

April 20, 2011

STATE OF MARYLAND
BOARD OF PUBLIC WORKS
GOVERNOR'S RECEPTION ROOM
SECOND FLOOR, STATE HOUSE
ANNAPOLIS, MARYLAND

April 20, 2011

10:08 a.m.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

P R E S E N T

GOVERNOR MARTIN O'MALLEY, Presiding;

HONORABLE PETER FRANCHOT, Comptroller;

HONORABLE NANCY KOPP, Treasurer;

SHEILA C. MCDONALD, Secretary, Board of
Public Works;

ALVIN C. COLLINS, Secretary, Department
of General Services;

T. ELOISE FOSTER, Secretary, Department
of Budget and Management;

BEVERLEY SWAIM-STALEY, Secretary, Department
of Transportation;

MEREDITH LATHBURY, Director, Land Acquisition
and Planning, Department of Natural Resources;

LUWANDA JENKINS, Special Secretary,
Governor's Office of Minority Affairs;

MARY JO CHILDS, Procurement Advisor, Board
of Public Works; and,

MARION BOSCHERT, Recording Secretary,
Board of Public Works.

C O N T E N T S

<u>Subject</u>	<u>Agenda</u>	<u>Witness</u>	<u>Page</u>
Procurement Advisory Implementing a Hiring Agreement Program	SEC Item 4, p. 5	Sheila McDonald Delegate Rosenberg Reverend Hathaway Reverend Yeary Mary Jo Childs	17
Change Order to Contract for Banneker Hall Renovation at Morgan State	SEC Item 13, p. 19	Sheila McDonald Kim McCalla Dana Reed	24
New Community Park in Town of Easton	POS Item 2A, p. 2A	Meredith Lathbury Robert C. Willey Brian Hause	33
Contract for Administration of Maryland Child Care Network	DBM Item 12-S-MOD, p. 41B	T. Eloise Foster Sheila McDonald John Smeallie	42
USM Agenda	USM	Jim Stirling	48
Approval of Settlement Between State Board of Elections and Premier Elections Solution	DoIT Item 2-GM, p. 3D	Elliot Schlanger Ross Goldstein	49
DOT Agenda	DOT	Beverley Swaim-Staley	51

April 20, 2011

4

<u>Subject</u>	<u>Agenda</u>	<u>Witness</u>	<u>Page</u>
Approval to Declare as Surplus a Portion of the Department of Housing and Community Development Crownsville site	DGS Item 10-RP,	Al Collins Michael Gaines Steve Silver	53
Grant to YMCA of Talbot County for Fire Safety System Upgrade	DGS Item 27-CGL, p. 54	Al Collins Robbie Gill	72

P R O C E E D I N G S

GOVERNOR O'MALLEY: Good morning, Mr. Comptroller, Madam Treasurer. We have before us, trees. And who placed these trees here?

MS. LATHBURY: I did. Good morning.

GOVERNOR O'MALLEY: You did?

MS. LATHBURY: Yes.

GOVERNOR O'MALLEY: I don't think they're going to grow here.

(Laughter)

GOVERNOR O'MALLEY: So tell me what, and the reason that you placed these trees here?

MS. LATHBURY: Sure. Good morning, Governor, Madam Treasurer, and Mr. Comptroller. Meredith Lathbury for the Department of Natural Resources. We wanted to wish you a Happy Earth Week. Earth Day is coming up on Friday. And these are Northern Red Oak Trees from the State Nursery. I picked them up on Monday morning, special delivery. And the sheet you have there is directions for planting. So there are going to be many, many tree plantings going on this whole week around the State.

We have a whole program of State staff out planting trees tomorrow.

GOVERNOR O'MALLEY: Great.

MS. LATHBURY: And I know we're approaching having a million trees planted on public lands --

GOVERNOR O'MALLEY: Kevin, pull up Marylanders Plant Trees, will you? It's on the Smart, Green & Growing website.

TREASURER KOPP: A million trees? Is that what you said?

GOVERNOR O'MALLEY: Repeat yourself, Meredith?

MS. LATHBURY: We are fast approaching planting a million trees on public lands.

GOVERNOR O'MALLEY: A million trees on public lands. That's great. And I know I'm going to be planting trees on Friday. This is our Smart, Green & Growing website. If you click on up across the top tab there, Kevin. Go three more over. There you go, trees. What's that guy in a suit doing in the middle of a forest?

(Laughter)

GOVERNOR O'MALLEY: And go down to our goal? There's our goal. This is, this is our tree goal, here. That's 100,000. What, last year we did 50,000 and this year we're trying to do 100,000? Or was it, is that a cumulative 100,000?

MS. LATHBURY: It's 100,000 by the end of 2011.

GOVERNOR O'MALLEY: Okay. So that's --

MS. LATHBURY: An additional 50,000.

GOVERNOR O'MALLEY: -- the 50,000, additional 50,000. And there's also a way where you can go on, go to the interactive, there's a map here you'll all be glad to know. Because what is a Governor without a map? Tree planting challenge. Interactive map, good, click on that. There we go. So you can see who is doing -- click on Frederick and we'll see how they're doing. Total trees planted, what? What is that? Okay. So Frederick is doing pretty well, as an aggregate of the whole, huh? How many does that say Frederick has done, Kevin? I can't read from here. 9,856. So you can click on any -- thank you. You can click on any county and you can

see how they're doing. And the, click on Montgomery County since I have two neighbors -- ooh, come on, you'd think Montgomery County could do a little better --

TREASURER KOPP: No, that's Carroll.

(Laughter)

GOVERNOR O'MALLEY: Six thousand, so not quite as many as Frederick.

TREASURER KOPP: Not as good as -- mm.

GOVERNOR O'MALLEY: How about Prince George's?

TREASURER KOPP: We've go to go get some trees.

GOVERNOR O'MALLEY: How many in Prince George's? Prince George's is beating Montgomery in planting of trees?

SECRETARY MCDONALD: Yay, let's hear it.

(Laughter)

GOVERNOR O'MALLEY: -- be somewhat counterintuitive --

TREASURER KOPP: Something must be done.

GOVERNOR O'MALLEY: Right.

(Laughter)

GOVERNOR O'MALLEY: But let me ask the Comptroller and the Treasurer if they -- Meredith, thank you for the trees. We'll make sure that they find good homes. And Mr. Comptroller, Madam Treasurer, any thoughts?

COMPTROLLER FRANCHOT: Thank you, Governor. I was just sitting here before the trees jumped up and I was thinking about the sixteen years that Governor Schaefer served on this great Board of Public Works. And was just reflecting a little bit on his extraordinary life and legacy. And lots of tributes have been paid to him, and well deserved from every corner of the State. And all of us, I think, are familiar with his tremendous accomplishments in the City of Baltimore. How he transformed the skyline, the Inner Harbor, and Orioles Park at Camden Yards, the National Aquarium, and the World Trade Center. As one reporter wrote, "It's impossible to stand in Federal Hill Park today and imagine what Downtown Baltimore would look like today if not for Governor

Schaefer's vision, and frankly irascible perseverance."

I traveled to Ocean City last week to recognize a successful local business. And I shudder to think if Governor Schaefer had not been Governor how long and intolerable that trip would now be. And his Reach the Beach program was amazing. If those creaky old drawbridges had never been replaced, what would that trip be like? If U.S. 50 had never been dualized on Kent Island, the Vienna Bypass had never come to fruition, all of those things due to his leadership.

