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MARION BOSCHERT, Recording Secretary,
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P R O C E E D I N G S

GOVERNOR O'MALLEY: All right, well welcome everyone. Today is Wednesday, March 9, 2011. This is a meeting of the Board of Public Works which we are holding here in the Treasurer's Building, right?

TREASURER KOPP: The Treasury Building.

GOVERNOR O'MALLEY: The Treasury Building.

(Laughter)

GOVERNOR O'MALLEY: Where the Treasurer works. Madam Treasurer, some opening thoughts? Why we're here and what we're doing today?

TREASURER KOPP: Thank you, Governor. Yes, later in the morning, a little more than half an hour from now, we will be doing the 2011 Series B Competitive Bond Sale for approximately \$350 million. This bond sale started actually last Friday with a retail sale. We had anticipated we would sell about \$100 million worth of AAA Maryland bonds directly to Maryland citizens, Maryland investors. Well in fact, they were so eager that we went over \$100 million, just about \$130 million to make sure that all of our taxpayers and citizens could invest.

You recall we did get the AAA bond rating reiterated by all three bond rating agencies two weeks ago. And I think that makes a big difference in a time of uncertainty. We laughed about the flight to quality, but clearly this is a quality product that people want to invest in.

Today we will be having the second part of that sale. You've seen it before, we've all seen it before, we put it up on the internet. The major large investors bid on it. We, I think, will do very well. It's the first sale, actually, since the beginning of the Great Recession that does not have a federally aided or subsidized component. So this is a pure, Maryland AAA bond sale. And we'll see what happens.

But that is why we are here. There is a Treasury Department for Maryland composed of both the Comptroller and the Treasurer, each with their own function. And this is the assembly room of the State Treasury Department.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes, thank you, Governor, Madam Treasurer. I spent the weekend with

some high school classmates of mine and we sat around the whole time lying to each other about our great athletic accomplishments. But it just reminded me that we're in March, where we have March Madness with the basketball tournaments. And I wanted to wish, you know, I know I'm probably the last person in the State that thinks Maryland is going to make the --

(Laughter)

COMPTROLLER FRANCHOT: -- NCAA. But I hope they do. I hope Morgan State does, because it brings us a lot of joy. And if they don't we always have the Lady Terps, who I think are going to do very well this year. And Bowie State, frankly, already is in the Region 2 Tournament.

But I also want to just remind people that after March Madness we have a tremendous spring season of college sports in the State of Maryland. Last year I got around and met with faculty and students, and also took in a few baseball games, saw the Towson Tigers play G.W. And it's a lot of fun. I really encourage people to get out and see these college teams because they represent the very best values, I

think, of competitive sports. And we all know Maryland is the epicenter of lacrosse. Hopkins and Maryland and UMBC are fantastic teams. But a lot of people don't realize that Hopkins has a nationally ranked baseball team, as does Salisbury.

So there's a lot of good stuff out there and I encourage people to go out and support their local teams. It might be, you know, track, tennis, softball, et cetera. And I always try to send a note to Freeman Hrabowski about the UMBC national champion chess team, which next week is going to defend its championship. And you know, it's just great stuff. It's kind of the natural beauty of school spirit, and student athletes. And we have such great institutions. And obviously I remind people from time to time that all this sporting activity generates a lot of jobs across the State, and brings important revenue into not just the universities but also all these parents that travel to these games to root their kids on. So I encourage everybody to get out this spring and support Maryland's local collegiate sports teams. Thank you, Governor.

GOVERNOR O'MALLEY: Thank you, Mr. Comptroller. We are going to be interrupted at 11:00 a.m. by the bond sale, I shouldn't say interrupted. We look forward to --

TREASURER KOPP: At about 10:50, actually, Governor --

GOVERNOR O'MALLEY: -- pausing the proceedings at 10:50 then for the bond sale, which we are all eagerly anticipating. In the meantime we have a couple of brief presentations. Mr. Chris Pyke is here, who is the Vice President of Research at the U.S. Green Buildings Council. At least I believe he is, Chris?

DR. PYKE: Yes?

GOVERNOR O'MALLEY: Come on down.

TREASURER KOPP: Governor, as Mr. Pyke comes up I must say I did forget something that's happened since the last, omit something that's happened since the last meeting. Which was that the Treasurer was reelected.

COMPTROLLER FRANCHOT: Oh, yes.

TREASURER KOPP: And I just want to thank everybody for their --

(Applause)

TREASURER KOPP: It's not something that I took for granted by any means, I just forgot, but thank you very much.

GOVERNOR O'MALLEY: It was my honor to have been there to see the exciting election.

TREASURER KOPP: Thank you, thank you.

GOVERNOR O'MALLEY: All unfold before your very eyes. Mr. Pyke?

DR. PYKE: Great, I --

GOVERNOR O'MALLEY: Dr. Pyke?

DR. PYKE: Thank you. I truly appreciate the opportunity to be here. And I, what I think I can do as a form of introduction and perhaps a little bit of education, I can tell you something about what's going on with a particularly important part of the economic and environmental dimensions of the construction and building industry for Maryland. And I wanted to take the opportunity to introduce the assembled folks here to some new capabilities that

provide some insights into the, into commercial, residential, and operational buildings across Maryland, and perhaps suggest a new resource that's available for folks to check out. I think what you'll see in a few minutes is that this resource is very much in line with some of the leadership that the administration has shown with regard to the BaltimoreStat, MarylandStat, ChesapeakeStat type resources that have given us an ability to look at what's going on across the State, and to basically make decisions in a data driven way.

And so my, today what I'm doing is I'm representing a group called the U.S. Green Building Council. We're a nonprofit organization composed of 17,000 member companies across the U.S., and we have a large chapter here in Maryland. And I'd like to share with you some of the activities that are going on in Maryland with regard to green building and some new tools that allow folks to on their own explore what's going on in the green building landscape of Maryland.

GOVERNOR O'MALLEY: And Chris as you, you've probably already been updated by our able staff, Tom

Hickey. But we were all discussing this about two weeks ago and so the Treasurer and the Comptroller both were very interested in learning where the Green Building Council is going and maybe having a, we all recalled that four years ago when we required all new public buildings built with State dollars, including schools, to be a certain LEED certification, that many people protested and said that would be a horrible thing. It would bring the whole building industry to its knees. And instead the office phenomenon has taken place. And I shared with them your observation that there are some 4,000 people that are now working in Maryland today because of those standards and because of that market. So, you know, with that we decided, well, let's ask Dr. Pyke if he might come in and make a presentation. So.

DR. PYKE: Let me share with you the results of what some of the leadership has yielded. So if you go to the next slide, please, just to underscore what I just said, this is who we are. Go to the next one, please? Just to reiterate why, what we think we're doing with green building. Green building is an

industry led effort, a private sector initiative, that is designed to change the prevalence of practice in a market. So we recognize we're working in partnership with the government. So the government is working to deal with the left hand side of practice, bring up the floor, and we're looking to incentivize those market leaders. And let me show you how that's played out.

Can you go forward, please? So just to underscore that a green building is only that the manifestation of labor professionals who have skills and a common vocabulary, every project has hundreds or thousands of people attached to it; tools for identifying best practices; and a process for third party verification that you did what you said you did.

Can you just click quickly through the next three graphics that pop up? So we have a process for that, but the critical thing is this is labor, tools, and a process. And keep going, please.

