

FINANCE COMMITTEE MONTHLY MEETING  
TUESDAY, APRIL 15, 2015  
POINT BREEZE HEADQUARTERS BUILDING  
BALTIMORE, MARYLAND

OPEN SESSION

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

STAFF ATTENDING: Jay Ayd  
Percy Dangerfield  
Donna DiCerbo  
Joyce Diepold  
Vicky Dobbins  
Luther Dolcar  
Kaushik Dutta  
Lynn Fry  
Allen Garman  
Bruce Gartner  
Chantelle Green  
Sherita Harrison, Esq.  
Jaclyn Hartman  
Cheryl Lewis-Orr  
Delores Ragsdale  
Kitty Sarvinas  
Larry Schwager  
Deb Sharpless  
Cheryl Sparks  
Chris Thompson

At 9:05 a.m., Member Jack Basso, Chair of the Finance Committee, called the Finance Committee Meeting to order.

**Approval – Meeting Minutes – March 10, 2015**

Member Basso called for the approval of the Open Meeting Minutes of the March 10, 2015 Finance Committee meeting. No changes were noted. Member Katrina Dennis

made a motion to approve the minutes, and Member Mary Beyer Halsey seconded the motion. The minutes were unanimously approved as submitted.

**Update – Contract No. J01B5400010 – OPENText LiveLink Enterprise Content Management System and Support Services**

Ms. Donna DiCerbo began the briefing by indicating this proposed procurement was procured by the Maryland Department of Transportation (MDOT) on behalf of MDTA under the Maryland Department of Information Technology (DoIT) Statewide Master CATS+ Contract. Ms. DiCerbo said that MDTA has no delegated authority to procure Information Technology (IT) goods or services that exceed \$25,000. Therefore, DoIT is the primary procurement unit responsible for the procurement of non-delegated IT procurements. This procurement does not require Board of Public Works (BPW) approval. Ms. DiCerbo further noted that another round of best-and-final offers took place and the bid price was lowered. The contract is for a not-to-exceed amount of \$4 million.

Mr. Kaushik Dutta, Project Manager, noted that this was the second attempt to procure these services. The first procurement received only one response which was deemed non-responsive and resulted in rejection of the proposal and cancelation of the procurement.

Ms. Sharpless gave a brief background of projects completed at MDTA and those underway that utilize OPENText. Mr. Jay Ayd noted that OPENText is a best of breed technology that allows for the automation of business processes. Mr. Ayd also noted that the current contract for the Finance Division's Document Management System ends June 1, 2015.

Member Basso noted that his question regarding MDTA's delegated authority for IT projects was sufficiently answered during the presentation. Member Basso also questioned the lack of competition for the procurement. Ms. DiCerbo noted that firms that did not submit a bid were sent an email to inquire as to why the firms did not bid. Only two firms responded and both noted other commitments that precluded participation at this time.

Member Katrina Dennis made the motion to accept the informational briefing. Member Art Hock seconded the motion which was approved unanimously.

**Update – Insurance/Damage Recovery Program**

Ms. Sharpless said the briefing was to update the members on the implementation and growth of the insurance recovery program at MDTA. The program was implemented to recover costs for damages to MDTA's facilities. Mr. Percy Dangerfield provided a brief overview of the development of the program and introduced Ms. Lynn Fry, Manager of Asset Control and Damage Recovery (ACDR).

Ms. Fry stated that prior to fiscal 2010, MDTA did not pursue recovery of money for damages to facilities. In fiscal 2010, liaisons were identified at each facility to identify damages and assist with the tracking and reporting of repairs and costs. MDTA Police and the Maryland State Police are key to the program as well for their role in forwarding information on accidents and police reports to ACDR. ACDR also works closely with insurance companies to recover these costs. In fiscal 2012, a tracking system was initiated with the Division of Finance to include establishing receivables and a monthly control log to reconcile against the general ledger.

Ms. Fry noted that insurance recovery efforts over the last six years resulted in the recovery of \$2.7 million to MDTA for damages that would have previously gone uncollected. The overall claims closure rate is 90%. Processing claims directly through insurance companies rather than the individual has proven to be quite effective and has resulted in a higher recovery rate.

Member Dennis questioned if the money recovered outweighs the cost to recover the funds. Mr. Dangerfield confirmed that the unit's costs were significantly lower than the recovered amounts, resulting in a net benefit. Member Basso commended the unit on their work and noted that this was an impressive undertaking and was working efficiently.

### **Update – FY 2015 3<sup>rd</sup> Quarter Budget vs Actual**

Ms. Chris Thompson began the briefing by indicating that as of March 31, 2015, 63% of the budget has been spent as compared to the targeted spending level of 71% (based on 18.6 of 26 payrolls being posted). Seven Responsibility Centers (RC) exceeded expected spending levels by more than 5%. Fixed Charges is the only object (line item) that exceeded targeted spending by more than 5%.

Spending in several of the RCs was addressed. Out of 50 RCs, 25 are under budget by more than 5%, primarily in the Administrative and Operations areas. Overall spending in the Police RCs remains on target for the third quarter at 70%.

Primary areas of underspending include contractual payroll, travel, contractual services, and replacement and additional equipment. Reasons for underspending include the timing of delivery of certain equipment or of required services and invoices that have not yet been received.

Member Basso commented on the underspending for training and noted that employee development is very important. Ms. Sharpless noted that several new in-house training programs are under development. Ms. Jaclyn Hartman added that there may still be a learning curve from the budget account conversion that occurred in October 2014 so that training expenses may be incorrectly coded. Member Basso reiterated the importance of employee development and noted that additional follow-up should be done on this issue. Member Dennis concurred with Member Basso and noted that she will follow-up with staff on this issue.

### **Update – Video Toll and Citation Program**

Ms. Sharpless updated the Finance Committee on the issues and activities underway to support the implementation of the video toll and citation process approved in Chapter 113 of 2013.

Ms. Sharpless reported that initiation of referrals to the State's Central Collection Unit had been delayed while customer impact concerns were being resolved. Even without this important enforcement toll in place yet, the collection rate has risen to 70% and is holding steady. House Bill 1241 of 2015 was passed by the General Assembly and signed into law on April 14, 2015 (Chapter 122 of 2015). This bill was requested by MDTA to improve the current process for video tolling and citations. With passage of the bill, additional work is necessary to prepare for implementation, including programming changes to the tolling system, amendments to the Code of Maryland Regulations and the establishment of a standard review process.

### **Update – Traffic and Revenue**

Ms. Cheryl Lewis-Orr provided an update on the in lane toll revenue and transaction trends for all facilities. At the previous meeting, data on revenue was presented to the Members but the transaction data was not yet available. Ms. Lewis-Orr noted that for the month ending February 28, 2015, system wide transactions were 9.9 million, which is up 1.0 million from the previous year and the fiscal year-to-date system wide transactions were 92.5 million, which is up 5.2 million versus the previous year

System wide toll revenues for the month ending March 31, 2015, were \$52.9 million, which is up \$3.7 million or 7.5% from the previous year. The fiscal year-to-date system wide toll revenues were \$477.2 million, which is up \$23.9 million or 5.3% from the previous year.

System wide transactions for the month ending March 31, 2015, were 12.3 million, which is up 1.6 million or 15.2% from the previous year. Fiscal year-to-date system wide transactions were 105.7 million, which is up 7.7 million or 7.9% versus the previous year.

There being no further business, the meeting of the Finance Committee adjourned at 10:00 a.m., following a motion by Member Dennis and seconded by Member Halsey.