



Maryland Transportation Authority

FINANCE AND ADMINISTRATION
COMMITTEE

THURSDAY, OCTOBER 9, 2025

MARYLAND TRANSPORTATION
AUTHORITY
2310 BROENING HWY
BALTIMORE, MD 21224



**Maryland
Transportation
Authority**

Wes Moore, Governor
Aruna Miller, Lt. Governor
Samantha J. Biddle, Chair

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

Bruce Gartner, Executive Director

MEMORANDUM

TO: John von Paris, Chair
Dontae Carroll
Cynthia D. Penny-Ardinger
Jeffrey Rosen

FROM: Chantelle Green, Director of Finance

SUBJECT: Finance and Administration Committee Meeting

DATE: October 3, 2025

Enclosed are your materials for the Finance and Administration Committee Meeting on Thursday, October 9, 2025. The meeting will begin at 9:00 a.m. and will be conducted via Microsoft Teams. In accordance with the Open Meetings Act, the meeting information will be published on the MDTA's website to allow members of the public to observe the meeting. As a reminder, the meeting will be livestreamed.

Below please find the directions to log into the meeting:

- Open the Microsoft Teams app on your MDTA issued iPad
- Once in the app, go to the Microsoft Teams calendar
- The Finance Committee meeting will appear on the calendar for the appropriate date
- Click the button that says "Join"
- Make sure you have your Video On and your Sound on Mute unless speaking
- Your video will remain on the duration of the meeting.

If I can provide additional assistance, please email or call me at the following:

Chantelle Green
Director of Finance
Office: 410-537-5751
Cell: 443-915-7739
Email: cgreen2@mdta.maryland.gov

cc: Bruce Gartner, Executive Director
Percy Dangerfield, Chief Administrative Officer
Deborah Sharpless, Chief Financial Officer

ATTACHMENTS

Informational Items:

- Rate Covenant
- Financial Report
- Investment Portfolio Report

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

October 9, 2025 – 9:00 a.m.

This meeting will be livestreamed on the [Finance and Administration Committee Meeting Archive | MDTA \(maryland.gov\)](#)

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 cgreen2@mdta.state.md.us no later than noon on Wednesday, October 8, 2025. 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> – | September 11, 2025 - Open Meeting Minutes | Chairman von Paris | 5 min. |
| 2. | <u>Approval</u> – | Contract No. J01B4600044 – Citilog Incident Detection System Software Maintenance and Service Plan | David Dikes | 5 min. |
| 3. | <u>Approval</u> – | Contract No. MT-00211281 – Weigh Station Scale Maintenance | Abey Tamrat | 5 min. |
| 4. | <u>Approval</u> – | Debt Policy – Update to the MDTA’s Debt Policy, which establishes the guidelines for the financing program | Yaw Berkoh
Kevin Cullity | 5 min. |
| 5. | <u>Approval</u> – | Trust Agreement Changes – proposed changes to the MDTA’s Trust Agreement with its bondholders | Allen Garman | 10 min. |
| 6. | <u>Update</u> – | Update on the Canton Development Company | Chantelle Green
Tyler Horner, Canton | 15 min. |
| 7. | <u>Update</u> – | CTP Process/Additions | Jennifer Stump | 10 min. |

Vote to Adjourn

ITEM

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FINANCE AND ADMINISTRATION COMMITTEE MONTHLY MEETING
THURSDAY, SEPTEMBER 11, 2025
OPEN MEETING VIA CONFERENCE CALL

OPEN SESSION

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

STAFF ATTENDING: Jeffrey Brown
Percy Dangerfield
Jeffrey Davis
Allen Garman
Bruce Gartner
Chantelle Green
James Harkness
Natalie Henson
Kendra Joseph
Walter Laun
Cheryl Lewis-Off
Kimberly Millender, Esq.
Megan Mohan, Esq.
Kenneth Montgomery
Amanda Moran
Mary O'Keeffe
Deborah Sharpless
Timothy Sheets
Jennifer Stump

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

APPROVAL – OPEN MEETING MINUTES FROM AUGUST 14, 2025 MEETING

Member John von Paris called for the approval of the meeting minutes from the open meeting held on August 14, 2025. Member Cynthia Penny-Ardinger made the motion, and Member Rosen seconded the motion, which was unanimously approved.

**APPROVAL – CONTRACT NO. MT-00211411– SECURITY SYSTEMS
MAINTENANCE AND SERVICE**

Amanda Moran requested a recommendation of approval from the Finance and Administration Committee to present Contract No. MT-00211411, Security Systems Maintenance and Service, to the full Maryland Transportation Authority (MDTA) Board at its next scheduled meeting.

Ms. Moran advised that the scope of work includes periodic preventative maintenance, inspection, testing and on-call emergency and non-emergency repair services for the MDTA's security systems. Four (4) bids were received; however, one bid was rejected for being non-responsive. ARK Systems, Inc. was determined to be the responsive and responsible bidder with the lowest total overall price. The bid amount was \$1,173,542.50.

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 Penny-Ardinger seconded the motion, which was unanimously approved.

**APPROVAL – FY 2026 BUDGET AMENDMENT – APPROVAL OF A BUDGET
AMENDMENT TO THE OPERATING BUDGET**

Jeffrey Brown requested a recommendation of approval from the Finance and Administration Committee to request an amendment to the FY 2026 Operating Budget to the full MDTA Board at its next scheduled meeting.

The amendment will increase the FY 2026 Operating Budget by \$1.1 million to purchase thirteen (13) MDTA Police pool vehicles. The purchases are in accordance with the collective bargaining agreement with the Fraternal Order of Police Lodge #34.

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 Carroll seconded the motion, which was unanimously approved.

**UPDATE – FOURTH QUARTER OPERATING BUDGET VERSUS ACTUAL
SPENDING**

Jeffrey Brown updated the Finance and Administration Committee on actual versus projected year-to-date spending for the fourth quarter of FY 2025. As of June 30, 2025, 95% of the operating budget was spent compared to the target of 100%. Except for fixed charges related to property and liability insurance costs, all of the operating budget line items were within or below budget spending levels.

UPDATE – FOURTH QUARTER CAPITAL BUDGET VERSUS ACTUAL SPENDING

Jennifer Stump updated the Finance and Administration Committee on actual year-to-date spending for the fourth quarter FY 2025 compared to projected spending as shown in the FY 2025-2030 Draft Consolidated Transportation Program. As of June 30, 2025, 65% of the FY 2025 capital budget was spent as compared to the target of 100%. The projects with the two largest amounts of underspending were the Key Bridge Rebuild and Phase I of the Eastbound Bay Bridge Deck Rehabilitation. The underspending for the Key Bridge was largely the result of a shift in the timing of the demolition of the former bridge structure and a delay in the test pile program. The underspending associated with the Eastbound Bay Bridge Deck Rehabilitation was primarily the result of a scope change that moved a significant portion of the anticipated work from Phase I to Phase II of the project.