So just to underscore, the leadership such as that shown by the Governor and other leaders across the State and across the country, this is the manifestation over the last ten years in terms of

actual green buildings on the ground that are delivering higher performance. If you zoom in, the next slide, we can see that those green buildings are all over the place. What you see in those colored dots are green buildings that have been certified by independent parties to say these buildings have achieved demonstrable success on the ground. The white buildings are buildings that are in process today, that are moving forward toward that goal. And if you zoom in further you can see this takes us all the way down to buildings that we could walk around and identify even in this neighborhood around here. So this is the information that's available online today that we can use in our decision making.

Can you go forward, please. To get more of a sense, we are talking about a lot of different types of buildings. We deal with new construction. Stuff we call NC, new construction. Existing buildings, that's called EB. Or commercial interiors, core and shells, schools, retail. So the point to underscore is this cuts across the entire building sector economy and there is a tool that helps drive market

transformation. And so here's some examples of Maryland leadership. As the Governor mentioned, the act of leadership of creating the State High Performance Building Act and establishing the Green Building Tax Credit is one of those acts of leadership. We know that fourteen local governments have followed and have policies with similar incentives. We know that Maryland is ranked tenth in the number of projects nationally, that's the absolute number of projects. And we know that we have specific local government leadership, such as Montgomery County leading the way back in 2006 with policies for K-12 schools.

And one of the results of that is a strong green building community. We have a chapter, there are 486 of our member companies that are headquartered in Maryland. They employ 300,000 individuals. They have, in Maryland, those companies that are headquartered in Maryland have \$50 billion in annual revenue and they have 3,400 accredited professionals who are, this is a big part of their job. And the chapter here was established in 2004. So --

GOVERNOR O'MALLEY: Say that last bullet again. So 3,471 LEED accredited --

DR. PYKE: Accredited professionals. So those are folks who have taken, who have become trained and taken a third party test to demonstrate that they have competency and skill in this area. So it's actually an entirely new workforce over the last ten years that has a set of skills that ten years ago wasn't an identified group. Actually, nationally there are 180,000 of those professionals. So we have a portion of them here that are ready to serve projects.

So if you keep going really quickly, this is the crux I want to get to. So the inflection point we're at right now is that green building is a compilation of best practices but it's also a data driven exercise. So for those of you in decision making capacities, if you go to the next one, I want to ask, basically what we're trying to do is augment your view of the building environment. Buildings are a lot of things. But if you click again, one of the things we don't know are their vital statistics. How

much energy do they use? Water, stormwater, materials, and so forth? What we're trying to do is augment that view. And we're using geographic information systems for that purpose, if you go to the next one.

What the decision making space, I'm going to show you a quick, quick concept, and then show you live tools. The issue is basically saying -- that's right, hold that for a second. The issue is saying if a stakeholder comes to you and proposes a project, you may want to know how well that project does on some metric you care about. It may be greenhouse gas emissions, it may be operating costs, it may be health issues. And we can score that between zero and a hundred, zero being you've done nothing exemplary, a hundred you've done everything. What we're trying to empower decision makers is to say this proposed project scores here, and critically here's what the market has delivered in a given point in time.

So if I look at this and I say that curve represents that market for all of Maryland, and someone proposes that blue circle to me on offer. And

I say would I accept that proposed project if I cared about greenhouse gas emissions? And I would, I hopefully would say no, and I would click again and I would say I'm going to request a revised project that represents at least an above average offering from the market in a given time period. And over time I'm going to move that distribution toward higher performance. That's a, and over time I'm going to stack up those higher performances and we're essentially going to have a Lake Woebegone effect. We are going to basically encourage every project to be above average and we're going to move that distribution.

All right. So click one more time. I've shown you concepts, and in the brief few moments I have remaining I would like to show you how that works in a tool that you can go home and explore. So we have, in your spare time you can go to this website called www.greenbuildinginformationgateway.org. And if you click again what you'll see is a map that provides information on all the certified and registered buildings, LEED buildings, in the State of

Maryland, along with others including ENERGY STAR.

And this is, as you can see, an essential complement to the kind of map-based decision making that the Governor has demonstrated in other areas.

And so let me, if you click again, for each of those projects you can click on those projects, take this one in Gaithersburg, and you can look at those performance measures with respect to the sustainability of the site, the water efficiency measures, the energy related measures, the materials, the indoor environmental quality, and you can actually have a synthetic measure saying how does that all roll up to address greenhouse gas emissions or something else? And that kind of transparency is essential for market function but that's not sufficient to get where I just showed you.

So if you click again, the idea is how does that project compare to all others? And so the blue line on there is that project. The green line is the average for others in the database. And what the crux is, this project is above average on all those

metrics. This is a project I'd accept. And I can do better than that. One last demonstration.

So click again. I can actually look at the distribution. And I, just like that concept I showed you, the bottom part of this graph says zero is conventional practice. The top of that graph is everything we possibly could think you could do. That's nice, but what we're really interested in is what is the market delivering? Over the last ten years the market has delivered this green set of bars. So there's kind of a strong middle. And then this project is up toward the leading edge. And if you click again, I can break that down into its components. How good is the site for this facility? Again, above average. Not the very best, but above average. I can break that down into energy. How does it perform? And I can ask, maybe I want to ask what are those projects that are outperforming this one doing? What strategies are they using?

Keep going. And then I can do that for the materials, that's the supply chain of the building. And again, I can do that for the indoor environment.

How have they invested in ventilation, thermal comfort? And I can do that for that cross cutting measure of carbon. So the issue is to provide transparency and multi-criteria benchmarking.

And to close, I wanted to tell you where to go to find this for yourself. You can explore this for any building in Maryland. Over the course of this year there will be more capacity coming into this, but I hope you'll take the opportunity to look at what green buildings are trying to deliver in Maryland and explore who and what products, services, and investments are they leveraging. So you can find it at that website above. And those of you who are carrying an iPhone or an iPad, you can download the mobile version which actually has the same thing for the whole country.

So I very much appreciate your attention. I'm happy to answer any questions but I would encourage you to check this out and see what's being delivered by the construction industry in Maryland these days.

COMPTROLLER FRANCHOT: Excellent.

GOVERNOR O'MALLEY: That was good.

DR. PYKE: Great.

TREASURER KOPP: So how do the sites get into your --

DR. PYKE: Right. So that's actually the great thing about third party verification. Those sites registered to pursue green building. And the way that we get that data is a very rigorous third party process. When we say they have done those things, there is a third party that actually, they actually submit data to a third party called the Green Building Certification Institute. They actually have experts review that documentation. And if it's sufficient, they annotate that. And that's what causes those dots to be there. So those aren't user submitted, they are actually third party verified.

GOVERNOR O'MALLEY: And Doctor, you can look in terms of the stormwater retention?

DR. PYKE: That's exactly --

GOVERNOR O'MALLEY: Not just the water usage. So when you were up there --

DR. PYKE: That's right. So a component of sustainable sites, that actually is a composite of about fourteen different metrics that are tracked. Two of those metrics are how the volume of stormwater and the quality of stormwater are dealt with, so we deal with those separately. So you could look at strategies to deal with stormwater quality and strategies to deal with stormwater quantity. And you could ask why are projects choosing or not choosing to do those, and what practices are they using to do that? So yeah, that kind of transparency. You could actually imagine a criteria where you would say these are the strategies that are most relevant to Bay conservation. And they would have to do with location, stormwater, tree planting, you know, some sort of combination. You can impose that on that right there.

