

September 1, 2010

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

September 1, 2010

10:18 a.m.

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

P R E S E N T

GOVERNOR MARTIN O'MALLEY, Presiding;

HONORABLE PETER FRANCHOT, Comptroller;

HONORABLE NANCY KOPP, Treasurer;

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

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

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

BEVERLEY SWAIM-STALEY, Secretary,
Department of Transportation;

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

JOHN PETTY, Assistant Secretary, MBE
Compliance, 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>
Naming of Frank Oslislo Visitors Center at Merkle Wildlife Sanctuary	SEC Item 10, p. 15	Sheila McDonald John Griffin Speaker Mike Busch Nancy Oslislo	15
Rural Legacy Program Grants	POS Item 11A, p. 11A	Sheila McDonald John Griffin Meredith Lathbury Ned Halle Richard Hall	22
Charlotte Hall Veterans Home Management Contract	DBM Item 1-S, p. 1B	Withdrawn	45
Digital Photographic Services lined to Computer Aided Design Drawings for New Physical Sciences Complex	USM Item 2-S, p. 4C	Joe Evans	54
DoIT Agenda	DoIT	Elliot Schlanger	62
Energy Efficiency Program at MAA	DOT Item 1-C, p. 1	Beverley Swaim-Staley Al Collins	66
Snow Melter Operations at BWI Marshall Airport	DOT Item 7-M, p. 14	Beverley Swaim-Staley	67

September 1, 2010

4

<u>Subject</u>	<u>Agenda</u>	<u>Witness</u>	<u>Page</u>
Tenant Lease for Maryland State Lottery Agency at Montgomery Park	DGS Item 19-LT-MOD, p. 51	Al Collins Michael Gaines	70
Tenant Lease for Maryland Department of the Environment at Montgomery Park	DGS Item 20-LT-MOD, p. 53	Al Collins Michael Gaines	70

P R O C E E D I N G S

GOVERNOR O'MALLEY: Good morning everyone, and welcome to the Board of Public Works. Today is September 1, 2010 in the great State of Maryland. And we are glad you all are here. We have an Agenda that we believe we can move through in a pretty expeditious manner. We have a tribute at the beginning of the Secretary's Agenda, which we will get to right off the bat. But before we do I'd like to ask the Treasurer and the Comptroller if they have some opening comments?

TREASURER KOPP: I will say only briefly that we did have the opportunity to meet the new incoming President of the University of Maryland College Park --

GOVERNOR O'MALLEY: I met him, too.

TREASURER KOPP: -- last week, Dr. Loh. And we certainly all welcome him, thank his predecessor, Dr. Mote, the present President, for the great progress that College Park has made in the last twelve years under his leadership, and look forward very much

to Dr. Loh and Mrs. Loh coming to College Park very soon.

And then I had the opportunity to go up to Baltimore and have lunch with Dr. Perman, the new President of the University of Maryland at Baltimore and a great new change. Thanks to his predecessor, but very exciting for the University as we look ahead. So for higher education this last month has been tremendously exciting and really gives you a sense to appreciate the importance of higher education in not only the social life but the economy of our State as we look forward.

GOVERNOR O'MALLEY: I walked the campus of College Park on move in day with Dr. Loh.

TREASURER KOPP: Yes.

GOVERNOR O'MALLEY: And there must have been twenty students that came up and said, you know, of course blew right by me and went to Dr. Loh and said, "Your speech yesterday was great." So --

(Laughter)

TREASURER KOPP: Yeah, he is a great speaker and a great story.

GOVERNOR O'MALLEY: I've asked him to send me the text of that orientation speech. The kids really thought it was off the hook good.

TREASURER KOPP: And I will say the campus has never looked better.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. I haven't met Dr. Loh, but I'm looking forward to it. He's described in the newspaper as a youthful sixty-five. And anyone who's over sixty knows that that's a great phrase, a great adjective to have associated with your age.

But I want to just recognize, Governor you mentioned it's now September, that most of the kids have returned to school either last week or certainly this, probably even the week before. And it's great that they're going back to the nation's best school system, and that they're going to be learning from the most talented group of administrators and teachers of any state in the country.

I will say that my office released the final close out numbers for fiscal year 2010 this morning.

And the good news is that we managed to outperform the catastrophic revenue projections, frankly, that we have been living under by almost \$184 million. Which coupled with our previous fund balance and other transfers has generated a total fund balance of \$344 million.

GOVERNOR O'MALLEY: That's great.

COMPTROLLER FRANCHOT: That is a, yeah, not just great, it's a great sense of relief to us because, and Governor I'm sure to you, because the figures have been truly devastating.

I do want to keep them in context, however. Because despite the fact that we have a fund balance that you'll read about in the papers, we finished fiscal year 2010 with negative revenue growth of 3.7 percent. That's the third worst performance in more than forty years. Just to put that in perspective, we're suggesting that we'll have 3.6 percent growth in the year that we're in right now. That's a positive, but it's still very weak. And just think about the impact on the revenues of going down 3.7 percent.

Anyone who thinks that we can just kind of grow out of this is mistaken and they should, you know, stop crossing their fingers and hoping. We would have to grow at a rate of 14 percent State revenues for the next four straight years in order to get back to where we were before all of this recession happened.

The economy remains weak and exceedingly volatile. It's a national phenomena. Some would hope, I guess, that we would be well into the recovery. Nationally we aren't. Housing and job markets have not stabilized. People who say that consumers and investors are regaining their old sense of confidence and that we're going to get back into the growth phase, we simply have to face reality. Existing home sales in July collapsed, nationally down 27 percent, lowest level in over fifteen years. New home sales nationally fell in July 12.5 percent to the lowest level ever recorded in history. We face at the national level historic job losses. Just a couple of weeks ago 500,000 Americans filed for unemployment benefits, highest weekly total in nine months.

Maryland is better off than other states. Our unemployment rate is 7 percent versus 9.5 percent for the country. But all of these unemployment figures are, as we know, grossly understated. They don't include many who have dropped out of the job market, are unemployed, or underemployed because of, or frankly are terrified of losing the job they have. And when the happens, when people don't feel financially secure, they don't spend. It affects everything from homebuilders and realtors, business owners, and retailers.

We're dependent on the health of the job and the housing markets and neither has proven capable of recovering without aid from the federal government. In fact, artificial aid. The national recovery that everyone had hoped for is losing momentum by the minute. There are now credible economists raising plausible concerns about a double dip recession.

In order to survive this new age of austerity that all of us find ourselves in, our businesses and our families are tightening their belts. They are eliminating wasteful spending. They

are finding new and innovative ways to do more with less. And I believe that all of us who serve within State government must be ready to follow their lead. It's in that spirit, I think, that the Governor made some incredibly difficult decisions in recent years, including bringing more than \$1 billion worth of service cuts to this Board over the past three years.

So it's with realization of the challenges and risks ahead that all of us, including this Board, the General Assembly, and our partners in federal and local governments, have to work and recommit ourselves to the concept of fiscal responsibility and fiscal discipline in these very vulnerable times. Thank you, Governor.

