

FINANCE COMMITTEE MONTHLY MEETING
THURSDAY, MAY 9, 2024
OPEN MEETING VIA LIVESTREAMING

OPEN SESSION

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

STAFF ATTENDING: Jeffrey Brown
Sarah Clifford
Jeffrey P. Davis
Donna DiCerbo
Cheryl Dickinson
Allen Garman
Bruce Gartner
Chantelle Green
Natalie Henson
Richard Jaramillo
Cheryl Lewis-Orr
Jeanne Marriott
Kimberly Millender, Esq.
Kenneth Montgomery
Ebony Moore
Mary O’Keeffe
Joseph Quattrone
Deb Sharpless
Cheryl Sparks
Jason Stolicny
Jennifer Stump
Eric Willison

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 APRIL 11, 2024 MEETING

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

APPROVAL – MDTA BOARD OPERATING POLICY – PROPOSED AMENDMENTS TO RESOLUTION 24-02

Ms. Kimberly Millender requested a recommendation of approval from the Finance Committee to present the proposed amendments to the Maryland Transportation Authority (MDTA) Board Operating Policy, Resolution 24-02, to the full MDTA Board for consideration at its next scheduled meeting.

Ms. Millender explained that the proposed amendments would require that future modifications to the MDTA's tolling contracts be presented to the MDTA Board for approval and not merely as an update given the critical nature of these contracts to the MDTA's operations.

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 Carroll seconded the motion, which was unanimously approved.

APPROVAL – MDTA STRATEGIC PLAN REVIEW

Ms. Sarah Clifford requested a recommendation of approval from the Finance Committee to present the MDTA Strategic Plan Review to the full MDTA Board for consideration at its next scheduled meeting.

Ms. Clifford explained that the new Strategic Plan envisions how the MDTA can deliver on the Governor's commitment to building an efficient and equitable transportation system that promotes economic growth in Maryland, drives billions of dollars in new investments, protects the environment, and connects people with employers.

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 – INVESTMENT COMMITTEE REPORT

Mr. Allen Garman provided an update to the Finance Committee on the activities of the Investment Committee for the period ended March 31, 2024. 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 its next scheduled meeting. Member Penny-Ardinger made the motion, and Member Carroll seconded the motion, which was unanimously approved.

UPDATE – FY 2023 SINGLE AUDIT

Mr. Jason Stolicny updated the Finance Committee on the results of the Independent Auditors' Report on the Compliance for Major Federal Awards (Single Audit). The report indicated that the MDTA complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on the major federal program for the fiscal year ended June 30, 2023. However, the audit disclosed a deficiency in Internal Controls over Compliance as it relates to the timely submission of certain reports and the segregation of duties regarding the preparation and review of the report. Mr. Stolicny advised the Committee that the reports will be submitted timely going forward. Furthermore, the Office of Engineering and Construction has established written procedures that outline the process for preparing, reviewing, and submitting the required quarterly reports to the Federal Highway Administration.

UPDATE – CONTRACT NO. MA 2868-0000 – THIRD GENERATION ELECTRONIC TOLL COLLECTION – CUSTOMER SERVICE CENTER SYSTEM AND SERVICES – RETROACTIVE MODIFICATION NO. 3

Mr. Joseph Quattrone updated the Finance Committee on the retroactive modification #3 to Contract No. MA 2868-0000 with Transcore regarding the operation of the MDTA's Third Generation Electronic Toll Collection – Customer Service Center Systems and Services. Modification #3 addresses the urgent need for additional Operations and Maintenance funding and three contract requirement changes to protect the State's interests that include increasing the performance bond, amending the punch list timeframe, and amending the data storage requirements from one year to four years. Modification #3 will provide a net \$49,159,268.19 in additional funding. The new contract total will be \$357,012,569.56.

UPDATE – THIRD 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 2024. As of March 31, 2024, 62% of the operating budget was spent compared to the target of 72%. The primary drivers for the underspending include personnel vacancies and expenses that have yet to occur for costs that are incurred during the fourth quarter of the fiscal year. Underspending is partially offset by overtime expenses and higher insurance premiums due to market pressures. Mr. Brown also noted that while the MDTA has sufficient liquidity in the near-term to cover additional operating costs associated with the collapse of the FSK Bridge, the agency will be carefully monitoring expenses in the co-

ming weeks to determine if the approved operating budget amount is sufficient or if a budget amendment is needed.

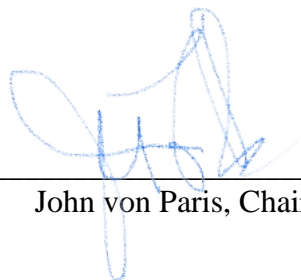
UPDATE – THIRD QUARTER CAPITAL BUDGET VERSUS ACTUAL SPENDING

Ms. Jeannie Marriott 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 Consolidated Transportation Program. As of March 31, 2024, 40.7% of the FY 2024 capital budget was spent as compared to the target of 75%. The total budget for FY 2024 is \$539.6 million. Due to the FSK Bridge collapse and the impacts on traffic along I-895 and I-95, several projects in those regions may experience delays. The Office of Engineering and Construction is assessing these projects to determine their impact on FY 2024 spending.

UPDATE – THIRD QUARTER TRAFFIC AND REVENUE

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 March 31, 2024, actual toll revenue (in-lane and administrative toll) was below the forecast by \$3.5 million or 0.6%; (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 video toll collections at the NOTD and CCU phases.

There being no further business, the meeting of the Finance Committee adjourned at 10:22 a.m., following a motion by Member Penny-Ardinger, and seconded by Member Carroll.



John von Paris, Chairman