

FINANCE COMMITTEE MONTHLY MEETING
THURSDAY, FEBRUARY 8, 2024
OPEN MEETING VIA LIVESTREAMING

OPEN SESSION

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

STAFF ATTENDING: Erika Brantley
Jeffrey Brown
Jeff Davis
Cheryl Dickinson
Allen Garman
Bruce Gartner
Chantelle Green
Natalie Henson
Cheryl Lewis-Orr
Kimberly Millender, Esq.
Ken Montgomery
Ebony Moore
Mary O'Keeffe
Tim Sheets
Jennifer Stump
Clayton Viehweg

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 JANUARY 11, 2024 MEETING

Member von Paris called for the approval of the meeting minutes from the Open Meeting held on January 11, 2024. Member Dontae Carroll made the motion, and Member Cynthia Penny-Ardinger seconded the motion, which was unanimously approved.

APPROVAL – INVESTMENT COMMITTEE REPORT

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

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

UPDATE – FY 2025 PRELIMINARY OPERATING BUDGET – DBM CHANGES

Mr. Jeffrey Brown updated the Finance Committee on the impact of the Department of Budget and Management (DBM) fringe benefit changes to the Preliminary FY 2025 Operating Budget. Following the MDTA Board's contingent approval of the Preliminary FY 2025 Operating Budget, DBM updated certain fringe benefit rates and charges. As a result of these changes, the budget has been decreased by \$0.7 million, from \$421.4 million to \$420.7 million.

UPDATE – 2ND QUARTER OPERATING BUDGET VERSUS ACTUAL SPENDING

Mr. Jeffrey Brown updated the Finance Committee on actual versus projected year-to-date spending for the second quarter of FY 2024. As of December 31, 2023, 39% of the operating budget was spent compared to the target of 49%. Object 13 (Fixed Charges) was above budget at a 147% spend rate due to higher insurance premiums. All other objects are at or below the targeted spending level. The primary variance drivers include personnel vacancies, higher insurance premiums due to market pressures, and the seasonality of expenses.

UPDATE – 2ND QUARTER CAPITAL BUDGET VERSUS ACTUAL SPENDING

Ms. Jennifer Stump updated the Finance Committee on actual year-to-date spending for the second quarter compared to projected spending as shown in the FY 2024-2029 Draft CTP. As of December 31, 2023, 22.7% of the FY 2024 capital budget was spent as compared to the target of 50%. The total budget for FY 2024 is \$539.6 million. The actual spending through the second quarter was \$122.6 million.

UPDATE – 2ND QUARTER FY 2024 TRAFFIC AND REVENUE PERFORMANCE REPORT

Ms. Cheryl Lewis-Orr provided the Finance Committee with a quarterly and year-to-date update regarding traffic and toll revenue trends compared to the previous year and the forecast. The key takeaways regarding year-to-date traffic and revenue performance are that (1) for the period ended December 31, 2023, actual toll revenue was slightly below the forecast by \$1.3 million or 0.3%; (2) *E-ZPass*[®] revenue continued to exceed the forecast due to higher than forecasted daily average toll revenue; and (3) administrative toll revenue and video toll collections were below the forecast mostly due to lower than anticipated revenue associated with MVA referrals.

There being no further business, the meeting of the Finance Committee adjourned at 9:44 a.m., following a motion by Member Carroll and seconded by Member Penny-Ardinger.



John von Paris, Chairman