

## Meeting Summary

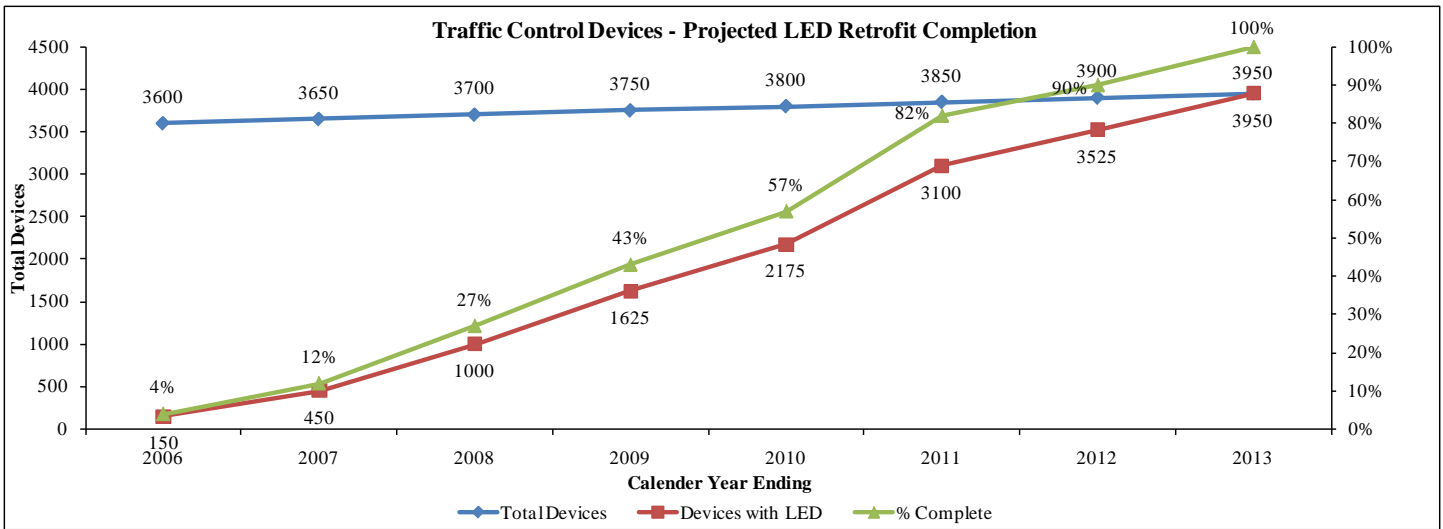
Following is a summary of issues discussed at the SHA Stat on February 18, 2011. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

### Follow-Up

- **Highway Lighting Reduction Pilot.** The StateStat team asked the agency to provide an update on the status of its highway lighting reduction pilot. The highway lighting reduction pilot is being conducted by the agency to examine whether the agency can save on energy costs by reducing the number of highway lights on roads that the agency believes are over lit. Many of the roads in Maryland were constructed several decades ago, at a time when most vehicles had headlights that were considerably weaker than the headlights on modern day cars and trucks. The agency reported that the lighting reductions on Rt. 100 have received no negative feedback to date, and that media coverage has been favorable. The agency informed the StateStat team that there were plans to expand the pilot to a number of locations, and that savings accrued from the pilot on Rt. 100 should be calculable at the conclusion of the pilot at that location in June.
- **Inter-County Connector (ICC).** The first segment of the ICC project, contract A, is scheduled to open on February 22. The contract A segment will connect I-270 in Gaithersburg to I-97 Georgia Ave. in Silver Spring. The next segment of the ICC is set to open in early 2012, and will connect I-97 to I-95 (contracts B and C). The agency reported that the opening of the initial segment of the ICC set for February 22 could possibly be postponed due to a snowstorm expected to affect the area on that day, but that contingency plans were available and that the opening would occur by the end of February.