It has been said that the true measure of a man's character can be taken more in those private moments when he believes nobody is really watching. And I've learned from conversations with so many people within my agency, Governor Schaefer was a man of compassion without limits. He was driven by a need to speak for those who had no other voice, and who at the end of the day he measured his own success by his ability to help the people.

As Comptroller he instilled within our agency a culture of giving and volunteerism that thrives to this day. I take credit for it, but he created that culture. A living tribute to a man who consistently put service above self. He expected his team to tend to their day jobs and do them well. He was an old-fashioned fiscal watchdog who required accountability from his own staff. And he demanded that they go the extra mile to be responsive to the taxpayers that they served. And he also built upon the tradition of an immortal predecessor, Louis Goldstein. But William Donald Schaefer led the Maryland Comptroller's Office into the 21st Century where it is now frequently recognized as the most innovative and effective tax collection agency in the United States.

So there are others that are far better suited than I to talk about his unbelievable legacy as Mayor of Baltimore, and Governor of our great State. But for me I simply thank him for leaving me the finest gift that one office holder can leave to a successor, a highly successful office, managed by a

capable and experienced team that remains dedicated to the values that he lived by. I remain humbled by the opportunity to follow in his footsteps. I will continue to draw inspiration from his leadership.

And I just want to say for the record, he really liked by mom.

(Laughter)

COMPTROLLER FRANCHOT: Which has been documented by a number of reports that came back to me. He was still warming up to me.

(Laughter)

GOVERNOR O'MALLEY: Thank you, Mr. Comptroller. Madam Treasurer?

TREASURER KOPP: Well, William Donald Schaefer was absolutely unique. They broke the mold after him. And it's very hard, you read all the things in the newspaper, beautiful articles, well thought out and well written. But you have to know, as so many in this room did, the real person. I mean, that just, the vitality, the determination, the caring, the pushing, the drive. I think that, and Peggy, you probably knew him longer and better than

anyone. I think he felt the tick of the clock every day. I mean, there was just this drive that the posters on the easel, you know, do it, it has to be done today, what have we done today? And it wasn't just for people, it was for a person. I mean, this was not a person who lived in the abstract. They were real people. It's fine to love humanity, but what did you do for a person? It's fine to talk about governing, but what did you do about this issue? And he had a wonderful ability to capture people, obviously. But when he had trust in someone he would push them, he would back them, the loyalty was two-way. And that doesn't always come across in the articles either, I think.

And I just want to say one particular thing. And that is about women. He was, first of all, the most non-sexist person I've ever met, really, I think. And he had the unique insight to take an underused resource, which was women in the City and in the State, to find the right people, to trust them, to push them. I mean, when you go through the entire cabinet from Health, to Human Resources, to Budget,

Juvenile Services, and he was very wise. Because he got 150 percent from each of those people.

He wasn't the easiest person to deal with. I was first working in Annapolis when he ran for Mayor, and so watched this development. But he put the City on the map again. And I will say as Mayor, and I pointed this out yesterday to people who didn't believe it from Montgomery County. When he was Mayor, you'll recall, when he was Mayor of Baltimore, and we needed help with the I-270 highway in Montgomery County, he sent City engineers down to help Montgomery County. I mean, he pushed. When he believed in a vision he would really work for it.

Not the easiest person always to deal with. One wonderful memory I have is I went in, he was very, he was very good to me, very supportive. But I went into his office, took the initiative, because I heard about something he wanted to do and went in, and said I thought this was a great idea. I want to support you, Governor. It turned out he didn't like that. He wanted to drag it, and beat it out of you.

(Laughter)

TREASURER KOPP: He didn't want you to come in and say, "I support it." And he got so upset that I walked, I sat down in front of him, and he did what I'm sure you've all seen him do from time to time.

(Laughter)

TREASURER KOPP: And I had to sit there and figure out what to do, and what I did was just sit there quietly for about eight minutes and finally he gave up and started talking about it.

(Laughter)

TREASURER KOPP: But just a wonderful, unique person who inspired, who led, who really built. You can laugh about an Oedipus Complex, but the buildings do make a difference. They do inspire.

He pushed for schools. He was the force behind the reorganization of the University System of Maryland, which made our University System one of the premier in the nation. There are so many aspects. And I just hope we can all work together to make people remember, Sandy, the total William Donald Schaefer, as he was from the beginning and will be in

the minds of a lot of us. And I hadn't planned to go on and on, but thank you.

GOVERNOR O'MALLEY: Madam Treasurer, thank you. I thought one of the, among the many tributes that I saw on television, the images passing over the last few days, were his own words where they asked him how he wanted to be remembered. And he didn't point to any of the projects that he not only had the ability to envision and the wherewithal to complete, but he said he wants to be remember as someone who cared. And indeed, whatever differences of opinion people might have had with him from one extreme to the next, there was never any doubting that he cared. And he cared deeply about people, and individual people.

So let's begin with the Secretary's Agenda.

I believe that --

SECRETARY MCDONALD: Good morning, Governor.

GOVERNOR O'MALLEY: -- is this the one where Delegate Rosenberg is here?

SECRETARY MCDONALD: Yes, we did have, right, yes. We have seventeen items on the Secretary's Agenda this morning. There are no

emergency reports. Item 4, we are especially honored to have Delegate Sandy Rosenberg of Baltimore City here today to talk about an advisory that the Procurement Adviser Mary Jo Childs has been working on with Delegate Rosenberg concerning hiring agreements. And I think Delegate Rosenberg has brought the Reverence Hathaway with him, so --

DELEGATE ROSENBERG: And Reverence Yeary --

SECRETARY MCDONALD: Okay, thank you.

DELEGATE ROSENBERG: -- as well, thank you.

GOVERNOR O'MALLEY: Hello Reverend Hathaway, how are you?

DELEGATE ROSENBERG: Governor, Comptroller, Treasurer, one of the things that I learned as a member of the Appropriations Committee was that you don't always have to pass a bill in order to affect public policy in a positive way. So that when Reverend Hathaway, Reverend Yeary, and Reverend McCorn met with me this Fall to say, "The State needs to do more as, when it is entering into contracts with the private sector to see that low income people are hired. That they get a chance to move into the

mainstream." I said, "Let's work on that." We first looked at federal law to see if we could model what we wanted to do on a federal law. But then we realized that we already had a law as part of welfare reform.

When Governor Schaefer was Governor, and Mr. Collins was the Secretary of Human Resources, and I had succeeded Delegate Kopp as the Chair of the Subcommittee dealing with Human Resources. And I may say that we began welfare reform under Don Schaefer. He appointed Ben Civiletti to chair a commission on welfare reform, and we have made great strides. And so he didn't just build buildings. He helped build people.

And the specific point here is that procurement contracts for construction under the existing law passed in 1998 had not been, under this Board's advisory, had not been included in the contracts with the private sector where efforts are to made working with DHR to hire people who are on welfare or have been on welfare so that they can move into the workforce. We did, I did what I often do. I sought legal advice from the Attorney General's

Office. And the existing law can be used to include construction contracts as well. So the advisory before you today would take the formal step of including construction contracts in the types of contracts where best efforts are to be made by the private sector working with DHR to hire people who have been on welfare, or have had child support issues, so that they can move into the workforce with the State being a partner in that process.

So that's what this advisory is all about and we'd, what does one ask? Does one seek a favorable report or favorable action? Downstairs it's favorable report. Favorable action. Thank you. And if you don't mind if the two reverends --

GOVERNOR O'MALLEY: Sure.

DELEGATE ROSENBERG: -- could speak as well?
Thank you.

GOVERNOR O'MALLEY: Absolutely.

