



Maryland Transportation Authority

FINANCE COMMITTEE

THURSDAY, DECEMBER 7, 2023

MARYLAND TRANSPORTATION AUTHORITY
2310 BROENING HWY
BALTIMORE, MD 21224

FINANCE COMMITTEE MEETING AGENDA
December 7, 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, December 6, 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. **Approval** – Open Meeting Minutes from November 9, 2023 Chairman von Paris 5 min.
2. **Approval** - Contract No. J01B4600002 - Hewlett Packard Charles Markakis 5 min.
Enterprises (HPE) Synergy Hardware Installation Carmine Picarelli
and Training
3. **Approval** - Contract No. MT-00211148 - WPL Janitorial Catherine Anderson 5 min.
Services – MD Works
4. **Approval** - Contract No. SV-00210586 – Right of Way John Wedemeyer 5 min.
Services
5. **Approval** – Investment Committee Report – Quarterly Allen Garman 20 min.
review of investment strategy and benchmarks Clayton Viehweg
6. **Update** – 1st Quarter Budget Comparison – Review of Jeffrey Brown 5 min.
actual vs. projected FY 2024 operating budget
spending
7. **Update** – 1st Quarter Budget Comparison – Review of Jennifer Stump 5 min.
actual vs. projected FY 2024 capital budget
spending
8. **Update** – Quarterly Update on Traffic and Revenue – Cheryl Lewis-Orr 10 min.
Update on the actual performance of traffic and
revenue compared to the forecast through
September 30, 2023

Vote to Adjourn Meeting

ITEM

1

FINANCE COMMITTEE MONTHLY MEETING
THURSDAY, NOVEMBER 9, 2023
OPEN MEETING VIA LIVESTREAMING

OPEN SESSION

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

STAFF ATTENDING: Jeffrey Brown
Percy Dangerfield
Jeffrey Davis
Cheryl Dickinson
Vicky Dobbins
Allen Garman
Chantelle Green
Natalie Henson
Richard Jaramillo
Kimberly Millender, Esq.
Ken Montgomery
Mary O’Keeffe
Deb Sharpless
Jennifer Stump
Timothy Sheets

OTHERS ATTENDING: William Seymour – SB
Sean Walter – CLA
Kelly Morison – CDM Smith

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

APPROVAL – OPEN MEETING MINUTES FROM OCTOBER 12, 2023 MEETING

Member von Paris called for the approval of the meeting minutes from the Open Meeting held on October 12, 2023. Member Jeffrey Rosen made the motion, and Member Cindy Penny-Ardinger seconded the motion, which was unanimously approved.

UPDATE – INDEPENDENT AUDITOR’S REPORT FOR THE FY 2023 FINANCIAL STATEMENTS AUDIT

Ms. Deborah Sharpless introduced Mr. Sean Walker, Principal in Charge of the Maryland Transportation Authority’s (MDTA) audit, from CliftonLarsonAllen, LLP (CLA). Mr. Walker noted that the FY 2023 Financial Statements Audit was primarily focused on the MDTA’s investments, capital assets and leases, revenue recognition, accounting for long-term debt, intergovernmental agency relationships, and financial reporting. CLA also noted as part of its governance, that there were two uncorrected misstatements that were subsequently recorded in FY 2024. CLA issued an unmodified opinion on the financial statements and reported that no material weaknesses or significant deficiencies in the MDTA’s internal controls were identified.

UPDATE – INDEPENDENT AUDITOR’S REPORT FOR THE FY 2023 SERVICE ORGANIZATION CONTROLS 1 AND CONTROLS 2 REPORT

Mr. William Seymour, Engagement Partner from SB & Company, briefed the Finance Committee on the results of the FY 2023 Service Organization Controls (SOC) 1 Type 2 and SOC 2 Type 2 Reports for the Maryland *E-ZPass*[®] System. Mr. Seymour noted that for the FY 2023 audit period, unmodified opinions were issued for the SOC 1 Type 2 and SOC 2 Type 2 audits. Most of the exceptions (*i.e.*, findings) noted in the reports were addressed.

UPDATE – BRIDGES & TUNNELS PROPERTY INSURANCE COVERAGE

Ms. Deb Sharpless provided an update to the Finance Committee on the insurance coverage for the MDTA’s bridges and tunnels. Following an extensive discussion regarding the insurance coverage options under consideration by management, the Finance Committee concurred with the decision to pursue Option 4 which includes a \$50 million deductible and 30-day waiting period.

Note – Member Dontae Carroll left the meeting at 9:45 am.

UPDATE – ANNUAL TRAFFIC AND REVENUE FORECAST

Ms. Chantelle Green and Ms. Kelly Morison from CDM Smith provided an update to the Finance Committee on the Traffic and Revenue (T&R) Forecast for the legacy facilities, the Intercounty Connector (ICC), and the I-95 Express Toll Lanes (ETL). On a systemwide basis, through fiscal year (FY) 2029, forecasted revenues are expected to increase by \$353.9 million, or 6.7 percent, compared to the previous forecast.

APPROVAL – FY 2025 PRELIMINARY OPERATING BUDGET

Mr. Jeffrey Brown requested a recommendation for approval from the Finance Committee to the full MDTA Board of the FY 2025 Preliminary Operating Budget. Mr. Brown explained that the proposed FY 2025 operating budget of \$427.0 million represents a \$26.9 million, or a 6.7 percent increase versus the FY 2024 Final Budget. The FY 2025 operating budget reflects a \$9.4 million increase in mandatory spending, a \$20.4 million increase in discretionary spending, and a \$2.9 million reduction in discretionary spending. The key drivers for the increase in projected spending are mandated personnel expenses, insurance premiums, *E-ZPass*[®] service center costs and engineering costs.

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

APPROVAL – FINAL FY 2024-2029 CONSOLIDATED TRANSPORTATION PROGRAM

Ms. Jennifer Stump requested a recommendation for approval from the Finance Committee to the full MDTA Board of the Final FY 2024-2029 Consolidated Transportation Program (CTP). The proposed FY 2024-2029 CTP is \$3.1 billion and reflects a net increase of \$393.1 million over the six-year period. The increase is the net result of a (1) \$780,000 increase for the Nice/Middleton Bridge; (2) \$4.9 million increase for the I-95 Express Toll Lanes (ETL) Northbound Extension; (3) \$209.5 million increase in the allocated and unallocated reserves; and (4) \$177.9 million increase in funding for all projects (excluding the Nice/Middleton Bridge and I-95 ETL). The increase also reflects the rollover of \$33.1 million in unexpended funds from FY 2023 into Final FY 2024-2029 CTP.

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 – DEBT POLICY

Mr. Allen Garman requested a recommendation for approval from the Finance Committee to the full MDTA Board for the approval of the Debt Policy. The Board Policy on Debt Management establishes the guidelines for the process by which the MDTA issues and manages debt and provides guidance to the MDTA Board and staff to ensure that a sound debt position and strong credit quality is maintained.

Mr. Garman advised that following a review of the MDTA's unencumbered cash requirement by internal staff and the MDTA's two municipal advisory firms, there is a recommendation to revise the \$350 million Unrestricted Cash target to \$400 million. The Unrestricted Cash target has not been raised since 2009 but should be adjusted upwardly, periodically, to reflect growth in the agency and the impact of inflation. Increasing the Cash Reserve is necessitated by rating agency metrics for Toll Sector entities in the double-A ratings category. The highest possible credit ratings in the double-A ratings category ensure bond market access at the lowest possible financing rates. Low financing rates support some combination of larger capital programs and lower required toll rates. The cost of maintaining a larger cash reserve is less than the long-term cost associated with financing as a lower rated borrower.

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

APPROVAL – FY 2024-2029 FINANCIAL FORECAST

Ms. Chantelle Green requested a recommendation for approval from the Finance Committee to the full MDTA Board of the MDTA's FY 2024-2029 Financial Forecast. Ms. Green noted that the forecast has been updated to include the most recent T&R forecast, the FY 2025 Preliminary Operating Budget, and the Final FY 2024-2029 CTP. Throughout the six-year period, the MDTA will meet all required financial goals and minimum legal standards through FY 2028. Based on the current forecast estimates, beginning in FY 2029, a systemwide toll increase will be necessary to maintain 2.0 times debt coverage throughout the remainder of the FY 2024-2029 forecast period. The actual timing of a toll increase will depend on many factors that impact the MDTA's financial standards, such as inflationary pressures, deferred maintenance policies, toll revenue attainment, mandated operating budget increases, and debt issuance costs and timing.

Member von Paris called for the approval of the FY 2024-2029 Financial Forecast. Member Rosen made the motion, and Member Penny-Ardinger seconded the motion, which was unanimously approved.

UPDATE – BI-ANNUAL REVIEW OF REVENUE SUFFICIENCY

Ms. Chantelle Green provided the Finance Committee with an update on the Bi-Annual Review of Revenue Sufficiency for the FY 2024-2029 financial forecast period. Ms. Green noted that the MDTA's Board Policy requires a bi-annual review of revenue sufficiency to determine if current rates and fee levels are appropriate based on levels of expected spending. Given that the agency expects to meet its financial coverage ratios and targeted unencumbered cash position through FY 2028, the MDTA's current toll rates, fees, and discounts provide enough revenue in the immediate near-term to meet forecasted spending as well as all legal and policy requirements.

There being no further business, the meeting of the Finance Committee adjourned at 10:49 a.m., following a motion by Member Rosen and seconded by Member Penny-Ardinger.

John von Paris, Chairman

ITEM

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MEMORANDUM

To: Finance Committee
From: Charles Markakis, Assistant Director, Infrastructure Services
Carmine Picarelli, Data Center and Technical Systems Manager
Subject: Contract No.: J01B4600002 – Hewlett Packard Enterprises (HPE) Synergy Hardware,
Installation and Training
Date: December 7, 2023

PURPOSE OF MEMORANDUM

To seek recommended approval from the Finance Committee to present Contract No. J01B4600002, Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, and Training to the full MDTA Board at its next scheduled meeting.

SUMMARY

This SBR contract is for the provision of a one-time purchase of Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, Training and Extended Warranties for use by the MDTA ICC Data Center Site and the MDTA JFK Data Center Site. The total amount for this contract is \$736,781.30.

RECOMMENDATION(S)

To obtain recommended approval by the Finance Committee to present Contract No. J01B4600002, Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, and Training to the full MDTA Board at its next scheduled meeting.

ATTACHMENT

- Finance Committee Project Summary



Maryland
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FINANCE COMMITTEE PROJECT SUMMARY

CONTRACT NUMBER. J01B4600002 SBR-HEWLETT PACKARD ENTERPRISES (HPE) SYNERGY HARDWARE, INSTALLATION, AND TRAINING

PIN NUMBER

CONTRACT NUMBER

J01B4600002

CONTRACT TITLE

SBR-Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, and Training

PROJECT SUMMARY

This SBR contract is for the provision of a one-time purchase of Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, Training and Extended Warranties for use by the MDTA ICC Data Center Site and the MDTA JFK Data Center Site. The total amount for this contract is \$736,781.30.

SCHEDULE

ADVERTISEMENT DATE

9/27/2023

ANTICIPATED NTP DATE

1/31/2024

DURATION (CALENDER DAYS)

One Time Purchase

MBE PARTICIPATION

OVERALL MBE

0.00%

ADVERTISED GOAL (%)

PROPOSED GOAL (%)

AFRICAN AMERICAN

ASIAN AMERICAN

VSBE

0.00%

0.00%

ENGINEER'S ESTIMATE (EE)

(\$)
\$1,500,000.00

BID RESULTS

BID AMOUNT (\$)

% VARIANCE TO EE

Advanced Computer Concepts, Inc.

\$736,781.30

-50.88%

Applied Technology Services, Inc.

\$761,473.96

-49.24%

Universal Adaptative Consulting

Services, Inc.

\$805,447.86

-46.30%

Electronic Data Solutions, Inc.

\$2,151,428.85

43.43%

IP Data Systems, Inc.

