

FINANCE COMMITTEE MONTHLY MEETING
TUESDAY, MAY 11, 2021
OPEN MEETING VIA LIVESTREAMING

OPEN SESSION

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

STAFF ATTENDING: Jeffrey Brown
Cheryl Dickinson
Allen Garman
Chantelle Green
Natalie Henson
Cheryl Lewis-Orr
Jeanne Marriott
Kimberly Millender, Esq.
Kenneth Montgomery
Ebony Moore
Will Pines
Jim Ports
Deb Sharpless
Tim Sheets
Dayna Taitt
Christina Thompson
Clayton Viehweg
Eric Willison

OTHERS ATTENDING: Courtney Highsmith – MDOT – TSO
James Walsh – MDOT – MAA
Danton Ponzol - PFM

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

APPROVAL – OPEN MEETING MINUTES FROM MARCH 9, 2021 MEETING

Member von Paris called for the approval of the meeting minutes from the Open Meeting held on March 9, 2021. Member Jeffrey Rosen made the motion, and Member Dontae Carroll seconded the motion, which was unanimously approved.

UPDATE – INVESTMENT COMMITTEE REPORT

Mr. Allen Garman, Mr. Clayton Viehweg, and Mr. Danton Ponzol (PFM) provided an update to the Finance Committee on market conditions and the activities of the Investment Committee for the three-month period ended March 31, 2021. The update included a review of the financial market, portfolio strategies, total return performance, investment policy compliance, and dealer trade allocations. Market drivers that may influence portfolio performance in the coming months were also discussed, including the economy, fiscal policy, and Federal Reserve monetary policy.

UPDATE – NON-RECOURSE DEBT UPDATE

Mr. Allen Garman, Ms. Dayna Taitt, and Mr. James Walsh (MDOT-MAA) updated the Finance Committee on nonrecourse financings related to the Baltimore/Washington International Thurgood Marshall Airport (BWI) and the Washington Metropolitan Area Transit Authority (WMATA). The update included an explanation of pledged revenues, monthly flow of funds, and trust specific reserves.

Mr. Garman and Mr. Walsh noted that due to revenue shortfalls associated with the pandemic, the BWI Rental Car Facility Bonds Improvement Fund has been utilized in recent months to fully fund the required debt service set asides. The MDTA will make an advance transfer of approximately \$6 million from the BWI Rental Car Facility Bonds Improvement Fund during the current bond year to maintain debt service coverage above the 1.5-times target and the 1.25-times Rate Covenant.

Mr. Garman also indicated that the Series 2012 BWI Parking Bonds and WMATA Parking Bonds were legally defeased in February 2021 and April 2021, respectively. The MDTA's leasehold interest and trust agreement for both bond issues terminated with the legal defeasance of the outstanding bonds under the trust.

UPDATE – 3RD QUARTER OPERATING BUDGET VERSUS ACTUAL SPENDING

Mr. Jeffrey Brown updated the Finance Committee on actual versus projected year-to-date spending for the third quarter of FY 2021. As of March 31, 2021, 64% of the operating budget was spent compared to the target of 73%. Except for Object 11 (Additional Equipment – 105% spend) and Object 13 (Fixed Charges – 98% spend), all other Objects were at or below targeted spending levels. Mr. Brown noted that although year-to-date expenses are below the targeted spending level, when considering higher than anticipated spending trends in certain line items and a lag in invoicing, the total year-end expenses, after capturing all accrued FY 2021 expenses, may exceed the overall budget by a projected amount less than \$5 million. In the coming months, the MDTA will continue to monitor its operating budget and if necessary, a budget amendment will be requested in June.

UPDATE – 3RD QUARTER CAPITAL BUDGET VERSUS ACTUAL SPENDING

Ms. Jeanne Marriott updated the Finance Committee on actual year-to-date spending for the third quarter compared to projected spending as shown in the FY 2021-2026 Draft Consolidated Transportation Program. As of March 31, 2021, 46% of the FY 2021 capital budget was spent as compared to the target of 75%. The total budget for FY 2021 is \$543.3 million. Actual spending through the third quarter was \$252.1 million.

There being no further business, the meeting of the Finance Committee adjourned at 10:03 a.m., following a motion by Member Penny-Ardinger, and seconded by Member Carroll.

John von Paris, Chairman