

FINANCE COMMITTEE MONTHLY MEETING
TUESDAY, JUNE 15, 2021
OPEN MEETING VIA CONFERENCE CALL

OPEN SESSION

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

STAFF ATTENDING: Jeffrey Brown
Jim Harkness
Natalie Henson
Jeanne Marriott
Kimberly Millender, Esquire
Ken Montgomery
Ebony Moore
Jim Ports
Will Pines
Deb Sharpless
Tim Sheets
Christina Thompson
Melissa Williams
Eric Willison

OTHERS ATTENDING: Jaclyn Hartman – MDOT TSO
Courtney Highsmith – MDOT TSO

At 1:02 p.m., Member John von Paris, Chair of the Finance Committee, called the Finance Committee Meeting to order.

APPROVAL – OPEN MEETING MINUTES FROM MAY 11, 2021, MEETING

Member John von Paris called for the approval of the meeting minutes from the open meeting held on May 11, 2021. Member Jeffrey Rosen made the motion, and Member Cynthia Penny-Ardinger seconded the motion, which was unanimously approved.

APPROVAL – FY 2021 FINAL OPERATING BUDGET AMENDMENT #4

Ms. Christina Thompson requested a recommendation of approval from the Finance Committee to the full Maryland Transportation Authority (MDTA) Board to amend the FY 2021 Final Operating Budget by \$8.0 million increase. According to the trust agreement, the budget can be amended at any time during the current fiscal year. The most significant area where projected spending is expected to exceed the budget is the E-ZPass service center by roughly \$8.0 million. The overspending is primarily the result of not rolling over FY 2020 under spending when video tolling mailings were paused, increased video toll transactions as a result of AET and transition delays. In order to sustain toll revenue, actions were not taken to reduce the processing of backlog transactions and reduce operating costs.

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.

The following items were presented in order. Once the Financial Forecast was voted on and approved, the members went back to the FY 2022 Final Operating Budget and the Draft FY 2022-2027 Consolidated Transportation Program to approve.

APPROVAL – FY 2022 FINAL OPERATING BUDGET

Mr. Jeffrey Brown requested a recommendation of approval from the Finance Committee to the full Maryland Transportation Authority (MDTA) Board for the FY 2022 Final Operating Budget. The Trust Agreement requires the approval of a final budget on or before July 1.

The FY 2022 Final Operating Budget totals \$360.8 million. This represents an increase of \$26.5 million, or 7.9%, above the FY 2022 Preliminary Operating Budget.

Changes from the FY 2022 Preliminary Budget include (1) a \$1.1 million increase in total Salaries and Benefits; (2) a \$25.4 million increase in total non-personnel budget primarily due to EZ-Pass transition and ongoing costs,; GPS location for radios,; vehicle purchases to replace damaged/destroyed/lost vehicle. (3) Contractual Services increased \$26.8 million; primarily due to toll collection costs (EZPass, Janitorial services and building repairs); (4) a \$1.4 million decrease in supplies and materials; and (5) Maryland State Police non-personnel costs decreased by \$461,000 primarily due to reduced overhead. All remaining non-personnel costs increased \$153,000 across numerous sub-objects.

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 2022-2027 CONSOLIDATED TRANSPORTATION PROGRAM

Ms. Jeanne Marriott requested a recommendation of approval from the Finance Committee to the full MDTA Board for the Draft FY 2022-2027 Consolidated Transportation Program (CTP). The Draft CTP was reviewed by the Capital Committee on June 3, 2021 and recommended for approval to the full MDTA Board.

The Draft CTP totals \$2.8 billion, which reflects a net increase in the six-year FY 2022-2027 budget of \$90.4 million. The net decrease is the result of (1) a \$45.7 million increase for the Nice/Middleton Bridge; (2) a \$5.2 million decrease for the I-95 ETL Northern Extension; (3) a \$90.1 million increase for all projects except Nice/Middleton Bridge, I-95 ETL Northern Extension, and reserves; and (4) a \$40.2 million decrease in the Allocated and Unallocated Reserves.

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 2022 – FY 2027 FINANCIAL FORECAST

Ms. Deb Sharpless requested a recommendation of approval from the Finance Committee to the full MDTA Board for the FY 2022 – FY 2027 Financial Forecast. Ms. Sharpless updated the Finance Committee on the financial affordability of the FY 2022 Final Operating Budget and the Draft FY 2022-2027 CTP. Throughout the six-year forecast period, the MDTA remains above its financial goals and minimum legal standards.

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.

UPDATE – BI-ANNUAL REVIEW OF REVENUE SUFFICIENCY

Ms. Deb Sharpless provided the Finance Committee with an update on the bi-annual review of revenue sufficiency for the FY 2022-2027 financial forecast period. Ms. Sharpless 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 FY 2022-2027 financial forecast shows that current toll rates, fees, and discounts provide sufficient revenue over the next six years to meet forecasted spending and exceed all legal and policy requirements.

There being no further business, the meeting of the Finance Committee adjourned at 2:09 p.m., following a motion by Member Rosen, and seconded by Member Penny-Ardinger.

John von Paris, Chairman