

May 19, 2010

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

May 19, 2010

10:18 a.m.

HUNT REPORTING COMPANY
12 Crain Highway NW
Glen Burnie, Maryland 21061
401-766-4868

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;

HAROLD BARTLETT, Deputy Secretary,
Department of Transportation;

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>
Memorandum of Understanding Between MSDE and Washington County for Western Maryland Regional Library	SEC Item 5, p. 8	Sheila McDonald John Smeallie Senator Munson	12
Capital Grant for Design of Leonardtown Library	SEC Item 4, p. 5	Sheila McDonald Kathleen Reif	18
State Public School Construction Program	SEC Item 13, p. 22	Sheila McDonald Dr. David Lever	21
Renovation of Lillie Carroll Jackson Museum	SEC Item 20, p. 32	Sheila McDonald Kim McCalla	35
Energy Performance Contract for Jessup Correctional Complex	SEC Item 25, p. 39	Sheila McDonald Turhan Robinson David Bezanson Hatim Jabaji	39
MDOT Agenda	DOT	Harold Bartlett	44
DBM Agenda	DBM	T. Eloise Foster	47
Parking Management Services at UMUC	USM Item 5-S, p. 12C	Joe Evans	48

May 19, 2010

4

<u>Subject</u>	<u>Agenda</u>	<u>Witness</u>	<u>Page</u>
DoIT Agenda	DoIT	Elliot Schlanger	48
Acquisition of Merriken Property	DGS Item 9-RP, p. 23	Al Collins Meredith Lathbury	49

P R O C E E D I N G S

GOVERNOR O'MALLEY: Welcome, ladies and gentlemen. You are at the Board of Public Works for the great State of Maryland. Today is May 19, 2010. When they pave over weekends it's kind of hard to tell without checking your calendar book. This is the very first time, I understand, that the Board of Public Works will be constantly -- what's the correct terminology, Ms. McDonald?

SECRETARY MCDONALD: Audiocast.

GOVERNOR O'MALLEY: We will be audiocast.

SECRETARY MCDONALD: On the internet.

GOVERNOR O'MALLEY: On the internet, in --

SECRETARY MCDONALD: Right now it's a dual project. I will send the link out when it becomes big and public. Right now we are testing it with about seven or eight people who we hope have tuned in and are listening. We're going to make sure it works, thanks to Mr. Geoff Hunt and his Hunt Reporting Company. We hope that some of you who actually don't have items perhaps, but are interested in the Board meetings, will be able to sit at your desk at work and

listen to the Board meeting if you want to. But I will get the word out when it's ready to go. So when we are ready, the public will be notified.

GOVERNOR O'MALLEY: And the voice you just heard was that of Sheila McDonald, Secretary to the Board of Public Works.

(Laughter)

GOVERNOR O'MALLEY: And so as we open it up, let me ask the Comptroller or Treasurer if they have any questions, or thoughts, or anything they'd like to share with all of us?

COMPTROLLER FRANCHOT: I thought you were going to say, Governor, this is a really big blank deal.

(Laughter)

COMPTROLLER FRANCHOT: But I appreciate your reference to my book, here, and you know, I was sitting here just thinking about how dependent I am on Jerry Klasmeier for the staff work that helps me get prepared for these. And we're going to be voting today on a almost half a billion or more of State spending and I'm very grateful to the person to my

left for his knowledge and expertise in helping me get ready for these meetings.

And today, the meeting is very important because the IAC's final recommendations for the Public School Construction Program are going to be voted on. That vote, the Treasurer, and the Governor, and I will help ensure that our children will be able to learn and our teachers will have the chance to teach in the safest, and cleanest, most modern schools possible. I really thank the Governor and the General Assembly for their commitment in this area and to their investment in the State's future.

I take this vote very seriously. Over the past few months I've traveled to schools across the State to see firsthand how the money is being spent on a number of site visits to schools like Leith Walk Elementary in Baltimore City, Dundalk High and Wellwood Elementary in Baltimore County. And people have told me over and over again that their spirits and their morale and their studies improve in schools that are cleaner and safer.

I've met with teachers and administrators at schools like Calvert High School, and Linganore High School in Frederick County, who explained how improved facilities will have a profound effect on student performance and staff morale.

I've met with parents and civic leaders at schools like Clarksville Middle, Severn Elementary, Doswell Brooks Elementary, all of whom have told me how their new and improved schools will serve as a source of pride and empowerment for the whole community.

And I've seen incredibly talented students at one of our State's most unique schools, the Barbara Ingram School for the Arts in Hagerstown, I notice Senator Munson is here, and learned firsthand how it's becoming a magnet for the entire region for our State's next generation of creative artists.

I'm very pleased that the feedback I got from these schools and communities has not gone unnoticed. I commend the IAC members and Dr. Lever for recognizing the needs of these schools by providing additional support, whether through

additional funds or planning approval, which comes with the promise of money down the road. Those are in the final recommendations we're voting on today.