GOVERNOR O'MALLEY: Hm.

DR. PYKE: So that's our vision, that third parties, individuals, say State agencies, could say hey, we have a different set of priorities. Let's use this system to visualize how they're being delivered.

And our hope is that if you understand those distributions they are saying, why is the market, these are voluntary sort of things. So the market is choosing among those measures. What we're trying to do is understand why the market is delivering what it's delivering now so we can understand what market interventions might be necessary to raise, to get the whole market stepping up. That's what we hope that information is useful for.

TREASURER KOPP: And on the site you can drill down and find the component factors that go into --

DR. PYKE: That's right. So right now you can see a set of factors. Actually, these tools are evolving very rapidly over the next six to nine months. And so actually one of the things that the Governor is, that the Governor was enthusiastic about was the ability to compare, say, one jurisdiction to another with regard to not just the projects but the skilled personnel, those accredited professionals, the policies, the member companies. So we're very rapidly over the next two months bringing out a capacity to

compare one jurisdiction to another jurisdiction at the same time that you can drill down to an individual project. So over the next six to nine months we're in a very active development. And we're very much hoping that that can be a partnership with folks like the, like Beth Flowers' group here where they're doing a really good job of bringing State information forward for very related activities like energy retrofits for State buildings. So the idea is how can we match this information up and get a sense of this green economy around buildings that's growing up in the State? So.

TREASURER KOPP: Do you work with groups like the Insurance Council and others who are interested?

DR. PYKE: Absolutely. Some of those groups are actually our members and they have an active role. And other groups are very complementary. They are groups such as Fortified Homes, a group called Fortified Homes that is very interested in increasing the robustness of coastal development to storm damage and so forth. So we recognized kind of a common cause, an intersection of common cause and saying they

are probably are either a component of what we're trying to accomplish or related. So right now I think the critical issue is to have transparency issue about, to show just how much economic activity actually is going on and going forward so that we can begin to leverage that. Because I think up to this moment we really haven't had very good transparency about the magnitude of this activity. Because we, you know, honestly have very few ways of making detailed assessments of the private building stock.

So although, actually I should say that about 25 percent of the buildings you saw on that map are public. The remaining 75 percent are private. And actually they are still, and of all the dots on that map those are only about 65 percent of all the buildings we touch. The other 35 percent like to have their location private. So we use that information in those distributions but we don't, we can't, we respect their privacy if they request it. But with regard to location. And so just to give you a sense, that's, this is a, it's a proxy for a lot of activity that is, that may not result entirely in a certified building.

But maybe it results in solar panels, energy efficiency, improved indoor air quality. Those are all pieces, the same product and service providers are out there doing those projects, too. So we touch them as well.

TREASURER KOPP: So are all of the State and county LEEDs, I guess LEED certified, would, are on your --

DR. PYKE: They will show up. As soon as they complete certification they will show up, and the ones that are in process will show up as registered. Yes, that's right. That is correct. So that also provides you information in terms of saying, those same kind of distributions in saying here's what the entire market is doing. When the next, the next project puts on offer here's what we're proposing to the State, this also provides a literal way to say, hey, how does it stack up against the State's current stable of LEED buildings? And other buildings within the geography? So hopefully it provides a constructive, competitive tool.

TREASURER KOPP: Yeah, I wonder do the criteria vary at all with region?

DR. PYKE: They do. So actually the Maryland Chapter took, we, every region is allowed to select a small number of points, I think it's six, that they are allowed to customize to the circumstance here. So in other words, if stormwater is more important here those points are, they are given extra emphasis in the system. That determination is made by the Maryland Chapter. So the Maryland Chapter of the U.S. Green Building Council actually goes through a process to identify those strategies that are more important in Maryland than they are elsewhere in the country, and projects receive an extra bonus for pursuing those strategies. So that's a local decision, or a regional --

GOVERNOR O'MALLEY: Like stormwater?

DR. PYKE: Like stormwater. That's a, or for instance in Arizona it might be the water efficiency, in Maryland it might be stormwater. Exactly. So that's a determination made by those

members of that Chapter. So that's why chapters exist.

GOVERNOR O'MALLEY: And so you're trying to get to a point where buildings are actually improving the environment?

DR. PYKE: Absolutely. We call that a regenerative state. We say basically if the act of developing a project improves the environment, that is a regenerative building. One that, that is the ultimate goal. Right now we are trying to mitigate the negative impacts, right?

GOVERNOR O'MALLEY: Uh-huh.

DR. PYKE: But the ultimate goal is to make the development of a project a literally constructive event. That's what the goal is.

GOVERNOR O'MALLEY: That's pretty exciting, huh?

DR. PYKE: So hopefully these tools, this transparency, raising the bar in near real time using information technology and informing decision makers about the relative quality of what's on offer to them is what we believe central to that. And so I think

that's very much in line with the other Maryland initiatives which seek to basically provide that kind of transparency on a whole range of other issues. So we're looking forward to, you know, one of the things we'll be able to do is actually share this information digitally back to State agencies who are using it. So if they have the capacity, if they are using geographic information systems they don't have to actually go to our tool. They could take the data and embed it in their own process.

GOVERNOR O'MALLEY: Hm.

DR. PYKE: So that's, so it's our tool --

GOVERNOR O'MALLEY: So we could link you to our Smart, Green and Growing website?

DR. PYKE: Exactly. And literally link our data in real time. So --

GOVERNOR O'MALLEY: And you all are headquartered?

DR. PYKE: We're headquartered in Washington, D.C. But we have, again, these chapters all over the place.

GOVERNOR O'MALLEY: Mm-hmm.

DR. PYKE: So the, that as a centralized resource can be the service so that can be consumed. And that's not a, there's no fee or anything, that's just a digital service. So that's something that we're, we hope is useful.

GOVERNOR O'MALLEY: And how many Maryland people work in your headquarters?

DR. PYKE: That's a good question. I don't know the answer. A bunch. The person who actually, actually the project manager for this project lives in Bowie.

GOVERNOR O'MALLEY: Hm.

DR. PYKE: So --

GOVERNOR O'MALLEY: We call it Bowie this side of the River, Dr. Pyke.

DR. PYKE: Sorry --

(Laughter)

GOVERNOR O'MALLEY: But in Texas, the guy with the knife, he was Bowie.

DR. PYKE: Got you.

GOVERNOR O'MALLEY: But no beaten Bowie. Well, this is really exciting.

DR. PYKE: Great.

GOVERNOR O'MALLEY: And I'm very grateful. Thanks for taking the time to come and share this with us. So it's up and going now, huh? At those addresses?

DR. PYKE: It is up and going. You can explore it. You can download the apps for free, check it out. Guarantee that on a month by month basis if you find it interesting today, it's my job to find it more interesting in two months time. And I can promise you that by October of this year you'll find it really interesting. So this basically is something we are investing our resources in and something that we are committed to standing up and being interoperable. Being something that we can interoperate with partners so than when partners are creating information about the green building industry we can consume it and we can also share what we know in terms of the workforce, the projects, the policies, and the organizations that are involved. That's what we're committed to doing with this. And so you actually, just in the next ten seconds, that notion of

saying we think this is one of those tools that is a combination of information and apps. There is basically a world of, there is a business opportunity for folks to say how do I take that information and turn it into intelligence that helps decision makers? And what we're trying to do is create that ecosystem, that's our role. And so it hopefully resonates with many other people.