REVEREND HATHAWAY: Indeed, Honorable Board and members of your cabinet. I'm almost amazed I'm standing here because in 1971 I was challenged by then Mayor Schaefer to be involved in activities of people.

And so I've maintained a relationship with him over the years and have many mementoes that he has signed that I cherish.

But I come here because it is people in the community. Over the last eight months we've interacted in the West Baltimore sector largely driven by State Center with over 2,700 persons whose names we have, whose database we have. Since that time we've attempted to introduce them to orientation and construction trades. And we have trained in a one-week training session over 600 persons. When we drilled down to look at the characteristics of those individuals we found that many of them fit the definition that this advisory defines.

And so we are happy. We want to just thank, it's been an amazing process. I've learned a lot out of this. I see Sister Watson. I mean, she was helpful. Ms. McDonald, I mean I just go down the list of all the persons who comprise your staff who have assisted us in understanding how to make government responsive to people. And it's not necessarily throwing bricks at it, it's like working with it.

And so I would just want to compliment the Board. We're going to do all we can to ensure the success of this advisory. There is something that I did, would want to ask. We had a meeting with Secretary Sanchez. And we believe it's important that we do expand in West Baltimore the One Stop Shop Workforce Training Center. And so we're going to follow up with his office on that. But I'm just here just to thank you. Secretary Collins, happy belated birthday. I just want to just say thank you to everyone for working with us and being responsive, I believe, to the needs of this community.

GOVERNOR O'MALLEY: Thank you, Reverend.

REVEREND YEARY: Good morning, Mr. Governor, Madam Treasurer, Mr. Comptroller. It is indeed a privilege to stand here as we reflect on the life of our late Governor. And as we are considering this advisory I have wondered what will folks say about us after our time has been completed. And so this is an opportunity to reestablish some hope in communities that are often forgotten about. And it applies across the board. It's not limited to race or locality.

This is an advisory that says, "You know what? We're in this thing together." And if we can just give the folks that we deal with on a regular basis a little bit of hope that says that they can seize the opportunity to make their lives better and better for their families we will have accomplished much.

Oddly enough, this is a significant week for those who are followers of Judaism and Christianity. It is the time that we make great sacrifices on behalf of one another. And I think this advisory is yet but a small sacrifice that's made to say, "Look, let's make sure that we create and expand the opportunity for as many people as possible who live in the communities that make our State the great state that it is." So I thank you in advance for your consideration.

Let me thank publicly Delegate Rosenberg for his wondrous leadership in guiding us through a very interesting process, but gives us a great appreciation for not only the complexities of State government but the great opportunities of State government as well. Thank you very much for your time.

TREASURER KOPP: You've got a great defender and leader in Delegate Rosenberg.

DELEGATE ROSENBERG: I had a great teacher.

TREASURER KOPP: Thank you. Let me only, can I just pick one little fight with something you said? And that's simply that I don't think it's a sacrifice. If this works well it expands the labor pool, it enriches the community. I mean, this is the sort of thing in fact that makes us grow and prosper.

REVEREND YEARY: No, thank you. Thank you.

REVEREND HATHAWAY: Thank you.

GOVERNOR O'MALLEY: Any other thoughts on this item or others?

TREASURER KOPP: I have a question on, how are we going to keep track of this?

SECRETARY MCDONALD: The, okay, the Procurement Advisor can talk to that a little bit. We do, we are requiring an annual report from the Human Resources Department whose going to be working with the procurement agencies. Do you want to talk about it a little bit, Ms. Childs?

MS. CHILDS: Yes, thank you, Treasurer. We do receive annual reports to date but we weren't, didn't feel that they were getting the, the adequate information to the Board of Public Works. We fine tuned the kind of data that we're getting so we will be able to track more accurately the kinds of work and the number of employees that are being employed under these new Family Investment Program structures.

TREASURER KOPP: And then you should put it on the Agenda --

SECRETARY MCDONALD: And if you would like we can bring a report, an annual report to the Board as a Board item.

MS. CHILDS: We will do that.

SECRETARY MCDONALD: We will note that, absolutely.

COMPTROLLER FRANCHOT: I have a question?

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Item 13, please?

SECRETARY MCDONALD: Item 13, Ms. McCalla, you have Mr. Wortherly here from Morgan State University. This is the renovation of Banneker Hall,

a final settlement with Whiting-Turner, the construction company.

COMPTROLLER FRANCHOT: Okay, so --

MS. MCCALLA: Good morning.

COMPTROLLER FRANCHOT: Good morning, and thank you for being here. My understanding is that this is a \$1.15 million settlement with Whiting-Turner for additional costs that the firm incurred while serving as contractor for three projects on your campus. I have a couple of questions. First, the full amount of compensation that Whiting-Turner was requesting was nearly \$2.7 million. What exactly does that figure represent?

MS. MCCALLA: The figure represents about \$680,000 for a claim that they had on the chiller plant project; and a \$132,000 claim that they had on the Morgan Commons project; the \$1.18 million that they had on the Banneker Hall project; and some other change orders, a couple of half million dollar change orders there.

COMPTROLLER FRANCHOT: Okay. So were they overruns that were incurred during the construction of

the project, or were these items that Whiting-Turner should have considered when they bid the project?

MS. MCCALLA: From what I could assess they were overruns during the project. Delays on the project, some of the projects that they were asked, that they accumulated during some decision making process.

COMPTROLLER FRANCHOT: Okay. And I see from the attached letter from the Attorney General's Office recommending this settlement to us that the Attorney General's Office agrees with Morgan State's assessment that there is little merit to Whiting-Turner's claims. Whiting-Turner is claiming you are responsible for the cost overruns. The AG is basically saying there is little merit. But that doesn't really explain how the AG's Office, or for that matter you guys at Morgan, arrived at that conclusion. And if you could --

MS. MCCALLA: For the --

COMPTROLLER FRANCHOT: -- help me understand what the basis --

MS. MCCALLA: Sure.

COMPTROLLER FRANCHOT: -- of that statement is? Because there was nothing to back it up.

MS. MCCALLA: For the claim, for the claim on the chiller plant project, we felt that there was not merit, much merit on that. So we basically said that they were going to give, we were going to give you zero dollars on that. And the same thing for the academic quad, the Morgan Commons project. Most of the merit came through, for the issues on the Banneker Hall project, which is why all the money is really associated with that particular project.

COMPTROLLER FRANCHOT: Okay. I take it there's a document, is there, the AG here?

MS. MCCALLA: Yes.

COMPTROLLER FRANCHOT: Is there some document that provides some support for that conclusion, that --

MS. MCCALLA: Yes the --

COMPTROLLER FRANCHOT: -- the first two were without merit?

SECRETARY MCDONALD: Ms. Dana Reed wrote the letter and I believe she's here.

MS. MCCALLA: Yes.

MS. REED: Good morning. I'm Dana Reed from the Contract Litigation Unit at the Attorney General's Office. We worked with Morgan for quite a long time, several years, analyzing the claims. These are claims on three separate projects. There were two of the projects that we concluded the claims had little merit. The bulk of the settlement, really the entire settlement, is for the third project, Banneker Hall, which was the renovation of an existing building. And the contractor ran into a lot of problems that come when you renovate an existing building. There was asbestos discovered in the building. There were a lot of other problems. So the settlement is for one project.

COMPTROLLER FRANCHOT: Okay --

MS. REED: The statement about little merit is for the two other projects.

COMPTROLLER FRANCHOT: And you have something that articulates what you're basing that conclusion of little merit on?

