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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
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BEVERLEY SWAIM-STALEY, Secretary,
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MEREDITH LATHBURY, 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>
Commission on State Debt Recommendations for Property Tax Rates	SEC Item 10, p. 11	Sheila McDonald Treasurer Kopp	14
Property Acquisition for South River Greenway	POS Item 1A, p. 1A	Meredith Lathbury Ken Alban	19
Property Acquisition and Relocation Services for MTA	DBM Item 1-S, p. 1B	T. Eloise Foster George Fabula Beverley Swaim-Staley	29
Consultant Services to Develop Maryland Standardized Course Codes	DBM Item 3-S, p. 10B	T. Eloise Foster Dr. Nancy Grasmick Dr. Leslie Wilson	35
Architectural and Engineering Services for Coppin State Science & Technology Center	USM Item 1-AE, p. 1C	Joe Evans	40
Property Acquisition for Coppin State Science & Technology Center	USM Item 7-RP, p. 14C	Joe Evans Steven Brown	42

April 21, 2010

4

<u>Subject</u>	<u>Agenda</u>	<u>Witness</u>	<u>Page</u>
Property Acquisition for Coppin State Science & Technology Center	USM Item 8-RP, p. 15	Joe Evans Steven Brown	42
MTA On Board Bus Tools Bus Stop Inventory Database Maintenance	DoIT Item 5-IT, p. 9D	Elliot Schlanger Beverley Swaim-Staley	52
Landscape and Turf Maintenance in Montgomery County	DOT Item 9-M, p. 20	Beverley Swaim-Staley	55
DGS Agenda	DGS	Al Collins	57

P R O C E E D I N G S

GOVERNOR O'MALLEY: Welcome to the Board of Public Works meeting here in the great State of Maryland. I have a couple of things, a couple of great news items that happened since last we were together. The one that, it is hard to say which, well I will just do them in chronological order.

First, we got word that the crab population, that was heading towards implosion, collapse, two years ago before Virginia and Maryland joined together. Instead of fighting over these waters, we joined together to heal these waters, put in place some tough seasonal restrictions as well as a ban on that winter dredge of female crabs. And lo and behold, with a little bit of help, Mother Nature has come roaring back. And the crab population increased by 60 percent from last year to this year. And even with the shorter season, and those restrictions, watermen are bringing more product to dock than they were before because of how greatly the resource and how quickly it has expanded. So it is not the irreversible trend. But it is a real positive sign.

On another score, another positive sign for way too long we have had one overarching goal and that is for Maryland to lead other states out of this miserable recession and into better days. And we got some great numbers about job creation for the month of March, 2010 that reported Maryland gaining 35,800 jobs compared to February, making it the largest monthly job gain in the country, and the largest in Maryland since 1970.

Now, that is tempered by the fact that February was really, really bad because of the snow event. But even allowing for that snow rebound I think it showed, I mean, it is the first positive month of job creation we have had in a long time. And even if you assume that the jobs lost in February were all sort of phantom losses because of a lack of reporting when the snow shut down businesses for a couple of weeks, it still is a net positive growth, even subtracting for that.

So anyway, I thought that was good news. I am excited about that news on both fronts. And I ask

the Comptroller or Treasurer if they have any opening remarks here?

TREASURER KOPP: Glad to be here.

COMPTROLLER FRANCHOT: As go the crabs, so goes the economy, I hope.

GOVERNOR O'MALLEY: A leading indicator.

COMPTROLLER FRANCHOT: Let me, if I could, just wish everyone a good morning. And I want to take a moment, Governor and Madam Treasurer, if I could, to thank everyone at the Comptroller's Office for working so hard over the last several months and accomplishing what I think is the smoothest tax season in recent memory. We worked through rain and sleet and snow and blizzards. Our team really came through with flying colors. Thus far we have processed 2.2 million tax returns, issued 1.7 million refunds with an aggregate dollar amount of nearly \$1.8 billion in refunds.

Thanks to our aggressive outreach both taxpayers and professional taxpayers and reaching out to them, I am happy to report, Governor, that over 75 percent of the returns are filed electronically. People said that couldn't happen. You know, seniors

wouldn't adjust, and they had a million reasons why. Well, it's a new record and we're very pleased. It's good for the State. It's good for our taxpayers. Every return that's filed electronically saves Maryland about \$1.60 in processing costs. It has enabled my office to get refunds back to taxpayers within seventy-two hours.

While all of my employers worked extremely hard, I'd like to just take a moment and recognize a truly indispensable public servant, my Deputy Comptroller Linda Tanton who is here with us today. And Linda, could you stand up and we can recognize you?

(Applause)

COMPTROLLER FRANCHOT: I mean, she is, I guess I would describe her as a State Treasure, not Treasurer but Treasure, for Maryland. But she is absolutely crucial to my team and she has been enormously successful in this season.

I'm happy that we hit new records for e-filing. We still unfortunately, or not unfortunately, we still have tons of paper returns.

April 21, 2010

9

This past Saturday I was in the office with 400 of my employees opening up last minute mail and getting those returns processed and the checks deposited.

I also want to assure people that just because the tax deadline has come and gone, my agency's search for monies owed the State are not done this year by a long shot. Thanks to the historic investment that we made to upgrade our technology and hire additional auditors, and investment frankly that was only possible with the support of the Governor and the General Assembly and this Board of Public Works, we are making remarkable progress in tracking down delinquent taxpayers.

In just the early stages of implementation our MITS system has brought in more than \$44 million in heretofore uncollectible taxes in that area. Over the next three years as we fully implement the system we anticipate capturing more than \$200 million. After than, based on what we are seeing from other states, we expect to capture around \$100 million annually in heretofore uncollectible tax revenue.

