

FINANCE COMMITTEE MONTHLY MEETING  
TUESDAY, JUNE 11, 2013  
POINT BREEZE HEADQUARTERS BUILDING  
BALTIMORE, MARYLAND

OPEN SESSION

MEMBERS ATTENDING: Jack Basso  
Mary Beyer Halsey  
Arthur Hock

STAFF ATTENDING: Suhair Alkhatib  
Jay Ayd  
David Chapin  
Percy Dangerfield  
Donna DiCerbo  
Allen Garman  
Sherita Harrison, Esq.  
Jaclyn Hartman  
Carroll Hicks  
Meshelle Howard  
Doug Hutcheson  
Cheryl Jordan  
Chuck Markakis  
Jeanne Marriott  
Kitty Sarvinas  
Deborah Sharpless  
Dennis Simpson  
Cheryl Sparks  
Abey Tamrat  
Christina Thompson

OTHERS ATTENDING: Sam Sidh, MDOT

At 9:12 a.m., Member Jack Basso chaired and called the meeting of the Finance Committee to order.

**Approval: Meeting Minutes – May 16, 2013**

Upon motion by Member Arthur Hock and seconded by Member Mary Beyer Halsey, the minutes of the May 16, 2013 Finance Committee were unanimously approved.

**Recommend for Approval – FY 2014 Final Operating Budget**

Ms. Christina Thompson requested approval of the FY 2014 Final Operating Budget for the Maryland Transportation Authority. The Trust Agreement requires the approval of a final budget on or before the 1<sup>st</sup> day of July.

The FY 2014 Final Operating Budget Request is \$269.3 million, which is an increase of \$10.7 million over the FY 2013 Final Operating Budget. This increase is due to mandated COLA and step increases in salaries, vehicle expenses, replacement equipment, and insurance. There were some reductions in the areas of Information Technology and Media. There is no change in the number of budgeted positions.

Member Halsey motioned to recommend approval of the FY 2014 Final Operating Budget to the full MDTA Board. Member Hock seconded the motion and it was approved unanimously.

**Recommend for Approval – Draft FY 2014-2019 Consolidated Transportation Program**

Mr. Suhair Alkhatib requested approval for the proposed draft FY 2014-2019 Consolidated Transportation Program (CTP). The draft CTP was presented to the Capital Committee on June 6, 2013, and will be presented to the full MDTA Board for final approval on June 27, 2013.

The proposed draft CTP reflects an increase in the six-year budget of \$59.5 million over the same six-year period in the final FY 2013-2018 CTP. FY 2013 expenditures are projected to be \$363.8 million vs. \$517.0 million projected in the final FY 2013-2018 CTP. FY 2013 unspent funds are projected to be \$153.2 million and will be rolled over into the draft FY 2014-2019 CTP.

Per the discussion with the Capital Committee, MDTA staff is reviewing whether to add funding for the Nice Bridge project to the draft CTP. MDTA staff is evaluating the project and whether to include the funding in the draft CTP or the final CTP.

Member Hock made a motion to recommend approval of the Draft FY 2014-2019 CTP to the full MDTA Board. Member Halsey seconded the motion and it was approved unanimously.

**Recommend for Approval – Six-Year Financial Forecast**

Mr. David Chapin requested a recommendation to approve the Financial Forecast reflecting the proposed Draft FY 2014-2019 CTP and Final FY 2014 Operating Budget. The forecast will be reviewed for approval at the next MDTA Board Meeting on

June 27, 2013. The final version of the forecast may differ slightly due to additional funding for preparatory work related to the Nice Bridge. Changes will not be significant.

The forecast indicates that the Authority will remain above its financial goals and its trust agreement rate covenant throughout the FY 2014 to FY 2019 forecast period, without need for additional toll increases until after FY 2022.

Member Hock suggested that Authority staff consider the possibility of an earlier toll increase so as to potentially reduce the impact of a significant increase after a long period of no adjustments.

Member Hock made a motion to recommend approval of the Six-Year Financial Forecast to the full MDTA Board. Member Halsey seconded the motion, and it was approved unanimously.

### **Recommend for Approval – Renewal Options for Fire Suppression System**

Ms. Donna DiCerbo, Director of Procurement, requested the Finance Committee recommend approval to the full MDTA Board for the renewal of Contract No. 11031489, Authority-wide Fire Suppression Services.

The original contract was from July 15, 2011 through July 14, 2013, with two (2) one-year renewal options, with a base contract value of \$150,950.00. The contract value for this one (1) year renewal option is \$75,475.00, bringing the total contract value to \$226,425.00. The contract will consist of all labor, transportation, parts and systems equipment in accordance with the specifications, applicable codes and regulations. Because the contract renewal is cumulatively over \$200,000.00, Board of Public Works approval is required.

Member Halsey made a motion to recommend approval of the contract renewal to the full MDTA Board. Member Hock seconded the motion and it was approved unanimously.

### **Update – Upgrade and Replacement of Data Centers**

Mr. Chuck Markakis updated the Finance Committee on the status of the upgrade and replacement of the data centers. The new data center at the Inter-County Connector Eastern Operations Facility and its duplicate disaster recovery site at the John F. Kennedy Maintenance Facility will provide state of the art IT services to MDTA customers, as well as offer the fastest available MDOT network connectivity.

Mr. Jay Ayd and Mr. Markakis presented this request to provide an update to the Finance Committee for the Upgrade and Replacement of Data Centers (IT Project #193). This project entails the design, acquisition, installation, testing and release for

production of the MDTA Information Technology infrastructure, which includes the replacement and/or upgrade of associated hardware and software. In addition, significant changes to the current MDTA policies and procedures for the storage and sharing of data will be implemented, taking into account not only the necessary technology to manage MDTA's increasing need for storage, but also the business and human factors needed for success.

The nine phases of the project run concurrently based on identified dependencies and to ensure uninterrupted IT services as IT systems are migrated to the new environment as quickly as is practical.

#### **Update – Rewrapping and Dehumidification of Cables at the Bay Bridge**

Mr. Abey Tamrat updated the Finance Committee on the on-going Cable Rewrapping & Dehumidification of Cables and Anchorages project on the Bay Bridge. Mr. Tamrat highlighted the dehumidification component of the project and discussed the dehumidification system.

#### **Update – Traffic and Revenue**

Ms. Joyce Diepold reported that the system revenues for the month of May were \$36.7 million, which is down \$0.8 million from the previous year. Revenues for the fiscal year-to-date were \$411.6 million, which is up \$38.6million from the previous year. Fiscal year-to-date revenues were \$0.3 million above or 0.1% above the current Jacobs Base Case revenue forecast.

Ms. Diepold also reported that transactions for the month of May were 10.2 million, which is down 0.2 million from the previous year. Fiscal year-to-date system transactions were 115.6 million, which is down 2.6 million from the previous year. Fiscal year-to-date system transactions are 0.5 million above, or 0.4%, above the current Jacobs Base Case transaction forecast.

There being no further business, the meeting of the Finance Committee was adjourned at 10:30 a.m., following a motion by Member Hock, and seconded by Member Halsey.