



Maryland Transportation Authority

FINANCE COMMITTEE

THURSDAY, MAY 11, 2023

MARYLAND TRANSPORTATION AUTHORITY
2310 BROENING HWY
BALTIMORE, MD 21224

FINANCE COMMITTEE MEETING AGENDA

May 11, 2023 – 9:00 a.m.

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

NOTE: This is an Open Meeting being conducted via livestreaming. The public is welcomed to watch the meeting at the link listed above. *If you wish to comment on an agenda item please email your name, affiliation, and agenda item to cdickinson@mdta.state.md.us no later than noon on Wednesday, May 10, 2023. You **MUST** pre-register in order to comment.* Once you have pre-registered you will receive an email with all pertinent information.

AGENDA

OPEN SESSION

Call to Order

- | | | | | |
|----|--------------------------|---|---------------------------------|---------|
| 1. | <u>Approval</u> – | March 9, 2023 - Open Meeting Minutes | Chairman von Paris | 5 min. |
| 2. | <u>Approval</u> – | Board Resolution 23-01 – BWI PFC Refinancing | Allen Garman | 10 min. |
| 3. | <u>Approval</u> – | Investment Committee Report – Quarterly update on the investment of MDTA’s funds | Allen Garman
Clayton Viehweg | 20 min. |
| 4. | <u>Update</u> – | 3 rd Quarter Budget Comparison – review of actual vs. projected spending for the FY 2023 operating budget | Jeffrey Brown | 10 min. |
| 5. | <u>Update</u> – | 3 rd Quarter Budget Comparison – review of actual vs. projected spending for the FY 2023 capital budget | Jennifer Stump | 10 min. |
| 6. | <u>Update</u> – | Quarterly Update on Traffic and Revenue – Update on the actual performance of traffic and revenue compared to the forecast through March 31, 2023 | Cheryl Lewis-Orr | 10 min. |
| 7. | <u>Update</u> – | Update on the MDTA’s Travel Plazas – Annual update on the operations and maintenance of the travel plazas | Simon Najar | 10 min. |

Vote to Adjourn

ITEM

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FINANCE COMMITTEE MONTHLY MEETING
TUESDAY, MARCH 9, 2023
OPEN MEETING VIA LIVESTREAMING

OPEN SESSION

MEMBERS ATTENDING: Cynthia Penny-Ardinger (via telephone)
Dontae Carroll
Jeffrey Rosen
John von Paris

STAFF ATTENDING: Erika Brantley
Jeffrey Brown
Jeffrey Davis
Donna DiCerbo
Cheryl Dickinson
Chantelle Green
Natalie Henson
Ibrahim Koroma
Kimberly Millender, Esq.
Kenneth Montgomery
Mary O'Keeffe
Will Pines
Deb Sharpless
Paul Truntich
Eric Willison

At 9:00 a.m., Member John von Paris, Chair of the Finance Committee, called the Finance Committee Meeting to order.

APPROVAL – OPEN MEETING MINUTES FROM FEBRUARY 9, 2023 MEETING

Member von Paris called for the approval of the meeting minutes from the Open Meeting held on February 9, 2023. Member Dontae Carroll made the motion, and Member Jeffrey Rosen seconded the motion, which was unanimously approved.

APPROVAL – CONTRACT NO. MT-00210626 – SCRAP RUBBER REMOVAL

Mr. Paul Truntich recommended to the Finance Committee approval of Contract No. MT-00210626 – Scrap Rubber Removal Services to the full Maryland Transportation Authority (MDTA) Board at its next scheduled meeting. Mr. Truntich advised that this contract is for the recycling of the MDTA's rubber materials. The work includes the removal and proper disposal of all scrap rubber materials produced by various MDTA facilities. All rubber materials, placed in the onsite location containers, are to be removed from the facility. This contract was procured as an Invitation for Bids. The recommended awardee, Auston Contracting, Inc., was the lowest bidder and the most responsive and responsible bidder. Auston Contracting, Inc., is also the incumbent with a proven track record in providing these services to the MDTA.

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

UPDATE – FY 2024 DEPARTMENT OF LEGISLATIVE SERVICES BUDGET ANALYSIS

Mr. Jeffrey Brown and Ms. Chantelle Green provided an overview of the budget issues and recommendations presented by the Department of Legislative Services during the MDTA's Fiscal Year 2024 legislative budget hearing. The overview also included a brief recap of the budget and the MDTA's responses to the issues raised in the budget analysis document.

There being no further business, the meeting of the Finance Committee adjourned at 9:20 a.m., following a motion by Member Carroll, and seconded by Member Rosen.

John von Paris, Chairman

ITEM

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Maryland Transportation Authority

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

Board Members:

Dontae Carroll	Mario J. Gangemi, P.E.
William H. Cox, Jr.	Cynthia D. Penny-Ardinger
William C. Ensor, III	Jeffrey S. Rosen
W. Lee Gaines, Jr.	John F. von Paris

William Pines, P.E., Executive Director

MEMORANDUM

TO: Finance Committee
FROM: Allen Garman, Director of Treasury and Debt
SUBJECT: PFC Bonds Refinancing Board Resolution 23-01
DATE: May 11, 2023

PURPOSE OF MEMORANDUM

Request recommendation to move forward to the full MDTA Board for approval of Board Resolution 23-01 to authorize the issuance of BWI Passenger Facility Charge (PFC) revenue bonds or alternative financing options (bank loan) to refinance portions of the Series 2012 and 2014 bonds for economic savings, apply cash from the PFC Facility Improvement Fund to reduce principal outstanding, and introduce a springing amendment to the PFC Trust that will change the issuer to MDOT from the MDTA.

SUMMARY

The PFC airport bonds are non-recourse to the MDTA and are issued for the Maryland Department of Transportation, Maryland Aviation Administration (MDOT MAA) to finance projects at the Baltimore Washington International Marshall Airport (BWI Marshall Airport).

Resolution 23-01 authorizes:

1. \$100 million of bonds to refinance the PFC Series 2012 A/B and 2014 bonds for economic savings and refinance the Series 2012 C variable rate bonds to fixed rate.
2. Application of up to \$40 million in the PFC Facility Improvement Fund to reduce principal outstanding.
3. PFC Trust Agreement springing amendment to change the issuer to MDOT from the MDTA, with an expected effective date around June 1, 2029.

Of the \$241 million in Series 2012/2014/2019 PFC bonds currently outstanding, a combined \$128 million of the Series 2012 A/B/C and 2014 bonds are currently callable or will be callable on 6/1/23. Per IRS rules, *current refunding* bonds may be issued up to 90-days before the call date.

1. Refinancing Savings

Anticipated savings of approximately \$2.8 million for the Series 2012A and 2014 refinancing component will be realized over an eleven-year period. Importantly, the resolution sets a minimum \$1 million Net Present Value savings threshold for the fixed-rate aggregate refinancings (Series 2012A, 2012B, 2014) and prohibits any single fixed-rate maturity refinancing unless it is individually economic.

2. Cash Defeasance Component

Portion of PFC Improvement Fund that is not needed near term for the PFC capital program will be utilized to reduce principal outstanding, which lowers net carryings costs and improves debt service coverage.

3. Springing Amendment PFC Trust Agreement

As a function of its financing authority granted in legislation, the MDTA served as the nonrecourse or conduit bond issuer (not obligor) since the inception of the PFC financing program and trust. In recent years, MDOT has been granted conduit financing authority. From a functional reporting lines perspective between MAA and MDOT, it is now administratively appropriate to convert the issuer to MDOT from the MDTA. This issuer change will be accomplished in several years through a springing amendment that becomes effective when supplemental trusts accompanying each new financing effectively vote in favor of the amendment. The amendment will spring into effect when the new *consenting* bondholders are greater than the *legacy* bondholders. This greater than 50% majority threshold is expected to be reached by 6/1/29 or sooner with additional refinancings or new money issuances.

The Executive Director and Chief Financial Officer (CFO) will have the authority to manage the bond sale and closing, including the award of the 2023 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.

Key Points:

1. Call Dates Series 2012A, 2012B, 2012C, 2014	Current, Current, Current, 6/1/23
2. Callable Par Combined 6/1/22	\$127.86 million
3. Int. Cost IRR Eff. 6/1/23 Series 2012A, 2014	4.40%, 3.74%
4. Expected New Issue Interest Cost 2012A, 2014	≈ 3.2%
5. Expected Savings % Par Series 2012A, 2014	5%, 2%
6. Expected Nominal Savings Series 2012A, 2014	\$1.9 million, \$0.9 million
7. Potential Sale Date	Late July or Early August

Resolution contains the following limiting provisions:

1. Par Amount – Limited to \$100 million.
2. Final Maturity Date – In compliance with IRS regulations, no later than the final June 1, 2034 maturity date of the Series 2014 bonds.
3. NPV Savings of at least \$1 million in aggregate and individual fixed-rate maturities must be economic.
4. Bond Sale Date – No later than December 31, 2023.
5. Bond Sale Report on Results – Provided by the Executive Director and CFO at the first Board meeting after the sale date.

RECOMMENDATION

- Request recommendation of the Finance Committee to move forward to the full board meeting for approval of Resolution 23-01.

ATTACHMENTS

Series 2012A Amortization Table
Series 2012A Refinancing Savings Example
MDTA Board Resolution 23-01

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

SAVINGS

Maryland Transportation Authority - Passenger Facility Charge Revenue Bonds Series 2023, Refunding of 2012A

<i>Date</i>	<i>Prior Debt Service</i>	<i>Prior Receipts</i>	<i>Prior Net Cash Flow</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Present Value to 06/01/2023 @ 3.0590514%</i>
06/01/2024	4,479,212.50	639,737.50	3,839,475.00	3,631,250.00	208,225.00	201,874.05
06/01/2025	3,841,475.00		3,841,475.00	3,629,500.00	211,975.00	199,285.58
06/01/2026	3,836,975.00		3,836,975.00	3,627,000.00	209,975.00	191,416.72
06/01/2027	3,840,975.00		3,840,975.00	3,628,500.00	212,475.00	187,822.30
06/01/2028	3,837,725.00		3,837,725.00	3,628,500.00	209,225.00	179,326.56
06/01/2029	3,837,225.00		3,837,225.00	3,626,750.00	210,475.00	174,918.40
06/01/2030	3,871,625.00		3,871,625.00	3,663,000.00	208,625.00	168,304.28
06/01/2031	3,904,425.00		3,904,425.00	3,695,000.00	209,425.00	164,023.79
06/01/2032	3,935,925.00		3,935,925.00	3,727,500.00	208,425.00	158,468.68
	35,385,562.50	639,737.50	34,745,825.00	32,857,000.00	1,888,825.00	1,625,440.36

Savings Summary

PV of savings from cash flow	1,625,440.36
Plus: Refunding funds on hand	1,878.30
Net PV Savings	1,627,318.66

**MARYLAND TRANSPORTATION AUTHORITY
RESOLUTION 23-01**

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, SERIES 2023 BALTIMORE/WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT (QUALIFIED AIRPORT BONDS-AMT) (THE “SERIES 2023 PFC BONDS”) FOR THE PURPOSE OF (I) 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, (II) FUNDING DEBT SERVICE RESERVE FUNDS, AND (III) PAYING THE COSTS RELATED TO THE ISSUANCE OF THE SERIES 2023 PFC BONDS; APPROVING THE PREPARATION AND DISTRIBUTION OF THE PRELIMINARY AND FINAL OFFICIAL STATEMENTS, A SUPPLEMENTAL TRUST AGREEMENT, AN ESCROW DEPOSIT 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 2023 PFC BONDS, INCLUDING THE FINANCING STRUCTURE AND TERMS; AUTHORIZING, SPECIFYING, DETERMINING AND APPROVING CERTAIN OTHER MATTERS PERTAINING TO THE SERIES 2023 PFC BONDS; AND AUTHORIZING THE USE OF UP TO FORTY MILLION (\$40,000,000) OF LEGALLY AVAILABLE FUNDS TO PROVIDE FOR THE ADVANCE PAYMENT OF ALL OR A PORTION OF THE DEBT SERVICE PAYMENTS ON THE MDTA’S OUTSTANDING PRIOR 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, to issue revenue bonds for the purpose of refunding any of its outstanding revenue bonds, 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, Series 2023 Baltimore/Washington International Thurgood Marshall Airport (Qualified Airport Bonds-AMT) (the “**Series 2023 PFC Bonds**”) for the purpose of 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 Manufacturers and

RESOLUTION 23-01

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Traders Trust Company, as trustee (the “**Trustee**”), to issue revenue bonds secured by a portion of the passenger facility charge revenues generated from the operation of the airport facilities at Baltimore/Washington International Thurgood 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 Variable Rate Passenger Facility Charge Revenue Bonds, Series 2012C, dated December 13, 2012 (the “**Series 2012C 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, the Series 2012C 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, 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, among others, of (i) 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 and amendment to the PFC Trust Agreement (the “**Supplemental PFC Trust Agreement**”) that will include, among other provisions, (i) the terms of the Series 2023 PFC Bonds as Additional Bonds and (ii) the pledge of PFC Revenues as security for the Series 2023 PFC Bonds, such pledge to include other legally available revenues generated from the operation of the airport facilities at Baltimore/Washington International Thurgood Marshall Airport (“BWI Marshall Airport”) as deemed appropriate by the Executive Director of the MDTA (the “**Executive Director**”); and

WHEREAS, the MDTA desires to authorize the issuance of the Series 2023 PFC Bonds for the purpose of (i) refunding all or a portion of the Outstanding Prior Bonds or all or a portion of any principal maturities thereof (collectively, the “**Refunded Bonds**”), (ii) funding a debt service reserve fund, and (iii) paying the costs related to issuance of the Series 2023 PFC Bonds, provided that certain conditions set forth in this Resolution are met; and

WHEREAS, interest on the Outstanding Prior Bonds is payable semiannually on June 1 and December 1 (each, an “**Interest Payment Date**”) in each year until the respective final maturity dates of each series of the Outstanding Prior Bonds; and

WHEREAS, the Outstanding Prior Bonds mature in annual installments on June 1 in each year until the respective final maturity dates of each series of the Outstanding Prior Bonds; and

WHEREAS, pursuant to the PFC Trust Agreement, the Trustee holds and maintains a Bond Fund for each series of the Outstanding Prior Bonds, from which, immediately prior to each Interest Payment Date, the Trustee is required to withdraw the amounts required for paying the interest on the bonds secured thereby as such interest becomes due and payable and the amounts required for paying the principal of the bonds secured thereby as such principal becomes due and payable; and

WHEREAS, in order to provide for the payment of all or a portion of the principal amount of and interest on the Outstanding Prior Bonds, the MDTA hereby desires to authorize the advance deposit of its legally available funds into the respective Bond Fund for each series of Outstanding Prior Bonds; and

WHEREAS, Section 4.08 of the PFC Trust Agreement authorizes MDTA to transfer or deposit to the credit of any bond fund created under the PFC Trust Agreement any moneys on deposit in the Facilities Improvement Fund (the “**Facilities Improvement Fund**”) created under the PFC Trust Agreement to address any deficiency in such bond funds and to make other authorized deposits, including the use of the moneys to pay costs permitted under Applicable Law after satisfying the required deposits and transfers.

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 Refunding Bonds, Series 2023, Baltimore/Washington International Thurgood Marshall Airport (Qualified Airport Bonds-AMT),” 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 Million Dollars (\$100,000,000), for the purpose of (i) refunding all or a portion of the Outstanding Prior Bonds or all or a portion of any principal maturities thereof, provided that the savings realized from the refunding results in aggregate net present value savings to the MDTA of not less than One Million Dollars (\$1,000,000) and that no single fixed-rate maturity will be refinanced unless economic, (ii) funding a debt service reserve fund and (iii) paying the costs related to the issuance of the Series 2023 PFC Bonds, subject to the limitations set forth below in Section 3(b).

Section 2. The Series 2023 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 2023 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 2023 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 2023 PFC Bonds.

Section 3. Bond Sale.

(a) The MDTA hereby authorizes its Executive Director to sell one or more series of the Series 2023 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 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, 2023, 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 2023 PFC Bonds, including, but not limited to: (i) the rate or rates of interest to be borne by the Series 2023 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 2023 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 2023 PFC Bonds, provided that the final maturity of the Series 2023 PFC Bonds shall not exceed (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 changes to the designation for the Series 2023 PFC Bonds.

(c) If the Executive Director determines to negotiate the terms of the sale of all or a portion of the Series 2023 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 2023 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 2023 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 2023 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 2023 PFC Bonds at the first meeting of the MDTA occurring after the sale of the Series 2023 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 2023 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 2023 PFC Bonds and to distribute each Official Statement to the entities that they shall deem appropriate.

Section 6. 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 (the “**Fifth Supplemental PFC Trust Agreement**”), (ii) one or more bond certificates for the Series 2023 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 2023 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. The Fifth Supplemental PFC Trust Agreement, or another agreement as determined by the MDTA and the Department, may include language providing for a springing amendment that will authorize the substitution of the Department for the MDTA as issuer of the Series 2023 Bonds and all outstanding bonds under the PFC Trust Agreement and assumption by the Department of all the obligations, duties and rights as issuer under the PFC Trust Agreement and related documents that currently designate MDTA as the issuer of the PFC Bonds. Such springing amendment shall become effective on or after the date that a majority of the holders of the Outstanding Prior Bonds agree to such amendment, as determined by the Executive Director with the advice of the Chief Financial Officer, bond counsel, financial advisors and, as appropriate, other officers and staff of the MDTA. The Fifth Supplemental PFC Trust Agreement shall be in form and substance satisfactory to the MDTA and the Department.

Section 7. 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 is hereby authorized to cause an original or facsimile of the official seal of the MDTA to be imprinted or reproduced on each Bond Certificate.

Section 8. 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, an Escrow Deposit Agreement, a Continuing Disclosure Agreement 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 9. 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 2023 PFC Bonds in order to preserve the status of the interest on the Series 2023 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 2023 PFC Bonds in such manner as would cause the interest on the Series 2023 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 2023 PFC Bonds (to the extent it exercises control or direction) so as not to cause any of the Series 2023 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 2023 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, or fewer days as permitted by Section 147(f), in advance of the date set for such hearing.

Section 10. The MDTA hereby authorizes its Chief Financial Officer to cause the transfer of its legally available funds from the Facilities Improvement Fund and the deposit of such funds in the amount of up to Forty Million Dollars (\$40,000,000) into the Bond Fund created under

the PFC Trust Agreement for each respective series of Outstanding Prior Bonds, for the purpose of paying all or a portion of the principal amount of and interest on the Outstanding Prior Bonds.

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 2023 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 PFC Bonds, in addition to PFC Revenues, other legally available revenues generated from the 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 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 14. The Executive Director will provide (a) periodic updates to the Finance Committee and the MDTA Board of all contracts and Bond Documents approved by the Executive Director in accordance with this Resolution and (b) the effective date of the springing amendment and the implementation of the substitution of the Department as the issuer of the PFC Bonds relieving MDTA of the responsibilities, obligations, duties, rights as issuer under the PFC Trust Agreement and related documents.

Section 15. This Resolution shall be effective immediately upon its adoption.

RESOLUTION 23-01

Page 8

Dated as of _____, 2023.

WITNESS:

MARYLAND TRANSPORTATION AUTHORITY

Executive Director

Chairman

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

Kimberly Millender
Assistant Attorney General

ITEM

3



Maryland Transportation Authority

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

Board Members:

Dontae Carroll	Mario J. Gangemi, P.E.
William H. Cox, Jr.	Cynthia D. Penny-Ardinger
William C. Ensor, III	Jeffrey S. Rosen
W. Lee Gaines, Jr.	John F. von Paris

William Pines, P.E., Executive Director

MEMORANDUM

TO: Finance Committee
FROM: Clayton D. Viehweg, Investment Administrator
Allen W. Garman, Director of Treasury & Debt
SUBJECT: Investment Report
DATE: May 11, 2023

PURPOSE OF MEMORANDUM

Complete required quarterly review of investment report for the three-month period ended March 31, 2023 and request recommendation of the Finance Committee to present to the full Board for approval of a continuation of investment strategy and associated benchmarks.

SUMMARY

On a quarterly basis, MDTA's Investment Committee reports to the Finance Committee on investment related activities. The Investment Committee will review market conditions, portfolio strategies, and total return performance. The Committee will also discuss certain market drivers that may influence portfolio performance in coming months, including the economy, fiscal policy, and Federal Reserve monetary policy.

Key Points

- Diversified investment portfolio remains in compliance with the Investment Policy and Trust Agreement.
- Matched Funded accounts are benefitting from higher prevailing rates for short-term instruments.
- Total Return Investment Strategies
 - Systematic rate rise has impacted all bond market investors in the form of mark-to-market price declines.
 - Long-term reserve account strategies should remain consistent, despite short-term return volatility associated with the rising interest rate environment.
 - Multi-year returns for longer term reserves align with financial forecast and approximate the starting rolling yields, though one-year returns are negative.

RECOMMENDATION

The Investment Committee requests the Finance Committee's concurrence and recommendation to move to the full board for approval of the continuation of investment strategy and benchmarks.

ATTACHMENT

Performance Report Finance Committee 3 31 23



Maryland
Transportation
Authority

Investment Portfolio Management & Performance

Period Ended – March 31, 2023

Meeting Date – May 11, 2023

Agenda & Key Points

Agenda

- Market Update
- Portfolio Composition & Compliance
- Strategy
- Total Return Performance
- Strategy & Benchmark Approval

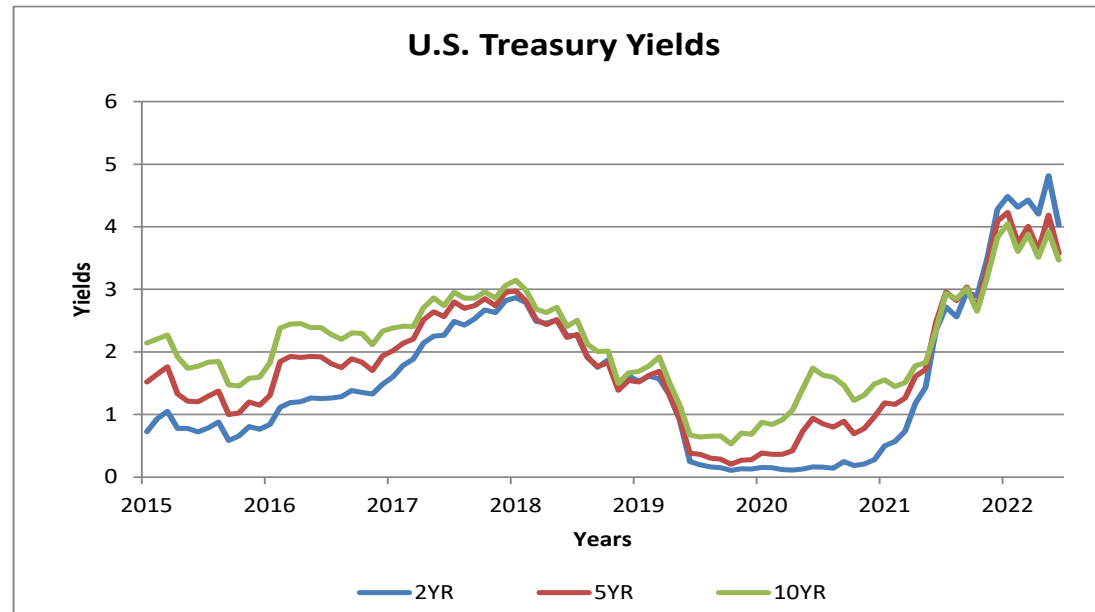
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 - Strategies for long-term reserve accounts should remain consistent, despite short-term return volatility associated with the rising interest rate environment.
 - Multi-year returns for long term reserves align with financial forecast and approximate the starting rolling yields, though one-year trailing returns are negative.