GOVERNOR O'MALLEY: That's very cool.

DR. PYKE: Yeah.

GOVERNOR O'MALLEY: That's what we're trying to do, too.

DR. PYKE: Yeah.

GOVERNOR O'MALLEY: With BayStat and the other things. Well this is great. We really appreciate you coming in, and thanks for all your good work.

DR. PYKE: Thank you so much for the opportunity. I appreciate your time.

GOVERNOR O'MALLEY: Thank you.

DR. PYKE: I'd be happy to answer any follow up questions.

GOVERNOR O'MALLEY: Thanks, Dr. Pyke.

TREASURER KOPP: That was great.

GOVERNOR O'MALLEY: And thank you for an able running of the slide show. And what is your name?

MR. FOLEY: Brian.

GOVERNOR O'MALLEY: Brian. Are you with Dr. Pyke?

MR. FOLEY: No --

TREASURER KOPP: No.

MR. FOLEY: -- here with Treasurer Kopp.

GOVERNOR O'MALLEY: You're with Dr. Kopp?

(Laughter)

GOVERNOR O'MALLEY: You did well. I saw you kind of gasping for air when you saw the no signal sign come up, but --

(Laughter)

GOVERNOR O'MALLEY: Yeah, you did well, though. You didn't flinch. You looked like you were still in control, and then the signal appeared. All right, we're on the Secretary's Agenda. And we go to, I know we have Dr. Langley here. Dr. Susan Langley.

Dr. Langley, we always look forward to your presentations here. This is Item 8, the 2011 Maryland Maritime Archaeology Program. What do you have to tell us? What exciting things are you working on?

DR. LANGLEY: We have an amazing year. And we had an amazing year last year, and I want to thank the Board, and the Secretary and the staff of DBM for making that possible. Because I was able to fill our vacancy and that made a world of difference for us, so we're very grateful.

GOVERNOR O'MALLEY: People have parties around here when they're able to fill a vacancy.

(Laughter)

DR. LANGLEY: Oh, trust me, we did. It was, and it's been amazing. We've done very, very well. We finished most of the projects we ran last year. We have one of them continuing on. Our Battlefields program is continuing this year. We only spent half of the Parks Services money last year so we're going to spend the rest of it this year and finish that. We have had an amazing time working on the Scorpion. I know you have an interest in that. And I'm seeing all

the handouts, so maybe I'll cover those first.

The top one is the invitation, of course, to the conference this year, or coming up next January. No, the invitation, the large page. There you go, that one.

GOVERNOR O'MALLEY: This one?

DR. LANGLEY: That's the one. An invitation to you all. We did speak to your office about inviting you. They said it's too early. But we promise it will be warmer than Fort McHenry last Thursday. It will be indoors.

But we, and I also have the pleasure today, she's here for another reason, but Dr. Julie Schablitsky who is the co-chair of that conference from Maryland State Highways is here as well today. And she is also a partner in the Scorpion project through Highways. So she and I and Dr. Nealan from the Naval History and Heritage Command, who isn't here today, but that project went very well last year. We had, while I'm thinking of the budget, cash and in kind we probably put \$317,000 and change into it. A lot of it went to meeting the Corps of Engineers

environmental standards, but we have relocated the vessel. We did not find a lot of artifacts but we found and established the depth. It's in good condition.

GOVERNOR O'MALLEY: Tell us a little bit, for those of us that might have forgotten since last year what the Scorpion is, and for those watching at home or from work on their computer when they should be doing work, could you tell us --

(Laughter)

DR. LANGLEY: The Scorpion is the flagship of Commodore Joshua Barney and it dates, of course, to the War of 1812. It was one of the vessels among his flotilla that he had to scuttle in order to, the British were moving up river and he needed to get his men to Bladensburg to help hold the line, which they did for the longest period of time before he was wounded. But they, the British did comment that he was the only one who had given them any fight. And at the time, of course, rather than have the vessels taken, he directed his lieutenant, who was also his son, to scuttle the fleet.

The vessel had been located in 1979 or 1980 with a small grant from the Maryland Historical Trust to the Calvert Marine Museum and Nautical Archaeological Associates. And we went back and were looking for it, knew where it was in the nineties. The Navy now, because of this window of opportunity and the commemoration of the bicentennial of the War, was interested in looking at the condition of it, seeing if there were remaining artifacts, creating public and scholarly publications. And also, of course, I would want to do a PDF. But we want to excavate the site properly, record it. We're not intending to raise the vessel itself, the cost would be prohibitive, but we're going to record it and monitor it, raise the artifacts, conserve those, and send those on traveling displays and what not. Hopefully everything by 2014, when Maryland's largest participation in the War.

GOVERNOR O'MALLEY: So we're not going to actually raise it, huh?

DR. LANGLEY: \$60 million to raise the, actually more than that, to raise the Hunley, which is

the size of a hot water heater. So I think not.

GOVERNOR O'MALLEY: The Hunley?

DR. LANGLEY: The Civil War submarine that was raised in South Carolina. It was \$21 million to raise it and another \$40 million to conserve and display it. So I don't think we can afford that. We've raised --

GOVERNOR O'MALLEY: And it was the size of a hot water heater?

DR. LANGLEY: A large hot water heater. So --

GOVERNOR O'MALLEY: Hm.

DR. LANGLEY: -- what we have raised, though, the good news is, through Highways efforts and the Navy and of course the Trust partnering, Transportation Enhancement did provide over \$2 million in funding for us. We're working on an overall budget of \$4.6 million we hope. Last year the thing with the partners, the Navy put in a little over \$120,000, Highways put in about \$70,000, just a tad, all our in kind endeavor and equipment. Our other partners, Maryland National Capital Park and Planning. We

managed to put in a total of about \$317,000 plus in effort. This year we're looking closer to \$965,000. We did put in a request through your federal office which we don't anticipate seeing this year under the circumstances, but we did ask. Right now I'm trying to prise money out of Bill Pencek's budget, from the Commission. He's running and hiding. So we're hoping maybe he would help us. The Navy has promised money again this year.

We're going to be short, we looked at it all, we're going to be short about \$310,000 this year and that's what we're looking at raising. Next year it's going to be about \$570,000. So to complete the project overall, which we anticipated having about a \$4.6 million budget, we need about \$1 million, just under \$1 million, for absolutely everything, seeing it through to 2016. So that's what we're hoping on.

But very successful. The only artifact that came up last year was a lead weight, too big to be a sounding lead, but very large for a fishing net. So that's with the Navy being conserved. But that was not our intent to find them. We did find the edge of

a hatch. We did find the hole from previous excavations where the clay had been disturbed and a wetsuit down in it so we know we were in the right spot.

But so this year we are doing all the preparatory work. Highways is being generous and promised to help with the developing the design for the cofferdam. And we're hoping to use the Transportation money to cover that cost but now --

GOVERNOR O'MALLEY: And what is the cofferdam? That's literally it's sort of the wall you put down around it? And then you pump out the water, and then you --

DR. LANGLEY: You can do a cofferdam and leave it full of water, they tried that off Yorktown, and excavate it wet. But we want to open it up so that it's publicly accessible. Because a lot of it is the education and outreach aspects of this that's really important. And the Navy is very interested in what they call STEM, which is I can't remember all, but Science, Technology, Engineering and --

GOVERNOR O'MALLEY: And Math.