\$2,265,552.50

51.04%

BID PROTEST

YES

NO

Check

Check

ITEM

3



Maryland
Transportation
Authority

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

Board Members:

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

Percy E. Dangerfield, Acting Executive Director

MEMORANDUM

To: Finance Committee
From: Catherine Anderson, OSS, Contracts and Projects Program Administrator Installation
Subject: Contract No. MT-00211148, Janitorial Services – WPL Memorial Bridge Facilities
Date: December 7, 2023

PURPOSE OF MEMORANDUM

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

SUMMARY

This contract provides comprehensive janitorial services including supervision, supplies, labor, and equipment at the William Preston Lane (WPL) Memorial Bridge facilities. This contract will be performed by a Community Service Provider: **National Center on Institutions and Alternative, Inc. (NCIA)**. The Pricing and Selection Committee approved the rates for these services on November 16, 2023. Janitorial supplies are included in the contract total and the contract specifies that supplies be purchased from Blind Industries of Maryland, also a Community Service Provider.

- Cost for base three years: **NTE: \$ 803,839.45**
- Cost for two-year renewal: **NTE: \$ 562,744.35**
- Total cost for five years: **NTE: \$1,366,583.80**

- MBE/VSBE Goal: 0% (Preferred Provider)

Bid justification is not required.

This Contract exceeds the delegated procurement authority of the Maryland Transportation Authority; and therefore, will be presented to the Board of Public Works on **January 17, 2024**.

RECOMMENDATION

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

ATTACHMENT

- Finance Committee Project Summary



FINANCE COMMITTEE PROJECT SUMMARY

Contract No. MT-00211148 Janitorial Services - William Preston Lane (WPL) Memorial Bridge Facilities

PIN NUMBER N/A
CONTRACT NUMBER MT-00211148
CONTRACT TITLE Janitorial Services - William Preston Lane (WPL) Facilities

PROJECT SUMMARY This (Community Services) contract provides comprehensive janitorial services including supervision, supplies, labor, and equipment at the (WPL) Memorial Bridge facilities: National Center on Institutions and Alternative (NCIA). The Pricing and Selection Committee approved the rates for these services on November 16, 2023. Janitorial supplies are included in the contract total and the contract specifies that supplies be purchased from Blind Industries of Maryland, also a Community Service Provider.

		MBE PARTICIPATION (N/A)		
		MBE PARTICIPATION - OVERALL	ADVERTISED GOAL (%)	PROPOSED GOAL (%)
SCHEDULE		OVERALL MBE	0.00%	0.00%
ADVERTISEMENT DATE	N/A	VSBE	0.00%	0.00%
ANTICIPATED NTP DATE	2/1/2024			
DURATION/TERM	Three (3) Years w/one 2-Year Renewal Option			
		BID PROTEST	YES	NO
				✓

NAME OF COMPANY National Center on Institutions and Alternatives, Inc.
PRICING \$1,366,583.80 (NTE) Cost for 5 Years

ITEM

4



MEMORANDUM

TO: Finance Committee
FROM: John Wedemeyer Contract Manager
SUBJECT: Contract No. SV-00210586, Right of Way Services
DATE: October 26, 2023

PURPOSE

To seek recommended approval from the Finance Committee to present Contract No. SV-00210586 to the full MDTA Board at its next scheduled meeting.

SUMMARY

This contract is for the provision of professional Right of Way support services, such as project management, the development of right-of-way cost estimates, real estate appraisals and appraisal reviews, real estate surveys and survey reviews, support for acquisitions and dispositions, support for relocations, support for settlements, condemnation support, GIS (Geographic Information System Mapping) support, title services, and other related right-of-way services. The resulting contract will assist Real Estate Services staff in meeting its short-term and long-term goals, as it supports the customer service, mobility and financial needs of Real Estate Services.

This contract was advertised as a Request for Proposals (RFP) under Solicitation No. SV-00210586. Two (2) Proposals were received. This was a best value contract where Technical and Financial elements of the RFP were of equal importance. The recommended awardee, Johnson, Mirmiran & Thompson, Inc. (JMT), was ranked first overall and provided the best value to the State with the lowest Financial Proposal and first ranked Technical Proposal. This Contract has a base term of three (3) years with one (1) two (2) year Renewal Option for a total contract term of five (5) years in the Not to Exceed (NTE) amount of \$11,467,000.

This Contract exceeds the delegated procurement authority of the Maryland Transportation Authority; and therefore, will need to be presented to the Board of Public Works at the next available meeting.

RECOMMENDATION

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

ATTACHMENT

- Finance Committee Project Summary



FINANCE COMMITTEE PROJECT SUMMARY
Contract No. SV-00210586 - Right of Way Services

PIN NUMBER N/A
CONTRACT NUMBER SV-00210586
CONTRACT TITLE Right of Way Services

PROJECT SUMMARY The purpose of this contract is to provide the MDTA with project management, development of right-of-way cost estimates, real estate appraisals and appraisal reviews, real estate surveys and survey reviews, support for acquisitions and dispositions, support for relocations, support for settlements, condemnation support, GIS (Geographic Information System Mapping) support, title services, and other related right-of-way services. The resulting contract will assist Real Estate Services staff in meeting its short-term and long-term goals, as it supports the customer service, mobility and financial needs of Real Estate Services.

		MBE PARTICIPATION (N/A)		
		MBE PARTICIPATION - OVERALL	ADVERTISED GOAL (%)	PROPOSED GOAL (%)
SCHEDULE				
ADVERTISEMENT DATE	4/19/2023	OVERALL MBE	15.00%	15.00%
ANTICIPATED NTP DATE	3/1/2024	VSBE	1.00%	1.00%
DURATION/TERM	Three (3) Years w/one 2-Year Renewal Option			
		BID PROTEST	YES	NO
				✓

BID RESULTS	BID AMOUNT(S)
Johnson, Mirmiran & Thompson, Inc.	\$ 11,467,000.00
Bowman Consulting Group, Ltd.	\$ 19,589,350.00

ITEM

5



MEMORANDUM

TO: Finance Committee
FROM: Clayton D. Viehweg, Investment Administrator
Allen W. Garman, Director of Treasury & Debt
SUBJECT: Investment Report
DATE: December 7, 2023

PURPOSE OF MEMORANDUM

Complete required quarterly review of investment report for the three-month period ended September 30, 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.

Investment Report

Page Two

RECOMMENDATION

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

ATTACHMENT

Performance Report Finance Committee 9 30 23



Maryland
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Authority

Investment Portfolio Management & Performance

Period Ended – September 30, 2023

Meeting Date – December 7, 2023

Agenda & Key Points

Agenda

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

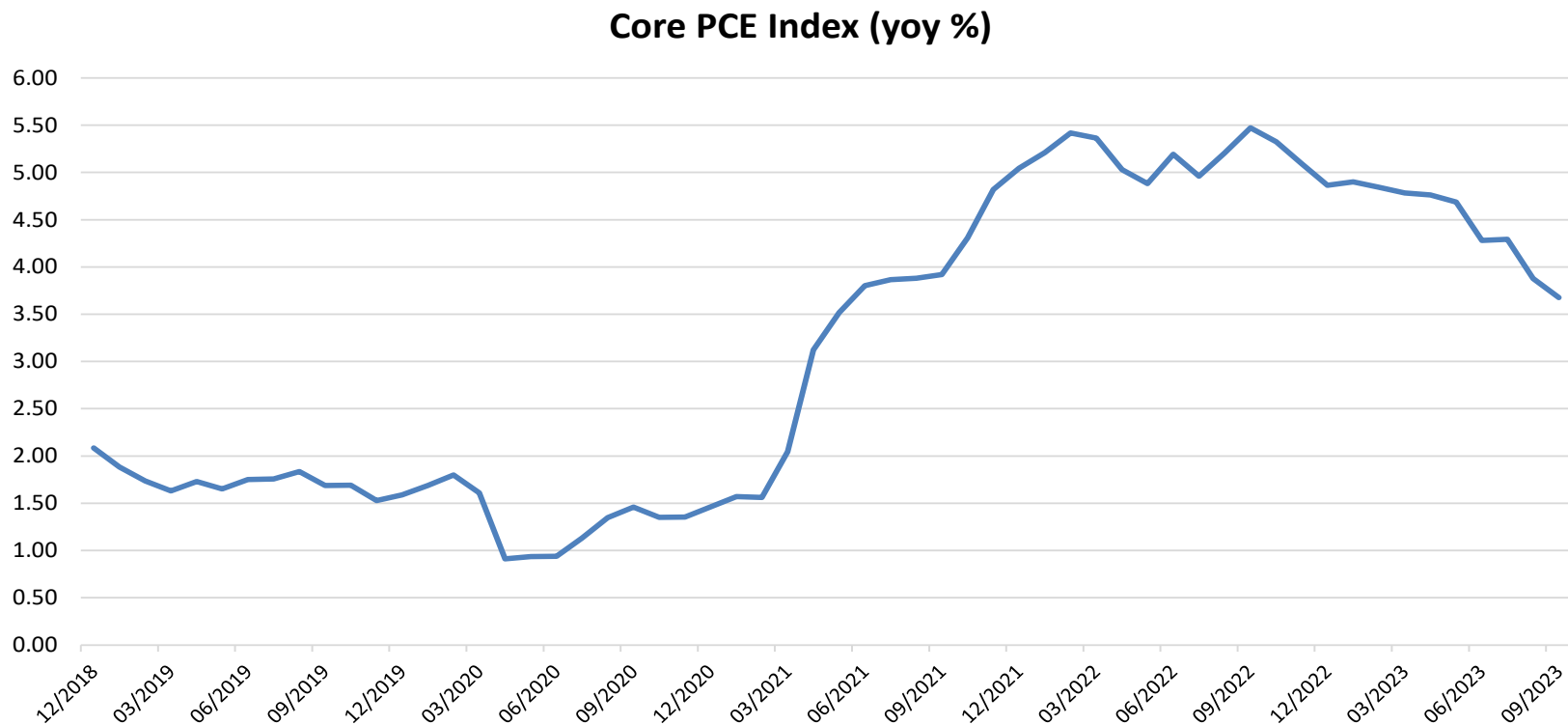
Key Points

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

Market Update – Economy, Federal Reserve & Bond Market

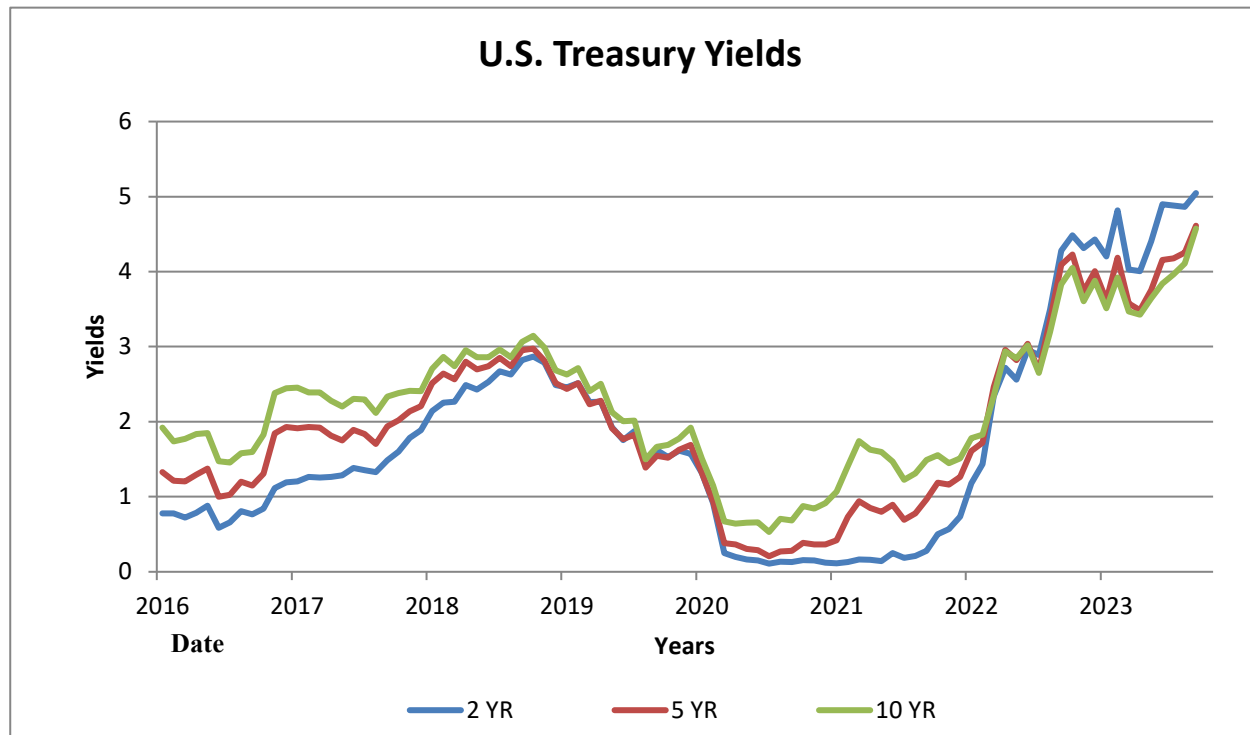
- Federal Reserve’s preferred measure of inflation, Core PCE, continues to show inflation moderation.
- Commodity price declines over the past several months demonstrate some degree of post pandemic supply normalization and that the Federal Reserve’s monetary policy tightening is impacting demand. Feedstock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



