



Maryland Transportation Authority

FINANCE AND ADMINISTRATION
COMMITTEE

THURSDAY, JUNE 11, 2026

MARYLAND TRANSPORTATION
AUTHORITY
2310 BROENING HWY
BALTIMORE, MD 21224

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

June 11, 2026 – 9:00 a.m.

This meeting will be livestreamed on the [Finance and Administration Committee Meeting Archive | MDTA \(maryland.gov\)](#)

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 cgreen2@mdta.state.md.us no later than noon on Wednesday, June 10, 2026. 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> | May 14, 2026 - Open Session Meeting Minutes | Chairman von Paris | 5 min. |
| 2. | <u>Approval</u> | May 14, 2026 - Closed Session Meeting Minutes | Chairman von Paris | 5 min. |
| 3. | <u>Approval</u> | Contract No. J01B6600044 - MDTA Motorola APX 6500
Enhanced Mobile Radios | Michael Himmer | 5 min. |
| 4. | <u>Approval</u> | Contract No. J01B6600045 - MDTA Motorola APX Next
Portable Radios | Michael Himmer | 5 min. |
| 5. | <u>Approval</u> | Financing Resolution 26-02, Series 2026 BWI PFC Bonds | Yaw Berkoh | 5 min. |
| 6. | <u>Approval</u> | FY 2027 Final Operating Budget – Approval of the final operating
budget for FY 2027 | Chantelle Green | 10 min. |
| 7. | <u>Approval</u> | Draft FY 2027–2032 Consolidated Transportation Program –
Includes project additions and changes | Jennifer Stump | 10 min. |
| 8. | <u>Approval</u> | Debt Policy - Updates to the MDTA's Debt Policy, which establishes
the guidelines for the financing program | Allen Garman | 15 min. |

CLOSED SESSION - Expected Time 10:00 a.m.

- | | | | | |
|----|--|-------------------------------|-------------|---------|
| | | | Megan Mohan | 30 min. |
| 9. | | To Discuss Pending Litigation | | |

Vote to Adjourn

ITEM

1

FINANCE AND ADMINISTRATION COMMITTEE MONTHLY MEETING
THURSDAY, MAY 14, 2026
OPEN MEETING VIA LIVESTREAM

OPEN SESSION

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

STAFF ATTENDING: Jeffrey Brown
Jeffrey P. Davis
Allen Garman
Bruce Gartner
Chantelle Green
Anthony Hagen
James Harkness
Pilar Helm
Natalie Henson
Kendra Joseph
Walter Laun
Jim Loukas
Megan Mohan, Esq.
Kenneth Montgomery
Tina Nagurski
Timothy Sheets
Cheryl Sparks
Jennifer Stump
Paul Truntich
Agnes Vadasz
Clayton Viehweg

At 9:02 a.m., Member John von Paris, Chair of the Finance and Administration Committee, called the Finance and Administration Committee Meeting to order.

APPROVAL - OPEN MEETING MINUTES FROM APRIL 9, 2026 MEETING

Member John von Paris called for the approval of the minutes from the open meeting held on April 9, 2026. Member Cynthia Penny-Ardinger made the motion, and Member Dontae Carroll seconded the motion, which was unanimously approved.

APPROVAL – CLOSED MEETING MINUTES FROM APRIL 9, 2026 MEETING

Member von Paris called for the approval of the minutes from the closed meeting held on April 9, 2026. Member Jeffrey Rosen made the motion, and Member Carroll seconded the motion, which was unanimously approved.

APPROVAL – CONTRACT No. MT- 00211593 - FACILITYWIDE HAZMAT DISPOSAL AND ABATEMENT SERVICES

Paul Truntich requested a recommendation of approval from the Finance and Administration Committee to present Contract No. MT-00211593, Facility Wide Hazmat Disposal and Abatement Services, to the full Maryland Transportation Authority (MDTA) Board at its next scheduled meeting.

This contract calls for the periodic decontamination, abatement and/or disposal of biological/medical/infectious hazards, hazardous materials, hazardous wastes (including universal wastes), unidentified wastes, regulated wastes and non-regulated/industrial wastes for the MDTA's facilities. Mr. Truntich advised that four (4) bids were received, however one bid was rejected for being non-responsive. The responsive and responsible bidder with the lowest total overall price, Kalyani Environmental Solutions, LLC, is being recommended for award of this contract. The bid price for this contract is \$1,967,550.00.

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

APPROVAL – CONTRACT No. CC-00211584 – ROAD RAKE MODEL 200T ROADWAY LITTER COLLECTOR

Jim Loukas requested a recommendation of approval from the Finance and Administration Committee to present Contract No. CC-00211584, Road Rake Model 200T Roadway Litter Collector, to the full MDTA Board at its next scheduled meeting.

This contract is for the provision of three (3) Road Rake Roadway Litter Collection Machines. The machines will be used to maintain the MDTA roadways by removing debris and other road hazards, such as wood, mufflers, retreads, animal carcasses, and other large debris. Mr. Loukas advised that the machines are being procured via a Sole Source procurement due to the specialized design and operational capabilities of the equipment, which are not readily available from other manufacturers. The Road Rake Machines are unique in that they can operate safely at low speeds while maintaining traffic flow and have a large-capacity hopper with a hydraulic dumping mechanism. These features increase efficiency by enabling longer collection runs and reducing the frequency of returns to debris disposal locations. The machine's features also increase roadway safety by minimizing lane closures and worker exposure to live traffic. The estimated value of this one-time purchase contract is \$280,836.00.

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

APPROVAL – INVESTMENT COMMITTEE REPORT

Mr. Clayton Viehweg presented the Investment Committee Report for the three-month period ended March 31, 2026. The report included a review of market conditions, policy compliance, portfolio strategies, and total return performance. The report also discussed certain market drivers that may influence portfolio performance in the coming months, including the economy, fiscal policy, and Federal Reserve monetary policy. At the conclusion of the presentation, Mr. Viehweg requested a recommendation of approval from the Finance and Administration Committee's concurrence and recommendation to move to the full MDTA Board for approval of the continuation of investment strategy and benchmark indices.

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.

UPDATE - THIRD QUARTER OPERATING BUDGET VERSUS ACTUAL SPENDING

Mr. Jeffrey Brown updated the Finance and Administration Committee on actual versus projected year-to-date spending for the third quarter of FY 2026. As of March 31, 2026, 66% of the operating budget was spent compared to the target of 75%. Except for Fixed Charges, all Object Codes were at or below budget. The seasonality of the expenses, the timing of invoices, and the cost pressures in IT and insurance impacted third quarter performance.

UPDATE – THIRD QUARTER CAPITAL BUDGET VERSUS ACTUAL SPENDING

Ms. Jennifer Stump updated the Finance and Administration Committee on actual year-to-date spending for the third quarter compared to projected spending as shown in the FY 2026 - 2031 Draft Consolidated Transportation Program. As of March 31, 2026, 44.5% of the FY 2026 capital budget was spent as compared to the target of 75%. The total budget for FY 2026 is \$1.1 billion. Actual spending through the third quarter totaled \$512.9 million.

UPDATE – CTP PROCESS/ADDITIONS

Jennifer Stump provided the Finance and Administration Committee with an overview of the MDTA's Consolidated Transportation Program (CTP) process and an update of additions to the capital program. The CTP is released yearly and presents the MDTA's ongoing and new capital projects for a six-year rolling period for all MDTA facilities. Following the MDTA Board's approval of the Draft CTP in June of each year, the CTP is presented to local elected officials and citizens throughout the State of Maryland for review and comment. When the Final CTP is approved by the MDTA Board in November, it becomes part of the Governor's budget to the Maryland General Assembly in January of the following year. This process is required by statute and applies to the MDTA and the Maryland Department of Transportation modes.

Ms. Stump explained that projects in the CTP are categorized into three programs (1) the System Preservation – Minor Projects Program; (2) the Development and Evaluation (D&E) Program - Major Projects; and (3) the Construction Program. The three programs include ongoing projects and projects scheduled to begin construction within the six-year period. The D&E program includes major projects that are being prepared for possible future addition to the Construction Program. Projects are moved from the D&E Program to the Construction Program as funds and resources become available, based on the merits of the projects.

MDTA's capital projects originate from a variety of sources such as (1) long range capital needs; (2) inspection findings; (3) regulatory compliance; (4) increased capacity needs; and (5) local priority letters/legislative requests. Once identified, projects are prioritized based on customer needs for safety and security, or increased capacity through improvements, or system preservation.

Ms. Stump reported that the FY 2027-2032 Draft CTP includes eleven (11) new projects. The proposed projects will be presented to the MDTA Board for approval at a subsequent meeting. Funding availability to budget for identified projects is based on the MDTA's six-year financial forecast, which considers estimates of traffic and revenue (prepared annually), the operating budget and capital budget, debt service payments, the potential need for future bond sales and toll increases, and compliance with financial standards (Trust Agreement covenant, debt service coverage, unrestricted cash balance).

UPDATE – THIRD QUARTER TRAFFIC AND REVENUE UPDATE

Mr. Walter Laun provided the Finance and Administration 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 takeaway regarding year-to-date traffic and revenue performance was that for the period ending March 31, 2026, actual toll revenue collected (in-lane and administrative toll) was below forecast by \$9.0 million. The underperformance was mostly due to the delayed posting of \$20.1 million in video toll and civil penalty fee payments. After accounting for the timing difference, actual revenue was \$11.2 million above forecast.

VOTE TO GO INTO CLOSED SESSION

At 9:53 a.m., upon motion by Member Penny-Ardinger and seconded by Member Rosen, the Members voted unanimously to move into Closed Session under §3-305(b)(14) of the General Provisions Article of the Annotated Code of Maryland to discuss a matter related to contract negotiations.

RETURN TO OPEN SESSION

At 10:51 a.m., the Finance and Administration Committee returned to Open Session. Member von Paris stated that there were no actions to ratify from the Closed Session.

There being no further business, the meeting of the Finance Committee adjourned at 10:51 a.m., following a motion by Member Rosen and seconded by Member Carroll.

John von Paris, Chairman

ITEM

2

CLOSED SESSION MINUTES

ITEM

3



MEMORANDUM

TO: Finance & Administration Committee
FROM: Radio Shop Manager Michael Himmer
SUBJECT: J01B6600044 – MDTA Motorola APX 6500 Enhanced Mobile Radios
DATE: June 11, 2026

PURPOSE OF MEMORANDUM

To seek approval from the Finance & Administration Committee to present the award recommendation for PORFP No. J01B6600044, Motorola APX 6500 enhanced mobile radio communications equipment, to the full MDTA Board at its next scheduled meeting.

SUMMARY

This procurement is for the purchase of Motorola APX 6500 enhanced mobile radio communications equipment, including warranties, for the MDTA Police. The equipment will support the MDTA Police's communication needs, ensuring efficient and reliable operations for law enforcement and emergency response activities.

The procurement was issued as a request for proposal (PORFP) under the Department of Information Technology (DoIT) Radio Communication 2018 Master Contract. It was advertised to eight (8) authorized Master Contractors who can provide Motorola products. Motorola Solutions, Inc. was the sole Offeror.

The estimated value of this one-time purchase contract is \$852,742.00. As this contract falls under MDTA's delegated authority, the award of this contract will be pending approval at the next available full MDTA Board scheduled meeting.

RECOMMENDATION(S)

The approval of the Finance & Administration Committee to present the award recommendation for PORFP No. J01B6600044, Motorola APX 6500 enhanced mobile radio communications equipment, to the full MDTA Board at its next scheduled meeting.

ATTACHMENT(S)

- Finance & Administration Committee Project Summary



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FINANCE & ADMINISTRATION COMMITTEE PROJECT SUMMARY
J01B6600044 - MDTA Motorola APX 6500 Enhanced Mobile Radios

PIN NUMBER TBD
CONTRACT NUMBER J01B6600044
CONTRACT TITLE MDTA Motorola APX 6500 Enhanced Mobile Radios

PROJECT SUMMARY This procurement is for the purchase of Motorola APX 6500 enhanced mobile radio communications equipment, including warranties, for the MDTA Police. The equipment will support the MDTA Police's communication needs, ensuring efficient and reliable operations for law enforcement and emergency response activities.

The procurement was issued as a request for proposal (PORFP) under the Department of Information Technology (DoIT) Radio Communication 2018 Master Contract. It was advertised to eight (8) authorized Master Contractors who can provide Motorola products. Motorola Solutions, Inc. was the sole Offeror.

The estimated value of this one-time purchase contract is \$852,742.00.

SCHEDULE		MBE PARTICIPATION		ADVERTISED	PROPOSED
		OVERALL MBE		GOAL (%)	GOAL (%)
ADVERTISEMENT DATE	4/9/2026			0.00%	0.00%
ANTICIPATED NTP DATE	6/29/2026	AFRICAN AMERICAN		0.00%	0.00%
DURATION (CALENDER DAYS)	81	ASIAN AMERICAN		0.00%	0.00%
		VSBE		0.00%	0.00%
		BID RESULTS		BID AMOUNT	% VARIANCE
				(\$)	TO EE
ENGINEER'S ESTIMATE (EE)	(\$) \$880,220.00	Motorola Solutions, Inc.		\$852,742.00	-3.12%
		BID PROTEST		YES	NO
				<input type="checkbox"/>	<input checked="" type="checkbox"/>

ITEM

4



MEMORANDUM

TO: Finance & Administration Committee
FROM: Radio Shop Manager Michael Himmer
SUBJECT: J01B6600045 - MDTA Motorola APX Next Portable Radios
DATE: June 11, 2026

PURPOSE OF MEMORANDUM

To seek approval from the Finance & Administration Committee to present the award recommendation for PORFP No. J01B6600045, Motorola APX Next portable radio communications equipment, to the full MDTA Board at its next scheduled meeting.

SUMMARY

This procurement is for the purchase of Motorola APX Next portable radio communications equipment, including warranties, for the MDTA Police. The equipment will support the MDTA Police's communication needs, ensuring efficient and reliable operations for law enforcement and emergency response activities.

The procurement was issued as a request for proposal (PORFP) under the Department of Information Technology (DoIT) Radio Communication 2018 Master Contract. It was advertised to eight (8) authorized Master Contractors who can provide Motorola products. Motorola Solutions, Inc. was the sole Offeror.

The estimated value of this one-time purchase contract is \$6,820,042.39. As this contract falls under MDTA's delegated authority, the award of this contract will be pending approval at the next available full MDTA Board scheduled meeting.

RECOMMENDATION(S)

The approval of the Finance & Administration Committee to present the award recommendation for PORFP No. J01B6600045, Motorola APX Next portable radio communications equipment, to the full MDTA Board at its next scheduled meeting.

ATTACHMENT(S)

- Finance & Administration Committee Project Summary



Maryland
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FINANCE & ADMINISTRATION COMMITTEE PROJECT SUMMARY
J01B6600045 - MDTA Motorola APX Next Portable Radios

PIN NUMBER TBD
CONTRACT NUMBER J01B6600045
CONTRACT TITLE MDTA Motorola APX Next Portable Radios

PROJECT SUMMARY This procurement is for the purchase of Motorola portable radio communications equipment, including warranties, for the MDTA Police. The equipment will support the MDTA Police's communication needs, ensuring efficient and reliable operations for law enforcement and emergency response activities.

The procurement was issued as a request for proposal (PORFP) under the Department of Information Technology (DoIT) Radio Communication 2018 Master Contract. It was advertised to eight (8) authorized Master Contractors who can provide Motorola products. Motorola Solutions, Inc. was the sole Offeror.

The estimated value of this one-time purchase contract is \$6,820,042.39.

