

FINANCE COMMITTEE MONTHLY MEETING
TUESDAY, SEPTEMBER 7, 2021
OPEN MEETING VIA CONFERENCE CALL

OPEN SESSION

MEMBERS ATTENDING: Cynthia Penny-Ardinger
Dontae Carroll
John von Paris

STAFF ATTENDING: Jeffrey Brown
Jeffrey Davis
Cheryl Dickinson
Chantelle Green
Natalie Henson
Charles Markakis
Jeanne Marriott
Megan Mohan, Esquire
Ebony Moore
Mary O’Keeffe
Cheryl Lewis Orr
Jim Ports
Deb Sharpless
Christina Thompson
Melissa Williams
Eric Willison

At 9:00 a.m., Member John von Paris, Chair of the Finance Committee, called the Finance Committee Meeting to order.

APPROVAL – OPEN MEETING MINUTES FROM AUGUST 10, 2021, MEETING

Member John von Paris called for the approval of the meeting minutes from the open meeting held on August 10, 2021. Member Dontae Carroll made the motion, and Member Cynthia Penny-Ardinger seconded the motion, which was unanimously approved.

APPROVAL – CONTRACT NO.J01B2600001 – VMWARE MAINTENANCE AND SUPPORT

Mr. Charles Markakis requested a recommendation for approval from the Finance Committee to present Contract No. J01B2600001 VMware Maintenance and Support to the full Maryland Transportation Authority (MDTA) Board at its next scheduled meeting.

The contract is for VMware Maintenance and Support for the MDTA Office of Information Technology which enables technical support of and future upgrades to the virtualization hypervisors that run multiple virtual machines (servers, desktops, etc.) on a single physical host, as well as various ancillary products. The software suite is also used to run and manage all MDTA production, development, and test systems in the agency's data centers and allows for the management of workloads between the two data centers in the event of a disaster. The suite is also used to run and manage the MDTA's virtual desktop infrastructure.

Thirteen Master Contractors authorized to supply VMware Maintenance and Support were requested to submit bids. Of the six contractors that responded, the lowest financial proposal was rejected because the contractor provided a quote for only one year. The next lowest cost proposal submitted by Source IT Technologies was selected. The total amount of the three-year contract is \$741,222.60. The contract was procured as a Small Business Reserve.

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

UPDATE – FY 2021 OPERATING BUDGET VERSUS ACTUAL SPENDING

Mr. Jeffrey Brown briefed the Finance Committee on the status of actual year-to-date spending compared to the FY 2021 Operating Budget. As of June 30, 2021, 94% of the budget was spent compared to a target of 100%. All final operating budget Objects were at or below the targeted spending levels with the exception of Object 03 (Communications – 105% spend), Object 11 (Additional Equipment – 158% spend), and Object 13 (Fixed Charges - 108% spend). Actual expenses for the fiscal year were less than anticipated mostly because of the resulting impacts of COVID-19 (e.g., the hiring freeze, increased teleworking, cashless tolling, reduced activity, etc.). Mr. Brown noted that there is a pending accrual of approximately \$4 million for expenses related to the Third Generation Electronic Toll Collection System. When accounting for the pending accrual, approximately 96% of the approved budget was spent in FY 2021.

UPDATE – FY 2021 CAPITAL BUDGET VERSUS ACTUAL SPENDING

Ms. Jeanne Marriott updated the Finance Committee on actual year-to-date spending for the year ended June 30, 2021 compared to projected spending as shown in the FY 2021-2026 Draft Consolidated Transportation Program. As of June 30, 2021, 79.4% of the FY 2021 budget was spent as compared to the targeted spending level of 100%. The total budget for FY 2021 is \$543.3 million. Actual spending through the fourth quarter was \$431.2 million.

Thirteen of the 105 projects budgeted in FY 2021 were within the acceptable spending limits of 90% to 110% (plus or minus 10% of the 100% target). The variation is decreased from the 25% reported during the first, second, and third quarters because all allocations, accruals, and FY 2021 invoices were posted. Actual spending through the fourth quarter for seven projects budgeted for more than \$10 million each was \$236.8 million.

UPDATE – QUARTERLY AND YEAR-TO-DATE TRAFFIC AND REVENUE REPORT

Ms. Cheryl Lewis-Orr provided an update to the Finance Committee on the MDTA's quarterly and year-to-date traffic and revenue performance for the Legacy Facilities, Intercounty Connector, and the I-95 Express Toll Lanes. As of June 30, 2021, combined year-to-date transactions and revenue on the MDTA's toll facilities totaled 87.5 million and \$415.8 million, respectively. Systemwide transactions and revenue collected were below prior year actuals as well as the traffic and revenue forecast. The delay in processing FY 2021 transactions is a major reason for the overall decrease in revenue compared to the previous year and has directly impacted the achievement of the forecast for FY 2021. Many transactions from FY 2021 were processed in FY 2022. Had these transactions been processed in FY 2021, revenues would have been in line with the forecast. It is anticipated that the backlog of transactions will be processed in FY 2022.

There being no further business, the meeting of the Finance Committee adjourned at 9:39 a.m., following a motion by Member Carroll, and seconded by Member Penny-Ardinger.

John von Paris, Chairman