So I thank the Governor and the Treasurer for their support and approval of the MITS contract in December of 2008. These are monies owed the State. Not new taxes, or higher taxes, just what is owed the State under current law. I look forward to updating the Board on our progress as we move forward.

And I don't know whether there are any hockey fans out there, but while I'm enjoying the recent success of the Washington Capitals, it's a big game tonight, I would urge my fellow baseball fans who I talk to quite a bit, not to give up all hope on the Orioles. True, the Birds are off to a tough start. But I saw over the weekend that the Houston Astros have actually won three in a row. Goodness knows, if those guys can put together a win streak the Orioles certainly can. So keep the faith, good news is on the way in the baseball area. Thank you, Governor and Madam Treasurer.

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

TREASURER KOPP: Ah, it's a pleasure to be here and great to be alive. Just a little tidbit,

actually, to follow on that. I was talking to a former treasurer from Maine who knows all about weather, as you can imagine. He's a great tomato grower. And I was telling him how beautiful it looked now in Maryland. I mean, everything is blooming and doing well. And he told me that when he was growing up in a very poor area in Maine, snow was known as the poor man's fertilizer. Because everything that was in the snow, and then it melted and went into the ground, and things looked great afterwards. And I think that that, so after the snow, after the hard and heavy weather, Governor, comes the bloom of spring. Thank you.

GOVERNOR O'MALLEY: Okay. Well, on that positive note, and I know I shouldn't speak twice. But there's some great news on the weatherization, on energy efficiency and those sorts of things. We applied for and were awarded one of twenty-five grants from the Department of Energy, I believe in the amount of \$20 million, to create a sort of revolving loan to do energy efficiency projects on main streets throughout Maryland. And it's, we may or may not have

somebody here from HCD or MEA. I know that the White House is putting out a press release today. But that's \$20 million -- do you want to tell us?

MR. MILLER: Well I'm not familiar with it myself. I'm Dennis Miller with the Department of Housing and Community Development.

GOVERNOR O'MALLEY: Okay.

MR. MILLER: I believe my colleague, Mr. Eaton, is getting an update as we speak.

GOVERNOR O'MALLEY: Okay. Well, whenever he's ready he can tell us about it. How are you doing? Do you want to tell us about this?

SECRETARY MCDONALD: George, do you want to introduce yourself for the record?

MR. EATON: Hi, my name is George Eaton. I'm the Division Director for Credit Assurance at the Department of Housing and Community Development. And it's just hot off the press, you're exactly right. There is the award for \$20 million, the DOE's, for retrofit, for ramp up of energy retrofitting on main street for economic growth that's going to take place over the next three years. It was part of a \$452

million that was awarded for, we're one of twenty-four communities that was awarded this money. And it's going to cover 2,000 homeowners over the next three years. It's going to cover 2,000 rental units over the next three years. And about 900 to 1,000 historic commercial properties. And we're looking forward to getting more information on that as I speak.

GOVERNOR O'MALLEY: That's great. And that's jobs, huh?

MR. EATON: That's jobs. That's jobs.

GOVERNOR O'MALLEY: And hard to say how many at this point?

MR. EATON: We were thinking, the initial estimate was 2,000. But we're going to have to sharpen the pencil and make sure --

GOVERNOR O'MALLEY: Uh-huh.

MR. EATON: -- we understand exactly what that is.

GOVERNOR O'MALLEY: And there's a revolving loan aspect of this, too?

MR. EATON: Yes. Yes, there is.

GOVERNOR O'MALLEY: So it could continue on?

MR. EATON: Mm-hmm.

GOVERNOR O'MALLEY: That's great. Good.
Jobs across Maryland.

MR. EATON: Very good news.

GOVERNOR O'MALLEY: Thanks very much.

SECRETARY MCDONALD: Thank you, George.

MR. EATON: Thank you, sir.

GOVERNOR O'MALLEY: It's like the Pony
Express, George coming in from the hall. All right,
let's go to the Secretary's Agenda.

SECRETARY MCDONALD: Good morning, Governor,
Madam Treasurer, Mr. Comptroller. We have eighteen
items on the Secretary's Agenda. There are two
reports of emergency procurements. We're prepared to
answer your questions.

TREASURER KOPP: Yeah, it's ten?

SECRETARY MCDONALD: Item 10 is the
recommendation.

TREASURER KOPP: The Commission on State
Debt, you have a report, Item 10, a report from the
Commission which is composed of the Comptroller, the
Treasurer, the Secretary of Budget and Management, the

Secretary of Transportation, the Director of the Department of Assessments and Taxation, and a public member appointed by the Governor. And I have the honor of chairing that Commission. The Commission meets every year after the legislative session has adjourned so that we know what is in the budget to pay the debt service of the State for the bonds we issue for the schools, and the prisons, and other facilities.

The tax rate has been set for most homeowners, for everyone except utility companies really, at 11.2 percent for the last several years. That is 11.2 cents on every \$100, goes to a fund which is dedicated and used only to pay the service on the bonds for schools and other important buildings. And we met, we looked at the budget, we looked at anticipated debt payments, and came to the unanimous resolution that the level should stay constant, as it has been for the last several years.

It was raised only once in two thousand and --

GOVERNOR O'MALLEY: Two.

TREASURER KOPP: No, I don't, it had been at a constant rate since 1980 until the --

SECRETARY MCDONALD: It was in '03. It was an fiscal year '04 change.

TREASURER KOPP: That's right, thank you. Until fiscal year '03, fiscal year '04?

SECRETARY MCDONALD: Right, it was --

TREASURER KOPP: I'm sorry. It was raised in 2003 for the first time since --

SECRETARY MCDONALD: That's correct.