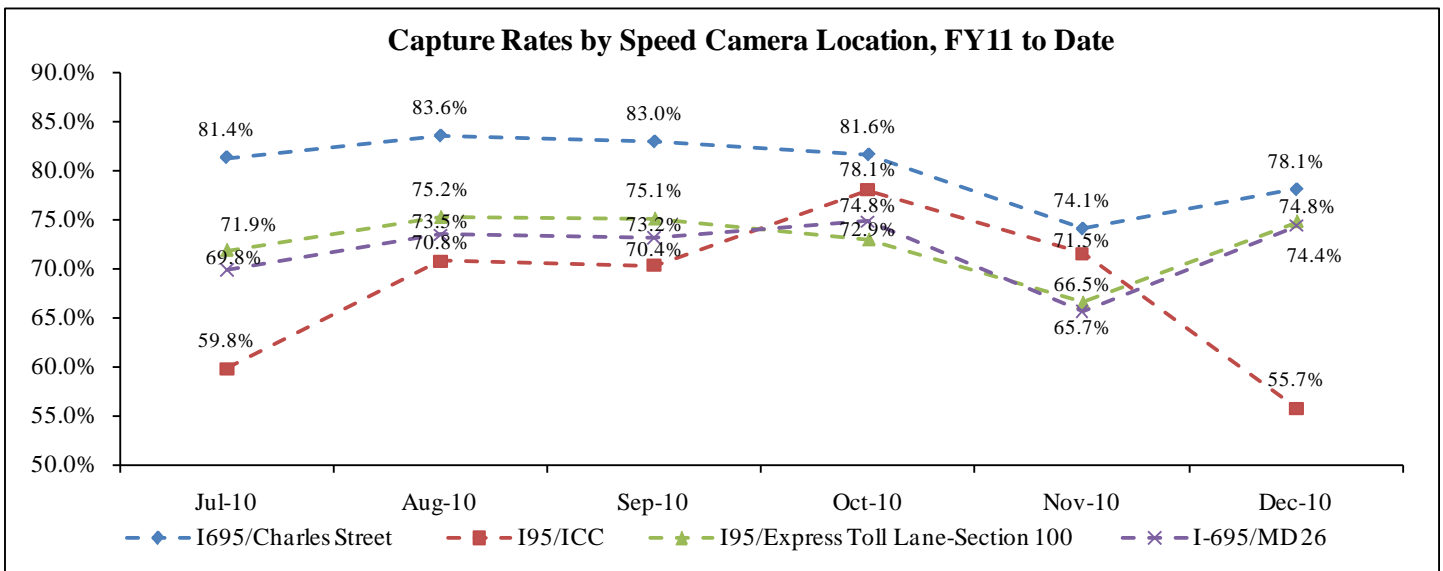
### Energy Conservation

- **Facilities and Sign Lights Contracts.** At prior StateStat meetings, the agency's contracts with Energy Systems Group (ESG) for installation of energy saving LED light bulbs on sign lights and implementation of other energy efficiency measures at agency facilities were discussed. The agreements with ESG were Energy Performance Contracts (EPCs), which are agreements that allow state agencies to cover the cost of improvements through energy savings rather than through capital dollars. Both contracts with ESG were approved by the Board of Public Works (BPW) on December 15, 2010. After inquiry on the status of construction by the StateStat team, the agency reported that a construction schedule for sign light bulb replacements had been approved, and that approval for implementation of energy efficiency measures at agency facilities was expected by the end of February.
- **LED Traffic Light Bulb Replacements.** At the last StateStat meeting, the agency reported that approximately 80% of its traffic lights were using LED bulbs, and that full conversion to LED bulbs is set to occur within the next 3 years. According to data submitted by the agency, only 57% of agency bulbs currently use LED bulbs, though the agency still projects full conversion by the end of 2013. The agency explained that LED bulb replacements on agency traffic lights were being conducted in the course of standard repairs to lights, and that the projections of bulb replacements on traffic control devices were formed based on scheduled signal replacements, reconstructions and signal upgrades and maintenance. The agency is confident that LED bulb replacements will occur at a rate similar to the data provided to StateStat, and will begin tracking LED bulb replacement activity on the StateStat template on a quarterly basis.