Market Update – Economy, Federal Reserve & Bond Market

- **Economy:** Modest growth in spending and production, high inflation, employment strength

	<u>Jun-22</u>	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	<u>Oct-22</u>	<u>Nov-22</u>	<u>Dec-22</u>	<u>Jan-23</u>	<u>Feb-23</u>	<u>Mar-23</u>
Real GDP (YOY)	1.8%			1.9%			0.9%			1.6%
Unemployment	3.6%	3.5%	3.7%	3.5%	3.7%	3.6%	3.5%	3.4%	3.6%	3.5%
Core PCE Inflation (YOY)	5.0%	4.7%	4.9%	5.2%	5.1%	4.8%	4.6%	4.7%	4.7%	4.6%



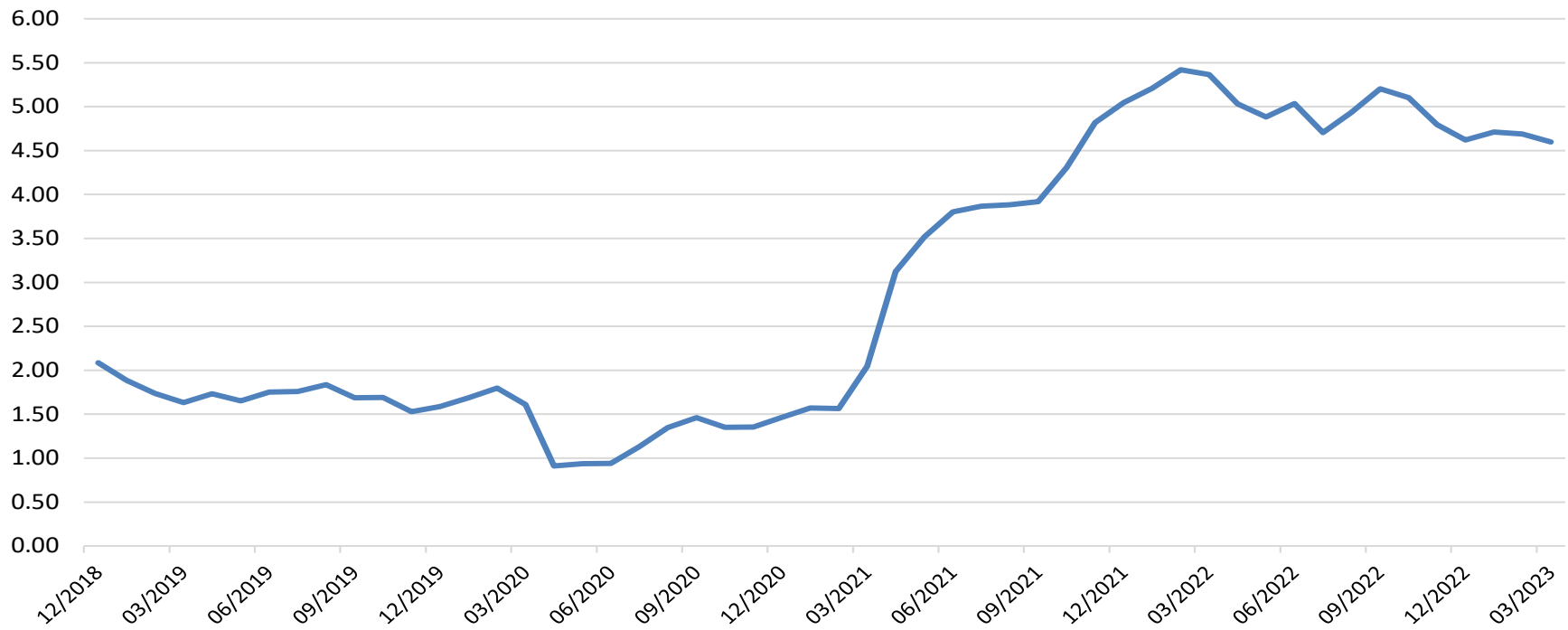
- **Federal Reserve:** Tightening monetary policy to combat inflation in excess of 2% objective.
 - Increased federal funds rate 500 bps since 1/1/22.
 - Balance sheet reductions, \$95 billion monthly.

Market Update – Economy, Federal Reserve & Bond Market

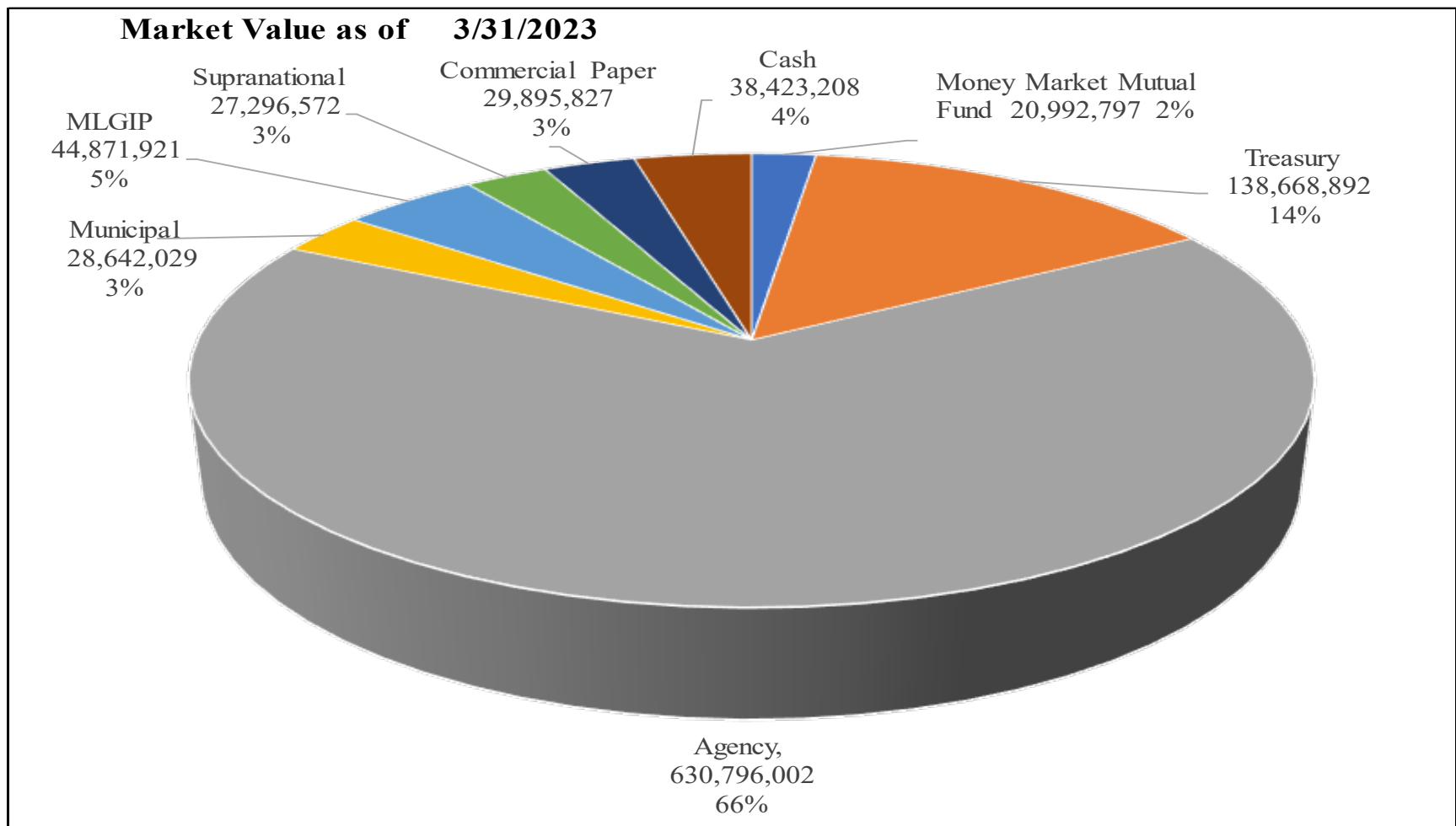
- Federal Reserve's preferred measure of inflation, Core PCE, is showing inflation moderation.
- Commodity price declines over the past several months demonstrate some degree of post-pandemic supply normalization and that the Federal Reserve's monetary policy tightening is impacting demand. Feedstock price declines should flow through to the PCE index.

Core Personal Consumption Expenditures Index - measures the prices paid by consumers for goods and services without the volatility caused by movements in food and energy prices to reveal underlying inflation trends.

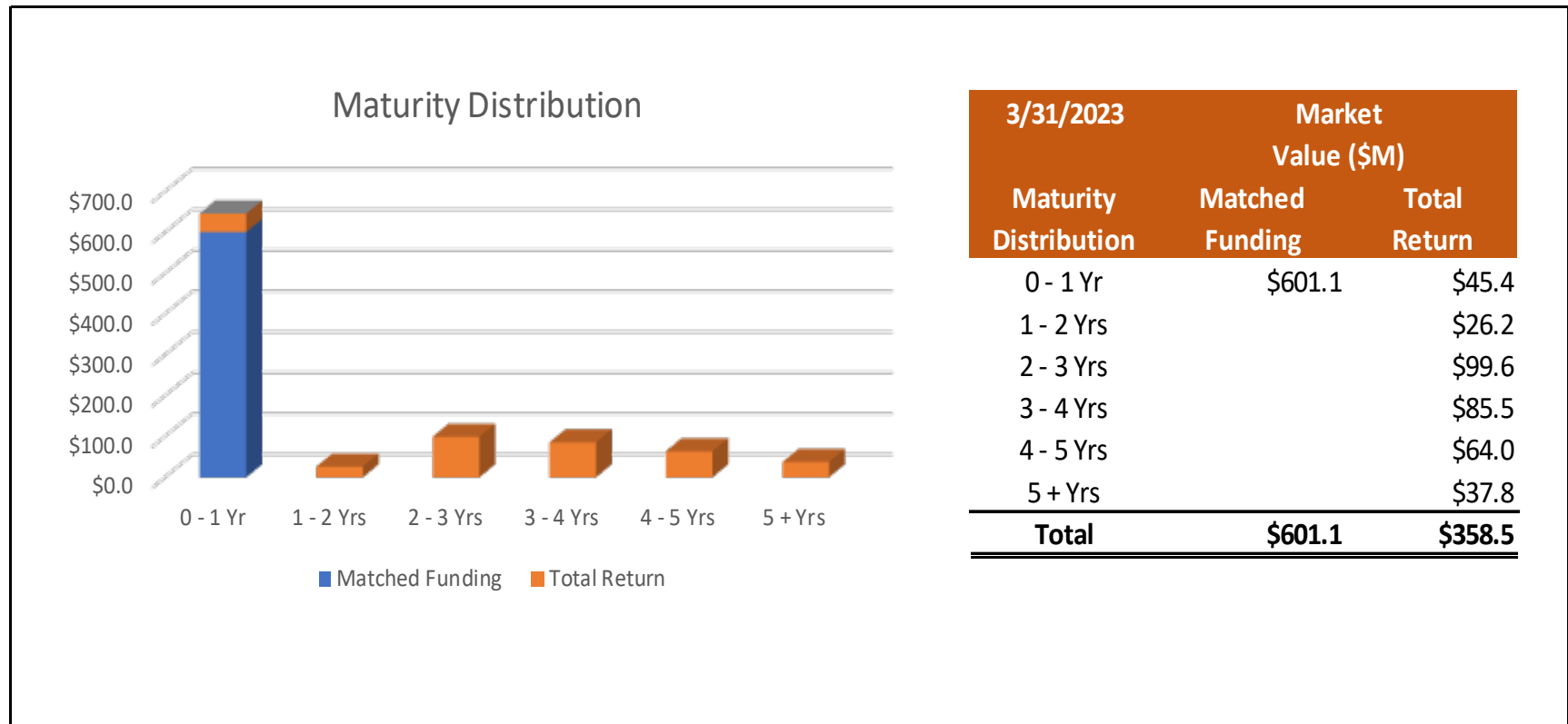
Core PCE Index (yoy %)



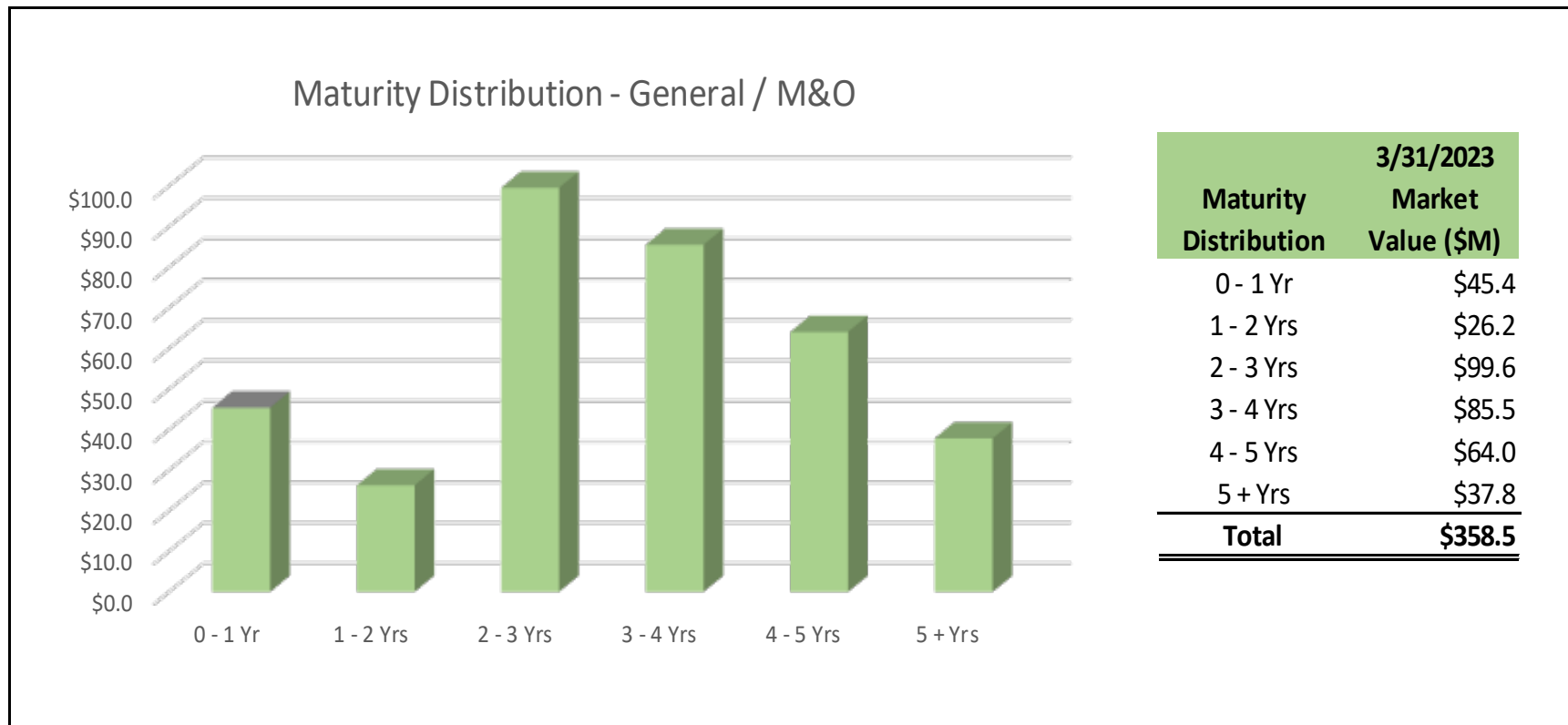
- High quality and diversified portfolio
 - Capitalizing on relative value opportunities
 - Higher yield for similar maturities and credit risk
 - Aligning with cash flow needs
 - Minimizing credit risks associated with ratings downgrades and/or defaults



Portfolio Composition & Compliance – Maturity Distribution (All Accounts) ⁶



- Match Funded accounts necessitate maturities heavily weighted within 1 year.
 - Driven by cashflow schedule for debt service, operating expenses, and capital spending.
 - Debt service: \$69M
 - Operating: \$38M
 - Capital: \$493M



- Total Return reserve accounts align durations with benchmark indices.
 - Dispersion of maturities—reduces yield curve concentration risk and benchmark tracking error.
 - General Account: Staggered maturities, 1-month to 5-years.
 - M&O Account: Staggered maturities, 1-month to 15-years.

Portfolio Composition & Compliance – Compliance Report

- Portfolio complied with all legal and policy limitations throughout the reporting period of 12/31/22 through 3/31/23
 - Investment holdings above minimum credit ratings.
 - Investment concentrations below required limits.
 - Conformed to maturity limitations.

Maturity Limits		Longest Maturity (# of years)	Policy Limit (# of years)	Compliance With Investment Policy			
Account Types							
Bond Service Accounts		0.2	1	Yes			
Unrestricted (General) *		4.8	5	Yes			
Unrestricted (M&O)		14.5	15	Yes			
* Maturity Limits measured on Settlement Date basis.							
		Credit Ratings				Compliance	
		S&P	Moody's	Market Value (\$)	Market % of Total	Investment Policy Limit	With Investment Policy
Cash				38,423,208	4.0%		
Money Market Mutual Funds							
- Goldman Sachs Financial Square Gov't FGTX	AAAm	Aaa-mf	16,977,659	1.8%	100%	Yes	
- MLGIP	AAAm	NR	44,871,921	4.7%	50%	Yes	
- Dreyfus Gov't Cash DGCXX	AAAm	Aaa-mf	4,015,139	0.4%	100%	Yes	
Sub-Total Money Market Mutual Funds			65,864,718	6.9%	100%	Yes	
U.S.Treasuries		AA+	Aaa	138,668,892	14.5%	100%	Yes
Federal Agencies							
- Fannie Mae	AA+	Aaa	78,619,730	8.2%	50%	Yes	
- Federal Farm Credit Bank	AA+	Aaa	52,447,007	5.5%	50%	Yes	
- Federal Home Loan Bank	AA+	Aaa	469,897,505	49.0%	50%	Yes	
- Freddie Mac	AA+	Aaa	29,831,760	3.1%	50%	Yes	
Sub-Total Federal Agencies			630,796,002	65.7%	100%	Yes	

After reviewing the investment activity for the month ended March 31, 2023, we have not identified any instances of material non-compliance with the Investment Policy.

Supplemental Information – Trade Allocation by Dealer

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Trade Allocation - Trailing 12 Month Period Ended 3/31/2023								
Broker Name		% Trades	\$ Purchase	% Purchase	\$ Sale	% Sale	\$ Total	% Total
Wells Fargo Securities	23	27%	\$ 148,842,069.07	16%	\$ 53,142,227.42	69%	\$ 201,984,296.49	21%
FHN Financial	16	19%	\$ 181,231,403.61	20%	\$ -	0%	\$ 181,231,403.61	18%
Bank of America Securities	13	15%	\$ 125,213,371.77	14%	\$ 9,204,701.82	12%	\$ 134,418,073.59	14%
Cantor Fitzgerald	11	13%	\$ 161,099,425.29	18%	\$ 1,818,022.22	2%	\$ 162,917,447.51	17%
BNY Mellon	5	6%	\$ 46,780,717.15	5%	\$ 1,535,202.87	2%	\$ 48,315,920.02	5%
Jefferies & Co	5	6%	\$ 92,759,124.31	10%	\$ 2,726,460.00	4%	\$ 95,485,584.31	10%
Piper Jaffray	4	5%	\$ 13,766,376.28	2%	\$ -	0%	\$ 13,766,376.28	1%
Toyota Motor Credit [D]	4	5%	\$ 70,600,604.17	8%	\$ -	0%	\$ 70,600,604.17	7%
Janney Montgomery	2	2%	\$ 14,231,979.17	2%	\$ 8,831,006.46	11%	\$ 23,062,985.63	2%
Stifel Nicolaus	2	2%	\$ 49,220,080.00	5%	\$ -	0%	\$ 49,220,080.00	5%
Total	85	100%	\$ 903,745,150.82	100%	\$ 77,257,620.79	100%	\$ 981,002,771.61	100%

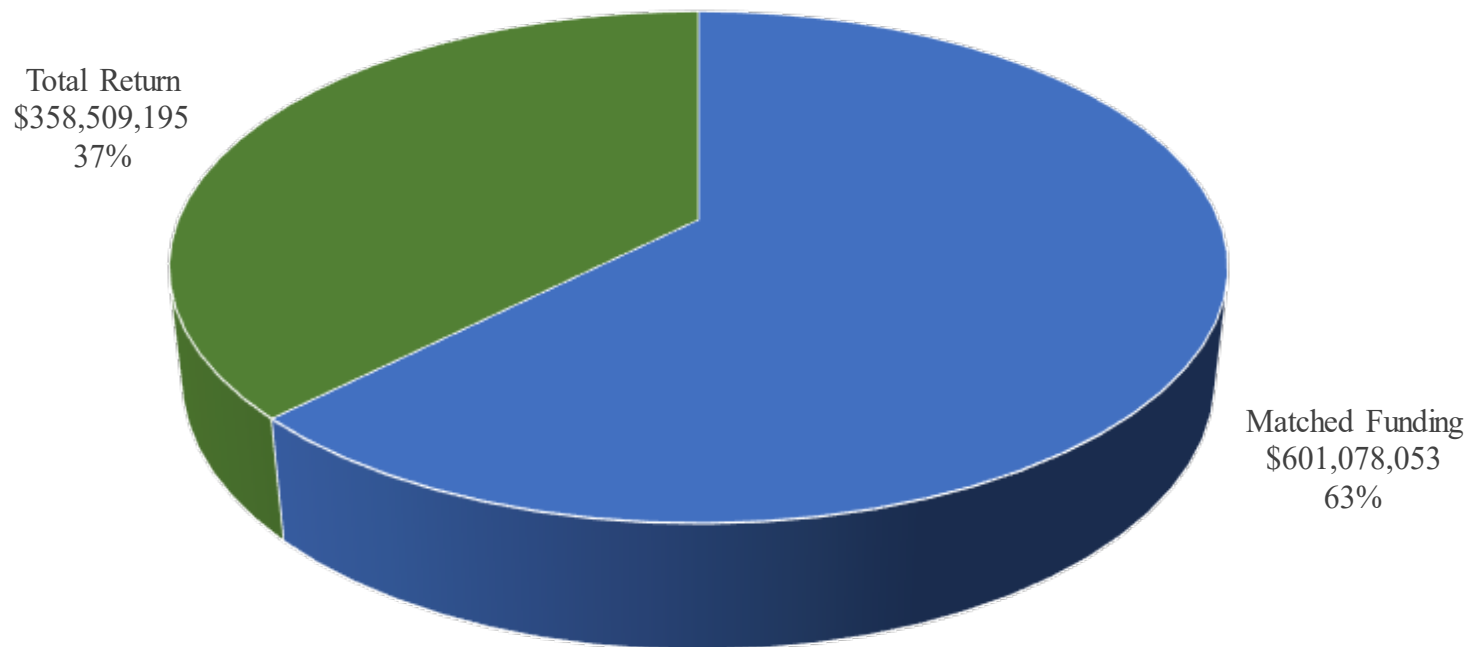
*** Broker/Dealers are reviewed annually for competitiveness by the Investment Committee. Dealer suspensions and additions may result from trailing twelve-month performance.

