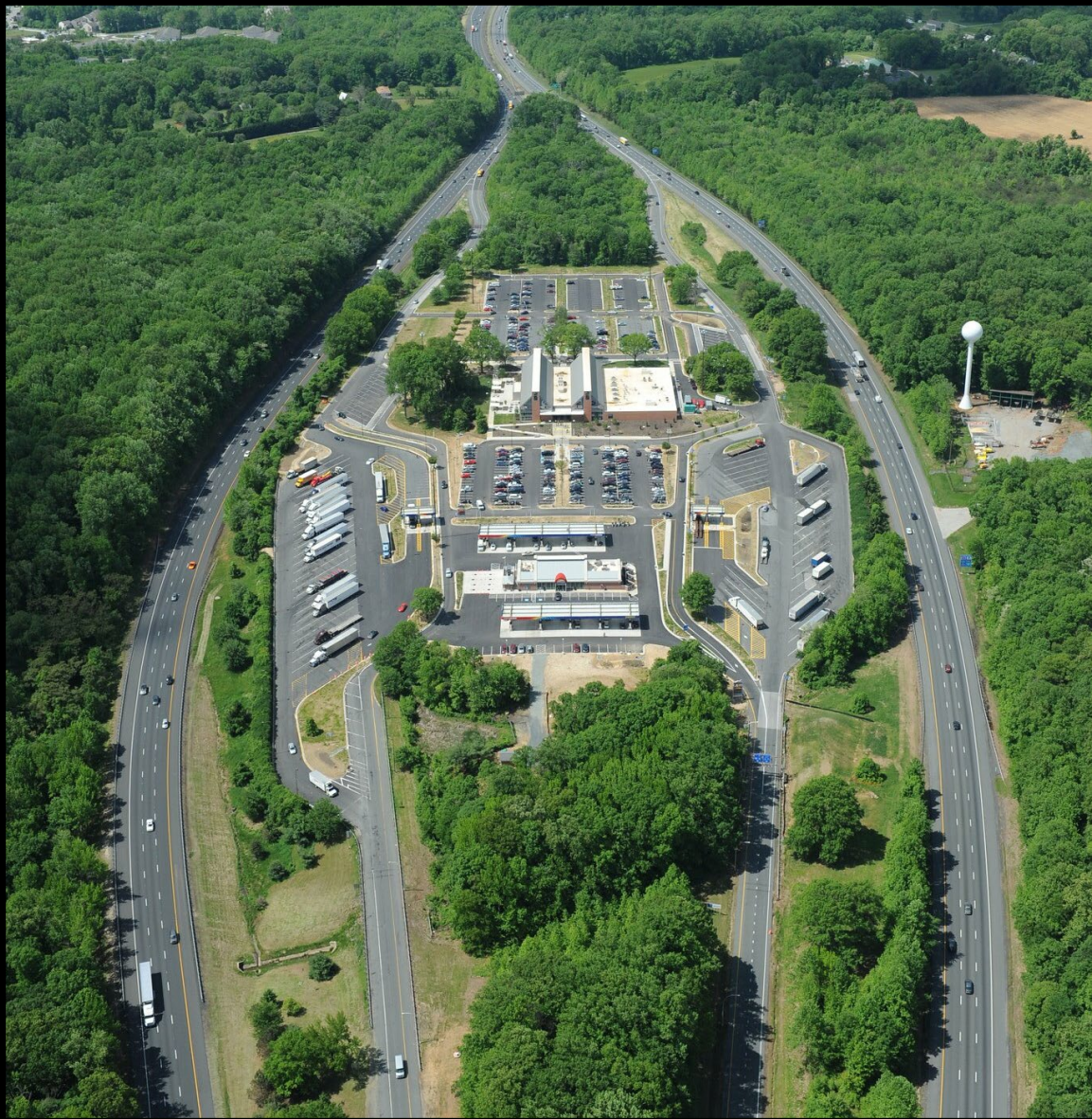
- AUNTIE ANNE'S
- DELI & CO.
- EARL OF SANDWICH
- KFC/PIZZA HUT
- PEET'S COFFEE
- SUNSHINE MARKETPLACE
- WENDY'S

