



FINANCE COMMITTEE MONTHLY MEETING
THURSDAY, FEBRUARY 10, 2011
POINT BREEZE HEADQUARTERS BUILDING
BALTIMORE, MARYLAND

OPEN SESSION

MEMBERS ATTENDING:

Louise P. Hoblitzell
Peter J. Basso
Richard C. Mike Lewin (via telephone)

STAFF ATTENDING:

Harold Bartlett
Randy Brown
Sandi Clifford
Allen Garman
Doug Hutcheson
Jackie Seneschal
Deborah Sharpless
Dennis Simpson
Valerie Smith
Cheryl Sparks
Chris Thompson
Russ Walto
Alison Williams
Melissa Williams

OTHERS ATTENDING:

David Fleming – MD. Dept. of Transportation
Leif Dormsjo – MD. Dept. of Transportation
Tim Ryan – URS
Paul Shelton – McKennon, Shelton & Henn LLP

At 9:05 am, Member Louise Hoblitzell called the meeting of the Finance Committee to order.

At 9:07 am, upon motion by Member Jack Basso and seconded by Member Mike Lewin the Members unanimously voted to move into Closed Session pursuant to Section 10-508(a) (7) and (a) (8) of the State Government Article to discuss with staff and counsel certain litigation relating to the ICC.

Upon motion made by Jack Basso and seconded by Mike Lewin, the Members unanimously voted to recommend approval by the full Authority of the settlement related to the ICC litigation.

At 9:25 a.m. motion was made by Mr. Basso and seconded by Mr. Lewin with the unanimous approval of the Members to return to Open Session.

APPROVAL: MEETING MINUTES – JANUARY 13, 2010

Upon motion by Member Jack Basso and seconded by Member Mike Lewin, the minutes of the January 13 2011 Finance Committee were unanimously approved.

UPDATE: ALL ELECTRONIC TOLLING (AET) FEASIBILITY

Russ Walto, Project Manager, Division of Capital Planning, and Tim Ryan of URS gave a presentation on the AET Feasibility Study to evaluate the effect of tolling portions of MDTA's existing facilities that are currently un-tolled and to develop a plan for AET conversion of MDTA's existing toll plazas. The final report should be completed later this spring.

RECOMMEND TO FULL AUTHORITY: FINANCIAL AUDIT SERVICES CONTRACT

Sandi Clifford requested approval from the Finance Committee to add \$200,000 to Contract No. 10732389 with Clifton Gunderson, LLP for accounting and auditing services. The additional funds will cover the FY 2011 Financial Statement Audit, SAS 70 Audit and Single Audit. This is necessary to ensure that MDTA's financial operations are fiscally sound and in compliance with applicable accounting standards, laws and regulations.

Upon motion by Mr. Basso and seconded by Mr. Lewin, the Members unanimously voted to recommend approval of additional funds for Contract No.10732389.

UPDATE: CONDUIT DEBT

Alison Williams provided the Finance Committee with an update on the status of MDTA's conduit debt bond issuances on behalf of BWI, WMATA, and DGS. Pledged revenues from these agencies' facilities that were financed by the bonds are meeting all required debt service payments and the other terms and conditions of each financing.

UPDATE: FY2011 BUDGET vs. ACTUAL – 2ND QUARTER

Chris Thompson advised the committee members that 38% of MDTA's Operating Budget has been spent as of the end of the second fiscal quarter on 12/31/10. The spending target was 50%. Ms. Thompson said that all MDTA Responsibility Centers (RCs) are under 50%, with the exception of certain police RCs that are slightly over 50% due to police incentives being budgeted in the Police Headquarters RC, but paid out of the RC where the officer works.

Ms. Thompson also provided the committee members with the specific percent spent by the end of the second quarter on each line item of the Authority's Operating Budget as well as year-end projections.

UPDATE: ICC OPENING AND FACILITY STATUS

Jacquelyn Seneschal provided information on the ongoing activities to open the first segment of the Intercounty Connector to traffic, Contract A, on February 22, 2011. The update also included a summary of matters related to the opening of the ICC for the next 30, 60 and 90 days.

UPDATE: TRAFFIC AND REVENUE

The traffic and revenue item was removed from the agenda. At the time of the meeting, there were certain fluctuations between revenue and traffic that had not been adequately explained. These fluctuations will be researched further. Staff will report back to the Committee if the matter is not resolved.

UPDATE: LEGISLATIVE SESSION

Harold Bartlett gave an update on the Legislative Hearing with the House Ways and Means Committee. At that hearing, Gus Bauman, Chairman of the Blue Ribbon Commission, reported MDTA's plan to have a toll increase next year.

Mr. Bartlett said the members of the Senate Budget and Taxation Committee took the position that the trucking industry was hurt by the last toll increase and asked that MDTA take that into consideration.

There being no further business, the meeting of the Finance Committee was adjourned by general consensus at 10:15 a.m. following a motion by Mr. Basso and seconded by Mr. Lewin.

The next meeting of the Finance Committee is scheduled for Thursday, March 10, 2011 at 9:00 a.m. at the Point Breeze Headquarters, 2310 Broening Highway, Baltimore, Maryland.