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P R E S E N T

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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;

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.

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P R O C E E D I N G S

GOVERNOR O'MALLEY: Do we have any? We know that the Comptroller is traveling. He's running, he's on his way. He's en route. I wonder if we have any announcements, or presentations, or anything for the good of the club? Al? Secretary Collins, any poetry readings today?

(Laughter.)

MR. COLLINS: I left it on my desk --

GOVERNOR O'MALLEY: I should have asked everyone to bring their own, their party piece. Does anybody have anything interesting that you want to expound on as part of your Agenda items? No? This is the group that specializes in keeping their stuff uninteresting once it gets to the Board of Public Works, huh? Elliot, do you have anything?

MR. SCHLANGER: I would, do you know what? My power didn't go out.

GOVERNOR O'MALLEY: That's good.

MR. SCHLANGER: All the utilities are doing a good job at least in my area.

GOVERNOR O'MALLEY: Now I recall at a meeting, I believe the Comptroller, I believe the Treasurer was out of town at a meeting that we had and there was a presentation on a topic she was, in which she was interested.

SECRETARY MCDONALD: Oh, right. But they didn't, well we didn't, well we're not ready to have that presentation today. I'm not ready.

GOVERNOR O'MALLEY: Hm.

TREASURER KOPP: Well actually I got a presentation.

SECRETARY MCDONALD: Yeah, she has the presentation, and the Governor was concerned, he, yes, he did ask that it --

TREASURER KOPP: Yeah. I think the --

GOVERNOR O'MALLEY: But if we have it loaded up, do we not have the power point loaded up from last time?

SECRETARY MCDONALD: It was the people from the company, help me, NIC?

MR. SCHLANGER: NIC.

SECRETARY MCDONALD: NIC, were all here that day and they were ready to give a presentation and --

GOVERNOR O'MALLEY: Well it's a shame they're not here today for these, for these moments.

GOVERNOR O'MALLEY: So Jerry, what is the Comptroller's druthers? Does he want us to hang --

MR. KLASMEIER: Yes, he wants you to start.

GOVERNOR O'MALLEY: He wants us to start?

MR. KLASMEIER: Yes, sir.

TREASURER KOPP: He's read the Agenda.

GOVERNOR O'MALLEY: Okay.

TREASURER KOPP: Well could I just start by saying?

GOVERNOR O'MALLEY: Sure, Madam Treasurer?

TREASURER KOPP: Governor? Because everyone in this room has heard from me before with our problems, and my neighbor's problems, with our local utilities. And I do have to say, first of all, that I understand some of my good friends from Annapolis, you now know what we're talking about. But secondly, that Pepco, I think from our perspective, really did an unexpectedly good job or had a lot of luck. I don't

know which. But our power was out for less than a whole day, which is pretty good. On the other hand, my secretary's power was out for at least week down here with BG&E. So that's, I think some people did a great job. Other people were struggling.

I was listening in to the phone calls and really impressed with the sense of organization. I know Secretary Swaim-Staley and Secretary Collins were on the organization going on, and the knowledge, and the close working relationship with the weather folk from all over. It was very impressive. It was a good instance, unfortunately the public doesn't know enough about it. But a really good instance of our governments, State and local, working together, and with the private sector to keep people as safe as possible from harm. And I just salute you all.

MS. SWAIM-STALEY: Thank you.

GOVERNOR O'MALLEY: Well I want to thank all the members of the cabinet, as long as the Treasurer was kind enough to bring that up. We had a meeting yesterday of security cabinet but in a larger forum and setting here. The good work that's been done on



planning by Richard Muth and his folks that allows us to do something as complicated as evacuating 3,000 kids on foreign student work visas. They are here in Ocean City for the summer. As you might imagine they did not bring cars with them when they came from Albania, or Russia, or China, or Jamaica, or other places. And we not only had a plan in place to evacuate them from Ocean City but we had drilled and we had trained with that plan so that when the Mayor of Ocean City made the decision, given the forecast, that he needed to evacuate we were able to put that plan into motion without any delay. Aspects of the plan did not go as planned, but the other eight of the ten things did go as planned. And we were able to make the contingencies. But that one lower example underscores why planning is so important.

