

FINANCE COMMITTEE MONTHLY MEETING
TUESDAY, MARCH 10, 2015
POINT BREEZE HEADQUARTERS BUILDING
BALTIMORE, MARYLAND

OPEN SESSION

MEMBERS ATTENDING: Jack Basso
 Mary Beyer Halsey
 Arthur Hock
 Katrina J. Dennis (via telephone)

STAFF ATTENDING: Janet Alston
 Donna DiCerbo
 Joyce Diepold
 Bruce Gartner
 Chantelle Green
 Tom Gugel
 Sherita Harrison, Esq.
 Jaclyn Hartman
 Derek Jones
 Cheryl Jordan
 Cheryl Lewis-Orr
 Deb Sharpless
 Cheryl Sparks
 Dan Williams

At 9:00 a.m., Member Jack Basso, Chair of the Finance Committee, called the Finance Committee Meeting to order.

Approval – Meeting Minutes – February 10, 2015

Member Basso called for the approval of the Open Meeting Minutes of the February 10, 2015 Finance Committee meeting. The Members had a brief discussion regarding the summary included for the approval item related to the Agreement with the Maryland Economic Development Corporation for Innovative Project Delivery Expertise. No changes were noted. Member Mary Beyer Halsey made a motion to approve the minutes and Member Arthur Hock seconded the motion. The minutes were unanimously approved as submitted.

Update – FY 2014 Contract Awards

Ms. Donna DiCerbo updated the Finance Committee on the Division of Procurement's (DOP) FY 2014 Contract Awards over \$25,000. Ms. DiCerbo advised that MDTA awarded 40 contracts in FY 2014. She discussed the procurement timelines for Architectural/Engineering contracts, Invitation for Bids, Request for Proposals, and Memorandums of Understanding. Ms. DiCerbo advised that the Board of Public Works (BPW) requests that contract renewals be submitted at least 6 months in advance of the expiration of the base contract term. This policy provides agencies with sufficient time to prepare a solicitation for bids in the event the contract renewal is denied by BPW.

Member Basso questioned if DOP gets adequate support from other divisions with gathering information for the procurement process. Ms. DiCerbo noted that DOP and the Office of Engineering and Construction work very well together, as do other divisions. Ms. DiCerbo and Ms. Deb Sharpless explained some of the processes that are currently in place or being developed that have enabled additional efficiencies. Members Basso and Halsey commended DOP on the growing efficiency of the division and decrease in procurement timelines.

Update – Implementation of New Information Technology (IT) Systems

Ms. Jaelyn Hartman advised the Finance Committee on two new IT systems that were recently implemented MDTA-wide and one that is under development. Two of these projects were spearheaded by the Finance Division.

Ms. Janet Alston provided the Finance Committee with an overview of the new Purchasing Card Information System (PCIS). The PCIS is an electronic approval and submission system for purchasing card transactions that includes daily transaction downloads from the bank. The system went live on January 26, 2015, for a pilot group of 15 cardholders. The remaining cardholders are expected to join the system on April 26, 2015. Early feedback on the new PCIS has been positive. Member Dennis asked who MDTA's cardholders were. Ms. Alston advised that there are 86 cardholders at MDTA, and Ms. Sharpless discussed the State's purchase policy regarding the use of credit cards. Additionally, Ms. Alston discussed how the credit card bills are paid and the controls MDTA has in place for credit card usage.

Ms. Joyce Diepold briefed the members on the new Chart of Accounts (COA) and the Operations System Upgrade. Recently, MDTA restructured its Chart of Accounts to enhance the functionality of the existing Dynamics SL Financial System. Several of the benefits of the new COA include improved financial reporting and internal controls, improved contract management and standardized budget reporting. Other related projects include implementation of the Project Controller and Purchasing modules. COA went live in October 2014, and while there has been a significant learning curve, numerous benefits are already accruing.

Ms. Hartman advised that one of the biggest benefits of the COA and related projects is that it lays the foundation for the Operations System Upgrade project that is currently underway. MDTA's current Operations system is outdated and limits MDTA's abilities in many ways. The project will expand the MDTA's financial accounting software, Microsoft Dynamics, to an enterprise system MDTA-wide. Mr. Derek Jones noted that the Operations System Upgrade project is off to a strong start and has received buy in from field personnel.

Member Halsey recommended that the information on the Operations System Upgrade be presented to the Capital Committee. Members Basso and Halsey commended the Finance Division for its efforts on these projects and Ms. Sharpless on her role for initiating these projects while she was Chief Financial Officer.

Update – Quarterly Update on the Finance Division

Ms. Jaclyn Hartman briefed the Finance Committee Members on the attainment of the Finance Division's FY 2015 goals and provided an update on vacancies in the Division. Ms. Hartman advised that significant progress has been made toward the Finance Division's FY 2015 goals. In the first three-quarters of the year, numerous IT projects have been implemented, and the FY 2014 Financial Statements and Comprehensive Annual Financial Report have been issued. As of March 5, 2015, four of the Finance Division's 50 positions were vacant.

Update – E-ZPass Interagency Group

Ms. Deborah Sharpless provided an update to the Finance Committee on the E-ZPass Interagency Group (IAG), including the advantages of MDTA's membership in the IAG. Ms. Sharpless also reported that while the IAG is the largest interoperable toll collection network in the world, there can be challenges associated with the large size of the group. She further reported that the IAG has multiple subcommittees and that an MDTA employee sits on every committee.

Update – Video Toll and Citation Program

Ms. Deborah Sharpless updated the Finance Committee on the issues and activities underway to support the implementation of the video toll and citation process approved in House Bill 420.

Ms. Sharpless reported that the Central Collection Unit (CCU) module is currently in the testing phase, which is expected to conclude this week. Activities for the month of March include deploying the final CCU module and initiating the mail out of notices to out-of-state vehicle owners informing them that they have 15 days to pay any outstanding tolls and penalties before being referred to CCU.

Activities for April through July include initiating referrals to CCU and Motor Vehicle Administration (MVA) for nonpayment of tolls and penalties and the continued deployment of court administrative system changes.

Ms. Sharpless also reported that statutory changes to the Video Toll and Citation Program are currently being considered by the Maryland General Assembly.

Update – Traffic and Revenue

Ms. Cheryl Lewis-Orr updated the Members of the Finance Committee on the in lane toll revenue and transaction trends for all facilities for the month ending February 28, 2015. System in lane toll revenues for the month were \$43.3 million, which is up \$2.2 million, or 5.5%, from the previous year. Fiscal year-to-date system in lane toll revenues were \$423.2 million, which is up \$19 million, or 4.7%, versus the previous year.

Ms. Lewis Orr reported that the system transactions for the month of February were not yet available.

There being no further business, the meeting of the Finance Committee adjourned at 10:40 a.m., following a motion by Member Art Hock and seconded by Member Halsey.