TREASURER KOPP: -- 1980. It was raised to 13.2 percent. It was raised five cents. Three years later it was reduced to 11 percent.

GOVERNOR O'MALLEY: Right on the eve of an election, right?

TREASURER KOPP: And that's where it has been. On the eve of the election, and that's where it has been every since. So once again we are able to keep it constant.

GOVERNOR O'MALLEY: Who was the Governor then?

TREASURER KOPP: It was a prior administration, Governor, that raised it.

GOVERNOR O'MALLEY: Raised the property taxes?

TREASURER KOPP: The only time in history, yes.

GOVERNOR O'MALLEY: The only time in history?

TREASURER KOPP: Well, at least the only time since 1980. I wouldn't say the only time in history.

GOVERNOR O'MALLEY: The Governor who ever raised property taxes, right?

TREASURER KOPP: And in this report, which is on the website and can be put in anyone's hands who is interested in seeing it, we lay out what all the numbers are. But the motion from the Commission is to keep the tax rate constant.

GOVERNOR O'MALLEY: And not to raise it like it was raised back in 2003?

TREASURER KOPP: Not to raise it as it was raised, no.

GOVERNOR O'MALLEY: Well, I agree with that.
I think this is the worst possible tax to raise.

TREASURER KOPP: Okay.

GOVERNOR O'MALLEY: So that's the motion?

TREASURER KOPP: That's the motion.

COMPTROLLER FRANCHOT: Second.

GOVERNOR O'MALLEY: Seconded by the
Comptroller. That's sound fiscal responsible --

TREASURER KOPP: Yes.

GOVERNOR O'MALLEY: Fiscally responsible
motion, I think. All in favor signal by saying,
"Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response)

GOVERNOR O'MALLEY: The ayes have it. Shall
we do the balance of the Secretary's Agenda now? The
Comptroller moves approval, seconded by the Treasurer.
All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response)

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

MS. LATHBURY: Open Space?

GOVERNOR O'MALLEY: I'm sorry, to Program Open Space. See now, I'll give you a complex.

MS. LATHBURY: Good morning, Governor, Madam Treasurer, and Mr. Comptroller. Meredith Lathbury with the Department of Natural Resources. This morning we have two items on the Open Space Agenda, one local project and one Rural Legacy project. Also before you, these trees are from our State nursery in celebration of Earth Day so we hope you will plant them well, someplace special or in honor of someone special. We also have a stack of coupons here for other folks in the room. You can get \$25 off of a tree at a local nurseries. And Don VanHassent, who is our Associate Director of Forestry, has a whole bag o'trees.

GOVERNOR O'MALLEY: That's great. You're like Johnny Appleseed.

(Laughter)

GOVERNOR O'MALLEY: I need a, I don't have my own yard anymore. I need --

(Laughter)

GOVERNOR O'MALLEY: I need someplace to plant them. And J.B. Howard is here from the Attorney General's Office. Without Attorney General Gansler's hard work we would not have had the recovery which allowed us to make the investment in replacing our, or increasing our tree canopy which is what funds these coupons, which also helps small businesses, family-owned businesses, nurseries throughout the State of Maryland. We challenged Marylanders on the Marylanders Grow Trees website to take advantage of this recovery that the Attorney General won for us by planting trees. And I think we're at about 44,000 of the 50,000 that we challenged people to do. So maybe on Earth Day we'll go over our goal.

So I'm sorry, we have two things here. We have the acquisition in Anne Arundel County of 46 acres to the South River Greenway. This is a very good thing, isn't it?

MS. LATHBURY: That's right. The South River Greenway, they're building up to 3,000 acres for that and it's an incredibly special project. We have Ken Alban from Anne Arundel County who can give you some more detail or answer any questions you might have. But the South River Greenway is one of those rare places that is protecting the headwaters of streams and it's nestled into a very populated area. So lots of hiking opportunities and places for folks to fish, as well.

GOVERNOR O'MALLEY: Are there trails on this Greenway?

MS. LATHBURY: There are trails. Ken?

GOVERNOR O'MALLEY: Who's here from Anne Arundel that wants to tell us about this? I was heading to D.C. early in the morning the other day. And as I went over the South River heading west I saw three bald eagles soaring around first thing in the morning.

MR. ALBAN: Mr. Governor --

GOVERNOR O'MALLEY: Yes, sir?

MR. ALBAN: -- Madam Treasurer, Mr. Comptroller, thank you very much for this opportunity. Speaking about trees, yes, we have about 1,100 acres located about ten minutes from the State House which is known as the South River Greenway, adjacent to Route 97, near the Crownsville Hospital. We've been working with Meredith Lathbury, Chip Price, and Secretary Griffin now for two and a half years. The Board has approved numerous properties using Program Open Space funds, and we have an opportunity to purchase an additional forty-six acres known as the Page Property. Yes, there are currently numerous trails throughout the Bacon Ridge Greenway, which is a portion of the larger South River Greenway.

We have a Stewardship Committee formed with folks from the Scenic Rivers Land Trust, the South River Federation, Department of Natural Resources, etcetera. And we are working with that Stewardship Committee to have plans for the future as far as improved public access. And certainly there will be an extensive trail system through the property. It is definitely being preserved for the public use. But we

do not want intensive, active recreation by any means. This is for the birders, the hikers, and the people to enjoy this tremendous asset very close to the capital.

GOVERNOR O'MALLEY: And how does one access it?

MR. ALBAN: Pardon me?

GOVERNOR O'MALLEY: How does one access it?