Portfolio Composition & Compliance – MF and TR Proportions

11

- Matched Funding accounts for Construction, Operations, and Debt Service comprise the majority of the MDTA portfolio.
 - Short-term investments matched to projected spending.
- Total Return reserves represent long-term core funds, with long investment horizons.

Market Value as of 3/31/2023



Strategy – Previous & Current Quarter

Purpose	% of Portfolio	Strategy for Prior Quarter			Strategy for Current Quarter		
		Benchmarks	Duration	% Target	Benchmarks	Duration	% Target
Capital / Operating / Debt Long Term Reserves ⁽¹⁾	63%	Matched Funding	N/A	N/A	Matched Funding	N/A	N/A
General	37%	50% ML 1-3 YR & 50% ML 3-5 YR	~3 Yrs	100%	50% ML 1-3 YR & 50% ML 3-5 YR	~3 Yrs	100%
M&O Reserve		U.S. Treasury Strips 1-13 YR	~7 Yrs	100%	U.S. Treasury Strips 1-13 YR	~7 Yrs	100%
(1) - Unrestricted cash in the combined General & M&O Reserve that exceeds the \$350 million target is transferred to the Capital account to fund capital expenditures.							

- **Matched Funding Accounts:** Policy and Trust Agreement Directives/Limitations
 - Capital (Pay-Go & Bond Proceeds), Operating & Debt Service Accounts – Investment maturities precede or coincide with expected spending.

Returns: Investment returns are a function of prevailing interest rates for short-term investments such as Money Market Mutual Funds, MLGIP, Agency/Supranational Discount Notes, and Commercial Paper.

- **Total Return Accounts:** Board Approved Benchmarks
 - M&O Reserve – Staggered maturities, 0-15 years
 - General Account – Staggered maturities, 0-5-years

Returns: Longer duration indices benefit from higher average annual returns over multiyear periods and experience greater return volatility associated with mark-to-market relative to shorter-term duration indices.

Strategy – Matched Funding

- Investment maturities structured to precede projected spending immunizes portfolio against interest rate risk. Secondary goal to minimize net carrying cost of debt.

Capital Account – Net Operating Revenues (monthly) and Bond Proceeds (episodically) flow into the account, requiring short-term investments matched to projected capital spending.

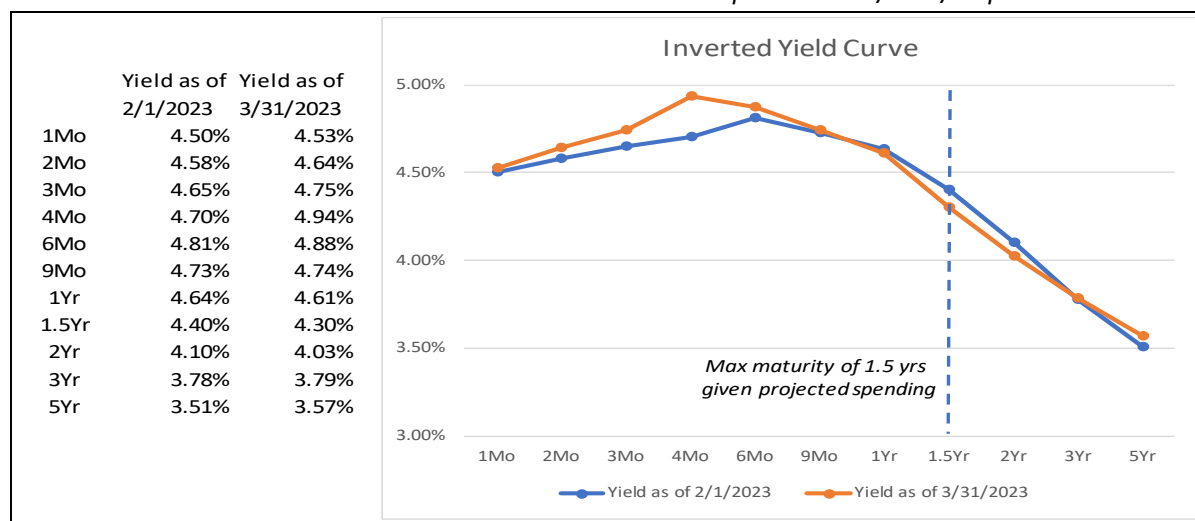
- Loan draw of \$200 million occurred 2/1/23, investments made on 2/2/23.
- Investment maturities staggered to precede spending & target most attractive short-term yields.
- Earnings will fully recoup loan closing costs.

Positive Net Earnings	
Financing Rate	2.89%
Earnings Rate	4.87%
Net Carry	1.98%
Par	200,000,000
Annual Net Earnings	3,950,315
Daily Net Earnings	10,823

Purchased Securities 2/2/23			
Par	Type	Maturity	Yield
55	FHLB DN	12/20/2023	4.82%
50	FHLB DN	12/29/2023	4.86%
45	FHLB DN	12/20/2023	4.84%
35	FHLB DN	11/29/2023	4.84%
15	Toyota CP	10/30/2023	5.17%
200	Weighted Average		4.87%

**Unknown reinvestment rates until spent in the 3/24-9/24 period.*

- Matched funding considerations included the inverted yield curve, characterized by lower rates for longer maturities.



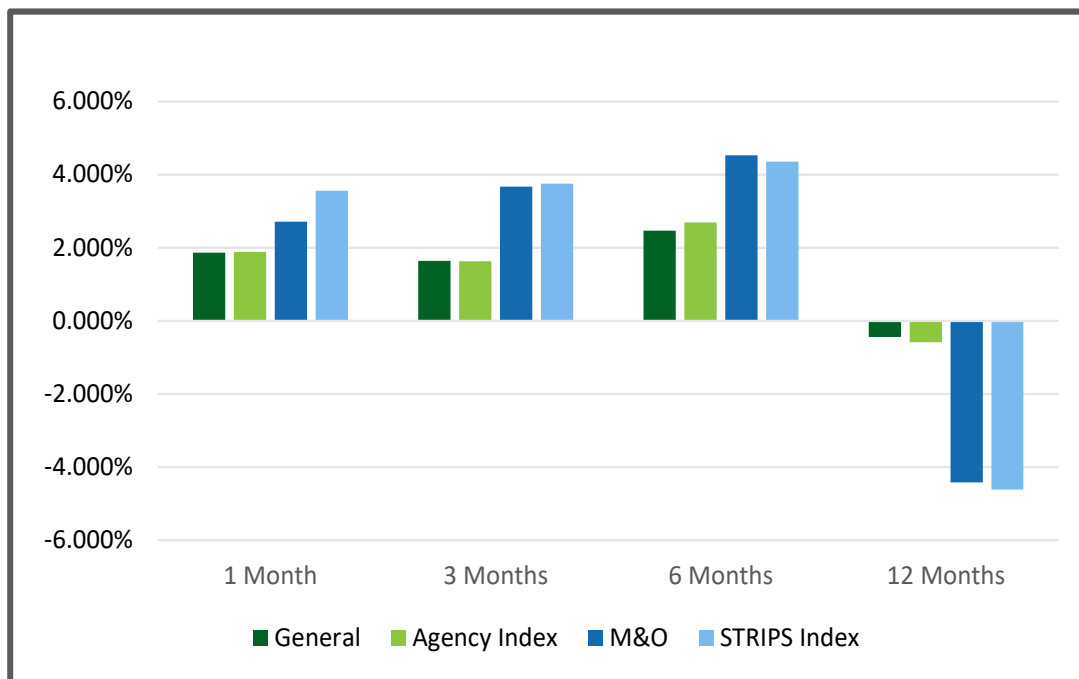
Total Return Performance – Matched Funding & Total Return

Maryland Transportation Authority

Total Return as of Period Ending 3/31/2023

	Trailing Period				Ending Market Value
	1 Month	3 Months	6 Months	12 Months	
<i>Combined Accounts Weighted Average</i>	1.20%	1.50%	2.36%	0.72%	\$ 945,271,957
MATCHED FUNDING					
Capital	0.53%	1.12%	2.01%	2.36%	\$ 499,463,727
Construction	0.22%	0.75%	1.58%	1.99%	\$ 31,675,813
Bond Service	0.48%	1.14%	2.12%	2.66%	\$ 54,000,478
TOTAL RETURN					
Reserves General / M&O	1.99%	1.93%	2.77%	-1.01%	\$ 360,131,939
Composite Agency / STRIPS Index	2.13%	1.94%	2.93%	-1.16%	

- Shorter term Match Funded accounts for Capital/Construction & Bond Service are benefiting from higher interest rates at the short-end.
- Trailing 1-, 3-, & 6-month periods show positive returns from rate stabilization.
- Total Return Reserves - Sharp rise in interest rates resulted in mark-to-market price declines for 12-month period.



The Investment Committee requests the Finance Committee's Concurrence and Recommendation to move to the full Board for approval of the continuation of investment strategy and benchmarks.

Supplemental Information

Supplemental Information – Investment Considerations

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Portfolio

3/31/2023
(\$ in millions at market)

Account	Purpose	Balance (millions)	Maturity Limitations*	Investment Policy Limitations	Bond Indenture Limitations	Recommendation
Operating Checking 2335 / 7654 / 85549	Working Capital	\$38.5	Toll revenue generated working capital for operating expenses, excess funds are swept monthly to bond service & General accounts.	1 Year	1 Year - Section 5.02	N/A - Liquid
General Account 241430	Unencumbered Funds	\$305.6	May provide liquidity to capital program. Cash flow needs subject to timing of bond issuances, capital plan spending rate & Capital account balance.	5 Years - Exceptions with prior approval of the CFO.	No Limitation - Section 5.02	Target effective duration of the Composite ⁽¹⁾ Index.
M&O 241427	Operating & Maintenance	\$52.9	Reserve for extraordinary maintenance. No anticipated liquidity needs.	15 Years	15 Years - Section 5.02	Target effective duration of the Composite ⁽²⁾ Index.
Capital Account 241428	Capital Expenditures	\$479.7	Portion of funds to be spent in current year, high liquidity & matched funding.	5 Years - Exceptions with prior approval of the CFO. Matched Funding	No Limitation - Section 5.02	Maturity profile structured to meet anticipated expenditures.
Construction Account 2021 952838	Bond Proceeds - All Capital Projects	\$13.6	Targeted spend of one year.	In line with Projected Spending	In line with Projected Spending, Section 5.02	Maturity profile structured to meet anticipated expenditures.
Bond Service Subaccounts 110379 / 241308 / 241859 / 241870 / 241874 / 241877 / 486115 / 761410 / 952837 / 984563	Debt Service	\$69.3	Pays debt service semi-annually.	1 Year	Match Funded - Maturity cannot exceed P&I payment dates.	Maturity profile to meet semi-annual debt service payments. Funded monthly in 1/6 & 1/12 increments.
Total		\$959.6				

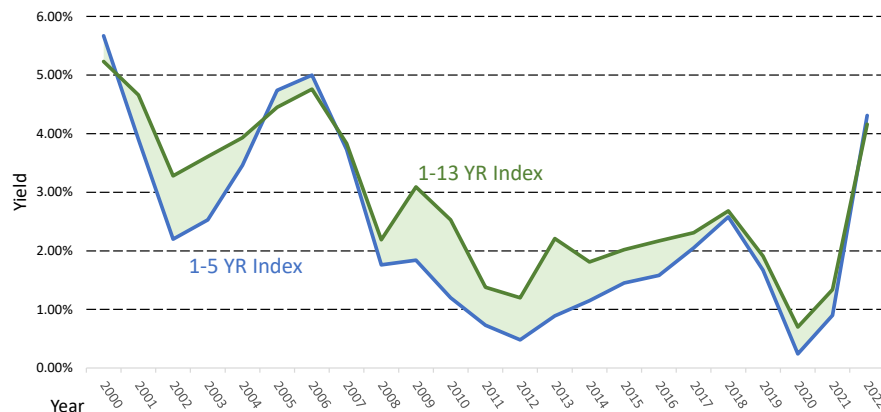
* Maturity limitations dictated by cash flow needs, Investment Policy & Trust Agreement.

(1) Composite Index is a 50/50 blend of the ML 1-3 Yr Bullet Agency & the 3-5 Yr Bullet Agency indices.

(2) Composite Index is comprised of the 1 -13 year U.S. Treasury STRIPS CMI indices.

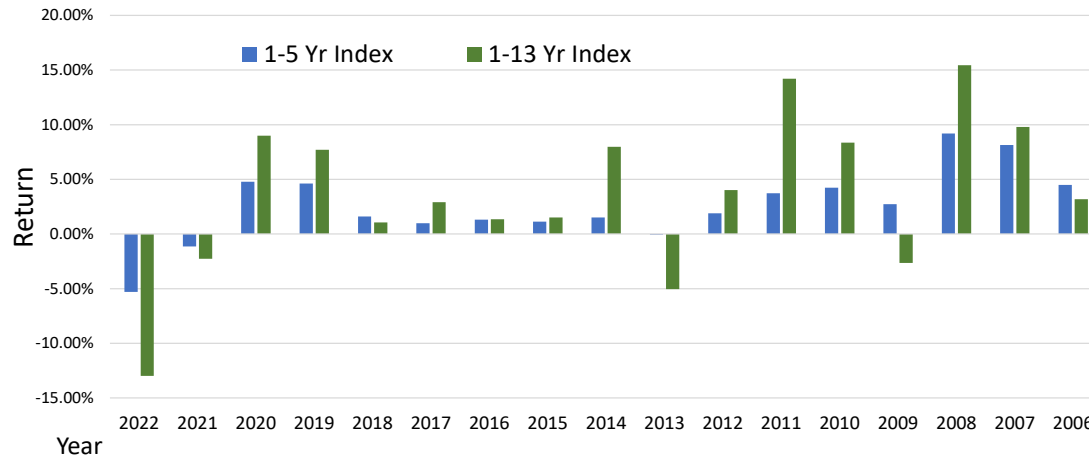
Continued Acceptance of Increased Mark-to-Market Swings in Exchange for Higher Average Annual Returns

Historical Yields & Differential



- \$350M unencumbered/unrestricted cash policy
 - Stable target regardless of bond market conditions
 - Negative return temporarily reduces cash balance
- Benchmarks approved by Board based on risk tolerance to remain within financial policies and achieve reasonable multiyear returns
 - Longer duration and increased volatility accepted for M&O Reserve Account¹
 - 14% of Total Return accounts

Historical Return



Note 1: Composite of 1-13 year Treasury Strip indices approximates the effective duration of a laddered portfolio of 0-15-year coupon bearing securities and aligns with chosen strategy.

Note 2: See Supplemental information for further information on multi-year perspective.

Supplemental Reference – Security Types

Relative Value & Benchmark Implications

The securities contained in the current benchmark indices consist of U.S. Treasury and Government Agency debentures. MDTA's allocation to other sectors such as Supranational, Municipal, and Commercial Paper may help performance over time, but may cause tracking errors relative to the indices.

Supranational

- Supranational bonds were added to the Investment Policy in December 2016, with a sector limitation of 30% and a single issuer limitation of 10%.
- At times, Triple-A rated Supranational bonds, such as the World Bank, offer relative value versus comparable maturity agency debentures. Target spreads are approximately 10-15 basis points over comparable maturity agencies.

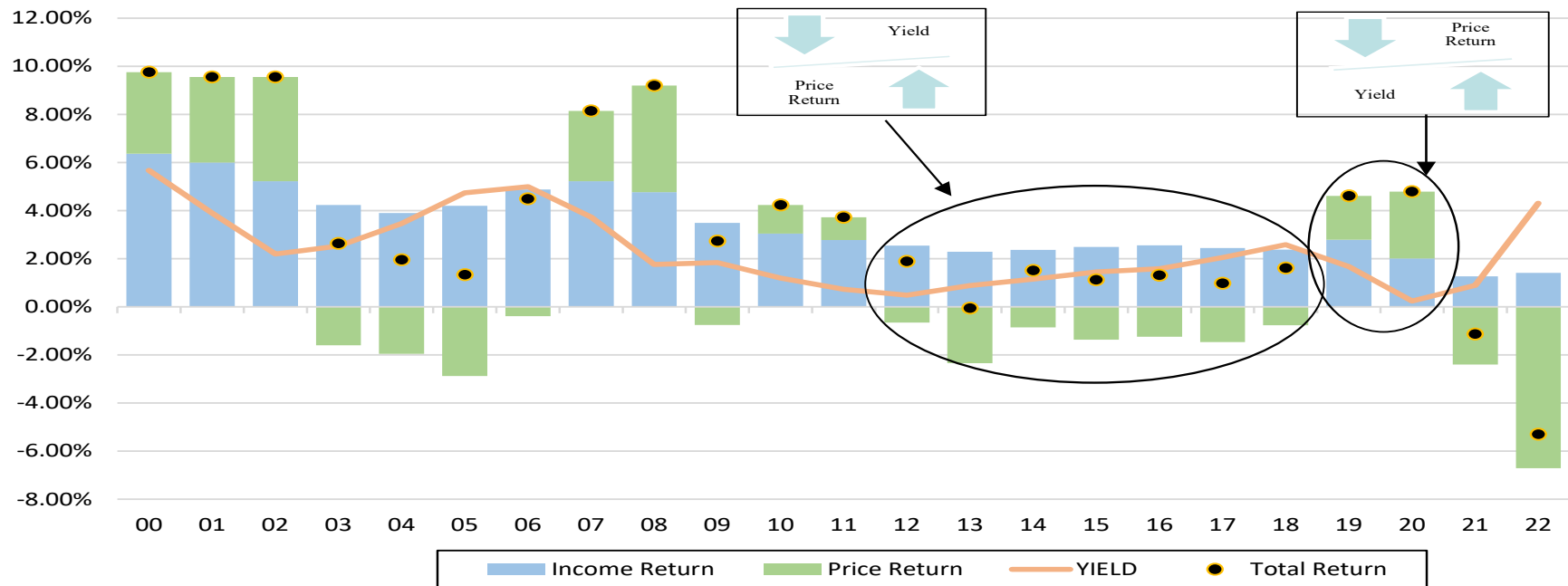
Municipal

- Municipal bonds are limited by policy to 20% of the portfolio, with a single issuer limitation of 5%.
- Triple-A taxable bonds are sought with spreads near 20 basis points relative to comparable maturity agencies.
- Municipals defeased with treasury securities are not subject to the policy limitation, as they are considered government securities. Target spreads are approximately 15 basis points over comparable maturity agencies.

Commercial Paper

- CP is limited by policy to 20% of the portfolio, with a single issuer limitation of 5%.
- Three-month Tier-1 rated CP offered a 37 bp premium to agencies at the end of the quarter.

1-5 YR Benchmark Index - Return Breakdown & Yield



Total return portfolios require:

- A long-term (multiyear) average annual return perspective to smooth out short-term volatility
 - Over long-term, duration targeted portfolio returns tend to converge back towards the starting rolling yield (multiyear returns \approx beginning period yields at purchase)
- Discipline to remain committed to strategies adopted based on risk tolerance
 - Shifting strategies during downturns results in missed opportunities for subsequent gains
 - Higher relative yields and decades of data demonstrate higher multiyear average returns for longer duration portfolios

Income Return	=	Coupon Income
Price Return	=	Mark-to-market price changes
Yield	=	Prevailing market rates
Total Return (single years)	=	Income Return +/- Price Return

ITEM

4



MEMORANDUM

TO: Finance Committee
FROM: Jeffrey Brown, Director of Budget
SUBJECT: FY 2023 Operating Budget vs. Actual Spending Review
DATE: May 11, 2023

PURPOSE

The purpose of the memorandum is to advise the Finance Committee of the status of actual year-to-date (YTD) spending for the third quarter against the FY 2023 Final Operating Budget.

KEY TAKEAWAYS

Key takeaways regarding actual YTD spending against the FY 2023 Final Operating Budget:

- As of March 31, 2023, 64% of the budget was spent compared to a target of 72%.
- Object 06 (Fuel & Utilities) was above budget at an 82% spend rate, due, in part, to the delayed receipt and payment of utility invoices.
- Object 13 (Fixed Charges) was above budget at a 134% spend rate due to the payment of an annual insurance fee plus bad debt expenses associated with facility damage.
- All other Objects are at or below the targeted spending level.
- The primary underspending drivers are as follows: personnel vacancies, reduced vehicle purchases (shifting to FY2024), and other reduced line items spending.

SUMMARY

Budget analysis threshold: More than \$500,000 budgeted with variances greater than +/- 5% of the targeted spending level.

- Salaries & Wages/Technical & Special Fees (Object 01 & 02) are below budget with a 66% spend rate when compared to the projected spend rate (72%). Employee vacancies account for the lower than expected spend rate in Objects 01 & 02.