UPDATE – FOURTH QUARTER TRAFFIC AND REVENUE

Walter Laun provided the Finance and Administration Committee with a quarterly and year-to-date update regarding traffic and toll revenue trends compared to the previous year and the forecast. For the year ended June 30, 2025, overall collected revenue was above forecast by \$35.1 million. The variance in the amount of revenue collected above the forecast was due to higher than forecasted video toll and civil penalty revenue collections by the State of Maryland's Central Collections Unit.

There being no further business, the meeting of the Finance Committee adjourned at 9:43 a.m., following a motion by Member Ardinger, and seconded by Member Rosen.

John von Paris, Chairman

ITEM

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**Maryland
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Samantha J. Biddle, Chair

Board Members:

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

Bruce Gartner, Executive Director

MEMORANDUM

TO: Finance & Administration Committee
FROM: ITS Operations Manager, David Dikes
SUBJECT: J01B4600044, Citilog Incident Detection System Software Maintenance and Service Plan
DATE: October 9, 2025

PURPOSE OF MEMORANDUM

To seek approval from the Finance & Administration Committee to present Contract No. J01B4600044, Citilog Incident Detection System (IDS) Software Maintenance and Service Plan to the full MDTA Board at its next scheduled meeting.

SUMMARY

This Sole Source Contract is to provide a full-service software maintenance and service plan (including repairs) for the Citilog (IDS) software. The Citilog IDS software is to detect stopped vehicles inside the tunnels, on bridges and roadways using video images from CCTV cameras. A SoleSource procurement is required because Sensys Network, Inc is the developer of the proprietary Citilog IDS software and only technicians from Sensys Network can provide maintenance and upkeep of the system. The total amount for this contract is \$431,850.00 for a term of five (5) years.

RECOMMENDATION(S)

To obtain approval by the Finance & Administration Committee to present Contract No. J01B4600044, Citilog IDS Maintenance and Service Plan, to the full MDTA Board at its next scheduled meeting.

ATTACHMENT(S)

- Finance & Administration Committee Project Summary



FINANCE & ADMINISTRATION COMMITTEE PROJECT SUMMARY

PIN NUMBER TBD
CONTRACT NUMBER J01B4600044
CONTRACT TITLE Citilog Incident Detection system (IDS) Maintenance and Service Plan

PROJECT SUMMARY This Sole Source Contract is to provide a full-service software maintenance and service plan (including repairs) for the Citilogs (IDS) software. The Citilog IDS software is to detect stopped vehicles inside the tunnels, on bridges and roadways using video images from CCTV cameras. A Sole-Sourced procurement is required because Sensys Network, Inc is the developer of the proprietary Citilog IDS software and only technicians from Sensys Network can provide maintenance and upkeep of the system. The total amount for this contract is \$431,850.00 for a term of five (5) years.

SCHEDULE		MBE PARTICIPATION		ADVERTISED GOAL (%)	PROPOSED GOAL (%)
ADVERTISEMENT DATE	8/29/2025	OVERALL MBE		0.00%	0.00%
ANTICIPATED NTP DATE	11/15/2025	AFRICAN AMERICAN		0.00%	0.00%
DURATION (CALENDER DAYS)	1825	ASIAN AMERICAN		0.00%	0.00%
		VSBE		0.00%	0.00%
		BID RESULTS	BID AMOUNT (\$)	% VARIANCE TO EE	
ENGINEER'S ESTIMATE (EE)	(\$) \$447,371.00	Sensys Networks, Inc	\$431,850.00	-3.47%	
		BID PROTEST INCUMBENT	No Yes		

ITEM

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Maryland Transportation Authority

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Samantha J. Biddle, Chair

Board Members:

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

Bruce Gartner, Executive Director

MEMORANDUM

TO: Finance and Administration Committee
FROM: Project Manager Abey Tamrat
SUBJECT: Contract MT-00211281, Weigh Station Scale Maintenance
DATE: October 9, 2025

PURPOSE OF MEMORANDUM

To seek recommended approval from the Finance and Administration Committee to present Contract No. MT-00211281, Weigh Station Scale Maintenance Sole Source Contract, to the full MDTA Board at its next scheduled meeting.

SUMMARY

The purpose of the project is to retain the services of Mettler-Toledo, LLC for weigh station scale maintenance at I-95 Northbound and Southbound JFK Toll Facility, US40 Eastbound and Westbound at Hatem Bridge, and at US 50/301 Eastbound and Westbound locations at the Bay Bridge. The Provider shall furnish all personnel, maintenance services, training materials, and program oversight necessary to support MDTA's weigh scale maintenance program.

RECOMMENDATION(S)

To obtain recommended approval by the Finance and Administration Committee to present the recommended award of Sole Source Contract No. MT-00211281, Weigh Station Scale Maintenance, to the MDTA Board at its next scheduled meeting.

ATTACHMENT(S)

- Finance and Administration Committee Project Summary



FINANCE AND ADMINISTRATION COMMITTEE PROJECT SUMMARY

Contract No. MT-00211281 Weigh Station Scale Maintenance

PIN NUMBER N/A
CONTRACT NUMBER MT-00211281
CONTRACT TITLE Weigh Station Scale Maintenance

PROJECT SUMMARY The purpose of this sole source procurement is to retain the services of Mettler-Toledo, LLC to provide weigh station scale maintenance services. The Provider will furnish all personnel, consultation access, training materials, and program oversight necessary to support MDTAP weigh station scales.

		MBE PARTICIPATION (N/A)		
SCHEDULE		MBE PARTICIPATION - OVERALL	ADVERTISED GOAL (%)	PROPOSED GOAL (%)
		OVERALL MBE	0.00%	0.00%
		VSBE	0.00%	0.00%
		BID PROTEST	YES	NO
				✓
SOLE SOURCE VENDOR	BID AMOUNT(\$)	Incumbent		
Mettler-Toledo, LLC	\$ 957,934.00	Yes		

ITEM

4



Maryland Transportation Authority

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

Bruce Gartner, Executive Director

MEMORANDUM

TO: Finance and Administration Committee
FROM: Debt Administrator Yaw Berkoh
Director Treasury and Debt Kevin Cullity
SUBJECT: Debt Policy – Annual Review
DATE: October 9, 2025

PURPOSE OF MEMORANDUM

To complete the required annual review of the Debt Policy and request recommendation of the Finance and Administration Committee to present to the full Board for approval.

SUMMARY

Following the annual review by internal staff and an external municipal advisory firm, no changes to the Debt Policy are currently recommended.

The Debt Policy includes legal requirements within Maryland State Law and the Trust Agreement, as well as Board directives to ensure financial strength. These guidelines and mandates support credit quality and access to the capital markets at the lowest possible financing rates. The following table highlights key sections.