In the old MEMA, before Richard's leadership, during transition a member of MEMA actually said to us that they believe that planning is overrated. But without the plans you can't hope to make it through events like these as well as we did on this one.

We also had a new innovation, maybe you can still pull it up although the whole map is green now, Kevin. Can you try to pull up the power outage map? We were able to track, Madam Treasurer, and put online by county, here we go, in a simple sort of dashboard form. And I'm going to pull up one of the old ones and show it to you here. That map is now all green. During the course of the event there was a time when that entire map was actually, virtually every county at least west of Mountain Maryland was red because of the number of outages that were going on. Where is one of my old maps? Here we go. Let's see if I can get the better -- no. That's from too long ago.

So anyway, what it allows you to do, though, is to click on, Kevin go down and click on a county that still has some outages.

TREASURER KOPP: What are the numbers?

GOVERNOR O'MALLEY: At one point --

TREASURER KOPP: The number of outages?

GOVERNOR O'MALLEY: At one point we had almost, I think we had just over a million households without power in the State. And so the, a million

households without power, let's see if I can find one of the other maps. And what this allows you to do is to, can you go down a little further, Kevin? Like zoom in on a county? That's going out. Go to one, there we go, Prince George's. Go down a little further still. Anyway, that shows you 463 people, 462 that are out today. And it's a simple sort of red light, green light.

TREASURER KOPP: So this is real time?

GOVERNOR O'MALLEY: That is real time right now. At any given time you always have a few households out in any county. I'm trying to find the, ah, here's one of my old maps. Okay, what was the day the storm hit? As we vamp here. It was the, what day?

SECRETARY MCDONALD: The 27th was Saturday.

GOVERNOR O'MALLEY: Click on the 27th. So here's what the power outage map looked like. That gives you sort of the, see that, Madam Treasurer?

TREASURER KOPP: Oh, gee.

GOVERNOR O'MALLEY: So gives you a sense of what was out. And then in the course, on a, sort of a

real time basis, or updated on the public website every few hours, you could click onto that map and see what sort of progress you're making. As you would go further down into the map you could also get to a point where you could see where it would start to break down by zip code. So if you lived in 20814 you could see yesterday there were this many people out but today there are this many people out. And so on and so forth.

TREASURER KOPP: It's interesting, it looks like the District is worse now than it was on the 27th.

GOVERNOR O'MALLEY: Yeah, it is. So anyway. Let's --

TREASURER KOPP: That's very good.

GOVERNOR O'MALLEY: We learned some good things in this storm.

TREASURER KOPP: Well and as we approach September 11th, next weekend, I think it's important for people to know that the government is planning and aware and has communications adopted if anything were

to happen it wouldn't come to total surprise, and we'd be totally unprepared as we were ten years ago.

GOVERNOR O'MALLEY: There's, I'm going to be giving a talk someplace on Thursday, I think. There he is. We're just talking about power outages and what an excellent job you did up there on those high wire lines, and --

(Laughter.)

GOVERNOR O'MALLEY: -- the bucket trucks. Boy, Montgomery County was better served this time than any time and I think it was that training you received, those thick rubber gloves? And --

COMPTROLLER FRANCHOT: It was that big power saw I pulled out of the garage.

GOVERNOR O'MALLEY: The big power saw? So anyway, we are on the Board of Public Works Agenda. We've just begun, we've only just begun. So let me ask the Comptroller if he has any opening comment?