GOVERNOR O'MALLEY: Mr. Comptroller, thank you. And to see the revenues exceed forecast is certainly a great first step. And I just wanted to add to your observations that we have now had in Maryland five months in a row of positive job growth. That is the first time we have had five months in a row of positive job growth since, in four years. Secondly, our new unemployment claims were down 14

percent from July to June. And if you look at July compared to January, new unemployment claims are down 25 percent. Our rate of new job growth over these last five months is three times the national rate of job growth, and it is two times what our neighbors in the Commonwealth of Virginia have been able to do.

And later today I think all of us are going to cut a ribbon on Science City, part of the Wishbone Offense, Baltimore and Washington suburbs, on our biotech and life science industries, which has moved up as it continues to create jobs through this recession from fourth place ranking to second place ranking in the Milken Institute. So we had, our tech sector created more jobs last year than any tech sector in the country. And Forbes Magazine predicts that three states' economies will grow this year. One being North Dakota, the other being Virginia, and the other being Maryland.

So it's a time for Maryland to step up, and to be a leader, and to move into recovery. And hopefully the good work of your office, Mr. Comptroller, and this close out from last year; the

good work of the Treasurer's Office, and using that AAA Bond Rating to its maximum effect for greater fiscal responsibility; and the \$5.6 billion in cuts we've made so far; and the cutting and the tough choices that we've shown ourselves capable of, will equip us well as we hope to emerge out of this storm and into the future.

Speaking of storms we are watching very closely Hurricane Earl. It's hard to use these weather metaphors for the economy anymore, isn't it? Because you don't know where you're beginning with an economic metaphor and leaving off with a PEPCO outage.

(Laughter)

GOVERNOR O'MALLEY: But we are watching Hurricane Earl. It is tracking about 150 to 200 miles off our coast. There will probably be a fair amount of beach damage and erosion. Travelers and vacationers should keep an eye on this and avoid, if at all possible, traveling during the height of this weather event when emergency services will no doubt be strapped with some low lying flooding and other things. So this should be coming in, say early Friday

morning, 1:00 a.m.-ish, I think, is when it's scheduled to roll in. We're rooting for a front that's coming across the United States and hoping that it gets here a little bit in advance of Earl, and pushes it further out to sea. The good news is that most all the forecasters say once it's gone it's going to be a beautiful sunny weekend in Ocean City. Though you might want to stay out of the surf because it will be a very, very rough surf. But it will, once it passes, as often happens in the aftermath of a hurricane, it will be sunny skies and beautiful weather down there for the balance of the weekend.

Now we have a tribute to Frank Oslislo, who was a great man who ran our Open Space program. And is that on the Secretary's Agenda?

SECRETARY MCDONALD: That's correct. It is Item 10 on the Secretary's Agenda. Secretary Griffin from the Department of Natural Resources is here. I'll quickly say that we have fifteen in items on the Secretary's Agenda. We have seven reports of

emergency procurements. But again, Item 10 is the noteworthy, remarkable item today.

GOVERNOR O'MALLEY: And I believe Frank's family is here as well?

MR. GRIFFIN: Yes, Governor, they are. Good morning, Board members. John Griffin, Department of Natural Resources.

TREASURER KOPP: And the Speaker of the House --

GOVERNOR O'MALLEY: I'm sorry, Speaker of the House, Mike Busch.

MR. GRIFFIN: Right.

(Laughter)

SPEAKER BUSCH: Okay, Assistant Secretary today.

GOVERNOR O'MALLEY: Where were you sitting, Mike? Why didn't I see that? Okay.

MR. GRIFFIN: In any case, the Speaker and I are here to introduce this item to the Board today, Item 20 on the Secretary's Agenda, the naming of the Merkle, the Visitors Center of Merkle Wildlife Sanctuary, which is if you have been there a beautiful

spot way down in Southern Prince George's County near Croom on the Patuxent River.

It's really hard to believe that Frank left us a little less than two years ago. But I'm sure he's looking down with a big smile on his face today, going to the gym in heaven to play basketball.

(Laughter)

MR. GRIFFIN: As this item describes, and it is no secret to the Board, Frank was a constant presence here for years, giving you good information and good advice. And --

TREASURER KOPP: And at bill signings.

MR. GRIFFIN: Pardon me?

TREASURER KOPP: And at bill signings.

MR. GRIFFIN: And at bill signings, correct.

TREASURER KOPP: Wonderful voice.

MR. GRIFFIN: Right. Frank was a man for all seasons. And during his thirty-year career, as the Board item mentions, you might say why Merkle? He headed a unit which oversaw some of our unique properties, this was one of them. As you may know, Merkle is named after Edgar Merkle, who was the

founder of Merkle Press in Washington, D.C. A great conservationist. He wanted to see migratory Canada geese on the Western Shore. In 1932 arranged to have a breeding pair on property down there, which is now the sanctuary. And over the years that's become a haven for migratory geese from Canada totaling anywhere between 4,000 and 5,000 geese a year during the winter months. So before introducing Frank's lovely wife Nancy I wanted to turn the microphone over to my Assistant Secretary Mike Busch.

(Laughter)

SPEAKER BUSCH: I just hope you approve all the projects for Anne Arundel County that your Assistant Secretary --

(Laughter)

SPEAKER BUSCH: Governor, Mr. Comptroller, and Madam Treasurer, I'm here basically as a point of personal privilege to talk a little bit about Frank who was a great friend to all of us. He was a friend to me long before I was in elected office. As a matter of fact when I first came here I used to play basketball down at the Naval Academy with him every

lunchtime and I thought he was an officer with the United States Naval Academy when I first met him. And then came to know him as obviously one of the outstanding members of the Department of Natural Resources and Land Preservation. I had the great opportunity to watch him as a dad, and he was a great dad, a great father. I watched both of his children grown up and be outstanding athletes and students and come back to the area. And I had a lifelong friendship with Frank.

And I can honestly say that in my time in public office it's hard to remember anyone that was more loved and respected than Frank by everybody. You could not find anyone ever to say a bad word about Frank Oslislo. And we were all better for having him come through our lives.

So it's a pleasure for me to be here, and his wife Nancy, and family. And I just want to thank you for what you're doing. And I know somewhere down there, as I look at the picture of Frank, in the back of Merkle there's got to be a basketball hoop hidden away somewhere --

(Laughter)

SPEAKER BUSCH: So thank you very much.

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

MR. GRIFFIN: Governor, I'm honored to introduce to you and the Comptroller and the Treasurer Nancy Oslislo. Nancy?

(Laughter)

MRS. OSLISLO: Good morning, everyone. I would first like to take the opportunity of introducing my beautiful children. Our daughter Caree, her beautiful husband David, my beautiful daughter-in-law Jennifer, and my wonderful, beautiful son Scott. And you'll have to, I'll just apologize, this is very hard for me. So, being the emotional member of the family.

I know this initiative was championed by many wonderful Department of Natural Resources people, especially John Griffin, Emily Wilson, Meredith Lathbury, who are here in person today, and to the number of people who are not, but I do extend my sincerest thanks. And I know this has also been supported by the Board of Public Works, Governor

Martin O'Malley, Comptroller Peter Franchot, and of course Treasurer Nancy Kopp. And I cannot forget our lifelong friend, House Speaker, Assistant Secretary Mike Busch.

(Laughter)

MRS. OS LISLO: Our family is so deeply touched by this extraordinary tribute. I just can't thank you personally enough, and extend our heartfelt thanks and gratitude to each and every one of you. I can't think of a more appropriate acknowledgment of Frank's work. He truly loved his job, and most importantly admired and loved so many of you people that he was so honored to work beside.