Mostly I just want to applaud the efforts of our State's students, teachers, administrators, and support staffs. They are the reason that the Governor is able to say, as he frequently and appropriately does say, that we have the number one school system in the country.

I think it's important as we move forward to again recognize schools like Worthington Elementary in Howard County and Charleston Elementary in Cecil County, who have been recognized for their superior maintenance efforts. For even as we move out of this Great Recession everyone has to realize it's going to take years for the economy to get back to where we once were, if we ever get back to that level. So ensuring that our tax dollars are spent in the most efficient and effective way possible is going to be a top priority. When we see schools and local school systems that have continually come in with high marks on their maintenance reviews, they should be applauded

and rewarded. As a member of the Board, and a steward of Maryland tax money, I want to see us investing in places where I know it will do the most good and the most long lasting impact. Striving to maintain a superior record of building maintenance schools are demonstrating that they share this value. And I think we all on the Board are taking note.

Let me thank the Governor, and the General Assembly again, and the Treasurer. I look forward to working with my fellow members and the IAC to keep schools in our State moving forward.

Thank you, Governor.

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

TREASURER KOPP: Good morning. Good morning, Mr. and Mrs. America, and all the ships at sea. Interesting day to experience. I'd like, I also would like to acknowledge and thank Dr. Lever and the IAC for all the hard work they have done going through a large number of very worthy projects trying to find those that are most important to start funding and building this year. For the past several years, I

think we have placed an obvious priority on school buildings. And it shows across the State, and it shows in the number one school system in the nation. And a lot of people are to be thanked, a lot of people are to be applauded, and a lot of people are going to be encouraged to know that we shall continue our progress towards modernizing and building the premier public school system in the country.

GOVERNOR O'MALLEY: Thank you, Madam Treasurer. One of the things I'm most proud of this Board and this State for having done over these last few years is to reverse what was a pretty precipitous incline in what we were investing in the condition of our children's schools. The fact that a state as strong as ours was shrugging its shoulders in years past at increasing numbers that were going to school in dilapidated buildings without science labs, or in temporary learning shacks, you know, is a change that both of you have been a big part of making. With the Kopp Commission, and Mr. Comptroller with your advocacy, and the Legislature, in the toughest of times we have greatly increased what we invest in

school construction, namely the future of our children and the future of their skills, their ability to create, innovate, and create jobs as they become adults.

So let's, we're, Senator Munson is here joining us. Senator, which item are you here on? So if we can accelerate your --

SENATOR MUNSON: The one on the library project in Washington County --

SECRETARY MCDONALD: This is Secretary's Agenda --

GOVERNOR O'MALLEY: Number five? Perfect.

SECRETARY MCDONALD: Right. Shall we introduce the Secretary's Agenda?

GOVERNOR O'MALLEY: We'll do Secretary's Agenda.

SECRETARY MCDONALD: Thank you.

GOVERNOR O'MALLEY: We usually do it first, but in this case we'll do it first.

(Laughter)

SECRETARY MCDONALD: Good morning, Governor, members of the Board, Senator Munson, we have twenty-

six items on the Secretary's Agenda this morning and Item 5 is indeed a request from the Maryland State Department of Education to enter into a memorandum of understanding with the Western Maryland Regional Resource Center and Washington County to add onto the Washington County Library to serve the three counties, the tricounty area out there. So I don't know if, or who is here from the Education Department could perhaps stand up with Senator Munson? Thank you. Do you want to come and introduce -- please state your name for the record, and --

MR. SMEALLIE: Good morning Governor, Comptroller, Madam Treasurer. Senator Munson, thank you for being here. John Smeallie, Deputy Superintendent of Maryland State Department of Education. As you've heard from the Secretary, this is a wonderful project for the Western Maryland region, which is the Western Maryland Regional Library, one of three regional libraries around the State that provides services. This is a continuation of action this Board took to provide a grant for the renovation of this facility. And the memorandum of

understanding that you have before you is a way to formalize the arrangement and the oversight of this project.

It is a Washington County project. We're very pleased to have here with us this morning representatives from the Western Maryland Regional Library, as well as the Washington County Free Library, who are very committed to this project, anxious to proceed, and share jointly with our Department. We also thank Secretary Collins for participation of the Department of General Services to help with the review of the design documents and they are proceeding or getting ready to go to bid. The memorandum of understanding clarifies the relationship between the County Commissioners in Washington County, who have oversight of this project, the Department of Public Works, and the Maryland State Department of Education to ensure that the project moves forward expediently and there is a rigorous review as well as a grant award process.

So we're thankful, by the way, as an educator to hear the comments from all three members

appreciated on the educational status in Maryland.

And we, too, are thrilled to work with Dr. Lever on school construction. It's very important.

So we appreciate the partnership of our colleagues here from Washington County, and particularly Senator Munson who has been very involved and actively involved in this project. The Senator may want to make comments as well.

Thank you.

SENATOR MUNSON: Thank you. Thank you, Governor, for putting us first. That was very kind of you.