Key Elements	Section
State Law References	1
Unrestricted Cash Target	5
Debt Limit	9
Debt Service Coverage Target	10
Level Debt Service Goal	15
Capitalization of Interest	17
Variable Rate Debt	18
Credit Ratings Goal	33
Annual Policy Review Required	36

RECOMMENDATION

Management requests the Finance and Administration Committee's concurrence and recommendation to move to the full MDTA Board for approval of the Debt Policy.

ATTACHMENT

Debt Policy

Policy No.: MDTA 7009

Effective Date: August 16, 2005

Original Date: August 16, 2005

Revised: ~~October 30, 2025~~ ~~November 21, 2024~~Approved by: _____
Approval Signature

Date: _____

Approved by: _____
Form and Legal Sufficiency Review, Office of Attorney General

Date: _____

Debt Management

Purpose

The purpose of this Policy is to establish guidelines for the process by which the Maryland Transportation Authority (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 are maintained.

References

- Title 4 of the Transportation Article, Annotated Code of Maryland (Repl. Vol. 2008, as amended)
- §5-7B-02 of the State Finance and Procurement Article, Annotated Code of Maryland (Repl. Vol. 2009, as amended)
- Second Amended and Restated Trust Agreement between the Maryland Transportation Authority and The Bank of New York Mellon, as Trustee, dated as of September 1, 2007, as amended (2007 Trust Agreement)
- Code of Maryland Regulations (COMAR 11.07.09.09, Vehicle Parking Facilities)
- Governor's Executive Order 01.01.1998.07
- Budget Committee Narrative Fiscal 2023
- Securities and Exchange Commission (SEC)
- Municipal Securities Rulemaking Board (MSRB)
- Federal Tax Code and Regulations
- MDTA Board Policy: Investment Management
- MDTA Board Policy: Preparation of Financial Forecasts

Scope:

This Policy is applicable to MDTA Finance Division staff.

Responsible Party:

Implementation of the procedures is the responsibility of the CFO and MDTA Division of Finance staff. Any deviation from the procedures must be promptly reported to the MDTA Finance Committee and the MDTA Board.

Division of Finance to approve document change.

Debt Management

I. Purpose and Uses of Debt

- Policy Statement 1.** In accordance with Title 4 of the Transportation Article of

the Annotated Code of Maryland, MDTA may issue revenue bonds, notes, or other evidences of obligation to finance the cost of:

- i. Transportation facilities projects as defined in said Article;
 - ii. A vehicle parking facility located in a priority funding area as defined in §5-7B-02 of the State Finance and Procurement Article;
 - iii. Any other project for transportation facilities that the MDTA Board authorizes to be acquired or constructed; and
 - iv. Any additions, improvements, or enlargements to any of these projects, whenever authorized by the MDTA Board.
- b. **Policy Statement 2.** Debt will be used only to finance capital projects (including land) and capital equipment that are reasonably necessary for governmental purposes.
- c. **Policy Statement 3.** The MDTA will finance its projects with a prudent issuance of debt through the sale of revenue bonds, notes, or other evidences of indebtedness within the constraints of the MDTA Financial Forecast Policy.
- d. **Policy Statement 4.** Capital financing proposals received by MDTA that involve a pledge or extension of credit through sale of securities, loans or leases, shall be referred to the Division of Finance for review.
- e. **Policy Statement 5.** The MDTA Consolidated Transportation Program (CTP) will be funded through a combination of cash reserves, revenues and appropriate levels of debt in accordance with affordability guidelines.
- i. To provide adequate liquidity, MDTA will maintain unrestricted cash balances at the end of each fiscal year of at least \$400 million.
 - ii. Unrestricted cash shall include funds on deposit in the following MDTA trust accounts: Operating (reserve portion), Capital (cash funded), General, and the Maintenance and Operating (M&O) Reserve.
- f. **Policy Statement 6.** The Chief Financial Officer (CFO), under the direction of the Executive Director, has the responsibility to oversee and coordinate the sale and issuance of MDTA debt.
- i. The CFO shall make recommendations to the Executive Director and MDTA Board regarding necessary actions related thereto.
 - ii. The CFO and Executive Director shall obtain MDTA Board approval thereof as evidenced by authorizing MDTA Board Resolutions.
- g. **Policy Statement 7.** The MDTA shall endeavor to finance a portion of the CTP on a “pay-as-you-go” basis.
- h. **Policy Statement 8.** Debt financings will be limited to capital projects included in the CTP.

II. Limitations on Indebtedness

- a. **Policy Statement 9.** The statutory ceiling on the level of outstanding toll revenue bond debt shall not exceed \$4,000,000,000 on June 30 of any year.
- b. **Policy Statement 10.** The amount of planned MDTA debt will be limited by affordability guidelines relating to debt service coverage, the rate covenant set forth below, and as further determined by the Executive Director and CFO in consultation with the municipal advisors. The amount of planned toll revenue-backed debt will be shown in the Financial Forecasts that are prepared at least twice per year.
 - i. The 2007 Trust Agreement requires that in each Bond Year (July 1 – June 30, as defined in the Trust Agreement) net revenues (revenues less operating expenditures) must cover 120% of debt service requirements

- and 100% of the amount annually budgeted for deposit to the M&O Reserve Account.
- ii. The MDTA will maintain a minimum annual debt service coverage level of 200% of debt service for planning purposes.
 - iii. The MDTA will allow at least \$100 million in programmed bonding capacity in reserve for contingencies during Years 3 through 6 of the Financial Forecast planning period.
 - iv. Planned debt issuances will be based on reasonable estimates of future toll adjustments and capital funding requirements.
 - v. The period of planned debt issuances will coincide with the 6-year CTP, and may be done for additional (e.g., 10 years) for longer range strategic planning.
- c. **Policy Statement 11.** Debt service coverage for non-recourse debt (not backed by MDTA toll revenue) will be determined on a case by case basis for projects where MDTA is a non-recourse debt issuer.
- i. Non-recourse financings shall generally have minimum debt service coverage requirements of 120% of debt service.
 - ii. An exception to this minimum for non-recourse financings may occur if there is a debt service “guarantee” from a rated municipality, authority, or entity with investment grade ratings.
 - iii. Non-recourse financings shall not pledge MDTA’s toll revenues.
 - iv. The MDTA has a self-imposed outstanding debt limit on non-recourse financings of \$700 million, excluding GARVEE bonds (hereinafter defined).
- d. **Policy Statement 12.** Pursuant to §4-320 of the Transportation Article, and the statutory limits set forth therein, the aggregate principal amount of debt issued and secured by a pledge of future federal aid known as Grant and Revenue Anticipation (GARVEE) bonds will not exceed \$750 million, and the maturity date for such debt may not be later than 12 years after the date of issuance.
- e. **Policy Statement 13.** The MDTA must adhere to the Governor’s Executive Order 01.01.1998.07 (Executive Order) which requires annual review and approval of planned State agency debt by the Department of Budget and Management (DBM) and the Governor. The Budget Committee Narrative of fiscal 2023 also requests that any rating agency reports associated with a financing be forwarded to the State Treasurer’s Office in advance of the sale or concurrently. For clarification, credit ratings are not required for all financings.
- i. Notice must be given to DBM at least 30 days in advance of any bond issuance of \$25 million or greater.
 - ii. The MDTA will comply with the annual reporting requirements as set forth in the Executive Order and the Budget Committee Narrative for rating reports if applicable/available as part of a financing.