The Merkle Wildlife Sanctuary Center will be a constant reminder to all of us of the impact that he had on so many of our lives. And we miss him truly but know he is smiling down and very proud of you and us. And thank you again.

(Applause)

GOVERNOR O'MALLEY: Why don't we, could the family come up? We'll push back our chairs. And if you all could come up here John has the --

MR. GRIFFIN: The mock up.

GOVERNOR O'MALLEY: -- the mock up of the sign that will rightfully be designating --

MR. GRIFFIN: The Merkle Wildlife Sanctuary.

GOVERNOR O'MALLEY: Mr. Speaker? Thanks so much for being here. Okay, thank you, guys.

(Applause)

GOVERNOR O'MALLEY: Good seeing you. John, Speaker, thank you.

SPEAKER BUSCH: Thank you, Governor.

SECRETARY MCDONALD: Governor, could I have one second for Mrs. Oslislo? We don't have much at the Board of Public Works. But one thing we do like is our handy signs that identify people. They mean so much. And Frank, obviously, sat here for a long time. So we just wanted to let you know that the Board of Public Works Office cares about Frank --

(Applause)

GOVERNOR O'MALLEY: Truly one of the great public servants that Maryland has ever had.

Okay, any other matters on the Secretary's Agenda? No? 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?

(No response.)

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

MS. LATHBURY: Good morning Governor, Treasurer, Comptroller, Meredith Lathbury for the Department of Natural Resources. We have eleven items on the Program Open Space Agenda this morning. There are ten Local Program Open Space projects, and I'll bring your attention to the last Item 11A, which is the fiscal 2011 Rural Legacy Grant awards. And we have a short video about that program.

GOVERNOR O'MALLEY: Tell me again what this program is?

MS. LATHBURY: This is the Rural Legacy program, which was started twelve years ago.

GOVERNOR O'MALLEY: Oh, I'm sorry. I didn't even -- tell all of us, then, what Rural Legacy does.

MS. LATHBURY: Sure. Why don't we go ahead and --

GOVERNOR O'MALLEY: Oh, that's what the video does?

MS. LATHBURY: Yeah.

(Video)

MR. GRIFFIN: Thank you, Board members. As you know, in the past we normally go out to one of the proposed areas and have an event. But we thought we'd bring it to you this time in the interest of everyone's busy schedules. I did want to recognize Josh Davidsburg in our Communications Office who filmed this. And I also want to recognize, if I can, two gentlemen here with me today. Ned Halle is the Chair of our Rural Legacy Advisory Board. And of course, Secretary Rich Hall. The way this works, as you know, the Bottoms Up program. Local governments, land trusts, nominate areas that meet certain criteria. They are reviewed by Ned's Advisory Board, passed onto the Board consisting of myself, Secretary Hall, and Secretary Hance, who could not be here this morning. And I would just point out since Ned has

been the chair the board has not made any changes in their recommendations. And --

GOVERNOR O'MALLEY: That's a reflection of Mr. Halle's wisdom and judgment, no doubt.

MR. GRIFFIN: No doubt. We have here today, if you wouldn't mind if I took a moment just to recognize folks in the audience representing areas if you approve this item?

First of all, Elizabeth Zucker and Bill Crouch representing Nanticoke Rural Legacy Area. Why don't you all sort of stand if you're not already standing? Bill Amos, Harford County; Tim Blazer, Frederick County; Cody Shaw, Washington County; Rick Anthony, Anne Arundel County; Sandra Edwards, Eastern Shore Land Conservancy; Katherine Munson, Worcester County; Bill Kilby, Cecil Land Trust; Donna Smith, Queen Anne's County; Charles Rice, Charles County; Phil Hager, Allegany County; and Deborah Bowers from the Manor Conservancy which is a Rural Legacy area splitting part of Baltimore and Harford Counties.

If the Board approves this item today over the last twelve years you might be interested to know

that we would be preserving 67,000 acres of land at a cost over that twelve-year period of about \$204 million to preserve the best of what's left of our rural heritage. We also have on the Agenda today the approval of several expansions of existing areas and one new area in Allegany County. If the Board approves this item we will have at least one Rural Legacy area in every one of the counties in the State.

The fiscal year 2011 appropriation was for \$12.6 million. And I think there's, our staff for time has a chart here, I think it's in your backup, that shows the allocation that again was recommended by Ned and the Advisory Committee and approved by our Board to recommend to you.

Ned, would you like to say anything?

MR. HALLE: I would just like to the Governor and the Comptroller and the Treasurer for their support of this program. And I think it just bears repeating that the program is a really terrific program because it allows the people in the local areas to come up into the State picture. And it allows the State to look down on the local areas and

between the combined efforts of everybody, and the planning, and the great work that Meredith and her group do, it comes out with a really great result of preserving the best that we have left to preserve. And I know that especially in, we already heard the Comptroller give a rather dire evaluation. And I know that it's really tough in this environment. But it's really important to keep these programs funded, and keep the big picture in mind. And my hat's off to the Governor and to the rest of you for doing that. And I just want to thank you from, as the Chairman of the Advisory Committee, and as a resident of Baltimore County, thank you very much.

GOVERNOR O'MALLEY: Thank you, Mr. Halle, for your service. How often -- go ahead, Rich.

MR. HALL: Oh, thank you. Very briefly, I just want to add that this is smart growth. This is the areas that we want to protect. And obviously, that counterbalances the areas where we want to see growth and economic development. It's also important that we're protecting important environmental lands. But also in protecting resource protection values,

agribusiness, forestry, what have you. And that's very, very important as well, not to mention tourism in some instances. And the last thing I'll add is it has been very satisfying the last few years to see how we've all gotten smarter and smarter working together across the agencies, the Board of Public Works, and the Advisory Committee, in targeting areas where we can get the biggest return on investment for land preservation. So thank you, and I think we have a great set of recommendations before you today.

GOVERNOR O'MALLEY: Is there a map showing where these individual purchases are? Am I missing it in my book here? I mean, I see the outline, I see the new areas designated.

MR. GRIFFIN: Right. The way this works, Governor, is the sponsors recommend, they have, in their whole Rural Legacy area they lay out priorities for acquisition. And at the time that I think you will award these grants in general they're not certain out of the first priority category which exact property will be purchased. Once they know they have the funding, if it's approved, then they go out and

negotiate. Those come back up, I think, to the Board for approval. But, so I think the map up there shows the areas. I don't know that we have one, one that shows all the properties within each one of them because it gets fairly extensive -

GOVERNOR O'MALLEY: Because these are actually awards and offers made rather than, we don't know that, which ones of these will actually accept the offer?

MR. GRIFFIN: We have a general sense because the sponsors prioritize them. But --

GOVERNOR O'MALLEY: Got you.

MR. GRIFFIN: -- we won't know until the individual contracts come up.

GOVERNOR O'MALLEY: Mr. Halle, how about the new maps? Are they helpful? You know, the GreenPrint, and those things --

MR. HALLE: Yes, they --

GOVERNOR O'MALLEY: -- as your Board makes those evaluations?

