

FINANCE COMMITTEE MONTHLY MEETING
THURSDAY, MAY 11, 2023
OPEN MEETING VIA LIVESTREAMING

OPEN SESSION

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

STAFF ATTENDING: Erika Brantley
Jeffrey Brown
Donna DiCerbo
Cheryl Dickinson
Meryle Dunlap, Esq.
Allen Garman
Natalie Henson
Ibrahim Koroma
Cheryl Lewis-Orr
Jeanne Marriott
Kenneth Montgomery
Simon Najar
Mary O'Keeffe
Will Pines
Deb Sharpless
Tim Sheets
Jennifer Stump
Clayton Viehweg
Eric Willison

At 9:04 a.m., Member John von Paris, Chair of the Finance Committee, called the Finance Committee Meeting to order.

APPROVAL – OPEN MEETING MINUTES FROM MARCH 9, 2023 MEETING

Member von Paris called for the approval of the meeting minutes from the Open Meeting held on March 9, 2023. Member Jeffrey Rosen made the motion, and Member Cynthia Penny-Ardinger seconded the motion, which was unanimously approved.

APPROVAL – MDTA BOARD RESOLUTION 23-01, PFC BONDS REFINANCING

Mr. Allen Garman requested a recommendation of approval from the Finance Committee to present the MDTA Board Resolution 23-01, Passenger Facility Charge (PFC) Bonds Refinancing to the full MDTA Board at its next scheduled meeting.

Mr. Garman explained that the resolution authorizes the issuance of BWI Passenger Facility Charge (PFC) revenue bonds or alternative financing options (bank loan) to refinance portions of the Series 2012 and 2014 bonds for economic savings, apply cash from the PFC Facility Improvement Fund to reduce principal outstanding, and introduce a springing amendment to the PFC Trust that will change the issuer to MDOT from the MDTA.

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

APPROVAL – INVESTMENT COMMITTEE REPORT

Mr. Allen Garman and Mr. Clayton Viehweg provided an update to the Finance Committee on the activities of the Investment Committee for the period ended March 31, 2023. The update included a review of market conditions, portfolio strategies, total return performance, and dealer trade allocations. Market drivers that may influence portfolio performance in the coming months were also discussed, including the economy, fiscal policy, and the Federal Reserve monetary policy. Mr. Garman noted that the Investment Committee is not recommending any changes to the investment strategy at this time.

Member von Paris called for a motion to recommend approval of this item to the full MDTA Board at its next scheduled meeting. Member Rosen made the motion, and Member Penny-Ardinger seconded the motion, which was unanimously approved.

UPDATE – THIRD QUARTER OPERATING BUDGET VERSUS ACTUAL SPENDING

Mr. Jeffrey Brown updated the Finance Committee on actual versus projected year-to-date spending for the second quarter of FY 2023. As of March 31, 2023, 64% of the operating budget was spent compared to the target of 72%. Object 06 (Fuel & Utilities) was above budget at an 82% spend rate due to the delayed receipt and payment of utility invoices. Object 13 (Fixed Charges) was above budget at a 134% spend rate due to the payment of an annual insurance fee plus bad debt expenses associated with facility damage. The primary drivers for the overall underspending, when compared to the target, are personnel vacancies, reduced vehicle purchases (shifting to FY 2024), and other reduced line-item spending.

UPDATE – THIRD QUARTER CAPITAL BUDGET VERSUS ACTUAL SPENDING

Ms. Jennifer Stump updated the Finance Committee on actual year-to-date spending for the second quarter compared to projected spending as shown in the FY 2023-2028 Draft CTP. As of March 31, 2023, 54.6% of the FY 2023 capital budget was spent as compared to the target of 75%. The total budget for FY 2023 is \$556.0 million. Actual spending through the third quarter of FY 2023 was \$303.4 million.

UPDATE – THIRD QUARTER TRAFFIC AND REVENUE

Ms. Cheryl Lewis-Orr provided the Finance Committee with a quarterly and year-to-date update regarding traffic and toll revenue trends compared to the previous year and the forecast. The key takeaways regarding year-to-date traffic and revenue performance are that (1) passenger vehicle traffic levels continue to track closely to pre-pandemic levels; (2) commercial vehicle traffic levels continue to outperform pre-pandemic levels; and (3) after adjusting for timing differences, systemwide revenue exceeds the forecast by 6.9%.

Due to other commitments, Member Dontae Carroll left the meeting at 10 am.

UPDATE –TRAVEL PLAZAS

Mr. Simon Najar updated the Finance Committee on the progress of operations at the Maryland House and Chesapeake House Travel Plazas. The update included a brief overview of the contract award and agreement, Areas USA's history and expertise, current operations at the Travel Plazas including the fiscal rebound from the COVID-19 pandemic, recent challenges, and the future outlook.

There being no further business, the meeting of the Finance Committee adjourned at 10:26 a.m., following a motion by Member Rosen, and seconded by Member Penny-Ardinger.



John von Paris, Chairman