

FINANCE COMMITTEE MONTHLY MEETING
TUESDAY, MAY 15, 2018
POINT BREEZE HEADQUARTERS BUILDING
BALTIMORE, MARYLAND

OPEN SESSION

MEMBERS ATTENDING:

Jack Basso
Katherine Bays Armstrong
John von Paris

STAFF ATTENDING:

Yaw Berkoh
Kerry Brandt
Joyce Diepold
Zina Dimirkow
Trudy Edwards
Allen Garman
Meshelle Howard
Miles Kress
Cheryl Lewis-Orr
Corey Lies
Kimberly Millender, Esq.
Manik Panduwawala
Kevin C. Reigrut
Deb Sharpless
Lora Tracy
Christina Thompson
Tom Walsh
Dan Williams

OTHERS ATTENDING:

Chuck Gomer, Davenport (via phone)
Greg Warner, First Southwest (via phone)

At 9:03 a.m., Member Jack Basso, Chair of the Finance Committee, called the Finance Committee Meeting to order.

APPROVAL – OPEN MEETING MINUTES FROM APRIL 10, 2018 MEETING

Member Basso called for the approval of the meeting minutes from the open meeting held on April 10, 2018. Member Katherine Bays Armstrong made the motion, and Member John von Paris seconded the motion, which was unanimously approved.

UPDATE – INVESTMENT COMMITTEE REPORT

Mr. Allen Garman provided an update to the Finance Committee on the activities of the Investment Committee for period ended March 31, 2018. Mr. Garman reviewed market conditions, portfolio strategies, total return performance, and dealer trade allocations. He also discussed certain market drivers that may influence portfolio performance in the coming months, including the economy, fiscal policy, and Federal Reserve monetary policy.

Mr. Greg Warner, First Southwest, discussed total return performance for the trailing 12-months ended March 31, 2018 and confirmed the portfolio complies with the MDTA's Investment Policy for the period ended March 31, 2018.

Mr. Garman and Ms. Deborah Sharpless also discussed the cash defeasance investment portfolio implications.

UPDATE – CASH FLOW AND CAPITAL SPENDING

Mr. Allen Garman provided the Finance Committee with cash flow projections on future financing needs and reported on capital spending versus projections. Cash spending for the capital program for the first nine months of Fiscal Year 2018 totaled \$179.7 million, or an annualized 74%, of the spending projections based on the Final FY 2018-2023 Consolidated Transportation Program (CTP). Spending for the Intercounty Connector (ICC), I-95 Express Toll Lanes (ETL) and Other Projects totaled 93%, 122%, and 71% of projections, respectively.

UPDATE – CAPITAL SPENDING

Mr. Dan Williams provided an update to the Finance Committee on the Office of Engineering and Construction's revised approach to forecasting capital spending. Mr. Williams compared the Maryland Transportation Authority's Capital Program Budgeting current methods vs. new methods. The new budget expectations will focus on the cash flow curve that will account for delivery schedules, cost estimates, and bids.

Member Basso commended Mr. Williams and the Office of Engineering and Construction team on the recent efforts to create an improved Capital Program Budget. Member Armstrong agreed that the modifications are a great strategy.

UPDATE – 3RD QUARTER OPERATING BUDGET VERSUS ACTUAL

Ms. Christina Thompson provided a review to the Finance Committee of actual vs. projected spending for the FY 2018 Operating Budget. As of March 31, 2018, 66% of the budget has been spent as compared to the targeted spending level of 74% (based on 19.3 of the 26 payrolls being posted). There is one Comptroller's Object and six Responsibility Centers (RCs) that exceed expected spending levels by more than 5%. All other RCs and Comptroller's Objects are at or below expected spending.

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 March 31, 2018, quarterly and year-to-date transactions and revenue on the MDTA's legacy and all-electronic toll facilities are trending close to forecasts. System-wide year-to-date transactions and toll revenue totaled 122.3 million and \$507.0 million, respectively. Systemwide transactions and revenue are expected to track closely to projections for the remainder of the fiscal year.

There being no further business, the meeting of the Finance Committee adjourned at 10:24 a.m., following a motion by Member von Paris, and seconded by Member Armstrong.

Peter J. Basso, Chairman