MARYLAND HOUSE

- AUNTIE ANNE'S
- CURRITO
- DELI & CO.
- DUNKIN DONUTS
- JERRY'S
- NATHAN'S
- PHILLIPS SEAFOOD EXPRESS
- SUNSHINE MARKETPLACE
- WENDY'S

SUBCONCEPTS AT THE MARYLAND TRAVEL PLAZAS

- COMMUNITEL (ATM)
- INNOVATIVE (CHAIRS)
- INNOVATIVE FOTO (MH ONLY)
- MARKET AMERICA
- MARYLAND LOTTERY
- MINI MELTS OF AMERICA
- TESLA
- THE PENNY MAN
- TRAVEL MEDIA (BROCHURES)
- VENDING SHOPPE

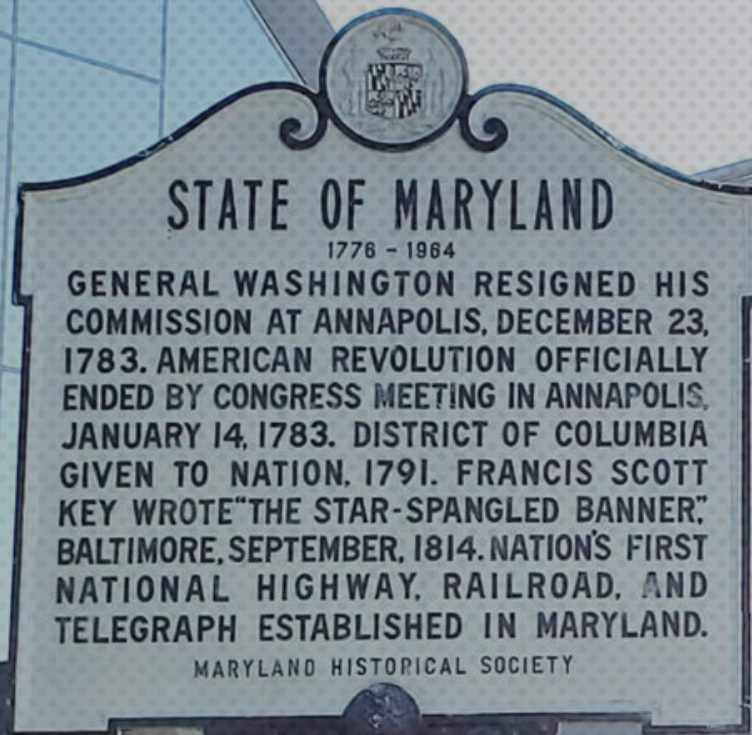


AERIAL VIEW OF MARYLAND HOUSE

MARYLAND HOUSE

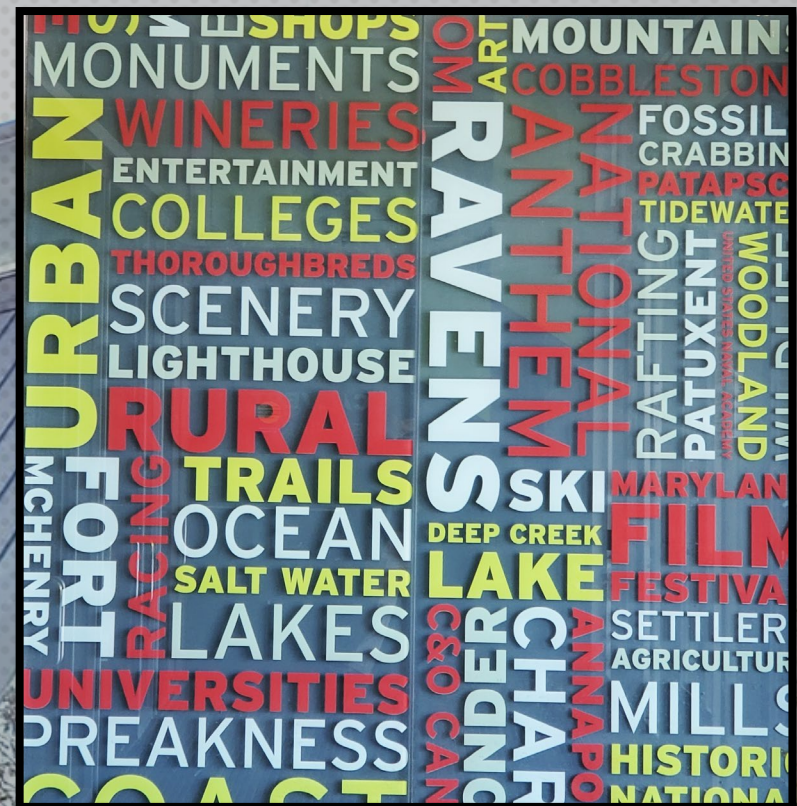
Opened January 20, 2014