DR. LANGLEY: It was Math, okay. I started to think it was Mechanics. But the acronym was used yesterday at a meeting, Julie and Dr. Nealon and I met with Admiral DeLoach and his staff. And they were very encouraging in how we could ask for money next year, things to mention and not mention, include. So we are working with, this morning I have, the Naval Academy Scuba Club said, "Could we volunteer?" Because I gave them a lecture a couple of months ago. So we're certainly going to be involving, you know, anyone we can from an educational perspective.

GOVERNOR O'MALLEY: I want the Naval Academy to rebuild the Chesapeake Flotilla in time for the 1814 --

DR. LANGLEY: We actually did that a few years ago. Youth at Risk through Living Classrooms did build a model and --

GOVERNOR O'MALLEY: But it's only three-fourths scale and it's down there in Bladensburg.

DR. LANGLEY: It had to be trailerable, but we did use it for a while.

GOVERNOR O'MALLEY: How many did Barney

have? Didn't he have twenty-two of them or something?

DR. LANGLEY: The number varies because it depended who was counting. Some people wouldn't count the smaller ones, or only this. So it varies anywhere from about fifteen to eighteen are the numbers I have seen.

GOVERNOR O'MALLEY: Mm-hmm.

DR. LANGLEY: We think we know where some of the others went, but we can't, we can account for about twelve of them, I think.

GOVERNOR O'MALLEY: Mm-hmm.

TREASURER KOPP: You're quite sure the Scorpion is the Scorpion and not this other one that may be next --

DR. LANGLEY: No. We're pretty sure this is in the right spot. It's where the artifacts with the initials P.W. came off of. The other vessels would be farther into the stream. NOAA did fund us a wonderful gradiometer, a four sensor gradiometer, and allowed us to use it. The owner of the company was so interested he came down and stayed. He cut us a deal on the price, he let us keep it longer. And we did locate a

number of other targets down there. But we're, because of finding this previously filled in pit, which you can determine underwater, and the feel of the, you know, the look and feel of it, we're quite sure we're on it. So we're very excited about that.

We're going back this year. We're working on the permitting right now, which is always extensive, and we're also starting next year's permitting now because of course there will be a lot more environmental considerations for the cofferdam.

TREASURER KOPP: Do big groups like National Geographic ever show any interested in helping?

DR. LANGLEY: Potentially. Potentially. So do History Channel and Discovery Channel. But we have to be, a lot of these companies, some of them put a lot of strictures on what you can do and can't do, and they want to drive the bus. And you have to be very, very careful in how you involve them. Geographic is famous for not wanting anything published until they publish it, and they'll hold things up for years.

TREASURER KOPP: Right.

DR. LANGLEY: Well that's public funds. We

don't have the right to hold up telling the public what's going on with their money for that length of time. So we may talk with them. Julie has actually started in trying to, so she has these connections with Public Broadcasting. We're going to be working with them and Maryland Public Television. Keep it in State.

The other, there's a mapping handout I also gave you. It's a little bit small scale but what we did was, I've seen this done elsewhere, we didn't have a lot of money to hire, create permanent jobs. But we certainly can at least help sustain jobs in the area. And those show all the businesses, some small, some large that we dealt with in Maryland, in that region. So those are all the folks we at least helped keep employed by giving them our business.

So this will be our big, I'm going in the field next week for a project funded by Park Service, to help Virginia. It's right on the Maryland-Virginia border. So we're going to be doing our waters and part of their creek, and they're paying for everything so we're happy about that. We like other people to pay for it.

And this weekend, of course, we have our workshop at the Crownsville office, which everyone is invited to join us at.

And also one other, we have, this is just the proof back from the printer, but April is Archaeology Month. This is this year's poster. And Highways has very generously agreed to help fund next year's. It will be ready for our January conference and it will be an 1812 theme.

TREASURER KOPP: This is great.

GOVERNOR O'MALLEY: It's pretty cool.

TREASURER KOPP: I love it when you come and visit.

GOVERNOR O'MALLEY: It's always one of our favorite days. That's good. I can't wait to come out and see it and my sons.

DR. LANGLEY: Oh we do, Park and Planning were very good about, Maryland National Capital Park and Planning did run vessels last year, brought folks down to the trailer park adjacent to us. And we did -
-

TREASURER KOPP: Dr. Langley, I apologize --

DR. LANGLEY: No, I understand.

MS. KONRAD: We just want to get the screen out first, but we, the bid will come in --

TREASURER KOPP: All right. But this says at 10:50 I have to make a speech.

MS. KONRAD: Okay.

TREASURER KOPP: Governor, Comptroller, before I make, I'm reading my script that my attorney has given me. This is terribly kosher. Before I make the motions to adopt the resolutions for the sale of the 2011 First Series Bonds I want to inform the Board that the sale of the 2011 Taxable Qualified Energy Conservation Bonds First Series C has been canceled at this time. We're coming back to it. There were documentation requirements concerning energy savings that could not be met in time for this sale but should be completed in time for the sale of the 2011 Second Series in July. You have to have everything, we require everything very clear regarding the energy savings before we can issue long term bonds to the public to pay for that.

But I do move that the Board adopt the

resolutions before us today concerning the State and Local Facilities Loan of 2011 First Series. In particular I move that the Board ratify and approve the preliminary official statement dated February 23, 2011, which you have both received and which is on our State Treasurer's website; the summary notice of sale for the 2011 First Series B, that's this one, and C Bonds published on February 24, 2011 in the *Bond Buyer* with the understanding that the C is being deferred; and the resolutions the Board adopted on February 9, 2011 concerning the bond sale. And I further move that the Board accept electronic bids for the First Series B Bonds as provided in the official notices of sale.

So I would make that motion and ask for a second, and a vote on the motions.

COMPTROLLER FRANCHOT: Second.

TREASURER KOPP: Thank you.

GOVERNOR O'MALLEY: All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it.

TREASURER KOPP: And for the First Series A Bonds, the ones that I mentioned earlier that sold on Friday and Monday, I move that the syndicate of underwriters represented by Siebert Brandford Shank & Co., LCC be awarded the First Series A Tax Exempt Bonds in the aggregate principal amount of \$130,770,000 with a net premium of \$5,679,612, Madam Secretary, and four cents. And at a true interest cost of 2.694862 percent. 2.694862 percent. And I further move that the bond purchase agreement for such bonds be accepted and approved, and that the First Series A Bonds be issued in the amounts and maturities and at the interest rates and prices set forth in the bond purchase agreement. Is there a second?

COMPTROLLER FRANCHOT: Second.

GOVERNOR O'MALLEY: Seconded by the Comptroller, all in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: And the ayes have it.

TREASURER KOPP: And now Patti takes over. You all know Ms. Konrad, the Director of Debt Management for the State.

MS. KONRAD: Good morning. I put up on the screen the results of the retail sale that we did on Friday and Monday. The sale was led by Siebert Brandford Shank, and we went out originally with \$100 million and sold \$105 million worth of bonds on the first day. And they continued to sell on Monday. And we reached a level of \$130,770,000. We were able to move bonds out of today's Series B competitive sale over into A to fill all those orders that came in. It was a very good sale. Particularly in this environment where retail investors are a little scared away from municipal bonds because of some press issues dealing with budgets in state and local governments. So I think it validated the high quality bond that the State of Maryland offers and certainly was very attractive to the retail investor.