- Communications (Object 03) is at budget with a 73% spend rate.
 - Telecommunications (0303) is below budget at a 41% spend rate, which is mostly driven by employee vacancies.
 - State Paid Telecommunications (0305) is at a 92% spend rate and accounts for most of the performance in Object 03. This line item contains the State Radio System (\$1.7 million budgeted compared to \$1.6 million actual invoice) that is invoiced once per year.
- Object 4 (Travel) is below the budgeted spend rate at a 39% spend rate. The timing of activities (e.g., trainings, conferences, meetings) accounts for this performance.
- Fuel and Utilities (Object 06) are above the budgeted spend rate at an 82% spend rate. This is due, in part, to the fact that Object 06 activity is typically heavier during the third quarter of the fiscal year. Additionally, delayed billing from FY 2022 (that was not captured in the fiscal year-end accrual) has caused this line item to exceed the targeted spending level. While the delayed invoicing has since been remedied, this line item is projected to exceed the budget.
- Motor vehicle operations and maintenance (Object 07) is below budget at a 48% spend rate. The cost is largely dependent upon when vehicle orders are filled. Delays in orders are expected to result in savings for FY 2023. However, these costs will transfer into FY 2024. Additionally, gas prices are below budgeted assumptions and maintenance costs are lower due to warranty coverage on new vehicles.
- Contractual Services (Object 08) is below budget target with a 61% spend rate. Significant spending variances include:
 - Advertising (0801) is at a 32% spend rate. Some of the underspending in this line item is due to the timing of invoices and activity – this is expected to be at or potentially below budget.
 - Engineers (0807) is at a 44% spend rate – this is a seasonal item that is expected to be on budget.
 - Equipment Rental (0808) is below budget at a 58% spend rate due to timing of the rental activity. There is the potential for small savings.
 - Equipment Repairs & Maintenance (0809) is over the targeted spend rate at a 92% spend rate. This is a timing issue driven by the one-time IT storage and blade service maintenance cost, which is on budget.
 - Building/Road Repairs & Maintenance (0812) is below budget at a 46%. This line item is expected to be below budget due to reduced cost for dehumidification at the Bay Bridge and as sludge removal activity is moved to FY 2024.
 - Education & Training (0819) is below budget with a 34% spend rate. Expenses do not occur evenly throughout the year. For instance, tuition reimbursement follows the college semester timeline. However, savings is expected in this line item due to reduced Career Development Program activity.

FY 2023 Operating Budget vs. Actual Spending Review
Page Three

- Management Studies (0821) is below budget with a 21% spend rate. Savings is expected in this line item as some of the budgeted activities will shift to FY 2024.
- Security Services (0823) is at a 64% spend rate. This is expected to be on budget as the variance is due to invoice timing.
- Fiscal Services (0829) is at a 62% spend rate. This line item is slightly below the targeted spending level and is expected to be on budget.
- The primarily IT objects (0841 through 0869) are collectively at a 59% spend rate compared to the budget. Typically, these objects have one-time invoicing, which results in expenses being above or below budget at specific times throughout the year, but ultimately on budget by year end. This line item is expected to be on budget with the potential for savings.
- *E-ZPass*® Service Center Costs (0873) is at a 78% spend rate. Based on the latest expenditure forecast, this line item will exceed the budget.
- Other Contractual Services (0899) is at a 51% spend rate. This is driven by MSP invoicing. This line item is expected to be on budget.
- Supplies & Materials (Object 09) is at a 54% spend rate.
 - Roadway Maintenance Materials (0905) is at a 41% spend rate – this is a seasonal item that is expected to be on budget or slightly below budget.
 - Salt (0906) is at 0.2% spend rate due to the mild winter to date. Savings are expected in this line item.
 - Uniforms (0912) is at a 53% spend rate. Shipments are expected and will result in this line item being on budget.
 - Ammunition (0934) is at a 77% spend rate. The annual taser contract payment (\$312k) accounts for most of the variance.
- Replacement Equipment (Object 10) is below budget at a 58% spend rate.
 - Other Replacement Equipment (1099) drives the variance with a 67% spend rate. Replacement PPE equipment was received, and this line item is expected to be on budget.
- Additional Equipment (Object 11) is at a 14% spend rate.
 - Additional Maintenance & Building Equipment (1113) drives the variance with a 3% spend rate. FY 2023 expenses for a heavy truck lift delivery at the Nice/Middleton Bridge are expected to shift to FY 2024 due to an auto-shop renovation.
- Fixed Costs (Object 13) is over budget at a 134% spend rate.

Insurance (1309) is at a 133% spend rate. The increase is due to an annual invoice for the Bridge's & Tunnels Liability insurance. Also, bad debt expense (non-payment for damage to facilities) drives the variance in this line item.

ATTACHMENT

Budget vs Actual by Object 3rd Qtr. FY 2023

MDTA OPERATING FUND
Bgt vs. Actual by Obj and RC Detail
Summary of All Units
For the Nine Months Ending Friday, March 31, 2023

	<u>Expenditures</u>		<u>YTD</u>		<u>%</u>
	<u>This Month</u>	<u>Budget</u>	<u>Expense</u>	<u>Balance</u>	<u>Spent</u>
OBJECT 01 Salaries and Wages					
0101 REGULAR EARNINGS	\$7,578,369	\$120,475,029	\$64,564,040	\$55,910,989	53.59%
0102 ADDITIONAL ASSISTANCE		194,092		194,092	0.00%
0104 OVERTIME EARNINGS	390,945	4,955,951	3,999,830	956,121	80.71%
0104 OVERTIME EARNINGS - SNOW	30,112	1,339,686	123,595	1,216,091	9.23%
0105 SHIFT DIFFERENTIAL	5,130	993,334	38,058	955,277	3.83%
0110 MISCELLANEOUS P/R ADJUSTMEN	1,875	1,421,356	203,524	1,217,832	14.32%
0111 ACCRUED LEAVE PAYMENTS		192,471	603,727	(411,256)	313.67%
0112 RECLASSIFICATIONS		410,058		410,058	0.00%
0151 SOCIAL SECURITY CONTRIBUTIO	7,574	8,594,673	52,337	8,542,336	0.61%
0152 HEALTH INSURANCE	23,953	19,173,822	276,981	18,896,841	1.44%
0154 RETIREE'S HLTH INSURANCE PRE	15,569	10,257,987	181,658	10,076,329	1.77%
0161 EMPLOYEES RETIREMENT SYSTE	7,524	14,507,714	46,580	14,461,134	0.32%
0165 STATE POLICE RETIREMENT SYS	196,808	3,078,695	1,381,452	1,697,243	44.87%
0169 LAW ENFORCEMNT OFF PENSION SYS		20,014,531		20,014,531	0.00%
0171 BURDEN EXPENSE	7,020,559		59,909,601	(59,909,601)	0.00%
0174 UNEMPLOYMENT COMPENSATIO	965	337,343	7,051	330,292	2.09%
0175 WORKERS COMPENSATION		3,923,031		3,923,031	0.00%
0189 TURNOVER		(12,047,501)		(12,047,501)	0.00%
0199 OTHER FRINGE BENE - CLOTH ALLOW		853,363	539,608	313,755	63.23%
Total Object 01	15,279,385	198,675,634	131,928,042	66,747,592	66.40%
Object 02 Technical and Special Fees					
0202 PER DIEM PAYMENTS	13,000	150,000	88,044	61,956	58.70%
0211 EMPLOYEE AWARDS	15	1,000	15	985	1.48%
0220 SPECIAL PAYMENTS PAYROLL		748,548		748,548	0.00%
Total Object 02	13,015	899,548	88,059	811,489	9.79%
Object 03 Communications					
0301 POSTAGE	1,819	71,118	20,965	50,153	29.48%
0302 TELEPHONE	16,977	228,558	151,057	77,501	66.09%
0303 TELECOMMUNICATIONS	52,931	770,517	315,342	455,175	40.93%
0305 STATE PAID TELECOMMUNCIATIONS		1,725,000	1,583,589	141,411	91.80%
0306 CELL PHONE EXPENDITURES	37,439	410,706	277,412	133,295	67.55%
Total Object 03	109,166	3,205,899	2,348,363	857,536	73.25%
Object 04 Travel					
0401 IN STATE/ROUTINE OPERTN TRA\	579	31,363	6,346	25,017	20.24%
0402 INSTATE/CONF/SEMNR/TRNG TRA	494	57,229	12,055	45,174	21.06%
0403 OUTSTATE/ROUTINE OPERTN TR/	789	55,193	4,880	50,313	8.84%
0404 OUTSTATE/CONF/SEMNR/TRNG TI	43,331	269,937	138,811	131,126	51.42%
Total Object 04	45,193	413,722	162,093	251,630	39.18%
Object 06 Fuel and Utilities					
0603 FUEL-OIL #2	11,385	139,100	113,182	25,918	81.37%
0606 FUEL-NATURAL GAS/PROPANE	49,228	197,146	203,469	(6,323)	103.21%
0620 UTILITIES-ELECTRICITY	1,254,356	3,445,787	2,777,076	668,712	80.59%
0621 UTILITIES-WATER/SEWAGE	38,467	318,758	262,039	56,718	82.21%
Total Object 06	1,353,436	4,100,791	3,355,766	745,025	81.83%
Object 07 Motor Vehicle Operations and Maintenance					
0701 PURCH VEH-CAR,LIGHT TRUCK	125,831	7,981,882	3,965,961	4,015,921	49.69%

SUMMARY

MDTA OPERATING FUND
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Summary of All Units
For the Nine Months Ending Friday, March 31, 2023

	<u>Expenditures</u>		<u>YTD</u>	<u>Balance</u>	<u>%</u>
	<u>This Month</u>	<u>Budget</u>	<u>Expense</u>		<u>Spent</u>
0702 VEHICLE GAS & OIL	228,150	3,765,454	1,231,114	2,534,340	32.69%
0703 VEHICLE MAINTENANCE & REPAIR	124,852	1,777,957	1,037,554	740,403	58.36%
0703 VEHICLE MAINTENANCE & REPAIR-SNOW			32	(32)	0.00%
0704 INSURANCE		407,863		407,863	0.00%
0721 VEHICLE GAS & OIL - WATERCRA	1,661	44,347	20,429	23,918	46.07%
0722 VEHICLE MAINT & REPAIR - WATER	27,782	61,431	39,309	22,122	63.99%
0724 BOAT SLIP RENTAL/LAUNCHING FEES		4,200		4,200	0.00%
0730 PURCH VEH-OTHER LAND VEH - DUMP, TRACTOR			80	(80)	0.00%
0731 GAS & OIL - OTHER LAND VEHICLE	101,351	990,000	561,592	428,408	56.73%
0732 LG VEHICLE MAINT & REPAIR	232,655	2,000,000	1,260,283	739,717	63.01%
0732 LG VEHICLE MAINT & REPAIR-SNOW			1,462	(1,462)	0.00%
0789 COMMUTER CHARGE	(1,134)	(5,000)	(10,913)	5,913	218.26%
0799 OTHER MOTOR VEHICLE CHARGES		50,000	50,840	(840)	101.68%
Total Object 07	841,149	17,078,134	8,157,743	8,920,391	47.77%
Object 08 Contractual Services					
0801 ADVERTISING/LEGAL PUBLICATION	214,211	3,250,353	1,047,438	2,202,915	32.23%
0802 APPLICATIONS SOFTWARE MAINTENANCE		100,000	74,588	25,412	74.59%
0804 PRINTING/REPRODUCTION	(1,331)	22,000	10,680	11,320	48.54%
0807 ENGINEERS	207,114	3,750,000	1,717,365	2,032,635	45.80%
0807 ENGINEERS - Environmental (MA096)	161,834	2,600,000	1,010,536	1,589,464	38.87%
0807 ENGINEERS - Highways (MA0983)	4,153	245,000	21,862	223,138	8.92%
0807 ENGINEERS - Architectural (MA2395)	21,284	260,000	219,753	40,247	84.52%
0807 ENGINEERS - ITS/Electrical (MA222)	94,407	650,000	647,891	2,109	99.68%
0807 ENGINEERS - Structural (MA2055)	149,466	1,500,000	772,640	727,360	51.51%
0807 ENGINEERS - Traffic (MA2181)	214,622	1,500,000	963,199	536,801	64.21%
0807 ENGINEERS - Asset Mgmt (MA2869)	122,115	700,000	271,324	428,676	38.76%
0807 ENGINEERS - On-Call (All MR)	(689,782)	2,700,000	1,856,377	843,623	68.75%
0807 ENGINEERS - Annual Inspections (M/	1,217,883	15,000,000	5,361,593	9,638,407	35.74%
0808 EQUIPMENT RENTAL	46,554	502,101	293,600	208,500	58.47%
0809 EQUIPMENT REPAIRS & MAINT	1,399	1,610,607	1,486,804	123,803	92.31%
0810 EXTERMINATION		16,771	(653)	17,424	(3.89%)
0812 BUILDING/ROAD REPAIRS & MAINT	219,120	14,608,242	2,269,723	12,338,519	15.54%
0812 BUILDING/ROAD REPAIRS & MAINT	624,832		4,446,823	(4,446,823)	0.00%
0813 JANITORIAL SERVICES	128,125	1,431,411	1,148,381	283,030	80.23%
0814 GROUNDS MAINTENANCE		46,490	5,168	41,322	11.12%
0815 LAUNDRY	244	3,199	981	2,218	30.66%
0817 LEGAL SERVICES	8,623	204,381	174,313	30,068	85.29%
0819 EDUCATION/TRAINING CONTRACT	62,217	1,355,688	462,769	892,919	34.14%
0820 MEDICAL CARE	66,783	271,720	149,665	122,055	55.08%
0821 MGMT STUDIES AND CONSULTATION	87,886	3,448,658	723,862	2,724,796	20.99%
0823 SECURITY SERVICES	124,870	981,190	630,502	350,688	64.26%
0824 LABORATORY SERVICES	5,840	47,736	26,666	21,070	55.86%
0825 VETERINARIAN	1,755	31,565	15,983	15,582	50.64%
0826 FREIGHT AND DELIVERY	1,802	18,720	8,090	10,630	43.21%
0827 TRASH AND GARBAGE REMOVAL	35,367	446,051	274,340	171,710	61.50%
0828 OFFICE ASSISTANCE	2,266	61,244	36,867	24,377	60.20%
0829 FISCAL SERVICES	1,268,214	18,859,000	11,603,749	7,255,251	61.53%
0841 DP CENTRAL PROCESS SVC	137,020	1,100,000	541,097	558,903	49.19%
0843 DP COMMUNICATIONS CONTROLLERS SVC		480,000	305,792	174,208	63.71%
0849 TELECOMM LINES, MODEMS & C	2,856	98,453	63,637	34,816	64.64%

SUMMARY

MDTA OPERATING FUND
Bgt vs. Actual by Obj and RC Detail
Summary of All Units
For the Nine Months Ending Friday, March 31, 2023

	<u>Expenditures</u>		<u>YTD</u>	<u>Balance</u>	<u>%</u>
	<u>This Month</u>	<u>Budget</u>	<u>Expense</u>		<u>Spent</u>
0854 COMPUTER MAINTENANCE CONTRACTS		183,160		183,160	0.00%
0858 SOFTWARE LICENSES	11,701	146,302	28,238	118,064	19.30%
0861 APPL SOFTWARE ACQUISITION			56,275	(56,275)	0.00%
0862 APPL SOFTWARE MAINTENANCE	158,167	2,218,082	2,398,144	(180,062)	108.12%
0864 SYSTEMS SOFTWARE MAINTENANCE	13,917	500,000	377,247	122,753	75.45%
0865 OUTSIDE SVCS-SYS ANALYSIS&D	434,501	7,317,000	3,778,015	3,538,985	51.63%
0866 OUTSIDE SVCS-PROGRAMMING	28,923	415,000	228,418	186,582	55.04%
0869 OUTSIDE SVCS-COMPUTER USAGE	4,002	762,000	15,090	746,910	1.98%
0873 OUTSIDE SVC - E-Z PASS SVC CEN	4,400,057	50,154,944	39,302,796	10,852,148	78.36%
0874 OFFICE OF ATTORNEY GENERAL FEE		44,265	42,474	1,791	95.95%
0875 RETIREMENT AGENCY ADMIN FEE		204,565	218,139	(13,574)	106.64%
0876 STATEWIDE DOIT SERVICES		80,604		80,604	0.00%
0894 STATEWIDE PERSONNEL SYS ALLOC		55,433	6,544	48,889	11.81%
0897 STATE ENTERPRISE BUDGET SYSTEM		27,574		27,574	0.00%
0899 OTHER CONTRACTUAL SVC-NON	166,808	2,668,679	1,353,010	1,315,669	50.70%
Total Object 08	9,759,825	142,678,187	86,447,793	56,230,394	60.59%

Object 09 Supplies and Materials

0901 AGRICULTURE		30,740	15,368	15,372	49.99%
0902 OFFICE SUPPLIES	25,022	396,672	183,050	213,622	46.15%
0903 ELECTRICAL MATERIALS	13,449	428,043	243,784	184,259	56.95%
0904 BUILDING & HOUSEHOLD SUPPLIES	21,047	403,664	209,417	194,247	51.88%
0905 ROADWAY MAINT MATERIALS	16,300	670,774	277,224	393,550	41.33%
0906 SALT/SNOW MELTING MATERIALS		1,566,823	67,775	1,499,048	4.33%
0908 HOUSEKEEPING SUPPLIES	1,447	76,069	28,609	47,460	37.61%
0909 MEDICAL SUPPLIES	100	40,314	8,798	31,516	21.82%
0912 WEARING APPAREL-UNIFORMS ETC	72,221	1,110,734	585,623	525,110	52.72%
0915 LIBRARY SUPPLIES		23,675	10,025	13,650	42.34%
0917 SMALL TOOLS	21,153	384,798	152,912	231,887	39.74%
0918 VETERINARY SUPPLIES	1,177	29,381	7,101	22,280	24.17%
0920 FOOD	3,378	185,414	51,353	134,061	27.70%
0926 DATA PROCESSING SUPPLIES	3,144	41,774	15,539	26,235	37.20%
0934 AMMO GUNS FIRING RANGE SUPPLIES	43,570	576,321	444,326	131,995	77.10%
0951 E-ZPASS TRANSPONDERS	448,089	4,365,000	3,305,732	1,059,269	75.73%
0999 OTHER SUPPLIES AND MATERIALS	89,500	307,428	131,567	175,861	42.80%
Total Object 09	759,599	10,637,624	5,738,201	4,899,423	53.94%

Object 10 Replacement Equipment

1002 REPL AUDIO-VISUAL EQUIP			1,308	(1,308)	0.00%
1013 REPL MAINTENANCE & BUILDING EQUIPMENT	73,941	496,500	91,412	405,088	18.41%
1015 REPL OFFICE EQUIPMENT	13,199	74,907	21,404	53,503	28.57%
1019 REPL RADIOS & ELECTRONIC EQUIPMENT		206,000	51,950	154,050	25.22%
1031 REPL DP EQUIP-MAINFRAME		75,000		75,000	0.00%
1033 REPL DP EQUIP-MICROCOMPUTER	55,334	1,250,000	953,410	296,590	76.27%
1036 REPL DP EQUIP-PERIPHERALS			19,443	(19,443)	0.00%
1099 OTHER REPLACEMENT EQUIPMENT	859	978,900	652,925	325,975	66.70%
Total Object 10	143,332	3,081,307	1,791,853	1,289,455	58.15%

Object 11 Additional Equipment

1102 ADDTL AUDIO-VISUAL EQUIP		12,500	(77,305)	89,805	(618.44%)
1103 ADDTL CLEANING EQUIPMENT		10,000	217	9,783	2.17%

MDTA OPERATING FUND
Bgt vs. Actual by Obj and RC Detail
Summary of All Units
For the Nine Months Ending Friday, March 31, 2023

	<u>Expenditures</u>		<u>YTD</u>	<u>Balance</u>	<u>%</u>
	<u>This Month</u>	<u>Budget</u>	<u>Expense</u>		<u>Spent</u>
1109 ADDT'L HUMAN ENVIRONMENTAL EQUIP		1,000	1,847	(847)	184.74%
1113 ADDT'L MAINTENANCE & BUILDING EQUIP		501,000	15,637	485,363	3.12%
1115 ADDT'L OFFICE EQUIPMENT		35,000	31,712	3,288	90.61%
1133 ADDT'L DP EQUIP-MICROCOMPUTER		100,000	3,104	96,896	3.10%
1199 OTHER ADDITIONAL EQUIPMENT	20,293	472,085	179,575	292,510	38.04%
Total Object 11	20,293	1,131,585	154,787	976,798	13.68%
Object 13 Fixed Charges					
1302 INSURANCE COVERAGE PAID TO STO		468,408	135,674	332,734	28.96%
1303 RENT PAID TO DGS		1,100		1,100	0.00%
1304 SUBSCRIPTIONS	80	53,160	3,229	49,931	6.07%
1305 ASSOCIATION DUES	62,508	254,605	173,423	81,182	68.11%
1308 LICENSES	739	9,770	4,277	5,493	43.78%
1309 INSURANCE (NON STO PAYMENTS)		4,463,488	5,925,727	(1,462,239)	132.76%
1320 BAD DEBT EXPENSE (NON TOLLS)	143,048		782,973	(782,973)	0.00%
Total Object 13	206,375	5,250,531	7,025,303	(1,774,772)	133.80%
Total All Objects	28,530,767	387,152,963	247,198,002	139,954,961	63.85%

ITEM

5



Maryland Transportation Authority

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

Board Members:
Dontae Carroll
William H. Cox, Jr.
William C. Ensor, III
W. Lee Gaines, Jr.
Mario J. Gangemi, P.E.
Cynthia D. Penny-Ardinger
Jeffrey S. Rosen
John F. von Paris

William Pines, P.E., Executive Director

MEMORANDUM

TO: MDTA Finance Committee
FROM: Assistant Capital Program Manager Jennifer Stump
SUBJECT: Third Quarter Review of FY 2023 Capital Budget vs. Actual Spending
DATE: May 11, 2023

PURPOSE OF MEMORANDUM

The purpose of the memorandum is to update the MDTA Finance Committee on the status of actual FY 2023 capital spending against the FY 2023 capital budget in the FY 2023-2028 Draft Consolidated Transportation Program (CTP). This information will be presented to the MDTA Board on May 25, 2023.

SUMMARY

As of March 31, 2023, 54.6% of the FY 2023 budget was spent as compared to the targeted spending level of 75%. The total budget for FY 2023 is \$556.0 million. The actual spending through the third quarter was \$303.4 million.

ANALYSIS

Twenty-six of the 91 projects budgeted in FY 2023 were within the acceptable spending limits of 50% to 100% (plus or minus 25% of the 75% target). Due to normal lags in invoicing, generally two months, a plus or minus 25% threshold was determined to be reasonable.

Actual spending through the third quarter for ten projects budgeted for more than \$11 million each in FY 2023 was \$223.0 million. The ten projects are detailed in Attachment A.