MARYLAND HOUSE

Historical Markers



MARYLAND HOUSE



CUSTOMER EXPERIENCE & MERCHANDISING



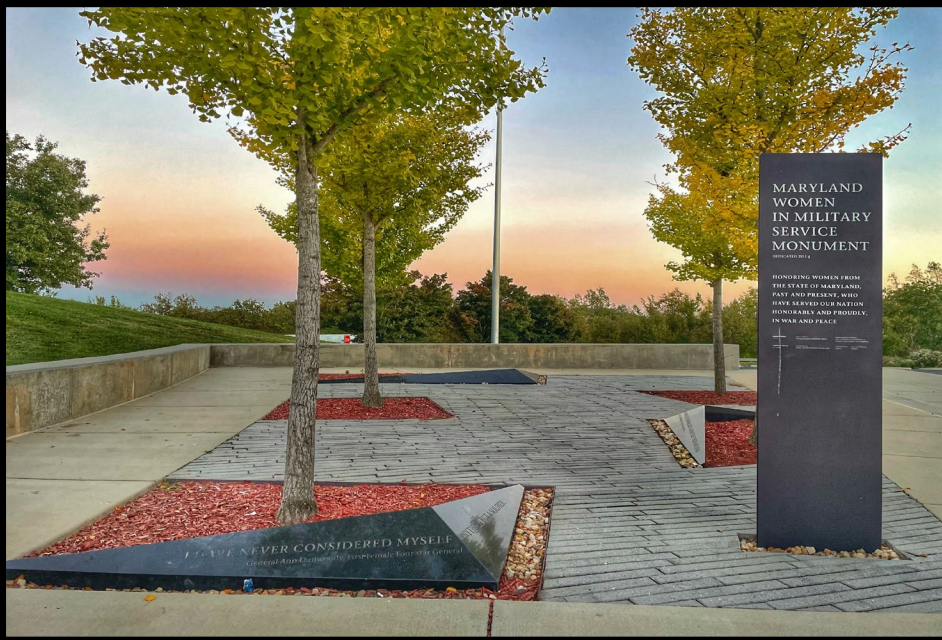


MARYLAND HOUSE



CHESAPEAKE HOUSE

Opened August 5, 2014



CHESAPEAKE HOUSE



CHESAPEAKE HOUSE

NOTABLE ACCOMPLISHMENTS OF WOMEN IN MILITARY SERVICE



Although women have served as true volunteers in a variety of supporting roles during every armed conflict of the United States beginning with the **American Revolution**, some disguised themselves as male soldiers in order to contribute more directly.