MS. REED: Yes. Morgan, working with the Attorney General's Office, retained an outside claims consulting firm that did a very thorough analysis of the claims. And --

COMPTROLLER FRANCHOT: Good. Well that's terrific. I'd love to see a copy or at least some summary of that. And then I had a question, it's good you're here, how did this get to this point of legal acrimony? I mean, we have cost overruns all the time on State projects, that some are settled, some are not settled. How did we get to this point? This kind of a dispute without just doing the normal contract modification?

MS. REED: It's the typical, it's not the unusual at all. It's the typical administrative dispute resolution process that State contracts go through. This actually settled at a fairly early stage. It settled before it went to litigation.

COMPTROLLER FRANCHOT: So --

MS. REED: So it's the normal contract dispute resolution process that's followed under all State contracts.

COMPTROLLER FRANCHOT: And so but you don't have to make any changes to the process based on this situation?

MS. REED: I don't believe so. I mean, as I said the bulk of the claim related to the renovation of an existing building, a very old building. It's the old building on campus. And, you know, when you start a project like that a lot of times you don't know what's going to come up during the project. So it's not unusual at all to have claims for additional costs.

COMPTROLLER FRANCHOT: I understand the personnel at Morgan State are, there are new people there involved in this construction oversight projects?

MS. REED: That's correct. This was, sorry I didn't hear your question?

COMPTROLLER FRANCHOT: I understand there are new personnel involved in, now in these construction --

MS. MCCALLA: Yes, I'm the new person.

COMPTROLLER FRANCHOT: You're it, great.

MS. MCCALLA: I'm the new person.

COMPTROLLER FRANCHOT: So, and this happened under your predecessors?

MS. MCCALLA: Correct.

COMPTROLLER FRANCHOT: Who are no longer there?

MS. MCCALLA: Correct.

TREASURER KOPP: What are some of the projects that you did?

MS. MCCALLA: In the past I've managed the design and construction of Oriole Park, Comcast Center, the expansion of the Convention Center, Towson Sports Complex, and I see Scott here, too. And now I'm handling at Morgan the CBEIS, or my staff is handling, the CBEIS construction for the School of Architecture and Engineering. And we have under design --

GOVERNOR O'MALLEY: The Center for Environmental --

MS. MCCALLA: Infrastructure, Environmental Studies and Infrastructure Studies, yeah. And we're under design right now for the School of Business.

COMPTROLLER FRANCHOT: Well, that's a good change. I'm glad you're there.

MS. MCCALLA: Thank you.

SECRETARY MCDONALD: Schaefer did like her.

TREASURER KOPP: Yes, another one.

SECRETARY MCDONALD: And Schaefer did like Kim McCalla.

MS. MCCALLA: And he is the reason I am in Maryland.

SECRETARY MCDONALD: Yes.

MS. MCCALLA: He plucked me out of New York.

SECRETARY MCDONALD: It's pretty amazing. Every person coming up here.

MS. MCCALLA: Any other questions?

COMPTROLLER FRANCHOT: No. I'm, that's fine. If you could just send me a summary of whatever that independent consultant? Thank you.

MS. MCCALLA: Thank you.

GOVERNOR O'MALLEY: Anything else on the Secretary's Agenda? The Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

THE BOARD: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We now move on to Program Open Space, and I believe we are joined by the Mayor of the thriving metropolis of Easton, Maryland, Mayor Willey. Mr. Mayor, you want to, you are here for an item on Open Space, correct sir?

MR. WILLEY: Yes, sir.

GOVERNOR O'MALLEY: All right. Okay, what items that, Mayor Willey is here on Item 2, Program Open Space Item 2. Mr. Mayor, do you want to tell us what this one is?

MR. WILLEY: I would love to. Also, I would like to introduce Lorraine Gould, who is the manager of Parks and Recreation for the Town of Easton; and also Brian Hause, who is the Assistant Town Engineer. I think they are both camera shy and don't want to come up here, but anyway they are here to help answer questions. But basically what we're here today to talk about is a fifty-eight-acre tract of land in,

within the Town limits of Easton that was purchased back in the early nineties by the Town from the Savings and Loan issues that were going on at the time. We were able to pick it up at a reasonable rate. And quite frankly I'd like to buy fifty-eight acres more at the same rate but it's not available.

Anyway, one of them's got to come up here because I do need an easel. To give you some idea of where this piece of property is, coming into Easton from the north you'll see Bob Evans, Applebee's, Panera Bread, this is across the highway.

MR. HAUSE: This is Route 50 here.

GOVERNOR O'MALLEY: Okay.

MR. WILLEY: And this particular item here is the Rails to Trails that runs the entire length of Easton. It gives access to the parkland by young people without them actually having to go out on the Town streets. This is the park area we're talking about.

GOVERNOR O'MALLEY: And it's all farm now?

MR. WILLEY: It's all farmland. And --

GOVERNOR O'MALLEY: And would you replant

it? Or what would you do there?

MR. WILLEY: This is under an annual lease with a local farmer.

GOVERNOR O'MALLEY: Mm-hmm.

MR. WILLEY: And he's been notified that after this year he'll need to plant elsewhere. If you'll remember a couple of months ago we were up talking about another project that actually dealt with the Tred Avon Watershed. That's in this particular area and that has since started. This is an area that the County Recreation uses for practice fields for t-ball, little league, and what have you. And this particular area here is the one that we've worked with the Talbot County Board of Education to put a parking lot on and a walking path to enter the park area itself from the west side. I'm not sure how it works on this side of the Bay, but on the eastern side for the County and Town to work together is almost unheard of. And this worked out extremely well.

We expect to put restroom facilities, water fountains, and what have you, into this corner. We expect to have four multipurpose fields here for

pickup games. We're going to reforest some of this area and put walking paths down. There's a lot of interest in Easton right now -- there you go, we can take those two trees with us --

(Laughter)

MR. WILLEY: -- and we'll give them places of honor. They'll have a spot forever. But we do want to put walking paths and what have you in. And there's a lot of interest in just having a bench and a tree to sit under and read a book, or just walk the dog, or something like that. So that's kind of the scope of this.

And also once this watershed project takes hold this will also present places where we can use the high school kids, the ecology classes, for their kind of experiments and classwork and so forth.

I'm not sure how far you want to get into this, but there was a project, an FAA project, at the Easton Airport that produced X number of thousands of tons of millings from the runways that they are resurfacing. We're actually using those millings as base for the parking lot materials and also the

walking paths and so forth. So rather than find some place to dump it we're going to use it into this area.

GOVERNOR O'MALLEY: And will it be permeable? That is to say, will it allow the stormwater to be retained there rather than rushing off and onto the streamshed?

MR. HAUSE: Yes, sir. We're going to try to do that, yes.

GOVERNOR O'MALLEY: Try?

MR. HAUSE: Yes, we'll do that.

(Laughter)

MR. HAUSE: Do it now, right?

GOVERNOR O'MALLEY: Right. Okay.

MR. WILLEY: But that's kind of the project. Like I say, it's fifty-eight acres. And some of this is private land, and we're also talking with the developers there and the owners about an entrance from Route 50 into the park area. So.

GOVERNOR O'MALLEY: Great. Mr. Comptroller?

COMPTROLLER FRANCHOT: No, a lot of people, I'm glad this project is before us because a lot of people think of Program Open Space as preserving open

space like that field. In fact, the part I like about it is where amenities can be created for --

MR. WILLEY: Right.

COMPTROLLER FRANCHOT: -- citizens. And, you know, I am always told when I go to Easton that it's the absolute perfect place to live and raise a family.

