At 9:01 a.m., Member Jack Basso, Chair of the Finance Committee, called the Finance Committee Meeting to order.

**APPROVAL – OPEN MEETING MINUTES FROM APRIL 9, 2019, MEETING**

Member Jack Basso called for the approval of the meeting minutes from the open meeting held on May 14, 2019. Member John von Paris made the motion, and Katherine Bays Armstrong seconded the motion, which was unanimously approved.
APPROVAL – FY 2020 FINAL OPERATING BUDGET

Ms. Christina Thompson requested a recommendation of approval from the Finance Committee to the full Maryland Transportation Authority (MDTA) Board for the FY 2020 Final Operating Budget. The Trust Agreement requires the approval of a final budget on or before July 1.

The FY 2020 Final Operating Budget totals $324.4 million. This represents an increase of $7.9 million, or 2.4%, above the FY 2020 Preliminary Operating Budget. The MDTA’s position complement declines by 10 positions in FY 2020.

Changes from the FY 2020 Preliminary Budget include (1) a $5.6 million increase in personnel expenses mostly due to mandatory personnel costs, including employee cost-of-living adjustments, bonuses, and pension costs; (2) a $0.8 million increase in funding for additional equipment which is a carryover from FY 2019; (3) a $0.7 million increase in security services for the maintenance of cameras on the MDTA’s bridges and other security systems; (4) a $0.6 million increase in building/road maintenance for the BaySpan interactive voice response system which is a carryover from FY 2019; and (5) a $0.8 million increase in motor vehicle operations and maintenance expenses, supplies, janitorial services, and other miscellaneous expenses. These increases are partially offset by a $0.6 million reduction in funding for systems analysis and design services and rent.

Following a discussion regarding the operating budget changes, Member Basso called for a motion to recommend approval of this item to the full MDTA Board at its next scheduled meeting. Member Armstrong made the motion, and Member Carroll seconded the motion, which was unanimously approved.

APPROVAL – DRAFT FY 2020-2025 CONSOLIDATED TRANSPORTATION PROGRAM

Ms. Jeanne Marriott requested a recommendation of approval from the Finance Committee to the full MDTA Board for the Draft FY 2020-2025 Consolidated Transportation Program (CTP). The Draft CTP was reviewed by the Capital Committee on June 6, 2019, and recommended for approval to the full MDTA Board.

The Draft CTP totals $3.2 billion, which reflects a net increase in the six-year FY 2020-2025 budget of $32.1 million. The net increase is the result of (1) a $71.1 million increase for the I-95 Express Toll Lanes (ETL) Northern Extension; (2) a $97.4 million increase for all projects (excluding the Nice/Middleton Bridge, I-95 ETL Northern Extension, and reserves); and (3) a reduction in the allocated and unallocated reserves of $136.4.

Member Basso 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 von Paris seconded the motion, which was unanimously approved.
UPDATE – UNOFFICIAL FINANCIAL FORECAST

Ms. Christina Thompson updated the Finance Committee on the financial affordability of the MDTA’s operating and capital budgets. Ms. Thompson indicated that the unofficial forecast has been updated to include the Final FY 2020 Operating Budget and the Draft 2020-2025 CTP. The unofficial forecast does not include expected savings associated with the refunding of the MDTA’s Series 2009A bonds or the true up of actual FY 2019 operating budget spending. Throughout the six-year forecast period, the MDTA remains above its financial goals and minimum legal standards and meets all requirements of the Budget Reconciliation and Financing Act of 2015.

UPDATE – PROCUREMENT REFORM

Ms. Donna DiCerbo updated the Finance Committee on the implementation of Chapter 590 of 2017. Chapter 590 consolidated oversight of the State’s procurement activities into the Department of General Services and established a Chief Procurement Officer (CPO) to oversee Maryland’s procurement activity. The legislation also repealed the authority of the Department of Budget Management to control the procurement of services and motor vehicle leases, and of the Department of Information Technology to control the procurement of information processing and telecommunication equipment and services, and transferred this authority to the CPO. Following the enactment of Chapter 590, there are just two de facto control agencies: DGS and the Treasurer’s Office (for banking and financial services, insurance, and insurance services).

On October 1, 2018, DGS submitted an Administrative Workplan to the Governor, Board of Public Works, and the Maryland General Assembly. The workplan included, among other things, ways to enhance the procurement process to attract greater participation, streamline architectural and engineering services procurements, expand small and minority business opportunities, and develop quality procurement personnel. Ms. DiCerbo updated the Finance Committee on the workplan tasks that have been completed thus far and discussed the relaunching of the State’s internet-based procurement system, eMaryland Marketplace Advantage.

UPDATE – BOND SALE

Following a brief introduction of the MDTA’s new Debt Administrator, Ms. Dayna Taitt, Mr. Allen Garman updated the Finance Committee on the post-sale results of two bond financings conducted on June 5, 2019. The MDTA refinanced its Series 2009A toll revenue bonds generating nominal interest savings of $5 million and issued $125.4 million in non-recourse debt for the Maryland Aviation Administration to fund capital projects at Baltimore/Washington International Thurgood Marshall Airport.
There being no further business, the meeting of the Finance Committee adjourned at 9:55 a.m., following a motion by Member Armstrong, and seconded by Member von Paris.

[Signature]

Peter J. Basso, Chairman