MR. HALLE: They are very helpful. And what you have here is that these are awards of funds to the

areas, and then the areas work with the State to actually negotiate the purchases. And until the landowner and the State sign the paper, and the Board of Public Works approves the specific deals, they are not, you know, it is not as specific. But it is, an area, for example, the Harford County Deer Creek area is, you can see it on the map, and as John said, there is a list of farms that people have expressed interest. And then the local people will negotiate with those people and they will get it all finalized. And then Meredith's group will review it, and then you all will approve it, and that's how it works.

GOVERNOR O'MALLEY: Not for, I've heard the term perpetual, and I've heard the term twelve years. Is it perpetual? Or is it twelve years?

MR. HALLE: No. Any, any purchase easement is perpetual.

GOVERNOR O'MALLEY: Okay. And what, it's paid out over twelve years? Or --

MR. HALLE: No. I don't know where the --

MS. LATHBURY: That's how long the Rural Legacy program has been around.

GOVERNOR O'MALLEY: Oh, I see.

MR. HALLE: That's how long the program has been in existence, yeah.

GOVERNOR O'MALLEY: But once the purchase is made, it's to purchase those developments -

MR. HALLE: It's perpetual.

GOVERNOR O'MALLEY: -- in perpetuity?

MR. HALLE: In perpetuity.

GOVERNOR O'MALLEY: Perpetuity, as they say in Real Property I.

MR. HALLE: Correct.

GOVERNOR O'MALLEY: Okay.

TREASURER KOPP: Interesting. Actually, twelve years ago the creation of this program was really spurred to a large extent by the Speaker of the House Casper Taylor. It's interesting that it's today that Allegany County, the far western county being designated as one in addition to the Rural Legacy areas, it actually attests to Mr. Taylor's true statewide perspective of One Maryland more than a decade to come home to Allegany.

GOVERNOR O'MALLEY: You know, an initiative that we need to look at next session in conjunction with this policy goal is the whole issue of, you know, transfers of land when the owner dies. Because asking farmers to sell a chunk of their land to pay the, you know, the estate tax seems to run really counter to what we're trying to get done here. And one would think that there must be some rational way to marry this program and its policy goals with a better approach to that estate tax where families are willing and desirous of keeping their land and farming their open space in perpetuity, it would seem that it really runs counter to our goals to force them to sell off a chunk of it just to pay the estate tax.

MR. GRIFFIN: Sure. Governor, at your direction we have a work group that's formed. The Comptroller was gracious enough to assign one of his income tax top folks and others to us.

GOVERNOR O'MALLEY: Good.

MR. GRIFFIN: And we're starting to work through those options. And we'll be back to you with some proposals.

GOVERNOR O'MALLEY: Great. Okay. Anything else on Rural Legacy?

MR. GRIFFIN: I guess the only thing I --

TREASURER KOPP: I have to say the Colonel is muttering about MALPF, and that MALPF can be used to some extent when looking at this. That the Maryland Agricultural Land Preservation program when looking at this total issue.

MR. GRIFFIN: Yes. Well in fact, in some of these areas it's a combination of easement purchases -
-

GOVERNOR O'MALLEY: Distinguish those two things, for those of us watching and listening along.

MR. GRIFFIN: Sure. Maryland Agricultural Land Preservation program --

GOVERNOR O'MALLEY: Also known as MALPF.

MR. GRIFFIN: -- also known as MALPF --

GOVERNOR O'MALLEY: Like Ralph.

MR. GRIFFIN: -- has been around since probably the early seventies. It's funded primarily through an allocation from Program Open Space and then

a few other sources, federal funding from time to time, and --

GOVERNOR O'MALLEY: And that program actually purchases the land outright?

MR. GRIFFIN: No, they purchase easements.

GOVERNOR O'MALLEY: Or purchase these easements --

MR. GRIFFIN: They have a board that approves them subject to approval of the Board of Public Works. They tend to focus on agricultural lands based on their soil productivity. That tends to be the focus of that program. Rural Legacy was designed to capture the best of what's left, as Mr. Halle said, of rural landscapes. It can involve farming, forestry, tourism, even fee acquisitions for public access depending upon the proposals --

GOVERNOR O'MALLEY: But the public asks, what's the difference between the two? I'm still a little --

MR. GRIFFIN: Oh, well one is --

GOVERNOR O'MALLEY: One purchases easements, one purchases --

MR. GRIFFIN: They both --

GOVERNOR O'MALLEY: -- easements in perpetuity, one purchases the land, one doesn't purchase the land? I mean, how do we explain this for those listening along that are not part of this program, not part --

MR. GRIFFIN: Okay --

GOVERNOR O'MALLEY: -- of the agricultural community, but are taxpayers and want to know, "What's the difference between MALPF, in a nutshell, between the Maryland Agricultural Land Preservation Fund and Rural Legacy?"

MR. GRIFFIN: Ned wants to do this, so I'll happily defer.

MR. HALLE: The difference essentially is that the MALPF program focuses on soil productivity, farming productivity. And the Rural Legacy program focuses somewhat on farming, but more on water resources, rivers, valleys, land that may not be so farmable but it's probably forested land and land that should not be developed even though you can't necessarily grow crops on it. And that's really the

difference. And the two programs often work together because you've got, you know, the nice high, relatively level, productive agricultural land, and then it falls off into a river or a stream. And it's, you know, that way. And so the Rural Legacy program butts up against the MALPF program. And that's really -

GOVERNOR O'MALLEY: Got you. So MALPF is designed to preserve the most high yielding and productive farmland.

MR. HALLE: Exactly.

GOVERNOR O'MALLEY: And Rural Legacy is meant to protect the lands based on their value to the ecological, their ecological value to the whole watershed?

MR. HALLE: Exactly. And they are typically contiguous, and some overlapping obviously, and you have people who apply both to MALPF and to Rural Legacy and they seen which program is funding, and which. But they are essentially, once it goes through the pipeline it's essentially the same. They are both

eased property in perpetuity that can no longer be subdivided and developed.

GOVERNOR O'MALLEY: Got you. And the map helps connect it all?

MR. HALLE: Correct.

TREASURER KOPP: You know, it sounds very reasonable the way you describe it as a coordinated look at what is needed. And I think we forget that it took some years of working very hard to bring all of these programs together into one efficient, coordinated program. And I just want to thank you, John, and all --

MR. GRIFFIN: Thank you, Madam Treasurer.

TREASURER KOPP: Because it at one time was a very frustrating set of different programs which were not terribly well integrated in the management, except for, which I think the maps have really provided infrastructure for doing that.

MR. HALLE: The maps help. And in the early days it was a little bit of a shotgun, and a little sprayed out.

TREASURER KOPP: Mm-hmm. Very good programs, but not --

MR. HALLE: And there were some properties that maybe now wouldn't necessarily qualify, but back then they, so you know, it was a work in progress, and it took some while to get it fine tuned. But I think it's --

TREASURER KOPP: It really --

MR. HALLE: -- doing well and it's heading in the right direction, and it needs to be, keep funding it.

GOVERNOR O'MALLEY: Well, I mean, even before, I mean, there was not really, I know we have an objective criteria on the ecological lands. Do we have similar objective criteria on the MALPF lands? Yes?

MR. HALLE: Yes.

GOVERNOR O'MALLEY: And that's part of the AgPrint? I mean, we've given a lot of, we've given a lot of, we've spoken more often about the GreenPrint and the ranking of lands according to their ecological watershed importance. Less attention has gone to

something which I think is equally as helpful in the coordination of all of this, which is the map that ranks the agricultural lands. The AgPrint, which you can visit by going online at maryland.gov. Press the Ag icon.