MR. ALBAN: Currently there's access off of Hawkins Road. We also have access through the Crownsville Hospital property. We work very closely with Maryland Environmental Services, who has an access point through the Crownsville Hospital property. We are scheduling events out there for the public's opportunity to go in. We do have to make improvements at some point as far as parking and improved access before we can open it up entirely to the public. We had a walk just this past Saturday. We have an annual Walk in the Woods, which some naturalists from our office conduct walks. We take the public out. It was well advertised. We had some 300 people participate in last Saturday's Walk in the

Woods. And they got a taste and a flavor for this tremendous asset.

There's a tremendous pond on the property which is absolutely incredible. When you walk down from the ridge line from Route 97 and you get into the valley of the stream valley, the noise from 97 disappears instantaneously. It's amazing to walk from the ridge line down into the valley. A tremendous asset.

GOVERNOR O'MALLEY: I'd love for you to give me a better map that shows the, where those trails are, and where you pick them up.

MR. ALBAN: I can certainly do that. We have those in our office.

GOVERNOR O'MALLEY: Great. Would you send them to me? I'd be grateful.

MR. ALBAN: I will certainly do that.

GOVERNOR O'MALLEY: And the South, and the Magogy, and the Severn, they're all so stressed right now. I mean, the amount of development, and the septic systems leaching into those rivers. They are some of the most damaged rivers in the entire

Chesapeake Bay. So hopefully this keeps giving us a fighting chance of protecting these headwaters.

MR. ALBAN: Yes, sir. It ranks very high on the Greenway infrastructure rankings. And also our watershed management people in the County have it as one of the most challenged tributaries of the Bay.

GOVERNOR O'MALLEY: Mm-hmm.

MR. ALBAN: And we think by preserving these properties it's going to make a tremendous benefit to South River, and ultimately to the Chesapeake Bay.

GOVERNOR O'MALLEY: We've got to find some way to get those, do something about that septic. You know, it's the biggest contributor, that and the stormwater, biggest two contributors on these three. Are there any plans to hook people up to sewer, or those sorts of things in any systematic way?

Expensive, but --

MR. ALBAN: Well, it certainly, in this area where we are limiting development, and we have done --

GOVERNOR O'MALLEY: Right.

MR. ALBAN: -- quite a bit to preserve a lot of land in there. Some of the property owners have

requested to carve out a lot here and there. But they will be on private septic. And certainly we encourage property owners to work with the State and try to find the best possible solutions to septic flow.

COMPTROLLER FRANCHOT: Do people know that they, when a system is failing? I mean, I assume there is some, something in the atmosphere. But is it -

MR. ALBAN: Well, I'm not an engineer, and not an expert in septic systems. But certainly having experienced it somewhat with my own situations --

COMPTROLLER FRANCHOT: I mean, I assume that people know, if people know that someone is wrong with their septic system they are going to want to fix it. But I guess the problem is that it is not apparent for years?

MR. ALBAN: Well, it is certainly expensive to go in and replace a system. Certainly effluent is very evidence on the ground when a system totally fails and surely we know that our toilets and facilities in our homes begin to show the problem. I think most people, neighbors keep an eye on those

types of things. At least I've found that in my community. And when you start seeing the problems people are usually notified to make some corrections.

COMPTROLLER FRANCHOT: So do you have any eagles over there?

MR. ALBAN: But it's an ongoing problem, no question.

COMPTROLLER FRANCHOT: Any eagles over there?

MR. ALBAN: Yes, sir. We do. We have some nesting eagles, and blue heron on the pond. And it's an amazing resource. We'd love to have the Board come out sometime.

COMPTROLLER FRANCHOT: Excellent.

GOVERNOR O'MALLEY: We should go hike some morning.

TREASURER KOPP: That's a great idea.

GOVERNOR O'MALLEY: We can share in the trees --

COMPTROLLER FRANCHOT: Mm-hmm.

TREASURER KOPP: I remember when the eagles came back to the Canal, to the River, the Potomac,

which happens to be in my backyard. We knew that we were turning things around.

GOVERNOR O'MALLEY: Well, great. Thanks very much.

MR. ALBAN: And I would, if I could just take a moment, thank the Governor and the Board for supporting Program Open Space, continuing the funding of Program Open Space, creative financing with selling bonds to keep the program going. And Meredith, and Chip Price, a pleasure to work with. Tremendous support from the staff at Program Open Space in these tough times to keep things moving. And we thank you and the Legislature for funding the program.

GOVERNOR O'MALLEY: Okay, thank you.

MR. ALBAN: Thank you so much.

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

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

GOVERNOR O'MALLEY: Questions on Department of Budget and Management Agenda items? Mr. Comptroller?

COMPTROLLER FRANCHOT: On the first item, Madam Secretary, could you just give us a few details as to what this five-year, \$371,000 contract with options to Johnson, Mirmiran & Thompson?

MS. FOSTER: Okay. So this is a contract to obtain technical assistance for property acquisition and relocation services for the MTA's Real Estate Division. Actually, George Fabula, who is Manager of the Real Estate Division is here to answer any specific or technical questions you may have.

MR. FABULA: Good morning. My name is George Fabula, Manager for the Real Estate Division

for the Maryland Transit Administration. This action item is a task order contract with no minimum guarantee of work to support property acquisition and relocation services throughout the MTA transit area, service area.

COMPTROLLER FRANCHOT: I noticed the other two bidders were disqualified. Is there some reason why there isn't more competitive bidding on this? It seems pretty -

MR. FABULA: It's a pretty finite, it's a pretty finite specialized task and not many firms out there actually perform this type of task.

COMPTROLLER FRANCHOT: And the details, exactly what they're going to do, isn't this just kind of ordinary real estate work that is pretty boiler plate?

MR. FABULA: Well, we have the in house people for the acquisition parts. We don't have the expertise in house for any relocation services. So if we did have an acquisition that would need that we would outsource that portion of the project.

