

FINANCE AND ADMINISTRATION COMMITTEE MONTHLY MEETING  
TUESDAY, JUNE 18, 2024  
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  
Cheryl Dickinson  
Chantelle Green  
Bruce Gartner  
Natalie Henson  
Jeanne Marriott  
Kimberly Millender  
Ken Montgomery  
Ebony Moore  
Deb Sharpless  
Tim Sheets  
Jamaal Turner

OTHERS ATTENDING: Kelly Morison, CDM Smith

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 MAY 9, 2024 MEETING**

Member John von Paris called for the approval of the meeting minutes from the open meeting held on May 9, 2024. Member Jeffrey Rosen made the motion, and Member Cynthia Penny-Ardinger seconded the motion, which was unanimously approved.

Mr. Richard Jaramillo was not available to present Item No. 2 on the agenda, so the Committee moved to Item No. 3 in the agenda.

**APPROVAL – FY 2024 BUDGET AMENDMENT**

Mr. Jeffrey Brown requested a recommendation of approval from the Finance Committee to present an amendment to the FY 2024 Operating Budget to the full MDTA Board at its next scheduled meeting.

The FY 2024 Amended Operating Budget totals \$460.1 million. This represents an increase of \$60 million, or 15% above the previous FY 2024 budget. As part of the Francis Scott Key Bridge collapse emergency response, the State of Maryland received \$60 million in initial Emergency Relief funding to support the debris and salvage removal cleanup efforts. This amendment requests additional funding in accordance with the provided federal funds. After accounting for the budget amendment, the MDTA remains in compliance with its financial goals and legal standards at fiscal year-end.

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 – FY 2024 FINAL OPERATING BUDGET**

Mr. Jeffrey Brown requested a recommendation of approval from the Finance Committee to the full MDTA Board for the FY 2025 Final Operating Budget. The Trust Agreement requires the approval of a final budget on or before July 1, 2024.

The FY 2024 Final Operating Budget totals \$434.1 million. This represents an increase of \$13.4 million, or 3.2%, above the FY 2025 Preliminary Operating Budget. The key drivers are mandated personnel expenses, increased collectively bargained police patrol vehicle purchases, higher insurance costs, and additional management study activities. These increases are partially offset by reduced credit card fees.

Mandated personnel changes increased the budget by \$6.8 million compared to the FY 2025 Preliminary Operating Budget. These changes include (1) a longevity step totaling \$1.3 million; (2) annual salary review adjustments totaling \$1.1 million; (3) a 3% COLA totaling \$1.0 million; (4) a \$0.4 million increase for compression salary adjustments; (5) a \$1.9 million increase in Employee and Retirees' Health Insurance; (6) a \$0.8 million increase in Employees' Retirement System costs; (7) a \$0.2 million increase in the Law Enforcement Officers' Pension System costs; (8) a Social Security increase of \$0.3 million; and (9) other miscellaneous expenses totaling \$0.2 million.

The operating budget includes a net \$6.6 million increase in discretionary spending. The key changes are as follows: (1) \$5.7 million in vehicle purchases, primarily due to the purchase of

collectively bargained for police patrol vehicles for commuting and off duty use; (2) \$1.9 million for insurance based on FY 2024 actuals that reflect continued market pressures and an anticipated increase in premiums following the FSK Bridge Collapse; (3) \$1.3 million for management studies & consultants; (4) \$0.5 million for vehicle gas & repair as a result of the additional collectively bargained for police vehicles; (5) \$0.2 million for engineers due to increased activity; (7) \$0.1 million for contractual employee step increases; and (8) \$0.2 million in miscellaneous expenses across various object, including maintenance and building equipment and roadway and maintenance materials. These increases are offset by a \$3.2 million reduction in discretionary spending primarily related to a \$1.8 million decline in credit card fees, \$0.6 million decline in building road repairs and maintenance, \$0.3 million decline in equipment repairs and maintenance, and \$0.2 million reduction in advertising expenses.

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.