MR. HALL: You can also get there on their Smart, Green, and Growing page as well, Governor. And you are correct. There are parameters, indicators, for the MALPF program as well. And there is a certification program that goes along with that. So the local governments are able to retain a higher percentage of the local transfer tax if they are certified. And they have to meet certain criteria to be certified, which essentially means a local government program in good standing is one way of putting it. So they have to meet certain criteria to be there.

And it includes a number of things, including what the local government is doing to enhance the State purchases of the property all going back to enhancing the return on investment, if you

will. The public dollars going to preserve rural lands, in this case agriculture.

So the AgPrint effort under your direction further helped to drive being as smart as possible in where to purchase the properties.

GOVERNOR O'MALLEY: We need to create a category of farms in good standing. You know?

MR. HALL: There's a little bit of that in there, Governor. But yes, that's certainly more work we could do in that arena.

GOVERNOR O'MALLEY: Okay. Anything else on Program Open Space? Secretary --

MR. GRIFFIN: I'm sorry, Governor. Just to request to the Board members either now or before the meeting adjourns. I know the Rural Legacy sponsors who came in from around the State this morning would love to have a picture with the Board if that's possible.

GOVERNOR O'MALLEY: Okay. As soon as --

MR. GRIFFIN: Whenever you, if it's possible.

GOVERNOR O'MALLEY: Yeah, as soon as we pass this we'll do it. Okay? Any other questions on this, Mr. Comptroller?

COMPTROLLER FRANCHOT: I just wanted to comment. I mean, I appreciate it, John, your leadership on this and so many Program Open Space related issues.

MR. GRIFFIN: Thank you, Mr. Comptroller.

COMPTROLLER FRANCHOT: And Ms. Lathbury is terrific, and your team is terrific. And I think the Governor was, you know, alluding to the criteria that you've put in place. And I think that's outstanding. And now I know what MALPF is -- no I'm only kidding, I knew what MALPF was. But --

MR. GRIFFIN: All those years in the Budget Committee, right?

COMPTROLLER FRANCHOT: -- now I really understand the technical aspects. But I did want to say, I was last week in Easton visiting the Mayor, and a member of the Town Council, Megan Cook, I believe was there, and other community leaders. And they were opening up a Program Open Space playground that the

State had, I think the grant was in the neighborhood of \$69,000. Not a lot of money, I guess that this Board looks at in comparison, but it was like \$1 million to that community. And I think it's the Wayland Community in Easton. And it bought some play equipment, bought a climbing wall. There's a very embarrassing photo of me in the paper with the Mayor climbing the wall. And I went over and put my hand up to boost him up, and it wasn't exactly a great picture of me and Mayor Willey.

(Laughter)

COMPTROLLER FRANCHOT: But I bring that up just to --

MR. GRIFFIN: We have a video of it here.

COMPTROLLER FRANCHOT: Yes. I noticed on the Agenda, Governor, that there are a number of items for Baltimore County, and Allegany County was mentioned by the Treasurer as far as Rural Legacy. You know, Allegany County has got a small grant for new lights and bleachers for their little league park. And I think a lot of people forget that Program Open Space is not just preservation of ecologically

sensitive land. It's also enhancement of what we have for our community members. And your staff person who said that these dollars are well spent, believe me, that \$69,000 in Easton was well spent. And up in Midland in Allegany County for the little league park, I hope that I can get out there in the not too distant future when you let me know that it's been done and actually see one of the games. And --

MR. GRIFFIN: Absolutely. I don't think they have a climbing wall there, so --

COMPTROLLER FRANCHOT: Yeah. No, we'll skip the climbing wall. But kudos to you, and your agency, and staff, and frankly to the Governor and the Legislature. But this is, these are dollars that are very much appreciated and utilized by our citizens.

MR. GRIFFIN: Absolutely. Thank you very much, Mr. Comptroller.

GOVERNOR O'MALLEY: Thank you. Any other questions on Program Open Space Agenda items? Hearing none, the Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: And the ayes have it.

Why don't you all come on down and we'll do a picture?

Okay?

MR. GRIFFIN: Thank you, Governor.

GOVERNOR O'MALLEY: Okay. We neglected to mention, I want to say a couple of things. We should have said it at the outset. One is, I want to congratulate the Treasurer on her award, the second one in as many weeks I think, from her colleagues throughout the nation. Our Comptroller, Nancy Kopp, received the Distinguished Public Service Award from her colleagues. What's that?

TREASURER KOPP: Treasurer.

GOVERNOR O'MALLEY: What did I say?

SECRETARY MCDONALD: Comptroller.

GOVERNOR O'MALLEY: Oh, I'm sorry. Our Treasurer, Nancy Kopp. Well, the people that voted for this award knew what the heck she does.

(Laughter)

GOVERNOR O'MALLEY: Our Treasurer, Nancy Kopp, received the Distinguished Public Servant Award from the National Association of said Treasurers.

(Applause)

TREASURER KOPP: It was a surprise and a great honor. I appreciate it. You must come and see the award. It really is very, it's an eagle. It's a little block, and then this eagle head. The meanest looking bird.

(Laughter)

TREASURER KOPP: Thank you.

GOVERNOR O'MALLEY: The other thing that I, the other point of history that I think needs mentioning at this Board of Public Works meeting here on September 1, 2010 with the announcement last night by President Obama of the end of combat operations in Iraq, is I think all of us in this State are particularly mindful of the supreme sacrifice that was made by so many Maryland families in order for us to be able to complete that mission in Iraq. The service, the self-sacrifice, the commitment to duty and country that has been exhibited over a long, long

period of time in a place very far away by Maryland men and women is something that is, that all of us should be very grateful of. These are courageous men and women who have left their families sometimes two and three times to serve us over these long, very difficult, and bloody years. And all of us in this State salute them for their service and sacrifice.

(Applause)

GOVERNOR O'MALLEY: Okay. Next on our Agenda is the Department of Budget and Management.

MS. FOSTER: Governor, Madam Treasurer, Mr. Comptroller, good morning. There are eighteen items on the Department of Budget and Management's Agenda for today. And I'd like to withdraw Item 1. And I'll be happy to answer any questions you may have.

GOVERNOR O'MALLEY: Item 1 is withdrawn and that's relation to?

MS. FOSTER: That was a contract for Charlotte Hall.

GOVERNOR O'MALLEY: And why is it being withdrawn?

MS. FOSTER: Further discussions are going on regarding the contract. We will be bringing it back.

GOVERNOR O'MALLEY: Okay. Can I ask you a couple of questions? Now early on the Comptroller announced that his department had closed out last year's, had closed out last year's financials and showed that we were above by, what was it Mr. Comptroller? 189?

COMPTROLLER FRANCHOT: 183 over the 150.

GOVERNOR O'MALLEY: 183 over the 150, and I just had a few questions by way of follow up on that. What was our, our projected fund balance, I assume at the close then was 150?

MS. FOSTER: Well, when the General Assembly passed the budget bill, at that time they projected that we would close fiscal year 2010 with a fund balance of 150, I thought it was \$153 million.

GOVERNOR O'MALLEY: Okay. We're going to turn up your microphone just so I can hear. And so that represents a, this is \$183 million over, just for

those last few months of that fiscal year, then, correct?