During the **Civil and Spanish-American** wars, the most significant contributions made by women were in the fields of health care and medicine. These contributions led to the creation of the **Army Nurse Corps** in 1901 and the **Navy Nurse Corps** in 1908.



Harriet Tubman, born in Dorchester County, Maryland in 1849, is the first woman to serve with the Union Army as a nurse, spy, and scout during the Civil War.



During **WWI** the following numbers of women served in the various military departments: 21,480 Army nurses; 1,476 Navy nurses; 11,880 Navy enlisted women - Yeoman (F); 305 Marine women; and 2 Coast Guard. The Army also sent 233 bilingual telephone operators and 50 stenographers to France - all civilians.



Following the attack on **Pearl Harbor** on December 7, 1941, Congress authorized the following components: **Women's Army Auxiliary Corps** (WAAC), May 1942 (served with the army but not considered a part of the Army); **Navy Waves** and **Women Marines**, July 1942; **Coast Guard SPARs**, November 1942; and WAAC reestablished to the **Women's Army Corps**, July 1943.



Military women during **WWII** performed duties across the United States and overseas as nurses, postal clerks, intelligence analysts, communication specialists, truck drivers, cooks, linguists, and much more. Of special note were a group of contract women pilots known as **WASPs** who ferried all types of aircraft across the United States relieving male pilots for combat overseas.



Eighty-three women were held as **prisoners of war** in the Pacific Theater during WWII; 78 were held for nearly three years.



The efforts of the women who served in WWII changed not only the place of women in the military services, but expanded the roles and **opportunities for women** in the civilian labor force as well.



120,000 Women served during the **Korean Conflict** with some 1,000 serving in theater and more than 500 Army nurses with "boots on the ground" in Korea.



197,500 women, all volunteers, served during the **Vietnam War**; some 7,500 were stationed in Vietnam, most of whom were nurses.



The first **women generals** were appointed on June 11, 1970. In 1980 the first women graduated from the **United States Service Academies**.



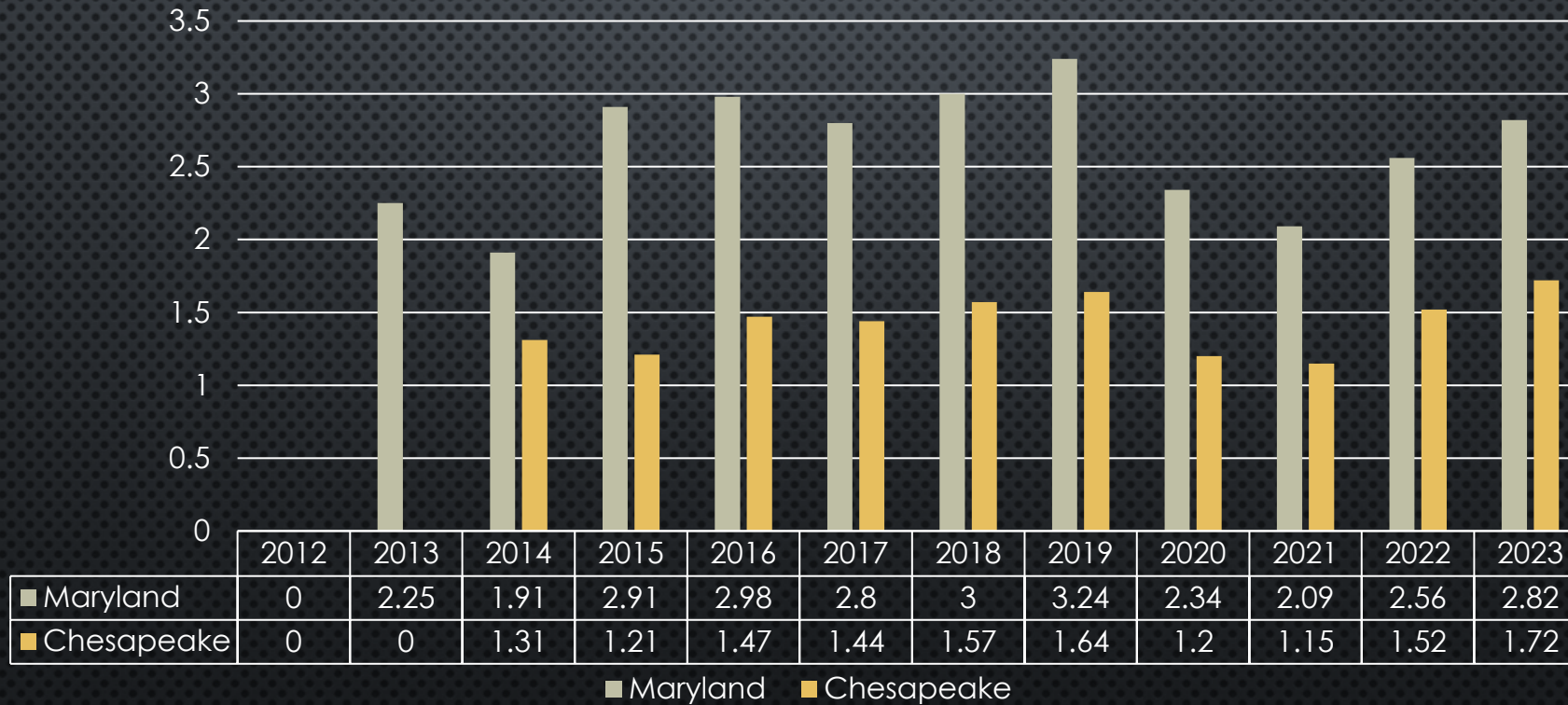
In 2013 the Secretary of Defense officially authorized women to **serve in combat** roles.