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

	<u>Q3 2023</u>	<u>Q2 2023</u>	<u>Q1 2023</u>	<u>Q4 2022</u>	<u>Q3 2022</u>	<u>Q2 2022</u>	<u>Q1 2022</u>	<u>Q4 2021</u>
Real GDP (YOY)	2.90%	2.40%	1.70%	0.70%	1.70%	1.90%	3.60%	5.40%
Core PCE Inflation (YOY)	3.68%	4.28%	4.78%	4.87%	5.47%	5.19%	5.55%	5.24%
Unemployment	3.80%	3.60%	3.50%	3.50%	3.50%	3.60%	3.60%	3.90%

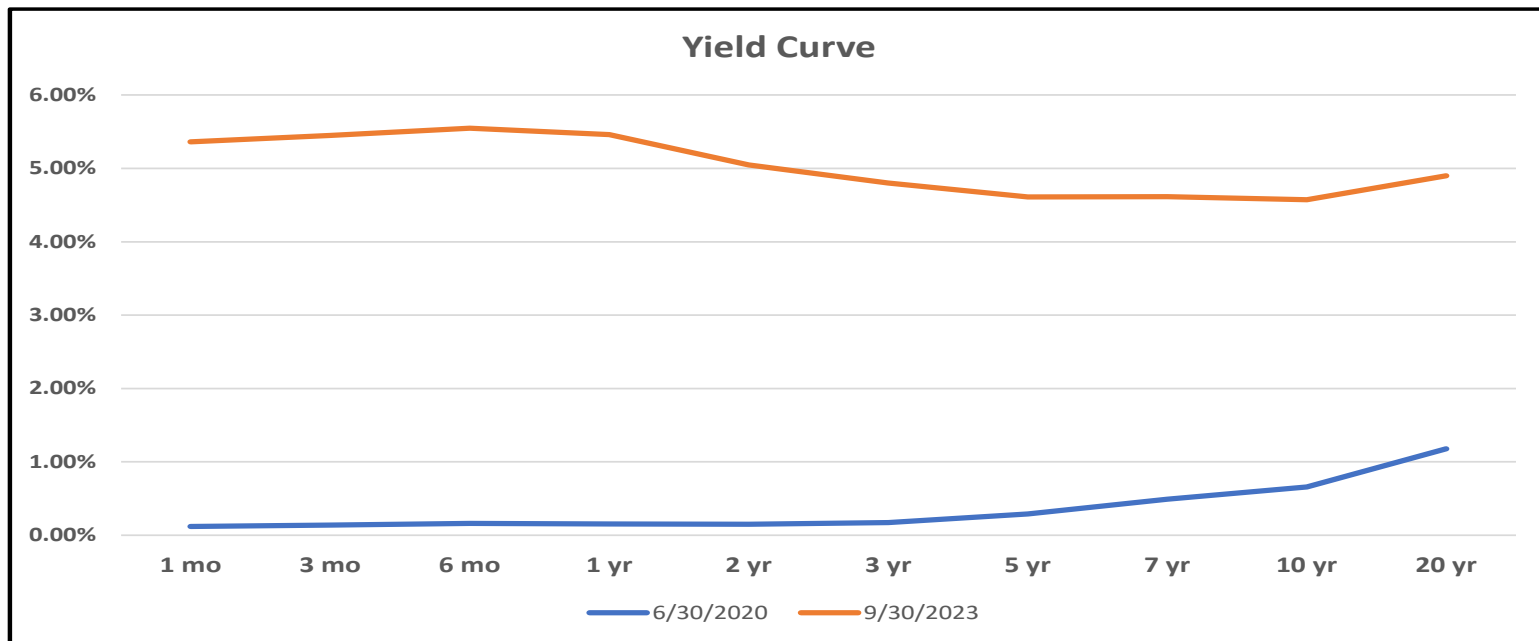


- **Federal Reserve:** Tightening monetary policy to combat inflation in excess of 2% objective.
 - Increased federal funds rate 525 bps since 1/1/22.
 - Balance sheet reductions, \$95 billion monthly.

Market Update – Economy, Federal Reserve & Bond Market

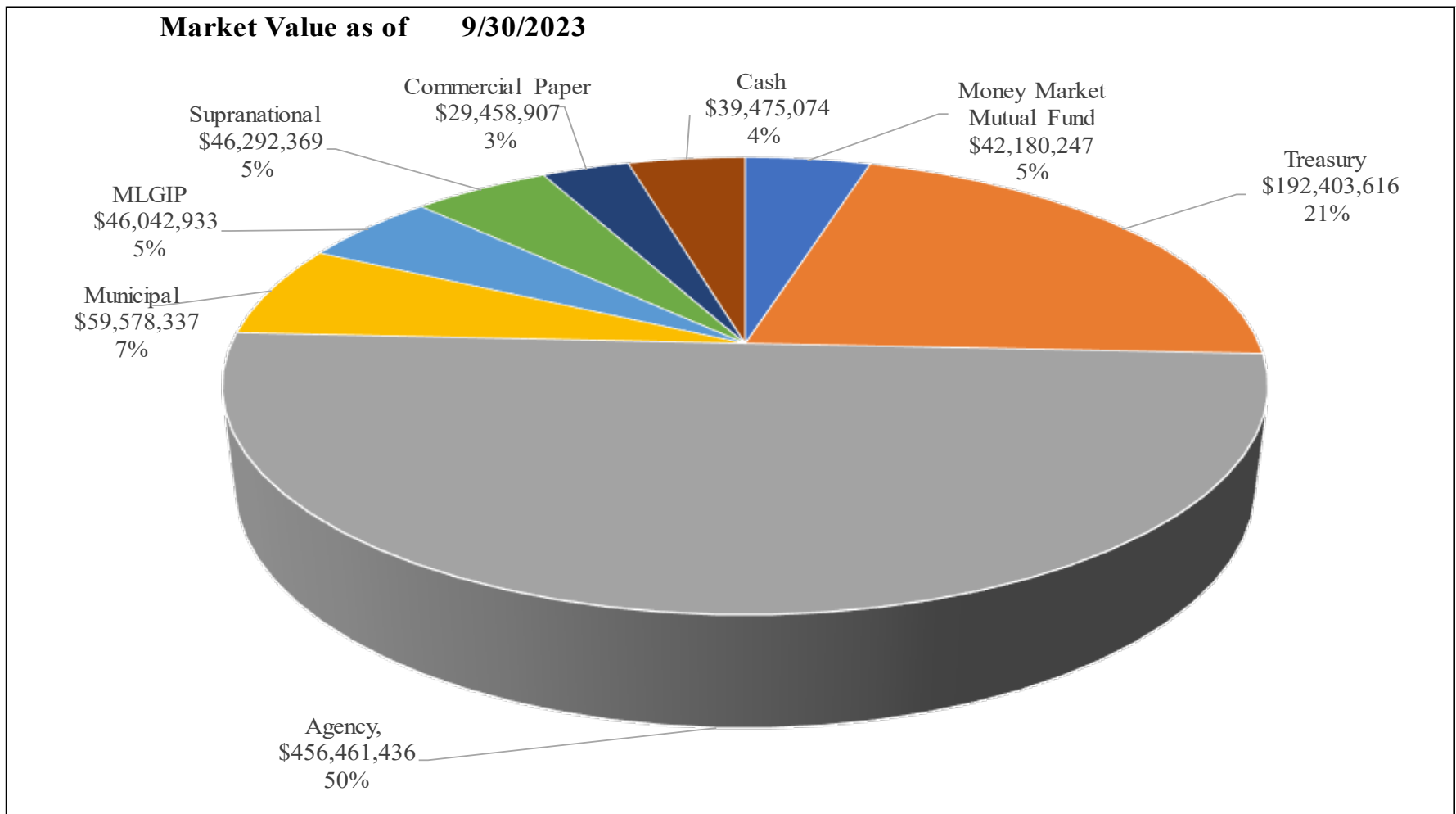
- Total Return Perspective - Accruals help offset negative bond price changes in a rising rate environment.
- Index Yield was 0.35% at 6/30/20 and rose to 5.00% at 9/30/23, sample securities below are representative of the whole General account portfolio in terms of duration.
- In higher interest rate environments, bond portfolios are less likely to experience negative annual total returns as a function of larger accruals.
- Table below demonstrates a negative 1.66% single year total return for a treasury security with an initial yield of 0.35% that experiences a price decline associated with a 100 bp rise in rates.
 - The same security purchased with an initial 5% yield and experiencing the same 100 bp rise in rates would result in a positive total return for the year of 3.02%.

SECURITY	COUPON (INTEREST)	STARTING YIELD	RATE CHANGE	ENDING YIELD	INITIAL PRICE	PRICE POST HIKE	PRICE RETURN	TOTAL RETURN
T 6.625% 2/15/27	6.625%	0.35%	1.00%	1.35%	120.613	111.94	-7.19%	-1.66%
T 6.625% 2/15/27	6.625%	5.00%	1.00%	6.00%	104.887	101.320	-3.40%	3.02%