MS. FOSTER: Correct.

GOVERNOR O'MALLEY: Okay. And that's where the additional attainment happened?

MS. FOSTER: Right.

GOVERNOR O'MALLEY: Was in an upswing in revenues --

MS. FOSTER: Our revenues grew in March, April, May, and June. The overall increase over that period for the year is \$183 million. The actual fund balance for fiscal year 2010 ends up being \$344 million.

GOVERNOR O'MALLEY: And what areas did the revenues overperform what we all acknowledge was a very, very austere forecast?

MS. FOSTER: The biggest increases were in the income taxes. The individual income taxes were up \$109 million. The corporate taxes were up \$28.5 million. Sales and use tax were up \$40.8 million. So basically, those three revenue sources, that's --

GOVERNOR O'MALLEY: Can you say the sales again?

MS. FOSTER: Sales is \$40.8 million.

GOVERNOR O'MALLEY: \$40.8 million?

MS. FOSTER: So those three sources account for the bulk of the \$183 million that the Comptroller referenced.

GOVERNOR O'MALLEY: Got you. What was the percentage uptick on those, do you know? I mean just to give us some context on --

MS. FOSTER: Sure. The income tax was up 1.8 percent. The corporate -- that's the individual income tax. The corporate was up 4.3 percent. And the sales and use was up 1.2 percent.

GOVERNOR O'MALLEY: 1.2? Okay. And those were the primary areas.

TREASURER KOPP: And these are, when you say up, it's up over estimates?

MS. FOSTER: Yes.

TREASURER KOPP: Not up over last year?

MS. FOSTER: This is over, this is the increase above the estimate.

TREASURER KOPP: I think it's --

MS. FOSTER: The estimate that we had written down.

TREASURER KOPP: Yeah. Importance, that's very good. And it may show, in fact, that things are beginning to turn around because that also coincides with slight upticks in employment.

GOVERNOR O'MALLEY: Right.

TREASURER KOPP: In Maryland.

MS. FOSTER: Mm-hmm.

TREASURER KOPP: Because I think the Comptroller is absolutely right about the national instability and difficulties. But unlike the way the press reported it for Virginia two months ago, it's not as though we now have an extra pot of a couple hundred million dollars to spend. In fact, it means that our projections were very conservative and perhaps rolling into next year that diminishes the projected deficit --

MS. FOSTER: Mm-hmm.

TREASURER KOPP: -- by \$100 million or \$200 million, which would be a very fine thing. But I

assume that we are not going to take \$200 million and just start spending it on things that we hadn't planned otherwise.

GOVERNOR O'MALLEY: Well, that was my next question. How does this, I mean, let's assume, so that was a 1.8 percent overattainment --

MS. FOSTER: Right.

GOVERNOR O'MALLEY: -- of what was projected. And we obviously, I mean, we have calculated in our best estimate on what revenues would do going through fiscal year 2012 with revenue projections, right?

MS. FOSTER: I mean --

GOVERNOR O'MALLEY: And so my question is, you know, does this revenue improvement since the session, does, what is, you know, will it ripple through? Or if it were to hold constant, I guess, what is the effect of that on 2012? If it were for a full year of doing that?

MS. FOSTER: You know, I would say that the revenue improvement is certainly going to help us in fiscal year 2011, they are going to help us in 2012.

I think this is very encouraging, very positive news. The extent to which it is going to help us is going to depend on what the Board of Revenue Estimates does next week when they meet to revise revenue estimates.

GOVERNOR O'MALLEY: Got you. And that will happen when?

MS. FOSTER: The staff probably starts meeting right after Labor Day. I think the actual official report is released on September 16th.

GOVERNOR O'MALLEY: Mm-hmm. Okay.

MS. FOSTER: So that's when we'll know.

GOVERNOR O'MALLEY: Right. So we'll have a better sense for that big question of what this means?

MS. FOSTER: We'll certainly know then what the impact will be in terms of putting the 2012 budget together and how it improves 2011.

GOVERNOR O'MALLEY: And there's no one on that committee that has a crystal ball, right, right?

MS. FOSTER: Absolutely not. But --

GOVERNOR O'MALLEY: I keep looking for the crystal ball person. It would make this so much easier, wouldn't it?

MS. FOSTER: -- I would emphasize that this is very positive news. And certainly the last four months of fiscal year 2010 were the best revenue news you've had since being Governor.

GOVERNOR O'MALLEY: Well, I appreciate the hard work being done. As I said, you know, the estimates have been, I mean this has been an unprecedented time. But the professionalism, and the estimates, and the revisions, are things I think that contribute to that AAA Bond Rating. When people see the years of service and the wisdom and the judgment that's being brought to bear on a very volatile economic landscape. I appreciate everybody's good work, Mr. Comptroller, Madam Treasurer, and Madam Secretary.

TREASURER KOPP: It's also interesting that August was, I believe, the first time that any significant number of military boots were on the ground in Maryland from BRAC, from Base Reclosing. And they will go into the future, the increase of employment, the jobs that were brought in that we've been talking about for a long time and will finally be

in next year. I assume they have already been rolled into projections. But the fact is, that those jobs are now coming in here, the people are now coming in here. If you drive in those areas you can sense a feeling of renewed vigor, I think. So all of these programs, not just the people here already but the people who are coming in.

GOVERNOR O'MALLEY: We've had four months in a row of unemployment decline.

TREASURER KOPP: That's right. And it's no coincidence.

GOVERNOR O'MALLEY: Okay. Anything else on the Department of Budget and Management Agenda items? Hearing none, the Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

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

(No response.)

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

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

GOVERNOR O'MALLEY: Mr. Evans, make sure you tell the President how he's getting rave reviews here at the Board of Public Works.

MR. EVANS: I'll do it.

TREASURER KOPP: Governor, I've mentioned this project before and I will again. This is a very small piece of it. But Item 2, the new Physical Science Complex is going to be a great internationally recognized building. When this project is finished it's going to be one more very major, very major asset to the State of Maryland and the University. This is just a small piece of it.

GOVERNOR O'MALLEY: I'm not seeing that. Where is that?

SECRETARY MCDONALD: Number two.

GOVERNOR O'MALLEY: Number two?

SECRETARY MCDONALD: It's to buy equipment for the building, but I think the Treasurer is just referring to the overall project.

TREASURER KOPP: The whole project.

MR. EVANS: Right.

TREASURER KOPP: Which is not here.

SECRETARY MCDONALD: Also --

TREASURER KOPP: Every time I'm reminded of it, I am excited.

SECRETARY MCDONALD: I'd also like to toot the University at College Park's horn. Last week they were awarded Gold certification from LEED for the Journalism Building, which is the first Gold.

GOVERNOR O'MALLEY: Wow. I know what I wanted to mention on this. Princeton Review named a month ago the University System, I think, or College Park, the most sustainable university in the country for implementation of green practices, recycling, energy conservation, Gold buildings, LEED certified buildings. That's a, that's a pretty huge accomplishment. And I don't think I've read enough about it in the newspaper. What are we doing to

celebrate that, Mr. Evans, and to let the public know that we're, you know, not only have we held college tuition to zero percent increases for four years, but at the same time we've made progress on one of the most important imperatives of our day which is figuring out ways to live more sustainable lives?