CHESAPEAKE HOUSE

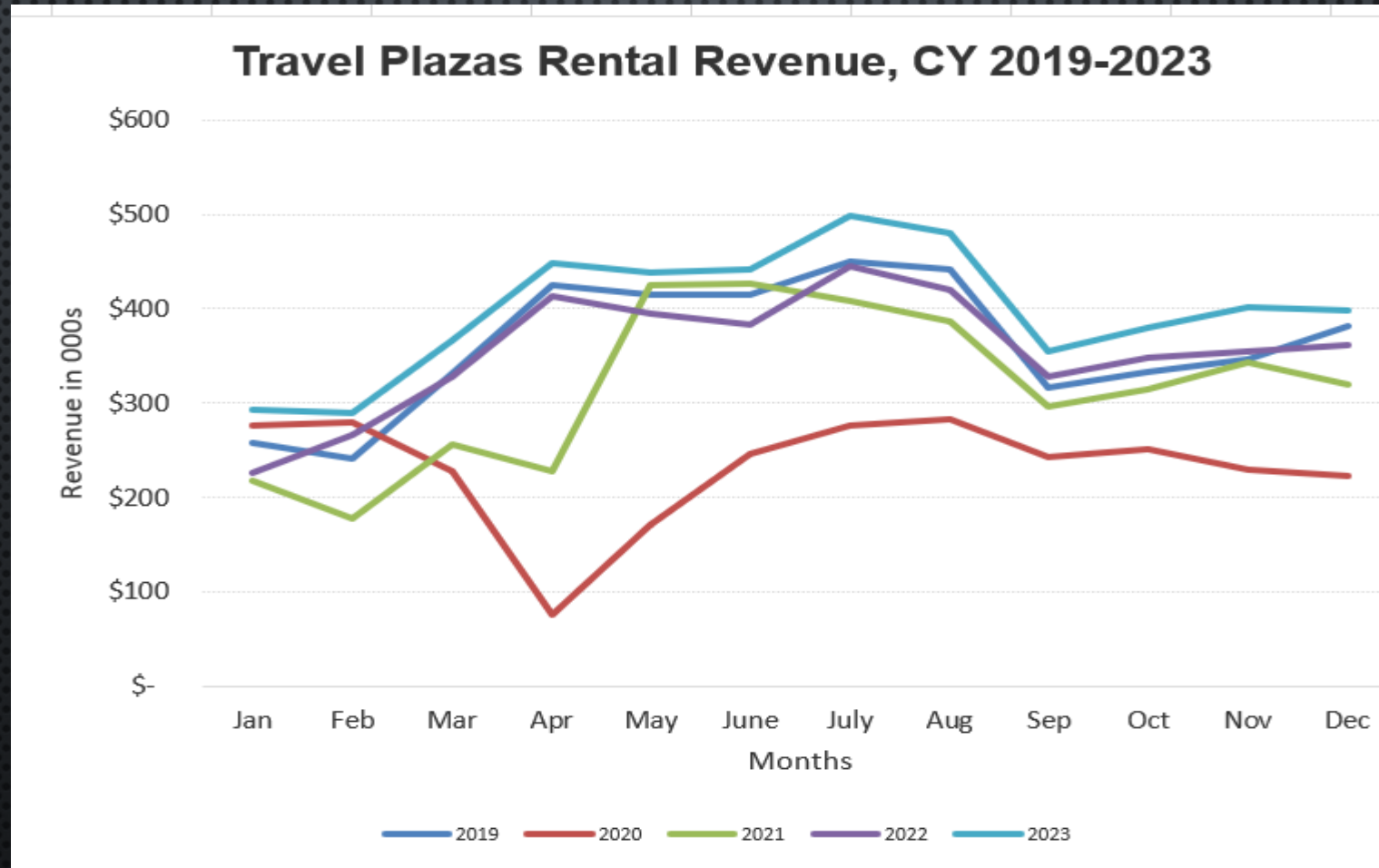
TRAVEL PLAZA REVENUES

FY 2012-2023

Revenue in \$ millions



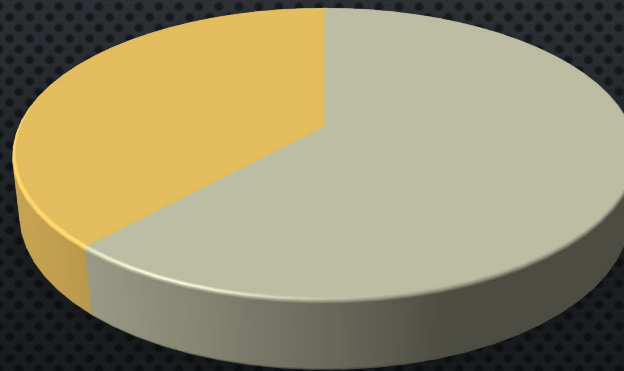
RENTAL REVENUE RECEIVED CY 2019-2023



TRAVEL PLAZAS REVENUE FOR CY 2023

\$4.79 Million
total cash revenue for MDTA

**Fuel Stations &
C-Stores
\$1.83 million**



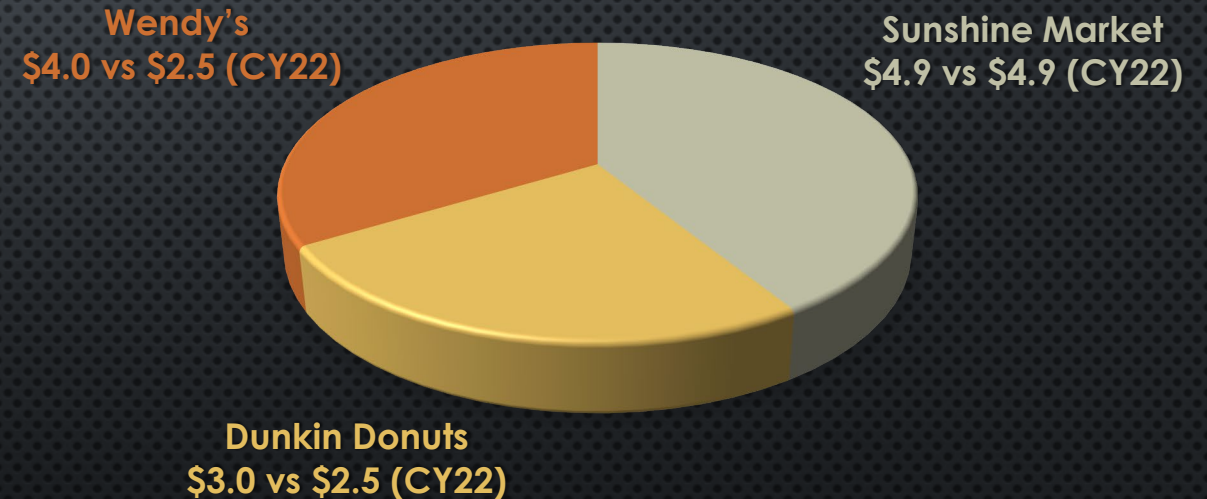