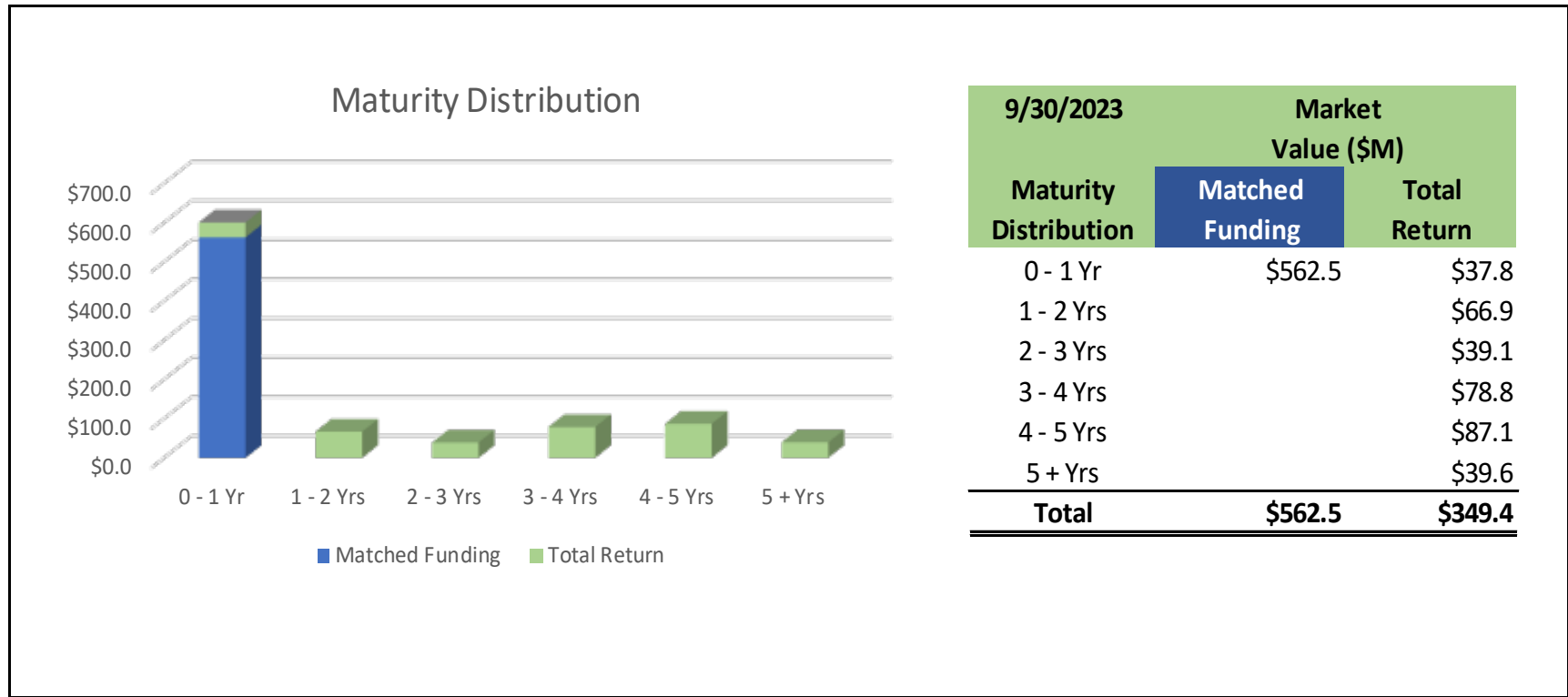


Portfolio Composition & Compliance – Security Composition

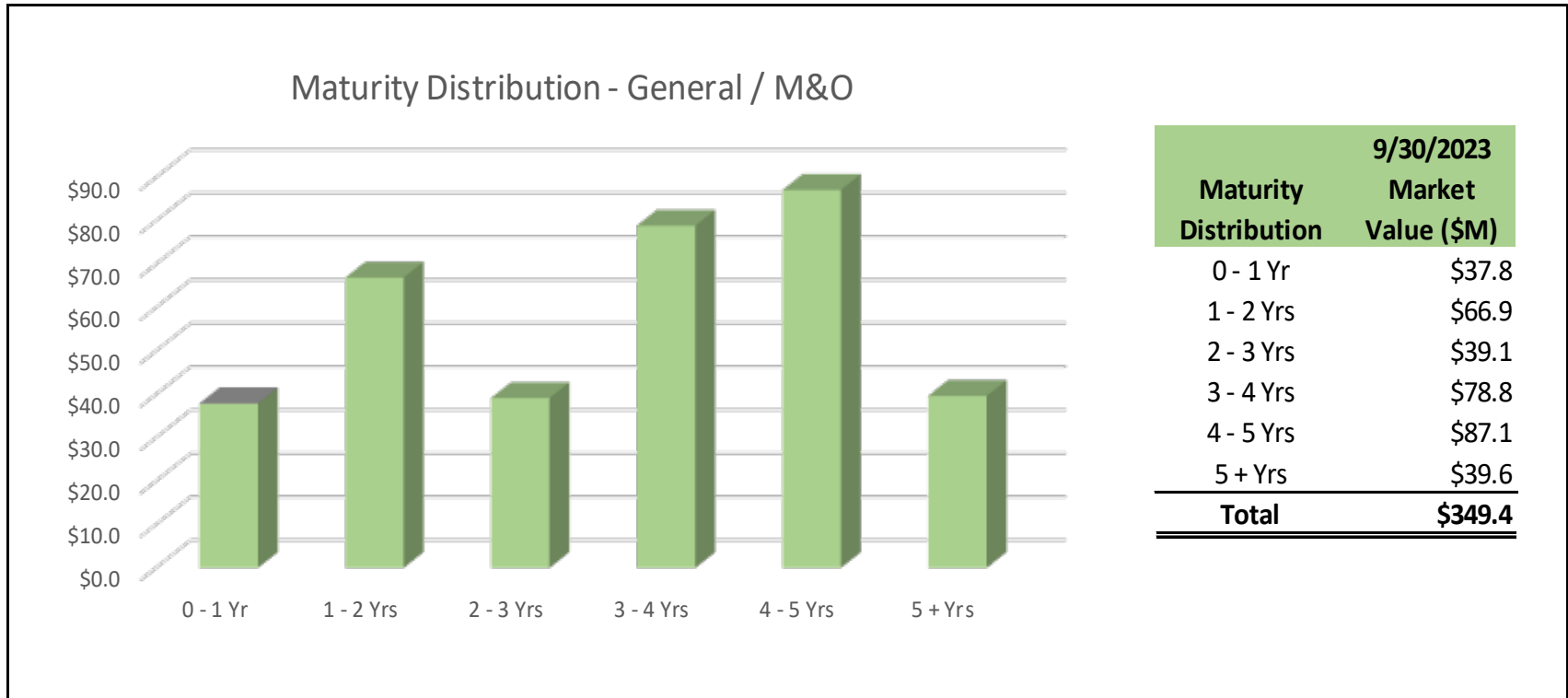
- High quality and diversified portfolio
 - Capitalizing on relative value opportunities
 - Higher yield for similar maturities and credit risk
 - Aligning with cash flow needs
 - Minimizing credit risks associated with ratings downgrades and/or defaults



Portfolio Composition & Compliance – Maturity Distribution (All Accounts) ⁷



- Match Funded accounts necessitate maturities heavily weighted within 1 year.
 - Driven by cashflow schedule for debt service, operating expenses, and capital spending.
 - Debt service: \$40M
 - Operating: \$40M
 - Capital: \$482M



- Total Return reserve accounts align durations with benchmark indices.
 - Dispersion of maturities—reduces yield curve concentration risk & 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 6/30/23 through 9/30/23
 - 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) *			4.9	5	Yes			
Unrestricted (M&O)			14.2	15	Yes			
* Investment Policy permits maturities to 15 years, longer if approved by CFO. Maturity Limits measured on Settlement Date basis.								
			Credit Ratings		Market	Investment	Compliance	
			S&P	Moody's	Market Value (\$)	% of Total	Policy Limit	With Investment Policy
Cash					39,475,074	4.3%		
Money Market Mutual Funds								
- Goldman Sachs Financial Square Gov't FGTX	AAAm	Aaa-mf			40,670,156	4.5%	100%	Yes
- MLGIP	AAAm	NR			46,042,933	5.0%	50%	Yes
- Dreyfus Gov't Cash DGCXX	AAAm	Aaa-mf			1,510,091	0.2%	100%	Yes
Sub-Total Money Market Mutual Funds					88,223,180	9.7%	100%	Yes
U.S.Treasuries	AA+	Aaa			192,403,616	21.1%	100%	Yes
Federal Agencies								
- Fannie Mae	AA+	Aaa			38,291,929	4.2%	50%	Yes
- Federal Farm Credit Bank	AA+	Aaa			53,672,333	5.9%	50%	Yes
- Federal Home Loan Bank	AA+	Aaa			346,261,174	38.0%	50%	Yes
- Freddie Mac	AA+	Aaa			18,236,000	2.0%	50%	Yes
Sub-Total Federal Agencies					456,461,436	50.1%	100%	Yes

Portfolio Composition & Compliance – Compliance Report (continued)

	Credit Ratings		Market Value (\$)	Market % of Total	Investment Policy Limit	Compliance With Investment Policy
	S&P	Moody's				
Municipal Debt						
- Austin, TX Comm Coll	AA+	Aa1	753,810	0.1%	5%	Yes
- Bergen County, NJ	NR	Aaa	2,621,667	0.3%	5%	Yes
- Boston, City of	AAA	Aaa	1,394,410	0.2%	5%	Yes
- Carroll County, MD	AAA	Aaa	1,031,999	0.1%	5%	Yes
- Contra Costa Comm, CA	AA+	Aa1	1,923,160	0.2%	5%	Yes
- Emeryville, CA	AAA	NR	8,733,774	1.0%	5%	Yes
- Hawaii, State	AA+	Aa2	3,001,032	0.3%	5%	Yes
- Marin County, CA	AAA	Aaa	1,520,749	0.2%	5%	Yes
- Multnomah County, OR	AAA	Aaa	1,349,952	0.1%	5%	Yes
- New York, State	AA+	Aa1	8,465,472	0.9%	5%	Yes
- New York City	AA	Aa2	1,178,784	0.1%	5%	Yes
- Oregon Local Govts	NR	Aa2	1,855,740	0.2%	5%	Yes
- Oregon School Board	AA	Aa2	8,745,898	1.0%	5%	Yes
- Santa Clara County	AAA	NR	661,750	0.1%	5%	Yes
- Solano County Community	AA	Aa2	851,092	0.1%	5%	Yes
- Texas, State	AAA	Aaa	5,934,770	0.7%	5%	Yes
- Travis County Health, Texas	NR	Aa2	2,036,265	0.2%	5%	Yes
- Tulsa ISD, OK	NR	Aa2	4,754,029	0.5%	5%	Yes
- Westchester County, NY	AA+	Aa1	730,240	0.1%	5%	Yes
- Wisconsin, State	AA+	Aa1	2,033,745	0.2%	5%	Yes
Sub-Total Municipal			59,578,337	6.5%	20%	Yes
Supranationals						
- Asian Development Bank	AAA	Aaa	12,115,733	1.3%	10%	Yes
- International Bank for Reconstruction & Development	NR	Aaa	19,798,636	2.2%	10%	Yes
- Inter-American Development Bank	AAA	Aaa	14,378,000	1.6%	10%	Yes
Sub-Total Supranationals			46,292,369	5.1%	30%	Yes
Commercial Paper						
- Toyota Motor Credit	A-1+	P-1	29,458,907	3.2%	5%	Yes
Sub-Total Commercial Paper			29,458,907	3.2%	20%	Yes
Grand Total			911,892,918	100.0%		

After reviewing the investment activity for the month ended September 30, 2023, we have not identified any instances of material non-compliance with the Investment Policy.

Trade Allocation by Dealer

Broker Name	# Trades	% Trades	Trade Allocation - Trailing 12 Month Period Ended 9/30/2023					
			\$ Purchase	% Purchas	\$ Sale	% Sale	\$ Total	% Total
FHN Financial	28	21%	\$ 94,332,198.48	14%	\$ 10,368,124.23	8%	\$ 104,700,322.71	13%
Wells Fargo Securities	27	20%	\$ 105,789,281.22	16%	\$ 54,818,890.48	45%	\$ 160,608,171.70	20%
Piper Jaffray	20	15%	\$ 97,124,916.95	14%	\$ 10,514,878.16	9%	\$ 107,639,795.11	13%
Jefferies & Co	15	11%	\$ 58,401,468.83	9%	\$ 2,726,460.00	2%	\$ 61,127,928.83	8%
Cantor Fitzgerald	11	8%	\$ 83,655,986.02	12%	\$ 23,551,473.04	19%	\$ 107,207,459.06	13%
BNY Mellon	11	8%	\$ 86,829,310.04	13%	\$ 1,535,202.87	1%	\$ 88,364,512.91	11%
Bank of America Securities	8	6%	\$ 31,878,504.27	5%	\$ -	0%	\$ 31,878,504.27	4%
Janney Montgomery	7	5%	\$ 17,681,774.72	3%	\$ 16,830,680.36	14%	\$ 34,512,455.08	4%
Toyota Motor Credit [D]	4	3%	\$ 58,234,879.17	9%	\$ -	0%	\$ 58,234,879.17	7%
Stifel Nicolaus	2	2%	\$ 43,150,000.00	6%	\$ 2,409,946.67	2%	\$ 45,559,946.67	6%
Total	133	100%	\$ 677,078,319.70	100%	\$ 122,755,655.81	100%	\$ 799,833,975.51	100%