ATTACHMENT

Attachment A – FY 2023 Capital Program Spending – Projects with FY 2023 Budget Over \$11 Million

**FY 2023 Capital Program Spending
Compared to Draft FY 2023-2028 CTP Budget
Projects with FY 2023 Budget Over \$11 Million**

Project Name	FY 2023 Budget Draft FY23-28 CTP (\$ Million)	FY 2023 Actual thru 03/31/2023 (\$ Million)	FY 2023 3rd Qtr Spend Rate	FY 2023 Remaining (\$ Million)
Replace Nice/Middleton Bridge	\$116.2	\$66.9	58%	\$49.3
I-95 ETL Northbound Extension - Express Toll Lanes to MD 152	\$80.0	\$46.5	58%	\$33.5
I-95 ETL Northbound Extension - MD 152 Interchange Reconstruction	\$68.1	\$58.4	86%	\$9.7
I-95 ETL Northbound Extension - MD 24 to Bynum Run	\$18.0	\$0.4	2%	\$17.6
Rehabilitate Decks of Eastbound Span - Phase I	\$17.6	\$10.2	58%	\$7.3
I-95/Belvidere Road Interchange	\$17.3	\$4.5	26%	\$12.7
Rehabilitate Fort McHenry Tunnel Vent Fans	\$15.5	\$11.6	75%	\$3.9
Replace Electronic Toll Collection and Operating System - 3rd Generation	\$12.6	\$8.4	67%	\$4.2
10-Year Equipment Budget - FY 2018 - FY 2027	\$11.9	\$4.2	36%	\$7.6
I-95 ETL Northbound Extension - Eccelston Mitigation	\$11.8	\$11.8	100%	\$0.0
Total	\$369.0	\$223.0	60%	\$146.0

ITEM

6



Maryland Transportation Authority

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

Board Members:

Dontae Carroll	Mario J. Gangemi, P.E.
William H. Cox, Jr.	Cynthia D. Penny-Ardinger
William C. Ensor, III	Jeffrey S. Rosen
W. Lee Gaines, Jr.	John F. von Paris

William Pines, P.E., Executive Director

MEMORANDUM

TO: MDTA Finance Committee
FROM: Cheryl Lewis-Orr, Director of Revenue
SUBJECT: Third Quarter Fiscal Year 2023 Traffic and Revenue Performance
DATE: May 11, 2023

PURPOSE OF MEMORANDUM

To provide the Maryland Transportation Authority (MDTA) Finance Committee with a quarterly and year-to-date update regarding traffic and toll revenue trends compared to the previous year and the forecast.

KEY TAKEAWAYS

- Passenger vehicle traffic levels continue to track closely to pre-pandemic levels.
- Commercial vehicle traffic levels continue to outperform pre-pandemic levels.
- Systemwide, transactions and revenue exceed the forecast by 5.1% and 11.0%, respectively. When adjusting for timing differences, systemwide revenue exceeds the forecast by 6.9%.

ANALYSIS

Each quarter, an independent quarterly review of traffic and revenue is prepared by CDM Smith, Inc. (MDTA's traffic and revenue consultant). The quarterly review looks at traffic and toll revenue trends and compares actual system-wide experience with traffic and toll revenue forecasts. CDM Smith continues to track and evaluate the performance of traffic at the lane level and traffic and revenue collected on a cash basis.

FY 2023 Actuals compared to FY 2022 Actuals and FY 2023 Forecast versus FY2023 Actuals

Combined Facilities														
TRANSACTIONS (in Millions)								REVENUE (in Millions)						
	FY22	FY23			FY23			FY22	FY23			FY23		
	Actual	Actual	Diff	% Change	Forecast	Diff	% Diff	Actual	Actual	Diff	% Change	Forecast	Diff	% Diff
Qtr. 1	42.7	42.6	(0.1)	-0.3%	41.0	1.6	3.8%	\$ 197.1	\$ 203.4	\$ 6.3	3.2%	\$ 187.8	\$ 15.5	8.3%
Qtr. 2	40.7	43.6	2.9	7.2%	39.5	4.1	10.3%	188.9	205.9	17.0	9.0%	177.2	28.8	16.2%
Qtr. 3	43.1	35.7	(7.4)	-17.2%	35.4	0.3	0.8%	215.7	177.0	(38.7)	-17.9%	163.4	13.6	8.3%
YTD Totals	126.4	121.8	(4.6)	-3.6%	115.9	5.9	5.1%	\$ 601.7	\$ 586.3	\$ (15.4)	-2.6%	\$ 528.4	\$ 57.9	11.0%

*Note: Numbers may not sum due to rounding

As shown in the Table above, for the period ended March 31, 2023, year-to-date (YTD) systemwide transactions totaled 121.8 million and corresponding collected revenue totaled \$586.3 million. This represents a decrease of 4.6 million transactions, or a 3.6% decrease, compared to the same period last year. Similarly, YTD revenue decreased by \$15.4 million, or 2.6% compared to the same period last year. During the third quarter of FY 2023, transactions decreased by 7.4 million, or 17.2%, compared to the same period last year, and revenue decreased by \$38.7 million, or 17.9%. The variation in collected transactions and revenue are mainly due to the transaction backlog. Both *E-ZPass*® (Electronic Toll Collection) and video toll transactions were processed at higher rates during the third quarter of FY 2022. Transaction processing is expected to stabilize in the coming fiscal year.

For the period ended March 31, 2023, actual YTD transactions were above forecast by 5.9 million, or 5.1%, and revenue was above forecast by \$57.9 million, or 11.0%. After adjusting for timing differences (*i.e.*, more days of AVI and I-toll transactions processed than forecasted as well as NOTD mailings compared to the forecast), revenue exceeded the forecast by \$36.2 million, or 6.9%. The \$36.2 million deviation in actual revenue performance compared to the forecast is due to multiple factors, including processing transactions from FY 2021 and FY 2022 that were not included in the forecast, higher than forecasted Pay-by-Plate usage, and higher than forecasted *E-ZPass*® transactions and Administrative Toll revenue.

ATTACHMENTS

- Second Quarter FY 2023 Traffic and Revenue Performance Report
- Attachment A: Summary of Revenue Adjusted for Timing Differences
- Attachment B: Comparison of Official Forecast to Actual Toll Revenue Performance
- Attachment C: Analysis of Actual Toll Revenue Performance & Financial Forecast Differences
- Attachment D: FY 2023 Forecast vs Actual Revenue – by Facility
- Attachment E: FY 2023 Forecast vs. Actual Revenue – By Payment Method

Third Quarter Fiscal Year 2023 Traffic and Revenue Performance Report
Page Three

Attachment A
Summary of Revenue - Adjusted for Timing Differences
FY2023 Forecasted and Actual Revenue Comparison

	E-ZPass®	Video, Administrative ¹ & Pay-By-Plate	Total
Forecast Revenue	\$413,782,925	\$114,653,644	\$528,436,570
<i>less</i> Actual Revenue	468,813,292	117,514,263	586,327,555
Unadjusted Difference	55,030,367	2,860,619	57,890,985
<i>plus</i> Timing Differences	(14,926,968)	(6,743,443)	(21,670,411)
Adjusted Difference	\$40,103,399	(\$3,882,825)	\$36,220,574

¹ Includes items such as Hatem Bridge discount plan (\$20.00 annual plan), oversize permit fees, transponder sales, civil penalties, unused trips, commercial post-usage discount & monthly account fees (non-Maryland addresses).

Third Quarter Fiscal Year 2023 Traffic and Revenue Performance Report
Page Four

Attachment B
Comparison of Official Forecast to Actual Toll Revenue Performance
(In millions)

July 1, 2022 to Mar 31, 2023

Toll Revenue Forecast: \$528,436,570

Actual Revenue:

E-ZPass	468,813,292
Pay-By-Plate	2,773,944
Video Toll	91,743,333
Administrative Toll	22,996,985

Total Actual Revenue	586,327,555
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Unadjusted Actual Revenue less Forecasted Revenue	57,890,985
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Timing Difference Estimates:

E-ZPass FY2023 (Current) Transaction Timing Differences

Posted More Days than Forecasted, as of Mar 31, 2023

▪ All Facilities: E-ZPass AVI Maryland & Non-Maryland (7 full + 3 partial days) (13,331,870)

▪ All Facilities: E-ZPass I-Tolls Maryland and Non-Maryland Behind (6 full + 3 partial days) (1,595,098)

Total Posted More Days than Forecasted, net (14,926,968)

Total E-ZPass FY2023 Transaction Timing Differences (14,926,968)

Video Toll Timing Differences:

Mailed 2.6M more Transactions than Forecasted (Jul-Mar 2023) (6,743,443)

Total Video Tolls Timing Differences (6,743,443)

Total Timing Difference Estimates	(21,670,411)
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Adjusted Actual Revenue less Forecasted Revenue	\$36,220,574
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Attachment C
Analysis of Actual Toll Revenue Performance & Financial Forecast Differences

July 1, 2022 to Mar 31, 2023

Adjusted Difference (Forecast less Adjusted Actual Revenue) **\$36,220,574**

Forecast Assumption Differences:

<i>E-ZPass</i> Transactions not included in the Forecast (FY 2021 & 2022)	7,518,891
<i>E-ZPass</i> Daily Average Revenue Higher than Forecasted (FY2023)	32,288,648
Pay-By-Plate Usage Higher than Forecasted	1,565,837
Video Toll Average Toll Rate Lower than Forecasted	(3,831,668)
Video Toll Collection Rate Lower than Forecasted	(14,818,504)
Administrative Toll Revenue Higher than Forecasted	12,316,984

Total Forecast Assumption Differences	35,040,188
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Unreconciled/Analyzed Difference	(\$1,180,387)
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Third Quarter Fiscal Year 2023 Traffic and Revenue Performance Report
Page Six

Attachment D
FY 2023 Forecast vs. Actual Revenue – By Facility

Legacy Facilities												
Video, Pay-By- Plate & Other	E-ZPass		July	August	September	October	November	December	January	February	March	Total
		Forecast	\$ 47,471,718	\$ 42,351,028	\$ 39,675,474	\$ 41,014,031	\$ 39,696,500	\$ 40,023,143	\$ 36,691,130	\$ 34,654,709	\$ 39,690,826	\$ 361,268,558
		Actual	47,471,718	42,866,442	60,776,297	52,263,804	46,197,971	43,246,729	40,722,399	37,306,816	45,672,353	\$ 416,524,530
	Difference	(0)	515,414	21,100,823	11,249,773	6,501,471	3,223,586	4,031,270	2,652,108	5,981,527	\$ 55,255,972	
	Forecast	10,625,199	12,844,763	13,851,285	13,931,582	11,080,908	10,907,593	11,918,824	10,701,217	11,131,035	\$ 106,992,407	
	Actual	11,742,229	10,080,173	8,128,252	7,814,499	20,292,140	13,116,121	12,053,990	9,759,399	11,133,832	\$ 104,120,634	
	Difference	1,117,030	(2,764,591)	(5,723,033)	(6,117,083)	9,211,232	2,208,528	135,166	(941,818)	2,797	\$ (2,871,772)	
	Forecast	58,096,917	55,195,791	53,526,759	54,945,613	50,777,408	50,930,736	48,609,954	45,355,926	50,821,861	\$ 468,260,965	
	Actual	59,213,947	52,946,615	68,904,549	60,078,303	66,490,111	56,362,850	52,776,389	47,066,215	56,806,185	\$ 520,645,164	
	Difference	\$ 1,117,030	\$ (2,249,176)	\$ 15,377,789	\$ 5,132,690	\$ 15,712,703	\$ 5,432,114	\$ 4,166,435	\$ 1,710,290	\$ 5,984,324	\$ 52,384,199	
Intercounty Connector												
Video, Pay-By- Plate & Other	E-ZPass		July	August	September	October	November	December	January	February	March	Total
		Forecast	\$ 4,527,768	\$ 4,807,871	\$ 5,106,502	\$ 5,406,494	\$ 4,515,389	\$ 4,261,235	\$ 3,990,287	\$ 3,852,893	\$ 4,819,984	\$ 41,288,423
		Actual	4,527,768	4,198,483	5,908,850	5,295,358	4,676,694	4,613,665	4,393,790	4,005,603	4,921,088	\$ 42,541,298
	Difference	-	(609,388)	802,348	(111,136)	161,305	352,430	403,503	152,710	101,104	\$ 1,252,875	
	Forecast	1,142,044	742,716	788,290	791,704	647,023	629,790	835,736	797,560	807,265	\$ 7,182,126	
	Actual	1,284,443	1,193,724	1,350,602	1,005,831	2,389,309	1,384,044	1,283,376	1,194,696	1,625,159	\$ 12,711,184	
	Difference	142,400	451,008	562,312	214,127	1,742,287	754,254	447,640	397,137	817,894	\$ 5,529,058	
	Forecast	5,669,811	5,550,587	5,894,791	6,198,199	5,162,412	4,891,025	4,826,023	4,650,452	5,627,249	\$ 48,470,550	
	Actual	5,812,211	5,392,207	7,259,452	6,301,189	7,066,003	5,997,709	5,677,166	5,200,299	6,546,246	\$ 55,252,483	
	Difference	\$ 142,400	\$ (158,380)	\$ 1,364,660	\$ 102,991	\$ 1,903,591	\$ 1,106,685	\$ 851,143	\$ 549,847	\$ 918,997	\$ 6,781,933	
I-95 Express Toll Lanes												
Video, Pay-By- Plate & Other	E-ZPass		July	August	September	October	November	December	January	February	March	Total
		Forecast	\$ 1,123,818	\$ 1,399,619	\$ 1,201,225	\$ 1,406,587	\$ 1,351,667	\$ 1,347,821	\$ 1,008,711	\$ 1,164,116	\$ 1,222,382	\$ 11,225,944
		Actual	1,123,818	908,165	1,577,354	1,254,440	1,091,863	998,216	900,961	869,180	1,023,468	\$ 9,747,464
	Difference	0	(491,453)	376,129	(152,147)	(259,804)	(349,605)	(107,750)	(294,936)	(198,914)	\$ (1,478,480)	
	Forecast	89,882	53,927	46,283	54,195	52,079	51,931	38,865	44,853	47,098	\$ 479,111	
	Actual	89,882	73,923	51,600	46,705	157,153	96,326	66,719	38,704	61,432	\$ 682,444	
	Difference	-	19,997	5,317	(7,490)	105,074	44,395	27,854	(6,149)	14,335	\$ 203,333	
	Forecast	1,213,699	1,453,545	1,247,508	1,460,782	1,403,746	1,399,752	1,047,576	1,208,968	1,269,479	\$ 11,705,055	
	Actual	1,213,699	982,088	1,628,954	1,301,144	1,249,017	1,094,542	967,679	907,884	1,084,900	\$ 10,429,908	
	Difference	\$ 0	\$ (471,457)	\$ 381,446	\$ (159,637)	\$ (154,729)	\$ (305,210)	\$ (79,896)	\$ (301,084)	\$ (184,580)	\$ (1,275,147)	
All Facilities												
			July	August	September	October	November	December	January	February	March	Total
		Forecast	\$ 64,980,428	\$ 62,199,923	\$ 60,669,058	\$ 62,604,593	\$ 57,343,566	\$ 57,221,512	\$ 54,483,553	\$ 51,215,346	\$ 57,718,589	\$ 528,436,570
		Actual	66,239,857	59,320,910	77,792,954	67,680,636	74,805,131	63,455,102	59,421,235	53,174,398	64,437,331	\$ 586,327,555
		Difference	\$ 1,259,429	\$ (2,879,013)	\$ 17,123,896	\$ 5,076,043	\$ 17,461,565	\$ 6,233,589	\$ 4,937,682	\$ 1,959,052	\$ 6,718,742	\$ 57,890,985

Third Quarter Fiscal Year 2023 Traffic and Revenue Performance Report
Page Seven

Attachment E
FY 2022 Forecast vs. Actual Revenue – By Payment Method

E-ZPass											
		July	August	September	October	November	December	January	February	March	Total
Forecast	Legacy	\$ 47,471,718	42,351,028	39,675,474	41,014,031	39,696,500	40,023,143	36,691,130	34,654,709	39,690,826	\$ 361,268,558
	ICC	4,527,768	4,807,871	5,106,502	5,406,494	4,515,389	4,261,235	3,990,287	3,852,893	4,819,984	\$ 41,288,423
	ETL	1,123,818	1,399,619	1,201,225	1,406,587	1,351,667	1,347,821	1,008,711	1,164,116	1,222,382	\$ 11,225,944
	Total	53,123,304	48,558,518	45,983,201	47,827,112	45,563,556	45,632,199	41,690,128	39,671,717	45,733,192	\$ 413,782,925
Actual	Legacy	47,471,718	42,866,442	60,776,297	52,263,804	46,197,971	43,246,729	40,722,399	37,306,816	45,672,353	\$ 416,524,530
	ICC	4,527,768	4,198,483	5,908,850	5,295,358	4,676,694	4,613,665	4,393,790	4,005,603	4,921,088	\$ 42,541,298
	ETL	1,123,818	908,165	1,577,354	1,254,440	1,091,863	998,216	900,961	869,180	1,023,468	\$ 9,747,464
	Total	53,123,303	47,973,090	68,262,500	58,813,602	51,966,528	48,858,610	46,017,150	42,181,599	51,616,908	468,813,292
Difference		\$ (0)	\$ (585,427)	\$ 22,279,299	\$ 10,986,490	\$ 6,402,972	\$ 3,226,412	\$ 4,327,023	\$ 2,509,882	\$ 5,883,716	\$ 55,030,367

Video, Pay-By-Plate & Other											
		July	August	September	October	November	December	January	February	March	Total
Forecast	Legacy	\$ 10,625,199	\$ 12,844,763	\$ 13,851,285	13,931,582	11,080,908	10,907,593	11,918,824	10,701,217	11,131,035	\$ 106,992,407
	ICC	1,142,044	742,716	788,290	791,704	647,023	629,790	835,736	797,560	807,265	\$ 7,182,126
	ETL	89,882	53,927	46,283	54,195	52,079	51,931	38,865	44,853	47,098	\$ 479,111
	Total	11,857,125	13,641,406	14,685,857	14,777,481	11,780,010	11,589,314	12,793,425	11,543,629	11,985,397	\$ 114,653,644
Actual	Legacy	\$ 11,742,229	\$ 10,080,173	\$ 8,128,252	\$ 7,814,499	\$ 20,292,140	\$ 13,116,121	\$ 12,053,990	\$ 9,759,399	\$ 11,133,832	\$ 104,120,634
	ICC	1,284,443	1,193,724	1,350,602	1,005,831	2,389,309	1,384,044	1,283,376	1,194,696	1,625,159	\$ 12,711,184
	ETL	89,882	73,923	51,600	46,705	157,153	96,326	66,719	38,704	61,432	\$ 682,444
	Total	13,116,554	11,347,820	9,530,454	8,867,035	22,838,603	14,596,491	13,404,084	10,992,799	12,820,423	117,514,263
Difference		\$ 1,259,430	\$ (2,293,586)	\$ (5,155,404)	\$ (5,910,447)	\$ 11,058,593	\$ 3,007,178	\$ 610,659	\$ (550,830)	\$ 835,026	\$ 2,860,619

All Revenue											
		July	August	September	October	November	December	January	February	March	Total
Forecast	\$	64,980,428	\$ 62,199,923	\$ 60,669,058	\$ 62,604,593	\$ 57,343,566	\$ 57,221,512	\$ 54,483,553	\$ 51,215,346	\$ 57,718,589	\$ 528,436,570
Actual		66,239,857	59,320,910	77,792,954	67,680,636	74,805,131	63,455,102	59,421,235	53,174,398	64,437,331	\$ 586,327,555
Difference	\$	1,259,429	\$ (2,879,013)	\$ 17,123,896	\$ 5,076,043	\$ 17,461,565	\$ 6,233,589	\$ 4,937,682	\$ 1,959,052	\$ 6,718,742	\$ 57,890,985



Ms. Deborah Sharpless
April 28, 2023
Page 1

FINAL

Ms. Deborah Sharpless
Chief Financial Officer
Maryland Transportation Authority
2310 Broening Highway
Suite 150
Baltimore, MD 21224

Subject: **FINAL** Third Quarter Fiscal Year 2023 Traffic and Revenue Performance Report

Dear Ms. Sharpless:

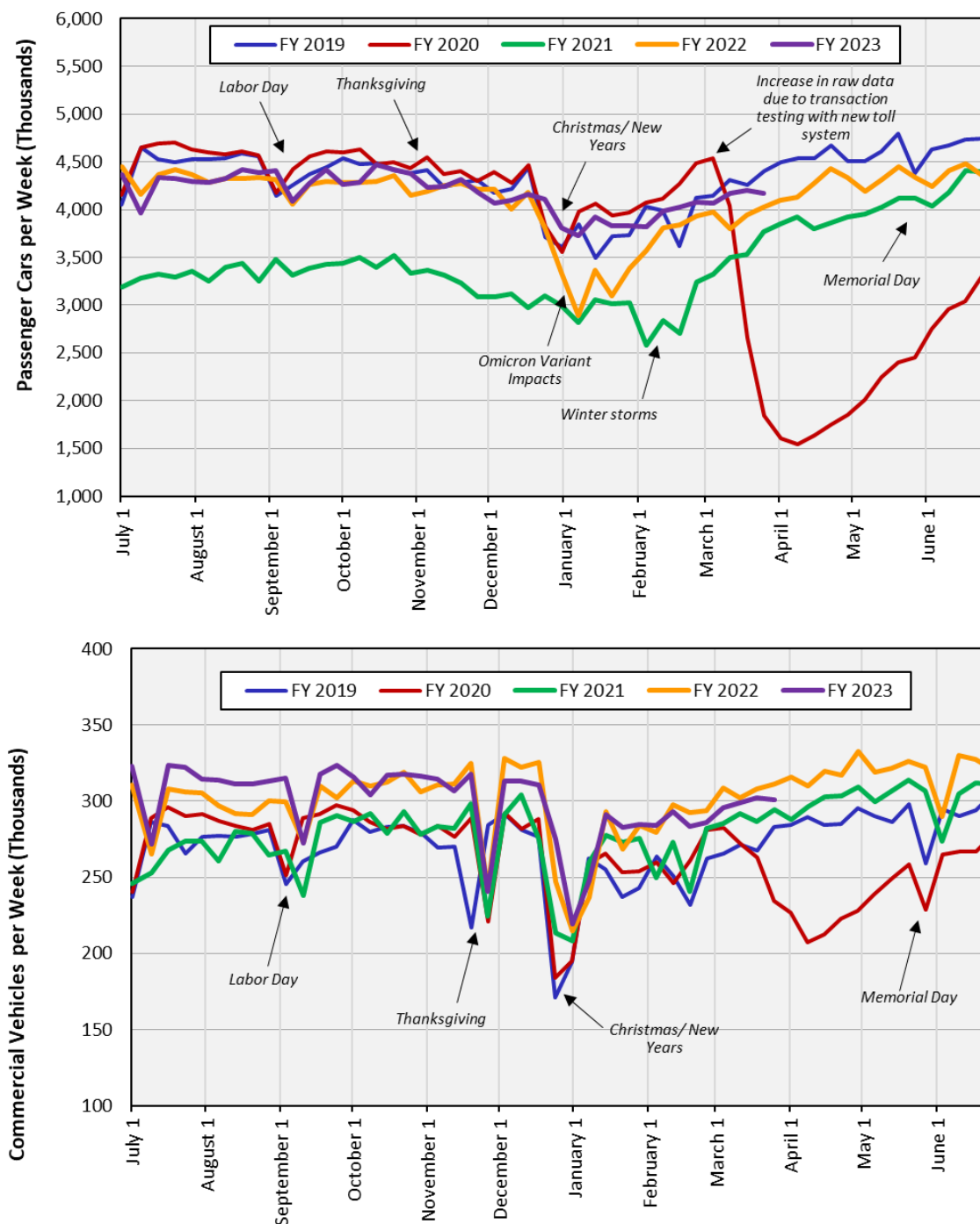
This letter report provides a summary of historical monthly transaction and toll revenue performance on the MDTA system using available data through the third quarter of Fiscal Year (FY) 2023, ending March 31, 2023. The historical performance is also compared to the most recent forecast developed by CDM Smith and summarized in the “FY 2023 Traffic and Toll Revenue Forecast Update”, (November 2022 forecast report) dated November 2, 2022. This comparison is provided separately for the Legacy system, Intercounty Connector (ICC), and I -95 Express Toll Lanes (ETLs), as well as for the total system. An analysis of the variations in actual experience compared to forecast is also provided.