SCHEDULE		MBE PARTICIPATION		
		ADVERTISED GOAL (%)	PROPOSED GOAL (%)	
ADVERTISEMENT DATE	4/22/2026	OVERALL MBE	0.00%	0.00%
ANTICIPATED NTP DATE	6/29/2026	AFRICAN AMERICAN	0.00%	0.00%
DURATION (CALENDER DAYS)	68	ASIAN AMERICAN	0.00%	0.00%
		VSBE	0.00%	0.00%
		BID RESULTS		
		BID AMOUNT (\$)	% VARIANCE TO EE	
ENGINEER'S ESTIMATE (EE)	(\$) \$7,569,850.00	Motorola Solutions, Inc.	\$6,820,042.39	-9.91%
		BID PROTEST		
		YES	NO	
		<input type="checkbox"/>	<input checked="" type="checkbox"/>	

ITEM

5



MEMORANDUM

TO: Finance and Administration Committee
FROM: Director of Treasury and Debt Kevin Cullity
Debt Administrator Yaw Berkoh
MAA Chief Tanya Wojtulewicz
SUBJECT: MDTA Board Resolution 26-02, New Bond Financing and
Refinancing
DATE: June 11, 2026

PURPOSE OF MEMORANDUM

To explain the purpose of Maryland Transportation Authority (MDTA) Board Resolution 26-02 for Municipal Financing and request recommendation of the Finance and Administration Committee to present the authorizing resolution to the full Board for approval.

The delegated authority updates the previously approved Resolution 26-01 to add partial refinancings of the Series 2012 and 2014 bonds for economic savings. The updated resolution continues to authorize the issuance of new Passenger Facility Charge (PFC) backed bonds to finance a portion of BWI Airport capital projects in fiscal 2027 and 2028.

The PFC revenue backed bonds are issued under a separate trust agreement and are solely secured by PFC revenues.

SUMMARY

The Municipal Financing Resolution authorizes the issuance of up to \$130 million of bonds to finance a portion of capital projects for an approximately two-year period through fiscal 2028 and refinance portions of the Series 2012/2014 bonds for economic savings. The financing is expected during the second half of calendar 2026 and will be sized to account for the capital program, passenger facility charge revenues, bond premium, debt service reserve funding, and costs of issuance.

- Design – New Air Traffic Control Tower
- Capacity Project – Concourse D/E Bag Claim Expansion

Resolution 26-02, Municipal Financing
Page Two

- State of Good Repair Projects
 - Concourse C/D Connector
 - Concourse C/D Baggage Handling System
 - Concourse B Projects – Roof Replacement, Passenger Movement Modernization (Terminal Vestibule Doors, Elevators, Escalators, Moving Walkways)

The projects and the PFC backed bonds are expected to receive approval from the Federal Aviation Administration in summer 2026.

The \$130 million limit contained in the resolution is based on forecasts submitted by the Maryland Aviation Administration (MAA).

The Executive Director and Chief Financial Officer (CFO) will have the authority to manage the bond sale and closing, including the award of the 2026 bonds to the successful underwriting firm(s) or negotiation of terms for a private placement. The resolution also provides for authority to select other service providers and to prepare and execute all closing documents, certificates, and bond forms.

Resolution 26-02 contains the following limiting and reporting provisions:

1. Par Amount – Limited to \$130 million.
2. Final Maturity Date, Refinancing Bonds – In compliance with IRS regulations, no later than the final June 1, 2034 maturity date of the Series 2014 bonds.
3. Bond Sale Date – No later than December 31, 2026.
4. Bond Sale Reports on Results – Provided by the Executive Director and CFO at the first Board meetings after the sale dates.

RECOMMENDATION

Management requests the Finance and Administration Committee's concurrence and recommendation to move to the full board for approval of the Municipal Financing Resolution.

ATTACHMENTS

Series 2012A Amortization Table
Series 2014 Amortization Table
Series 2012A/2014 Refinancing Savings Example
Board Resolution 26-02, Municipal Financing

MDTA PFC Series 2012A Bonds

Period	Pincipal	Coupon	Interest	Debt Service	Annual Debt Service
6/1/2012			235,872.50	235,872.50	235,872.50
12/1/2012			1,179,362.50	1,179,362.50	
6/1/2013	1,795,000	4.00%	1,179,362.50	2,974,362.50	4,153,725.00
12/1/2013			1,143,462.50	1,143,462.50	
6/1/2014	1,835,000	4.00%	1,143,462.50	2,978,462.50	4,121,925.00
12/1/2014			1,106,762.50	1,106,762.50	
6/1/2015	1,870,000	4.00%	1,106,762.50	2,976,762.50	4,083,525.00
12/1/2015			1,069,362.50	1,069,362.50	
6/1/2016	1,905,000	5.00%	1,069,362.50	2,974,362.50	4,043,725.00
12/1/2016			1,021,737.50	1,021,737.50	
6/1/2017	1,965,000	5.00%	1,021,737.50	2,986,737.50	4,008,475.00
12/1/2017			972,612.50	972,612.50	
6/1/2018	2,025,000	5.00%	972,612.50	2,997,612.50	3,970,225.00
12/1/2018			921,987.50	921,987.50	
6/1/2019	2,085,000	5.00%	921,987.50	3,006,987.50	3,928,975.00
12/1/2019			869,862.50	869,862.50	
6/1/2020	2,165,000	5.00%	869,862.50	3,034,862.50	3,904,725.00
12/1/2020			815,737.50	815,737.50	
6/1/2021	2,255,000	5.00%	815,737.50	3,070,737.50	3,886,475.00
12/1/2021			759,362.50	759,362.50	
6/1/2022	2,345,000	5.00%	759,362.50	3,104,362.50	3,863,725.00
12/1/2022			700,737.50	700,737.50	
6/1/2023	2,440,000	5.00%	700,737.50	3,140,737.50	3,841,475.00
12/1/2023			639,737.50	639,737.50	
6/1/2024	2,560,000	5.00%	639,737.50	3,199,737.50	3,839,475.00
12/1/2024			575,737.50	575,737.50	
6/1/2025	2,690,000	5.00%	575,737.50	3,265,737.50	3,841,475.00
12/1/2025			508,487.50	508,487.50	
6/1/2026	2,820,000	5.00%	508,487.50	3,328,487.50	3,836,975.00
12/1/2026			437,987.50	437,987.50	
6/1/2027	2,965,000	5.00%	437,987.50	3,402,987.50	3,840,975.00
12/1/2027			363,862.50	363,862.50	
6/1/2028	3,110,000	5.00%	363,862.50	3,473,862.50	3,837,725.00
12/1/2028			286,112.50	286,112.50	
6/1/2029	3,265,000	4.00%	286,112.50	3,551,112.50	3,837,225.00
12/1/2029			220,812.50	220,812.50	
6/1/2030	3,430,000	4.00%	220,812.50	3,650,812.50	3,871,625.00
12/1/2030			152,212.50	152,212.50	
6/1/2031	3,600,000	4.13%	152,212.50	3,752,212.50	3,904,425.00
12/1/2031			77,962.50	77,962.50	
6/1/2032	3,780,000	4.13%	77,962.50	3,857,962.50	3,935,925.00
Total	50,905,000		27,883,672.50	78,788,672.50	78,788,672.50

2014 PFC Series 2014 Debt Service

Year Ending	Principal	Coupon	Interest	Semiannual Debt Service	Annual Debt Service
					14,217,381
6/1/2015	\$620,000	3.000%	\$715,453.98	\$1,335,454	\$1,335,454
12/1/2015	-		780,771.88	780,772	-
6/1/2016	1,395,000	4.000%	780,771.88	2,175,772	2,956,544
12/1/2016	-		752,871.88	752,872	-
6/1/2017	1,450,000	4.000%	752,871.88	2,202,872	2,955,744
12/1/2017	-		723,871.88	723,872	-
6/1/2018	1,505,000	5.000%	723,871.88	2,228,872	2,952,744
12/1/2018	-		686,246.88	686,247	-
6/1/2019	1,580,000	5.000%	686,246.88	2,266,247	2,952,494
12/1/2019	-		646,746.88	646,747	-
6/1/2020	1,660,000	5.000%	646,746.88	2,306,747	2,953,494
12/1/2020	-		605,246.88	605,247	-
6/1/2021	1,745,000	5.000%	605,246.88	2,350,247	2,955,494
12/1/2021	-		561,621.88	561,622	-
6/1/2022	1,830,000	5.000%	561,621.88	2,391,622	2,953,244
12/1/2022	-		515,871.88	515,872	-
6/1/2023	1,925,000	5.000%	515,871.88	2,440,872	2,956,744
12/1/2023	-		467,746.88	467,747	-
6/1/2024	2,020,000	3.000%	467,746.88	2,487,747	2,955,494
12/1/2024	-		437,446.88	437,447	-
6/1/2025	2,080,000	3.125%	437,446.88	2,517,447	2,954,894
12/1/2025	-		404,946.88	404,947	-
6/1/2026	2,145,000	3.250%	404,946.88	2,549,947	2,954,894
12/1/2026	-		370,090.63	370,091	-
6/1/2027	2,215,000	3.250%	370,090.63	2,585,091	2,955,181
12/1/2027	-		334,096.88	334,097	-
6/1/2028	2,285,000	3.500%	334,096.88	2,619,097	2,953,194
12/1/2028	-		294,109.38	294,109	-
6/1/2029	2,365,000	3.500%	294,109.38	2,659,109	2,953,219
12/1/2029	-		252,721.88	252,722	-
6/1/2030	2,450,000	3.500%	252,721.88	2,702,722	2,955,444
12/1/2030	-		209,846.88	209,847	-
6/1/2031	2,535,000	3.625%	209,846.88	2,744,847	2,954,694
12/1/2031	-		163,900.00	163,900	-
6/1/2032	2,625,000	4.000%	163,900.00	2,788,900	2,952,800
12/1/2032	-		111,400.00	111,400	-
6/1/2033	2,730,000	4.000%	111,400.00	2,841,400	2,952,800
12/1/2033	-		56,800.00	56,800	-
6/1/2034	2,840,000	4.000%	56,800.00	2,896,800	2,953,600
Total	\$ 40,000,000		\$ 17,468,166.64	\$ 57,468,166.64	\$ 57,468,166.64

Current Refunding of Series 2012A - Series 2026B (AMT)							
Maturity Date	Prior Debt Service	Refunded Debt Service	New Principal	New Interest	New Debt Service	Total Debt Service	Savings
6/1/2027	3,840,975	3,840,975	2,735,000	940,000	3,675,000	3,675,000	165,975
6/1/2028	3,837,725	3,837,725	2,870,000	803,250	3,673,250	3,673,250	164,475
6/1/2029	3,837,225	3,837,225	3,015,000	659,750	3,674,750	3,674,750	162,475
6/1/2030	3,871,625	3,871,625	3,200,000	509,000	3,709,000	3,709,000	162,625
6/1/2031	3,904,425	3,904,425	3,390,000	349,000	3,739,000	3,739,000	165,425
6/1/2032	3,935,925	3,935,925	3,590,000	179,500	3,769,500	3,769,500	166,425
6/1/2033	0	0	0	0	0	0	0
6/1/2034	0	0	0	0	0	0	0
			18,800,000	3,440,500	22,240,500	22,240,500	987,400

Current Refunding of Series 2014 - Series 2026C (AMT)							
Maturity Date	Prior Debt Service	Refunded Debt Service	New Principal	New Interest	New Debt Service	Total Debt Service	Savings
6/1/2027	2,955,181	588,219	0	706,500	706,500	3,073,462	-118,281
6/1/2028	2,953,194	588,219	0	706,500	706,500	3,071,475	-118,281
6/1/2029	2,953,219	2,953,219	2,075,000	706,500	2,781,500	2,781,500	171,719
6/1/2030	2,955,444	2,953,444	2,185,000	602,750	2,787,750	2,789,750	165,694
6/1/2031	2,954,694	2,954,694	2,290,000	493,500	2,783,500	2,783,500	171,194
6/1/2032	2,952,800	2,952,800	2,405,000	379,000	2,784,000	2,784,000	168,800
6/1/2033	2,952,800	2,952,800	2,525,000	258,750	2,783,750	2,783,750	169,050
6/1/2034	2,953,600	2,953,600	2,650,000	132,500	2,782,500	2,782,500	171,100
			14,130,000	3,986,000	18,116,000	22,849,938	780,994

Combined Refunding of 2012A and 2014 Bonds							
Maturity Date	Prior Debt Service	Refunded Debt Service	New Principal	New Interest	New Debt Service	Total Debt Service	Savings
6/1/2027	6,796,156	4,429,194	2,735,000	1,646,500	4,381,500	6,748,462	47,694
6/1/2028	6,790,919	4,425,944	2,870,000	1,509,750	4,379,750	6,744,725	46,194
6/1/2029	6,790,444	6,790,444	5,090,000	1,366,250	6,456,250	6,456,250	334,194
6/1/2030	6,827,069	6,825,069	5,385,000	1,111,750	6,496,750	6,498,750	328,319
6/1/2031	6,859,119	6,859,119	5,680,000	842,500	6,522,500	6,522,500	336,619
6/1/2032	6,888,725	6,888,725	5,995,000	558,500	6,553,500	6,553,500	335,225
6/1/2033	2,952,800	2,952,800	2,525,000	258,750	2,783,750	2,783,750	169,050
6/1/2034	2,953,600	2,953,600	2,650,000	132,500	2,782,500	2,782,500	171,100
			32,930,000	7,426,500	40,356,500	45,090,438	1,768,394

**MARYLAND TRANSPORTATION AUTHORITY
RESOLUTION 26-02**

A RESOLUTION REGARDING THE ISSUANCE BY THE MARYLAND TRANSPORTATION AUTHORITY (THE “MDTA”) OF ONE OR MORE SERIES OF ITS SPECIAL OBLIGATION PASSENGER FACILITY CHARGE REVENUE BONDS BALTIMORE/WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT (THE “SERIES 2026 PFC BONDS”) FOR THE PURPOSE OF (I) FINANCING AND REFINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN AIRPORT FACILITY PROJECTS, (II) REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE MDTA ISSUED FOR THE PURPOSE OF FINANCING AND REFINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN AIRPORT FACILITY PROJECTS, (III) FUNDING DEBT SERVICE RESERVE FUNDS, AND (IV) PAYING THE COSTS RELATED TO ISSUANCE OF THE SERIES 2026 PFC BONDS; APPROVING THE PREPARATION AND DISTRIBUTION OF THE PRELIMINARY AND FINAL OFFICIAL STATEMENTS, A SUPPLEMENTAL TRUST AGREEMENT, A FINANCING AGREEMENT, AN ESCROW DEPOSIT AGREEMENT, A LEASING AGREEMENT AND ANY OTHER NECESSARY AND APPROPRIATE TRANSACTION DOCUMENTS; AUTHORIZING THE SOLICITATION AND SELECTION OF PROVIDERS OF PROFESSIONAL SERVICES; AUTHORIZING CERTAIN OFFICERS TO DETERMINE MATTERS PERTAINING TO THE SALE AND ISSUANCE OF THE SERIES 2026 PFC BONDS, INCLUDING THE FINANCING STRUCTURE AND TERMS; AND AUTHORIZING, SPECIFYING, DETERMINING AND APPROVING CERTAIN OTHER MATTERS PERTAINING TO THE SERIES 2026 PFC BONDS.