III. Debt Structural Features

- a. **Policy Statement 14.** The weighted average maturity (WAM) of the tax-exempt debt issued by MDTA cannot exceed the weighted average life of the improvements for any project.
 - i. The MDTA debt must not exceed a term of 40 years per Maryland law, §4-302(b) of the Transportation Article.
- b. **Policy Statement 15.** Debt will generally be structured to achieve the lowest possible net financing costs pursuant to MDTA’s policies and objectives.

- i. Whenever feasible, structuring debt with level debt service costs over the life of the issue is preferred.
 - ii. Backloading will be considered in order to match debt service requirements with project revenues during the early years of the project's operation.
 - iii. At the CFO's discretion, certain issuance costs and fees (e.g. underwriter's discount, bond counsel, municipal advisors, rating agencies, feasibility consultants, Trustees, printers, auditors, etc.) may be paid from unrestricted cash instead of bond proceeds.
 - iv. In accordance with the Code of Maryland Regulations 11.07.09.09, MDTA may charge an application fee or other fees reasonably related to the expenses it incurs in processing a financing proposal or issuing debt in connection with a Vehicle Parking Facility.
 - v. As a non-recourse issuer, MDTA may charge the obligor an annual administrative fee to recapture its costs incurred over the life of the bonds.
 - 1. Examples of such costs include, but are not limited to, arbitrage rebate calculations, trustee fees and auditor expenses.
- c. **Policy Statement 16.** Optional redemption provisions will generally be included in MDTA bond issues upon the recommendation of the Executive Director, CFO and municipal advisors.
 - i. Depending upon market conditions, call provisions will be evaluated for each bond issue.
- d. **Policy Statement 17.** Capitalization of interest (borrowing funds to pay interest on a debt obligation) will generally be limited to the interest due on debt during construction of the facilities.
 - i. When deemed appropriate by the Executive Director, CFO and municipal advisors, capitalized interest may extend beyond the construction period, but in no event, will it extend beyond one year after project completion in accordance with Maryland law, §4-101(c) of the Transportation Article.
- e. **Policy Statement 18.** MDTA may issue variable rate securities with interest rates tied to an index according to a predetermined formula or based upon the results from a periodic remarketing of securities for toll revenue-backed or non-recourse debt.
 - i. The decision to issue variable rate debt must be approved by the MDTA Board upon the recommendation of the Executive Director, CFO and municipal advisors.
 - ii. MDTA has a self-imposed limit that at time of issuance, no more than 15% of its toll revenue-backed debt will be in variable rate mode.
 - iii. Limits on variable rate non-recourse debt will be determined on a case by case basis taking into consideration debt service coverage and obligor cash reserves.
- f. **Policy Statement 19.** Upon the approval of the MDTA Board, MDTA may enter into financing agreements involving interest rate swaps, floating/fixed rate auction securities, or other forms of debt bearing synthetically determined interest rates.
 - i. MDTA will consider the use of such financing agreements on a case by case basis and any use shall be consistent with the Trust Agreement, State policy and financial prudence.
- g. **Policy Statement 20.** When it is determined to be prudent by the Executive Director, CFO and municipal advisors, and subject to approval of the MDTA

Board, MDTA may issue bond anticipation notes or other short-term indebtedness, in accordance with applicable statutory law and trust agreements, as a source of interim construction financing.

IV. Method of Sale

- a. **Policy Statement 21.** The MDTA shall sell and issue debt, subject to MDTA Board approval, either through a competitive bidding process or by a negotiated sale (including a direct bank loan). A competitive bond sale is the preferred method unless it is determined by the Executive Director, CFO, the municipal advisors and legal counsel that this method is unlikely to produce the best sale results. Factors to consider in selecting the sale method include, but are not limited to, bond issue size and related issuance costs, repayment terms, market conditions, credit history and the timing of the need for funds.
 - i. Competitive sales will be awarded to qualified bidder(s) based upon the lowest true interest cost method, with additional consideration of the probable call of the premium coupon securities through the lowest call option adjusted True Interest Cost Plus (TIC Plus) methodology.
 - ii. In the event of a negotiated sale, the underwriting team for the negotiated sale will be selected through a competitive solicitation process and approved by the MDTA Board.
 - iii. In the event of a direct bank loan, a competitive solicitation will be conducted and the bonds will be awarded based upon lowest true interest cost or TIC Plus unless the Executive Director and CFO determine that it is in the best interest of the MDTA to accept an alternative bid with more favorable terms and conditions.
- b. **Policy Statement 22.** Documentation of MDTA bond sales and closings will be prepared by bond counsel, municipal advisors, the MDTA Office of the Attorney General, the MDTA Division of Finance, and other applicable parties for approval by the MDTA Board, and in the case of non-recourse debt, the State Board of Public Works or other appropriate officials, as required.

V. Refundings

- a. **Policy Statement 23.** The CFO and municipal advisors will periodically review MDTA outstanding debt to identify refunding opportunities. Refunding will be considered when there is net economic benefit or the refunding is advisable to modernize bond trust covenants essential to operations and management. The CFO, the Executive Director and staff from MDTA's Division of Finance shall consider additional factors that they deem appropriate in determining specific bonds that shall be refunded.
 - i. In general, refunding for economic savings will be considered when net present value (NPV) savings may be achieved. Projected NPV savings shall be discounted at the All-In True Interest Cost. Alternately, NPV savings may be calculated using discount factors from the funding yield curve for each individual maturity.
 - ii. In concert with NPV savings analysis, Refunding Efficiency shall be calculated for each individual maturity. Refunding Efficiency measures the percentage of the call option value captured through present value cash flow savings. Maturity refundings that are projected to capture more than 85% of the option value may be viewed favorably and worthy of

consideration, though a calculated efficiency below 95% suggests that greater savings may be achieved by delaying the financing.

- iii. A refunding is subject to MDTA Board approval, either for economic reasons or when existing bond trust covenants or other factors impinge on prudent and sound financial management, and such a restructuring is in MDTA's overall best financial interests.