Recent Trends

Similar to FY 2022, FY 2023 transactions and revenue have been impacted by recovery from the COVID-19 pandemic and the customer focused business rule changes implemented by MDTA during that timeframe. Due to this, CDM Smith has continued to track the performance on the system through two sources: the Kapsch 3G toll collection system data reports and the Traffic Volume Income (TVI) reports. The 3G reports provide the raw, in-lane data which records the daily traffic at the roadside, independent of toll collections. TVI reports provide collected transactions and revenue on the system on a cash basis, where a transaction and the associated revenue is reported in the month the toll is paid.

Figure 1 shows the systemwide traffic on the total MDTA system for passenger cars and commercial vehicles from July 2019 through March 2023, using the daily in-lane data. Traffic volumes in the first half of FY 2022 were close to FY 2019 levels but softened during the second half of FY 2022 due to the impacts of the Omicron variant in January, followed by the impacts of high fuel prices and inflation. Passenger car transaction volumes for FY 2023 YTD were similar to FY 2022 in both volume and weekly variation and have not yet returned to pre-pandemic levels. Passenger cars reached very close to FY 2019 levels in February and March. Commercial vehicle traffic continues to outperform traffic trends observed prior to the pandemic. Through the third quarter of FY 2023, commercial vehicles mostly remained at or slightly above FY 2022 levels. This indicates a flattening of commercial vehicle growth post-pandemic, which was anticipated due to the unsustainable high growth seen in recent years.

Figure 1 – Total Systemwide Traffic Per Week by Fiscal Year



Source: Maryland Transportation Authority E-ZPass Operations, Daily Transactions

Monthly transactions for FY 2022 and FY 2023 for the total system are presented in **Table 1** by vehicle type and payment method. This table and the remaining tables in this report will present TVI report data and represent transactions and associated revenue in the month the toll is paid. Significant monthly variations can be observed in transaction totals, and the distribution of transactions by payment method. These variations are the result of the timing of transaction processing in the back office, and not reflective of variations in traffic on MDTA system facilities. Total passenger car transactions for the first quarter in FY 2023 were nearly equal to the same period in 2022, whereas second quarter transactions in FY 2023 were 7.3 percent higher. This change in trend was largely due to the impending termination of the customer assistance plan, which resulted in a 108.0 percent year-over-year increase in video transactions for the month of November. Third quarter FY 2023 passenger cars were 17.4 percent lower over the year prior due largely to January and February which decreased by 19.3 and 34.2 percent, respectively. Both ETC and video backlog transactions were being processed at higher rates leading up to the third quarter of FY 2022, causing the large reductions year-over-year. The reduction in the number of backlog transactions being paid throughout the fiscal year will cause these reductions, but this is expected to stabilize in the coming fiscal year. Commercial vehicle transaction in the third quarter were 13.9 percent lower than FY 2022, once again due to a large decrease in the share of backlog transactions being paid year-over-year. Overall, total system transactions in Q3 2023 were 17.2 percent lower than 2022, yielding a decrease of 3.6 percent for FY 2023 YTD over the same period in 2022.

Monthly collected toll revenue for FY 2022 and FY 2023 for the total system are provided in **Table 2**. **Figure 2** is a graphical depiction of the share of toll revenue by method of payment and vehicle class for the same period. Systemwide toll revenue trends for passenger cars were up 4.0 percent in the first quarter of FY 2023 and 10.5 percent in the second quarter of FY 2023 over the same period in FY 2022. In the third quarter of FY 2023, systemwide passenger car revenue was 23.6 percent down over the prior year. Revenue for commercial vehicles followed a similar trend and were up by 2.0 percent and 11.3 percent, respectively, for the first and second quarters, and down by 12.3 percent in the third quarter of FY 2023. Overall, third quarter FY 2023 revenue decreased 19.6 percent compared with Q3 FY 2022, yielding a decrease of 2.4 percent for FY 2023 YTD over 2022.

Lastly, **Table 3** provides the same monthly trend comparison for other revenue. Other revenue is non-toll revenue collected by the agency that is associated with operations. This revenue comes from unused commuter and shopper plan trips, E-ZPass transponder sales, Hatem E-ZPass programs, civil penalties from violation recovery, and commercial vehicle fees and discounts. The commercial vehicle revenue comes from post-usage discounts, high frequency discounts, and over-size permit fees. Since this revenue is associated with collected transactions and revenue, and therefore the delayed NOTDs, year-over-year trends vary greatly on a monthly basis. Overall, other revenue increased by 9.5 percent for the third quarter of FY 2023 but decreased by 5.5 percent for FY 2023 YTD when compared to the same period the year prior. This is primarily the result of decreases in violation recovery in the first and second quarters due to the customer assistance plan.



Ms. Deborah Sharpless
April 28, 2023
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Table 1 - Systemwide Collected Transactions by Month

Month	Passenger Car Transactions								
	ETC			Video (1)			Total		
	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change
July	15,890,063	11,011,206	(30.7)	216,710	1,652,370	662.5	16,106,772	12,663,576	(21.4)
August	11,547,095	9,697,973	(16.0)	526,446	1,492,051	183.4	12,073,541	11,190,024	(7.3)
September	9,933,446	14,263,062	43.6	1,164,573	1,150,642	(1.2)	11,098,019	15,413,703	38.9
October	11,762,032	12,164,519	3.4	1,523,444	1,142,429	(25.0)	13,285,476	13,306,949	0.2
November	11,122,911	11,233,629	1.0	1,680,798	3,496,870	108.0	12,803,710	14,730,499	15.0
December	9,908,315	10,637,858	7.4	1,779,346	1,842,587	3.6	11,687,660	12,480,446	6.8
January	11,194,490	9,622,696	(14.0)	2,366,321	1,319,049	(44.3)	13,560,811	10,941,744	(19.3)
February	12,229,668	8,981,934	(26.6)	2,819,346	919,079	(67.4)	15,049,014	9,901,013	(34.2)
March	9,095,987	10,873,081	19.5	2,172,697	1,213,227	(44.2)	11,268,684	12,086,308	7.3
April	5,592,198	-	-	2,008,917	-	-	7,601,115	-	-
May	12,673,036	-	-	1,483,362	-	-	14,156,398	-	-
June	16,183,395	-	-	1,619,242	-	-	17,802,637	-	-
Q1 Total	37,370,604	34,972,240	(6.4)	1,907,729	4,295,063	125.1	39,278,332	39,267,303	(0.0)
Q2 Total	32,793,258	34,036,007	3.8	4,983,588	6,481,887	30.1	37,776,846	40,517,893	7.3
Q3 Total	32,520,145	29,477,710	(9.4)	7,358,363	3,451,354	(53.1)	39,878,508	32,929,065	(17.4)
YTD Total	102,684,006	98,485,957	(4.1)	14,249,680	14,228,304	(0.2)	116,933,686	112,714,261	(3.6)

Month	Commercial Vehicle Transactions								
	ETC			Video (1)			Total		
	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change
July	1,542,993	971,874	(37.0)	4,559	75,556	1,557.3	1,547,552	1,047,430	(32.3)
August	977,866	888,580	(9.1)	19,917	83,576	319.6	997,783	972,156	(2.6)
September	825,232	1,242,309	50.5	40,908	47,063	15.0	866,140	1,289,372	48.9
October	1,004,144	1,121,140	11.7	43,127	42,142	(2.3)	1,047,271	1,163,282	11.1
November	944,843	904,763	(4.2)	45,330	95,296	110.2	990,173	1,000,059	1.0
December	806,059	869,679	7.9	55,668	52,876	(5.0)	861,727	922,556	7.1
January	924,797	852,448	(7.8)	71,542	45,739	(36.1)	996,339	898,187	(9.9)
February	1,127,716	782,255	(30.6)	79,228	28,144	(64.5)	1,206,943	810,399	(32.9)
March	873,275	986,064	12.9	105,128	43,418	(58.7)	978,403	1,029,482	5.2
April	493,121	-	-	85,450	-	-	578,570	-	-
May	1,138,558	-	-	44,060	-	-	1,182,618	-	-
June	1,455,673	-	-	113,063	-	-	1,568,736	-	-
Q1 Total	3,346,090	3,102,763	(7.3)	65,384	206,195	215.4	3,411,475	3,308,959	(3.0)
Q2 Total	2,755,045	2,895,582	5.1	144,126	190,314	32.0	2,899,171	3,085,896	6.4
Q3 Total	2,925,787	2,620,767	(10.4)	255,898	117,301	(54.2)	3,181,685	2,738,068	(13.9)
YTD Total	9,026,923	8,619,113	(4.5)	465,408	513,811	10.4	9,492,331	9,132,923	(3.8)

Month	Total Transactions								
	ETC			Video (1)			Total		
	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change
July	17,433,056	11,983,080	(31.3)	221,269	1,727,927	680.9	17,654,324	13,711,006	(22.3)
August	12,524,961	10,586,553	(15.5)	546,363	1,575,627	188.4	13,071,324	12,162,180	(7.0)
September	10,758,678	15,505,371	44.1	1,205,481	1,197,705	(0.6)	11,964,159	16,703,075	39.6
October	12,766,176	13,285,659	4.1	1,566,571	1,184,572	(24.4)	14,332,747	14,470,230	1.0
November	12,067,754	12,138,392	0.6	1,726,129	3,592,166	108.1	13,793,883	15,730,558	14.0
December	10,714,374	11,507,538	7.4	1,835,014	1,895,464	3.3	12,549,388	13,403,001	6.8
January	12,119,287	10,475,144	(13.6)	2,437,862	1,364,788	(44.0)	14,557,149	11,839,932	(18.7)
February	13,357,384	9,764,188	(26.9)	2,898,575	947,223	(67.3)	16,255,958	10,711,412	(34.1)
March	9,969,261	11,859,145	19.0	2,277,824	1,256,644	(44.8)	12,247,086	13,115,790	7.1
April	6,085,318	-	-	2,094,367	-	-	8,179,685	-	-
May	13,811,594	-	-	1,527,422	-	-	15,339,016	-	-
June	17,639,067	-	-	1,732,305	-	-	19,371,373	-	-
Q1 Total	40,716,694	38,075,004	(6.5)	1,973,113	4,501,258	128.1	42,689,807	42,576,262	(0.3)
Q2 Total	35,548,304	36,931,589	3.9	5,127,714	6,672,201	30.1	40,676,017	43,603,790	7.2
Q3 Total	35,445,932	32,098,478	(9.4)	7,614,261	3,568,656	(53.1)	43,060,193	35,667,133	(17.2)
YTD Total	111,710,929	107,105,070	(4.1)	14,715,088	14,742,115	0.2	126,426,017	121,847,185	(3.6)

⁽¹⁾ Pay-by-plate transactions are included with video transactions.



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Table 2 - Systemwide Collected Toll Revenue by Month

Month	Passenger Car Toll Revenue								
	ETC			Video (1)			Total		
	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change
July	\$ 49,235,597	\$ 31,841,940	(35.3)	\$ 1,183,201	\$ 9,574,478	709.2	\$ 50,418,798	\$ 41,416,418	(17.9)
August	32,805,852	28,158,615	(14.2)	3,078,648	8,542,920	177.5	35,884,500	36,701,536	2.3
September	27,169,087	41,026,423	51.0	6,952,731	6,073,232	(12.6)	34,121,819	47,099,655	38.0
October	32,514,945	34,075,217	4.8	9,057,896	6,308,110	(30.4)	41,572,841	40,383,327	(2.9)
November	30,154,657	32,018,938	6.2	10,141,698	19,415,845	91.4	40,296,355	51,434,784	27.6
December	27,125,564	29,550,545	8.9	10,563,313	10,738,284	1.7	37,688,877	40,288,829	6.9
January	31,882,436	26,640,613	(16.4)	13,438,438	8,073,338	(39.9)	45,320,873	34,713,950	(23.4)
February	32,626,281	24,456,720	(25.0)	15,679,222	5,359,676	(65.8)	48,305,503	29,816,396	(38.3)
March	25,428,270	29,520,290	16.1	12,732,098	6,687,680	(47.5)	38,160,368	36,207,970	(5.1)
April	14,865,928	-	-	11,373,047	-	-	26,238,975	-	-
May	36,134,398	-	-	8,168,043	-	-	44,302,441	-	-
June	46,605,598	-	-	9,094,060	-	-	55,699,658	-	-
Q1 Total	109,210,537	101,026,979	(7.5)	11,214,580	24,190,630	115.7	120,425,117	125,217,609	4.0
Q2 Total	89,795,166	95,644,700	6.5	29,762,907	36,462,239	22.5	119,558,073	132,106,940	10.5
Q3 Total	89,936,987	80,617,623	(10.4)	41,849,757	20,120,694	(51.9)	131,786,744	100,738,317	(23.6)
YTD Total	288,942,689	277,289,302	(4.0)	82,827,244	80,773,563	(2.5)	371,769,933	358,062,865	(3.7)

Month	Commercial Vehicle Toll Revenue								
	ETC			Video (1)			Total		
	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change
July	\$ 33,671,097	\$ 21,281,363	(36.8)	\$ 98,037	\$ 2,083,976	2,025.7	\$ 33,769,134	\$ 23,365,339	(30.8)
August	20,179,396	19,814,475	(1.8)	607,270	2,218,608	265.3	20,786,666	22,033,083	6.0
September	16,623,164	27,236,078	63.8	1,208,327	1,228,007	1.6	17,831,490	28,464,085	59.6
October	20,737,327	24,738,385	19.3	1,198,806	1,074,945	(10.3)	21,936,133	25,813,330	17.7
November	19,843,452	19,947,590	0.5	1,220,859	2,412,969	97.6	21,064,312	22,360,559	6.2
December	17,413,995	19,308,066	10.9	1,484,747	1,399,620	(5.7)	18,898,742	20,707,686	9.6
January	19,915,598	19,376,538	(2.7)	1,824,934	1,244,312	(31.8)	21,740,531	20,620,849	(5.2)
February	24,737,926	17,724,879	(28.3)	2,100,956	831,365	(60.4)	26,838,882	18,556,244	(30.9)
March	19,539,032	22,096,619	13.1	3,203,955	1,249,913	(61.0)	22,742,987	23,346,532	2.7
April	10,559,499	-	-	2,483,834	-	-	13,043,333	-	-
May	24,878,346	-	-	1,186,671	-	-	26,065,017	-	-
June	31,421,485	-	-	2,923,537	-	-	34,345,022	-	-
Q1 Total	70,473,657	68,331,916	(3.0)	1,913,633	5,530,591	189.0	72,387,290	73,862,506	2.0
Q2 Total	57,994,774	63,994,041	10.3	3,904,413	4,887,534	25.2	61,899,187	68,881,575	11.3
Q3 Total	64,192,556	59,198,035	(7.8)	7,129,845	3,325,590	(53.4)	71,322,401	62,523,625	(12.3)
YTD Total	192,660,987	191,523,991	(0.6)	12,947,891	13,743,714	6.1	205,608,878	205,267,706	(0.2)

Month	Total Toll Revenue								
	ETC			Video (1)			Total		
	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change
July	\$ 82,906,694	\$ 53,123,304	(35.9)	\$ 1,281,238	\$ 11,658,453	809.9	\$ 84,187,932	\$ 64,781,757	(23.1)
August	52,985,249	47,973,090	(9.5)	3,685,918	10,761,528	192.0	56,671,166	58,734,619	3.6
September	43,792,251	68,262,501	55.9	8,161,058	7,301,239	(10.5)	51,953,309	75,563,739	45.4
October	53,252,272	58,813,602	10.4	10,256,702	7,383,055	(28.0)	63,508,974	66,196,657	4.2
November	49,998,109	51,966,528	3.9	11,362,558	21,828,814	92.1	61,360,667	73,795,342	20.3
December	44,539,558	48,858,611	9.7	12,048,060	12,137,904	0.7	56,587,619	60,996,515	7.8
January	51,798,033	46,017,150	(11.2)	15,263,372	9,317,649	(39.0)	67,061,405	55,334,800	(17.5)
February	57,364,207	42,181,599	(26.5)	17,780,177	6,191,041	(65.2)	75,144,385	48,372,640	(35.6)
March	44,967,302	51,616,908	14.8	15,936,053	7,937,593	(50.2)	60,903,355	59,554,502	(2.2)
April	25,425,427	-	-	13,856,881	-	-	39,282,308	-	-
May	61,012,744	-	-	9,354,714	-	-	70,367,458	-	-
June	78,027,083	-	-	12,017,597	-	-	90,044,680	-	-
Q1 Total	179,684,194	169,358,895	(5.7)	13,128,213	29,721,221	126.4	192,812,407	199,080,115	3.3
Q2 Total	147,789,939	159,638,741	8.0	33,667,320	41,349,773	22.8	181,457,259	200,988,514	10.8
Q3 Total	154,129,543	139,815,658	(9.3)	48,979,602	23,446,283	(52.1)	203,109,145	163,261,941	(19.6)
YTD Total	481,603,676	468,813,294	(2.7)	95,775,135	94,517,277	(1.3)	577,378,812	563,330,571	(2.4)

(1) Pay-by-plate revenue is included with video revenue.

Figure 2 – Total System Collected Revenue by Payment Type and Vehicle Class

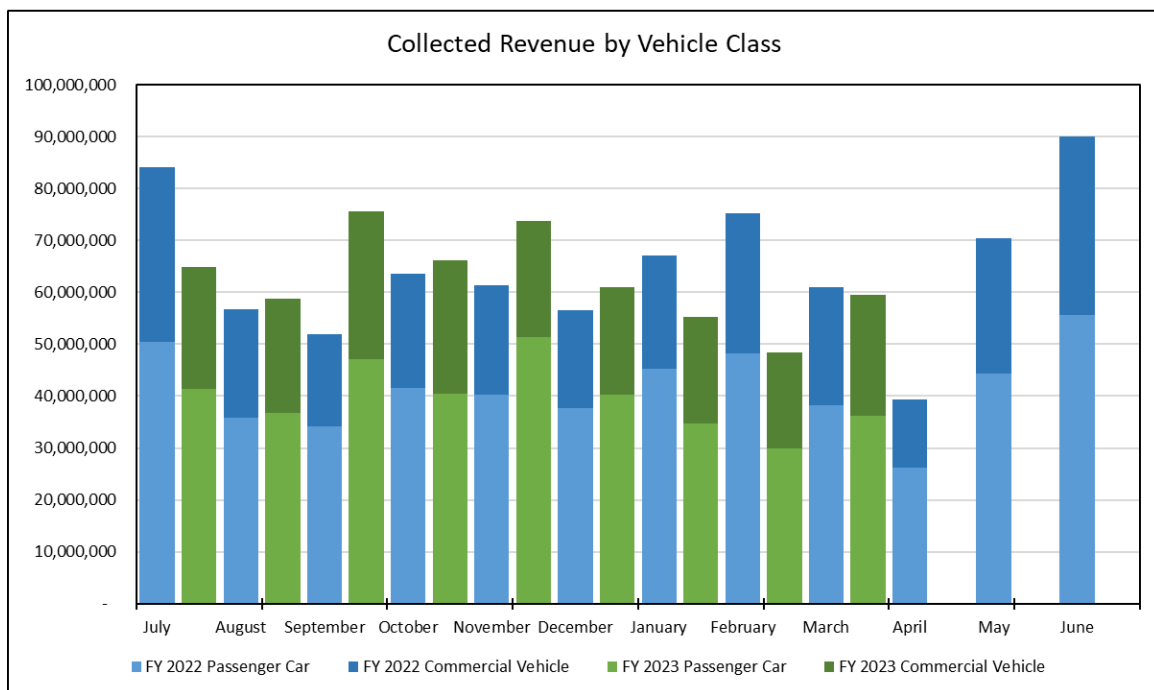
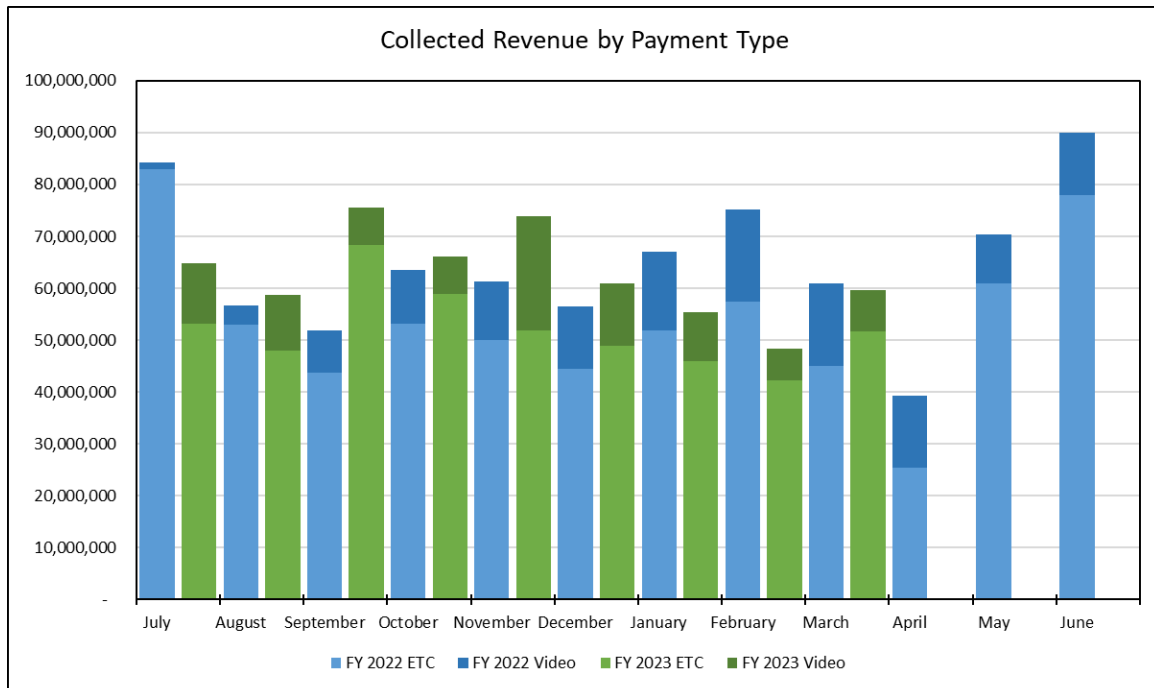