MR. EVANS: I'll let Mr. Stirling do that since he's from College Park.

MR. STIRLING: And of course I can't stand here and tell you about any specific plans. Our website has touted those achievements. We have an Office of Sustainability that I'd like to say is probably one of the best in the country. Another thing to note, I think, in the same Princeton Review rankings we had the number one athletic facilities in the country, as well. And last I heard I think we avoided the party school list.

GOVERNOR O'MALLEY: That's good.

TREASURER KOPP: All around campus.

GOVERNOR O'MALLEY: We have an effort underway with the military bases and agencies throughout the State, fifty-eight, sixty-eight of

them. And we'd very much like for whoever your LEED person was on your sustainability efforts to be a part of that effort. And John Griffin, who I hope is taking Frank's family out to lunch right now, is the person to connect you into that group. I mean, it was unprecedented. We had the Secretary of the Navy and we had, over at the Naval Academy last week, Secretary of the Navy; the Director of the EPA, Administrator, I always want to call her Director, Administrator of the EPA; and the base commanders or their facilities person from all of the bases in Maryland. All gathered around the table to figure out how can we, given the campuses, the populations, the land that we cover within our State, figure out ways to live more sustainable lives in terms of all of the things that you all just got the number one award among all universities for having accomplished.

It wasn't Harvard, it wasn't Yale, it wasn't Princeton, it was University of Maryland College Park that's the lead sustainable campus. And what you've done, especially any how-to templates that you've

looked at, you know, action items, could be very useful to this military work group.

MR. STIRLING: I can, I'll put Scott Lupin, who's our Director of our Office of Sustainability, in contact with Mr. Griffin.

GOVERNOR O'MALLEY: Because I don't remember us every approving for you a line item that said, you know, "\$400 million to become the number one most sustainable campus in the country." I mean, it's something you did with your smarts and with innovation from within the budgets you had. And I'm sure there was a couple percentage points maybe on some of these buildings. But you calculated that you're getting those back. And what's more, you're contributing to the Clean Horizons Initiative, and joining your buying power in terms of long term purchase power agreements. I mean, it's a really great story and it's all within the shadows of the nation's capital. And I think we need to promote that in a time when many of us have become all too cynical about our ability to adapt and change and be the great Americans that today's challenges demand of us.

So please figure out how you get in that loop with the bases. But number two, figure out how we do a better job of promoting this. And, and that's --

MR. STIRLING: I'll pass that along. And I don't want to leave without saying there's a considerable amount of effort on the part of our student body in pushing some of these initiatives. And they collaborate with the administration, work on committees, and work groups on just about every issue that you've heard about.

GOVERNOR O'MALLEY: Oh, you could tell. When I was in the lunchroom I was asking the students, "Hey, how did we get this award? Are you award of this?" And they were, you know many of them were freshmen. But the ones that had been there last year were certainly, "Yeah, we do this, and we've got," you know, whatever it was. Their lunch trays are recyclable from reprocessed wheat shaft, and --

(Laughter)

MR. STIRLING: And we do have green roofs on the dining halls. And don't forget, when you come

down to cut the ribbon they're supposed to serve a salad from the roof.

GOVERNOR O'MALLEY: Salad from the roof? Great. In corn starch cups, and all that sort of stuff. No, it was really good. Have you done anything with regard to looking at your campus in terms of, you know, reducing the area that you, where you mow the grass? And I know it's hard on college campuses. We have these views that they are all supposed to be never ending acres of finely cut and fertilized lawn. But have you looked at reforestation, or --

MR. STIRLING: I'm not familiar with that. I mean, we do have a forest conservation plan that we've implemented where we've set aside some substantial portions of the, around the fringe of the campus where we still have some forested land. But it's, as you know, an urban campus.

GOVERNOR O'MALLEY: Right.

MR. STIRLING: And not a lot of opportunities for greenspace.

GOVERNOR O'MALLEY: But there's room to buffer some of the creeks and streams which no doubt must --

MR. STIRLING: And we are doing that. That's where the conservation easements are.

GOVERNOR O'MALLEY: Yeah. I'd love to see that geodesign. Or, you know, those geodesign aspects I'm not aware of. In fact, anything. If you've got, why don't next time you come to the Board of Public Works why don't you put together a short presentation not unlike what we just did with the MALPF and the Rural Legacy programs? If you could do that on your award, the Princeton Review thing, that might be a very good way to get this out.

MR. STIRLING: I'm sure there will be a lot of interest in coming here to do that.

GOVERNOR O'MALLEY: Good. It's important, and it would be helpful for our departments. Because we're all trying to reduce our carbon footprint, save the land, save the air, save the water, save the energy. Right, Hatim?

MR. JABAJI: Yes, sir.

GOVERNOR O'MALLEY: Al Collins leading the way. Okay, I'm running on at the mouth. Anything else on University System of Maryland? Hearing none, the Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

MR. STIRLING: Thank you.

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

(No response.)

GOVERNOR O'MALLEY: 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 four items on our Agenda, and I'll be happy to take any questions at this time.

GOVERNOR O'MALLEY: Hearing none, the Treasurer moves --

TREASURER KOPP: Well --

GOVERNOR O'MALLEY: No, I'm sorry.

TREASURER KOPP: Let me just, I did thank the Secretary personally. But I just want to say that as of right now the State Retirement Agency's great MPAS project, our new very large IT project, has come to completion, the first stage of it, as the result of tremendous work on behalf of, on the part of not just the retirement agency staff, but the DoIT staff and consultants as well. It is, I think, a model of how agencies can work together to accomplish something that many, many people thought couldn't be done. And to accomplish it efficiently and well, and move us out of what really was a dinosaur legacy system into the first stage of the new twenty-first century system. And on behalf of the Comptroller, who is Vice Chair of the Board, and whose agency itself has gone through a great major IT project, and myself as the Chair, we just want to thank you very much on behalf of our entire board and the agency, and the Secretary who is a member of the board.

It really, when it was announced at our last board meeting people were just, stunned isn't fair.

Because we assumed it would be done well, on time, under budget, but to have it actually done is great.

MR. SCHLANGER: Madam Treasurer, I thank you for those kind comments. And I especially enjoy the part where we fight over who takes the credit.

(Laughter)

MR. SCHLANGER: But it was surely a team effort.

TREASURER KOPP: A team effort, yeah.

MR. SCHLANGER: And we got a good result. So thank you again.

GOVERNOR O'MALLEY: The, Mr. Schlanger is a humble person. He was named one of the 100 top CIOs in America a number of years back. And we're lucky to have, fortunate to have him in the public sector. And he does a, Elliot you're doing a terrific job. We went through a long number of years when the rest of the world was implementing technology innovations that saved money, that improve efficiency and effectiveness. And for some reason, Maryland was adrift and we just didn't do that for a four- or five-year period of time. And even in the these times of

austerity you're figuring out ways to get things done. And all of us appreciate it. You're an unsung hero of moving us forward here, so thank you. And tell your staff we appreciate their good work as well.

MR. SCHLANGER: And I thank you, Governor.

GOVERNOR O'MALLEY: Thank you, Elliot.

Okay, anything else on the DoIT Agenda? The Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

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

(No response.)

GOVERNOR O'MALLEY: The ayes have it.

MR. SCHLANGER: Thank you.