WHEREAS, the Maryland Transportation Authority, an agency of the State of Maryland (the “**MDTA**”) is authorized under Sections 4-101 through 4-406 of the Transportation Article of the Annotated Code of Maryland (2020 Replacement Volume, as amended and supplemented from time to time) (the “**Act**”) to finance “transportation facilities projects” (as defined in the Act), to issue revenue bonds for the purpose of financing the cost of transportation facilities projects (which includes airport facilities), to issue revenue bonds for the purpose of financing and refinancing transportation facilities projects and to perform any actions necessary or convenient to carry out the powers granted in the Act; and

WHEREAS, the Maryland Aviation Administration, an agency of the State of Maryland and a unit within the Maryland Department of Transportation (the “**MDOT MAA**”) is authorized pursuant to Section 5-404 of the Transportation Article of the Annotated Code of Maryland (2020 Replacement Volume, as amended and supplemented from time to time) to establish or operate airports and airport facilities utilizing funds available under the Act; and

WHEREAS, the MDOT MAA requested that the MDTA issue one or more series of its Special Obligation Passenger Facility Charge Revenue Bonds Baltimore/Washington International Thurgood Marshall Airport (the “**Series 2026 PFC Bonds**”) for the purpose of financing and refinancing improvements at Baltimore/Washington International Thurgood Marshall Airport (“**BWI Marshall Airport**”) and refunding certain outstanding revenue bonds issued for airport facilities; and

WHEREAS, the MDTA entered into the Trust Agreement dated as of December 1, 2003 (as previously amended and supplemented, the “**PFC Trust Agreement**”), with

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Manufacturers and Traders Trust Company, as trustee, to issue revenue bonds secured by passenger facility charge revenues generated from the operation of the airport facilities at BWI Marshall Airport (the “**PFC Revenues**”); and

WHEREAS, pursuant to Sections 2.01 and 2.05 of the PFC Trust Agreement, the MDTA has issued its Passenger Facility Charge Revenue Bonds, Series 2012A, dated April 25, 2012 (the “**Series 2012A PFC Bonds**”), its Passenger Facility Charge Revenue Bonds, Series 2012B, dated December 13, 2012 (the “**Series 2012B PFC Bonds**”), its Passenger Facility Charge Revenue Bonds, Series 2014, dated December 18, 2014 (the “**Series 2014 PFC Bonds**”) and its Passenger Facility Charge Revenue Bonds, Series 2019, dated June 19, 2019 (the “**Series 2019 PFC Bonds**” and, together with the Series 2012A PFC Bonds, the Series 2012B PFC Bonds and the Series 2014 PFC Bonds, the “**Outstanding Prior Bonds**”) for the purpose of financing improvements to certain Airport Facilities Projects (as defined in the PFC Trust Agreement); and

WHEREAS, the MDOT MAA has asked the MDTA to issue the Series 2026 PFC Bonds for the purpose of financing two state of good repair projects, one capacity project, and the design for a new Air Traffic Control Tower, Concourse C/D Connector and Baggage Handling System (collectively referred to herein as the “**2026 PFC Projects**”). The state of good repair projects to be financed with the Series 2026 PFC Bonds include the Concourse B Roof Replacement and Terminal wide Passenger Movement Modernization (Terminal Vestibule Doors, Elevators, Escalators, Moving Walkways). The capacity project to be financed with the Series 2026 PFC Bonds is for a Concourse D/E Bag Claim Expansion.

WHEREAS, Section 2.05 of the PFC Trust Agreement provides that the MDTA may from time to time issue Additional Bonds (as defined in the PFC Trust Agreement) in accordance with the terms and conditions set forth in the PFC Trust Agreement for the purpose of paying all or any part of the cost of any additional Airport Facilities Projects (as defined in the PFC Trust Agreement) or (ii) providing funds for refunding all or a portion of the bonds then outstanding of any or all series, whether or not such bonds are then subject to redemption, including providing for the payment of any redemption premium due or to become due thereon, interest to accrue to the selected redemption or maturity date, any serial maturities to become due prior to the selected redemption or maturity date and any expenses in connection with such refunding; and

WHEREAS, the MDTA desires to adopt this Resolution to authorize the execution and delivery of a supplement to the PFC Trust Agreement (the “**Supplemental PFC Trust Agreement**”) that will include, among other provisions, the terms of the Series 2026 PFC Bonds as Additional Bonds, the pledge of PFC Revenues as security for the Series 2026 PFC Bonds, other legally available revenues generated from operation of the airport facilities, as deemed appropriate by the Executive Director of the MDTA (the “**Executive Director**”); and

WHEREAS, the MDTA desires to authorize the issuance of one or more additional series of PFC Bonds, for the purpose of (i) financing and refinancing the costs of the 2026

PFC Projects, (ii) refunding all or a portion of the Outstanding Prior Bonds (collectively, the “**Refunded Bonds**”), (iii) funding a debt service reserve fund, and (iv) paying the costs related to issuance of the Series 2026 PFC Bonds, provided that certain conditions set forth in this Resolution are met.

NOW, THEREFORE, BE IT RESOLVED BY THE MARYLAND TRANSPORTATION AUTHORITY, as follows:

Section 1. The MDTA hereby authorizes the issuance of one or more series of PFC Bonds designated as its “Passenger Facility Charge Revenue Bonds, Series 2026, Baltimore/Washington International Thurgood Marshall Airport,” or such other or further designation as may be deemed appropriate by the Executive Director, in a total aggregate principal amount not to exceed One Hundred Thirty Million Dollars (\$130,000,000), for the purpose of (i) financing and refinancing the costs of the 2026 PFC Projects, (ii) refunding all or a portion of the Outstanding Prior Bonds or all or a portion of any principal maturities thereof, (iii) depositing funds into a debt service reserve fund, and (iv) paying the costs related to the issuance of the Series 2026 PFC Bonds, subject to the limitations set forth below in Section 3(b).

Section 2. The Series 2026 PFC Bonds will be issuable as fully registered bonds without coupons, and may be issued in such denominations as the Executive Director may determine, in consultation with the Chief Financial Officer of the MDTA (the “**Chief Financial Officer**”), the Chief Financial Officer to the Maryland Department of Transportation (the “**Department CFO**”), the Chief Financial Officer of MDOT MAA (the “**MAA CFO**”), and the financial advisors and bond counsel to the MDTA, as appropriate. The Series 2026 PFC Bonds are special obligations of the MDTA payable, as to principal and interest, solely from the revenues and funds pledged thereto under the PFC Trust Agreement, as amended and supplemented, and are not and shall not be deemed (i) to be general obligations of the MDTA, (ii) to constitute obligations of the Maryland Department of Transportation (the “**Department**”) or the MDOT MAA, or (iii) to constitute a debt or a pledge of the faith and credit of the State of Maryland or any political subdivision thereof. The revenues pledged under the Second Amended and Restated Trust Agreement dated as of September 1, 2007, (as amended and supplemented, the “**Toll Facilities Trust**”) derived from the Transportation Facilities Projects or the General Account Projects (as such terms are defined in the Toll Facilities Trust) will not be pledged as security for the Series 2026 PFC Bonds or any other bonds issued under the PFC Trust Agreement, as supplemented and amended. Therefore, the limitation on the outstanding principal amount of toll revenue bonds issued by the MDTA and secured by toll revenues set forth in Section 4-306(b) of the Act does not apply to the Series 2026 PFC Bonds.

Section 3.

(a) The bond sale will be conducted under the direction of the Executive Director. The MDTA hereby authorizes its Executive Director to sell one or more series of the Series 2026 PFC Bonds by one or more competitive sales or by negotiated sales (including but not limited to a direct placement with a financial institution), upon terms

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determined by the Executive Director, with the advice of the Chief Financial Officer, the Department CFO, the MAA CFO, its bond counsel, its financial advisors and, as appropriate, other officers and staff of the MDTA, the MDOT MAA and the Department, to be the most advantageous for the MDOT MAA, provided that such sale or sales must occur no later than December 31, 2026, unless a later sale date is approved by future resolution of the MDTA, and subject to the limitations set forth below in paragraph (b).

(b) The Executive Director is authorized to determine, with the advice of the Chief Financial Officer, bond counsel, financial advisors and, as appropriate, other officers and staff of the MDTA, the terms of the Series 2026 PFC Bonds, including, but not limited to: (i) the rate or rates of interest to be borne by the Series 2026 PFC Bonds or the method of determining the rates for such bonds, provided that the true interest cost, determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to the date of the Series 2026 PFC Bonds and to the price for such bonds, shall not exceed 6%, (ii) the dates of principal and interest payments and final maturity of the Series 2026 PFC Bonds, provided that the final maturity of the Series 2026 PFC Bonds shall not exceed 30 years or (A) the useful life of the assets financed with the proceeds of the Refunded Bonds and (B) the final maturity of the Refunded Bonds, and (iii) the appropriate designation for the Series 2026 PFC Bonds that may reflect a different year of issuance and other modifications.

(c) If the Executive Director determines to negotiate the terms of the sale of all or a portion of the Series 2026 PFC Bonds, the MDTA hereby authorizes the Executive Director, with the assistance of the Chief Financial Officer, its bond counsel, its financial advisors and, as appropriate, other officers and staff of the MDTA, (1) to solicit and accept proposals for the sale of the Series 2026 PFC Bonds on a private, negotiated basis, and (2) if the sale is negotiated, to negotiate the terms of an agreement for the purchase of the Series 2026 PFC Bonds (a "**Bond Purchase Agreement**"), in accordance with the limitations set forth in this Resolution.

(d) If the Executive Director determines to sell all or a portion of the Series 2026 PFC Bonds by the solicitation of competitive bids, the MDTA hereby authorizes the Executive Director, with the assistance of the Chief Financial Officer, its bond counsel, its financial advisors and, as appropriate, other officers and staff of the MDTA, (i) to determine the means for the submission of competitive bids, including but not limited to electronic bids via such service provider as the Executive Director deems appropriate, (ii) to determine the terms and conditions for such sale, including but not limited to, the conditions for acceptance of bids and the criteria for the selection of a winning bidders, subject to the limitations set forth in this Resolution, (iii) to prepare a notice of sale setting forth the terms and conditions of such sales (the "**Notice of Sale**"), and (iv) to advertise such sale, including but not limited to publication of the Notice of Sale or a summary thereof by any electronic medium, financial journal, or such other manner as the Executive Director deems appropriate, at least ten days before the date set for the receipt of bids.

(e) The Executive Director and the Chief Financial Officer shall provide a report of the results of the sale of the Series 2026 PFC Bonds at the first meeting of the MDTA occurring after the sale of the Series 2026 PFC Bonds.

Section 4. The Executive Director is hereby authorized to engage, as appropriate, the services of a trustee, a registrar, a paying agent, an escrow agent, a verification agent, an underwriter, a feasibility consultant, engineers, accountants, printers and such other service providers as the Executive Director deems appropriate from time to time with respect to the Series 2026 PFC Bonds and the Refunded Bonds.

Section 5. The MDTA hereby authorizes the Executive Director, Chief Financial Officer and other staff of the MDTA, with the assistance of its counsel, bond counsel and its financial advisors, to prepare a preliminary official statement, a final official statement, a private placement memorandum or any other form of offering and disclosure documents (each referred to herein as, an “**Official Statement**”) for the sale related to the Series 2026 PFC Bonds and to distribute each Official Statement to the entities that they shall deem appropriate.

Section 6. The MDTA hereby authorizes the Executive Director, with the assistance of counsel, bond counsel and appropriate officers and staff of the MDTA, to negotiate the terms of any lease agreements, including supplements and amendments to existing agreements (collectively, the “**Lease Agreements**”), and any financing agreements, including supplements and amendments to existing agreements (collectively, the “**Financing Agreements**”), related to issuing and financing the 2026 PFC Projects.

Section 7. Subject to the terms set forth in this Resolution, the MDTA hereby authorizes its Executive Director, with the assistance of other officers of the MDTA, counsel to the MDTA, its bond counsel, financial advisors, and staff, to prepare (i) a Fifth Supplemental PFC Trust Agreement to secure the payment of one or more series of PFC Bonds with the PFC Revenues for the purpose of financing the 2026 PFC Projects, (ii) one or more bond certificates for the Series 2026 PFC Bonds (each, a “**Bond Certificate**”), (iii) an escrow deposit agreement or an escrow letter (the “**Escrow Deposit Agreement**”), if required, and (iv) a continuing disclosure agreement (“**Continuing Disclosure Agreement**”) to assist the underwriters of the Series 2026 PFC Bonds in complying with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 8. The Chairman of the MDTA (the “**Chairman**”) and the Executive Director are hereby authorized to execute and deliver on behalf of the MDTA each Bond Certificate by their manual or facsimile signatures. The Executive Director of the MDTA is hereby authorized to cause an original or facsimile of the official seal of the MDTA to be imprinted on each Bond Certificate.

Section 9. The MDTA hereby authorizes the Chairman and the Executive Director, or either of them, to execute and deliver on behalf of the MDTA, as appropriate,

an Official Statement, the Fifth Supplemental PFC Trust Agreement, a Bond Purchase Agreement, a Continuing Disclosure Agreement, Lease Agreements, Financing Agreements and such other documents and agreements deemed necessary and appropriate by the Chairman or the Executive Director (collectively, together with the Bond Certificates, the “**Bond Documents**”). The execution and delivery by them of the Bond Documents shall be conclusive evidence of their final approval.

Section 10. The MDTA hereby covenants that it will take, or refrain from taking, any and all actions necessary to comply with the provisions of Section 103 and Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the “**Code**”), applicable to the Series 2026 PFC Bonds in order to preserve the status of the interest on the Series 2026 PFC Bonds as excluded from gross income for federal income tax purposes. Without limiting the generality of the covenant set forth in the preceding sentence, (a) the MDTA will not use or permit the use (to the extent it exercises control or direction) of any of the proceeds of the Series 2026 PFC Bonds in such manner as would cause the interest on the Series 2026 PFC Bonds to be included in gross income for federal income tax purposes, (b) the MDTA will regulate the investment of the proceeds of the Series 2026 PFC Bonds (to the extent it exercises control or direction) so as not to cause any of the Series 2026 PFC Bonds to be an “arbitrage bond” within the meaning of Section 148 of the Code and the Income Tax Regulations thereunder, (c) the MDTA will, if and to the extent necessary make periodic determinations of the rebate amount and timely pay any rebate amount, or installment thereof, to the United States of America, (d) the MDTA will prepare and timely file Internal Revenue Service Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, and/or Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues, and (e) the Executive Director and Chief Financial Officer are hereby authorized and directed to prepare or cause to be prepared and to execute and deliver any certificate, report or other document that may be required in order to assure compliance with the applicable provisions of Section 103 and Sections 141 through 150, inclusive, of the Code, and the Income Tax Regulations promulgated thereunder. The Chairman and the Executive Director are hereby authorized, pursuant to the provisions of Section 147(f) of the Code, to conduct a public hearing to hear any objections to the proposed issuance of the Series 2026 PFC Bonds subject to the requirements of Section 147(f) of the Code, following publication of a notice of public hearing in a newspaper or newspapers of general circulation in Anne Arundel County, Maryland and Baltimore County, Maryland at least 14 days in advance of the date set for such hearing.

Section 11. The Chairman and the Executive Director are hereby authorized to specify, prescribe, determine, provide for or approve, all within the limitations of this Resolution and the Act, all other matters, details, forms, documents and procedures pertaining to the sale, security, issuance, delivery and payment of or for the Series 2026 PFC Bonds, including (without limitation) the execution, acknowledgment, sealing and delivery of Bond Documents by the Chairman, Executive Director or any other duly qualified employee, agent or officer of the MDTA as are or may be necessary or appropriate to consummate the transactions contemplated by this Resolution and the option to pledge as security for all or some of the Series 2026 PFC Bonds, in addition to

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PFC Revenues, other legally available revenues generated from operation of the airport facilities at BWI Marshall Airport, as deemed appropriate by the Executive Director of the MDTA, in accordance with the Act and this Resolution.

Section 12. The MDTA hereby authorizes its Executive Director and all other proper officers of the MDTA to create, supplement, and amend the Bond Documents and to take such actions or cause to be taken such actions as shall be necessary, proper and convenient for carrying out the purposes of this Resolution, including, but not limited to, expending funds, incurring costs and holding any necessary public hearings.

Section 13. The MDTA hereby authorizes the Executive Director to approve all contracts relating to the Series 2026 PFC Bonds prior to submission to the Board of Public Works in accordance with the terms and conditions of the PFC Financing Agreements, the Lease Agreements, or any other Bond Documents entered into by and between the MDOT, MAA, and the MDTA.

Section 14. In exercising such authority, the Executive Director is hereby authorized generally to take such actions as may be appropriate to ensure compliance by the MDTA with the terms and conditions of the applicable Bond Documents and with the provisions of applicable law.

Section 15. The Executive Director will provide periodic updates to the Finance Committee and the MDTA Board of all contracts and project improvements approved by the Executive Director in accordance with this Resolution.

Section 16. This Resolution shall be effective immediately upon its adoption.

Dated as of _____, 2026

WITNESS:

MARYLAND TRANSPORTATION AUTHORITY

Bruce Gartner
Executive Director

Kathryn Thomson
Chair

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:**

Megan E. Mohan
Assistant Attorney General

ITEM

6



MEMORANDUM

TO: Finance & Administration Committee
FROM: Director of Finance Chantelle Green
PREPARED BY: Director of Budget Jeffrey Brown
SUBJECT: Fiscal Year 2027 Final Operating Budget
DATE: June 11, 2026

PURPOSE

The purpose of this memorandum is to request a recommendation of approval to the Maryland Transportation Authority (MDTA) Board for the FY 2027 Operating Budget.