So we can move over to the calendar and we'll look at the bidders for today. This again is an

indication of a lot of activity and interest in our bonds. We've got eleven bidders, which is a lot. More than what we usually see. It doesn't necessarily mean that we will get eleven bids. A lot of times these firms see each other's names up there and then they decide to form syndicates and band together and submit one bid. So we are a few minutes away here, if you go to bids? Two minutes.

I don't know, Treasurer, if you wanted to comment about the rating agencies, the AAA, and --

TREASURER KOPP: I did mention it before you got here.

MS. KONRAD: Oh, okay.

TREASURER KOPP: The AAA bond rating was reaffirmed by all three rating agencies who stressed the strength of the diversity of Maryland's economy, our great strength in education, health, technology, and government. And the very well disciplined financial management at the State level. And also recognized the proposals that you have placed before the General Assembly regarding pension reform, and operating budget cuts. They know that Maryland does

deal with its budget problems. And thanks to the Board of Public Works, as the Comptroller has pointed out in the past, we do have a flexibility to deal with budget problems that many states don't have.

Our bonds are also strong because they are fifteen year and therefore they pay promptly. I do think we have to continue looking at the pension reform, including the use of the corridor system which the bond rating agencies have serious concerns with. And I'm sure we will be addressing that.

MS. KONRAD: So we have one minute left, and we've got one bid. Most of these firms are watching the markets and that's why they wait until the very last minute. Watching the markets, watching the news across the country and the world as they wait to submit their bid.

GOVERNOR O'MALLEY: They are probably watching Dr. Langley.

(Laughter)

TREASURER KOPP: Another big name for Maryland, the Comptroller mentioned, U.M.B.C., Freeman Hrabowski has just won another national honor. The

third winner of the national, the Father Hesburgh Award. The first was Dr. Kirwan, the second went out of state, but the third goes to Dr. Hrabowski. And he is an outstanding --

MS. KONRAD: It looks like Bank of America, Merrill Lynch. We will go back and check the math, and the Treasurer will be back for the final results and approval.

TREASURER KOPP: Okay. Patti and the team are going to go through and make sure that all the numbers match, that the TIC of 3.48 whatever is in fact the lowest. And we'll be back in a couple of minutes. Thank you very much. Thank you, Governor.

GOVERNOR O'MALLEY: Thank you. All right, we, before us is still the Secretary's Agenda. Is there, are there any questions with regard to any of the items on the Secretary's Agenda? Hearing -- Mr. Comptroller?

COMPTROLLER FRANCHOT: Madam Secretary, one of the items is being withdrawn?

SECRETARY MCDONALD: That's on the Budget Agenda? If you want, do you want me to introduce the

Secretary's Agenda? There are, the Budget Agenda is the one that it is being withdrawn, so there's no items being withdrawn on the Secretary's Agenda. There are eight items on the Secretary's Agenda. We heard about Item 8, Dr. Langley. Item 1 is, some resolutions have been voted on but we are holding the complete Item 1 until the Treasurer's Office returns. So we also have one report of an emergency procurement. There are no changes to our Agenda, though.

GOVERNOR O'MALLEY: All right, let's consider the Secretary's Agenda with the exception of Item 1. So the Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay."

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We now go to the Program Open Space.

SECRETARY MCDONALD: Mr. Price is here from the National Resources Department.

MR. PRICE: Good morning, Governor, Madam Treasurer, Comptroller. Department of Natural Resources has two items on the Secretary's Agenda today. One acquisition from Anne Arundel County and one development from Cecil County. I'll be happy to answer any questions you might have about the project.

TREASURER KOPP: I would say the Item 1, the Anne Arundel County project, looks like a very important and magnificent example of State, local and federal cooperation in preserving and clearing open area.

MR. PRICE: You are correct, Madam Treasurer.

TREASURER KOPP: I'm sure a lot of work went into it.

MR. PRICE: Yes. We actually have the Director of Recreation and Parks for Anne Arundel County free to answer here if you'd like to know more about it.

GOVERNOR O'MALLEY: Sure, come on up.

SECRETARY MCDONALD: We just placed letters of support in the record from Speaker Busch and

Senator Astle, are letters supporting this transaction.

TREASURER KOPP: Who represent the area.

SECRETARY MCDONALD: Correct.

GOVERNOR O'MALLEY: Then we'll be sure to give it even greater scrutiny.

(Laughter)

TREASURER KOPP: A major project that, how you can get everybody like that on the same songsheet is very impressive.

GOVERNOR O'MALLEY: Do you want to talk to us about it? Come on up.

MR. ANTHONY: Sure. Good morning --

GOVERNOR O'MALLEY: Good morning.

MR. ANTHONY: -- Mr. Governor, members of the Board. Thank you for taking the time. It is a very important acquisition for us. About two years ago over eighty members of the community of Broadneck Peninsula got together with one goal in mind, and that was to preserve Spriggs Farm. After approaching various members from our County Executive staff, County Executive John Leopold, and Speaker Mike Busch,

they sent out staff to the area. And it was a consensus that this farm was worth preserving. It was the last fifty-four acres of the original 400-acre farm owned by James Spriggs. It was spearheaded by Jack King, who is also here with us today. And he put together a nonprofit organization, the Spriggs Farm Preservation Foundation. They have done a tremendous job. Along with staff from DNR we have requested a \$700,000 grant for Federal Water Fund. We also have contributed from the County side \$962,000 from our Forest Conservation Fund. And we're here today to ask for \$1.4 million for the Local POS funding.

I would like to commend my staff, Mark Garrity, Ken Alban, the staff at DNR, Chip Price, Tom McCarthy, Meredith Lathbury, and Barry Christie for all of their efforts. And more importantly, Jack King and the folks at the Spriggs Farm Preservation to make this happen. And I appreciate the opportunity to address you today, and thank you for this consideration.

SECRETARY MCDONALD: Could you give yourself a shout out? Could you introduce yourself for the

record, please?

MR. ANTHONY: I'm sorry, I thought that was already clear. Rick Anthony, the new Director of Recreation and Parks for Anne Arundel County.

SECRETARY MCDONALD: Thank you. Thank you.

GOVERNOR O'MALLEY: Even as we speak here the Legislature is looking at the dollars that we appropriate through Program Open Space, and I know that some of the recommendations coming out of the Department of Legislative Services is to totally wipe out what we do through Program Open Space, put all those dollars in the General Fund. So I hope you all might help us through your Anne Arundel County delegation. I mean the people, a lot of times the alienation is so great we stop believing that our government has anything to do with our quality of life. And it's, in a case like this there's no other way that you could have purchased this were it not for Program Open Space. So I hope you might help us as your representatives, all of our representatives, discuss whether or not to eliminate Program Open Space in the name of austerity, or making our government as

small and as weak as possible. Yes, sir, come on back.

MR. ANTHONY: I need to make a correction. That was Jack Neal, not Jack King. Jack King is one of our former employees. Still learning, thank you.

(Laughter)

GOVERNOR O'MALLEY: Thank you. Okay, anything else in Program Open Space? All right. The Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay."

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We move on now to the Department of Budget and Management.

MS. FOSTER: Governor, Madam Treasurer, Mr. Comptroller, good morning. There are nine items on the Department of Budget and Management's Agenda for today. We are withdrawing Item 1, which is the pharmacy benefits management contract.