MR. WILLEY: It's pretty close, yeah.

COMPTROLLER FRANCHOT: So I'm not sure why you need this, but it's --

(Laughter)

COMPTROLLER FRANCHOT: -- I assume that with that, the challenges of getting fields constructed for all the youth sports, and as you say quiet places for people to visit. And I so I really applaud your leadership on this and assume that it's going to help relieve a lot of the congestion on the sports fields that you --

MR. WILLEY: Well if you look at the regional parks that we have in Easton on any given afternoon you've got t-ball games, you've got little league, you've got the pickup soccer games, and who

knows what all else that they play out there. And they are overcrowded. This will relieve the pressures on those fields.

COMPTROLLER FRANCHOT: And I also appreciate the cooperation between you and the County, where you, I take it, have done some joint planning?

MR. WILLEY: Mm-hmm. I'm sure I'm preaching to the choir now, but the cost of these things anymore is so high that if we don't start sharing resources it's just not going to work. So the County has some items that we don't have, that for instance the pool. We have the skate park. So we share those things. And I see Robbie is here from the Easton YMCA. But between the three of us we're starting to share resources so that we can get more kids involved and more activity on these fields. So it works out real well.

GOVERNOR O'MALLEY: Some of the more positive things that have happened with very little garnering of any headlines or stories are the various ways of, you know, cooperating and connecting that we never did until these times of scarcity hit us. And

then we had to kind of open our eyes, put our heads on a swivel, and appreciate what we have in one another than simply what we've lost or what we're not able to gain in a particular year. And so I applaud you and the County both for realizing that your citizens are citizens of both places.

MR. WILLEY: Well, it's not easy. But we keep reminding them that Easton is still part of Talbot County. And --

GOVERNOR O'MALLEY: It's about the smallest, there's something about the, you know, there's something about our State. For some reason, I don't know if it's the, how relatively small we are that makes our autonomy all the more jealously guarded. It's a strange, it's a strange phenomenon. And the, so, but maybe together we'll overcome that shortsightedness and that fear of the other and --

MR. WILLEY: I think so.

GOVERNOR O'MALLEY: -- instead appreciate the assets.

MR. WILLEY: Let's hope so. If we don't, we're in deep trouble down the road.

GOVERNOR O'MALLEY: Anything else, Program Open Space, or --

TREASURER KOPP: Governor and Mayor, I couldn't let this moment, this great project in your County, go by without pointing out the fact that Colonel Freedlander was supposed to be here for his last Board of Public Works meeting and unfortunately became ill. And otherwise he would be here cheering on the County and the project as usual.

MR. WILLEY: Well Howard doesn't live far from the Easton Town Office --

TREASURER KOPP: No.

MR. WILLEY: -- so we see him quite often.

(Laughter)

SECRETARY MCDONALD: You'll see him more.

TREASURER KOPP: Pretty soon you'll see him more.

GOVERNOR O'MALLEY: Today he was sick about leaving.

TREASURER KOPP: Yes. We will miss him greatly, but you will benefit.

GOVERNOR O'MALLEY: Anything else? All

right. The Comptroller moves approval of the Program Open Space Agenda, 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.

MR. WILLEY: Thank you very much.

GOVERNOR O'MALLEY: Thank you, Mr. Mayor.

MS. FOSTER: Governor, Madam Treasurer, Mr. Comptroller, good morning. There are twelve items on the Department of Budget and Management's Agenda for today. And I'll be happy to answer any questions you have.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes, I'm going to single out one item, number twelve. But frankly, there are several similar items, Madam Secretary, on the Agenda. You know, on 12-S we're being asked to authorize a six-month extension to a contract between

the State Department of Education and the Maryland Family Network in order to give the Department additional time to award a new contract. And several times I have conveyed my frustration about these short-term contract extensions and the, you know, it's pretty basic. That the agencies are given start and complete times to these contracts, and why in a timely manner they cannot start the replacement process and have a new vendor lined up in time to ensure a smooth transition is beyond me.

Obviously there are some cases that are absolutely unique and you just can't avoid a contract extension. But I think in most cases, I think it's just sloppy administrative work and a lethargic approach to this whole issue.

And but what makes this item, and the others frankly that are here today, even more galling is that there's no letter with the request explaining the reason for the delay. And I know, Madam Secretary, you sent a memorandum to all the heads indicating that any request to extend an existing contract in order to provide additional time to award a new contract must

be accompanied by a letter from the department secretary or the independent agency head detailing why the extension is needed and what the consequences will be if the extension is not approved.

And, I mean, when you've had three, or five, or more years to deal with a contract I think the bare minimum is that there be some explanation when you ask for a contract extension. So I'd like to ask Ms. McDonald to please not put items of this nature on the Board's Agenda unless there is a letter of explanation received in a timely fashion. And frankly, the morning of the Board meeting is not --

SECRETARY MCDONALD: Yes, sir.

COMPTROLLER FRANCHOT: -- timely action. And that will give us the chance to review it. And I don't know whether that takes any formal action. I'm not really, I guess I'm just asking our staff to follow your --

SECRETARY MCDONALD: We will work with the Department of Budget and Management to make sure that the letters are there.

MS. FOSTER: Incidentally, I think we do

have letters for all of them. We will certainly make sure that they are on a timely basis. I think that with this particular contract the Department was waiting for a budget action. Dr. Smeallie is here and he can certainly address specifically why the delay.

DR. SMEALLIE: Thank you, Madam Secretary.

Good morning, Governor --

GOVERNOR O'MALLEY: Good morning.

DR. SMEALLIE: -- Mr. Comptroller, Madam Treasurer. John Smeallie, Deputy State Superintendent, Maryland State Department of Education. Mr. Comptroller, there was a letter submitted on April 11th. I don't know what happened, but it was submitted. And we concur mightily with everything you said about the concern about asking for an extension or a modification to a contract. We bring very few before this Board.

In this case, as indicated in the letter from State Superintendent Grasmick, there were issues around the federal funding, particularly with regard to the continuing resolutions. At one point the funding for this program, which is about 70 percent

federal, we were getting signals it was going to be reduced and flat funded back to fiscal year 2008. Then it was going to be fiscal year 2010. As a matter of fact in the end fiscal year 2011 funding was reduced by \$300,000.

This extension was necessary because we simply didn't know about funding. And before we ask vendors, in this case a very valued partner of long standing who provides services in our twelve regions around the State, to go through the procurement exercise we really wanted to have some certainty about the scope and the availability of funding for this contract. So it is with reticence and due to a unique circumstance that we bring this extension request or modification before the Board today. And if you have questions about the services provided by the Maryland Family Network, and as we know our Maryland Readiness Index for this year went up to 81 percent. This is a major factor in helping students be ready for kindergarten. And the wonderful work Maryland Family Network does with our service providers, with parents around the State, to help with referrals for childcare

and to help ensure that the childcare providers receive a great deal of technical assistance.

Again, it was a unique and extenuating circumstance, as explained in Dr. Grasmick's letter, we believe that led to this request. And we apologize for any confusion we created.

COMPTROLLER FRANCHOT: Well that's fine. But if I could just reinforce my request to Ms. McDonald to make sure that when we get the Agenda item, which we got on April 8th, I mean we're restricted to what we have in our packets. So you stated that you sent your letter in on April 11th. I would hope something to be worked out so that our Agenda items have those letters.

DR. SMEALLIE: Thank you, Mr. Comptroller.

COMPTROLLER FRANCHOT: Thank you.