KEY TAKEAWAYS

Key points regarding the FY 2027 Final Operating Budget versus the FY 2027 Preliminary Operating Budget:

FY 2027 Final Operating Budget Request

Summary of Major Changes (\$ millions)

Table with 2 columns: Description and Amount. Rows include FY 2027 Prelim Operating Budget Request (\$463.1), FY 2027 Final Operating Budget (\$473.3), \$ Change FY 2027 Prelim vs FY 2027 Final (\$10.2), and % Change FY 2027 Prelim vs FY 2027 Final (2.2%).

NOTE: Numbers may not sum to total due to rounding

The proposed FY 2027 Final Operating Budget of \$473.3 million represents \$10.2 million, or a 2.2% increase versus the FY 2027 Preliminary Operating Budget. The key drivers of the increase are mandated personnel expenses, insurance costs, MSP overhead charges, delayed motor vehicle purchases, and MDTA Police equipment. These costs are partially offset by a reduction in large vehicle purchases that were expedited into FY 2026.

ANALYSIS

To better understand the budgetary changes and their associated drivers, the changes have been analyzed by mandated and discretionary expenses.

FY 2027 Prelim Budget	\$463.1
Mandated Increases	4.9
Additions	7.5
Reductions	(2.2)
FY 2027 Final Operating Budget	\$473.3

Attachment 1 – identifies the mandated and discretionary additions and reductions.

Mandated changes increase the budget by \$4.9 million and are as follows:

- Base salaries increase by \$1.8 million due to:
 - MDTA Police collective bargaining agreement salary adjustments (step schedule increase from 2% to 5% for step 18) and employee reclassifications account for a net increase of \$1.0 million.
 - Civilian reclassification increases (grade/step/classification changes) total \$0.8 million.
- A 1.5% civilian COLA increases the budget by \$1.3 million.
- Pension (0161) costs increase by \$0.5 million.
- Overtime (0104) increases \$0.4 million to align the cost with recent winter experience and to cover costs for MDTA Police vacancies.
- Retiree Health costs (0154) increase \$0.3 million, primarily due to the Maryland State Police (MSP).
- Miscellaneous (0110 – military pay, on-call pay, etc.) costs increase \$0.2 million.
- Law Enforcement Officers’ Pension System (LEOPS) (0169) costs increase by \$0.2 million.
- Social Security (0151) costs increase by \$0.2 million.

The operating budget includes \$7.5 million in additional discretionary spending. The key variances are as follows:

- Insurance – non-State Treasurer’s Office (STO) payments (1309) increase by \$1.1 million. STO is budgeting an increase of 12.5% over FY 2026 actual expenditures across all lines of insurance.
- Other Contractual Services cost (0899) increase of \$1.0 million primarily driven by:
 - MSP overhead rate increase from 24.88% to 29.38% accounts for \$0.6 million.
 - Emergency snow removal services at JFK highway account for \$0.3 million.
 - Gartner for Finance Leaders accounts for a \$0.1 million increase This is a subscription service that provides immediate and ongoing access to specialized research for financial function and technology information, predictive data modeling research, proprietary peer benchmarks, and executive advisory services.
- Vehicle Purchases – Cars, Light Truck costs (0701) increase by \$0.8 million due to vehicle orders that were rolled over into the FY 2027 budget because the vehicles will not be received in FY 2026 as anticipated.
- Other Replacement Equipment costs (1099) increase by \$0.6 million due to the replacement of outside MDT Police drones, new holsters/equipment for the MDTA Police academy, laptops for MDTA Police academy candidates, and the replacement of patrol rifles.
- Management Studies & Consultants (0821) increases by a net \$0.5 million primarily due to:
 - MD-Star Project - \$0.8 million increase.
 - I-95/MD 222 Interchange Study - \$0.3 million increase.
 - Milligan Partners Succession Planning - \$0.1 million increase.
 - Environmental, Social, and Governance (Governance Risk Impact Report) cost - \$0.5 million reduction.
 - Other - \$0.2 million reduction across remaining responsibility centers (RCs).
- Large Vehicle Maintenance & Repair costs (0732) increase by \$0.5 million due to higher market driven labor and parts costs.
- Fiscal Services costs (0829) increase by \$0.4 million for merchant account services and interchange fees associated with customer service center and E-ZPass Interagency Group credit card payments.

FY 2027 Final Operating Budget
Page Four

- Data Processing costs (0841) increase by \$0.4 million due to contractual rate changes.
- DoIT Services Allocation costs (0876) increase by \$0.3 million due to TSO charges.
- E-ZPass® Service Center Costs (0873) increase by \$0.3 million for pass-through tolling vendor-related credit card and automated clearing house (ACH) payment gateway services.
- Application Software Maintenance (0862) increases by \$0.3 million for various software license increases.
- Uniform costs (0912) increase \$0.2 million due to large MDTA Police academy classes.
- Outside Services – Computer Usage (0869) increase \$0.2 million due to Salesforce license agreement increases.
- Other Additional Equipment costs (1199) increase \$0.2 million for indoor Police drones and vaults for Police vehicles.
- All other costs increase by \$0.7 million across various RCs but primarily due to Security Services (0823) and Large Vehicle Maintenance Gas & Oil (0730) with both increasing by \$0.1 million, respectively.

The key variances for the \$2.2 million reduction in operating budget spending are as follows:

- Other Vehicle Purchase costs (0730) decline by \$1.5 million due to adjustments in the anticipated timing of certain purchases that are now expected to occur in FY 2028.
- Equipment Repairs & Maintenance costs (0809) decline by \$0.4 million primarily due to increased capitalization of IT costs for system backup and storage costs.
- All other costs decrease by a total of \$0.3 million across various RCs.

Figures 1 & 2 graphically display the FY 2027 budget by division and purpose.

Figure 1

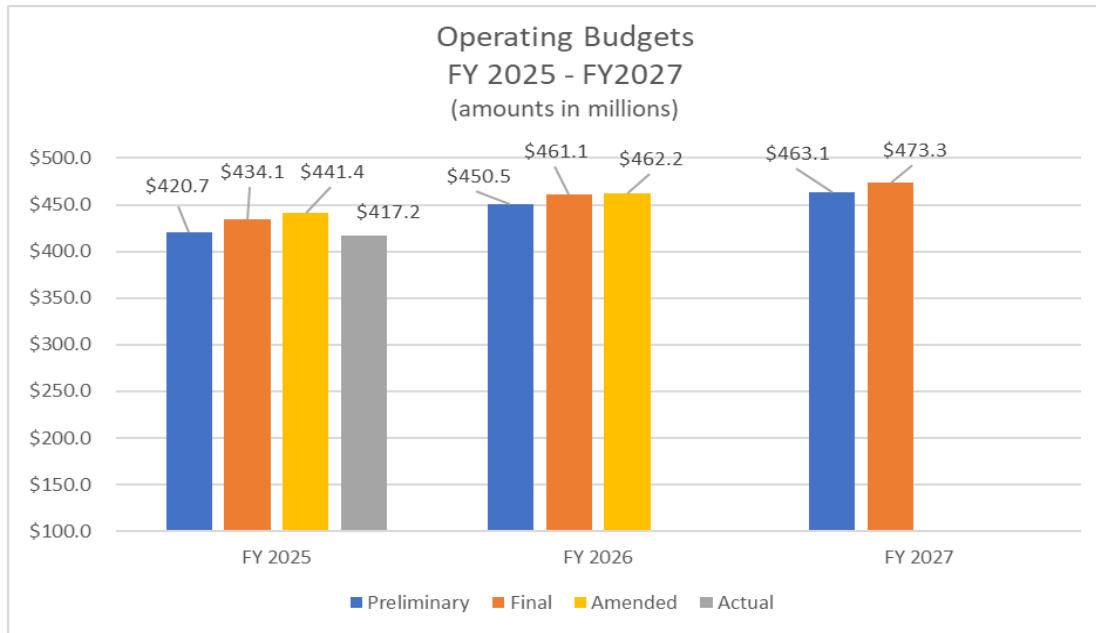
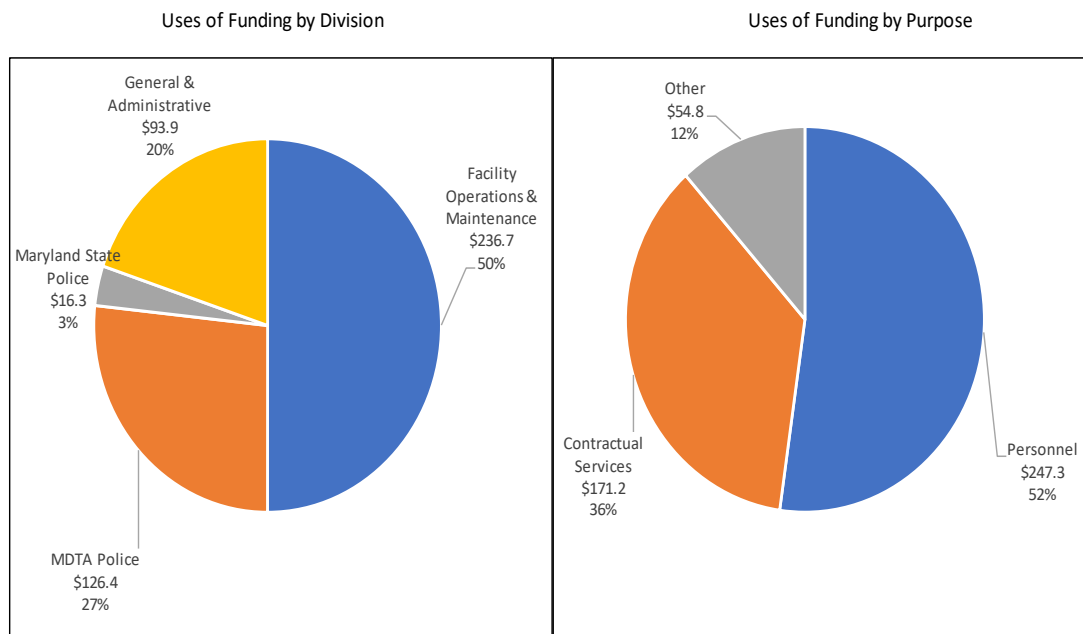


Figure 2

Where It Goes: Budget by Division & Purpose

\$ in Millions



ATTACHMENTS

Attachment 1 - Summary of Major Changes

Attachment 2 - FY 2027 SummaryByObject

ATTACHMENT 1



	FY27 Final vs FY27 Prelim
	<u> </u>
FY 2027 Final Operating Budget	\$473.3
FY 2027 Prelim Operating Budget	463.1
\$ Increase FY 2027 Final v. FY 2027 Prelim	<u>\$10.2</u>
% Increase FY 2027 Final v. FY 2027 Prelim	2.2%
FY 2027 Prelim Operating Budget	\$463.1
Mandated Increases	4.9
Additions	7.5
Reductions	(2.2)
FY 2027 Final Operation Budget Request	<u><u>\$473.3</u></u>
<u>Mandated</u>	
Base Salaries (Step/Reclass/Grade)	\$1.8
Civilian COLA - 1.5%	1.3
Pension	0.5
Overtime	0.4
Retiree Health (mostly MSP)	0.3
Miscellaneous (military pay, on call, etc.)	0.2
LEOPS	0.2
Social Security	0.2
Total Mandated	<u><u>\$4.9</u></u>
<u>Additions</u>	
Insurance - non STO payments	\$1.1
Other Contractual Services	1.0
Vehicle Purchases	0.8
Other Replacement Equipment	0.6
Management Studies & Consultants	0.5
Large Vehicle Maintenance & Repair	0.5
Fiscal Services	0.4
Data Processing	0.4
DoIT Services Allocation	0.3
E-ZPass® Service Center Costs	0.3
Applications Software Maintenance	0.3
Uniforms	0.2
Outside Services - Computer Usage	0.2
Other Additional Equipment	0.2
Large Vehicle Maintenance - Gas & Oil	0.1
Security Services	0.1
All other	0.5
Total Additions	<u><u>\$7.5</u></u>

ATTACHMENT 1



	FY27 Final vs FY27 Prelim
<u>Reductions</u>	
Other Vehicle Purchases	(\$1.5)
Equipment Repairs & Maintenance	(0.4)
All other	<u>(0.3)</u>
Total Reductions	<u><u>(2.2)</u></u>
<u>Total Change</u>	<u>\$10.2</u>

ATTACHMENT 2

Object	Description	Prelim	Final	FY27 Final-	FY27 Final-
		FY 2027 Budget	FY 2027 Budget	FY27 Prelim \$ Inc/Dec	FY27 Prelim % Inc/Dec
OBJECT 01 Salaries and Wages					
101	REGULAR EARNINGS	147,408,628	150,433,104	3,024,476	2.1%
102	ADDITIONAL ASSISTANCE	194,092	194,092	0	0.0%
104	OVERTIME EARNINGS	6,400,579	6,593,965	193,386	3.0%
104	OVERTIME EARNINGS - SNOW	1,465,246	1,630,246	165,000	11.3%
105	SHIFT DIFFERENTIAL	992,391	992,391	0	0.0%
110	MISCELLANEOUS P/R ADJUSTMENTS	348,236	589,659	241,423	69.3%
111	ANNUAL LEAVE PAYOUTS	231,025	231,025	0	0.0%
112	RECLASSIFICATIONS	403,865	403,865	0	0.0%
151	SOCIAL SECURITY CONTRIBUTIONS	10,526,024	10,748,625	222,601	2.1%
152	HEALTH INSURANCE	21,165,770	21,213,125	47,355	0.2%
154	RETIREE'S HLTH INSURANCE PREM	12,647,393	12,927,466	280,073	2.2%
161	EMPLOYEES RETIREMENT SYSTEM	18,589,885	19,040,910	451,025	2.4%
165	STATE POLICE RETIREMENT SYSTEM	5,186,133	5,187,225	1,092	0.0%
169	LAW ENFORCEMENT OFF PENSION SYS	23,846,651	24,088,991	242,340	1.0%
171	BURDEN EXPENSE	0	0	0	0.0%
172	DEFERRED COMPENSATION MATCH	356,877	359,277	2,400	0.7%
174	UNEMPLOYMENT COMPENSATION	206,394	210,633	4,239	2.1%
175	WORKERS COMPENSATION	3,633,039	3,686,275	53,236	1.5%
189	TURNOVER	(13,163,609)	(13,255,737)	(92,128)	0.7%
199	OTHER FRINGE BENEFIT - CLOTHING ALLOWANCE	868,411	865,611	(2,800)	-0.3%
		241,307,030	246,140,748	4,833,718	2.0%
Object 02 Technical and Special Fees					
202	PER DIEM PAYMENTS	150,000	150,000	0	0.0%
209	ADMIN/MGMT SERVICES SUPPORT	1,500	1,500	0	0.0%
211	EMPLOYEE AWARDS	1,000	800	(200)	-20.0%
220	SPECIAL PAYMENTS PAYROLL	980,108	1,010,108	30,000	3.1%
		1,132,608	1,162,408	29,800	2.6%
Object 03 Communications					
301	POSTAGE	49,600	44,464	(5,136)	-10.4%
302	TELEPHONE	879,479	885,479	6,000	0.7%
303	TELECOMMUNICATIONS	820,465	916,339	95,874	11.7%
305	STATE PAID TELECOMMUNICATIONS	2,000,000	1,914,200	(85,800)	-4.3%
306	CELL PHONE EXPENDITURES	666,406	648,906	(17,500)	-2.6%
		4,415,950	4,409,388	(6,562)	-0.1%
Object 04 Travel					
401	IN STATE/ROUTINE OPERTN TRAVEL	53,177	59,177	6,000	11.3%
402	INSTATE/CONF/SEMNR/TRNG TRAVEL	92,179	87,885	(4,294)	-4.7%
403	OUTSTATE/ROUTINE OPERTN TRAVEL	48,964	62,354	13,390	27.3%
404	OUTSTATE/CONF/SEMNR/TRNG TRAVL	344,778	383,778	39,000	11.3%
		539,098	593,194	54,096	10.0%
Object 06 Fuel and Utilities					
603	FUEL-OIL #2	138,500	138,500	0	0.0%
606	FUEL-NATURAL GAS/PROPANE	542,733	542,733	0	0.0%
620	UTILITIES-ELECTRICITY	4,092,405	4,092,405	0	0.0%
621	UTILITIES-WATER/SEWAGE	451,190	421,190	(30,000)	-6.6%
		5,224,828	5,194,828	(30,000)	-0.6%
Object 07 Motor Vehicle Operations and Maintenance					
701	PURCH VEH-CAR,LIGHT TRUCK	0	758,000	758,000	0.0%
702	VEHICLE GAS & OIL	3,275,000	3,275,000	0	0.0%
703	VEHICLE MAINTENANCE & REPAIR	2,746,450	2,823,861	77,411	2.8%
704	INSURANCE	407,863	407,863	0	0.0%
721	VEHICLE GAS & OIL-WATERCRAFT	49,347	44,347	(5,000)	-10.1%
722	VEHICLE MAINTENANCE & REPAIR-WATERCRAFT	62,500	82,500	20,000	32.0%
724	BOAT SLIP RENTAL/LAUNCHING FEES	10,200	6,000	(4,200)	-41.2%
730	PURCH VEH-OTHER LAND VEH - DUMP, TRACTOR	1,816,000	285,000	(1,531,000)	-84.3%
731	LG VEHICLE GAS & OIL	1,000,000	1,100,000	100,000	10.0%
732	LG VEHICLE MAINT & REPAIR	2,500,000	3,000,000	500,000	20.0%
741	ELECTRICITY USAGE FOR VEHICLES	0	150	150	0.0%
789	COMMUTE CHARGES	(5,000)	(5,000)	0	0.0%
799	OTHER MOTOR VEHICLE CHARGES	50,000	50,000	0	0.0%
		11,912,360	11,827,721	(84,639)	-0.7%