GOVERNOR O'MALLEY: That was no trouble at all.

(Laughter)

SENATOR MUNSON: Washington County has had a lot of firsts lately. We had the Superintendent of the Year this year.

TREASURER KOPP: Yeah.

GOVERNOR O'MALLEY: That's great, what is her name?

SENATOR MUNSON: Betty Morgan.

GOVERNOR O'MALLEY: Right.

SENATOR MUNSON: And she's, as a matter of fact as we speak she's at the White House today, meeting with the President.

GOVERNOR O'MALLEY: Oh, that's great!

SENATOR MUNSON: And with the President of Mexico, I believe. She's looking for money, I guess, somewhere --

(Laughter)

SENATOR MUNSON: We also have the first nationally recognized librarian with us today, Mary Baykan who is from Washington County. She was Librarian of the Year in the United States in 2007.

(Applause)

SENATOR MUNSON: So Washington County is moving ahead, and in good part thanks to you all. And that's what I want to say, is thank you. This project was a difficult project in that it takes a lot of money at a time when we don't have a whole lot of money. But we were able to put together this arrangement in conjunction with the Speaker of the House, and the President of the Senate, and you,

Governor. You really stepped up and hit a home run for us so that this project could move forward.

And this project doesn't only mean a new library for Washington County, this project means a new library for Barbara Ingram School. This is the School's official library. This project means jobs. They are going to employ 100 people. Our unemployment rate as we speak today is 11.1 percent and among construction workers it's twice what it is in the nation. So this is going to help. Not the mention the State Police Barracks, Governor, and other projects up there. I wanted to thank everybody here for their help, their support, their kindness in getting where we are today.

And my final comment is this. If there's any question at all about Washington County being able to provide the oversight for this project, you should have no concerns. We have an extraordinarily professional engineering department. The head of it is here today, Joe Kroboth. And Governor, I hate to say this, I mean seeing as how I'm so young, his

father and I graduated from high school together. So I've known him a long time.

Thank you very much, and thank you for your kindness.

GOVERNOR O'MALLEY: Okay, thank you, Senator.

(Applause)

GOVERNOR O'MALLEY: Okay, are there any other, Mr. Comptroller?

COMPTROLLER FRANCHOT: Could I just ask, is there someone from St. Mary's County I spoke to earlier? Where is she?

MS. REIF: There is.

COMPTROLLER FRANCHOT: Come on up here, introduce yourself, please.

MS. REIF: Hi, I'm the Library Director for St. Mary's County and I bring you greetings from Delegate Wood, Delegate Bohanan, and Senator Dyson. I'm sure they would love to be here to celebrate this.

St. Mary's County, currently the Leonardtown Library, which is what you have in your package, \$765,000 for the brand new Leonardtown Library. We

are currently, and as much as we love it I think we have gotten more than our use out of it, we are currently in a 1954 National Guard Armory. And while, we just did a customer survey, and one of the customer surveys said, "It has outlived its quaintness."

So we will be building this brand new library a half a mile away, and the County has more than stepped to the plate. They have already pledged over \$1 million towards this project. They purchased the land at a cost of a quarter of a million dollars. And we anticipate construction happening in '13 or '14.

So we thank you. And I can't emphasize enough, Governor, and Comptroller, and Treasurer, how critical this State money is to move a County project like this forward. We never used to get State money for public libraries. And I heard you speak very eloquently about the schools. Public libraries are a key ingredient of the educational infrastructure in a county. In fact, that's the first sentence of our State law. And we serve people from cradle to grave, right before grave.

(Laughter)

MS. REIF: Thank you very much, we don't want to get into that business. But we never used to get that money. And so my County, I know this project, if we had not gotten this \$800,000 from the State, would have stopped. Because we can't come up with all that money. Two of my commissioners, Commissioner Raley and Commissioner Mattingly, have said several times they built the Lexington Park Library in '02, \$7 million total local taxes. And we can't do that. And that is not fair to the constituency.

St. Mary's County, yes I'll brag that I'm here, we have the fifth highest per capita circulation in the entire State, in St. Mary's County. And we know why. People moving into St. Mary's County are with the Navy. They have a college education, they have young families, and they have medium incomes. We must serve those.

So thank you, thank you, thank you.

COMPTROLLER FRANCHOT: Appreciate it. Thank you very much.

GOVERNOR O'MALLEY: Thank you.

COMPTROLLER FRANCHOT: And Governor, I just wanted to salute Senator Munson again. He is, I think, the hardest working advocate for Washington County and Western Maryland that there is in the General Assembly. And we're all lucky to have you.

GOVERNOR O'MALLEY: Okay. So are there any other questions about anything else on the Secretary's Agenda? It's interesting, you know we kind of take for -- go ahead, Mr. Comptroller?

COMPTROLLER FRANCHOT: Yeah, no, I just wanted to underline again that Item 13 is such an important, school, maybe Dr. Lever here --

SECRETARY MCDONALD: Would you like Dr. Lever?