GOVERNOR O'MALLEY: Which was a huge

contract, right?

MS. FOSTER: Yes.

GOVERNOR O'MALLEY: And Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. And I'd just like to first of all thank the Budget Secretary for spending the time with me on this. But since we are taking a two-week pause in this, I'd like to make a request. I'm not sure whether it's Ms. McDonald, or Ms. Boschert, or whether it's the Budget Secretary. But there are a couple of issues that came up vis a vis this contract. And I'm wondering if we can get a memo from somebody that discusses the both general and specific situation here of moving forward in the face of a bid protest, and before the Board of Contract Appeals. I know we've gone both ways on this at the Board. But I'd like to have some kind of summary of what exactly the policies are. And also specifically in this case, you know, what the pros are and what the cons are, I guess, if there's, if someone can help us. I assume it would be Ms. McDonald, maybe you with the Budget Secretary?

SECRETARY MCDONALD: Right, and the

Procurement Advisor to the Board, too. We will work on it as a team approach for you.

COMPTROLLER FRANCHOT: And not for me, it's just that I'm requesting it for the Board --

SECRETARY MCDONALD: For the Board. For the Board, no, I agree. It's what the Procurement Advisor and I are here for. We will prepare it for the Board.

COMPTROLLER FRANCHOT: And the genesis of that is I'm not picking sides necessarily. I just think this is a big contract and we need to have as many facts in front of us as possible.

Secondly, we have a strong requirement in the procurement law that these bidders be responsive and responsible. Those are terms of art but the responsible one is the one I'm interested in, and I'd like to have someone else put down on paper who from our side determined that the winner that's being presented to us is in fact a responsible bidder. I don't know whether that's the Attorney General, or whether it's somebody. But I'd like to see something we can react to in a more formal basis, I guess, than just oral statements.

And then the financial analysis, I'm told that this will save, if we approve it, \$100 million over five years. And today in the paper I noticed they used a \$50 million figure. And if someone can, the Budget Secretary or Ms. McDonald, put down what the fiscal pros and cons are of this I would be appreciative.

MS. FOSTER: I saw the \$50 million as well. I have no idea where that number came from. The number that the Budget Department is saying it saves over five years is \$100 million.

COMPTROLLER FRANCHOT: Well if we could just maybe get that and have someone put that on a piece of paper so we could understand that. I know that you may already have it and if there is any basis to the other figure if that could somehow, not you Madam Secretary but you Ms. McDonald, figure out whether there is any substance to that. And I would be appreciative of that and if you could obviously --

TREASURER KOPP: My understanding is that it is the actuarial --

MS. FOSTER: Yes, that's the one that's

based on the GRS analysis.

GOVERNOR O'MALLEY: So they're not, they're not guaranteeing a price?

MS. FOSTER: No. The way it works is a bid is submitted, and the Board has requested that we project what the five-year cost is going to be.

GOVERNOR O'MALLEY: I think you'll probably need to come up here for the --

SECRETARY MCDONALD: It would be great, actually, because our reporter was concerned that they wouldn't be able to be to track the discussion from the table.

MS. FOSTER: So the way this works is that the Board --

GOVERNOR O'MALLEY: And say your name?

(Laughter)

MS. FOSTER: I'm Eloise Foster, Department of Budget and Management. The way this works is that the Board has not only asked for us to look at the first year's cost but to give a projection in terms of what the cost is going to be over a five-year period, looking at what the enrollment trends are going to be

as well as what the drug utilization trends are going to be.

So we used GRS, which is our actuary, along with some other professional consultants who are experts in the pharmacy benefits management area. And their projection over five years is that this proposal would save \$100 million, with \$15.7 million that would be saved in fiscal year 2012. So.

TREASURER KOPP: And actually this is what is going to be described in the memo that will be given to us.

COMPTROLLER FRANCHOT: Yes. And Madam Treasurer, I want to emphasize I'm not picking sides here. I simply --

TREASURER KOPP: So that actually was a statement. It sounded like a statement, but it actually was a question. And I assume, I mean --

COMPTROLLER FRANCHOT: Yeah. I mean, and I just, I think because of the size of this contract we need to have something a little more formal than just the traditional oral responses. But I'll leave it up to the experts to figure out how to do that.

GOVERNOR O'MALLEY: And I'd like to know as part of that, I mean, how that price is guaranteed, if at all. I mean, what does it really mean if it's just --

TREASURER KOPP: I would assume it's just like any projection, including the budget project. It's a cost projection, so a projection.

MS. FOSTER: Right. And our revenue projections.

GOVERNOR O'MALLEY: But unlike a building there's no performance bond, or anything like that here, right? I mean it's, okay. All right. I'm glad we weren't discussing that one today.

(Laughter)

TREASURER KOPP: Could I move back to the prior item just for a moment?

GOVERNOR O'MALLEY: Sure.

TREASURER KOPP: For the First Series B Bonds --

GOVERNOR O'MALLEY: We're now back on Secretary's Agenda Item 1.

TREASURER KOPP: -- I move that Bank of

America Merrill Lynch be declared the successful bidder for the First Series B Tax Exempt Bonds in the aggregate principal amount of \$354,230,000 with a net premium of \$26,103,562.29 and a true interest cost of 3.489597 percent. And I further move that the First Series B Bonds be issued in the amounts and maturities and at the interest rates and prices set forth in the successful bid for the bonds. Is there a second?

GOVERNOR O'MALLEY: The Comptroller seconds. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay."

(No response.)

GOVERNOR O'MALLEY: The ayes have it.

TREASURER KOPP: And finally I move that the Board authorize and approve the issuance of the final official statement for the bonds.

GOVERNOR O'MALLEY: Seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay."

(No response.)

GOVERNOR O'MALLEY: And the ayes have it.

And that passes as well. So does that --

TREASURER KOPP: Thank you, Mr. Vanderbosch, our outstanding counsel. Oh yes, and you all have to actually sign this.

GOVERNOR O'MALLEY: Okay. Give me a pen. So that, we then just passed Item 1, right?

MS. FOSTER: We withdrew Item 1.

GOVERNOR O'MALLEY: No, no, no, no. Back on the Secretary's Agenda.

SECRETARY MCDONALD: You passed the Secretary's items so we are done with the Secretary's Agenda.

MS. FOSTER: Oh, I'm sorry.

GOVERNOR O'MALLEY: So we have now passed the Secretary's Agenda Item 1. We're now back to the withdrawal of Item 1 from the Department of Budget and Management and we're now considering the balance of the items remaining on the Department of Budget and Management Agenda. Are there any questions with regard to those, Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. Item 8, Madam

Secretary?

MS. FOSTER: Item 8 is a request to extend the contract for nursing services at the Department of Juvenile Services facilities. The request is to extend that for up to three months so that the Department can complete that procurement. And from the Department is Kay Schoo, who is the Director of Nursing.

COMPTROLLER FRANCHOT: Welcome.

MS. SCHOO: Good morning.

COMPTROLLER FRANCHOT: My question is this is apparently the third extension that we're being asked to grant for this contract?

MS. SCHOO: Yes.

COMPTROLLER FRANCHOT: Can you just tell us why that is and what's going on?