ATTACHMENT 2

Object	Description	Prelim	Final	FY27 Final-	FY27 Final-
		FY 2027 Budget	FY 2027 Budget	FY27 Prelim \$ Inc/Dec	FY27 Prelim % Inc/Dec
Object 08 Contractual Services					
801	ADVERTISING/LEGAL PUBLICATION	3,280,191	3,280,191	0	0.0%
802	APPLICATIONS SOFTWARE MAINTENANCE	100,000	0	(100,000)	-100.0%
804	PRINTING/REPRODUCTION SERVICE	27,500	34,300	6,800	24.7%
807	ENGINEERS	35,940,000	35,890,000	(50,000)	-0.1%
808	EQUIPMENT RENTAL	582,697	585,564	2,867	0.5%
809	EQUIPMENT REPAIRS & MAINT	2,192,883	1,819,683	(373,200)	-17.0%
810	EXTERMINATION SERVICE	25,863	20,513	(5,350)	-20.7%
812	BUILDING/ROAD REPAIRS & MAINT	19,595,515	19,514,515	(81,000)	-0.4%
813	JANITORIAL SERVICES	2,140,443	2,214,243	73,800	3.4%
814	GROUNDS MAINTENANCE	98,300	98,300	0	0.0%
815	LAUNDRY SERVICE	3,150	2,900	(250)	-7.9%
816	HOUSEKEEPING SERVICES	50	50	0	0.0%
817	LEGAL SERVICES	532,850	532,850	0	0.0%
819	EDUCATION/TRAINING CONTRACTS	1,322,388	1,369,388	47,000	3.6%
820	MEDICAL CARE	594,720	594,720	0	0.0%
821	MGMT STUDIES AND CONSULTANTS	7,100,572	7,613,572	513,000	7.2%
823	SECURITY SERVICES	1,451,976	1,561,976	110,000	7.6%
824	LABORATORY SERVICES	42,378	41,450	(928)	-2.2%
825	VETERINARY SERVICES	34,165	34,165	0	0.0%
826	FREIGHT AND DELIVERY	18,941	18,941	0	0.0%
827	TRASH AND GARBAGE REMOVAL	519,256	518,756	(500)	-0.1%
828	OFFICE ASSISTANCE	52,000	52,000	0	0.0%
829	FISCAL SERVICES	14,418,229	14,818,229	400,000	2.8%
831	OFFICE OF ADMINISTRATIVE HEARINGS	30,000	30,000	0	0.0%
832	EDUCATION/TRAINING REIMBURSEMENT	6,000	6,000	0	0.0%
841	DP CENTRAL PROCESS SVC	900,000	1,300,000	400,000	44.4%
843	DP COMMUNICATIONS CONTROLLERS SVC	400,000	400,000	0	0.0%
849	TELECOMM LINES, MODEMS & CONTRLLR	614,769	614,769	0	0.0%
854	COMPUTER MAINTENANCE CONTRACTS	100,000	100,000	0	0.0%
858	SOFTWARE LICENSES	124,750	241,386	116,636	93.5%
861	APPL SOFTWARE ACQUISITION	50,000	50,000	0	0.0%
862	APPL SOFTWARE MAINTENANCE	1,506,000	1,756,000	250,000	16.6%
864	SYSTEMS SOFTWARE MAINTENANCE	1,000,000	1,000,000	0	0.0%
865	OUTSIDE SVCS-SYS ANALYSIS&DSGN	8,000,000	8,000,000	0	0.0%
866	OUTSIDE SVCS-PROGRAMMING	500,000	500,000	0	0.0%
869	OUTSIDE SVCS-COMPUTER USAGE	550,000	750,000	200,000	36.4%
873	OUTSIDE SVC - E-ZPASS® SVC CENTER	50,853,481	51,135,481	282,000	0.6%
874	OFFICE OF ATTORNEY GENERAL FEE	44,265	47,000	2,735	6.2%
875	RETIREMENT AGENCY ADMIN FEE	225,361	225,361	0	0.0%
876	STATEWIDE DOIT SERVICES	125,000	425,000	300,000	240.0%
894	STATEWIDE PERSONNEL SYS ALLOC	41,676	43,122	1,446	3.5%
897	STATEWIDE ENTERPRISE BUDGET SYSTEM	348,402	348,402	0	0.0%
899	OTHER CONTRACTUAL SVC-NON DP	12,594,809	13,607,451	1,012,642	8.0%
		168,088,580	171,196,278	3,107,698	1.8%
Object 09 Supplies and Materials					
901	AGRICULTURE	49,475	49,975	500	1.0%
902	OFFICE SUPPLIES	441,903	426,314	(15,589)	-3.5%
903	ELECTRICAL MATERIALS	463,750	492,750	29,000	6.3%
904	BUILDING & HOUSEHOLD SUPPLIES	532,870	541,870	9,000	1.7%
905	ROADWAY MAINT MATERIALS	796,258	786,758	(9,500)	-1.2%
906	SALT/SNOW MELTING MATERIALS	1,659,500	1,672,500	13,000	0.8%
908	HOUSEKEEPING SUPPLIES	73,420	78,288	4,868	6.6%
909	MEDICAL SUPPLIES	44,194	51,557	7,363	16.7%
912	WEARING APPAREL-UNIFORMS EMPL	1,299,091	1,528,284	229,193	17.6%
915	LIBRARY SUPPLIES	31,434	35,450	4,016	12.8%
917	SMALL TOOLS	373,172	401,100	27,928	7.5%
918	VETERINARY SUPPLIES	28,500	28,500	0	0.0%
920	FOOD	213,074	215,412	2,338	1.1%
926	DATA PROCESSING SUPPLIES	32,186	42,986	10,800	33.6%
934	AMMO GUNS FIRING RNGE SUPPLIES	754,811	754,811	0	0.0%
951	E-ZPASS TRANSPONDERS	4,003,701	4,003,701	0	0.0%

ATTACHMENT 2

Object	Description	Prelim	Final	FY27 Final-	FY27 Final-
		FY 2027 Budget	FY 2027 Budget	FY27 Prelim \$ Inc/Dec	FY27 Prelim % Inc/Dec
999	OTHER SUPPLIES AND MATERIALS	396,028	421,528	25,500	6.4%
		11,193,367	11,531,784	338,417	3.0%
Object 10 Replacement Equipment					
1013	REPL MAINTENANCE & BUILDING EQUIP	314,700	349,700	35,000	11.1%
1015	REPL OFFICE EQUIPMENT	82,757	154,757	72,000	87.0%
1019	REPL RADIOS & ELECTRONIC EQUIPMENT	809,800	809,800	0	0.0%
1031	REPL DP EQUIP-MAINFRAME	0	0	0	0.0%
1033	REPL DP EQUIP-MICROCOMPUTER	750,000	750,000	0	0.0%
1099	OTHER REPLACEMENT EQUIPMENT	741,266	1,333,266	592,000	79.9%
		2,698,523	3,397,523	699,000	25.9%
Object 11 Additional Equipment					
1102	ADDT'L AUDIO-VISUAL EQUIP	16,000	16,000	0	0.0%
1103	ADDT'L CLEANING EQUIPMENT	10,000	10,000	0	0.0%
1107	ADDT'L EDUCATIONAL EQUIPMENT	0	0	0	0.0%
1109	ADDT'L HUMAN ENVIRONMENTAL EQUIPMENT	1,000	1,000	0	0.0%
1113	ADDT'L MAINTENANCE & BUILDING EQUIP	254,450	254,450	0	0.0%
1115	ADDT'L OFFICE EQUIPMENT	101,500	101,500	0	0.0%
1119	ADDT'L RADIOS & ELECTRONIC EQUIPMENT	665,000	665,000	0	0.0%
1133	ADDT'L DP EQUIP-MICROCOMPUTER	20,000	30,000	10,000	50.0%
1199	OTHER ADDITIONAL EQUIPMENT	1,348,462	1,511,462	163,000	12.1%
		2,416,412	2,589,412	173,000	7.2%
Object 13 Fixed Charges					
1302	INSURANCE COVERAGE PAID TO STO	999,868	997,826	(2,042)	-0.2%
1303	RENT PAID TO DGS	1,100	1,100	0	0.0%
1304	SUBSCRIPTIONS	41,020	42,805	1,785	4.4%
1305	ASSOCIATION DUES	289,121	281,021	(8,100)	-2.8%
1308	LICENSES	10,720	12,220	1,500	14.0%
1309	INSURANCE (NON STO PAYMENTS)	12,754,154	13,828,362	1,074,208	8.4%
1320	1320 BAD DEBT EXPENSE (NON TOLLS)	50,000	50,000	0	0.0%
		14,145,983	15,213,334	1,067,351	7.5%
Total		463,074,740	473,256,619	10,181,879	2.2%

ITEM

7



MEMORANDUM

TO: MDTA Finance & Administration Committee
FROM: Acting Capital Program Manager Jennifer Stump
SUBJECT: Draft FY 2027-2032 Consolidated Transportation Program (CTP)
DATE: June 11, 2026

PURPOSE OF MEMORANDUM

The purpose of this presentation is to seek your recommendation for approval of the proposed Draft FY 2027-2032 Consolidated Transportation Program (CTP). The Draft CTP was presented to the Capital Committee for recommendation for approval on June 11, 2026, and will be presented to the full MDTA Board for final approval on June 25, 2026.

SUMMARY

The six-year FY 2027-2032 budget in the proposed CTP is \$8.9 billion. The proposed CTP reflects a net increase in the six-year FY 2027-2032 budget of \$1.1 billion (Attachment #1 – Line 6). The net increase is the result of the following:

- Increase in the six-year CTP budget by \$385 million for the Francis Scott Key Bridge (Attachment #1 – Line 1).
- Decrease in the six-year CTP budget by \$6.4 million for the I-95 ETL Northern Extension (Attachment #1 – Line 2).
- Increase in the six-year CTP budget by \$262.9 million for all projects except Key Bridge, I-95 ETL Northern Extension, and Reserves (Attachment #1 – Line 3).
- Increase in the Allocated and Unallocated Reserves by \$429.2 million (Attachment #1 – Line 4).

FY 2026 expenditures were \$872.7 million vs. \$1.3 billion in the Final FY 2026-2031 CTP (Attachment #1 – Line 6). FY 2026 underspending was \$413.8 million and has been rolled over into the Draft FY 2027-2032 CTP.

Highlights of project and reserve changes incorporated in the proposed Draft FY 2027-2032 CTP are shown in Attachment #2.

Added New Projects

Added nine system preservation projects and two enhancement projects for a net increase of \$84.5 million in the FY 2027-2032 period.

Modified Budgets to Reflect Bids Received

Adjusted three projects to reflect bid received lower than Engineer's Estimate and three projects to reflect bids received higher than Engineer's Estimate for a net increase of \$974 thousand in total cost of the projects and a net increase of \$10.9 million in the FY 2027-2032 period.

Added Construction Phase

The construction phase of eight projects was funded for a total of \$81.3 million, transferred from the reserves as design reached 60% and cost estimates were established on fully developed scopes.

Modified Budgets to Reflect Completed Projects

Eight projects were completed or deleted for a net decrease of \$480 thousand in the FY 2027-2032 period.

Modified Active Projects Due to Cost Changes and Cash Flow Adjustments

Adjusted cash flows and funding changes in engineering, utility, and/or construction budgets of fifty-six projects for a net budget increase of \$462.4 million in the FY 2027-2032 period.

Reserve Changes

The allocated reserve had an increase of \$428.3 million, and the unallocated reserve increased by \$926 thousand for a net increase of \$429.2 million in the FY 2027-2032 period.

ATTACHMENTS

- Attachment #1 – CTP Comparison Tables - Draft FY 2027-2032 CTP v Final FY 2026-2031 CTP
- Attachment #2 – Changes from Final FY 2026-2031 CTP to Draft FY 2027-2032 CTP
- Attachment #3 – Where are the Projects?
- Attachment #4 – What are the Categories of Projects?