VI. Disclosure/Arbitrage Compliance

- a. **Policy Statement 24.** The MDTA is committed to full and complete financial disclosure, and will abide by the provisions of SEC Rule 15c2-12 concerning primary and secondary market disclosure.
 - i. The MDTA Division of Finance, with the MDTA Office of the Attorney General and bond counsel, will determine the appropriate primary market disclosure that is required in connection with the offer and sale of bonds.
 - ii. The CFO and the MDTA Division of Finance shall establish and maintain written procedures to follow for the collection, review and public dissemination of secondary market disclosure.
 - iii. At a minimum, such disclosure procedures shall address responsibility for:
 - 1. Maintaining a record of all Continuing Disclosure Agreements and the requirements set forth therein;
 - 2. Assigning staff to collect information and determine the method of disclosure, i.e. inclusion in the MDTA Financial Statements or by a separate posting to disseminate information, using the Electronic Municipal Market Access System (EMMA), or to such other approved national repository; and
 - 3. Setting guidelines to determine when a voluntary or significant event has occurred that warrants posting to EMMA, or to such other approved national repository.
- b. **Policy Statement 25.** The MDTA is committed to compliance with Federal arbitrage tax law and regulations which govern the issuance and management of tax exempt debt.
 - i. The MDTA Division of Finance is responsible for the system of record keeping and reporting necessary to meet the arbitrage rebate compliance requirements of the Federal tax code.

VII. Investment of Bond Proceeds

- a. **Policy Statement 26.** Bond proceeds shall be invested in accordance with provisions of the applicable Trust Agreement and MDTA's Investment Management Policy.

VIII. Consultant Selection

- a. **Policy Statement 27.** The MDTA will retain municipal advisors who are registered with the SEC, to be selected for a term of up to six years through a competitive process administered by the MDTA Division of Finance and the Division of Procurement.
 - i. The Executive Director and CFO shall determine on a case by case basis, and pursuant to an applicable municipal advisory services contract, when to use the services of the municipal advisors for bond sales or other

- financial matters and related advice.
 - ii. To ensure independence and to avoid any potential conflicts of interest, when the MDTA engages the services of the municipal advisors for bond sales, it shall be with the understanding that neither the municipal advisors, their firms, or affiliates, will bid on or underwrite any MDTA debt issue, or perform any other services relating to the sale or issuance of such debt, unless specifically disclosed to the MDTA and authorized by the Executive Director and CFO upon approval by the MDTA Board.
 - iii. When the MDTA engages with services of the municipal advisors for general advice and work, including but not limited to, investments, cash modeling, forecasts, rating agency surveillance, legislative and regulatory updates and analyses, it shall be with the understanding that the municipal advisors, their firms or affiliates will provide the MDTA with written confirmation of their compliance with, and disclosure relating to, the fiduciary duties and standards imposed by the Dodd-Frank Act, and specifically the Municipal Advisor Rule (Release No. 34-70462) issued by the SEC and Rule G-42 issued by the MSRB.
- b. **Policy Statement 28.** The MDTA and the Maryland Attorney General will retain qualified bond counsel as required for debt issues. Bond counsel will issue an opinion as to the legality of the debt issuance and the tax-exempt status of any such obligations.
- i. The Principal Counsel of the MDTA Office of the Attorney General (MDTA Principal Counsel) shall act as procurement officer on behalf of the Maryland Office of the Attorney General and procure competitive proposals from outside law firms.
 - ii. If necessary, the MDTA Principal Counsel shall form a review committee to evaluate written proposals and to conduct oral interviews of the proposers.
 - iii. After the review committee completes its evaluation, the MDTA Principal Counsel shall make recommendations to the Maryland Attorney General regarding the selection of one of more firms to serve as bond counsel.
 - iv. The solicitation and selection process for such services will be accomplished according to the legally appropriate procurement process utilized by the Maryland Attorney General. The Maryland Attorney General's Office shall make such selection, and the MDTA Principal Counsel shall notify the MDTA Board of the selection. The contract(s) shall be awarded, subject to available funding for the contract(s).
- c. **Policy Statement 29.** The MDTA Division of Finance shall be responsible for qualifying underwriting firms to provide services for debt issued in a negotiated sale.
- i. Underwriters will be required to demonstrate sufficient capitalization, experience, and competitive pricing in order to qualify to underwrite debt.
 - ii. A review committee will be formed to evaluate written proposals and to conduct oral interviews if necessary.
 - iii. The formal selection of the qualified underwriting firms for all negotiated bond sales (except direct bank loans) will be presented to the MDTA Board for approval upon recommendation by the review committee.
- d. **Policy Statement 30.** The MDTA Division of Finance, in conjunction with the MDTA Office of the Attorney General, will approve the selection of the underwriter's counsel, in the event of a negotiated bond sale. The cost of the

underwriter's counsel will be payable from bond proceeds of each specific issue and allocated to underwriter's costs.

- e. **Policy Statement 31.** The CFO shall have the authority to periodically select other service providers (e.g., trustees, arbitrage consultants, etc.) as necessary to meet legal requirements and to minimize net debt costs.
- f. **Policy Statement 32.** Compensation for bond counsel, underwriter's counsel, municipal advisors, and other financial services will be as low as possible (through the competitive and any legally required procurement process), given desired qualification levels, and consistent with industry standards.

IX. Credit Ratings

- a. **Policy Statement 33.** The MDTA seeks to maintain the highest possible investment grade credit ratings for revenue bonds, notes and other evidences of indebtedness issued under the provisions of Title 4 of the Transportation Article, consistent with this policy and other Department guidelines.
 - i. For issues secured by toll revenues, MDTA will request ratings prior to the sale of securities from at least two of the three major rating agencies for municipal bond issues: Moody's Investors Service, S&P Global, and Fitch Ratings.
 - ii. For non-recourse financing issues, the decision to request underlying credit ratings will be on a case by case basis as determined by the Executive Director, CFO, the municipal advisors, the obligor and the underwriter for the bonds in the case of a negotiated sale.
 - iii. The MDTA may provide written and/or oral presentations to the rating agencies to assist the agency credit analysts.
- b. **Policy Statement 34.** MDTA shall consider the use of credit enhancements such as debt service reserves, bond insurance, letters of credit, and surety bonds when such credit enhancement proves cost-effective.
 - i. The net debt service on the bonds should be reduced by more than the net carrying costs of the enhancement. A credit enhancement should result in lower net financing costs and may result in higher credit ratings.
- c. **Policy Statement 35.** The Executive Director, CFO and the municipal advisors are responsible for maintaining relationships with the rating agencies. This effort includes providing periodic updates on MDTA's general financial condition along with meetings and presentations in conjunction with a new debt issuance.

X. Annual Review

- a. **Policy Statement 36.** This Debt Policy is to be reviewed by the MDTA Finance Committee at least annually.