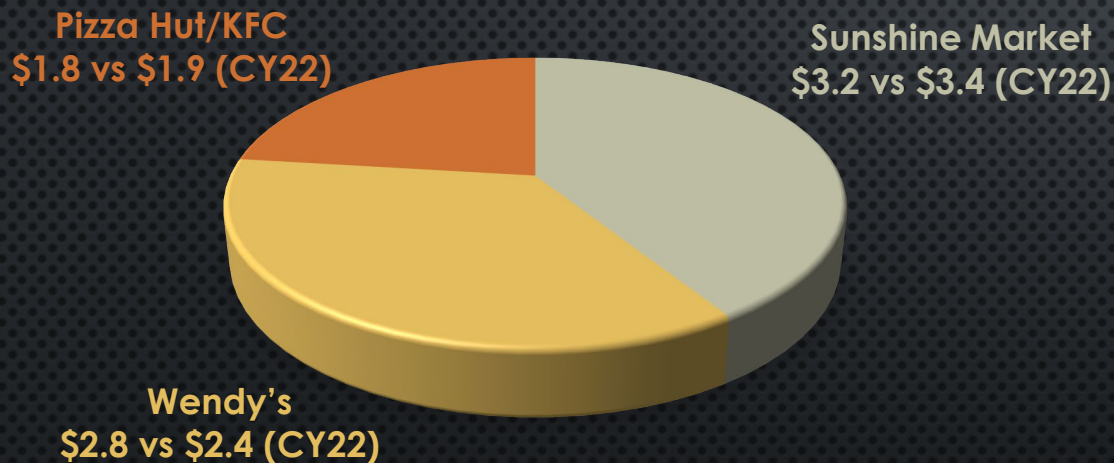
**Chesapeake &
Maryland Houses
\$2.96 million**

TOP 3 CONCEPTS AT THE PLAZAS SALES FOR CY 2023

CHESAPEAKE HOUSE

MARYLAND HOUSE

\$ in millions



The MDTA collects 10% of Concession sales as revenue

2023 REVENUE HIGHLIGHTS

HIGHEST MONTHLY SALES SINCE 2017

CHESAPEAKE HOUSE

- WENDY'S \$291
- EARL OF SANDWICH \$ 87

MARYLAND HOUSE

- WENDY'S \$480

ALL HIGHS POSTED IN JULY 2023

SALES IN \$000s

MDTA RECEIVES 10% OF SALES GENERATED

COMMUNITY AND MILITARY PRIDE

COMMUNITY EVENTS



AMERICA'S 911 RIDE



CONTINUOUS CUSTOMER ENHANCEMENTS

- ALL CONCEPTS OPEN
- INCREASED HOURS
- PARKING LOTS AND RAMPS
- RESTROOM RENOVATIONS
- NEW SODA FOUNTAINS
- NEW DOG PARK MH
- FOUNTAIN & POND CH
- FURNITURE & FIXTURE IMPROVEMENTS