Table 3 – Other Revenue Trends by Month

Month	Service Fees and Sales ⁽¹⁾			Violation Recovery ⁽²⁾			Commercial Vehicles ⁽³⁾			Total Other Revenue		
	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change	FY 2022	FY 2023	% Change
July	\$ 140,056	\$ 2,213,317	1,480.3	\$ 1,997,861	\$ 34,164	(98.3)	\$ 57,633	\$ (789,381)	(1,469.7)	\$ 2,195,550	\$ 1,458,100	(33.6)
August	124,052	1,304,985	952.0	1,122,871	42,198	(96.2)	(1,114,191)	(760,892)	31.7	132,732	586,291	341.7
September	1,209,421	2,363,096	95.4	846,086	912,009	7.8	(84,677)	(1,045,889)	(1,135.1)	1,970,829	2,229,215	13.1
October	1,445,585	1,801,114	24.6	1,489,347	44,165	(97.0)	(2,503,394)	(361,299)	85.6	431,538	1,483,979	243.9
November	1,491,780	1,612,312	8.1	3,024,869	90,464	(97.0)	(1,715,748)	(692,987)	59.6	2,800,901	1,009,789	(63.9)
December	1,389,602	1,700,847	22.4	3,602,653	1,513,157	(58.0)	(772,320)	(755,417)	2.2	4,219,935	2,458,587	(41.7)
January	1,413,421	1,558,480	10.3	4,146,765	3,160,082	(23.8)	(812,169)	(632,127)	22.2	4,748,017	4,086,435	(13.9)
February	1,523,573	1,705,254	11.9	4,220,168	3,631,447	(14.0)	(640,115)	(534,943)	16.4	5,103,626	4,801,759	(5.9)
March	610,277	1,816,192	197.6	2,922,553	3,775,392	29.2	(807,480)	(708,755)	12.2	2,725,351	4,882,829	79.2
April	23,328	-	-	414,296	-	-	(738,983)	-	-	(301,360)	-	-
May	1,548,931	-	-	347,361	-	-	(807,045)	-	-	1,089,247	-	-
June	2,246,483	-	-	66,652	-	-	(757,584)	-	-	1,555,551	-	-
Q1 Total	1,473,529	5,881,399	299.1	3,966,818	988,370	(75.1)	(1,141,236)	(2,596,163)	(127.5)	4,299,111	4,273,606	(0.6)
Q2 Total	4,326,966	5,114,273	18.2	8,116,869	1,647,785	(79.7)	(4,991,462)	(1,809,703)	63.7	7,452,374	4,952,355	(33.5)
Q3 Total	3,547,271	5,079,926	43.2	11,289,486	10,566,922	(6.4)	(2,259,763)	(1,875,825)	17.0	12,576,994	13,771,023	9.5
YTD Total	9,347,767	16,075,598	72.0	23,373,173	13,203,077	(43.5)	(8,392,461)	(6,281,691)	(25.2)	24,328,480	22,996,984	(5.5)

(1) Service fees and sales includes unused pre-paid trip revenue, transponder sales, and the Hatem E-ZPass discount plans.

(2) Violation recovery is civil penalties collected on unpaid notices of toll due.

(3) Commercial vehicles include post-usage discounts, high frequency discounts, and oversize permit fees.

Forecast Versus Actual

In this section, actual collected transactions and revenue are compared to the November 2022 forecast for each of the facilities. **Table 4** provides the comparison for the Legacy System transactions by vehicle type and method of payment and **Table 5** shows the same comparison for collected toll revenue. As shown in Table 4, total transactions were 5.8 percent above forecast in the first quarter and 15.1 percent above forecast in the second quarter. In the third quarter, total transactions were 4.0 percent above forecast. Passenger cars were 4.0 percent above forecast and commercial vehicles were 3.4 percent below forecast in the third quarter.

In the first and second quarters of FY 2023, variations occurred due to timing of back office processing and the impending termination of the customer assistance program. In the third quarter, ETC transactions continued to outperform forecast for both passenger cars and commercial vehicles while video transactions underperformed at similar rates top the first quarter. The underperformance in video transactions is in part due to variation in collection rates from those assumed in the forecast. Video collection trends will continue to vary as the backlog transactions are paid and will be closely monitored moving forward.

Table 4 - Comparison of FY 2023 Forecast and Actual Transactions - Legacy System

FY 2023 Passenger Car Transactions									
Month	ETC			Video (1)			Total		
	Forecast	Actual	% Change	Forecast	Actual	% Change	Forecast	Actual	% Change
July	8,122,338	8,074,650	(0.6)	1,167,785	1,238,204	6.0	9,290,123	9,312,854	0.2
August	7,591,822	7,077,689	(6.8)	1,607,166	1,077,906	(32.9)	9,198,989	8,155,595	(11.3)
September	6,960,948	10,374,706	49.0	1,708,576	759,250	(55.6)	8,669,524	11,133,955	28.4
October	7,199,214	8,823,271	22.6	1,700,481	835,526	(50.9)	8,899,695	9,658,798	8.5
November	6,977,727	8,201,627	17.5	1,318,723	2,626,958	99.2	8,296,450	10,828,585	30.5
December	7,061,484	7,677,446	8.7	1,294,899	1,417,525	9.5	8,356,383	9,094,972	8.8
January	6,379,768	6,882,538	7.9	1,215,101	1,027,872	(15.4)	7,594,869	7,910,409	4.2
February	6,107,124	6,505,717	6.5	1,071,880	690,958	(35.5)	7,179,004	7,196,675	0.2
March	6,916,564	7,829,023	13.2	1,161,603	840,577	(27.6)	8,078,167	8,669,600	7.3
April	7,176,615	-	-	1,258,989	-	-	8,435,604	-	-
May	7,249,092	-	-	1,337,345	-	-	8,586,437	-	-
June	7,245,802	-	-	1,438,748	-	-	8,684,549	-	-
Q1 Total	22,675,109	25,527,044	12.6	4,483,527	3,075,360	(31.4)	27,158,636	28,602,404	5.3
Q2 Total	21,238,425	24,702,345	16.3	4,314,103	4,880,010	13.1	25,552,528	29,582,354	15.8
Q3 Total	19,403,456	21,217,277	9.3	3,448,585	2,559,406	(25.8)	22,852,041	23,776,684	4.0
YTD Total	63,316,989	71,446,666	12.8	12,246,215	10,514,776	(14.1)	75,563,204	81,961,442	8.5

FY 2023 Commercial Vehicle Transactions									
Month	ETC			Video (1)			Total		
	Forecast	Actual	% Change	Forecast	Actual	% Change	Forecast	Actual	% Change
July	832,887	832,887	0.0	65,285	65,285	0.0	898,172	898,172	0.0
August	778,651	768,974	(1.2)	60,851	71,021	16.7	839,502	839,995	0.1
September	760,712	1,068,496	40.5	65,673	38,142	(41.9)	826,385	1,106,638	33.9
October	773,576	967,523	25.1	65,645	34,514	(47.4)	839,220	1,002,037	19.4
November	753,584	780,646	3.6	51,839	79,226	52.8	805,423	859,872	6.8
December	752,986	744,179	(1.2)	51,015	45,958	(9.9)	804,001	790,138	(1.7)
January	724,067	739,152	2.1	47,849	40,060	(16.3)	771,915	779,212	0.9
February	676,482	684,364	1.2	40,900	25,432	(37.8)	717,382	709,796	(1.1)
March	773,007	857,583	10.9	43,769	37,143	(15.1)	816,776	894,726	9.5
April	744,329	-	-	46,279	-	-	790,608	-	-
May	794,657	-	-	49,370	-	-	844,027	-	-
June	780,181	-	-	52,960	-	-	833,141	-	-
Q1 Total	2,372,250	2,670,357	12.6	191,810	174,448	(9.1)	2,564,060	2,844,806	10.9
Q2 Total	2,280,146	2,492,348	9.3	168,498	159,698	(5.2)	2,448,644	2,652,046	8.3
Q3 Total	2,173,556	2,281,099	4.9	132,517	102,635	(22.5)	2,306,073	2,383,734	3.4
YTD Total	6,825,952	7,443,805	9.1	492,825	436,782	(11.4)	7,318,777	7,880,586	7.7

FY 2023 All Vehicle Transactions									
Month	ETC			Video (1)			Total		
	Forecast	Actual	% Change	Forecast	Actual	% Change	Forecast	Actual	% Change
July	8,955,225	8,907,537	(0.5)	1,233,071	1,303,490	5.7	10,188,296	10,211,026	0.2
August	8,370,473	7,846,663	(6.3)	1,668,018	1,148,927	(31.1)	10,038,491	8,995,590	(10.4)
September	7,721,661	11,443,202	48.2	1,774,249	797,392	(55.1)	9,495,909	12,240,593	28.9
October	7,972,790	9,790,794	22.8	1,766,126	870,041	(50.7)	9,738,916	10,660,834	9.5
November	7,731,311	8,982,273	16.2	1,370,561	2,706,184	97.5	9,101,873	11,688,457	28.4
December	7,814,470	8,421,626	7.8	1,345,914	1,463,484	8.7	9,160,384	9,885,109	7.9
January	7,103,835	7,621,690	7.3	1,262,950	1,067,932	(15.4)	8,366,785	8,689,622	3.9
February	6,783,606	7,190,080	6.0	1,112,780	716,390	(35.6)	7,896,386	7,906,471	0.1
March	7,689,571	8,686,606	13.0	1,205,372	877,719	(27.2)	8,894,943	9,564,326	7.5
April	7,920,945	-	-	1,305,268	-	-	9,226,212	-	-
May	8,043,749	-	-	1,386,715	-	-	9,430,464	-	-
June	8,025,983	-	-	1,491,707	-	-	9,517,691	-	-
Q1 Total	25,047,359	28,197,402	12.6	4,675,337	3,249,808	(30.5)	29,722,696	31,447,210	5.8
Q2 Total	23,518,571	27,194,693	15.6	4,482,601	5,039,708	12.4	28,001,172	32,234,401	15.1
Q3 Total	21,577,012	23,498,377	8.9	3,581,102	2,662,042	(25.7)	25,158,114	26,160,418	4.0
YTD Total	70,142,941	78,890,471	12.5	12,739,040	10,951,558	(14.0)	82,881,981	89,842,029	8.4

⁽¹⁾ Pay-by-plate transactions are included with video transactions.



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Table 5 - Comparison of FY 2023 Forecast and Actual Toll Revenue - Legacy System

FY 2023 Passenger Car Revenue									
Month	ETC			Video (1)			Total		
	Forecast	Actual	% Change	Forecast	Actual	% Change	Forecast	Actual	% Change
July	\$ 27,084,097	\$ 27,084,097	0.0	\$ 8,049,781	\$ 8,472,296	5.2	\$ 35,133,878	\$ 35,556,393	1.2
August	23,528,619	23,833,494	1.3	10,412,541	7,440,413	(28.5)	33,941,159	31,273,907	(7.9)
September	21,247,273	34,663,364	63.1	11,275,430	5,038,071	(55.3)	32,522,703	39,701,436	22.1
October	22,119,345	28,520,877	28.9	11,303,082	5,506,425	(51.3)	33,422,427	34,027,302	1.8
November	21,382,053	27,047,778	26.5	8,896,053	17,125,090	92.5	30,278,107	44,172,868	45.9
December	21,803,245	24,757,126	13.6	8,739,181	9,627,603	10.2	30,542,426	34,384,728	12.6
January	19,147,267	22,099,179	15.4	8,216,176	7,297,418	(11.2)	27,363,443	29,396,597	7.4
February	18,270,694	20,260,941	10.9	7,239,841	4,768,268	(34.1)	25,510,535	25,029,208	(1.9)
March	20,971,059	24,413,975	16.4	7,757,309	5,682,266	(26.7)	28,728,368	30,096,241	4.8
April	22,369,556	-	-	8,452,360	-	-	30,821,916	-	-
May	22,389,081	-	-	8,993,905	-	-	31,382,986	-	-
June	22,410,600	-	-	9,691,816	-	-	32,102,416	-	-
Q1 Total	71,859,989	85,580,956	19.1	29,737,752	20,950,780	(29.5)	101,597,741	106,531,736	4.9
Q2 Total	65,304,643	80,325,781	23.0	28,938,316	32,259,118	11.5	94,242,959	112,584,899	19.5
Q3 Total	58,389,020	66,774,095	14.4	23,213,325	17,747,951	(23.5)	81,602,346	84,522,046	3.6
YTD Total	195,553,652	232,680,831	19.0	81,889,394	70,957,850	(13.3)	277,443,046	303,638,680	9.4

FY 2023 Commercial Vehicle Revenue									
Month	ETC			Video (1)			Total		
	Forecast	Actual	% Change	Forecast	Actual	% Change	Forecast	Actual	% Change
July	\$ 20,387,621	\$ 20,387,621	0.0	\$ 2,000,390	\$ 2,000,390	0.0	\$ 22,388,012	\$ 22,388,012	0.0
August	18,822,409	19,032,948	1.1	1,882,272	2,129,287	13.1	20,704,682	21,162,235	2.2
September	18,428,201	26,112,932	41.7	2,083,500	1,149,243	(44.8)	20,511,701	27,262,175	32.9
October	18,894,686	23,742,702	25.7	2,117,554	1,016,000	(52.0)	21,012,240	24,758,702	17.8
November	18,314,446	19,150,193	4.6	1,724,754	2,287,845	32.6	20,039,200	21,438,038	7.0
December	18,219,898	18,489,604	1.5	1,702,452	1,347,870	(20.8)	19,922,350	19,837,474	(0.4)
January	17,543,863	18,623,217	6.2	1,584,279	1,198,587	(24.3)	19,128,142	19,821,804	3.6
February	16,384,015	17,045,876	4.0	1,329,076	810,326	(39.0)	17,713,091	17,856,202	0.8
March	18,719,767	21,258,378	13.6	1,379,864	1,200,174	(13.0)	20,099,631	22,458,552	11.7
April	18,084,964	-	-	1,448,470	-	-	19,533,434	-	-
May	19,370,420	-	-	1,541,719	-	-	20,912,140	-	-
June	18,926,020	-	-	1,651,832	-	-	20,577,853	-	-
Q1 Total	57,638,231	65,533,501	13.7	5,966,163	5,278,920	(11.5)	63,604,394	70,812,422	11.3
Q2 Total	55,429,030	61,382,499	10.7	5,544,760	4,651,715	(16.1)	60,973,790	66,034,214	8.3
Q3 Total	52,647,644	56,927,472	8.1	4,293,219	3,209,087	(25.3)	56,940,863	60,136,559	5.6
YTD Total	165,714,905	183,843,472	10.9	15,804,142	13,139,723	(16.9)	181,519,047	196,983,194	8.5

FY 2023 All Vehicle Revenue									
Month	ETC			Video (1)			Total		
	Forecast	Actual	% Change	Forecast	Actual	% Change	Forecast	Actual	% Change
July	\$ 47,471,718	\$ 47,471,718	0.0	\$ 10,050,172	\$ 10,472,687	4.2	\$ 57,521,890	\$ 57,944,405	0.7
August	42,351,028	42,866,442	1.2	12,294,813	9,569,699	(22.2)	54,645,841	52,436,141	(4.0)
September	39,675,474	60,776,297	53.2	13,358,930	6,187,314	(53.7)	53,034,404	66,963,611	26.3
October	41,014,031	52,263,579	27.4	13,420,636	6,522,425	(51.4)	54,434,667	58,786,003	8.0
November	39,696,500	46,197,971	16.4	10,620,807	19,412,935	82.8	50,317,307	65,610,906	30.4
December	40,023,143	43,246,730	8.1	10,441,633	10,975,473	5.1	50,464,776	54,222,203	7.4
January	36,691,130	40,722,396	11.0	9,800,455	8,496,005	(13.3)	46,491,585	49,218,401	5.9
February	34,654,709	37,306,817	7.7	8,568,917	5,578,594	(34.9)	43,223,625	42,885,411	(0.8)
March	39,690,826	45,672,353	15.1	9,137,173	6,882,440	(24.7)	48,827,999	52,554,793	7.6
April	40,454,520	-	-	9,900,830	-	-	50,355,350	-	-
May	41,759,502	-	-	10,535,624	-	-	52,295,126	-	-
June	41,336,620	-	-	11,343,648	-	-	52,680,269	-	-
Q1 Total	129,498,220	151,114,457	16.7	35,703,915	26,229,701	(26.5)	165,202,135	177,344,157	7.3
Q2 Total	120,733,673	141,708,279	17.4	34,483,076	36,910,833	7.0	155,216,749	178,619,112	15.1
Q3 Total	111,036,665	123,701,566	11.4	27,506,544	20,957,039	(23.8)	138,543,209	144,658,605	4.4
YTD Total	361,268,558	416,524,302	15.3	97,693,536	84,097,572	(13.9)	458,962,094	500,621,875	9.1

⁽¹⁾ Pay-by-plate revenue is included with video revenue.

As shown in Table 5, collected toll revenue on the Legacy System showed similar trends versus forecast as those seen in transactions, including significant variations in monthly totals and distribution by payment method. Passenger car revenue was 3.6 percent above forecast for the third quarter, and commercial vehicle revenue exceeded forecast by 5.6 percent. Total Legacy system collected toll revenue for the third quarter of FY 2023 was 4.4 percent above forecast. Overall, FY 2023 YTD collected revenue totals were 9.1 percent above forecast. This is, in part, due to the timing of paid video transactions deviating from forecast, and a higher number of ETC transactions with higher than forecasted toll rates. The higher toll rates are caused by an increased share of out-of-state and non-commuter in-state ETC transactions than was anticipated in the forecast.

Table 6 provides the comparison for trips and collected toll revenue on the ICC by method of payment. The ICC trended similarly to the Legacy system with trips and revenue. As shown, FY 2023 third quarter trips were 1.3 percent below forecast and collected revenue was 10.3 percent above forecast. This is largely due to the video collection trend in January and March, and strong ETC toll revenue in January. The difference in impacts between transactions and revenue indicates there may be more full corridor or longer distance trips which pay a higher average toll than was forecasted.

Table 7 shows the comparison for total transactions and collected toll revenue for the I-95 ETLs. I-95 ETL transactions and revenue in the third quarter of FY 2023 were below forecast by 24.9 and 16.0 percent, respectively. This amounts to a negative forecast variance of approximately 1.4 million transactions and \$1.3 million for FY 2023 YTD. The deviation of actual transactions from forecast is in part due to raw in-lane traffic remaining unchanged in the second and third quarters of FY 2023 over the same period in FY 2022, which deviates from the assumption in the forecast.

Table 8 provides a comparison for the total MDTA system transactions and revenue, including all facilities and other revenue. When considering the systemwide performance, transactions in the third quarter were above forecast by 0.8 percent. The associated collected toll and other revenue in the third quarter was 8.3 percent above forecast, in part due to overperformance in ETC toll revenue and civil penalty collections in FY 2023 YTD. The civil penalty collections outperformance was caused by transactions escalated to CCU prior to the customer assistance plan that were paid in FY 2023, as well as the resumption of civil penalty collections after the termination of the customer assistance plan. The forecast assumed there would be no civil penalty revenue collected in the first half of FY 2023 and collections would resume January 2023.

Table 6 – Comparison of FY 2023 Forecast and Actual Monthly Collected Trips and Toll Revenue, Intercounty Connector

Month	FY 2023 Trips								
	ETC			Video ⁽¹⁾			Total		
	Forecast	Actual	% Change	Forecast	Actual	% Change	Forecast	Actual	% Change
July	2,300,824	2,324,744	1.0	369,253	386,853	4.8	2,670,077	2,711,597	1.6
August	2,715,800	2,141,582	(21.1)	234,583	395,499	68.6	2,950,383	2,537,081	(14.0)
September	2,751,740	3,020,835	9.8	251,497	377,683	50.2	3,003,237	3,398,518	13.2
October	2,919,313	2,687,317	(8.0)	251,544	293,217	16.6	3,170,857	2,980,534	(6.0)
November	2,578,511	2,438,363	(5.4)	201,940	814,695	303.4	2,780,451	3,253,058	17.0
December	2,429,857	2,368,794	(2.5)	195,608	387,365	98.0	2,625,465	2,756,159	5.0
January	2,288,959	2,285,231	(0.2)	181,096	267,737	47.8	2,470,056	2,552,968	3.4
February	2,207,628	2,023,222	(8.4)	165,640	213,250	28.7	2,373,268	2,236,472	(5.8)
March	2,752,484	2,526,011	(8.2)	175,367	351,738	100.6	2,927,851	2,877,749	(1.7)
April	2,697,837	-	-	186,462	-	-	2,884,299	-	-
May	2,866,793	-	-	201,103	-	-	3,067,896	-	-
June	2,808,521	-	-	216,177	-	-	3,024,699	-	-
Q1 Total	7,768,363	7,487,161	(3.6)	855,333	1,160,035	35.6	8,623,697	8,647,196	0.3
Q2 Total	7,927,681	7,494,474	(5.5)	649,092	1,495,277	130.4	8,576,772	8,989,751	4.8
Q3 Total	7,249,072	6,834,464	(5.7)	522,104	832,725	59.5	7,771,175	7,667,189	(1.3)
YTD Total	22,945,116	21,816,099	(4.9)	2,026,529	3,488,037	72.1	24,971,645	25,304,136	1.3

Month	FY 2023 Collected Toll Revenue								
	ETC			Video ⁽¹⁾			Total		
	Forecast	Actual	% Change	Forecast	Actual	% Change	Forecast	Actual	% Change
July	\$4,527,768	\$4,527,768	0.0	\$1,056,694	\$1,095,885	3.7	\$5,584,462	\$5,623,652	0.7
August	4,807,871	4,198,483	(12.7)	660,987	1,117,906	69.1	5,468,858	5,316,389	(2.8)
September	5,106,502	5,908,850	15.7	715,225	1,062,324	48.5	5,821,727	6,971,175	19.7
October	5,406,494	5,295,578	(2.1)	715,795	813,926	13.7	6,122,289	6,109,504	(0.2)
November	4,515,389	4,676,694	3.6	578,614	2,258,726	290.4	5,094,003	6,935,419	36.2
December	4,261,235	4,613,665	8.3	560,605	1,066,105	90.2	4,821,839	5,679,770	17.8
January	3,990,287	4,393,793	10.1	521,105	754,926	44.9	4,511,392	5,148,720	14.1
February	3,852,893	4,005,603	4.0	480,860	573,743	19.3	4,333,753	4,579,345	5.7
March	4,819,984	4,921,088	2.1	511,127	993,721	94.4	5,331,111	5,914,809	11.0
April	4,724,303	-	-	546,487	-	-	5,270,789	-	-
May	5,022,046	-	-	591,031	-	-	5,613,076	-	-
June	4,938,375	-	-	636,551	-	-	5,574,925	-	-
Q1 Total	14,442,141	14,635,102	1.3	2,432,906	3,276,115	34.7	16,875,047	17,911,216	6.1
Q2 Total	14,183,118	14,585,937	2.8	1,855,013	4,138,756	123.1	16,038,131	18,724,693	16.8
Q3 Total	12,663,164	13,320,484	5.2	1,513,092	2,322,390	53.5	14,176,256	15,642,874	10.3
YTD Total	41,288,423	42,541,522	3.0	5,801,010	9,737,261	67.9	47,089,434	52,278,783	11.0

⁽¹⁾ Pay-by-Plate is included in video trips and revenue.