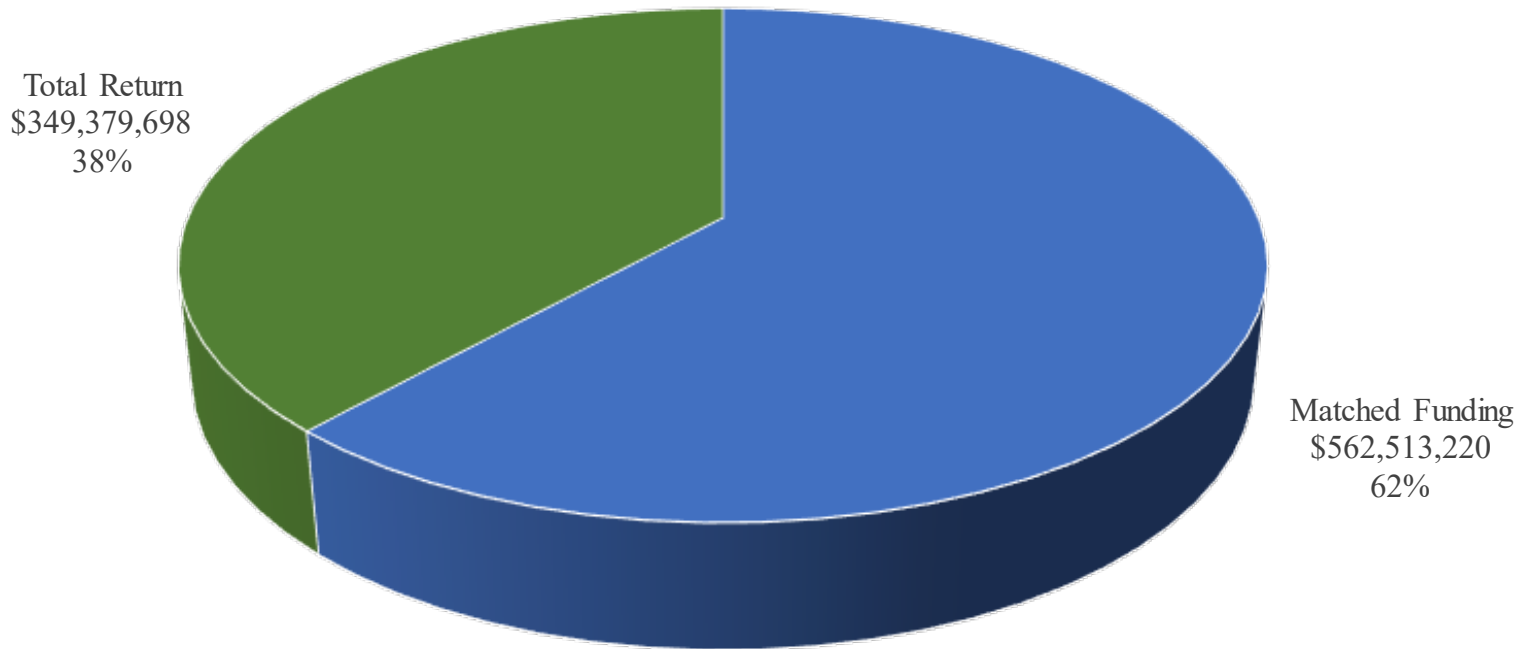
*** Broker/Dealers are reviewed annually for competitiveness by the Investment Committee. Dealer suspensions and additions may result from trailing twelve-month performance.

- Recommended addition of Academy Securities to the Approved Dealers list.
 - Firm meets MDTA's minimum net capital, registration, and other requirements.

Portfolio Composition & Compliance – MF and TR Proportions

- 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 9/30/2023



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⁾	62%	Matched Funding	N/A	N/A	Matched Funding	N/A	N/A
General	38%	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.

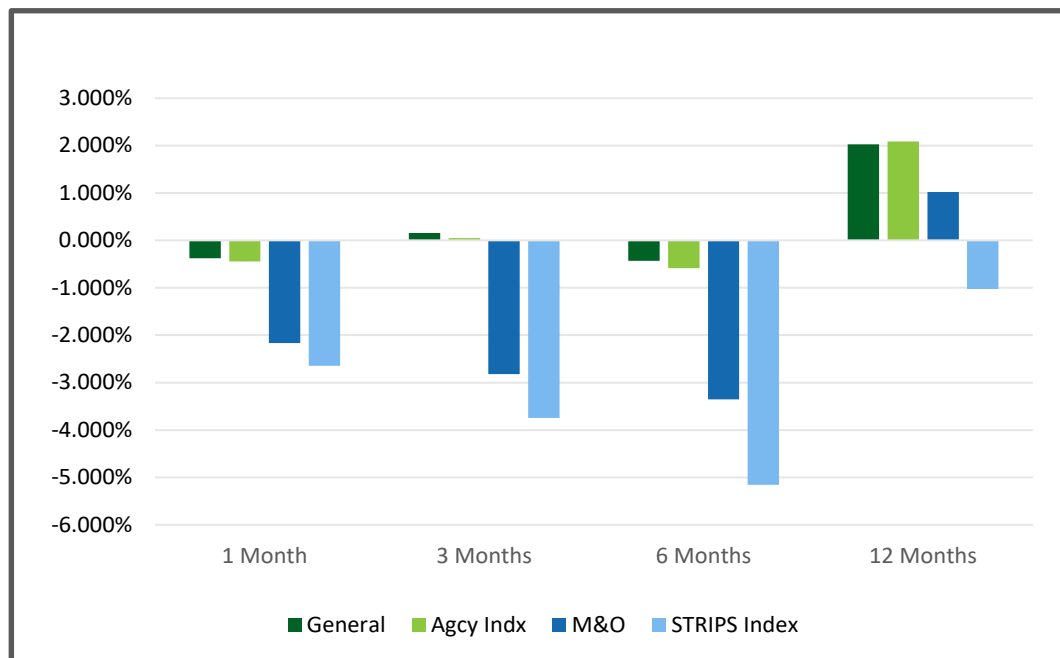
Total Return Performance – Matched Funding & Total Return

Maryland Transportation Authority

Total Return as of Period Ending 9/30/2023

	Trailing Period				Ending Market Value
	1 Month	3 Months	6 Months	12 Months	
<i>Combined Accounts Weighted Average</i>	-0.02%	0.62%	1.07%	3.25%	\$ 874,890,979
MATCHED FUNDING					
Capital	0.41%	1.23%	2.27%	4.32%	\$ 482,794,739
Bond Service	0.46%	1.34%	2.60%	4.77%	\$ 40,496,035
TOTAL RETURN					
Reserves General / M&O	-0.63%	-0.27%	-0.84%	1.90%	\$ 351,600,204
Composite Agency / STRIPS Index	-0.76%	-0.49%	-1.24%	1.65%	

- Shorter term Match Funded accounts for Capital/Construction & Bond Service are benefiting from higher interest rates at the short-end.
- Trailing 6-month period shows positive returns from rate stabilization.
- Total Return Reserves - Sharp rise in interest rates resulted in mark-to-market price declines for 12-month period.
- Note, top table provides weighted returns for the combined M&O/General accounts and the respective indices. Bottom graph shows total returns individually.



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

Supplemental Information

Supplemental Information – Investment Considerations

Portfolio

9/30/2023

(\$ in millions at market)

Account	Purpose	Balance (millions)	Maturity Limitations*	Investment Policy Limitations	Bond Indenture Limitations	Recommendation
Operating Checking 2335 / 7654 / 85549	Working Capital	\$39.5	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	\$300.5	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	\$48.9	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	\$482.4	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.
Bond Service Subaccounts 110378 / 110379 / 241308 / 241859 / 241870 / 241874 / 241877 / 463864 / 486115 / 761410 / 952837 / 952838 / 984563	Debt Service	\$40.6	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		\$911.9				

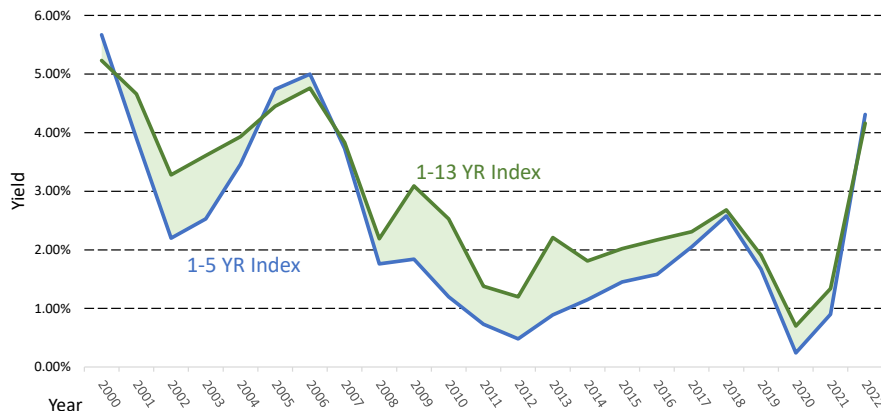
* Maturity limitations dictated by cash flow needs, Investment Policy & Trust Agreement.

(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.

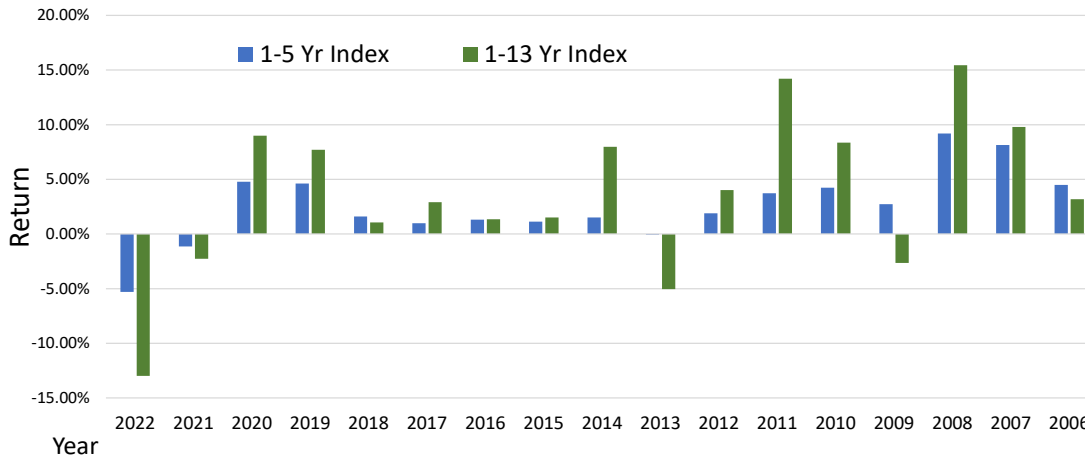
Continued Acceptance of Increased Mark-to-Market Swings in Exchange for Higher Average Annual Returns

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 error 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.

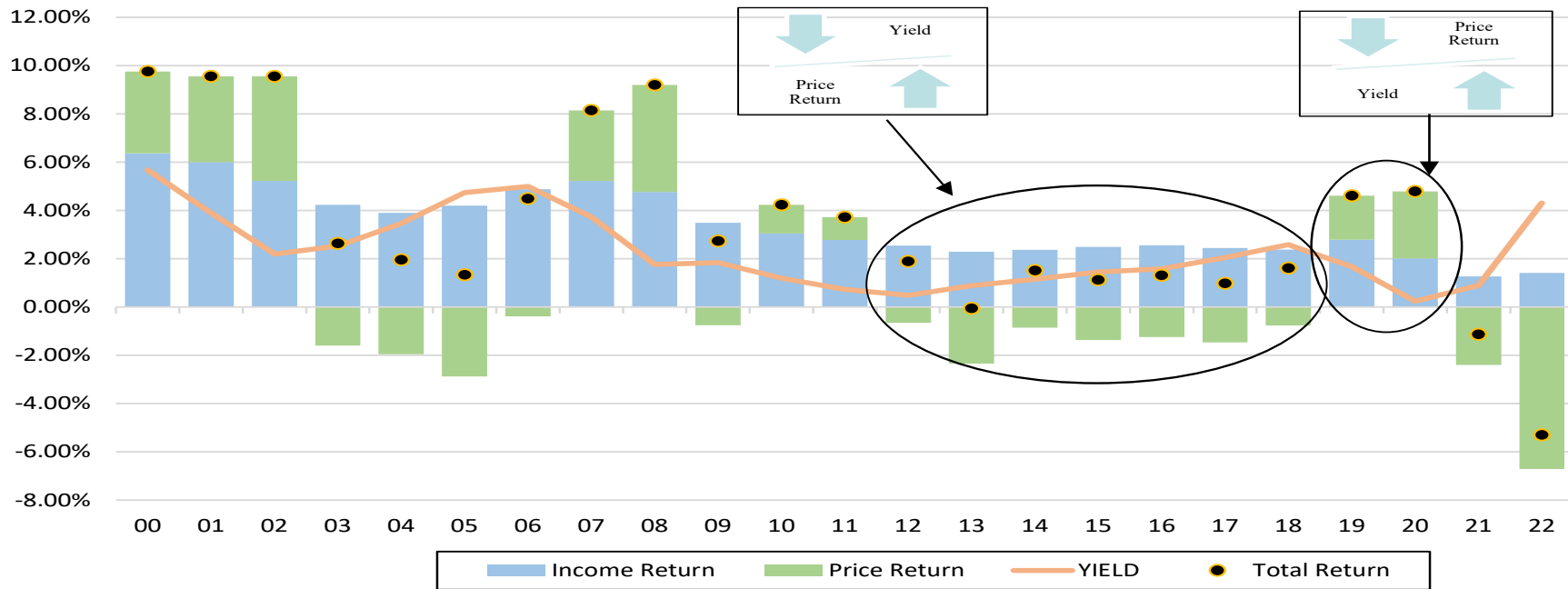
Municipal

- 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 15 bp premium to agencies at the end of the quarter.