SECRETARY MCDONALD: It will happen.

COMPTROLLER FRANCHOT: Thank you, Governor.

GOVERNOR O'MALLEY: Thank you, Mr.

Comptroller. Any other questions on the Department of Budget and Management Agenda items? Hearing none, 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 University System of Maryland.

MR. STIRLING: Good morning, Governor, Madam Treasurer, Mr. Comptroller. I'm Jim Stirling from the University System of Maryland. We have nine items on today's Agenda. I'd be happy to answer any questions you might have.

GOVERNOR O'MALLEY: 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.

MR. STIRLING: Thank you.

GOVERNOR O'MALLEY: We now move on to the Department of Information Technology.

MR. SCHLANGER: Good morning, Governor,

Madam Treasurer, Mr. Comptroller. Elliot Schlanger, Department of Information Technology. This morning we have five items on the Agenda, including supplemental Item 5-GM, which represents a resource sharing agreement with the Maryland Broadband Co-op. I'd be happy to answer any questions about any items at this time.

GOVERNOR O'MALLEY: Madam Treasurer?

TREASURER KOPP: On Item 2, this is not really you, Elliot, it's the Board of Elections.

MR. SCHLANGER: Right.

TREASURER KOPP: The new system that we are getting, that we are supposed to get according to the law, even though there's no money for it and it's not to be in effect until after the next --

MR. SCHLANGER: Right.

TREASURER KOPP: -- gubernatorial election. We're still going ahead as though that were going to happen?

MR. SCHLANGER: Well, what I'd like to do, if I may, bring my colleagues up from SBE and I'm sure they'll be able to answer those questions

specifically. And I believe --

TREASURER KOPP: I don't want to spend a lot of time --

MR. SCHLANGER: Right.

TREASURER KOPP: -- because it's not the item before us.

MR. SCHLANGER: Right.

TREASURER KOPP: But --

MR. GOLDSTEIN: Good morning.

TREASURER KOPP: We just, on automatic pilot?

MR. GOLDSTEIN: Yeah, the plan is still to procure for 2014. So that, this would, the way this settlement works out that doesn't have any impact on 2012. We'll stay with the current system. In 2014 we'll still, the plan is funding, if funding is available, is to move forward with the new system.

TREASURER KOPP: For 2014?

MR. GOLDSTEIN: Correct.

TREASURER KOPP: Oh, I thought it was after 2014.

MR. GOLDSTEIN: Again, it's all dependent on funding.

TREASURER KOPP: Yeah. I mean, there isn't any money, right?

MR. GOLDSTEIN: Right.

TREASURER KOPP: So, but we're not doing anything that obligates us to expenditure money that we don't have? Or are we?

MR. GOLDSTEIN: No.

TREASURER KOPP: Okay. All right. Thanks.

GOVERNOR O'MALLEY: All righty. Anything else on Department of Information Technology? The Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye." All opposed?

(No response.)

GOVERNOR O'MALLEY: And the ayes have it.

MR. SCHLANGER: Thank you.

GOVERNOR O'MALLEY: We move on now to the Department of Transportation.

MS. SWAIM-STALEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Beverley Swaim-Staley representing the Maryland

Department of Transportation. We have twelve items today. We're happy to answer your questions.

GOVERNOR O'MALLEY: No questions? 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. And we move to the Department of General Services.

MR. COLLINS: Good morning, Governor, Madam Treasurer, Mr. Comptroller. The Department of General Services has thirty items on our Agenda today. We are withdrawing Items 7 and 16. And we'll be glad to answer any questions you might have on the remaining items.

TREASURER KOPP: The ones that are withdrawn are coming back?

MR. COLLINS: Yes, ma'am.

SECRETARY MCDONALD: Because that's probably for seven, that's coming back. Number seven is coming back, correct? Okay.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Question about Item 10.

MR. COLLINS: Item 10? Oh, yes sir. This is the item --

COMPTROLLER FRANCHOT: See, this is the easy stuff.

MR. COLLINS: This is to declare the present Crownsville property as surplus. It's going through an intergovernmental process. But this is the first step in moving the property forward.

COMPTROLLER FRANCHOT: So ultimately the plan is to relocate the agency and its employees to a site that will be selected in Prince George's County?

MR. COLLINS: That's correct, Mr. Comptroller, yes.

COMPTROLLER FRANCHOT: And I understand that, with you, that this is not the final decision but obviously everybody is looking at this from their different perspectives. And I think it's important, since I view it as a pretty big deal at least for those State employees who work in the current

facility, and for the people that are served by the agency, and also for the leadership of Prince George's County who have been waiting a long time for something like this to be located in their State. And obviously the Anne Arundel leaders are concerned about adverse consequences that might flow. So I agree with you. It's a procedural step we're taking today.

MR. COLLINS: Yes, sir. That's all it is.

COMPTROLLER FRANCHOT: But it still, I think it's, we ought to at least have an honest discussion about the basis and timeline and effects because once this process moves forward, procedural or not, the decision is made. And my first question is, how many full-time and part-time employees work at the Crownsville location? And where are those folks coming from in the morning?

MR. COLLINS: Let me bring Assistant Secretary Gaines up and he can lead those questions. He's our --

COMPTROLLER FRANCHOT: Thank you, Mr. Gaines.

MR. COLLINS: He has been doing the

leadership on this --

MR. GAINES: Yep.

MR. COLLINS: -- all of these activities.

MR. GAINES: Good morning. Michael Gaines, Department of General Services, Assistant Secretary for Real Estate. Good morning, Governor, Madam Treasurer, and Mr. Comptroller. As you know we have under the Governor's leadership looked for an opportunity to relocate the Department of Housing and Community Development to Prince George's County to meet a number of the administration's initiatives towards smart growth, transit oriented development.

There are several hundred employees that work at the Community Place location. And I think Steve Silver is here. Yes, Steve, would you mind, come up and give the specifics on those numbers, please?

MR. SILVER: We have 350, about, approximately 350 full-time employees.

COMPTROLLER FRANCHOT: And where do they come from to go to work in the morning?

MR. SILVER: Well, they come from all over.

From Anne Arundel County is the largest percentage, Prince George's, Montgomery, Baltimore City, Baltimore County.

COMPTROLLER FRANCHOT: And, but you have that information somewhere, I take it?

MR. SILVER: Yes.

COMPTROLLER FRANCHOT: If you could share that with the Board?

MR. SILVER: Sure.

COMPTROLLER FRANCHOT: Out of the 350, where they come from? And I take it that there are several sites in Prince George's under consideration. If you could stay up, if you know, stay close to Mr. Gaines? And each potential site is located near a Prince George's Metrorail station, is that correct?

MR. GAINES: We are currently in an open procurement and so there is limited information that we can share. But what we can share is that in the request for proposals it was indicated a preference for a transit oriented development location.

COMPTROLLER FRANCHOT: And are there other criteria that are listed?

MR. GAINES: Yes, there are a number of criteria that are listed and we'd be happy to forward the entire RFP to you for your knowledge.

COMPTROLLER FRANCHOT: Okay. And have you, so you're waiting for the, well you have the preference for a transit oriented site, I take it?

MR. GAINES: Correct.

COMPTROLLER FRANCHOT: And have you analyzed what the different transit sites potentially in Prince George's mean as far as relocation of this, vis a vis employees' commuting times, et cetera?

MR. GAINES: We are working with our partner MDOT. And all of the RFPs that were received are being reviewed by our partners at MDOT for TOD impact. And so part of the analysis in reviewing each of these proposals will be input from MDOT. As you know the Governor issued an executive order I believe it was last year regarding TOD, and stressing the number of points that would be received for locations that are near TODs.