COMPTROLLER FRANCHOT: Okay. Let me ask about, I don't know whether you're the right person or, Madam Secretary, or someone else, what is the status of the Purple Line? MTA acquiring easements, or property for construction of either the Purple Line in the Washington area or the Red Line in the Baltimore region?

MS. FOSTER: I'd defer to the Secretary of Transportation?

MS. SWAIM-STALEY: For the record, Beverley Swaim-Staley, Secretary of Maryland Department of Transportation. Both the Red Line and the Purple Line at this point are in the planning process. We have submitted the information, the paperwork, to the FTA to begin what is essentially a national competition to receive the funds for both the Red and the Purple Lines. So we are hoping to, we are actually working with the FTA to complete the design and evaluation phases to finalize the cost analysis, ridership analysis, those kinds of things. We're hoping that by next year, if there's new funding and a new reauthorization, we'd be ready for those projects to

compete with other projects around the country for, hopefully, construction funds ultimately.

So part of these relocation services, and the reason we haven't really needed it for quite a long time before, is that with the anticipation for some relocation that would be required as a result of the Red Line and the Purple Line.

COMPTROLLER FRANCHOT: But those two projects are pretty well positioned if -

MS. SWAIM-STALEY: We believe. Again, there's going to be a lot of competition for them nationally, a lot of projects around the country. But we believe they are well within the cost formulas that are recommended, and obviously we're going to do everything we can to make sure that they compete well.

COMPTROLLER FRANCHOT: Okay. And then I just had a final comment about the fact that apparently some of the additional property you are looking for is commuter bus property in Southern Maryland. And that is such a successful, crucially important program. I, you know, for those of you that

have been down there know what the traffic situation is on those routes coming into Washington, so.

MS. SWAIM-STALEY: You're correct, and the demand there is extensive.

COMPTROLLER FRANCHOT: And is that still paying for itself as far as ridership? That bus --

MS. SWAIM-STALEY: The buses are full. I mean, with the fares that we charge there essentially all of our bus services continue to be subsidized to some extent. But you are correct in that it's very successful. And we continue to try to find more park and rides. And as we find park and rides and add more bus service, those buses fill up. So it's a very popular service.

COMPTROLLER FRANCHOT: Excellent, thank you.

MR. FABULA: Thank you.

GOVERNOR O'MALLEY: Boy could we use a rail line down there. Where are we on studying the rail line for into Southern Maryland?

MS. SWAIM-STALEY: We are in the study phases on projects for Southern Maryland. One for a, along an existing rail corridor.

GOVERNOR O'MALLEY: Right.

MS. SWAIM-STALEY: But there's interest in a couple of, potentially maybe two different options there over the future.

GOVERNOR O'MALLEY: Give me any update on that, can you?

MS. SWAIM-STALEY: Sure.

TREASURER KOPP: Not to pile on, the Corridor City line?

MS. SWAIM-STALEY: Corridor Cities?

TREASURER KOPP: Yeah. What's the status of that? Is that being actively looked at?

MS. SWAIM-STALEY: That's also, that's just a little bit behind the Purple Line and the Red Line. And frankly, that's by virtue of earlier agreement because of the growth and the West Gaithersburg Master Plan. So we have agreed, because we think that that will make the numbers look even better in terms of ridership and cost benefit analysis. So we had planned to keep that project in synch with the Red Line and the Purple Line. But at the request of the County we have put that back now until they complete

that planning process. Because, again, we think it's going to make those numbers look much better. There's a lot of interest out there with the development community as well. So we think that, you know, there may be some unique opportunities for financing there.

TREASURER KOPP: Okay.

GOVERNOR O'MALLEY: Okay.

TREASURER KOPP: I have a question about Item 3-S, which candidly I hadn't noticed until last night.

MS. FOSTER: Item 3 is a contract that provides consulting services that will assist MSDE in the development of these standardized course descriptions, basically for the purpose of making sure that they are consistent with the course descriptions that are used by the local school systems. I'm not sure if Dr. Grasmick -- Dr. Grasmick is here.

SECRETARY MCDONALD: Oh, she is here.

GOVERNOR O'MALLEY: Dr. Grasmick, we didn't see you there.

TREASURER KOPP: Ah, she was hidden away.

GOVERNOR O'MALLEY: Good article today about the national standards, too.

DR. GRASMICK: Yes.

GOVERNOR O'MALLEY: Even the teachers of the year like it.

DR. GRASMICK: I'm very excited. Good morning Governor, Comptroller, Madam Treasurer. The course codes are a critical part of our meeting the obligations of both legislation and the longitudinal data system. Currently often every school has a different set of course codes and it's very difficult to align those across the State to really know that in School X students are getting Algebra I, and it's the same thing in School B. And then of course from system to system it's different. So what we're trying to do is to align all of those course codes so that we can actually follow the course enrollment of the students as they matriculate through those courses. And I have with me Dr. Leslie Wilson, who is responsible for all of our assessment programs and ability to obviously deliver on the longitudinal data system.

TREASURER KOPP: I mean, there are some things that sort of fly beneath the radar but are fantastically important and exciting.

DR. GRASMICK: Yes.

TREASURER KOPP: I think this looks like it's one of them. Do you anticipate that when this is finished you can actually more closely correlate, particularly high school courses and college expectations? I mean I recall, one of the problems is, as I understand it, for instance in mathematics, the math faculty understanding a label of a course differently than the high school math faculty does, for instance?

DR. GRASMICK: Yes. It's not only the code, but then we're going to drill down to what is the actual content.

TREASURER KOPP: Right.