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Table 7 – Comparison of FY 2023 Forecast and Actual Monthly Collected Transactions and Toll Revenue, I-95 Express Toll Lanes

Month	Transactions			Revenue		
	Forecast	Actual	% Change	Forecast	Actual	% Change
July	776,546	788,383	1.5	\$ 1,213,699	\$ 1,213,699	0.0
August	1,010,043	629,509	(37.7)	1,453,545	982,088	(32.4)
September	866,871	1,063,964	22.7	1,247,508	1,628,954	30.6
October	1,015,072	828,862	(18.3)	1,460,782	1,301,150	(10.9)
November	975,439	789,043	(19.1)	1,403,746	1,249,017	(11.0)
December	972,663	761,733	(21.7)	1,399,752	1,094,542	(21.8)
January	727,942	597,342	(17.9)	1,047,576	967,679	(7.6)
February	840,091	568,469	(32.3)	1,208,968	907,884	(24.9)
March	882,139	673,715	(23.6)	1,269,479	1,084,900	(14.5)
April	1,046,822	-	-	1,506,473	-	-
May	1,023,058	-	-	1,472,275	-	-
June	1,008,589	-	-	1,451,452	-	-
Q1 Total	2,653,460	2,481,856	(6.5)	3,914,752	3,824,741	(2.3)
Q2 Total	2,963,174	2,379,638	(19.7)	4,264,280	3,644,709	(14.5)
Q3 Total	2,450,172	1,839,526	(24.9)	3,526,023	2,960,463	(16.0)
YTD Total	8,066,807	6,701,020	(16.9)	11,705,055	10,429,913	(10.9)

Table 8 – Comparison of FY 2023 Forecast and Actual Monthly Collected Transactions and Total Revenue, Total Systemwide

Month	Transactions				Total Revenue ⁽¹⁾			
	Forecast	Actual	Difference		Forecast	Actual	Difference	
			Number	%			Number	%
July	13,634,919	13,711,006	76,088	0.6	\$64,980,429	\$66,239,857	\$1,259,427	1.9
August	13,998,917	12,162,180	(1,836,737)	(13.1)	62,199,923	59,320,910	(2,879,013)	(4.6)
September	13,366,017	16,703,075	3,337,058	25.0	60,669,058	77,792,955	17,123,897	28.2
October	13,924,844	14,470,230	545,386	3.9	62,604,593	67,680,637	5,076,043	8.1
November	12,857,762	15,730,558	2,872,796	22.3	57,343,566	74,805,131	17,461,565	30.5
December	12,758,512	13,403,001	644,489	5.1	57,221,512	63,455,102	6,233,590	10.9
January	11,564,783	11,839,932	275,149	2.4	54,484,044	59,421,235	4,937,191	9.1
February	11,109,745	10,711,412	(398,333)	(3.6)	51,215,407	53,174,399	1,958,992	3.8
March	12,704,934	13,115,790	410,856	3.2	57,718,810	64,437,331	6,718,521	11.6
April	13,157,333	-	-	-	61,038,030	-	-	-
May	13,521,418	-	-	-	62,968,680	-	-	-
June	13,550,978	-	-	-	64,111,032	-	-	-
Q1 Total	40,999,853	42,576,262	1,576,409	3.8	187,849,410	203,353,721	15,504,312	8.3
Q2 Total	39,541,119	43,603,790	4,062,671	10.3	177,169,672	205,940,870	28,771,198	16.2
Q3 Total	35,379,461	35,667,133	287,672	0.8	163,418,261	177,032,964	13,614,704	8.3
YTD Total	115,920,433	121,847,185	5,926,752	5.1	528,437,342	586,327,555	57,890,213	11.0

⁽¹⁾ Total revenue includes toll revenue and other revenue.



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We appreciate the opportunity to monitor traffic and revenue trends and forecasting performance on the MDTA facilities. Do not hesitate to contact us should you require additional background information on the analysis presented in this report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Adam Aceto".

Adam Aceto
Project Manager
CDM Smith Inc.

A handwritten signature in black ink, appearing to read "Kelly Morison".

Kelly Morison
Task Manager
CDM Smith Inc.

ITEM

7



Maryland Transportation Authority

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

Board Members:

Dontae Carroll	Mario J. Gangemi, P.E.
William H. Cox, Jr.	Cynthia D. Penny-Ardinger
William C. Ensor, III	Jeffrey S. Rosen
W. Lee Gaines, Jr.	John F. von Paris

William Pines, P.E., Executive Director

MEMORANDUM

TO: Finance Committee
FROM: Simon Najar, Travel Plazas Administrator
SUBJECT: Travel Plaza Update
DATE: May 11, 2023

PURPOSE OF MEMORANDUM

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

SUMMARY

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

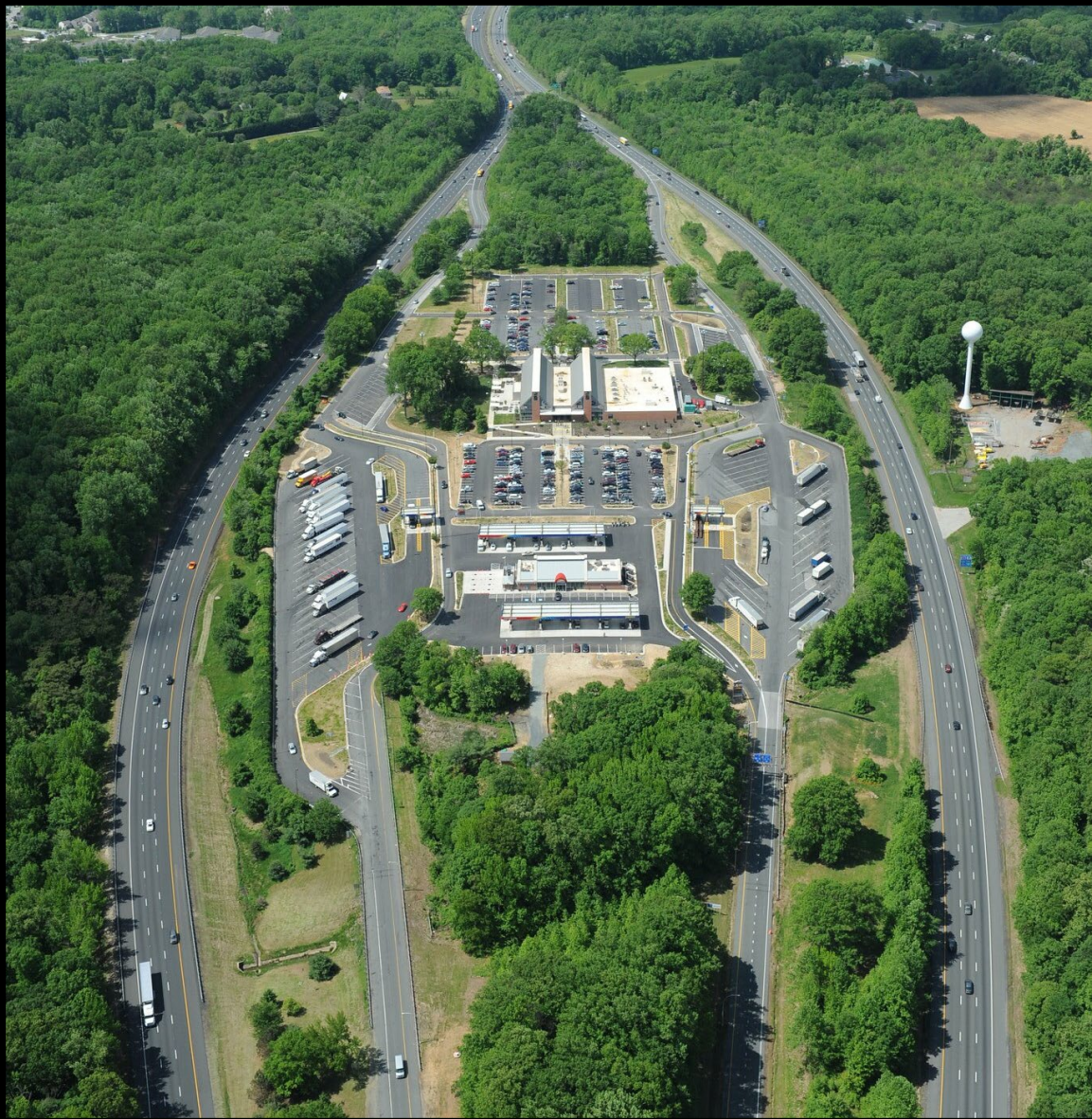
ATTACHMENT

MDTA's Travel Plazas Presentation

MDTA TRAVEL PLAZAS



MDTA FINANCE COMMITTEE MEETING
MAY 11, 2023



AERIAL VIEW OF MARYLAND HOUSE

MARYLAND HOUSE

Opened January 20, 2014





MARYLAND HOUSE



MARYLAND HOUSE

Historical Markers

MONUMENTS
WINERIES
ENTERTAINMENT
COLLEGES
THOROUGHBREDS
SCENERY
LIGHTHOUSE
RURAL
TRAILS
OCEAN
SALT WATER
LAKES
UNIVERSITIES
PREAKNESS
COAST
URBAN
FORT
MCHENRY
RAVENS
S
DEEP CREEK
LAKE
CHANDLER
CAN
MOUNTAIN
COBBLESTON
FOSSIL
CRABBIN
PATAPSC
TIDEWATER
WOODLAND
PATUXENT
RAFTING
MARYLAND
FILM
FESTIVAL
SETTLER
AGRICULTURE
MILLS
HISTORIC
NATIONAL





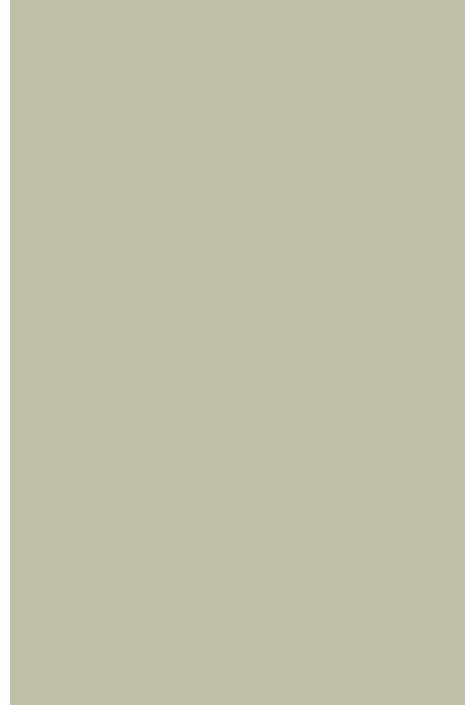
CHESAPEAKE HOUSE

Opened August 5, 2014



CHESAPEAKE HOUSE



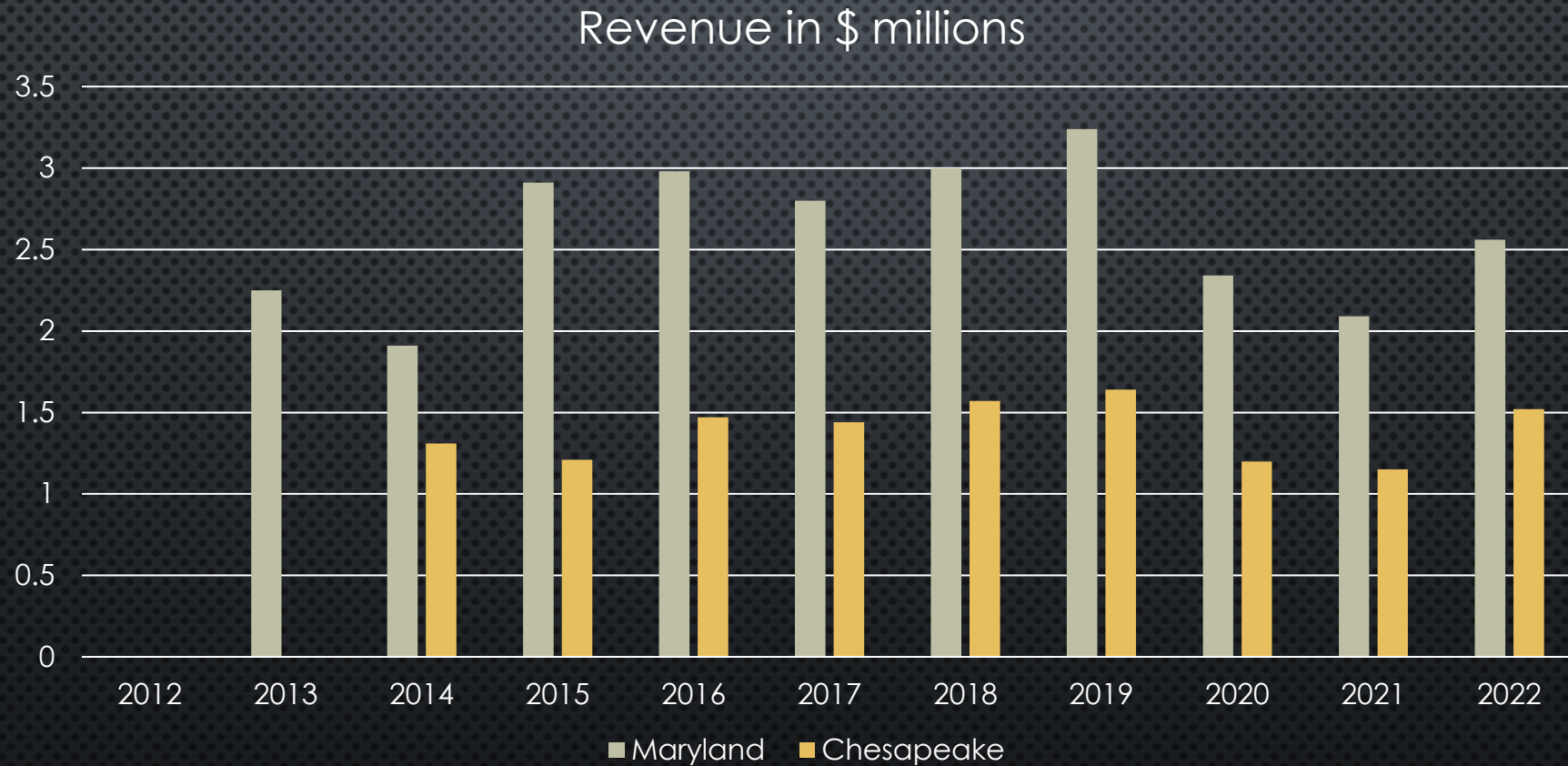


CHESAPEAKE HOUSE

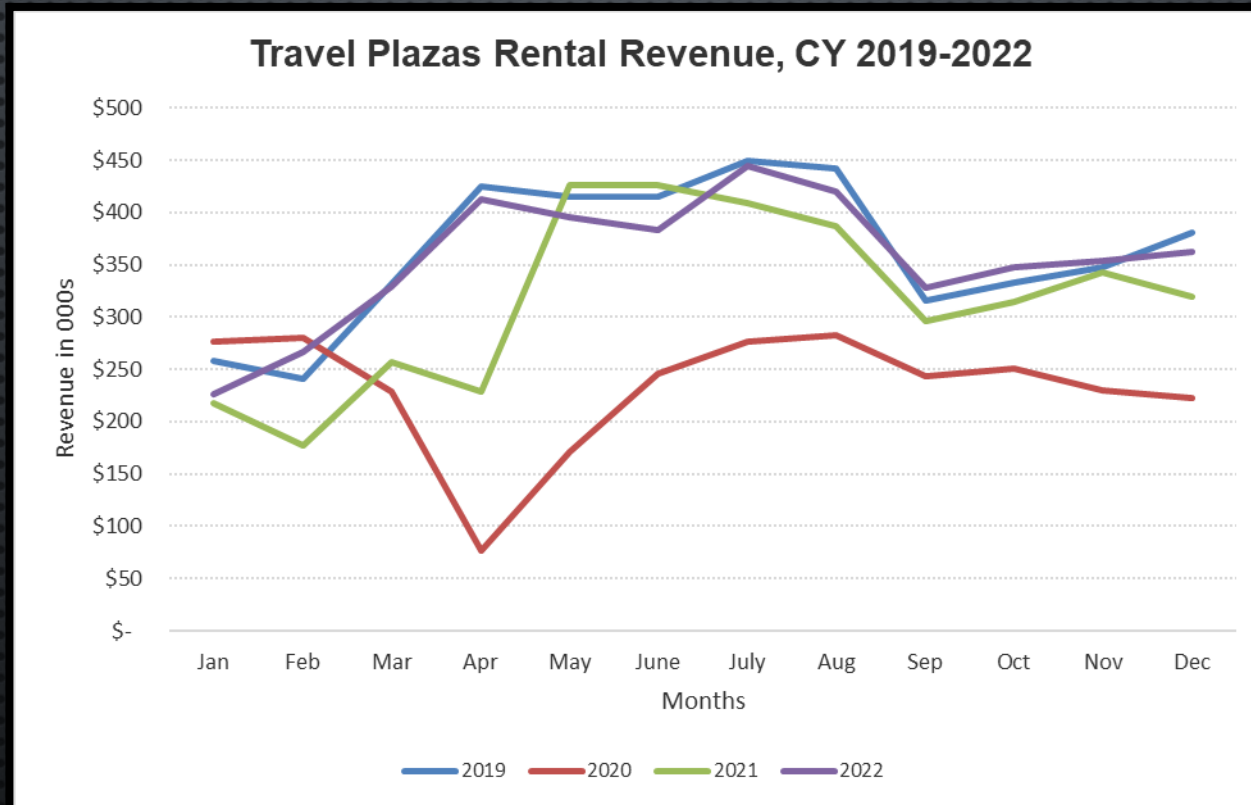


TRAVEL PLAZA REVENUES

FY 2012-2021



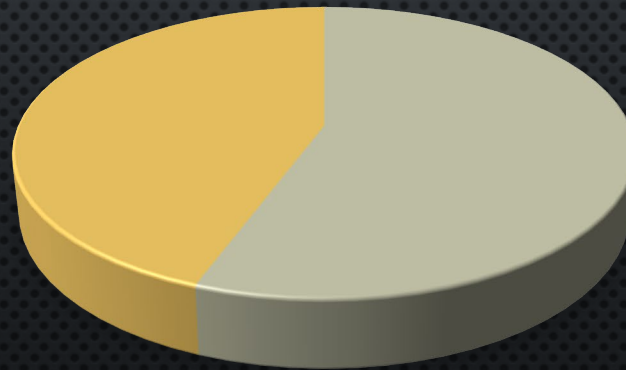
RENTAL REVENUE RECEIVED CY 2019-2022



TRAVEL PLAZAS REVENUE FOR CY 2022

\$4.27 Million
total cash
revenue for
MDTA

**Fuel Stations &
C-Stores
\$1.89 million**



**Chesapeake &
Maryland Houses
\$2.38 million**

TOP 3 CONCEPTS AT THE PLAZAS SALES FOR CY 2022

CHESAPEAKE HOUSE

MARYLAND HOUSE

\$ in millions

Pizza Hut/KFC
\$1.9 vs \$1.3 (CY21)

Sunshine Market
\$3.4 vs \$3.0 (CY21)

Wendy's
\$2.4 vs \$1.9 (CY21)

Wendy's
\$2.5 vs \$2.2 (CY21)

Sunshine Market
\$4.9 vs \$3.6 (CY21)

Dunkin Donuts
\$2.5 vs \$2.6 (CY21)

The MDTA collects 10% of Concession sales as revenue

2022 REVENUE HIGHLIGHTS

HIGHEST MONTHLY SALES SINCE 2017

CHESAPEAKE HOUSE

- MARKETPLACE \$386
- WENDY'S \$260
- KFC/PIZZA HUT \$208

MARYLAND HOUSE

- MARKETPLACE \$562
- WENDY'S \$261
- NATHAN'S \$239

ALL HIGHS POSTED IN JULY 2022

SALES IN \$000s

MDTA RECEIVES 10% OF SALES GENERATED

COMMUNITY AND MILITARY PRIDE

AMERICA'S 911 RIDE

MARYLAND WOMEN IN MILITARY SERVICE MONUMENT

DEDICATED 2014

HONORING WOMEN FROM
THE STATE OF MARYLAND,
PAST AND PRESENT, WHO
HAVE SERVED OUR NATION
HONORABLY AND PROUDLY,
IN WAR AND PEACE



CONTINUOUS CUSTOMER ENHANCEMENTS

- ALL CONCEPTS OPEN
- INCREASED HOURS
- PARKING LOTS AND RAMPS
- RESTROOM RENOVATIONS

LOOK AHEAD

CHALLENGES

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

REFERENCE: CONCESSION REVENUE

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

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

REFERENCE: SUNOCO FUEL SALES

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

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



THANK YOU