XI. Definitions

- a. None

XII. Authorized/Supporting Documents

XIII. Policy History

- a. Approved 8.16. 2005
- b. Reviewed 8.10. 2006
- c. Amended 8.9.2007 as of 9.20.2007

- d. Amended 9.11.2008
- e. Amended 8.25.2009
- f. Amended 11.24.2010
- g. Reviewed 9.22.2011
- h. Amended 9.27.2012
- i. Amended 8.22.2013
- j. Amended 8.28.2014
- k. Amended 8.27.2015
- l. Amended 8.25.2016
- m. Amended 9.7.2017
- n. Amended 8.30.2018
- o. Amended 8.29.2019
- p. Amended 8.27.20
- q. Amended 8.26.21
- r. Amended 8.25.22
- s. Amended 8.31.23
- t. Amended 11.29.23
- u. Amended 11.21.24
- ~~u.~~v. Amended 10.30.25

ITEM

5



MEMORANDUM

TO: Finance and Administration Committee
FROM: Deputy Director Finance Allen W. Garman
SUBJECT: Trust Agreement Amendments
DATE: October 9, 2025

PURPOSE OF MEMORANDUM

Explain the rationale for the proposed changes to the Master Trust Agreement to be executed through a springing amendment process. Seek the recommendation of the Finance and Administration Committee to present the proposed changes to the full MDTA Board for approval.

SUMMARY

Sections 11.1 and 11.02 of the Master Trust Agreement permit amendments. Amendments without bondholder consent are limited to actions that may include curing ambiguities and adding protective covenants, adding conditions, covenants, and restrictions to be observed by MDTA; while amendments requiring bondholder consent relate to modifications or alterations to the terms or conditions.

An amendment requiring bondholder consent may be accomplished through a Springing Amendment process, whereby newly issued bonds effectively vote for the changes during the underwriting process and the amendment will spring into effect when new bonds voting for the amendment exceed the outstanding bonds. With approximately \$2.1 billion of debt outstanding and the prospect of large new issues over the next four years, this is a rare, near-term, and fleeting opportunity to improve and modernize the Trust Agreement.

As the MDTA has grown and matured into a large multi-asset system and rating agency and market expectations have evolved, it is prudent to periodically update and modernize Trust Agreement provisions to reduce costs and increase financial and operational flexibility, without diminishing bondholder protections or credit ratings that influence the cost of financing. The proposed changes increase debt service coverage resiliency, financial flexibility, and may result in cost savings as a function of insurance premiums relative to the *Net Carrying Cost*¹ of reserves. Additional refinements to the Trust Agreement may be recommended with future financings.

¹ Net Carrying Cost – Indirect financing cost minus investment earnings.

ANALYSIS

Rapidly rising insurance premiums nationally as a function of increasing natural disaster loss activity, as well as the MDTA's recent business interruption experience, necessitated a close examination of Trust Agreement provisions for insurance reserves and the legal treatment of reserve releases to ensure stable Debt Service Coverage².

Management recognizes that both the rising industry insurance premiums and the prudent goal of maintaining revenue and Debt Service Coverage stability warrants amendments to the Master Trust Agreement. The inadequacy of the current Trust Agreement legal provisions is the inability to self-fund a business interruption insurance reserve and treat the releases from the reserve as Net Revenues for purposes of supporting the annual Rate Covenant or Debt Service Coverage ratios.

Drivers for Prudent Trust Agreement Amendments

1. Rising insurance premiums industrywide.
2. Revenue and Debt Service Coverage stability during business interruption.

Benefits

1. Financial flexibility to self-insure with cash reserves.
2. Lower insurance costs.
3. Support healthy Debt Service Coverage in stress scenarios.
4. Eliminate counterparty risk.

Cost Considerations

Annual insurance premiums should be considered relative to the Net Carrying Cost of a cash funded reserve. The annual cost of a reserve is a function of the MDTA's indirect financing costs, net of investment earnings. For perspective, Net Revenues ultimately flow to the Capital Program and any funds diverted to a self-insurance reserve have an associated cost equal to the additional financing costs to support capital spending. A decision rule follows; if the annual Net Carrying Cost of a cash reserve is less than the annual cost of insurance premiums, then self-funding would be more economic.

Real Option

Management gains a valuable *Real Option* with the ability to make economic choices between purchased insurance policies and cash funding an insurance reserve. Changing interest rate environments and insurance market premiums provide the opportunity to consider alternatives. The MDTA undertakes a similar approach when determining to cash-fund or purchase a Surety Policy for bond financings with Debt Service Reserves.

² Debt Service Coverage – annual Net Revenues divided by annual Debt Service.

Conceptional Changes

The MDTA's external Bond Counsel is in the process of drafting changes to various sections and definitions within the Trust Agreement to accomplish the self-insurance goals. The specific changes will be made in a Supplemental Trust Agreement and incorporated in the next bond sale. The following tables help illustrate how a self-insurance reserve may be structured from both a cash flow and Debt Service Coverage perspective.

- Initial funding and replenishment of a reserve will count in the denominator of the Rate Covenant (Debt Service Coverage) calculation and lessen coverage, releases from the reserve will be included in the numerator and help support revenues/coverage in a stress scenario.

Rate Covenant Cash Flows Example

$$\text{Rate Covenant} = \text{Net Revenues} / \text{M\&O Budgeted Deposit} + (1.2 \times \text{Debt Service})$$

(millions)

Current M&O Reserve Funding	50
Potential Additional Funding	20
Future M&O Reserve Level	70

M&O Reserve Activity/Funding

Years	1	2	3	4	5	6	7
Beginning Reserve	50	60	70	70	70	52	61
Budgeted Deposit Reserve Increase	10	10	0	0	0		
Budgeted Deposit Reserve Replenishment						9	9
Use of Funds for Business Interruption*					(18)		
Ending Reserve	60	70	70	70	52	61	70

* Loss of one month's revenue during modeled Susquehanna River Bridge closure.

Rate Covenant Implications

Years	1	2	3	4	5	6	7
Net Revenues	461.0	461.0	461.0	461.0	443.0	461.0	461.0
M&O Reserve Withdrawal	-	-	-	-	18.0	-	-
Net Revenues + Reserve Transfer	461.0	461.0	461.0	461.0	461.0	461.0	461.0
M&O Budgeted Deposit	10.0	10.0	-	-	-	9.0	9.0
120% Debt Service	138.0	138.0	138.0	138.0	138.0	138.0	138.0
Numerator	461.0	461.0	461.0	461.0	461.0	461.0	461.0
Denominator	148.0	148.0	138.0	138.0	138.0	147.0	147.0
Rate Covenant Coverage	3.1	3.1	3.3	3.3	3.3	3.1	3.1

- Coverage is diminished when the M&O Reserve target balance is increased in Years 1 and 2 and when replenished in Years 6 and 7.
- Coverage is supported through reserve release when Business Interruption results in an \$18 million loss of toll revenues in Year 5.

RECOMMENDATION

Request Finance and Administration Committee's concurrence with the proposed conceptual changes and advancement recommendation to the full MDTA Board for approval.

ATTACHMENT

Relevant Trust Agreement Sections and Definitions that Bond Counsel will review for amendments.