COMPTROLLER FRANCHOT: Yeah, could he just come up --

SECRETARY MCDONALD: Dr. Lever --

COMPTROLLER FRANCHOT: -- here and --

GOVERNOR O'MALLEY: If I could ask Dr. Lever, how many states in the country invest any State dollars in school construction?

DR. LEVER: It is a relative minority of the states. I think --

GOVERNOR O'MALLEY: About seventeen, I think, isn't it?

DR. LEVER: Is it seventeen? I don't know that for sure, thank you.

(Laughter)

DR. LEVER: I'll write that down, sir.

GOVERNOR O'MALLEY: Like up north on the other side of the Mason Dixon Line. I don't believe Pennsylvania invests any state dollars in school construction. That's all something that would have to be done by, you know, property taxes raised by the Cranberry Township School District, or what do they call it? The Mill? Or Millage? So anyway, it's, I think it's, there are many reasons why we have been named two years in a row the best public school system of all fifty states in the United States of America. But I think one of those reasons clearly has to be the value that we place together as a people on these school construction dollars, and our awareness that we can make the best progress when we act together both

at the county level and State sharing these costs. So Mr. Franchot is absolutely right. This is a big deal here, all of these various schools including one in Charles County which I think will be -- is the high school on this list?

DR. LEVER: Yes.

GOVERNOR O'MALLEY: This will be the very first aerospace high school this side of the Mississippi, isn't it?

DR. LEVER: It has an extraordinary science program.

GOVERNOR O'MALLEY: Right.

DR. LEVER: It will have the science display they call Science on a Sphere. It has a, I believe a planetarium and advanced science program, yes.

GOVERNOR O'MALLEY: And I believe that there is a National Space Foundation, or some national group, that has supported the building of one of these high schools in California, I believe. But this is the second one, and therefore the only one this side of the Mississippi. And given what goes on at PAX River, and what's soon to happen at Wallops, and with

Goddard and NASA, and everything else that goes on in our State it's only right and fitting that as strong as our aerospace industry is and the jobs being created there, that we have a high school in Southern Maryland that's dedicated to those pursuits.

So what else do you want to tell us about that?

DR. LEVER: Well first, I'd like to thank you all very much for your support, not only this year but in prior years for public school construction. And you are correct that Maryland really has an extraordinary record of State participation in school construction. But also, when I go to conferences out of state and I talk to colleagues from other states, we also find that the processes that we use here are very thorough and very fair in terms of distributing funds. In many states, it's a first come, first serve basis, and many states don't review design documents, they don't review educational specifications to make sure they're meeting current standards. So there are other respects in which this State is really, I think, exceptional. The program that has been in place now

for close onto forty years really has matured and I think is providing the kind of services for children that it should provide.

Our motion is to request the approval of an additional \$76.2 million in addition to the \$187.5 million that was approved by the Board of Public Works on January 20th. And this funding will complete the amount for a total of \$263 million. \$250 million provided by your recommendation, Governor, and the General Assembly, and the bond authorization, \$13.6 million in reverted funds. Which is a reflection, actually, of the economy. We're seeing exceptionally good construction costs right now. We're able to add more projects, spread the wealth further, and get more done in more communities because of the economy right now. And support more jobs because of that as well.

If you have any specific questions or general questions, I'll be happy to answer them.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. First of all, thank you for what you do. It's kind of a thankless job, because you're balancing all these competing

interests from twenty-four pretty diverse jurisdictions. And it's tough budget times. And I just think you do the job exceptionally well --

DR. LEVER: Thank you.

COMPTROLLER FRANCHOT: -- and I appreciate it, personally. I did want to just get back to this issue of maintenance, because you earlier this year briefed us with your maintenance survey report. And I expressed some concern that out of 145 inspections there were only nine that got a superior, or the top rating. And the number that got the acceptable rating had dropped, I think, from previous years. And I just wanted to, you know, indicate that that's something that I think should be on our radar screen.

Obviously, the economic downturn is probably responsible for some of this, if it's cutting corners on maintenance, whatever it is, that resulted in this. But you know, there are lots of things that we can do as a community to keep the maintenance up. It might just be cleaning carpets, or power washing, or putting paint on. But I do want to make sure that you hold everyone's feet to the fire on this. And I wondered

if you have another survey planned, what would be the timing of that? And, you know, what can we do to kind of reinforce the importance of maintenance, I guess?

DR. LEVER: Well, we do survey every year. And this coming fiscal year we will be surveying 230 schools which was our original goal that we established in 2006 when we took over the maintenance inspection program. So we are very active every year. We generally are surveying a new set of schools every year. We're trying to get onto a six-year cycle --

COMPTROLLER FRANCHOT: Mm-hmm.

DR. LEVER: -- catching up from prior years so that every school in the State will be surveyed no more than every six years, which is a very reasonable time. We think that the program, because we are surveying more schools per year, is becoming a more visible program because of the annual report that we submit to the Board of Public Works in the Fall. The Maintenance Survey Awards Ceremony, which is given in the Fall, is actually a very public situation that the superintendents, the maintenance director, are very

anxious to be on that list and to come down here in that, for that ceremony in December.