**APPROVAL – DRAFT FY 2025-2030 CONSOLIDATED TRANSPORTATION PROGRAM**

Ms. Jeanne Marriott requested a recommendation of approval from the Finance Committee to the full MDTA Board for the Draft FY 2025-2030 Consolidated Transportation Program (CTP). The Draft CTP was reviewed by the Capital Committee on June 6, 2024 and recommended for approval to the full MDTA Board.

The Draft CTP totals \$5.1 billion, which reflects a net increase in the six-year FY 2025-2030 budget of \$2.0 billion. The net increase is the result of a (1) \$1.7 billion increase for the replacement of the Francis Scott Key Bridge (Key Bridge); (2) \$4.7 million increase for the Nice/Middleton Bridge; (3) \$64.1 million increase for the I-95 ETL Northbound Extension; (4) \$132.2 million increase for all projects (excluding the Key Bridge, Nice/Middleton Bridge, I-95 ETL Northbound Extension, and reserves); and (5) \$101.9 million increase in the allocated and unallocated reserves. The increase also reflects the rollover of \$128.5 million in unexpended funds from FY2024 into the Draft FY 2025-2030 CTP.

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 2024 – FY 2030 FINANCIAL FORECAST**

Ms. Chantelle Green requested a recommendation of approval from the Finance Committee to the full MDTA Board for the FY 2024 – 2030 Financial Forecast. Ms. Green updated the Finance Committee on the financial affordability of the FY 2025 Final Operating Budget and the Draft FY 2025-2030 CTP. Through FY 2027, the MDTA remains in compliance with its financial goals and legal standards. Despite the loss of the Francis Scott Key (FSK) Bridge, the MDTA has sufficient cashflow and capital reserves in FY 2025 to support additional expenses associated with the FSK Bridge replacement without external support. It is estimated that the MDTA will recapture 40 percent of the passenger and commercial vehicle traffic from the FSK Bridge at the two other harbor crossings. Based on the current forecast estimates, beginning FY 2028, a systemwide toll increase will be necessary to maintain 2.0 times debt service coverage throughout the remainder of the FY 2025-2030 forecast period.

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

**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 2024-2030 financial forecast period. Ms. Green noted that the MDTA’s Board Policy requires a bi-annual review of revenue sufficiency to determine if current rates and fee levels are appropriate based on levels of expected spending. The most recent financial forecast shows that the current toll rates, fees, and discounts provide enough revenue through FY 2027 to meet forecasted spending and to meet all legal and policy requirements.

Mr. Jamaal Turner stepped in for Mr. Jaramillo and presented this Item to the Committee.

**APPROVAL – CONTRACT NO. TE-00210910 – CTI ONTIME TRAFFIC CONTROL SYSTEM MAINTENANCE**

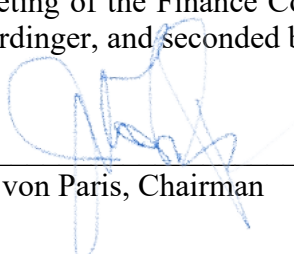
Mr. Jamaal Turner requested a recommendation of approval from the Finance Committee to present Contract No. TE-00210910 with CTI OnTime Traffic Control System Maintenance to the full Maryland Transportation Authority (MDTA) Board at its next scheduled meeting.

This sole source contract is to provide software maintenance services, technical support, quarterly preventive maintenance, and other miscellaneous services for the MDTA-licensed, Control Technologies, Inc. (CTI) - developed “OnTime” traffic control system currently installed on the William Preston Lane, Jr. Memorial (WPL) Bay Bridge. The software views videos from closed-circuit television cameras and controls the lane use signals, enhanced lane use signals, dynamic message signs, two-way flashers, illuminated pavement markers, and gates at the WPL

Bay Bridge. The purpose of this solicitation is to ensure proper operation, support, and maintenance of the OnTime system. This plan includes 24/7 support through a dedicated CTI technical support number and email address.

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.

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



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John von Paris, Chairman