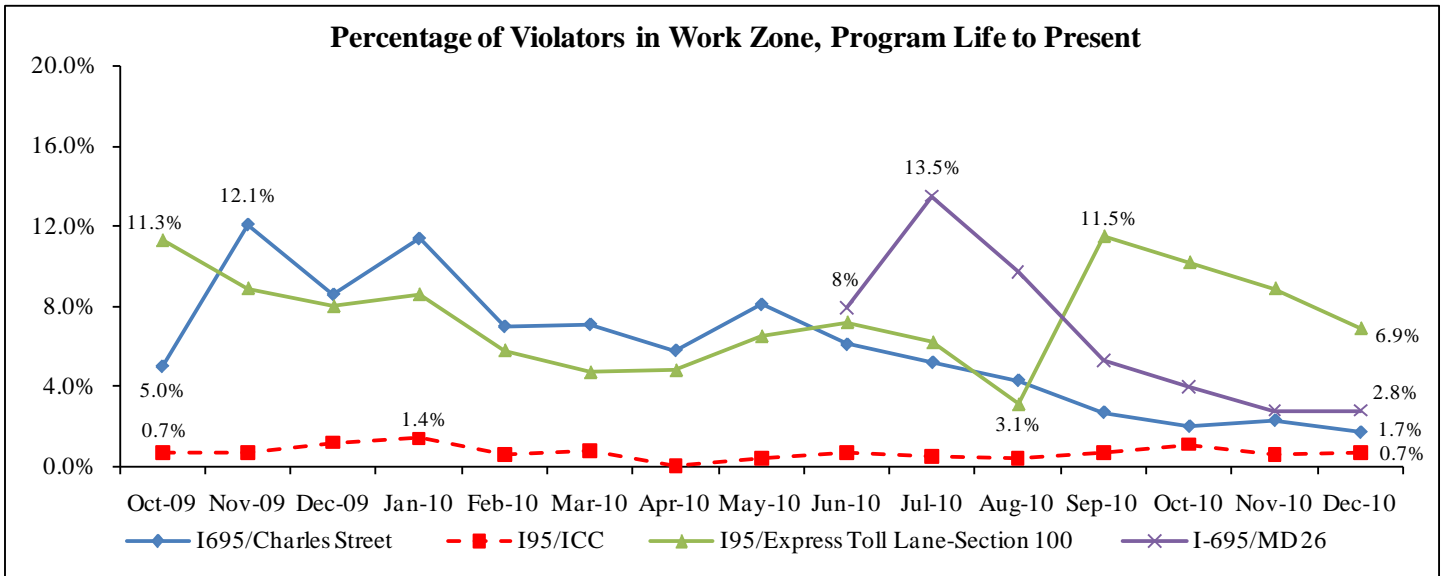


**Speed Cameras**

- November Capture Rate Issue.** At the last StateStat meeting, capture rate declines at every speed camera location in November were discussed. December data reflects that capture rates increased at most of the agency’s speed camera locations. The agency reported that the November decline in capture rate occurred because data entry issues and issues related to movement of camera locations within the work zones. The agency noted that the issues causing drops in capture rate in November were resolved, and that its goal of a 90% capture rate for “controllable events” (events where license plates aren’t obscured) was met in November and in December. The agency will add the “controllable event” capture rate to the StateStat template.



- I-95/ICC Location.** While many of the speed camera locations reflect a sizeable amount of citations issued per month and a noticeable effect of driver behavior, the data from the I-95/ICC location isn’t demonstrating much of an effect on driver behavior. It should be noted that at the last StateStat meeting, the jump in the rate of violators at the I-95/Express Toll Lane location in September was reported to be a result of the location of the camera being moved, and that the rate of violation has declined since the initial move. The agency reported that it believed that low percentage of violators at the I-95/ICC location was due to the fact that the camera at this location was more conspicuously displayed than at other locations. The agency believes that if there camera were removed, the percentage of vehicles exceeding the speed limit at this location would be in line with the violation rates displayed at other speed camera locations.



### Legislative Audit

- Finding 3: Materials and Supplies.** At the November StateStat meeting, the agency indicated that they were most concerned about receiving a repeat audit finding for finding 3. Finding 3 provides that the agency failed to maintain adequate control over materials and supplies. The finding specifically asserts that expenditures were not being recorded adequately, as State accounting records in FY2008 for materials and supplies purchased exceeded the amount of spending tracked on SHA's automated inventory system by \$844,000. Despite a requirement that monthly reports be generated by each of its 35 inventory storage locations to reconcile differences between State accounting records and the automated inventory system, 11 of 35 storage locations failed to complete the report in June 2008. The agency reported that the improvements listed below have been made to its inventories systems and processes. Each storage location had submitted reconciliation reports for each month of FY10 according to the agency. The agency stated that it was concerned about a repeat audit finding because discrepancies between agency inventory systems and State accounting records are common, despite the fact that the agency is working to resolve discrepancies as quickly as possible.

<b>Actions Taken to Address Legislative Audit Finding 3 (Materials and Supplies Inventories)</b>
<b>Bradley System Improvements</b>
1. Bugs Identified and Corrected
2. Design and Architecture Updated
3. FMIS Interface Changed to Facilitate Reconciliation
4. Additional Reports Created
<b>Process Improvements</b>
1. Detailed Formal Bradley to FMIS Reconciliation Performed Monthly
2. Concentrated Training and Oversight over Problem Locations
3. Statewide Committee Formed to Review Processes and Institute Best Practices
4. Identified Problem Commodities for Additional Research and Oversight

- **Finding 2: Excess Real Property Sales.** The agency also indicated that they were concerned about receiving a repeat audit finding for its efforts to sell excess real estate properties. The audit finding specifically found that the agency was violating state law regarding sale of excess real properties by not completing internal clearance processes within 120 days and not auctioning excess property within 8 months of the determination of land to be excess. The agency reported that the measures listed below were taken to address this audit finding.

<b>Actions Taken to Address Legislative Audit Finding 2 (Excess Real Property Sales)</b>
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| 1. Held monthly meetings to review list of excess real estate properties (dropped from 30 in April 09' to 7 in Jan 11')     |
| 2. SHA and MDOT Real Estate Directors meet quarterly to ensure timely sales and auctions of excess real estate properties   |
| 3. SHA and MDOT are adhering to current appraisal requirements set forth in Feb. 26, 2010 BPW advisory                      |
| 4. SHA Office of Real Estate now performs an annual review of real property inventories (previously done on two year cycle) |
| 5. SHA ORE and MDOT jointly drafted procedures for conducting annual review of real property inventories                    |