

FINANCE COMMITTEE MONTHLY MEETING
TUESDAY, JANUARY 12, 2021
OPEN MEETING VIA LIVESTREAMING

OPEN SESSION

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

STAFF ATTENDING: Lisa Arthur
Jeffrey Brown
Jeffrey Davis
Cheryl Dickinson
Kaushik Dutta
Allen Garman
Chantelle Green
Natalie Henson
Cheryl Lewis-Orr
Kimberly Millender, Esq.
Kenneth Montgomery
Ebony Moore
Mary O’Keeffe
Will Pines
Jim Ports
Deb Sharpless
Dayna Taitt
Christina Thompson
Eric Willison

OTHERS ATTENDING: James Walsh – MDOT - MAA

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

APPROVAL – OPEN AND CLOSED MEETING MINUTES FROM DECEMBER 8, 2020 MEETING

Member von Paris called for the approval of the meeting minutes from the Open and Closed Meeting held on December 8, 2020. Member Jeffrey Rosen made the motion, and Member Cynthia Penny-Ardinger seconded the motion, which was unanimously approved.

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APPROVAL – CONTRACT NO. J01B0600021 – ENTERPRISE BUDGET SOFTWARE SOLUTION

Ms. Lisa Arthur and Mr. Kaushik Dutta requested a recommendation for approval from the Finance Committee to present Contract No. J01B0600021 OpenGov Enterprise Budget Software System to the full Maryland Transportation Authority (MDTA) Board at its next scheduled meeting.

This contract provides for the implementation and annual licenses for the OpenGov Software-as-a-Service platform to provide the MDTA Division of Finance the ability to create an annual budget by line item for multiple divisions/programs for monitoring, analyzing, forecasting, and reporting budgetary spending across multiple years. The MDTA intends to use the software to collect multiple budget requests that can be captured simultaneously and can roll up into a unified budget or any report dynamically and without any batch process.

The contract was procured as an Intergovernmental Cooperative Purchasing Agreement using the National Association of State Procurement Officials ValuePoint Cloud Solutions Intergovernmental Cooperative Purchasing Contract. Three master contractors authorized to supply OpenGov products were requested to submit quotes. Two master contractors responded, and the recommended awardee supplied the lowest priced quote.

The total amount of the six-year contract is \$2,403,234.44. This includes a five-year base term contract amount of \$2,054,832.38 with a one one-year renewal option of \$348,402.06. The contract does not include MBE or VSBE Goals.

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

APPROVAL – FY 2021 BUDGET AMENDMENT #2

Ms. Christina Thompson requested a recommendation of approval from the Finance Committee to present the FY 2021 Budget Amendment #2 to the full MDTA Board at its next scheduled meeting.

The FY 2021 Amended Operating Budget totals \$306,036,645. This represents an increase of \$1,427,097, or 0.5% above the FY 2021 Amended Operating Budget. Significant changes from the FY 2021 Amended Operating Budget include a net \$1.4 million increase in personnel expenses due to (1) a 2% cost-of-living adjustment for civilian employees; (2) a collectively bargained for step increase for the police; (3) premium pay granted to law enforcement officers due to COVID-19; and (4) a reduction in the budget due to an increase in the turnover rate

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for law enforcement services provided to the Maryland Port Administration and Maryland Aviation Administration. The budget amendment also includes a zero net sum reallocation of expenses between certain responsibility centers.

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.

APPROVAL – MDTA BOARD RESOLUTION 21-01, PFC BONDS INTEREST CAPITALIZATION

Mr. Allen Garman requested a recommendation of approval from the Finance Committee to present the MDTA Board Resolution 21-01, Passenger Facility Charge (PFC) Bonds Interest Capitalization to the full MDTA Board at its next scheduled meeting.

Mr. Garman explained that the resolution authorizes the use of up to \$12.9 million of Series 2019 PFC bond proceeds to retroactively and advance fund a portion of debt service in 2019 through 2023. This action will increase PFC debt service coverage in fiscal 2021 and 2022 and mitigate reduced revenues associated with the pandemic. In response to the diminished enplanements at the BWI Airport, the MAA intends to defer certain capital projects that were designated in the original financing resolution for the Series 2019 PFC bonds, including the Concourse D HVAC improvements and the Federal Inspection Service Hall Reconfiguration. The early funding of the bond service trust account will legally reduce debt service for purposes of the debt service coverage calculation.

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

UPDATE – NON-RECOURSE FINANCINGS & LOANS

Mr. Allen Garman and Ms. Dayna Taitt provided an update to the Finance Committee on non-recourse debt issued by the MDTA on behalf of others. The update included an explanation of pledged revenues, the monthly flow of funds, specific reserves, and the associated financial implications resulting from the pandemic. The update also included an overview of the status of the loans to the Maryland Department of Transportation and the Maryland Aviation Administration.

UPDATE – FY 2022 PRELIMINARY OPERATING BUDGET – DBM CHANGES

Mr. Jeffrey Brown updated the Finance Committee on the impact of Department of Budget and Management (DBM) fringe benefit changes to the Preliminary FY 2022 Operating Budget. Following the MDTA Board's contingent approval of the Preliminary FY 2022 Operating

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Budget, DBM updated certain fringe benefit rates and charges. As a result of these changes, the budget was reduced by \$904,000, from \$335.2 million to \$334.3 million.

UPDATE – TRAFFIC AND REVENUE

Ms. Cheryl Lewis-Orr and Ms. Deborah Sharpless provided an update to the Finance Committee on the MDTA's year-to-date traffic and revenue performance for the Legacy Facilities, Intercounty Connector, and the I-95 Express Toll Lanes. As of November 30, 2020, systemwide revenue collection is down 40.7%, or \$119 million, and transactions are down 52.7%, or 38.3 million, compared to the same period last year. Approximately 77%, or \$92 million, of the decline is attributed to the COVID-19 pandemic and was reflected in the Traffic and Revenue Forecast. Collected revenue is 13.5%, or \$26.9 million, below forecast, while transactions are 26.5%, or 12.4 million, below forecast. The delay in transitioning to the Third-Generation Electronic Toll Collection System is directly impacting the achievement of the revenue forecast and continues to hinder the MDTA's ability to report revenue and transactions in its traditional format.

There being no further business, the meeting of the Finance Committee adjourned at 10:37 a.m., following a motion by Member Rosen, and seconded by Member Carroll.

John von Paris, Chairman