

FINANCE COMMITTEE MONTHLY MEETING  
TUESDAY, FEBRUARY 12, 2019  
POINT BREEZE HEADQUARTERS BUILDING  
BALTIMORE, MARYLAND

OPEN SESSION

MEMBERS ATTENDING: Jack Basso  
Katherine Bays Armstrong (via phone)  
Dontae Carroll (via phone)  
John von Paris

STAFF ATTENDING: Yaw Berkoh  
Cheryl Dickinson  
Meryle Dunlap, Esq.  
Trudy Edwards  
Allen Garman  
Chantelle Green  
Walter Laun  
Cheryl Lewis-Orr  
Corey Lies  
Jeanne Marriott  
Tonya Morant  
John O'Neill  
Kevin C. Reigrut  
Cheryl Sparks  
Christina Thompson

OTHER ATTENDEES: June Hornick, MDOT (via phone)  
Jim Walsh, MAA (via phone)  
Greg Warner, First Southwest (via phone)

At 9:15 a.m., Member Jack Basso, Chair of the Finance Committee, called the Finance Committee Meeting to order.

**APPROVAL – OPEN MEETING MINUTES FROM JANUARY 8, 2019, MEETING**

Member Jack Basso called for the approval of the meeting minutes from the open meeting held on January 8, 2019. Member John von Paris made the motion, and Member Katherine Bays Armstrong seconded the motion, which was unanimously approved.

**APPROVAL – BOARD RESOLUTION 19-01 – PASSENGER FACILITY CHARGE REVENUE BONDS ISSUANCE**

Mr. Allen Garman requested a recommendation of approval from the Finance Committee to present Board Resolution 19-01 to the full Maryland Transportation Authority (MDTA) Board at its next scheduled meeting. Board Resolution 19-01 authorizes the issuance of up to \$120 million of passenger facility charge (PFC) revenue bonds. Following Mr. Garman's presentation, Mr. James Walsh, Chief Financial Officer for the Maryland Aviation Administration, provided an overview of the projects that will be financed by the PFC bond issue.

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

**UPDATE – INVESTMENT COMMITTEE REPORT**

Mr. Allen Garman provided an update on the activities of the Investment Committee for the quarter ended December 31, 2018. Mr. Garman and Mr. Greg Warner, First Southwest, reviewed market conditions, portfolio strategies, total return performance, and dealer trade allocations. They also discussed certain market drivers that may influence portfolio performance in the coming months, including the economy, fiscal policy, and Federal Reserve monetary policy.

**UPDATE – STANDARD & POOR'S RATING METHODOLOGY CHANGE – WMATA BONDS ISSUED BY THE MDTA**

Mr. Allen Garman advised the Finance Committee of the recent credit ratings downgrade of the Series 2014 Lease Revenue Refunding Bonds issued by the MDTA to finance projects for the Washington Metropolitan Area Transit Authority. Standard and Poor's downgraded the bonds by one notch to double-A. Mr. Garman indicated that the downgrade was attributed to a change in ratings methodology for the entire sector.

**UPDATE – 2<sup>ND</sup> QUARTER OPERATING BUDGET VERSUS ACTUAL SPENDING**

Ms. Chris Thompson briefed the Finance Committee on the status of year-to-date spending compared to the FY 2018 Operating Budget. As of December 31, 2018, approximately 40% of the FY 2019 budget was spent compared to the target of 47%. All Comptroller's objects (except for fixed charges) were below the expected spending level.

**UPDATE – 2<sup>ND</sup> QUARTER CAPITAL BUDGET VERSUS ACTUAL SPENDING**

Ms. Jeanne Marriott updated the Finance Committee on actual year-to-date spending for the second quarter compared to projected spending as shown in the FY 2019-2024 Draft Consolidated Transportation Program. As of December 31, 2018, 34% of the FY 2019 budget was spent compared to the target of 50%.

**UPDATE – QUARTERLY TRAFFIC AND REVENUE REPORT**

Ms. Cheryl Lewis-Orr provided an update to the Finance Committee on the MDTA's quarterly traffic and revenue performance for the Legacy Facilities, Intercounty Connector, and the I-95 Express Toll Lanes. As of December 31, 2018, combined year-to-date transactions and revenue on the MDTA's toll facilities totaled 84.9 million and \$351.1 million, respectively. Systemwide transactions and revenue were approximately 0.9% and 1.5% below forecast, respectively.

**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 2019-2024 financial forecast period. Ms. Green advised the Finance Committee that the MDTA's Board Policy requires a bi-annual review of revenue sufficiency to determine if current rate and fee levels are appropriate based on levels of expected spending. The FY 2019-2024 financial forecast shows that current toll rates, fees, and discounts provide sufficient revenue over the next six years to meet forecasted spending and exceed all legal and policy requirements.

There being no further business, the meeting of the Finance Committee adjourned at 10:14 a.m., following a motion by Member von Paris, and seconded by Member Armstrong.

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Peter J. Basso, Chairman