MS. SCHOO: Marcus, do you want to, I'll defer to you --

MR. FILSON: We were at the board last -- I'm Marcus Filson from Juvenile Services. Last September we were at the Board with a modification to, which requested a five-month extension because at that

time we were working with Department of Budget and Management Procurement to get the final RFP approved. At that time we believed we were very close to getting that RFP approved. However, it did take an additional amount of time for that approval and the RFP was finally approved on December 29th. We then immediately issued the RFP on eMaryland Marketplace and we received multiple bids for the February 28th, they are all being evaluated right now. And we believe that, you know, we needed these three months to go through that evaluation process thoroughly, you know, so that we could come back to the Board with a new contract by, I guess, before this three-month period ends, probably in May.

COMPTROLLER FRANCHOT: So it's realistic that this will all be wrapped up by June 1st at the end of three months?

MR. FILSON: Yes, sir.

MS. SCHOO: Yes.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR O'MALLEY: Any other questions on Department of Budget and Management Agenda items?

Hearing none, the Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay."

(No response.)

GOVERNOR O'MALLEY: The ayes have it and we move on now to the University System of Maryland.

MR. EVANS: Good morning, Joe Evans representing the University System of Maryland. We have four items on the Agenda today. We're here to answer any questions.

GOVERNOR O'MALLEY: Okay, any questions on these? The Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay."

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We now move on to the Department of Transportation.

MS. SWAIM-STALEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record,

Beverley Swaim-Staley representing MDOT, and we have fourteen items today. I'm available to answer your questions.

GOVERNOR O'MALLEY: Okay, any questions?

The Comptroller --

COMPTROLLER FRANCHOT: Actually, I had a question. We had this great presentation by the underwater archaeologist and we all like her. But tell me again why State Highway is funding underwater archaeology?

MS. SWAIM-STALEY: Well the State Highway Administration has had an archaeological staff, a small staff, for some time because they are required -

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COMPTROLLER FRANCHOT: For the road construction.

MS. SWAIM-STALEY: -- with the federal, because yes, whenever road construction is done you have to protect the area.

GOVERNOR O'MALLEY: That's a good question. I thought maybe Beverley had added a Navy --

COMPTROLLER FRANCHOT: Yeah.

(Laughter)

COMPTROLLER FRANCHOT: Thank you. I would move approval.

GOVERNOR O'MALLEY: Seconded by the Treasurer, all in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: And the ayes have it. We move on now to the Department of General Services.

MR. COLLINS: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Al Collins, Secretary for the Department. The Department has thirteen items on our Agenda today, including one supplemental. We are withdrawing Item 6. And we'll be glad to answer any questions you have at this time.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: I had a question on Item 7, is it? Seven.

MR. COLLINS: Item 7, the CGL, John Hanson Memorial?

COMPTROLLER FRANCHOT: Right.

MR. COLLINS: Is that the right? Okay.

COMPTROLLER FRANCHOT: If you can just tell me what's going on up there? I assume there's nobody here --

MR. COLLINS: Yes, sir, there is. In fact we do have one of the Directors here. Come up and identify yourself, and talk about the project.

MR. MICHAEL: Peter Michael with the John Hanson Memorial Association. I have a cold this morning, pardon my voice.

COMPTROLLER FRANCHOT: I'm sorry, give me that, I missed that. It's, your name is?

MR. MICHAEL: Peter Michael.

COMPTROLLER FRANCHOT: Excellent. And you're with what group?

MR. MICHAEL: The John Hanson Memorial Association.

COMPTROLLER FRANCHOT: Excellent. But he's one of my favorite historical figures. Because tell me if I'm right in this, that for four years from 1777 to 1781 the Continental Congress had an absolute stalemate over the issue of whether states could, and

when they did the Articles of Confederation, whether they could keep the western lands. And to Mr. Hanson's credit he said no, all the land outside a state's boundary should go to the United States government. And it took him four years but he finally got the Articles of Confederation passed over that logjam. And then he was elected the first President of the United States.

MR. MICHAEL: Absolutely correct on all points.

COMPTROLLER FRANCHOT: And he did, he had a cabinet, and he had, he did, he signed treaties. Someone said that he declared Thanksgiving to be a holiday, the first President that ever did that. And I like him a lot. He's a major figure.

MR. MICHAEL: Thank you.

COMPTROLLER FRANCHOT: But maybe you can tell me what this project is going to be?

MR. MICHAEL: As we speak there is a statue being cast at the foundry in Baltimore of John Hanson that will be part of the John Hanson National Memorial, the first place that Americans ever will

have had to honor the first President of our first government under the Articles of Confederation. The memorial will be in place probably in May in the courtyard of the Frederick County Courthouse next to where John Hanson's home stood until 1981. And all of you and our two United States Senators and many others will be invited to a grand unveiling ceremony either later this year or in 2012.

COMPTROLLER FRANCHOT: Well I also just want to express my regret that this great American statesman and leader has been, for the last couple of weeks, dragged into some kind of morality play where he's an antagonist to of all people, Harriet Tubman. And I just find it to be a disservice to both Ms. Tubman and President Hanson to have them pitted against one another in this pillow fight that is going on. And I just wanted to express my, you know, strong support for what you are doing on behalf of him and hope that, you know, both of these heroic and seminal figures will not be, I think one newspaper said that Mr. Hanson is locked in a historical steel cage match with Ms. Tubman. How ridiculous is that?

MR. MICHAEL: Quite coincidentally, this just amazes me, I happen to be the publisher of *Underground Railroad Free Press*.

(Laughter)

MR. MICHAEL: Which is the nation's largest circulation Underground Railroad news organization. And our next issue will come out the 15th of this month. And in it we will have a strong editorial encouraging the expansion of National Statutory Hall in the United States Capitol, it's outgrown its space now, to include Americans such as Tubman. I've always been a very strong fan of hers. Our farm up in Frederick County, my family, my ancestors used as an Underground Railroad safe house. So I have some connections on both sides of this dispute, this pillow fight as you put it. Hanson deserves to stay in National Statutory Hall. Harriet Tubman deserves to be included in it through expansion. That's the better way to do it.

GOVERNOR O'MALLEY: And that's a better way to state it.

TREASURER KOPP: Well spoken.

GOVERNOR O'MALLEY: The, I can't speak for editorial writers, but as one of those who would like to see Harriet Tubman included in the Statuary Hall I appreciate the way you've summed up those aspirations.

MR. MICHAEL: Thank you.

GOVERNOR O'MALLEY: Thank you.

TREASURER KOPP: And I must say, I don't think it's a pillow fight. I think there are some serious questions. I think your proposal is the right direction to go, sir, and I appreciate it.

MR. MICHAEL: If I can add one final comment? A member of our Board of the John Hanson Memorial Association is Judge John Hanson Briscoe, the former Speaker of the House. And he asked me to bring you his good tidings today.

COMPTROLLER FRANCHOT: Well he was, John Hanson was born in Charles County, of course, in Southern Maryland.

MR. MICHAEL: That's right. But he moved to Frederick County.

(Laughter)

GOVERNOR O'MALLEY: And we all love him

though.

(Laughter)

GOVERNOR O'MALLEY: Still. That's great.

TREASURER KOPP: John Hanson Briscoe was the first Speaker with whom I served in the General Assembly. An outstanding Speaker before he became an outstanding judge.

GOVERNOR O'MALLEY: All righty, well thank you. Thanks for your good work. The Comptroller moves approval, along with his devotion and love of John Hanson, seconded by all. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. And this concludes our meeting of the Board of Public Works. Thank you very, very much.

(Whereupon, at 11:25 a.m., the meeting was concluded.)

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