Changes from Final FY 2026-2031 CTP to Draft FY 2027-2032 CTP

New Projects Added (\$000)					
Facility	Project Name	TEC Change	FY 2026-2031 Budget Change	FY 2027-2032 Budget Change	
MA	MDTAPRJ002598 - 10-Year Equipment Budget - FY 2028 through FY 2037	82,474	44,936	49,810	
BB	MDTAPRJ002696 - Bay Bridge Replacement	18,000	18,000	18,000	
MA	MDTAPRJ002694 - Dispatch Console Replacement (CO Only)	9,200	9,200	9,200	
MA	MDTAPRJ002687 - Maryland I-Star (Engineering Only)	4,000	4,000	4,000	
MA	MDTAPRJ002688 - Network Hardware Replacement	2,000	2,000	1,178	
MA	MDTAPRJ002690 - Maximo MAS9 Implementation	1,500	1,500	875	
MA	MDTAPRJ002689 - Dynac Maintenance Contract FY27-32	704	399	704	
FT	MDTAPRJ002692 - Retrofitting Access Openings for FMT Box Girder Bridges (Engineering Only)	350	350	350	
FT	MDTAPRJ002617 - Rehabilitate and Re-line Sump Pump Drainage at FMT (Engineering Only)	300	300	225	
FT	MDTAPRJ002691 - Deck Replacement and Miscellaneous Structural Repairs of Bridge BCW602021, Moravia Road Over US-40 (Engineering Only)	300	300	200	
ICC	MDTAPRJ002624 - Resurfacing ICC Asphalt Pavement (Engineering Only)	200	200	0	
Total - New Projects Added (11)		119,027	81,185	84,542	

Projects Modified to Reflect Bids Received (\$000)					
Facility	Project Name	TEC Change	FY 2026-2031 Budget Change	FY 2027-2032 Budget Change	
HT	MDTAPRJ002614 - BHT Facility-wide Signing Upgrades	2,221	2,221	1,301	
MA	MDTAPRJ002585 - Replace CCTV at Various Facilities	800	800	1,751	
HT	MDTAPRJ002587 - BHT Lane Use Signals (LUS) Extension	667	667	3,042	
HT	MDTAPRJ002560 - BHT Maintenance/Auto Building HVAC and Roof Replacement	(748)	(748)	93	
MA	MDTAPRJ002653 - On-Call Miscellaneous Paving Repairs	(826)	(826)	(753)	
KB	MDTAPRJ002619 - Rehabilitation of Curtis Creek Drawbridges Superstructure	(1,141)	(1,141)	5,485	
Total - Project Modified to Reflect Bids Received (6)		974	974	10,918	

Projects Modified to Add Construction Phase (\$000)					
Facility	Project Name	TEC Change	FY 2026-2031 Budget Change	FY 2027-2032 Budget Change	
HT	2487 - AET Conversion with Frankfurst Avenue Interchange Modifications	19,406	19,406	22,000	
KH	MDTAPRJ002570 - JFK Wash Bay, Salt Barn and Fueling Facilities at Perryville	17,030	17,030	17,190	
HT	MDTAPRJ002637 - Replace Eastern Avenue Bridge Over I-895	13,110	12,317	12,998	
MA	MDTAPRJ002658 - Multi-Area Bridge Bearings and Joints Rehabilitation	9,628	9,184	9,785	
MA	MDTAPRJ002662 - On-Call Facility & Building Repairs	9,500	9,500	9,680	
FT	MDTAPRJ002660 - FMT Administration Building EZ-Pass Renovation	4,900	4,900	4,825	
FT	MDTAPRJ002566 - FMT Maintenance Building Renovation	4,885	4,885	4,885	
FT	MDTAPRJ002667 - FMT Facility Roof Replacements	2,813	2,813	2,793	
Total - Projects Modified to Add Construction Phase (8)		81,273	80,036	84,155	

Changes from Final FY 2026-2031 CTP to Draft FY 2027-2032 CTP

Projects Completed or Deleted (\$000)					
Facility	Project Name	TEC Change	FY 2026-2031 Budget Change	FY 2027-2032 Budget Change	Notes
MA	MDTAPRJ002549 - On-Call Miscellaneous Paving Repair	2,524	2,524	0	Project completed.
FT	2513 - Structural Rehabilitation of Various Bridges on I-95	85	85	0	Project completed.
FT	2517 - Convert to Cashless Tolling at the Fort McHenry Tunnel	10	10	0	Project completed.
BB	2516 - William Preston Lane Jr. Memorial Bridge AET Conversion	3	3	0	Project completed.
HT	2454 - I-895 BHT TMDL Stream Restoration Upstream of BY052X01	(0)	(0)	0	Project completed.
KH	2452 - Sub- and Superstructure Rehab to Various Bridges on I-95 (Engineering only)	(184)	(184)	0	Project cancelled.
MA	MDTAPRJ002650 - Update Phone System to NEC SV9500 - Phase 2	(600)	(600)	(480)	Project cancelled.
HT	MDTAPRJ000240 - Resurfacing North and South of BHT	(758)	(758)	0	Project completed.
Total - Projects Completed or Deleted (8)		1,079	1,079	(480)	

Active Projects Modified Due to Cost Changes and Cash Flow Adjustments (\$000)					
Facility	Project Name	TEC Change	FY 2026-2031 Budget Change	FY 2027-2032 Budget Change	Notes
MA	MDTAPRJ002590 - Replace Electronic Toll Collection and Operating System - 4th Generation (Engineering only)	14,382	14,382	14,650	Increased PE to advance design.
MA	2235 - Program Management Services for System Preservation (Engineering Only)	12,000	12,000	12,000	Increased PE to add FY 2027-2028 funding.
FT	2458 - Rehabilitate Tunnel 15 KV Cable, Conduit, and Concrete Wall	7,309	7,309	5,481	Increased CO for unforeseen site conditions and extended duration.
KH	2477 - I-95/Belvidere Road Interchange	6,624	6,624	10,102	Increased CO due to CMI, EWA approval, and Phase V services.
MA	2147 - Replace Electronic Toll Collection and Operating System - 3rd Generation	4,000	4,000	0	Increased CO for additional task orders and needed consultant services.
KH	MDTAPRJ000202 - I-95 Southbound Hard Shoulder Running	3,592	3,592	5,826	Increased PE and Co for scope change.
MA	2471 - 10-Year Equipment Budget - FY 2018 through FY 2027	2,834	2,834	6,224	Increased CO due to manufacturing cost increases.
BB	MDTAPRJ002586 - Tier 2 NEPA Study (Planning only)	2,477	2,477	(2,200)	Increased PP to complete study.
MA	MDTAPRJ002551 - Environmental On-Call Phase IV	2,158	2,158	533	Increased CO for additional tasks and CMI.
FT	MDTAPRJ000239 - Holding Tank Replacement - S. FMT Vent Building	1,457	1,457	457	Increased CO for CMI.
KB	2521 - MDTA Police Training Academy	1,136	1,136	1,136	Increased CO at PS&E design to reflect current market conditions.
MA	MDTAPRJ002684 - NetApp Unified Storage Hardware Replacement	800	800	(1,220)	Increased CO for vendor hardware costs due to tariffs.
FT	MDTAPRJ002615 - Replace and Rehabilitate FMT Electrical Switchgear (Engineering only)	550	550	500	Increased PE to advance design.
ICC	1982 - Intercounty Connector (ICC)/MD 200	500	500	172	Increased PP and CO for close out costs.
KB	MDTAPRJ002621 - Drainage Improvements of I-695 at MM 50.2 Quarantine Road	430	430	430	Increased CO for additional scope.
KB	2438 - Police Headquarters Building Envelope Renovations	300	300	0	Increased CO for CMI due to extended contract duration.
MA	MDTAPRJ002594 - Mill and Overlay BHT Bridges (Engineering only)	200	200	150	Increased PE based upon designer proposal.
FT	2251 - Rehabilitate FMT Vent Fans	200	200	0	Increased CO for Phase V closeout services.
MA	MDTAPRJ002584 - Replace DMS and TRS at Various Facilities	200	200	131	Increased PE for additional design.
HT	MDTAPRJ002591 - Rehabilitate Upper Plenum Liner and Ceiling (Engineering only)	150	150	150	Increased PE based upon designer proposal.
KH	2500 - JFK Maintenance Facility Complex	75	75	75	Increased PE for design changes related to Environmental Permit Modifications.
HT	MDTAPRJ002663 - I-895 SB Spur Approach Bridge Replacement (Engineering Only)	75	75	35	Increased PE for scope change.
KH	MDTAPRJ002582 - I-695 Ramps to I-95 Northbound Express Toll Lanes	(50)	(50)	20,800	Decreased UT due to reduced impacts.
MA	2497 - Radio Rebroadcast and Radiax in BHT & FMT	(767)	(767)	1,761	Decreased CO due to warranty removal.
KB	MDTAPRJ002655 - Key Bridge Rebuild	0	16,326	385,044	Cash flow adjustment.
HT	2306 - Envelope Repair and Switchgear Replacements at BHT Vent Buildings	0	0	4,616	Cash flow adjustment.
MA	MDTAPRJ002665 - On-Call Structural Repairs	0	0	3,500	Cash flow adjustment.
MA	MDTAPRJ002636 - Portable Radio Replacement (CO Only)	0	0	2,580	Cash flow adjustment.
FT	MDTAPRJ000237 - Rehabilitate Substructure of I-95 Bridges over Race Street	0	0	2,349	Cash flow adjustment.
MA	MDTAPRJ002676 - Chesapeake Bay Water Quality Restoration (Planning Only)	0	0	1,880	Cash flow adjustment.

Active Projects Modified Due to Cost Changes and Cash Flow Adjustments - continued on Page 3

Changes from Final FY 2026-2031 CTP to Draft FY 2027-2032 CTP

Active Projects Modified Due to Cost Changes and Cash Flow Adjustments (\$000)					
Facility	Project Name	TEC Change	FY 2026-2031 Budget Change	FY 2027-2032 Budget Change	Notes
FT	MDTAPRJ002571 - FMT Campus Fuel Oil Conversion	0	0	1,779	Cash flow adjustment.
BB	2470 - Project Management Office and Maintenance Equipment Storage Building	0	0	1,112	Cash flow adjustment.
BB	MDTAPRJ002609 - WPL North Pier Reconfiguration	0	0	1,010	Cash flow adjustment.
MA	2524 - On-Call Building Systems Rehabilitation/Replacement	0	0	1,000	Cash flow adjustment.
KH	MDTAPRJ002645 - Resurface I-95 from the Tydings Bridge to the MD 24 Interchange (Engineering only)	0	0	572	Cash flow adjustment.
KB	MDTAPRJ002657 - FSK Staging Dock (Engineering Only)	0	0	520	Cash flow adjustment.
HB	MDTAPRJ002678 - Hatem Admin/Police Building Rehabilitation (Engineering Only)	0	0	475	Cash flow adjustment.
MA	MDTAPRJ002659 - Highways Ramp Rehabilitation and Paving (Engineering Only)	0	0	450	Cash flow adjustment.
KB	MDTAPRJ002567 - FSK Building 305 Roof/HVAC/Windows Replacement (Engineering Only)	0	0	437	Cash flow adjustment.
MA	MDTAPRJ002633 - ICC & JFK Data Center Hardware Replacement (CO only)	0	0	361	Cash flow adjustment.
MA	MDTAPRJ002602 - Fire Alarm System Upgrades and Security System Upgrades (Engineering Only)	0	0	350	Cash flow adjustment.
KB	MDTAPRJ002652 - Rehabilitation of Curtis Creek Bascule Piers (Engineering Only)	0	0	306	Cash flow adjustment.
FT	2499 - MDTA Police Vehicle Storage Garage and Auto Repair Shop	0	0	250	Cash flow adjustment.
MA	MDTAPRJ000228 - On-Call Electrical/ITS	0	0	250	Cash flow adjustment.
FT	MDTAPRJ002565 - FMT East Vent Building Facade and Roof Replacement (Engineering only)	0	0	208	Cash flow adjustment.
MA	MDTAPRJ002589 - License Plate Recognition (LPR) System Upgrade	0	0	207	Cash flow adjustment.
KH	MDTAPRJ002569 - JFK MSP Building Remodeling (Engineering only)	0	0	200	Cash flow adjustment.
FT	MDTAPRJ002682 - FMT Utility Rooms Electrical & Structural Rehabilitation (Engineering Only)	0	0	200	Cash flow adjustment.
FT	MDTAPRJ002592 - Miscellaneous Structural Repairs Inside Fort McHenry Tunnel	0	0	193	Cash flow adjustment.
KH	MDTAPRJ002668 - Tydings Bridge Cleaning, Painting, and Miscellaneous Repairs (Engineering only)	0	0	167	Cash flow adjustment.
BB	MDTAPRJ002666 - Remodel Southern AOC at Bay Bridge (Engineering only)	0	0	75	Cash flow adjustment.
BB	MDTAPRJ002606 - Rehab Decks of EB Span - Phase II (Engineering Only)	0	0	(350)	Cash flow adjustment.
MA	MDTAPRJ002573 - On-Call Structural Repairs	0	0	(1,290)	Cash flow adjustment.
KB	2450 - I-695 Subgrade Improvements at Bear Creek	0	0	(1,878)	Cash flow adjustment.
KH	Various - I-95 Express Toll Lanes Northbound Extension	0	0	(6,363)	Cash flow adjustment.
BB	2317 - Rehab Decks of EB Span - Phase I Deck Widening & Replacement of Deck Truss Spans	0	0	(14,978)	Cash flow adjustment.
Total - Active Projects Modified Due to Cost Changes and Cash Flow Adjustments (56)		60,631	76,957	462,425	

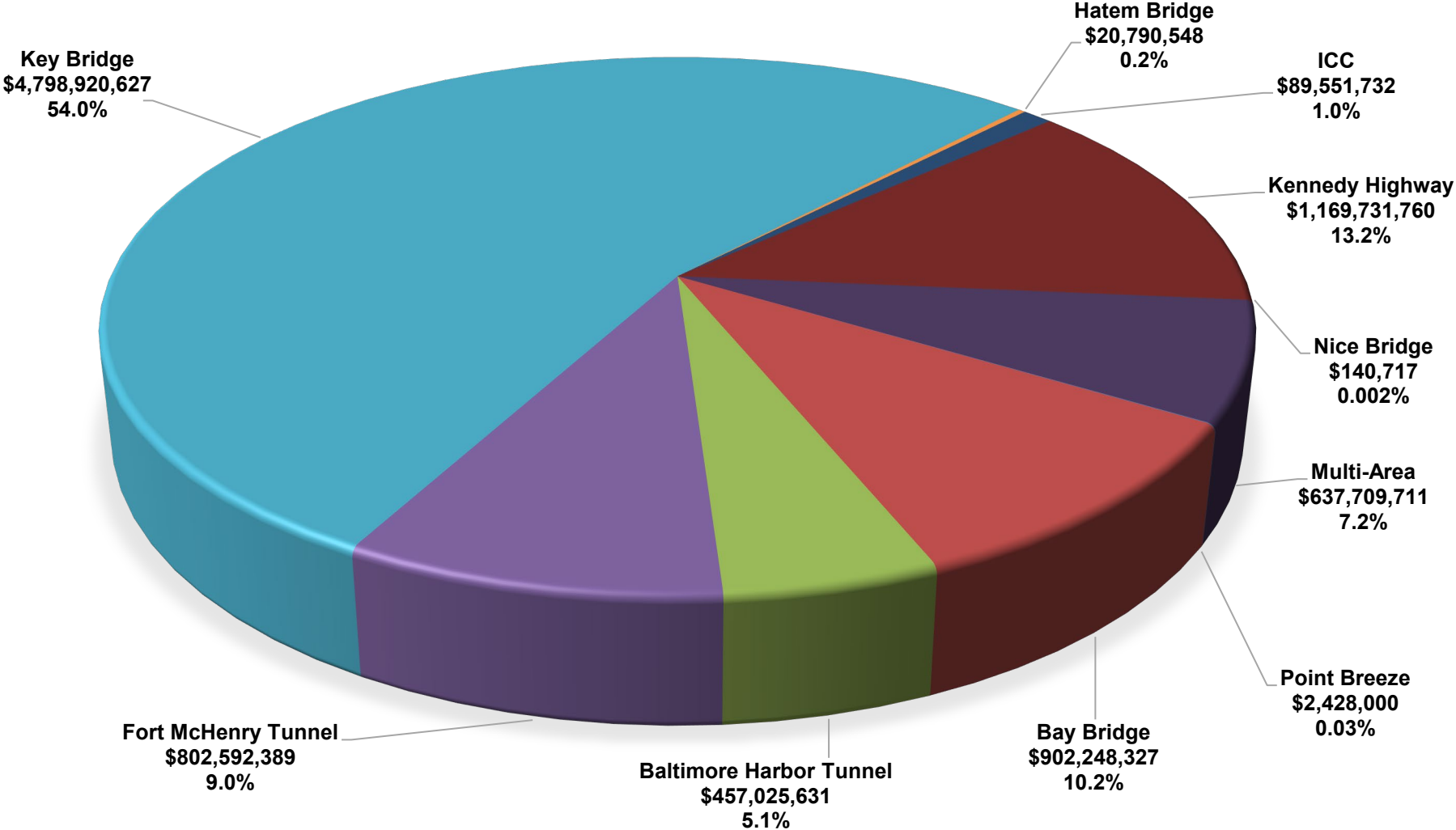
Reserves (\$000)			
		FY 2026-2031 Budget Change	FY 2027-2032 Budget Change
2325 - Allocated Reserve		260,766	428,316
1981 - Unallocated Reserve		(9,824)	926
Total Reserve Changes		250,942	429,242

Changes from Final FY 2026-2031 CTP to Draft FY 2027-2032 (\$000)			
		FY 2026-2031 Budget Change	FY 2027-2032 Budget Change
Budget Changes - Projects		240,231	641,561
Budget Changes - Reserves		250,942	429,242
Net Changes		491,173	1,070,803

FY 2027-2032 Draft Consolidated Transportation Program

Where are the Projects?