GOVERNOR O'MALLEY: Good.

DR. LEVER: So there's a prestige aspect which is a very powerful motivator we think.

GOVERNOR O'MALLEY: Eighty percent, a very smart man once said to me that 80 percent of people will either lean towards slackers or lean towards the leaders, depending on whether or not the leaders are recognized by the top of the organization. And this is one of those examples of that.

DR. LEVER: I think it's a very clear example. You are absolutely correct, though, that the maintenance budget, this is a rule of thumb that runs for all school systems across the country. The maintenance budget is probably the most vulnerable aspect of the entire --

GOVERNOR O'MALLEY: Yep.

DR. LEVER: -- school budget. Because with so much emphasis on student achievement, with the No Child Left Behind requirements, the emphasis is invariably towards, as it should be, towards

instruction. But what that means is that in tough times like these the only pot of money that's available is the maintenance budget. When you have an exceptionally heavy winter, as we had this year, that budget gets used up for purposes such as plowing snow, and doing repairs that were not so anticipated, it leaves that much less money available for routine maintenance. And the only thing that I think we can do is continue the emphasis. I think that the attention that the Board of Public Works gives to this issue as we speak about it, is an extraordinarily important factor in orienting the school systems to understand that top leadership in the State cares about this issue and takes it very seriously.

COMPTROLLER FRANCHOT: And I'm not wedded to any initiative, particularly. But you might think about establishing in addition to the recognition some financial incentives that, where your survey and your review of these jurisdictions might require a certain percentage of good maintenance findings in order to get new school construction money. I'm not saying black and white, but I'm saying something that would

be a financial nudge in the right direction. Just so that we know that when schools, when jurisdictions get new schools they are going to take care of them. And so if you could think about that, that would be, and get back to us I'd be interested in your thoughts on that. And then I'm also interested in how to stimulate the private sector to partner with us in additional maintenance efforts, be it volunteer efforts from parents, and but also business leaders and nonprofit organizations, I think, can be stimulated to keep these schools fresh and modern as the years go by.

DR. LEVER: There is already a good deal of effort. But it's on a community basis, of reaching out to the community, through the PTAs and PTSOs, to bring in partners and to bring in volunteer work. But it's a very decentralized process.

COMPTROLLER FRANCHOT: Maybe we could think of some recognition, that the Governor mentioned is so helpful in moving efforts forward, some kind of recognition for the private sector that would be constructive. Thank you. Thank you, Governor.

DR. LEVER: Could I also just say I'd like to thank Secretary Collins and Secretary Jenkins for the support they have given to our program. Secretary Collins as the member of the IAC who is here today, and Secretary Jenkins for the relationship that we have with the Governor's Office of Minority Affairs which has led to a steady increase in minority business participation. If you look at fiscal year '08, '09, and '10 to date, we're seeing a very definite trend in that direction.

GOVERNOR O'MALLEY: Great. And that's a big success, and thank you for that. We've increased, with this approval today, I believe we will have increased, over a four-year period of time we've invested now \$1.29 billion in school construction throughout our State in the toughest of times. And that's the comparison to the prior four years in somewhat easier economic times. But we've actually made tremendous progress here as a people, and Mr. Lever, thank you, and really the citizens of Maryland for keeping our children's future at the highest priority. And as this chart demonstrates an even

higher priority in tough times than in times that were somewhat easier. What does that work out percentage-wise? Who's got a math brain?

MR. HICKEY: Fifty-eight.

GOVERNOR O'MALLEY: What is it?

MR. HICKEY: Fifty-eight.

GOVERNOR O'MALLEY: Fifty-eight percent increase? Was that Tom Hickey or was that Colonel --

SECRETARY MCDONALD: It was Thomas Patrick Hickey.

GOVERNOR O'MALLEY: It was Tom? That's good. (Laughter)

GOVERNOR O'MALLEY: So we've increased fifty-eight, we've increased school construction by 58 percent over the prior four years? That's great.

SECRETARY MCDONALD: See, he's a product of Maryland public schools.

GOVERNOR O'MALLEY: That's right.

(Laughter)

GOVERNOR O'MALLEY: That's great. Okay, any other questions on this matter?

TREASURER KOPP: Governor, either you or David mentioned the task force of several years ago. And I just wanted to say, even when that task force measured the --

GOVERNOR O'MALLEY: That would be the Kopp Commission?

TREASURER KOPP: That's what --

GOVERNOR O'MALLEY: That task force, the Kopp Commission?

TREASURER KOPP: The task force --

GOVERNOR O'MALLEY: The voice you hear is that of Nancy Kopp.