GOVERNOR O'MALLEY: Department of Transportation.

MS. SWAIM-STALEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Beverley Swaim-Staley representing the Maryland Department of Transportation. We have twenty-five items today. We have withdrawn Item 19-M. For the

record, Items 1-C and 21-S have been previously submitted as revised items.

TREASURER KOPP: Just, I was just noticing Item 1, which is another --

GOVERNOR O'MALLEY: Do you want to tell us about Item 1?

MS. SWAIM-STALEY: Part of the energy savings contract. And I may, I think DGS actually led the effort on this with regard to the contract with PEPCO and we're just continuing to implement. And this brings MAA's facility into those contracts.

MR. COLLINS: Madam Treasurer, the Maryland Aviation Administration took advantage of the contracts you approved for DGS. And actually used this as part of their system to develop this phase two of this project. And it's part of our energy database savings that you hear of from time to time.

TREASURER KOPP: I noticed part of it is a photovoltaic system? I mean, that's very good. Something else I bet the people would like to know about it, if anybody told them.

MR. COLLINS: We're going to promote all of that as we get these new features rolled out.

TREASURER KOPP: I just really like these things.

MS. SWAIM-STALEY: Thank you.

TREASURER KOPP: Thank you.

GOVERNOR O'MALLEY: Okay --

COMPTROLLER FRANCHOT: Governor, I just had a question on an item, if I may. Item 7-M, Madam Secretary?

MS. SWAIM-STALEY: Mm-hmm.

COMPTROLLER FRANCHOT: I'm sure this is, well, you know, necessary. But it seems like a lot of money for a snow melting operation. I'm just wondering what your assessment is of this particular vendor. It's almost \$17 million for snow melting equipment at the airport. And I notice that even if it doesn't snow we pay \$400,000 a year. Is this something that you couldn't share with SHA or MTA? Don't they have snow melting equipment, too?

MS. SWAIM-STALEY: They, we all do. But we, as we I think learned last winter when we had some of

our larger snows, they all need to have the equipment. And unfortunately, they all need it at the same time since we're required to melt the snow on the runways at the same time that we're required particularly with some, with the highways. And so, you know, I think it's just one of those unfortunately, but necessary, things that we have to have available to, hopefully we will not experience another winter like we had last winter with our three record blizzards. But we need to make sure that when we do we have the equipment that we need. And last year even with all the equipment that we had, we still were bringing in equipment from places like Massachusetts and Pennsylvania to deal with the volumes that we had.

COMPTROLLER FRANCHOT: And is there any way to get competition in a bid like this? Or is Aero Snow about it?

MS. SWAIM-STALEY: Well, unfortunately because of the type of the equipment and the, they have to be available on the emergency basis. And also because, again, when we tend to have the larger snows we are not always the ones who are willing to pay the

most. So that's the reason that we retained vendors like this, for example, in advance of knowing actually what our needs are going to be. Because otherwise we wouldn't have them available. But they need to also be prepared to basically, to come to us as opposed to going to maybe somebody who would be willing to pay more once that snow begins to fall, so.

COMPTROLLER FRANCHOT: And this is how other airports do it?

MS. SWAIM-STALEY: And this is how, yes, we do. It's done in the industry.

COMPTROLLER FRANCHOT: Okay. Thank you, Governor.

MS. SWAIM-STALEY: Thank you.

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: The Department of Transportation items are approved. We now go to the Department of General Services Agenda items.

MR. COLLINS: Good morning, Governor, Madam Treasurer, Mr. Comptroller. The Department of General Services has forty-two items including two supplementals on our Agenda. We have revised Item 6-GM. And I'd be glad to answer any questions you have at this time.

GOVERNOR O'MALLEY: Anyone have any questions on Department of General Services Agenda items?

COMPTROLLER FRANCHOT: Yeah, I do have a question.

GOVERNOR O'MALLEY: Okay, hold on a second.

MR. COLLINS: These items? Oh, the lottery location, the three leases? Nineteen and twenty.

SECRETARY MCDONALD: Nineteen and twenty?
Thank you.

MR. COLLINS: Yes, sir. We have three agencies located at Montgomery Park in Baltimore. This represents a reduction lease and also a

continuation. This represents part of a strategy to look at our long term leases, to negotiate with the landlords a reduction in the square footage costs, and in trade off we do some reductions in those particular leases. We've been at this facility, it is the first LEED certified, green building, that the State ever leased some years ago. It works out great for the agencies that are located there.

TREASURER KOPP: This is the one with the huge green roof?

MR. COLLINS: Yes.

COMPTROLLER FRANCHOT: With the huge? I'm sorry?

GOVERNOR O'MALLEY: Huge green roof. Former Montgomery Wards building.

COMPTROLLER FRANCHOT: I guess my question is, do you have an overall plan for State agencies in the Baltimore area as far as being in State space where possible as opposed to long term leases?

MR. GAINES: We do. Actually -- Michael Gaines, Assistant Secretary, Department of General Services. We do, Mr. Comptroller, have a plan that we

are executing as a result of the Governor's executive order to find a way of having more efficient and effective occupancies throughout the State. And as you know, Baltimore City has a larger concentration of offices. And what we're doing is looking at ways of consolidating agencies, and moving out of leased space where we have the opportunity, into State-owned space. But where we're not able to do that, we are working with landlords and trying to be more effective and efficient, lowering our occupancy costs, trying to find ways of being in more sustainable spaces.

COMPTROLLER FRANCHOT: Okay. And part of that is the long term lease and the dollar amounts that we see?

MR. GAINES: Yeah. Sometimes in negotiating with the landlords in order to get reductions in rent, we add a few more years on the term. And that way the landlords are able to amortize those additional costs over a longer term. But we get the benefit of reduced costs over the term of the lease as well.

COMPTROLLER FRANCHOT: Okay. If there is a comprehensive strategic plan you could share with members of the Board, that would be great.

MR. GAINES: Yes.

COMPTROLLER FRANCHOT: If it's something that is available. Thank you.

GOVERNOR O'MALLEY: At the same time, sometimes the long term lease is what enables to you return huge parcels --

MR. COLLINS: That's correct.

GOVERNOR O'MALLEY: -- back onto the tax rolls. So it's a --

MR. COLLINS: That's correct. It's a balancing act that we try to perform where we've had great facilities where we've been in long term. And this is a great, again, green building. We try to figure how that fits into the portfolio. But we look at, when you just, we've got thanks to the Board's approval, State Center going to be developed. We looked at back filling State agencies there, and looking at the entire portfolio. So it all fits together in a mosaic as we try to move forward.

TREASURER KOPP: I think it's more a process, I mean, what interests me, is more a process of how you think these things through.

MR. COLLINS: That's correct.

TREASURER KOPP: And what variables are taken into consideration. And that ought to be transparent and public.

MR. COLLINS: That's correct.

MR. GAINES: As well in tough economic times the State, because of its activity, oftentimes is the generator of economic activity, which does help the creation of jobs and sustained revenue throughout the region.

COMPTROLLER FRANCHOT: Okay. Thank you, Governor.

GOVERNOR O'MALLEY: Okay. Any other questions on the Department of General Services Agenda items? Hearing none, the Comptroller votes approval, seconded by the Treasurer. Or moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

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

(No response.)

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

(Whereupon, at 11:39 p.m., the meeting was concluded.)