LOOK AHEAD

CHALLENGES

- STAFFING
- COMPETITION
 - GREAT WOLF LODGE
 - SIGNAGE ON I-95
- TECHNOLOGY
- ECONOMIC



MERCHANDISE & CONCESSION REVENUE

CONCESSION REVENUE

MDTA receives 10 – 15% of the gross revenue generated at the travel plazas

Primary Facilities		Convenience Stores			
		<i>Chesapeake House</i>		<i>Maryland House</i>	
Revenue Generated	MDTA %	Revenue Generated	MDTA %	Revenue Generated	MDTA %
Up to \$45M	10%	Up to \$5M	9%	Up to \$6M	9%
\$45M - \$52M	11%	\$5M - \$6M	9.5%	\$6M - \$7M	9.5%
\$52M - \$59M	12%	\$6M - \$7M	10%	\$7M - \$8M	10%
\$59M - \$66M	13%	\$7M - \$8M	10.5%	\$8M - \$9M	10.5%
\$66M - \$75M	14%	\$8M +	11%	\$9M +	11%
\$75M +	15%	Tobacco Sales	2%	Tobacco Sales	2%



SUNOCO FUEL SALES

SUNOCO FUEL SALES

MDTA receives \$0.05 – \$0.11 per gallon sold at the travel plazas

Gasoline				Diesel			
Chesapeake House		Maryland House		Chesapeake House		Maryland House	
Gallons Sold	MDTA (\$)	Gallons Sold	MDTA (\$)	Gallons Sold	MDTA (\$)	Gallons Sold	MDTA (\$)
Up to 8.5M	\$0.05/gal	Up to 15M	\$0.07/gal	Up to 6M	\$0.05/gal	Up to 7M	\$0.07/gal
8.5M – 10.5M	\$0.06/gal	15M – 17M	\$0.08/gal	6M – 7M	\$0.06/gal	7M – 8M	\$0.08/gal
10.5M – 12.5M	\$0.07/gal	17M – 19M	\$0.09/gal	7M – 8M	\$0.07/gal	8M – 9M	\$0.09/gal
12.5M – 14.5M	\$0.08/gal	19M – 21M	\$0.10/gal	8M – 9M	\$0.08/gal	9M – 10M	\$0.10/gal
14.5M+	\$0.09/gal	21M+	\$0.11/gal	9M+	\$0.09/gal	10M+	\$0.11/gal



THANK YOU

ITEM

7



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Paul J. Wiedefeld, Chairman

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Samuel D. Snead, MCP, MA
John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: MDTA Finance and Administration Committee
FROM: Tonya J. Dorsey, Director, Human Resources and Workforce Development
SUBJECT: Salary Compression Adjustment
DATE: April 11, 2024

PURPOSE OF MEMORANDUM

The purpose of this Memorandum is to provide an update regarding the MDOT Salary Compression project.

SUMMARY

As a part of an ongoing commitment to fair and competitive compensation practices, the Maryland Department of Transportation reviewed the salaries of its employees to identify compression issues. A review of the data found that supervisors were affected by salary compression. Salary compression occurs when a supervisor is paid at the same rate or less than their subordinate employee with a direct reporting relationship.

ANALYSIS

The MDTA proactively adjusted salaries of 52 MDTA supervisors due to salary compression. Effective March 6, 2024, identified “compressed” supervisors were provided with a salary that allowed for at least 6% more than their highest paid subordinate. The total cost of the salary adjustment is \$527,266. Compression issues are actively considered during offers of employment which the MDTA will continue. Going forward, supervisor salaries will be reviewed on an annual basis to make the appropriate salary adjustments to guard against compression issues.