TREASURER KOPP: -- and set out a goal, there were many people who were very skeptical whether that goal could be met. And I really do, do commend you. We're partway there and a long way to go, but we really have made tremendous progress. I just got back from a meeting of the National Association of State Treasurers talking about debt issuance, and what states go into debt for. And I agree, Governor, that it was a surprise to many of these other states that Maryland as a State was so heavily invested in local

schools. And I think the answer is because we see them as both local and State schools, that we are one community. I mean, we don't have over a hundred different schools districts each with two or three schools, each out there on their own. And in the capital area, this is, this is the evidence of that, I think, just as in the operating area our Statewide initiatives in education and the teachers quota. So I thank you. I sometimes bang on you a little, but I really do appreciate, David, everything you are doing.

DR. LEVER: Thank you for those words.

Thank you. If there are no other questions?

COMPTROLLER FRANCHOT: No.

TREASURER KOPP: No, but next time when it gets a little better, I think sort of to complement what the Comptroller was saying, with the carrot, that we should still consider some sort of set aside fund for plant renewal and renovation, just as the University does, or at least used to. I don't know the status of it. Any good corporation, I think, when it's building a capital plant will set aside and build some sort of a sinking fund to maintain that plant.

And yes, it is the first thing to go unless there are some constraints around it to make it a little more difficult simply to move things out. It's like the roof needing repair when the sun is shining. You have to put the money aside, I believe for the maintenance of the program. And commendation is great, citation is great, support is great, but sometimes you need both a carrot and a stick.

DR. LEVER: Very good.

GOVERNOR O'MALLEY: All right. Treasurer Nancy Kopp moves approval of the Secretary's Agenda items --

COMPTROLLER FRANCHOT: Could I just --

GOVERNOR O'MALLEY: I'm sorry, the Comptroller?

COMPTROLLER FRANCHOT: I'm sorry, I just had one item, Item 20, I don't have a question on, I just wanted to underline the fact that we're giving money to Morgan State to renovate the Lillie Carroll Jackson Museum. And this is in honor of Dr. Lillie Carroll Jackson, a native of Baltimore, a head of the Baltimore branch of the NAACP for thirty-five years

and was a legendary figure and mentor to people such as Thurgood Marshall and others. Her challenge to everybody was, "God helps those who help themselves." And that's a pretty good challenge.

But she passed away in 1975 and her home is a civil rights museum. And my predecessor, Governor Schaefer, was particularly concerned that the renovations were never made on this museum that were appropriate. And I just wanted to salute Governor Schaefer and tell him that we are now moving forward on his project to, that he was so interested in, and so appropriately interested in. And I appreciate the fact that this money is going to be used to renovate this important museum, which is the first privately owned museum in Baltimore to be named in the honor of an African American woman, Dr. Jackson.

And I don't know whether Governor Schaefer is listening to this, but --

GOVERNOR O'MALLEY: Is he one of the eight?

COMPTROLLER FRANCHOT: -- if you are, we're now finishing something that you expressed a lot of interest in. Thank you, Governor.

GOVERNOR O'MALLEY: Thank you for bringing our attention to that. Is this, is there anybody here on that item? Item 20?

SECRETARY MCDONALD: Oh, Mr. Wortherly is here --

GOVERNOR O'MALLEY: Come on up.

SECRETARY MCDONALD: -- oh and Ms. McCalla who is here from Morgan State. They are actually handling the construction. So maybe she can give us an update on how quickly it's going to go.

MS. MCCALLA: Good morning.

GOVERNOR O'MALLEY: Good morning.

MS. MCCALLA: Thank you very much for the recognition of this museum. We are very excited about it. And furthermore, the award winning contractor is also a minority contractor so we have a prime contractor as a minority and he will be subbing out, again, 30 percent as required by the University. So we're very excited about this project, too.

GOVERNOR O'MALLEY: Is this located on Druid Hill?

MS. MCCALLA: It's located in Bolton Hill.
I don't know the exact street address.

SECRETARY MCDONALD: It's on Eutaw Place.
It's 1320 Eutaw, where the median runs down the middle
and the Christopher Columbus statue is. One of the
big old Eutaw Place houses.

GOVERNOR O'MALLEY: Okay, right. Right. I
was thinking the house was over near Bethel AME, but
this is on Eutaw?

SECRETARY MCDONALD: It's the Masonic Temple
that's at the edge of Bolton Hill. I think it's
across from there.

MS. MCCALLA: It's not far from the State
buildings over on --

GOVERNOR O'MALLEY: Right.

SECRETARY MCDONALD: Right. It's just a
block up. Because 1101 Eutaw is Labor, Licensing, and
Regulation --

GOVERNOR O'MALLEY: Okay.

SECRETARY MCDONALD: -- and this is 1320
Eutaw.

GOVERNOR O'MALLEY: Okay, got you. All righty. Okay.

MS. MCCALLA: Thank you again.

GOVERNOR O'MALLEY: Thank you.

TREASURER KOPP: Governor, Item 25?

GOVERNOR O'MALLEY: Item 25.