1-5 YR Benchmark Index - Return Breakdown & Yield



Total return portions 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

6



MEMORANDUM

TO: Finance Committee
FROM: Jeffrey Brown, Director of Budget
SUBJECT: FY 2024 Operating Budget vs. Actual Spending Review
DATE: December 7, 2023

PURPOSE

The purpose of the memorandum is to report on the 1st quarter FY 2024 spending compared to the FY 2024 Final Operating Budget.

KEY TAKEAWAYS

Key points regarding actual fiscal year spending relative to the FY 2024 Final Operating Budget:

- As of September 30, 2023, 15% of the budget was spent compared to a target of 23%.
- All Objects are at or below the targeted spending level.
- The primary underspending drivers include personnel vacancies and the seasonality of expenses.

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 at targeted spending levels with a 20% spend rate when compared to the projected spend rate of 23%.
- Communications (Object 03) is below budget with a 7% spend rate.

- State Paid Telecommunications (0305) is 0% of the budget and accounts for most of the underspending in Object 03. This item contains the annual State Radio System budget expense of \$1.6 million, which has not been billed.
- Travel (Object 4) was below budget at 16% spend rate.
- Fuel and Utilities (Object 06) is on budget with an 18% spend rate.
- Motor vehicle operations and maintenance (Object 07) is on budget with a 23% spend rate.
 - Purchased vehicles (Object 0701) was above budget with a 44% spend rate due to the timing of when orders are received.
- Contractual Services (Object 08) is below budget with a 7% spend rate. Significant spending variances include:
 - Advertising (0801) is at a -2% spend rate due to seasonality and year end accruals.
 - Engineers (0807) is below budget at a 0.4% spend rate. Year-end capital adjustments drive the 1st quarter performance.
 - Equipment Repairs & Maintenance (0809) is below budget with a 1% spend rate due to the seasonality of activity.
 - Building/Road Repairs & Maintenance (0812) is below budget at a 7% spend rate due to the seasonality of activity.
 - Education & Training (0819) is below budget with a 9% spend rate due to the seasonality of activity.
 - Management Studies (0821) is below budget with a 1% spend rate. The timing of management study activities will determine when funds are spent.
 - IT related costs (Objects 0841 to 0869) is below budget at a 13% spend rate due to the seasonality of the IT expenses.
 - *E-ZPass*[®] Service Center Costs (0873) is under budget with a 2% spend rate. The year end accrual and invoicing delay drive lower recognized cost in the 1st quarter.
 - Other contractual (0899) is below budget at a 5% spend rate due to the seasonality of activity and the timing of MSP charges.
- Supplies & Materials (Object 09) is below budget at a 15% spend rate.
 - Roadway Maintenance Materials (0905) is at an 8% spend rate due to seasonality.
 - Salt (0906) is at a 0% spend rate due the seasonality of usage.

- Replacement Equipment (Object 10) is below budget at a 12% spend rate.
 - Replacement Maintenance & Building Equipment (1013) is below budget with a 2% spend rate due to seasonality.
 - Replacement Computer Equipment (1033) is below budget with a 1% spend rate due to seasonality.
- Additional Equipment (Object 11) is below budget at a 7% spend rate.
 - Other Additional Equipment (1199) is below budget at an 11% spend rate due to seasonality.
- Fixed Costs (Object 13) is under budget at a 1% spend rate.
 - Insurance (1309) is under budget at 0% spend rate, as the invoice for our insurance premium has not yet been submitted. This object is expected to be above budget due to increased premiums.

ATTACHMENT

Budget vs Actual by Object 1st Qtr. FY 2024

MDTA OPERATING FUND
 Bgt vs. Actual by Obj and RC Detail
 Summary of All Units
 For the Three Months Ending Saturday, September 30, 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	\$7,485,150	\$135,139,681	\$21,706,087	\$113,433,594	16.06%
0102 ADDITIONAL ASSISTANCE		194,092		194,092	0.00%
0104 OVERTIME EARNINGS	418,013	4,998,396	1,249,874	3,748,522	25.01%
0104 OVERTIME EARNINGS - SNOW		1,338,168		1,338,168	0.00%
0105 SHIFT DIFFERENTIAL		978,410	2,058	976,352	0.21%
0110 MISCELLANEOUS P/R ADJUSTMENTS		198,768	18,086	180,682	9.10%
0111 ACCRUED LEAVE PAYMENTS		196,471	120,437	76,034	61.30%
0112 RECLASSIFICATIONS		410,058		410,058	0.00%
0151 SOCIAL SECURITY CONTRIBUTIONS		9,645,927	3,732	9,642,196	0.04%
0152 HEALTH INSURANCE		19,174,953	(4,577)	19,179,531	(0.02%)
0154 RETIREE'S HLTH INSURANCE PREM		11,735,068	(235)	11,735,303	(0.00%)
0161 EMPLOYEES RETIREMENT SYSTEM		16,575,238	3,177	16,572,062	0.02%
0165 STATE POLICE RETIREMENT SYSTEM		3,463,737	85,430	3,378,307	2.47%
0169 LAW ENFORCEMNT OFF PENSION SYS		22,964,855		22,964,855	0.00%
0171 BURDEN EXPENSE	7,386,188		20,840,416	(20,840,416)	0.00%
0172 DEFERRED COMPENSATION MATCH			1,100	(1,100)	0.00%
0174 UNEMPLOYMENT COMPENSATION		378,386	501	377,885	0.13%
0175 WORKERS COMPENSATION		4,196,741		4,196,741	0.00%
0189 TURNOVER		(12,655,816)		(12,655,816)	0.00%
0199 OTHER FRINGE BENE - CLOTH ALLOW		856,750	167,842	688,908	19.59%
Total Object 01	15,289,351	219,789,884	44,193,926	175,595,958	20.11%
Object 02 Technical and Special Fees					
0202 PER DIEM PAYMENTS	19,500	150,000	20,000	130,000	13.33%
0211 EMPLOYEE AWARDS		1,000		1,000	0.00%
0220 SPECIAL PAYMENTS PAYROLL		625,409		625,409	0.00%
Total Object 02	19,500	776,409	20,000	756,409	2.58%
Object 03 Communications					
0301 POSTAGE	1,644	72,584	1,883	70,701	2.59%
0302 TELEPHONE	24,699	253,569	45,460	208,109	17.93%
0303 TELECOMMUNICATIONS	35,369	821,482	92,275	729,207	11.23%
0305 STATE PAID TELECOMMUNICATIONS		1,604,611		1,604,611	0.00%
0306 CELL PHONE EXPENDITURE	36,569	425,657	71,181	354,475	16.72%
Total Object 03	98,282	3,177,903	210,800	2,967,103	6.63%
Object 04 Travel					
0401 IN STATE/ROUTINE OPERATIONS	531	43,120	3,507	39,613	8.13%
0402 INSTATE/CONF/SEMNR/ST	9,362	101,704	15,777	85,927	15.51%
0403 OUTSTATE/ROUTINE OPERATIONS	100	55,064	264	54,800	0.48%
0404 OUTSTATE/CONF/SEMNR/ST	24,323	313,680	61,711	251,969	19.67%
Total Object 04	34,316	513,568	81,259	432,309	15.82%
Object 06 Fuel and Utilities					
0603 FUEL-OIL #2		135,200	4,802	130,398	3.55%
0606 FUEL-NATURAL GAS/PRI	2,155	355,613	7,315	348,298	2.06%
0620 UTILITIES-ELECTRICITY	295,923	3,514,116	675,431	2,838,685	19.22%
0621 UTILITIES-WATER/SEWER	24,166	331,206	76,842	254,364	23.20%
Total Object 06	322,244	4,336,135	764,389	3,571,745	17.63%

Object 07 Motor Vehicle Operations and Maintenance

MDTA OPERATING FUND
 Bgt vs. Actual by Obj and RC Detail
 Summary of All Units
 For the Three Months Ending Saturday, September 30, 2023

	Expenditures		YTD		%
	This Month	Budget	Expense	Balance	Spent
0701 PURCH VEH-CAR,LIGHT	746,964	4,746,900	2,086,615	2,660,285	43.96%
0702 VEHICLE GAS & OIL	93,918	3,765,454	352,178	3,413,276	9.35%
0703 VEHICLE MAINTENANC	31,501	1,794,664	241,741	1,552,923	13.47%
0704 INSURANCE		407,863		407,863	0.00%
0721 VEHICLE GAS & OIL - W.	2,106	44,347	2,409	41,938	5.43%
0722 VEHICLE MAINT & REPA	505	61,431	10,960	50,471	17.84%
0724 BOAT SLIP RENTAL/LAUNCHING FEES		4,200		4,200	0.00%
0730 PURCH VEH-OTHER LAND VEH - DUMP, TRACTOR			141	(141)	0.00%
0731 GAS & OIL - OTHER LAN	44,843	1,100,000	160,195	939,805	14.56%
0732 LG VEHICLE MAINT & R	96,733	2,000,000	417,784	1,582,216	20.89%
0789 COMMUTER CHARGE	(1,127)	(5,000)	(3,012)	(1,988)	60.23%
0799 OTHER MOTOR VEHICLE CHARGES		50,000		50,000	0.00%
Total Object 07	1,015,444	13,969,859	3,269,012	10,700,847	23.40%