COMPTROLLER FRANCHOT: Yeah. The reason I ask, obviously, is that one TOD might be a lot less

inconvenient than another TOD. For example, New Carrollton is only, Station is only twenty minutes from Annapolis. And that's a lot different than if it's located at the Naylor Road Station, where the announcement was made. And I'm just urging you to include in your analysis the fact that there's a forty-six minute commute each way, leaving aside the traffic, going to the Beltway and then going south on the Beltway. Or if you park at New Carrollton and take a Metro it's seventeen stations that you have to go to get over to Naylor Road. So the question is, you know, is the arduous or less arduous commute considered under your analysis? And obviously I'm not saying don't put it at a TOD. I'm saying put it at a TOD that makes sense for the current commute situation.

MR. GAINES: When we built the RFP and the criteria for evaluating the RFPs, one of the components that was included was a review by the DHCD leadership and their team. I don't remember to what degree distance from current location to new location was considered. But there are quality aspects to

their review that are included in the criteria.

COMPTROLLER FRANCHOT: Well, good, because I don't in any way want to throw water on the Prince George's TOD efforts. I've supported that for twenty years. That's why I support the Purple Line and I think it's got great potential. But I think in this particular relocation the morale and productivity of the workforce has to be considered. And frankly from a congestion standpoint having 200 or 300 employees going westbound on Route 50 on a commute, and then heading south towards the Wilson Bridge, is not exactly the commuter preference given the traffic congestion that's intense during rush hour.

So anyway, we have the goal of having a State agency in Prince George's County, which I support. And we want to provide a catalyst for transit oriented development. But I, you know, want to make sure when you are looking at these analyses that, or we're keeping the, all of the people's interests are on the table.

Give me your assessment, or is there an assessment, of the economic benefit to Prince George's

County? And obviously there's some negative economic effect on Anne Arundel. Do you have that anywhere?

MR. GAINES: There was a preliminary analysis done as we undertook putting this RFP and the project together. DBED actually did an initial analysis and estimated that an investment of \$16 million to \$22 million in estimated employment impacted ranging from 194 to 269 new FTEs. We've asked DBED to, as we are looking now at final selection, to work with us in doing a full in plan analysis. So that that would be a part of our recommendations coming forward. So as we --

TREASURER KOPP: What is the FTE based on? Net increase in -- I don't understand.

MR. GAINES: Yeah, these are net new jobs, both direct and indirect. So that you will have some jobs that will occur, new jobs that would occur, as a direct result of the location selection on site. And then you'll --

TREASURER KOPP: What sort of jobs are we talking about?

MR. GAINES: Retail. It could be new office

locations, folks who want to be near DHCD and those folks will move into the County because of that. There will be new retail jobs. So all of these factors go into the analysis.

MR. SILVER: It's not a net increase --

TREASURER KOPP: No.

MR. SILVER: -- in State employees, Madam Treasurer.

MR. GAINES: No, not in State employees.

COMPTROLLER FRANCHOT: Just, Madam Treasurer, if I could follow up on some of that? Is it your plan, the State's plan, to lease commercial space at a new, at a Metrorail Station, or to build a new facility entirely at whatever site you select?

MR. GAINES: The RFP that went out was to solicit a developer to build and lease space to the Department of Housing and Community Development. The State does not propose to build its own, build and own its own facility.

COMPTROLLER FRANCHOT: So there will not be an impact on the State's capital situation? Or will there be?

MR. GAINES: Well, we actually don't know that at this point. Depending on the final selection there, you could wind up in a capital lease structure or you could wind up in an operating lease structure. The Treasurer has asked those questions over the last few days and our response to that has been we won't know what the final structure of the deal is until we actually make a selection, negotiate the final terms and conditions of the transaction, and then, as the Treasurer knows, we'd be able to make a determination of capital versus operating lease.

COMPTROLLER FRANCHOT: Good. I'm glad that the Treasurer is on top --

TREASURER KOPP: Well, I mean, if it's a capital lease my understanding is it's going to have to displace something else. Won't it?

MR. GAINES: Well --

TREASURER KOPP: I mean, if this is the top priority?

MR. GAINES: Well if it's a capital lease it's different than actually fitting into the capital

budget itself. A capital lease will count against the

--

TREASURER KOPP: Spending affordability.

MR. GAINES: -- State's spending
affordability, correct.

MR. SILVER: And Madam Treasurer, all of
those --

TREASURER KOPP: Capital debt affordability.

COMPTROLLER FRANCHOT: Yeah but here's the
problem --

MR. SILVER: -- will come to be discussed --

COMPTROLLER FRANCHOT: -- if I could
interrupt, here's the problem. We don't have any --

TREASURER KOPP: Yeah.

COMPTROLLER FRANCHOT: -- debt service
capacity.

TREASURER KOPP: Well we --

COMPTROLLER FRANCHOT: Or we're --

TREASURER KOPP: Right.

COMPTROLLER FRANCHOT: -- bumping up against
the ceiling and so --

TREASURER KOPP: That's, so it will displace something that's already there, just as long as you all are swell with that.

GOVERNOR O'MALLEY: I'm swell with that. This is long overdue. And this is not a new issue. We can jump up and down now that the election is passed and pretend this is something that, "Oh my goodness, we were caught off guard by." But if we really want transit oriented development to happen then we have to make choices, make priorities, take affirmative actions to make it happen. And there is not a better tool for collective action in our State, especially with the federal government sidelined by the 1 percent of our nation that claim 40 percent of our nation's wealth, than the State of Maryland is to make these TODs go. And I thought that was a policy decision that was made pretty clear when we made this announcement some eight months ago. Lest it, and if it's not, I repeat it again now.

COMPTROLLER FRANCHOT: If I could just ask about plans for the current site? Is that viewed by you folks as something that government is going to be

the occupant for? Or the corporate sector?

MR. GAINES: Prior to asking the Planning Department to do a clearinghouse review we did a preliminary review for possible government use. We did not readily identify any specific government use. And so we asked the clearinghouse. They've done a review, which is why this item is before you today. We are declaring it surplus. We believe that there is private use opportunity for it. An RFP was issued earlier this year. There has been a response to that RFP leading us to believe that there is potential interest in private acquisition of that asset.

COMPTROLLER FRANCHOT: Okay. And as far as DHCD's clients and the bulk of its work, is this having an effect whether it's located in Anne Arundel or Prince George's?

MR. GAINES: Our information leads us to believe that by moving DHCD to Prince George's County it puts them closer to a larger segment of their customers and their clients. This part of the State I believe has about 40 percent of the clients that DHCD represents. Thirty percent of Marylanders living in

poverty are living in the metro area. So we believe that it is an excellent opportunity for DHCD to serve its client base.

COMPTROLLER FRANCHOT: Let me get back to just in conclusion my initial point, which is the DHCD employees of which apparently there are 350, or somewhere in there, approximately. Have they been consulted and had an opportunity to share their perspective and output? What's the general reaction? When is that, if it hasn't happened when is it going to occur? And once again, I think the point I'm trying to make here is that one TOD in Prince George's may be a lot different than another TOD. And both as far as the State's situation and as far as the morale and the, of the employees that are being asked to relocate?

MR. SILVER: I mean, on behalf of Secretary Skinner, I mean he has done a wonderful job with keeping the staff informed.

SECRETARY MCDONALD: Steve, could you introduce yourself?