TREASURER KOPP: We had some questions about. This is the energy performance contract at Jessup. And the question was, as you know we invest, usually through a lease, in energy performance improvements and the lease is paid off through savings in energy. And the question has arisen, I gather, whether it is unusual to include maintenance savings as well as just pure energy cost savings, and what the legal support for doing that is? And what the precedent for doing that is?

MR. ROBINSON: Good morning, Governor O'Malley, Comptroller Franchot, and Treasurer Kopp. My name is Turhan Robinson from the Office of the Attorney General, Deputy Counsel of the Department of General Services, which was in fact the agency responsible for issuing the initial indefinite

delivery contracts for energy efficiency. In those contracts, that indefinite delivery contract that was awarded in 2006 and all subsequent contracts that have been awarded to about five vendors over the last four or five, last five or six years, we have included maintenance savings as a cost element within the contract. And the Office of the Attorney General has approved each one of those contracts.

We looked at maintenance savings as being one of the cost elements that in fact help looking at how in fact is a, a contractor going to give the State effective energy savings. I understand that you have a question, and unfortunately we haven't had time to look at the question from a legal --

TREASURER KOPP: Is this the question that Ms. Konrad asked May 5th?

MR. ROBINSON: Yes, but we just became apprised of the question at the Attorney General's Office. And what I'm going to do is make sure in fact we can get back to you with a legal analysis of maintenance savings as it relates to actual energy savings.

TREASURER KOPP: Thank you. Well, if you could work with the Attorney General's Office? As you know, our Attorney General has raised an issue.

MR. ROBINSON: Yes.

TREASURER KOPP: And Ms. Konrad asked a question almost two weeks ago.

MR. ROBINSON: Well, Steve Vanderbosch will be part, in fact, of the attorneys that I want to get together to look at actual energy savings to see what should be the definition and how it should to applied to all our future contracts.

TREASURER KOPP: All right. Let me just say as a personal, I'm not an attorney, to me including maintenance savings makes a lot of sense. But that's just my personal opinion. Thank you.

MR. ROBINSON: Thank you.

MR. BEZANSON: I'm David Bezanson, Assistant Secretary for Public Safety, and the energy performance contract will save the State significant energy dollars in the Jessup region, \$1.7 million in the first year.

TREASURER KOPP: My reading, and correct me if I'm wrong because I might well be, is that the energy savings itself, aside from this question of maintenance, will equal the cost over time. Is that right or wrong?

MR. JABAJI: Yes. I think it's -- I'm Hatim Jabaji. The loan or guaranteed savings and the payment of the loan are almost equal. So all the payments to the loan are coming from the energy savings.

TREASURER KOPP: Aside from the maintenance savings?

MR. JABAJI: Aside from the maintenance savings. And if I might just add one more thing about the maintenance, is that when an old deteriorating boiler that is being maintained, and this project comes in and we replace it with a new boiler. And not only are there energy savings but the maintenance of the new boiler is carried by the contractor whereby there will not be an old maintenance contract with the, an old, repair, or parts, or so forth. So these are, we account for --

TREASURER KOPP: Thank you. Makes sense.

MR. JABAJI: We have always done that.

TREASURER KOPP: Thank you.

MR. BEZANSON: Thank you.

GOVERNOR O'MALLEY: Thank you. Okay, any other questions? You should see what else he has prepared for the rest of the Agenda.

(Laughter)

GOVERNOR O'MALLEY: All right. The Treasurer, Nancy Kopp moves the approval of the Secretary's Agenda, seconded by Comptroller Franchot. 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 fact that there are no items on the Program Open Space Agenda, right? It doesn't mean we don't love Open Space.

SECRETARY MCDONALD: Governor --

MS. LATHBURY: We love Open Space.

GOVERNOR O'MALLEY: We've preserved five and a half times as much Open Space in these four years as we did in the prior four years.

SECRETARY MCDONALD: He wants Transportation. They want Transportation to go next.

GOVERNOR O'MALLEY: Okay. We are going to move the Agenda around and we are going to go to the Department of Transportation Agenda items next.

SECRETARY MCDONALD: Thank you.

MR. BARTLETT: Good morning, Governor, Comptroller, Madam Treasurer.

GOVERNOR O'MALLEY: Pull that microphone closer to you.

MR. BARTLETT: Beverley Swaim-Staley, unfortunately, is at a funeral this morning, Governor, for a Department of Transportation employee. And for the record, I am Harold Bartlett, Deputy Secretary. And MDOT is presenting eleven items today. And I would also like to share with you all that yesterday I was at a small business event in Prince George's County and Congresswoman Edwards was extremely praiseworthy of the State's minority business

enterprise program, particularly the percentage of participation we have with ARRA-funded projects. So she wanted me to share that with you today.

GOVERNOR O'MALLEY: Great.

COMPTROLLER FRANCHOT: Excellent.

GOVERNOR O'MALLEY: We're going to be the first, for the first time this year we should hit 25 percent, for the first time in the history of the program we'll actually hit our goal.

MR. BARTLETT: Yes, sir.

GOVERNOR O'MALLEY: And thank you for the big way that the Department of Transportation has contributed to that progress.