DR. GRASMICK: And the Governor, through the P-20 Council appointed a task force on college and career success. And one of the recommendations that we're putting forth as a result of the task force's work is to ensure that there is absolute alignment and

no semantic space between what higher ed would interpret as the content of a course and what we interpret as the content of a course. But this course coding is very critical to that process.

TREASURER KOPP: What's the timing of this project?

DR. GRASMICK: Leslie?

DR. WILSON: Leslie Wilson, I'm the Assistant Superintendent for Accountability and Assessment. We hope to have this project completed within one year. It's part of a federal grant that we have.

TREASURER KOPP: That's super.

DR. GRASMICK: It's a big step forward.

TREASURER KOPP: Yeah, it really is.

DR. GRASMICK: So, thank you.

TREASURER KOPP: Sure thing, thank you.

GOVERNOR O'MALLEY: Okay, any other questions on the Department of Budget and Management? The Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response)

GOVERNOR O'MALLEY: The ayes have it. We move now to University System of Maryland, where I spoke yesterday at the School of Public Policy. And the kids were pumped up, the campus looked great --

MR. EVANS: Thank you.

GOVERNOR O'MALLEY: -- at College Park. I was also at Salisbury yesterday, which is consistently rated as one of the top fifty best four-year comprehensive public universities in the country.

COMPTROLLER FRANCHOT: Salisbury University?

GOVERNOR O'MALLEY: Mmm-hmm, by U.S. News and also the Princeton Review. And they also have one of our State's leading GIS programs.

MR. EVANS: Good morning. Joe Evans representing --

TREASURER KOPP: And outstanding alumni, also.

COMPTROLLER FRANCHOT: Former employees.

TREASURER KOPP: Yes.

COMPTROLLER FRANCHOT: Yes, Mr. Foxwell was --

GOVERNOR O'MALLEY: Len, he went to Salisbury. So you were a Seagull?

MR. FOXWELL: I was, indeed.

GOVERNOR O'MALLEY: In a former life, or --

MR. FOXWELL: It was a lot easier to get into back then.

(Laughter)

MR. EVANS: Joe Evans representing the University System of Maryland. We have eight items on the Agenda today and are here to answer any questions.

TREASURER KOPP: It is impressive how many of the projects involve aiming for LEED Gold -

MR. EVANS: Yes, ma'am.

TREASURER KOPP: -- status. Which is, I know, is the Regents' intent but it's nice to see it actually also in the specific projects themselves.

COMPTROLLER FRANCHOT: I have a question --

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: -- if I could. Is one of the items, I know Coppin State has got a couple of items in here. But wasn't there one, I can't find it right now, but like a \$7 million --

MR. EVANS: AE Contract?

COMPTROLLER FRANCHOT: Item 1, I think.

SECRETARY MCDONALD: Right, Item 1.

MR. EVANS: Yes, sir?

COMPTROLLER FRANCHOT: Just help me understand why in an urban area like this, with a \$7 million contract, we only have a 18 percent MBE?

MR. EVANS: With the MBE we looked at it to assess how much MBE we could get from the AE. Most of it, of the MBE, will come from structural, landscaping, and design, interior design. The majority of the design will be done by the architect. So 18 percent is normally about the percentage we get. Somewhere between 15 percent to 18 percent normally on these type of AE contracts.

COMPTROLLER FRANCHOT: Even in an urban area like this?

MR. EVANS: Yes, sir.

COMPTROLLER FRANCHOT: So if I see other A and E projects here they are all going to be 15 percent to 18 percent? They are not going to be 20 percent to 25 percent?

MR. EVANS: For the ones in our area for this particular project, and we looked to assess how much MBE we could get from this project. And the potential for MBE subcontracts the amount that we came up with was 18 percent.

COMPTROLLER FRANCHOT: Okay. Just following up, Items 7 and 8, which are also Coppin State?

MR. EVANS: Yes, sir.

COMPTROLLER FRANCHOT: Can you help me understand, these are relatively small items, but I notice one of the properties has two different appraisals, one at \$67,500 and one at \$28,000. And we're ending up paying \$65,000. Why is there such a big spread?

MR. EVANS: I have Mr. Steven Brown, the Real Estate Acquisition Manager, who will come up and address that.

MR. BROWN: Good morning, Steven Brown from Coppin State University.

COMPTROLLER FRANCHOT: Excellent.

MR. BROWN: And your question was?

COMPTROLLER FRANCHOT: The question is, we have two bids. I don't know whether it's you or the System that should respond. But we have two appraisals, \$67,500 and \$28,000. And this is, these are really small issues. But I guess they all add up. Why are we gravitating towards the higher amount? Why not gravitate towards the lower amount every once in a while?

MR. BROWN: Well we certainly start at the lower amount, at a lower amount. But the, you know, the reality is that the owners are negotiating hard. And they feel that their properties are actually worth more than what we're offering. So the end price generally tends to be towards the higher appraisal. We negotiate with them, I assure you.

COMPTROLLER FRANCHOT: This property owner didn't even apparently let the appraisers into the house.

MR. BROWN: That's, he did not. I can't explain his behavior.

COMPTROLLER FRANCHOT: No, I find it to be, I just find it to be strange that this, you say it's a

tough negotiation. It doesn't sound like there was much toughness on our side.

MR. BROWN: Well we, you know, we talk to the owners. We work with them. We try to get them to agree. And that's just generally the result of the negotiations, is that we do end up towards the high appraisal. I assure you, there is a lot of back and forth between the University and the owners.

COMPTROLLER FRANCHOT: Okay. It's not particularly impressive from my standpoint, but have you even had access to the house at this point? Or are you still negotiating? What's inside? I mean, is the house, what is the interior condition? Is it even close to being worth \$65,000?