Relevant Trust Agreement Sections and Definitions

The MDTA is not permitted to self-insure for business interruption per Section 6.06(a) of the Trust Agreement. However, business interruption insurance proceeds from an insurance company would count as Net Revenues for purposes of meeting the rate covenant. The MDTA must obtain insurance for the following categories of risks:

1. Damage or destruction to Transportation Facilities Projects
2. Use and occupancy covering loss of revenues
3. Comprehensive public liability insurance for bodily injury and property damage (may self-insure for these risks)

Section 6.06. Insurance.

(a) General.

The Authority covenants that it will maintain a practical insurance program, with such reasonable terms, conditions, provisions and costs that the Authority in its sole discretion determines will afford adequate insurance protection. The Authority shall provide insurance against loss caused by damage to or destruction of all or any part of any of the Transportation Facilities Projects; use and occupancy insurance covering loss of revenues; comprehensive public liability insurance for bodily injury and property damage and such other insurance as the Authority in its sole discretion may determine. All such insurance policies shall be carried in a responsible insurance company or companies authorized and qualified to assume the risks thereof; provided that the Authority may self-insure against public liability for bodily injury and property damage and other risks not enumerated herein in accordance with and as permitted by law.

Section 6.14. Covenants as to Rates, Etc.

The Authority covenants, subject to any lawful regulation by the United States of America, that it will fix, revise, charge and collect rentals, rates, fees, tolls and other charges and revenues for the use or services of the Transportation Facilities Projects in order to produce Net Revenues in each Bond Year in an amount not less than the sum of (a) one hundred twenty percent (120%) of the amount of the Debt Service Requirements for such Bond Year on account of the Bonds of all Series and any Parity Indebtedness then outstanding and (b) 100% of the amount set forth in the Annual Budget to be deposited to the credit of the Maintenance and Operations Reserve Account.

“Net Revenues” for any particular period shall mean the amount of the excess of the revenues of the Transportation Facilities Projects deposited to the credit of the Operating Account pursuant to the provisions of Sections 4.05, 6.06 and 6.12, over the Current Expenses during such period, but shall not include any moneys deposited or transferred to the credit of the Operating Account pursuant to the provisions of Sections 4.08, 4.09, 4.10 and 4.11 and shall not include moneys derived from the ownership or operation of any General Account Project and deposited to the Operating Account pursuant to Section 4.05.

Section 6.06 Insurance (b) Disposition of Insurance Proceeds

The Authority shall deposit the proceeds of physical loss insurance to the credit of the Capital Account or the Maintenance and Operations Reserve Account and the proceeds of use and occupancy insurance to the credit of the Operating Account immediately upon receipt. Once so deposited, such proceeds shall be used for the purposes permitted for moneys in such accounts.

Section 4.08. Use of Maintenance and Operations Reserve Account.

(a) General.

Except as hereinafter provided in this Section, moneys held for the credit of the Maintenance and Operations Reserve Account shall be disbursed by the Authority or, to the extent provided in clause (iv) below, set aside in reserve, for the purpose of paying the cost of:

- (i) unusual or extraordinary maintenance or repairs, maintenance or repairs not recurring annually, and renewals and replacements, including major items of equipment;
- (ii) repairs or replacements resulting from an emergency caused by some extraordinary occurrence when the moneys in the Operating Account and insurance proceeds, if any, available therefor are insufficient to meet such emergency;
- (iii) engineering expenses incurred under the provisions of this Section; and
- (iv) extraordinary premiums on purchased insurance carried, or payments to be set aside in reserve for self-insurance maintained, under the provisions of this Trust Agreement.

Such disbursements by the Authority shall be made in accordance with the provisions of Section 4.05 for payments from the Operating Account to the extent that such provisions may be applicable.

(b) Transfers from Maintenance and Operations Reserve Account.

If the moneys held for the credit of the Bond Service Subaccount and the Reserve Subaccount shall be insufficient to pay the principal of and interest on all outstanding Bonds and Parity Indebtedness at the time such interest and principal becomes due and payable, then the Authority may transfer from any moneys held for the credit of the Maintenance and Operations Reserve Account to the Trustee for deposit to the credit of the Bond Service Subaccount an amount sufficient to make up any such deficiency. Any moneys so transferred from the Maintenance and Operations Reserve Account shall be restored from available moneys in the Operating Account, subject to the same conditions

as are prescribed for deposits to the credit of the Maintenance and Operations Reserve Account under the provisions of Section 4.06.

The Authority may from time to time transfer any moneys from the Maintenance and Operations Reserve Account to the Operating Account or the Capital Account as the Authority may determine by resolution filed with the Trustee and stating that the amount so to be transferred is not required for the purposes for which the Maintenance and Operations Reserve Account has been created. The Authority shall from time to time deposit to the credit of the Maintenance and Operations Reserve Account any moneys received pursuant to Section 6.06.

ITEM

6



Maryland Transportation Authority

Wes Moore, Governor

Aruna Miller, Lt. Governor

Samantha J. Biddle, Chair

Board Members:

Dontae Carroll

Maricela Cordova

William H. Cox, Jr.

Mario J. Gangemi, P.E.

Cynthia D. Penny-Ardinger

Jeffrey S. Rosen

Samuel D. Snead, MCP, MA

John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: Finance and Administration Committee
FROM: Director of Finance Chantelle Green
SUBJECT: Update on the Canton Development Company
DATE: October 9, 2025

PURPOSE OF MEMORANDUM

To provide the Finance and Administration Committee with an update on the Canton Development Company's operations and performance.

BACKGROUND

The Canton Railroad Company, owned by the MDTA since 1987, operates along 16 miles of track and provides railroad access to the Seagirt Marine Terminal. The Canton Railroad Company has served the Port of Baltimore and southeast Baltimore City industries since its chartering in 1906.

ATTACHMENT

- Canton Development Company Presentation



CANTON DEVELOPMENT COMPANY

PRESENTATION TO MDTA FINANCE COMMITTEE

OCTOBER 2025





CANTON DEVELOPMENT COMPANY

- **HOLDING COMPANY OWNED BY MDTA
(100% STOCK)**
- **ACQUIRED IN 1987 TO PRESERVE RAIL
ACCESS TO SEAGIRT MARINE
TERMINAL**
- **OWNS CANTON RAILROAD COMPANY**
- **OWNS FREESTATE LOGISTICS
SERVICES**

CDC FINANCIAL RESULTS FOR 2024

- **REVENUE: \$4.6 MILLION (INCLUDING REVENUE AMOUNTS FROM SUBSIDIARIES)**
- **NET INCOME: \$113K (CDC ONLY)**
- **NET INCOME: \$63K (FLS AND CANTON RR COMBINED)**



CASH & INVESTMENT POSITION

AS OF DEC.31, 2024

Cash: Canton Development	\$ 869,285
Canton Railroad	\$ 1,817,967
Freestate Logistics	<u>\$ 1,369,756</u>
Total Cash	\$ 4,057,008

Investments: Brown Advisory	\$ 3,471,058
T. Rowe Price	<u>\$ 271,310</u>
	\$ 3,472,368

