

FINANCE COMMITTEE MONTHLY MEETING  
TUESDAY, AUGUST 7, 2018  
POINT BREEZE HEADQUARTERS BUILDING  
BALTIMORE, MARYLAND

OPEN SESSION

MEMBERS ATTENDING: Jack Basso, Chair  
Katherine Bays Armstrong  
Dontae Carroll (via phone)  
John von Paris

STAFF ATTENDING: Yaw Berkoh  
Percy Dangerfield  
Joyce Diepold  
Kimberly Millender, Esq.  
Allen Garman  
Chantelle Green  
Cheryl Lewis-Orr  
Deb Sharpless  
Lora Tracy

OTHERS ATTENDING: 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 JUNE 19, 2018 MEETING**

Member Basso called for the approval of the meeting minutes from the open meeting held on June 19, 2018. Member Katherine Bays Armstrong made the motion, and Member John von Paris seconded the motion, which was unanimously approved.

**APPROVAL – DEBT POLICY**

Mr. Allen Garman requested a recommendation for approval from the Finance Committee to the full Maryland Transportation Authority (MDTA) Board for recommended changes to the Board Policy on Debt Management. The Board Policy on Debt Management establishes the guidelines for the process by which the MDTA issues and manages debt and provides guidance to the Board and staff to ensure that a sound debt position and strong credit quality is maintained. Annual review of the Debt Management Policy is required.

Mr. Garman noted that following a recent review of the Debt Management Policy by internal staff and the MDTA's two municipal advisory firms, no material changes to the policy were recommended. Several minor changes were recommended primarily to remove references to advance refundings that were eliminated by recent changes to the tax law.

Member Basso called for a motion to recommend approval of this item to the full MDTA Board at its next scheduled meeting. Member von Paris made the motion, and Member Armstrong seconded the motion, which was unanimously approved.

### **UPDATE AND APPROVAL – INVESTMENT COMMITTEE REPORT**

Mr. Allen Garman provided an update to the Finance Committee on the activities of the Investment Committee for period ended June 30, 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 and confirmed the portfolio complies with the MDTA's Investment Policy for the period ended June 30, 2018.

Mr. Garman stated that the Investment Committee is also recommending that the agency add SunTrust Bank to its approved dealers list. Member Basso then 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 von Paris seconded the motion, which was unanimously approved.

### **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 June 30, 2018, quarterly and year-to-date transactions and revenue on the MDTA's legacy and all-electronic toll facilities are trending close to forecasts. Systemwide year-to-date transactions and toll revenue totaled 165.4 million and \$686.5 million, respectively.

Ms. Lewis-Orr stated that systemwide transactions and revenues for FY 2018 were approximately 1.2% and 1.1% less than projected, respectively. The difference between actuals and projections are likely due to increased gasoline prices, ongoing construction activity at the Harbor Crossings, and less than anticipated economic growth. Construction activity will be closely considered and addressed in future traffic and revenue projections.

**UPDATE – BI-ANNUAL REVIEW OF REVENUE SUFFICIENCY**

Ms. Deborah Sharpless provided the Finance Committee with an update on the bi-annual review of revenue sufficiency for the FY 2019-2024 financial forecast period. Ms. Sharpless advised the Finance Committee that the MDTA's Board Operating Policy requires a bi-annual review of revenue sufficiency to determine if current rate and fee levels are appropriate based on levels of expected spending. The FY 2019-2024 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 10:07 a.m., following a motion by Member von Paris, and seconded by Member Armstrong.

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Peter J. Basso, Chairman