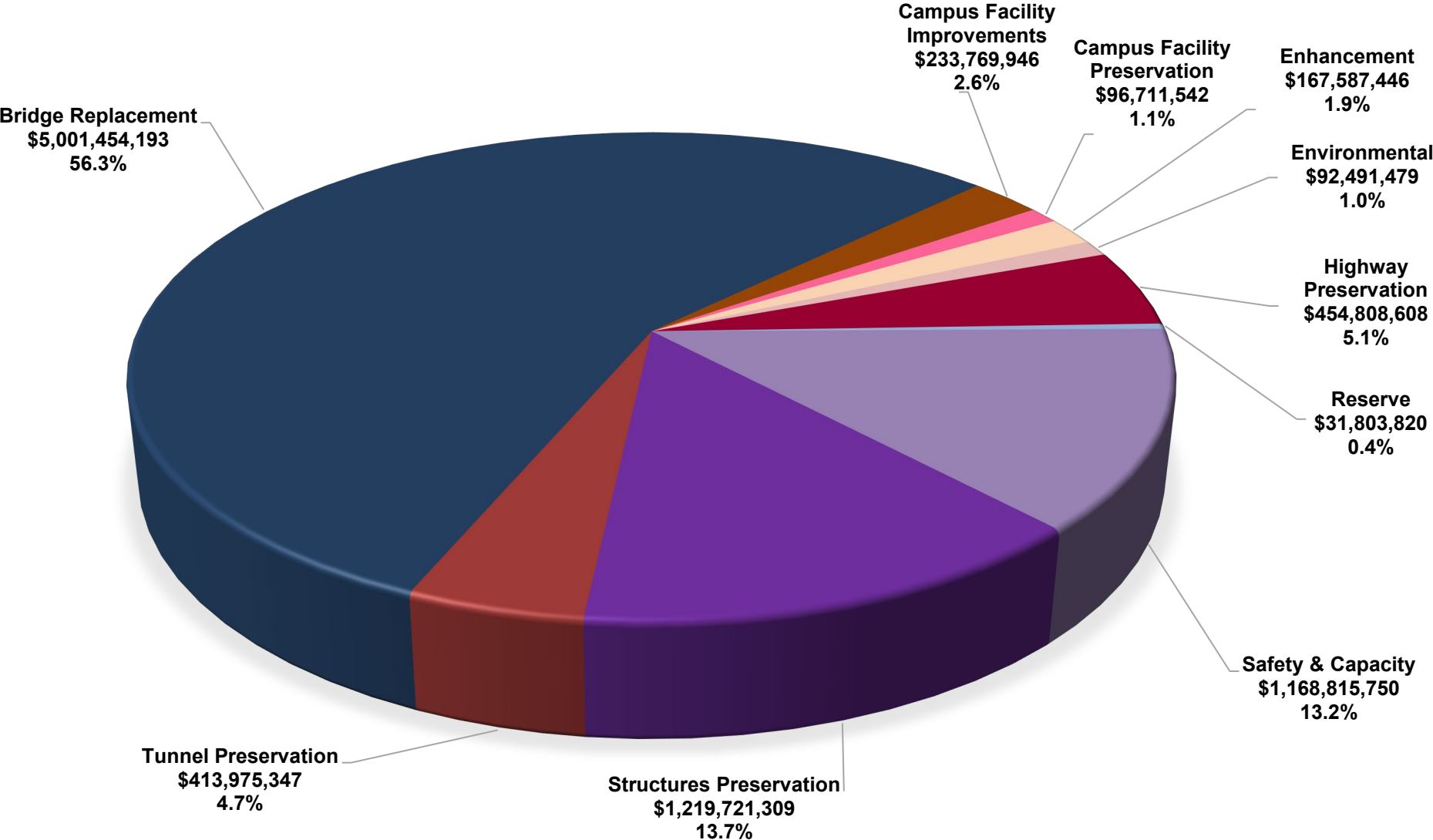
FY 2027-2032 CTP = \$8.9 Billion



FY 2027-2032 Draft Consolidated Transportation Program

What are the Categories of Projects?

FY 2027-2032 CTP = \$8.9 Billion



ITEM

8



MEMORANDUM

TO: Finance and Administration Committee
FROM: Deputy Director Finance Allen Garman
SUBJECT: Debt Policy – Recommended Changes
DATE: June 11, 2026

PURPOSE OF MEMORANDUM

To request the MDTA Board's approval of the amended Debt Policy to update the legislatively set bonding limit to \$5 billion and revise the minimum Unrestricted Cash¹ target to equal the Operating Budget.

KEY POINTS

Bonding Limit (Bond Cap)

- The MDTA bonding limit was increased to \$5 billion from \$4 billion during the 2026 legislative session and becomes effective July 1, 2026.

Unrestricted Cash (Liquidity Reserve)

- The MDTA's Unrestricted Cash target has not been raised since 2023 but should be upwardly adjusted intermittently or periodically for growth in the agency and inflation.
- Increased cash reserve is prudent and necessitated by rating agency metrics for Toll Sector entities in the double-A ratings category.
- The highest credit ratings in the double-A ratings category ensure bond market access at the lowest possible financing rates.
- Low financing rates support some combination of larger capital programs and lower required toll rates.
- The cost of maintaining a larger cash reserve is less than the long-term costs associated with financing as a lower rated borrower.

¹ Unrestricted Cash – unrestricted cash and investments excludes Bond Proceeds and funds reserved for Debt Service.

BACKGROUND

Toll Sector ratings methodologies typically require unrestricted cash to approximate the annual operating budget. This liquidity metric is termed the Days Cash on Hand² ratio and is a critical credit strength measure, along with the Debt Service Coverage ratio, in maintaining credit ratings in the double-A ratings category and access to the capital markets at the lowest possible financing rates.

For historical perspective, the MDTA’s liquidity target has been raised intermittently to keep pace with the Operating Budget and inflation, most recently in 2023, rising to \$400 million from \$350 million. The Debt Policy unrestricted cash target of \$400 million has been adequate in intervening years to meet rating agencies’ liquidity standards.

ANALYSIS

Management, through consultation with credit rating agencies and its Municipal Advisor, recommends a formulaic change in its unrestricted cash reserve to support prudent liquidity and meet Toll Sector ratings methodologies. While unrestricted cash is adequate to meet the Days Cash on Hand metric for the ratings category in the current fiscal year, the cash reserve will need to rise during the six-year capital planning period to maintain relative size to the operating budget.

An increased cash reserve will have minimal short-term impact on debt service coverage, debt limit, and funds available for capital spending. In the long-term, the financing savings as a higher rated borrower will result in higher debt service coverage and lower debt outstanding.

	2026	2027	2028	2029
Operating Budget	462.2	471.6	497.8	515.0
MDOT Police Reimbursables	(40.1)	(40.5)	(42.1)	(43.8)
Operating Budget (MDTA Adjusted for MDOT Expenses)	422.1	431.2	455.7	471.2
Unencumbered Cash Reserves	548.6	455.7	471.2	490.1
Operating Cash	33.1	33.1	33.1	33.1
Unencumbered Reserves and Operating Cash	581.7	488.8	504.3	523.2
Days Cash on Hand (Adjusted)	503.0	413.8	403.9	405.2

² Days Cash on Hand – Unrestricted Cash Reserves divided by Average Daily Operating Expenses.

Current Policy

Policy Statement 5. The MDTA Consolidated Transportation Program (CTP) will be funded through a combination of cash reserves, revenues and appropriate levels of debt in accordance with affordability guidelines.

- i. To provide adequate liquidity, MDTA will maintain unrestricted cash balances at the end of each fiscal year of at least \$400 million.
- ii. Unrestricted cash shall include funds on deposit in the following MDTA trust accounts: Operating (reserve portion), Capital (cash funded), General, and the Maintenance and Operating (M&O) Reserve.

Proposed Policy

Policy Statement 5. The MDTA Consolidated Transportation Program (CTP) will be funded through a combination of cash reserves, revenues and appropriate levels of debt in accordance with affordability guidelines.

- i. To provide adequate liquidity, MDTA will maintain unrestricted cash balances at the end of each fiscal year equal to the next fiscal year's Operating Budget, excluding Police Reimbursables³ and Extraordinary One-Time Expenses⁴.
- ii. For financial forecast purposes, unrestricted cash will be modeled to equal the annual Operating Budget, less Police Reimbursables and Extraordinary One-Time Expenses. The MDTA Board effectively approves the increase in the minimum unrestricted cash target annually with the adoption of the Financial Forecast and Operating Budget.
- iii. Credit rating agencies gauge a Toll Sector issuer's ability to manage unforeseen revenue disruptions or higher expenses as a function of unrestricted cash. The Days Cash on Hand⁵ ratio should approximate 400 days to support the highest possible credit ratings in conformance with Policy Statement 33.
- iv. Unrestricted cash shall include funds on deposit in the following MDTA trust accounts: Operating, Capital (cash funded), General, and the Maintenance and Operating (M&O) Reserve.

Net Cost of Carry and Financing Rate Considerations

The relationship between the net carrying cost of the cash reserve and the extra interest expense on lower rated debt provides a helpful decision rule. If the net carrying cost of cash is less than the extra interest expense, then it is economic for the MDTA to increase the cash reserve. In the long-term, the interest savings on future financings will exceed the net carrying cost of the extra financed cash. (*Net Carry on Financed Cash < Extra Interest Expense on Lower Rated Debt*)

³ Police Reimbursables – MDTA Police provide law enforcement services on a reimbursable basis to the Maryland Aviation and Maryland Port Administration..

⁴ Extraordinary One-Time Expenses – Operating Expenses not expected to occur annually.

⁵ Days Cash on Hand – Unrestricted Cash Reserves divided by Average Daily Operating Expenses.

Debt Policy
Page Four

The MDTA's carrying cost of cash is tied to its financing rates and its net carrying cost is the difference between the financing rates and multiyear average investment returns on cash reserves. Careful consideration is given to investment return volatility and minimizing net multiyear carrying costs of cash reserves.

Recognize that the carrying cost of a larger reserve depends on the difference between the *indirect borrowing rate*⁶ and the investment rate. In the current yield curve environment, there is no carrying cost of the larger liquidity position, as the indirect borrowing rate in the tax-exempt market is slightly lower than prevailing yields for investments in the two reserves. Even in periods with no cost associated with the cash carry, it is reasonable to model a carrying cost in a normal, positively sloped yield curve environment characterized by long-term financing rates that exceed shorter-term investment rates. The currently modeled financing rate in the multiyear financing forecast of 4.15% is slightly below the weighted composite index yield for the General and M&O accounts.

The extra spread or yield demanded by investors for lower rated debt becomes material in the long-term, with more than \$3 billion of expected financings over the next six years. The interest savings associated with maintaining the MDTA's double-A credit ratings will likely exceed the carrying cost of additions to the cash reserve.

RECOMMENDATION

Approve the revised Debt Policy incorporating new bonding limit and formulaic change to the liquidity reserve minimum.

ATTACHMENT

Debt Policy Draft

⁶ Indirect Borrowing Rate – Net operating revenues held in a reserve, lower amounts otherwise available for capital spending, necessitating additional borrowings.



Policy No.: MDTA 7009
Effective Date: August 16, 2005

Original Date: August 16, 2005
Revised: October 30, 2025

Approved by: _____ Date: _____
Approval Signature

Approved by: _____ Date: _____
Form and Legal Sufficiency Review, Office of Attorney General

Debt Management

Purpose

The purpose of this Policy is to establish guidelines for the process by which the Maryland Transportation Authority (MDTA) issues and manages debt, and provides guidance to the MDTA Board and staff to ensure that a sound debt position and strong credit quality are maintained.

References

- Title 4 of the Transportation Article, Annotated Code of Maryland (Repl. Vol. 2008, as amended)
- §5-7B-02 of the State Finance and Procurement Article, Annotated Code of Maryland
- (Repl. Vol. 2009, as amended)
- Second Amended and Restated Trust Agreement between the Maryland Transportation Authority and The Bank of New York Mellon, as Trustee, dated as of September 1, 2007, as amended (2007 Trust Agreement)
- Code of Maryland Regulations (COMAR 11.07.09.09, Vehicle Parking Facilities)
- Governor’s Executive Order 01.01.1998.07
- Budget Committee Narrative Fiscal 2023
- Securities and Exchange Commission (SEC)
- Municipal Securities Rulemaking Board (MSRB)
- Federal Tax Code and Regulations
- MDTA Board Policy: Investment Management
- MDTA Board Policy: Preparation of Financial Forecasts

Scope:

This Policy is applicable to MDTA Finance Division staff.

Responsible Party:

Implementation of the procedures is the responsibility of the CFO and MDTA Division of Finance staff. Any deviation from the procedures must be promptly reported to the MDTA Finance Committee and the MDTA Board.

Division of Finance to approve document change.

Debt Management

I. Purpose and Uses of Debt

- a. **Policy Statement 1.** In accordance with Title 4 of the Transportation Article of the Annotated Code of Maryland, MDTA may issue revenue bonds, notes, or other evidences of obligation to finance the cost of:
 - i. Transportation facilities projects as defined in said Article;
 - ii. A vehicle parking facility located in a priority funding area as defined in §5-7B-02 of the State Finance and Procurement Article;
 - iii. Any other project for transportation facilities that the MDTA Board authorizes to be acquired or constructed; and
 - iv. Any additions, improvements, or enlargements to any of these projects, whenever authorized by the MDTA Board.
- b. **Policy Statement 2.** Debt will be used only to finance capital projects (including land) and capital equipment that are reasonably necessary for governmental purposes.
- c. **Policy Statement 3.** The MDTA will finance its projects with a prudent issuance of debt through the sale of revenue bonds, notes, or other evidences of indebtedness within the constraints of the MDTA Financial Forecast Policy.
- d. **Policy Statement 4.** Capital financing proposals received by MDTA that involve a pledge or extension of credit through sale of securities, loans or leases, shall be referred to the Division of Finance for review.
- e. **Policy Statement 5.** The MDTA Consolidated Transportation Program (CTP) will be funded through a combination of cash reserves, revenues and appropriate levels of debt in accordance with affordability guidelines.
 - i. To provide adequate liquidity, MDTA will maintain unrestricted cash balances at the end of each fiscal year **equal to the next fiscal year's Operating Budget, excluding Police Reimbursables¹ and Extraordinary One-Time Expenses², of at least \$400 million.**
 - ii. For financial forecast purposes, unrestricted cash will be modeled to equal the annual Operating Budget, less Police Reimbursables and Extraordinary One-Time Expenses. The MDTA Board effectively approves the increase in the minimum unrestricted cash target annually with the adoption of the Financial Forecast and Operating Budget.
 - iii. Credit rating agencies gauge a Toll Sector issuer's ability to manage unforeseen revenue disruptions or higher expenses as a function of unrestricted cash. The Days Cash on Hand³

¹ Police Reimbursables – MDTA Police provide law enforcement services on a reimbursable basis to the Maryland Aviation Administration and the Maryland Port Administration.

² Extraordinary One-Time Expenses – Operating Expenses not expected to occur annually.

³ Days Cash on Hand – Unrestricted Cash Reserves divided by Average Daily Operating Expenses.

ratio should approximate 400 days to support the highest possible credit ratings in conformance with Policy Statement 33.

- ~~h~~.iv. Unrestricted cash shall include funds on deposit in the following MDTA trust accounts: Operating ~~(reserve portion)~~, Capital (cash funded), General, and the Maintenance and Operating (M&O) Reserve.
- f. **Policy Statement 6.** The Chief Financial Officer (CFO), under the direction of the Executive Director, has the responsibility to oversee and coordinate the sale and issuance of MDTA debt.
- i. The CFO shall make recommendations to the Executive Director and MDTA Board regarding necessary actions related thereto.
 - ii. The CFO and Executive Director shall obtain MDTA Board approval thereof as evidenced by authorizing MDTA Board Resolutions.
- g. **Policy Statement 7.** The MDTA shall endeavor to finance a portion of the CTP on a “pay-as-you-go” basis.
- h. **Policy Statement 8.** Debt financings will be limited to capital projects included in the CTP.