MR. BROWN: We still have not had access to the inside of the house. Mr. Briscoe is a particularly difficult person.

GOVERNOR O'MALLEY: Do you want to vote on this one separately?

COMPTROLLER FRANCHOT: Sure.

GOVERNOR O'MALLEY: Okay. This is Item 15-C.

TREASURER KOPP: No.

MS. SWAIM-STALEY: Eight.

GOVERNOR O'MALLEY: I'm sorry, eight?

MS. SWAIM-STALEY: It's on page --

SECRETARY MCDONALD: On page fifteen.

GOVERNOR O'MALLEY: Item 8-RP, page 15C.

This is a purchase for a consolidation of a lot for the new Science and Technology Center planned at Coppin, right?

MR. EVANS: Yes, sir.

GOVERNOR O'MALLEY: And it's across the street from Coppin?

MR. EVANS: It is across the street --

GOVERNOR O'MALLEY: Across North Avenue, I mean?

MR. EVANS: North Avenue, West North Avenue.

GOVERNOR O'MALLEY: Mm-hmm.

COMPTROLLER FRANCHOT: No I, you know, support the project at Coppin. I love Coppin. But I'm just a little surprised that we're buying a house without having looked inside it, number one. And number two, I guess I'm wondering if the University

has a policy in these kinds of negotiations where we can get a better deal for the State if it's appropriate? I mean, literally we've never seen the inside of his house.

MR. EVANS: That's what I'm understanding.

COMPTROLLER FRANCHOT: And we're paying \$65,000 for it.

GOVERNOR O'MALLEY: But we're looking to knock it down, right?

MR. EVANS: It's to be demolished.

COMPTROLLER FRANCHOT: Yeah, but the second appraisal was \$28,000. Not to, you know, stand on small amounts. But I guess it's the principle of the thing.

TREASURER KOPP: I guess the question is how, again, how you arrived at \$28,000, I mean how you arrived at \$65,000. It's \$2,000 less than \$67,000 but it's a lot more than \$28,000.

MR. BROWN: It's, when we have instances where we don't gain access to the interior of the house it's not unusual to have a big spread in the appraisals. The appraisers have to, you know, they

are somewhat subjective in what they have to determine the interior condition to be. They don't actually see it. But --

COMPTROLLER FRANCHOT: Well the Governor mentioned we're going to knock the house down.

MR. BROWN: And that's --

COMPTROLLER FRANCHOT: So the question is, what's the value of the house that we're going to knock down. And I just find this to be unusual in a way. But if you're telling me this is standard operating procedure that's I guess even, I would hope the System could examine this because it, who knows what's inside the door when you finally open it up? Maybe it is only worth \$28,000.

MR. BROWN: Well, and the truth is that there will be a number of houses that we purchase that we, because the owners are, have disappeared, because the owners have passed away. There will be a number of houses that we won't gain access to. That's kind of the reality of buying in a neighborhood like this.

GOVERNOR O'MALLEY: Aren't a number of these houses in this block owned by the City already?

MR. BROWN: I'm sorry?

GOVERNOR O'MALLEY: Aren't a number of the houses in this block owned by the City of Baltimore already?

MR. BROWN: I don't know what the number is in this block.

GOVERNOR O'MALLEY: Mm-hmm.

MR. BROWN: In this area, in fact we're bringing a contract to this Board for sixteen properties at the next meeting, I don't know how many are in this block.

GOVERNOR O'MALLEY: Mm-hmm. If it's the same block I'm thinking of, I mean there's some, you know, they knew this development was coming. And they, you know, would certainly, I'm certain that the City does own those properties free and clear. That's probably part of the consolidation for this block. But then you have private homeowners who are there and own their properties. And I guess the calculation made on this is the amount of time that it would cost in terms of delaying the project, or preventing the

site from being consolidated, versus paying this person to get out of the way.

MR. BROWN: Exactly. We don't have a lot of alternatives.

GOVERNOR O'MALLEY: You are probably gaining a number of properties, I would imagine, on this site absolutely, you know, for nominal dollar value from the City.

MR. BROWN: Yeah, that's true, too.

GOVERNOR O'MALLEY: If it's the same block I'm thinking of.

MR. BROWN: Yes. That is true. And then after, after the fair market value is paid for this property, we have to pay the relocation. The relocation provides a roof, we have to pay that amount no matter what we have to pay for the value of the property.

COMPTROLLER FRANCHOT: How much is that here?

MR. BROWN: I believe it was a hundred and --

TREASURER KOPP: \$85,700, \$85,700.

MR. BROWN: And that's in addition to. So it was about, a total of I think \$150,000.

COMPTROLLER FRANCHOT: Well I'm sure someone is looking at it, and they can look at the, I don't know whether anyone has ever sold a comparable in the market in this area in the last, recently. But if you could take a look at it and help me understand the University's policy, System's policy as opposed to Coppin's policy, I would be appreciative.

MR. BROWN: Yes, sir.

COMPTROLLER FRANCHOT: Thank you. And I'm probably going to, I'm going to vote against this one.

GOVERNOR O'MALLEY: Okay, let's call 15-C individually. The Governor moves approval, this is Item, rather, 8-RP on page 15C. And I'm calling it individually. And the Governor moves approval, seconded by the Treasurer?

TREASURER KOPP: I will. But I too would like to have a better understanding, looking at the other properties on this block, looking at this one, of what the University's policy is at arriving at a fair value when you have two assessments which, it's

true, neither one of them are great, or terribly high. But so different.

MR. EVANS: We'll get back to you.

TREASURER KOPP: But this is a very important project, one that we've been working on for many years.