Total Cash and investments:	<u>\$ 7,529,376</u>
-----------------------------	---------------------



CANTON RAILROAD COMPANY





- **3 OPERATING LOCOMOTIVES**
- **16 EMPLOYEES**
- **16 ROUTE MILES**
- **24 CUSTOMERS**
- **2024 CARLOADS: 2,998**
- **2024 REVENUE: \$3.54 MILLION**



FUTURE GROWTH OPPORTUNITIES



- ❖ Recruit a new customer for the Kane Street location who will use rail service.
- ❖ Re-establish good working relationships with our current online customers and help them bring their new business opportunities to Canton.
- ❖ Industry Switching opportunities resulting from the NS-UP merger

EFFECT OF THE KEY BRIDGE COLLAPSE ON THE CANTON RAILROAD

- **CANTON RAILROAD LOST
SIGNIFICANT REVENUE
DUE TO THE COLLAPSE OF
THE KEY BRIDGE IN
MARCH 2024.**

**From May 1, 2023 to December 31, 2023, Canton
received 305 loaded cars to transload for PepUp.**

**From May 1, 2024 to December 31, 2024, Canton
received 138 loaded cars to transload for PepUp.**

**A 54.75% decrease of inbound loads
for PepUp which resulted in lost
revenue exceeding \$246,000.**



FREESTATE LOGISTICS SERVICES, INC
PERRYVILLE, MARYLAND





SINCE 2006
PRINCIPIO BUSINESS PARK



- **SERVES GENERAL ELECTRIC APPLIANCE DISTRIBUTION CENTER**
- **AMERICOLD WAREHOUSE**
- **YORK BUILDING PRODUCTS**
- **3 FULL TIME EMPLOYEES**
- **2 LOCOMOTIVES**
- **2024 CARLOADS: 4,877**
- **2024 REVENUE: \$835,764**



PLAN FOR CONTINUED GROWTH

Locate and develop a site nearby for transloading opportunities in the Cecil County area

Beginning in late 2025/early 2026, both GE and Americold are projecting higher carload numbers for their Perryville locations.

ITEM

7



Maryland
Transportation
Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Samantha J. Biddle, Chair

Board Members:
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Samuel D. Snead, MCP, MA
John F. von Paris

Bruce Gartner, Executive Director

MEMORANDUM

TO: MDTA Finance & Administration Committee
FROM: Assistant Capital Program Manager Jennifer Stump
SUBJECT: Consolidated Transportation Program (CTP) Process/Additions
DATE: October 9, 2025

PURPOSE OF MEMORANDUM

The purpose of the memorandum is to provide the MDTA Finance and Administration Committee with an overview of the MDTA Consolidated Transportation Program (CTP) Process and an update on the additions to the capital program. This information was presented to the Capital Committee on October 2, 2025 and will be presented to the MDTA Board on October 30, 2025.

SUMMARY

Every year the Maryland Transportation Authority (MDTA) releases the CTP, presenting MDTA's ongoing and new capital projects for a six-year period (the current year, the upcoming budget year, and the four succeeding planning years) for all MDTA facilities.

After approval by the MDTA Board, the Draft CTP is presented to local elected officials and citizens in September through November throughout Maryland for review and comment. It is then revised and submitted, after MDTA Board approval, as the Final CTP as part of the Governor's budget to the Maryland General Assembly in January. This process is required by statute and applies to MDTA as well as the Maryland Department of Transportation (MDOT) business units.

The CTP is separated into three parts, (1) Construction Program - Major projects, (2) Development and Evaluation (D&E) Program - Major projects, and (3) System Preservation - Minor Projects. Major capital projects are listed individually; minor projects are grouped and shown by category of work (e.g., environmental, highway preservation, safety improvements).

The Construction Program – Major Projects and System Preservation – Minor Projects programs include ongoing projects, and those projects scheduled to begin construction within the six-year period.

The D&E Program contains those major projects which are being prepared for possible future addition to the Construction Program. Projects are moved from the D&E Program to the Construction Program as funds and resources become available, based on the merits of the projects.

PROJECT SELECTION

MDTA's capital projects originate from a variety of sources.

- Long Range Capital Needs (LRCN) – includes planned rehabilitation or replacement projects based on life cycle. The expected useful life of a component does not provide an exact rehabilitation or replacement date but gives an idea of when the MDTA should begin planning and budgeting to address it.
- Inspection findings - used in tandem with life cycle estimates to confirm rehabilitation or replacement is necessary as scheduled or to expedite a project when it is needed ahead of schedule.
- Regulatory compliance - includes projects for EPA-mandated storm water management.
- Increased capacity needs - based on traffic forecast recommendations.
- Local Priority Letters/Legislative Requests - established each year as counties and Baltimore City are asked to submit a list of priorities for the state transportation system. Generally, these priority letters include the concurrence signatures of the legislative delegation representing that county.

Once identified, projects are prioritized based on customer needs for safety and security, or increased capacity through improvements, or system preservation.

Funding availability to budget for identified projects is based on the MDTA's six-year financial forecast, which considers estimates of traffic and revenue (prepared annually), the operating budget and capital budget, debt service payments, the potential need for future bond sales and toll increases, and compliance with financial standards (Trust Agreement covenant, debt service coverage, unrestricted cash balance).

The FY 2026-2031 Final CTP, to be presented for approval at a future meeting, includes four new projects, which are detailed in Attachment A.

ATTACHMENT

Attachment A - New Projects Added to the FY 2026-2031 MDTA Capital Program

New Projects Added to the FY 2026-2031 MDTA Capital Program

Chesapeake Bay Water Quality Restoration

Multi-Area (Pin 2676)

\$2,000,000 (Planning)

Retrofitting and new construction to meet Chesapeake Bay TMDL Goals set by MDE Phase II MS4 Permit. MDE has alerted permittees to prepare for treatment of 10% of baseline impervious area within MDTA Right of Way (ROW).

FMT Utility Rooms Electrical & Structural Rehabilitation

I-95 Fort McHenry Tunnel (Pin 2682)

\$400,000 (Engineering)

This project involves the inspection, assessment, and rehabilitation of electrical and structural components within the utility rooms of the Fort McHenry Tunnel (FMT). Work includes identifying deficiencies, addressing drainage issues above electrical equipment, evaluating code compliance, and preparing recommendations for long-term preservation and safety improvements.

NetApp Unified Storage Hardware Replacement

Multi-Area (Pin 2684)

\$4,000,000 (Construction)

This project is for the replacement of NetApp Unified Storage hardware located at the ICC and JFK Data Centers.

Bay Bridge Suspension Span Anchorage Concrete and Navigation Lighting Rehabilitation

US 50/301 William Preston Lane Jr. Memorial (Bay) Bridge (PIN 2685)

\$400,000 (Engineering)

This project is for anchorage piers concrete repairs and navigational lighting replacement for both EB and WB Bay Bridges.