MR. SILVER: I'm sorry, I'm Stephen Silver. I'm the Department's Chief Financial Officer. He has sent a letter to, as soon as it was announced, to the union getting their input. Again, when the RFP was there, to provide any input they would have on the selection towards it. Secretary Skinner, along with the Secretary of State, have met with the union's leaders. They have reached out. Secretary Skinner keeps the employees informed every month at a, every month at his monthly meeting with all of the employees about the move and the process and where we're going. Obviously some of the details of the locations and the RFP and things like that he cannot share with the staff. But they've been informed throughout the whole process.

COMPTROLLER FRANCHOT: But you understand the difference between the impact of once a site is selected and --

MR. SILVER: Of course.

COMPTROLLER FRANCHOT: Just imagine driving to New Carrollton --

MR. SILVER: Yes.

COMPTROLLER FRANCHOT: -- getting on the Metro and going seventeen stops to get to another transit oriented site.

MR. SILVER: Right.

COMPTROLLER FRANCHOT: So if you --

MR. COLLINS: Yes, Mr. Comptroller --

COMPTROLLER FRANCHOT: -- can keep us informed as far as your process. And I think this is an important issue and I would like to be kept in the loop as far as how your, how the TOD is selected. I think it makes a difference as far as cost, convenience, result, success, et cetera. Thank you.

MR. GAINES: We --

GOVERNOR O'MALLEY: Can I ask, has there been an appraisal of our wooded secluded campus for HCD?

MR. GAINES: 100 Community Place? No, sir. Not yet. As we move further through the process of reviewing the proposals that we have for it and entering into discussions with those perspective buyers at that time we will move into the appraisal of the property.

GOVERNOR O'MALLEY: How many acres is it there?

MR. GAINES: About fifty-seven acres.

MR. COLLINS: Fifty-seven acres, Governor.

GOVERNOR O'MALLEY: Wow.

MR. COLLINS: Fifty-seven.

GOVERNOR O'MALLEY: That's a lot.

MR. COLLINS: It's a big complex.

GOVERNOR O'MALLEY: Mm-hmm.

MR. GAINES: Yes, sir.

GOVERNOR O'MALLEY: And it mostly, is it all woods?

MR. GAINES: It's not all woods. A lot of it is wooded, and you are not able to develop on it.

MR. COLLINS: Right.

MR. GAINES: Gosh. A lot of parking. We believe that there is another opportunity, a building opportunity on the site. And we're trying to determine that. We've had discussions with the Anne Arundel County Economic Development. They have indicated their willingness to work along with us to, for zoning, to encourage --

GOVERNOR O'MALLEY: That's a strange way to look at it, though, isn't it? I mean, we're going to a TOD site --

MR. GAINES: Yes.

GOVERNOR O'MALLEY: -- and we leave in our wake a site that we can pave and build on? I'm not sure I'm for that.

MR. COLLINS: We hear you. There are a number of proposals that we are considering. Yeah.

GOVERNOR O'MALLEY: And with that, with the proceeds, you might even do a remediation, given the vastness of that parking lot. It would make it more permeable and would allow for space in there for you to put in a few islands and rain gardens and the like.

MR. COLLINS: We hear you.

TREASURER KOPP: Are you factoring in the daycare center, the childcare center --

MR. GAINES: Mm-hmm.

TREASURER KOPP: -- is not going to be --

MR. GAINES: Is not included. That will be subdivided out.

TREASURER KOPP: Yeah. Are you looking in the new site that, you mentioned human factors, social factors --

MR. COLLINS: Yes.

TREASURER KOPP: -- something like that.

MR. COLLINS: Yeah, quality of life issues.

TREASURER KOPP: That sort of thing?

MR. COLLINS: Absolutely. Mm-hmm. We will consider the locations and the amenities that go with those specific locations.

TREASURER KOPP: That particular, when it was first created, a major, it seemed to be a major step forward when it was mostly the State employees. My understanding is that it is private.

MR. COLLINS: That's correct, it's not anymore.

TREASURER KOPP: But still, that sort of thing that allows people to work with a --

MR. COLLINS: Yes, ma'am.

TREASURER KOPP: -- easier mind.

MR. COLLINS: We hear you.

GOVERNOR O'MALLEY: Okay. Anything else on the Department of General Services?

COMPTROLLER FRANCHOT: I just wanted to, on Item 27, indicate that the Talbot County Y is one of the best in the State. I've tested most of them. And I appreciate the collaborative approach here to fire safety. Is Robbie Gill here?

MR. COLLINS: Yes. He's over there.

COMPTROLLER FRANCHOT: You've got a great establishment over there.

MR. GILL: Thank you so much. We appreciate it.

COMPTROLLER FRANCHOT: Why don't you come up and tell us exactly what that --

MR. GILL: Thank you, Mr. Comptroller, Governor, Madam Treasurer. This project for us was part of a \$5 million capital campaign to build a 10,000 square foot teen and family center. Talbot County kids have one of the highest substance abuse rates in the State. And so with the middle school being right across the street from the Y there in Easton we were trying to figure out how we could play

a role, because we have between 150 and 200 kids a day who come over. I call that time of day El Teeño. They're like this hurricane of kids that roll in.

GOVERNOR O'MALLEY: El Teeño?

MR. GILL: El Teeño. So you're hoping the building is still there at the end of the day. So in looking at a way we can make an impact we wanted to provide a space that we could engage kids in things they were passionate about. And then use that as a tool to build assets and character in these kids where they made better choices. And so it has a climbing facility, a commercial cooking kitchen, it has a media center, a computer lab, music studio, a host of multipurpose space. It's been a great tool for us to engage our older adult community. Thirty percent of the population is over the age of sixty, so we found a great volunteer base around working with kids. So it's been a huge amenity.

As a part of that process we had to upgrade our fire safety system to bring our full facility up to current code. And that's where you guys were able to play a huge role. The entire project was funded

through contributions. And, but no one wanted to donate for that fire safety system, put their name on there. So we appreciate you playing a role to make this possible.

COMPTROLLER FRANCHOT: Thank you.

MR. GILL: Thank you.

GOVERNOR O'MALLEY: All right. Thank you for your good work you do there, on accommodating El Teeño.

(Laughter)

GOVERNOR O'MALLEY: All right. The Comptroller moves approval of the DGS Agenda, seconded by the Comptroller. 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 that concludes our Agenda.

TREASURER KOPP: Governor?

GOVERNOR O'MALLEY: Yes?

TREASURER KOPP: Before we do, I just, we started with the former Governor, and we've gone through a budget, we've gone through some really terrible years in the last few years. We're coming back. You're not going to say it, so I think somebody should point out that one thing Governor Schaefer didn't particularly like was successors.

(Laughter)

TREASURER KOPP: I mean, he wasn't keen on that. And so it was all the more remarkable when he pointed out that the present Governor is facing the toughest challenge that any recent modern Governor has, and is doing a very good job at it. I don't remember him saying that about any other successor in any other position.

GOVERNOR O'MALLEY: Well, that's very nice. Thank you.

TREASURER KOPP: It's true.

GOVERNOR O'MALLEY: Madam Treasurer, thank you. And thank you, William Donald Schaefer for everything you've done for all of us. And this concludes our Board of Public Works meeting. Thank

you. All in favor signal by saying, "Aye." In case I didn't do that?

THE BOARD: Aye.

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

(No response.)

GOVERNOR O'MALLEY: And the DGS part passes, too.

MR. COLLINS: Thank you, sir.

(Whereupon, at 11:21 a.m., the meeting was concluded.)