Object 08 Contractual Services

0801 ADVERTISING/LEGAL PU	90,060	3,064,353	(73,837)	3,138,190	(2.41%)
0802 APPLICATIONS SOFTWARE MAINTENAN		100,000		100,000	0.00%
0804 PRINTING/REPRODUCTI	222	43,200	222	42,978	0.51%
0807 ENGINEERS	24,648	2,650,000	72,179	2,577,821	2.72%
0807 ENGINEERS - Environmen	76,388	3,655,000	65,481	3,589,519	1.79%
0807 ENGINEERS - Highways (M	2,640	210,000	2,640	207,360	1.26%
0807 ENGINEERS - Architectura	45,111	200,000	47,834	152,166	23.92%
0807 ENGINEERS - ITS/Electric	48,883	855,000	(13,502)	868,502	(1.58%)
0807 ENGINEERS - Structural (M	6,476	1,500,000	(456)	1,500,456	(0.03%)
0807 ENGINEERS - Traffic (MA	68,002	1,500,000	67,189	1,432,811	4.48%
0807 ENGINEERS - Asset Mgmt	80,035	700,000	8,924	691,076	1.27%
0807 ENGINEERS - On-Call (All	224,654	6,415,000	152,512	6,262,488	2.38%
0807 ENGINEERS - Annual Insp	126,085	14,015,000	(272,744)	14,287,744	(1.95%)
0808 EQUIPMENT RENTAL	28,845	490,131	65,487	424,644	13.36%
0809 EQUIPMENT REPAIRS &	5,425	1,654,264	15,280	1,638,984	0.92%
0810 EXTERMINATION		16,771	352	16,419	2.10%
0812 BUILDING/ROAD REPAIR	149,362	16,882,158	464,537	16,417,620	2.75%
0812 BUILDING/ROAD REPAIR	790,704		742,600	(742,600)	0.00%
0813 JANITORIAL SERVICES	176,697	1,473,540	405,968	1,067,572	27.55%
0814 GROUNDS MAINTENANCE		45,482	5,050	40,432	11.10%
0815 LAUNDRY	128	3,199	265	2,934	8.29%
0817 LEGAL SERVICES	1,163	203,300	5,458	197,842	2.68%
0819 EDUCATION/TRAINING (15,989	1,375,988	123,406	1,252,582	8.97%
0820 MEDICAL CARE	8,003	395,720	91,418	304,302	23.10%
0821 MGMT STUDIES AND CC	19,968	4,398,658	55,678	4,342,980	1.27%
0823 SECURITY SERVICES	82,071	889,560	179,289	710,271	20.15%
0824 LABORATORY SERVICES		45,578	2,120	43,458	4.65%
0825 VETERINARIAN		31,565	1,005	30,560	3.18%
0826 FREIGHT AND DELIVER'	260	14,497	260	14,237	1.79%
0827 TRASH AND GARBAGE F	37,195	453,394	128,402	324,992	28.32%
0828 OFFICE ASSISTANCE	2,075	61,244	2,888	58,356	4.72%
0829 FISCAL SERVICES	3,481,933	17,960,250	4,474,544	13,485,706	24.91%
0841 DP CENTRAL PROCESS S	79,070	1,150,000	140,336	1,009,664	12.20%
0843 DP COMMUNICATIONS CONTROLLERS		480,000		480,000	0.00%
0849 TELECOMM LINES, MODEMS & CONTR		95,704	11,431	84,273	11.94%
0854 COMPUTER MAINTENAN	66,900	185,000	66,900	118,100	36.16%

MDTA OPERATING FUND
 Bgt vs. Actual by Obj and RC Detail
 Summary of All Units
 For the Three Months Ending Saturday, September 30, 2023

	Expenditures		YTD		%
	This Month	Budget	Expense	Balance	Spent
0858 SOFTWARE LICENSES	3,649	148,402	11,344	137,058	7.64%
0862 APPL SOFTWARE MAINT	69,638	1,901,200	299,658	1,601,542	15.76%
0864 SYSTEMS SOFTWARE M	32,097	500,000	32,097	467,903	6.42%
0865 OUTSIDE SVCS-SYS ANA	993,232	7,465,000	1,045,648	6,419,352	14.01%
0866 OUTSIDE SVCS-PROGRA	82,726	415,000	82,726	332,274	19.93%
0869 OUTSIDE SVCS-COMPUTER USAGE		775,000		775,000	0.00%
0873 OUTSIDE SVC - E-Z PASS	3,427,644	40,000,000	975,169	39,024,831	2.44%
0874 OFFICE OF ATTORNEY GENERAL FEE		43,526		43,526	0.00%
0875 RETIREMENT AGENCY F	232,813	251,556	240,915	10,641	95.77%
0876 STATEWIDE DOIT SERVICES		52,080		52,080	0.00%
0894 STATEWIDE PERSONNEL SYS ALLOC		55,667		55,667	0.00%
0897 STATE ENTERPRISE BUDGET SYSTEM		27,646	14,706	12,940	53.19%
0899 OTHER CONTRACTUAL :	(50,155)	2,969,244	152,090	2,817,154	5.12%
Total Object 08	10,530,636	137,817,877	9,893,471	127,924,406	7.18%

Object 09 Supplies and Materials

0901 AGRICULTURE		33,879	13,550	20,329	39.99%
0902 OFFICE SUPPLIES	32,032	394,383	62,690	331,693	15.90%
0903 ELECTRICAL MATERIAL	10,615	390,418	48,614	341,804	12.45%
0904 BUILDING & HOUSEHOL	28,085	386,011	60,993	325,018	15.80%
0905 ROADWAY MAINT MATI	16,729	619,613	49,440	570,172	7.98%
0906 SALT/SNOW MELTING MATERIALS		1,880,363		1,880,363	0.00%
0908 HOUSEKEEPING SUPPLI	104	74,537	7,303	67,234	9.80%
0909 MEDICAL SUPPLIES	860	39,162	3,550	35,612	9.06%
0912 WEARING APPAREL-UNI	90,286	1,144,880	316,949	827,931	27.68%
0915 LIBRARY SUPPLIES		23,675		23,675	0.00%
0917 SMALL TOOLS	10,650	372,809	29,602	343,207	7.94%
0918 VETERINARY SUPPLIES	3,561	28,500	4,361	24,139	15.30%
0920 FOOD	5,748	188,276	14,905	173,371	7.92%
0926 DATA PROCESSING SUP	2,073	42,522	4,019	38,503	9.45%
0934 AMMO GUNS FIRING RA	6,866	575,549	123,851	451,698	21.52%
0951 E-ZPASS TRANSPONDER	417,300	4,450,000	899,753	3,550,247	20.22%
0999 OTHER SUPPLIES AND M	39,043	315,913	48,858	267,054	15.47%
Total Object 09	663,952	10,960,489	1,688,438	9,272,051	15.40%

Object 10 Replacement Equipment

1013 REPL MAINTENANCE &	1,382	505,500	8,089	497,411	1.60%
1015 REPL OFFICE EQUIPMEN	3,843	48,000	6,412	41,588	13.36%
1019 REPL RADIOS & ELECTRONIC EQUIPME		226,000	60	225,940	0.03%
1031 REPL DP EQUIP-MAINFRAME		80,000		80,000	0.00%
1033 REPL DP EQUIP-MICROC	7,660	1,250,000	11,665	1,238,335	0.93%
1099 OTHER REPLACEMENT I	51,362	334,900	268,096	66,804	80.05%
Total Object 10	64,248	2,444,400	294,323	2,150,078	12.04%

Object 11 Additional Equipment

1102 ADDT'L AUDIO-VISUAL EQUIP		9,500		9,500	0.00%
1103 ADDT'L CLEANING EQUIPMENT		10,000		10,000	0.00%
1109 ADDT'L HUMAN ENVIRONMENTAL EQ		1,000	1,178	(178)	117.81%
1113 ADDT'L MAINTENANCE & BUILDING EC		242,000	2,347	239,653	0.97%
1115 ADDT'L OFFICE EQUIPMENT		27,500		27,500	0.00%
1133 ADDT'L DP EQUIP-MICROCOMPUTER		20,000		20,000	0.00%

MDTA OPERATING FUND
 Bgt vs. Actual by Obj and RC Detail
 Summary of All Units
 For the Three Months Ending Saturday, September 30, 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>
1199 OTHER ADDITIONAL EQ	7,229	459,834	50,671	409,163	11.02%
Total Object 11	7,229	769,834	54,195	715,639	7.04%
Object 13 Fixed Charges					
1301 RENT	267		267	(267)	0.00%
1302 INSURANCE COVERAGE PAID TO STO		490,658		490,658	0.00%
1303 RENT PAID TO DGS		1,100		1,100	0.00%
1304 SUBSCRIPTIONS	738	26,938	2,988	23,950	11.09%
1305 ASSOCIATION DUES	2,353	350,445	6,714	343,731	1.92%
1308 LICENSES	1,543	7,270	2,357	4,913	32.42%
1309 INSURANCE (NON STO PAYMENTS)		4,667,231		4,667,231	0.00%
1320 BAD DEBT EXPENSE			30,387	(30,387)	0.00%
Total Object 13	4,901	5,543,642	42,712	5,500,930	0.77%
Total All Objects	28,050,103	400,100,000	60,512,525	339,587,475	15.12%

ITEM

7



Maryland
Transportation
Authority

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

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

Percy E. Dangerfield, Acting Executive Director

MEMORANDUM

TO: MDTA Finance Committee
FROM: Assistant Capital Program Manager Jennifer Stump
SUBJECT: First Quarter Review of FY 2024 Capital Budget vs. Actual Spending
DATE: December 7, 2023

PURPOSE OF MEMORANDUM

The purpose of the memorandum is to update the MDTA Finance Committee on the status of actual FY 2024 capital spending against the FY 2024 capital budget in the FY 2024-2029 Draft Consolidated Transportation Program (CTP). This information will be presented to the MDTA Board on December 21, 2023.

SUMMARY

As of September 30, 2023, 9.1% of the FY 2024 budget was spent as compared to the targeted spending level of 25%. The total budget for FY 2024 is \$539.6 million. The actual spending through the first quarter was \$49.3 million. The first quarter percentage is low because there are outstanding accruals for work completed in FY 2023.

ANALYSIS

Seventy-nine of the 83 projects budgeted in FY 2024 were within the acceptable spending limits of 0% to 50% (plus or minus 25% of the 25% 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 first quarter for ten projects budgeted for more than \$11 million each in FY 2024 was \$37.4 million. The ten projects are detailed in Attachment A.

ATTACHMENT

Attachment A – FY 2024 Capital Program Spending – Projects with FY 2024 Budget Over \$11 Million

**FY 2024 Capital Program Spending
Compared to Draft FY 2024-2029 CTP Budget
Projects with FY 2024 Budget Over \$11 Million**

Project Name	FY 2024 Budget Draft FY24-29 CTP (\$ Million)	FY 2024 Actual thru 09/30/2023 (\$ Million)	FY 2024 1st Qtr Spend Rate	FY 2024 Budget Remaining (\$ Million)
Rehabilitate Decks of Eastbound Span - Phase I	\$83.4	\$5.6	7%	\$77.8
I-95 ETL Northbound Extension - MD 152 Interchange Reconstruction	\$68.9	\$9.9	14%	\$59.0
I-95 ETL Northbound Extension - Express Toll Lanes to MD 152	\$62.4	\$12.4	20%	\$50.0
Replace Nice/Middleton Bridge	\$35.5	\$5.9	17%	\$29.5
I-95/Belvidere Road Interchange	\$30.1	\$0.4	1%	\$29.7
I-95 ETL Northbound Extension - MD 24 to Bynum Run	\$27.1	-\$0.1	0%	\$27.2
Envelope Repair and Switchgear Replacements at BHT Vent Buildings	\$17.6	\$1.4	8%	\$16.3
I-695 Subgrade Improvements at Bear Creek	\$13.9	\$0.0	0%	\$13.9
10-Year Equipment Budget - FY 2018 - FY 2027	\$12.2	\$1.4	12%	\$10.8
I-95 ETL NB Transition - MD 24 Interchange Reconstruction	\$11.1	\$0.5	4%	\$10.6
Total	\$362.2	\$37.4	10%	\$324.8

ITEM

8



MEMORANDUM

TO: MDTA Finance Committee
FROM: Cheryl Lewis-Orr, Director of Revenue
SUBJECT: First Quarter Fiscal Year 2024 Traffic and Revenue Performance
DATE: December 7, 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 continues to track closely to pre-pandemic levels.
- Commercial vehicle traffic levels continue to outperform pre-pandemic levels.
- For the first quarter FY 2024, there is practically no variance in the forecast vs actuals. Actual traffic and revenue were used in the first three months of the forecast.

ANALYSIS

This 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 (Attachment Figure 1) and traffic and revenue collected on a cash basis.

FY 2024 Actuals compared to FY 2023 Actuals and FY 2024 Forecast versus FY2024 Actuals

Combined Facilities														
TRANSACTIONS (in Millions)								REVENUE (in Millions)						
	FY23	FY24			FY23			FY23	FY24			FY24		
	Actual	Actual	Diff	% Change	Forecast	Diff	% Diff	Actual	Actual	Diff	% Change	Forecast	Diff	% Diff
Qtr. 1	42.6	42.1	(0.4)	-1.0%	42.1	-	0.0%	\$ 199.8	\$ 202.0	\$ 2.1	1.1%	\$ 201.9	\$ 0.0	0.0%
YTD Totals	42.6	42.1	(0.4)	-1.0%	42.1	-	0.0%	199.8	202.0	\$ 2.1	1.1%	201.9	0.0	0.0%

*Note: Numbers may not sum due to rounding

As shown in the Table above, for the period ended September 30, 2023, year-to-date (YTD) systemwide transactions totaled 42.1 million and corresponding collected revenue totaled \$202.0 million. This represents a decrease of 0.4 million transactions, or 1.0%, compared to the same period last year. YTD revenue increased by \$2.1 million, or 1.1%, compared to the same period last year. The increase is mainly due to administrative revenue.