GOVERNOR O'MALLEY: Maybe you need to bring us the plat, show us the block, how it all fits into the consolidation?

TREASURER KOPP: No, this one's the 1800 but there was a 1600.

COMPTROLLER FRANCHOT: And Governor, I'm going to vote no but if you could also just help me understand the policy. Because all of the campuses, I take it, are expanding and moving forward with different projects, which we all appreciate and support. But I'd like to know what the procedure is for, you know, getting the best deal for the State.

MR. EVANS: Yes, sir.

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

TREASURER KOPP: Aye.

GOVERNOR O'MALLEY: All opposed?

COMPTROLLER FRANCHOT: No.

GOVERNOR O'MALLEY: The Comptroller votes no. The motion passes. We move on now to the balance of the University System of Maryland Agenda items. The Comptroller moves approval, 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 Information Technology.

MR. SCHLANGER: Good morning Governor, Madam Treasurer, Mr. Comptroller. Elliot Schlanger, Department of Information Technology. This morning we have six items on our Agenda. We'd be happy to answer any questions at this time.

GOVERNOR O'MALLEY: Any questions, Department of Information Technology?

TREASURER KOPP: I just have a question out of curiosity, actually of MDOT, on Item 5-IT.

MR. SCHLANGER: Sure.

TREASURER KOPP: On the automated, no was that --

MR. SCHLANGER: Item 5 deals with the updates and maintenance to the voice enunciated system. We have some colleagues from MDOT who can answer any questions.

TREASURER KOPP: Right, and my question of MDOT is when you have a project -- are we echoing?

MS. SWAIM-STALEY: No, I can hear.

TREASURER KOPP: When you have a project like this do you lay out operating goals? You're putting in place this new IT system, or refurbished IT system, or whatever. How do you expect to see that reflected in improved maintenance, or improved on time, or operating indices like that?

MS. SWAIM-STALEY: I can, on this one, we're rebidding this one. But yes, particularly, I won't say that with every one. But I know we've had a number of issues that we needed to address both from the ADA community and other service issues when we first went with Clever Devices. And we could

certainly probably get you some data in terms of the improvements that have resulted as a result of --

TREASURER KOPP: And that you anticipate when --

MS. SWAIM-STALEY: Right.

TREASURER KOPP: -- when you --

MS. SWAIM-STALEY: Right.

TREASURER KOPP: It was more of a generic question. Thank you.

GOVERNOR O'MALLEY: Any other questions?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR O'MALLEY: Okay, the Comptroller moves approval of the Department of Information Technology, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response)

GOVERNOR O'MALLEY: The ayes have it. We move on now --

MR. SCHLANGER: Thank you.

GOVERNOR O'MALLEY: -- to the Department of Transportation. DOT as opposed to DoIT.

MS. SWAIM-STALEY: For the record, Beverley Swaim-Staley representing MDOT. We're presenting sixteen items today. Item 14 has been previously revised. Item 16 has been previously added as a supplemental item. And we're here to answer questions.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Item 9 is a \$440,000 contract for lawn and turf maintenance in Montgomery County. Why can't we do this with existing SHA employees? Is there something I'm missing in this project?

MS. SWAIM-STALEY: Well we do some landscaping with existing employees. But we have traditionally done a great deal of it through contracts for a number of years, so it isn't new. We've also been, obviously, downsizing the workforce over a number of years and contracting out more as a result of that. But this is just the way that we have handled these kind of contracts historically. Because

it's, you know, much of it is on an as needed basis; some of it is seasonal; some of it, you know, is work related due to storms and other things. So it's, again, something we do some with existing forces but we enhance it with contractual forces.

GOVERNOR O'MALLEY: What, do they do the medians, or --

MS. SWAIM-STALEY: Again, some we do with existing. But yes, in many cases we do contract work. We do everything from mowing, to landscaping, to planting wildflowers in the medians.

GOVERNOR O'MALLEY: And they are all small businesses, all Maryland small businesses?

MS. SWAIM-STALEY: These are, this one is small business reserve. And obviously, they get a lot of the work because this is the kind of work that they can do, and MBEs as well, yes.

GOVERNOR O'MALLEY: Okay. Any other questions on the Department of Transportation Agenda items? The Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response)

GOVERNOR O'MALLEY: The ayes have it.

Department of General Services?

MR. COLLINS: Good morning, Governor, Madam Treasurer, Mr. Comptroller, Al Collins.

GOVERNOR O'MALLEY: Al, have you seen that Maryland Job Creation chart that's over your head there?

MR. COLLINS: Yes, sir.

GOVERNOR O'MALLEY: Looks good, doesn't it?

MR. COLLINS: Absolutely, sir.

GOVERNOR O'MALLEY: See that job creation shooting up on the positive side of that X axis?

MR. COLLINS: Absolutely. That's the way to go and we're trying everything to add more to that.

GOVERNOR O'MALLEY: I didn't see it until I looked right at you, coming over your shoulder.

MR. COLLINS: Yeah, I saw it when I came in.

GOVERNOR O'MALLEY: It's a beautiful thing. I'm sorry, I don't mean to interrupt.

MR. COLLINS: No problem, that's great news.

GOVERNOR O'MALLEY: I was awestruck.

MR. COLLINS: The Department of General Services has seventeen items on our Agenda, including one supplemental. And we'd be glad to answer any questions you might have on any of the items.

GOVERNOR O'MALLEY: Treasurer?

TREASURER KOPP: Looks like a great Agenda.

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?

(No response)

GOVERNOR O'MALLEY: The ayes have it, and that concludes our Agenda. Thank you very, very much ladies and gentlemen. One Maryland, forward together. Forward, not back.

(Whereupon, at 11:05 a.m., the meeting was concluded.)

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