II. Limitations on Indebtedness

- a. **Policy Statement 9.** The statutory ceiling on the level of outstanding toll revenue bond debt shall not exceed \$54,000,000,000⁴ on June 30 of any year.
- b. **Policy Statement 10.** The amount of planned MDTA debt will be limited by affordability guidelines relating to debt service coverage, the rate covenant set forth below, and as further determined by the Executive Director and CFO in consultation with the municipal advisors. The amount of planned toll revenue-backed debt will be shown in the Financial Forecasts that are prepared at least twice per year.
- i. The 2007 Trust Agreement requires that in each Bond Year (July 1 – June 30, as defined in the Trust Agreement) net revenues (revenues less operating expenditures) must cover 120% of debt service requirements and 100% of the amount annually budgeted for deposit to the M&O Reserve Account.
 - ii. The MDTA will maintain a minimum annual debt service coverage level of 200% of debt service for planning purposes.
 - iii. The MDTA will allow at least \$100 million in programmed bonding capacity in reserve for contingencies during Years 3 through 6 of the Financial Forecast planning period.
 - iv. Planned debt issuances will be based on reasonable estimates of future toll adjustments and capital funding requirements.
 - v. The period of planned debt issuances will coincide with the 6-year CTP, and may be done for additional (e.g., 10 years) for longer

⁴ Effective July 1, 2026

range strategic planning.

- c. **Policy Statement 11.** Debt service coverage for non-recourse debt (not backed by MDTA toll revenue) will be determined on a case by case basis for projects where MDTA is a non-recourse debt issuer.
 - i. Non-recourse financings shall generally have minimum debt service coverage requirements of 120% of debt service.
 - ii. An exception to this minimum for non-recourse financings may occur if there is a debt service “guarantee” from a rated municipality, authority, or entity with investment grade ratings.
 - iii. Non-recourse financings shall not pledge MDTA’s toll revenues.
 - iv. The MDTA has a self-imposed outstanding debt limit on non-recourse financings of \$700 million, excluding GARVEE bonds (hereinafter defined).
- d. **Policy Statement 12.** Pursuant to §4-320 of the Transportation Article, and the statutory limits set forth therein, the aggregate principal amount of debt issued and secured by a pledge of future federal aid known as Grant and Revenue Anticipation (GARVEE) bonds will not exceed \$750 million, and the maturity date for such debt may not be later than 12 years after the date of issuance.
- e. **Policy Statement 13.** The MDTA must adhere to the Governor’s Executive Order 01.01.1998.07 (Executive Order) which requires annual review and approval of planned State agency debt by the Department of Budget and Management (DBM) and the Governor. The Budget Committee Narrative of fiscal 2023 also requests that any rating agency reports associated with a financing be forwarded to the State Treasurer’s Office in advance of the sale or concurrently. For clarification, credit ratings are not required for all financings.
 - i. Notice must be given to DBM at least 30 days in advance of any bond issuance of \$25 million or greater.
 - ii. The MDTA will comply with the annual reporting requirements as set forth in the Executive Order and the Budget Committee Narrative for rating reports if applicable/available as part of a financing.

III. Debt Structural Features

- a. **Policy Statement 14.** The weighted average maturity (WAM) of the tax-exempt debt issued by MDTA cannot exceed the weighted average life of the improvements for any project.
 - i. The MDTA debt must not exceed a term of 40 years per Maryland law, §4-302(b) of the Transportation Article.
- b. **Policy Statement 15.** Debt will generally be structured to achieve the lowest possible net financing costs pursuant to MDTA’s policies and objectives.
 - i. Whenever feasible, structuring debt with level debt service costs over the life of the issue is preferred.

- ii. Backloading will be considered in order to match debt service requirements with project revenues during the early years of the project's operation.
- iii. At the CFO's discretion, certain issuance costs and fees (e.g. underwriter's discount, bond counsel, municipal advisors, rating agencies, feasibility consultants, Trustees, printers, auditors, etc.) may be paid from unrestricted cash instead of bond proceeds.
- iv. In accordance with the Code of Maryland Regulations 11.07.09.09, MDTA may charge an application fee or other fees reasonably related to the expenses it incurs in processing a financing proposal or issuing debt in connection with a Vehicle Parking Facility.
- v. As a non-recourse issuer, MDTA may charge the obligor an annual administrative fee to recapture its costs incurred over the life of the bonds.
 - 1. Examples of such costs include, but are not limited to, arbitrage rebate calculations, trustee fees and auditor expenses.
- c. **Policy Statement 16.** Optional redemption provisions will generally be included in MDTA bond issues upon the recommendation of the Executive Director, CFO and municipal advisors.
 - i. Depending upon market conditions, call provisions will be evaluated for each bond issue.
- d. **Policy Statement 17.** Capitalization of interest (borrowing funds to pay interest on a debt obligation) will generally be limited to the interest due on debt during construction of the facilities.
 - i. When deemed appropriate by the Executive Director, CFO and municipal advisors, capitalized interest may extend beyond the construction period, but in no event, will it extend beyond one year after project completion in accordance with Maryland law, §4-101(c) of the Transportation Article.
- e. **Policy Statement 18.** MDTA may issue variable rate securities with interest rates tied to an index according to a predetermined formula or based upon the results from a periodic remarketing of securities for toll revenue-backed or non-recourse debt.
 - i. The decision to issue variable rate debt must be approved by the MDTA Board upon the recommendation of the Executive Director, CFO and municipal advisors.
 - ii. MDTA has a self-imposed limit that at time of issuance, no more than 15% of its toll revenue-backed debt will be in variable rate mode.
 - iii. Limits on variable rate non-recourse debt will be determined on a case by case basis taking into consideration debt service coverage and obligor cash reserves.
- f. **Policy Statement 19.** Upon the approval of the MDTA Board, MDTA may enter into financing agreements involving interest rate swaps,

floating/fixed rate auction securities, or other forms of debt bearing synthetically determined interest rates.

- i. MDTA will consider the use of such financing agreements on a case by case basis and any use shall be consistent with the Trust Agreement, State policy and financial prudence.
- g. **Policy Statement 20.** When it is determined to be prudent by the Executive Director, CFO and municipal advisors, and subject to approval of the MDTA Board, MDTA may issue bond anticipation notes or other short-term indebtedness, in accordance with applicable statutory law and trust agreements, as a source of interim construction financing.

IV. Method of Sale

- a. **Policy Statement 21.** The MDTA shall sell and issue debt, subject to MDTA Board approval, either through a competitive bidding process or by a negotiated sale (including a direct bank loan). A competitive bond sale is the preferred method unless it is determined by the Executive Director, CFO, the municipal advisors and legal counsel that this method is unlikely to produce the best sale results. Factors to consider in selecting the sale method include, but are not limited to, bond issue size and related issuance costs, repayment terms, market conditions, credit history and the timing of the need for funds.
 - i. Competitive sales will be awarded to qualified bidder(s) based upon the lowest true interest cost method, with additional consideration of the probable call of the premium coupon securities through the lowest call option adjusted True Interest Cost Plus (TIC Plus) methodology.
 - ii. In the event of a negotiated sale, the underwriting team for the negotiated sale will be selected through a competitive solicitation process and approved by the MDTA Board.
 - iii. In the event of a direct bank loan, a competitive solicitation will be conducted and the bonds will be awarded based upon lowest true interest cost or TIC Plus unless the Executive Director and CFO determine that it is in the best interest of the MDTA to accept an alternative bid with more favorable terms and conditions.
- b. **Policy Statement 22.** Documentation of MDTA bond sales and closings will be prepared by bond counsel, municipal advisors, the MDTA Office of the Attorney General, the MDTA Division of Finance, and other applicable parties for approval by the MDTA Board, and in the case of non-recourse debt, the State Board of Public Works or other appropriate officials, as required.

V. Refundings

- a. **Policy Statement 23.** The CFO and municipal advisors will periodically review MDTA outstanding debt to identify refunding opportunities. Refunding will be considered when there is net economic benefit or the

refunding is advisable to modernize bond trust covenants essential to operations and management. The CFO, the Executive Director and staff from MDTA's Division of Finance shall consider additional factors that they deem appropriate in determining specific bonds that shall be refunded.

- i. In general, refunding for economic savings will be considered when net present value (NPV) savings may be achieved. Projected NPV savings shall be discounted at the All-In True Interest Cost. Alternately, NPV savings may be calculated using discount factors from the funding yield curve for each individual maturity.
- ii. In concert with NPV savings analysis, Refunding Efficiency shall be calculated for each individual maturity. Refunding Efficiency measures the percentage of the call option value captured through present value cash flow savings. Maturity refundings that are projected to capture more than 85% of the option value may be viewed favorably and worthy of consideration, though a calculated efficiency below 95% suggests that greater savings may be achieved by delaying the financing.
- iii. A refunding is subject to MDTA Board approval, either for economic reasons or when existing bond trust covenants or other factors impinge on prudent and sound financial management, and such a restructuring is in MDTA's overall best financial interests.

VI. Disclosure/Arbitrage Compliance

- a. **Policy Statement 24.** The MDTA is committed to full and complete financial disclosure, and will abide by the provisions of SEC Rule 15c2-12 concerning primary and secondary market disclosure.
 - i. The MDTA Division of Finance, with the MDTA Office of the Attorney General and bond counsel, will determine the appropriate primary market disclosure that is required in connection with the offer and sale of bonds.
 - ii. The CFO and the MDTA Division of Finance shall establish and maintain written procedures to follow for the collection, review and public dissemination of secondary market disclosure.
 - iii. At a minimum, such disclosure procedures shall address responsibility for:
 1. Maintaining a record of all Continuing Disclosure Agreements and the requirements set forth therein;
 2. Assigning staff to collect information and determine the method of disclosure, i.e. inclusion in the MDTA Financial Statements or by a separate posting to disseminate information, using the Electronic Municipal Market Access System (EMMA), or to such other approved national repository; and
 3. Setting guidelines to determine when a voluntary or significant event has occurred that warrants posting to

EMMA, or to such other approved national repository.

- b. **Policy Statement 25.** The MDTA is committed to compliance with Federal arbitrage tax law and regulations which govern the issuance and management of tax exempt debt.
 - i. The MDTA Division of Finance is responsible for the system of record keeping and reporting necessary to meet the arbitrage rebate compliance requirements of the Federal tax code.

VII. Investment of Bond Proceeds

- a. **Policy Statement 26.** Bond proceeds shall be invested in accordance with provisions of the applicable Trust Agreement and MDTA's Investment Management Policy.

VIII. Consultant Selection

- a. **Policy Statement 27.** The MDTA will retain municipal advisors who are registered with the SEC, to be selected for a term of up to six years through a competitive process administered by the MDTA Division of Finance and the Division of Procurement.
 - i. The Executive Director and CFO shall determine on a case by case basis, and pursuant to an applicable municipal advisory services contract, when to use the services of the municipal advisors for bond sales or other financial matters and related advice.
 - ii. To ensure independence and to avoid any potential conflicts of interest, when the MDTA engages the services of the municipal advisors for bond sales, it shall be with the understanding that neither the municipal advisors, their firms, or affiliates, will bid on or underwrite any MDTA debt issue, or perform any other services relating to the sale or issuance of such debt, unless specifically disclosed to the MDTA and authorized by the Executive Director and CFO upon approval by the MDTA Board.
 - iii. When the MDTA engages with services of the municipal advisors for general advice and work, including but not limited to, investments, cash modeling, forecasts, rating agency surveillance, legislative and regulatory updates and analyses, it shall be with the understanding that the municipal advisors, their firms or affiliates will provide the MDTA with written confirmation of their compliance with, and disclosure relating to, the fiduciary duties and standards imposed by the Dodd-Frank Act, and specifically the Municipal Advisor Rule (Release No. 34-70462) issued by the SEC and Rule G-42 issued by the MSRB.
- b. **Policy Statement 28.** The MDTA and the Maryland Attorney General will retain qualified bond counsel as required for debt issues. Bond counsel will issue an opinion as to the legality of the debt issuance and the tax-exempt status of any such obligations.
 - i. The Principal Counsel of the MDTA Office of the Attorney General

- (MDTA Principal Counsel) shall act as procurement officer on behalf of the Maryland Office of the Attorney General and procure competitive proposals from outside law firms.
- ii. If necessary, the MDTA Principal Counsel shall form a review committee to evaluate written proposals and to conduct oral interviews of the proposers.
 - iii. After the review committee completes its evaluation, the MDTA Principal Counsel shall make recommendations to the Maryland Attorney General regarding the selection of one of more firms to serve as bond counsel.
 - iv. The solicitation and selection process for such services will be accomplished according to the legally appropriate procurement process utilized by the Maryland Attorney General. The Maryland Attorney General's Office shall make such selection, and the MDTA Principal Counsel shall notify the MDTA Board of the selection. The contract(s) shall be awarded, subject to available funding for the contract(s).
- c. **Policy Statement 29.** The MDTA Division of Finance shall be responsible for qualifying underwriting firms to provide services for debt issued in a negotiated sale.
- i. Underwriters will be required to demonstrate sufficient capitalization, experience, and competitive pricing in order to qualify to underwrite debt.
 - ii. A review committee will be formed to evaluate written proposals and to conduct oral interviews if necessary.
 - iii. The formal selection of the qualified underwriting firms for all negotiated bond sales (except direct bank loans) will be presented to the MDTA Board for approval upon recommendation by the review committee.
- d. **Policy Statement 30.** The MDTA Division of Finance, in conjunction with the MDTA Office of the Attorney General, will approve the selection of the underwriter's counsel, in the event of a negotiated bond sale. The cost of the underwriter's counsel will be payable from bond proceeds of each specific issue and allocated to underwriter's costs.
- e. **Policy Statement 31.** The CFO shall have the authority to periodically select other service providers (e.g., trustees, arbitrage consultants, etc.) as necessary to meet legal requirements and to minimize net debt costs.
- f. **Policy Statement 32.** Compensation for bond counsel, underwriter's counsel, municipal advisors, and other financial services will be as low as possible (through the competitive and any legally required procurement process), given desired qualification levels, and consistent with industry standards.

IX. Credit Ratings

- a. **Policy Statement 33.** The MDTA seeks to maintain the highest possible

investment grade credit ratings for revenue bonds, notes and other evidences of indebtedness issued under the provisions of Title 4 of the Transportation Article, consistent with this policy and other Department guidelines.

- i. For issues secured by toll revenues, MDTA will request ratings prior to the sale of securities from at least two of the three major rating agencies for municipal bond issues: Moody's Investors Service, S&P Global, and Fitch Ratings.
 - ii. For non-recourse financing issues, the decision to request underlying credit ratings will be on a case by case basis as determined by the Executive Director, CFO, the municipal advisors, the obligor and the underwriter for the bonds in the case of a negotiated sale.
 - iii. The MDTA may provide written and/or oral presentations to the rating agencies to assist the agency credit analysts.
- b. **Policy Statement 34.** MDTA shall consider the use of credit enhancements such as debt service reserves, bond insurance, letters of credit, and surety bonds when such credit enhancement proves cost-effective.
- i. The net debt service on the bonds should be reduced by more than the net carrying costs of the enhancement. A credit enhancement should result in lower net financing costs and may result in higher credit ratings.
- c. **Policy Statement 35.** The Executive Director, CFO and the municipal advisors are responsible for maintaining relationships with the rating agencies. This effort includes providing periodic updates on MDTA's general financial condition along with meetings and presentations in conjunction with a new debt issuance.

X. Annual Review

- a. **Policy Statement 36.** This Debt Policy is to be reviewed by the MDTA Finance Committee at least annually.

XI. Definitions

- a. None

XII. Authorized/Supporting Documents

XIII. Policy History

- a. Approved 8.16. 2005
- b. Reviewed 8.10. 2006
- c. Amended 8.9.2007 as of 9.20.2007
- d. Amended 9.11.2008
- e. Amended 8.25.2009
- f. Amended 11.24.2010



- g. Reviewed 9.22.2011
- h. Amended 9.27.2012
- i. Amended 8.22.2013
- j. Amended 8.28.2014
- k. Amended 8.27.2015
- l. Amended 8.25.2016
- m. Amended 9.7.2017
- n. Amended 8.30.2018
- o. Amended 8.29.2019
- p. Amended 8.27.20
- q. Amended 8.26.21
- r. Amended 8.25.22
- s. Amended 8.31.23
- t. Amended 11.29.23
- u. Amended 11.21.24
- v. Amended 10.30.25

ITEM

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**CLOSED
SESSION
(VERBAL)**