MR. BARTLETT: Yes, sir.

TREASURER KOPP: And Secretary Jenkins.

GOVERNOR O'MALLEY: And Secretary Jenkins, who I believe was named one of the 100 most influential people in all of Maryland by the Daily Record.

TREASURER KOPP: I think that's right.

GOVERNOR O'MALLEY: Don't tell the Obama administration, right? Okay, any questions on the

Department of Transportation Agenda items? The
Comptroller has none? Treasurer, 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.

MR. BARTLETT: Thank you, sir.

GOVERNOR O'MALLEY: Thank you. You should
come every week.

(Laughter)

GOVERNOR O'MALLEY: All right, we now move
on, back to the Department of Budget and Management,
led so ably by T. Eloise Foster. Who I do believe was
recently named one of the 100 most influential women
in Maryland, weren't you? Along with, there was
another strong O'Malley/Brown administration woman,
who was it?

MS. FOSTER: Brenda Donald.

GOVERNOR O'MALLEY: Brenda Donald, Secretary
of Human Resources. So what do we have?

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

GOVERNOR O'MALLEY: Any questions, Department of Budget and Management? Okay. Are you okay, Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes.

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

THE BOARD: Aye.

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

(No response.)

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

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

GOVERNOR O'MALLEY: Any questions,
University System of Maryland?

TREASURER KOPP: Only a request on 5-S, the
parking garage?

MR. EVANS: Yes, ma'am?

TREASURER KOPP: It seems to be going very
smoothly, the operations there. If you can thank --

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

MR. SCHLANGER: Good morning, Governor,
Madam Treasurer, and Mr. Comptroller. Elliot
Schlanger, Department of Information Technology. This
morning we have five items on the Agenda. And I'm
prepared to answer any questions at this time.

GOVERNOR O'MALLEY: I have none. Anybody
have any?

TREASURER KOPP: Mm-mmm.

GOVERNOR O'MALLEY: 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 now to the Department of General Services.

MR. COLLINS: Good morning, Governor, Madam Treasurer, Mr. Comptroller. The Department of General Services has twenty-seven items on our Agenda today, including two supplementals. After working with the staff we are withdrawing five items. Item 3-M, Item 6-GMC only, 7-GM, 26-E, and 27-E. And I'd be glad to answer any questions you have at this time.

GOVERNOR O'MALLEY: Can I ask you about Item 9?

MR. COLLINS: Item 9? Yes, sir. That is a property item for the Department of Natural Resources, the Merriken Property. I will ask Meredith to talk about that issue from DNR's perspective.

MS. LATHBURY: Sure. Good morning, Meredith Lathbury with the Department of Natural Resources, for the record. The Merriken Property is seventy-eight acres that's going to expand Idyllwild Wildlife Management Area, located in Caroline County. It's a very popular spot for mountain biking, hiking, and hunting as well. It's located in a targeted ecological area. It's also along the Marshyhope-Nanticoke Focus Area. It also is right between the Agricultural Security Corridor Rural Legacy Area as well as the Nanticoke Rural Legacy Area. It received a very strong score under the POS targeting system. I'll be happy to answer any questions you have about this item.

GOVERNOR O'MALLEY: Is it forest now, or farm, or what?

MS. LATHBURY: It's forested.

GOVERNOR O'MALLEY: It's currently forested?

MS. LATHBURY: Currently forested.

GOVERNOR O'MALLEY: Good. Okay. And this is in what county? Caroline County. I'm trying to find the map here. There it is.

MS. LATHBURY: If you look at the map you can see that it's part of a fairly large complex of protected land. There's probably about 30,000 acres -
-

GOVERNOR O'MALLEY: Uh-huh.

MS. LATHBURY: -- surrounding it.

GOVERNOR O'MALLEY: Nanticoke got a little cleaner in this year's Chesapeake Bay Report Card. One would like to hope that has something to do not only with rainfall but also with the things we're doing on land, preserving it, and the best management practices that farmers are increasingly engaging in in that watershed. How many acres is this?

MS. LATHBURY: This particular acquisition is --

MR. COLLINS: Almost, no 78.8 acres.

GOVERNOR O'MALLEY: Seventy-eight?

MR. COLLINS: Yes, sir.

GOVERNOR O'MALLEY: And it received a score of?

MS. LATHBURY: 109.

GOVERNOR O'MALLEY: Out of a possible 100?

(Laughter)

MS. LATHBURY: Yes.

GOVERNOR O'MALLEY: So it got extra credit for being already wooded?

MS. LATHBURY: The highest score we've seen is approximately 144, so it's a very strong score in the ecological targeting system.

GOVERNOR O'MALLEY: Great. Okay. Any other questions, DGS? All right. 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. Thank you all very much. This concludes our meeting of the Board of Public Works.

SECRETARY MCDONALD: Thank you.

GOVERNOR O'MALLEY: Thank you for listening at home.

(Whereupon, at 11:08 a.m., the meeting was concluded.)