For the period ended September 30, 2023, there was practically no difference in actuals vs. the forecast. Actual YTD transactions and revenue were used in the forecast.

ATTACHMENTS

- Attachment A: Summary of Revenue
- 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
- Attachment Figure 1: Fiscal Year Systemwide Actual Transactions Per Week

Attachment A
Summary of Revenue
FY2023 Forecasted and Actual Revenue Comparison

	E-ZPass®	Video, Administrative ¹ & Pay-By-Plate	Total
Forecast Revenue	\$161,897,471	\$40,129,805	\$202,027,275
<i>less</i> Actual Revenue	161,897,471	40,059,210	201,956,681
Difference	(0)	(70,595)	(70,595)
<i>plus</i> Timing Differences	0	0	0
Difference	(\$0)	(\$70,595)	(\$70,595)

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).

Attachment B

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

Jul 1, 2023 to Sep 30, 2023

Toll Revenue Forecast: \$202,027,275

Actual Revenue:

<i>E-ZPass</i>	161,897,471
Pay-By-Plate	1,270,127
Video Toll	24,754,262
Administrative Toll	14,034,822

Total Actual Revenue 201,956,681

Actual Revenue less Forecasted Revenue (70,595)

Attachment C

Analysis of Actual Toll Revenue Performance & Financial Forecast Differences

Jul 1, 2023 to Sep 30, 2023

Adjusted Difference (Forecast less Adjusted Actual Revenue) (\$70,595)

Forecast Assumption Differences:

Administrative Toll Revenue Lower than Forecasted - ongoing (70,596)

Total Forecast Assumption Differences -70,596

Unreconciled/Analyzed Difference (\$1)

Attachment D
FY 2024 Forecast vs. Actual Revenue – By Facility

Legacy Facilities					
		July	August	September	Total
E-ZPass	Forecast	\$ 48,295,743	\$ 46,386,213	\$ 48,540,704	\$ 143,222,660
	Actual	48,295,743	46,386,206	48,540,707	143,222,656
	Difference	0	(8)	3	(5)
Video, Pay-By-Plate & Other	Forecast	13,281,604	10,953,223	11,228,719	\$ 35,463,546
	Actual	13,259,843	10,933,920	11,209,746	\$ 35,403,509
	Difference	(21,761)	(19,303)	(18,973)	\$ (60,037)
Total	Forecast	61,577,347	57,339,437	59,769,423	\$ 178,686,206
	Actual	61,555,587	57,320,126	59,750,453	\$ 178,626,165
	Difference	\$ (21,760)	\$ (19,311)	\$ (18,970)	\$ (60,041)

Intercounty Connector					
		July	August	September	Total
E-ZPass	Forecast	\$ 5,030,627	\$ 4,490,200	\$ 5,709,722	\$ 15,230,549
	Actual	5,030,627	4,490,200	5,709,718	\$ 15,230,545
	Difference	-	(0)	(3)	\$ (4)
Video, Pay-By-Plate & Other	Forecast	1,566,245	1,398,437	1,500,142	\$ 4,464,824
	Actual	1,562,418	1,395,042	1,496,805	\$ 4,454,265
	Difference	(3,827)	(3,395)	(3,337)	\$ (10,559)
Total	Forecast	6,596,872	5,888,637	7,209,864	\$ 19,695,372
	Actual	6,593,044	5,885,242	7,206,523	\$ 19,684,809
	Difference	\$ (3,827)	\$ (3,395)	\$ (3,340)	\$ (10,563)

I-95 Express Toll Lanes					
		July	August	September	Total
E-ZPass	Forecast	\$ 1,149,440	\$ 1,188,892	\$ 1,105,930	\$ 3,444,262
	Actual	1,149,440	1,188,900	1,105,930	\$ 3,444,270
	Difference	-	8	0	\$ 8
Video, Pay-By-Plate & Other	Forecast	78,610	56,477	66,349	\$ 201,435
	Actual	78,610	56,477	66,350	\$ 201,436
	Difference	-	-	1	\$ 1
Total	Forecast	1,228,049	1,245,369	1,172,279	\$ 3,645,697
	Actual	1,228,049	1,245,377	1,172,280	\$ 3,645,706
	Difference	\$ -	\$ 8	\$ 1	\$ 9

All Facilities					
		July	August	September	Total
	Forecast	\$ 69,402,268	\$ 64,473,442	\$ 68,151,565	\$ 202,027,275
	Actual	69,376,680	64,450,744	68,129,256	\$ 201,956,681
	Difference	\$ (25,588)	\$ (22,698)	\$ (22,309)	\$ (70,595)

Attachment E

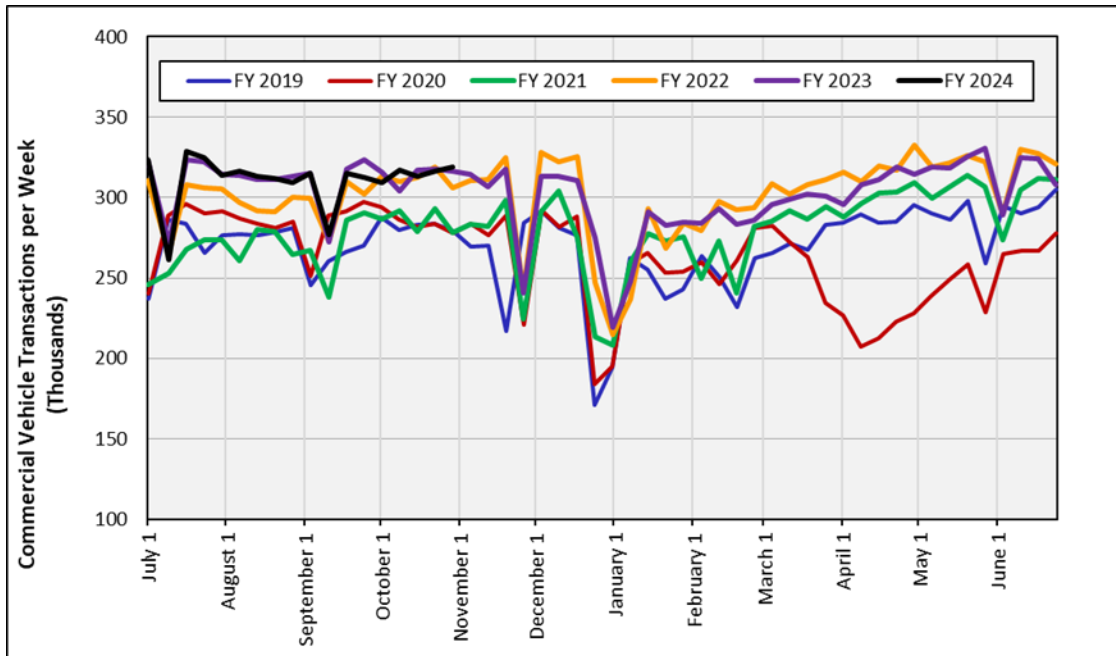
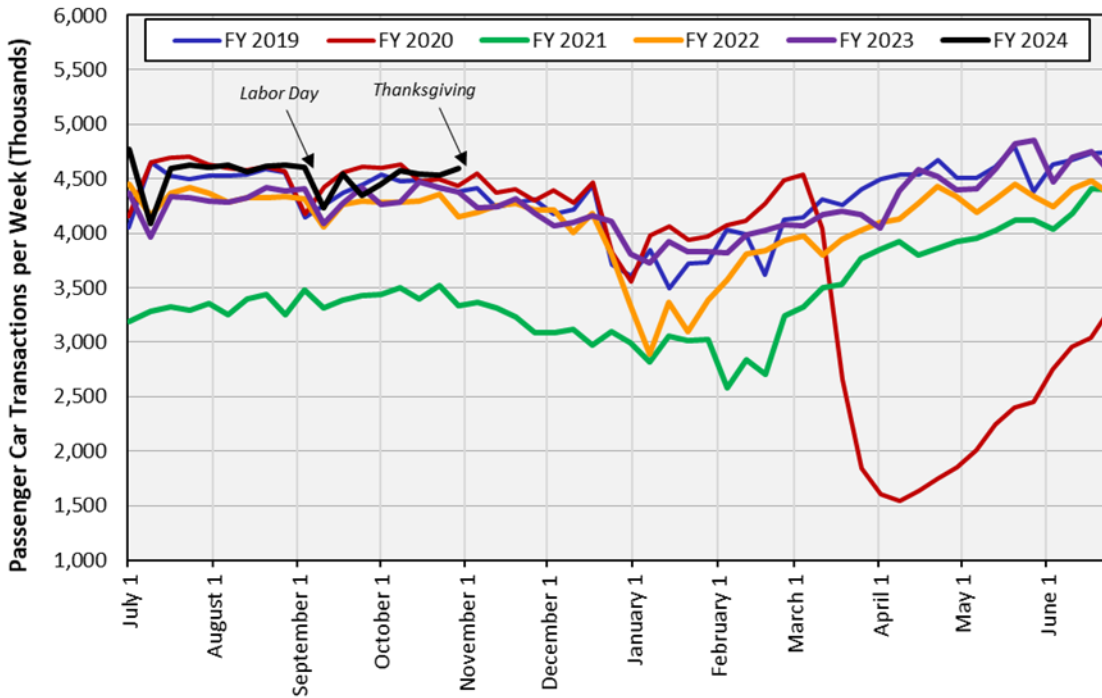
FY 2024 Forecast vs. Actual Revenue – By Payment Method

E-ZPass					
		July	August	September	Total
Forecast	Legacy	48,295,743	46,386,213	48,540,704	\$ 143,222,660
	ICC	5,030,627	4,490,200	5,709,722	\$ 15,230,549
	ETL	1,149,440	1,188,892	1,105,930	\$ 3,444,262
	Total	54,475,810	52,065,306	55,356,356	\$ 161,897,471
Actual	Legacy	48,295,743	46,386,206	48,540,707	\$ 143,222,656
	ICC	5,030,627	4,490,200	5,709,718	\$ 15,230,545
	ETL	1,149,440	1,188,900	1,105,930	\$ 3,444,270
	Total	54,475,810	52,065,306	55,356,355	161,897,471
Difference	\$	0	\$	0	\$ (0)

Video, Pay-By-Plate & Other					
		July	August	September	Total
Forecast	Legacy	13,281,604	10,953,223	11,228,719	\$ 35,463,546
	ICC	1,566,245	1,398,437	1,500,142	\$ 4,464,824
	ETL	78,610	56,477	66,349	\$ 201,435
	Total	14,926,458	12,408,136	12,795,210	\$ 40,129,805
Actual	Legacy	\$ 13,259,843	\$ 10,933,920	\$ 11,209,746	\$ 35,403,509
	ICC	1,562,418	1,395,042	1,496,805	\$ 4,454,265
	ETL	78,610	56,477	66,350	\$ 201,436
	Total	14,900,871	12,385,438	12,772,901	40,059,210
Difference	\$	(25,588)	\$	(22,698)	\$ (22,309)

All Revenue					
		July	August	September	Total
Forecast	\$	69,402,268	\$ 64,473,442	\$ 68,151,565	\$ 202,027,275
Actual		69,376,680	64,450,744	68,129,256	\$ 201,956,681
Difference	\$	(25,588)	\$ (22,698)	\$ (22,309)	\$ (70,595)

Attachment Figure 1
 Fiscal Year Systemwide Actual Transactions Per Week



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

**TRANSACTIONS PER WEEK BY FISCAL YEAR
 TOTAL SYSTEMWIDE**



FIGURE 1