COMPTROLLER FRANCHOT: Thank you, Governor. And I, Madam Treasurer, it's a pleasure to be here. And we often use the term seismic event in politics sometimes to talk about proclamations and things. But

I don't think we've ever, as the Governor may have noted, ever been put to the test with Mother Nature quite like this in the past week, several weeks. First there was the sudden earthquake, then there was the large hurricane. There was no way to prevent Hurricane Irene from reaching our shores but thanks to the incredibly efficient and effective preventive steps taken by the State and by the local jurisdictions in the Hurricane's path we were able to minimize the loss of life and the damage to our State's infrastructure. And Governor, you may have praised yourself. I'm sure you didn't, because you're too modest. But you did a fabulous job --

GOVERNOR O'MALLEY: Thank you.

COMPTROLLER FRANCHOT: -- in getting the State prepared. And it's easy to say in retrospect it may have not been what we thought it was, but it was -  
-

TREASURER KOPP: It could have been.

COMPTROLLER FRANCHOT: It certainly felt like it around my house. We had five huge trees fall within a two-block radius of our, my house in Tacoma

Park. Each of them had to be 100 years old. And they wiped all the telephone poles and wires. And it was, you know, definitely in spots pretty much of a disaster. And I have to admit, despite Pepco's reputation for previous clean ups perhaps they were out there all around the clock. And at 3:00 in the morning you'd hear the power saws going on there and within forty-eight hours the power was restored in that area of Tacoma Park that like a lot of areas was hard hit.

So I'd like to salute the Governor and General Jim Adkins and MEMA Director Richard Muth, and also Bev Staley and her leadership team. And everyone who took care of the transportation and infrastructure of the State. But most of all just the folks that were on the front lines and the first responders, obviously, the police and the fire, and the emergency rescue crews. But most, you know, I just have to emphasize the hard work of the folks that were either brought in from out of State, or wherever they were gathered by folks in my area. It was just an incredible effort by a lot of hardworking people.

So we survived. There was a remarkably low fatality count. And it just showed how great our State is. I believe in how Maryland just rose to the challenge with good leadership.

And I'd like to just recall ten years ago when our nation was attacked by terrorists. We're going to commemorate the tenth anniversary of the 9/11 terrorist attacks. But I think it's appropriate for us to take a moment and think about those folks that were out there at 3:00 in the morning battling the effects of Mother Nature. And with solemn hearts we'll remember 9/11, but also just be proud of the way our State pulls together when times are tough.

Thanks, Governor.

GOVERNOR O'MALLEY: Thank you, Mr. Comptroller. All right, let's go to the --

TREASURER KOPP: Governor, could I just --

GOVERNOR O'MALLEY: Sure.

TREASURER KOPP: -- say one thing for the record? We mentioned, we have mentioned a couple of times, as you know, the possibility of doing a general obligation bond refunding if the market is right.



That is, if we can get a low enough interest rate, we can get enough return from investing the funds to make it worth while. It amounts to at least a 3 percent savings. There is a 70 percent chance that the opportunity will not come up again with these particular bonds. And it's a sufficient amount which we've pegged at about refunding, refunding about \$200 million and getting back at least \$7 million in return for doing it. We are still looking at that. We had hoped that maybe next week would be the week. But it really depends on the market. And I promised at our last meeting we'd just keep you informed. Obviously you'll know before we do it. But we're just still looking at it and the numbers still aren't exactly right.

And the second thing, just to follow up what the Comptroller said, I mentioned earlier how impressed I was calling in on those calls, and have everybody together that the State, the State people, MEMA, the Secretary. What is interesting is that the first call was scheduled to be called because the

hurricane was coming. But the major topic of discussion was indeed an earthquake, than anticipated.

GOVERNOR O'MALLEY: Right.

TREASURER KOPP: So I just found that one for the record books.

GOVERNOR O'MALLEY: Economies of scale, or something like that.

TREASURER KOPP: Yeah, it was good --

COMPTROLLER FRANCHOT: How was the, how was the power over in your area?

TREASURER KOPP: Twenty-four hours, less than twenty-four hours. Which is, people were shocked. Now that's after a number of trees have been cut down, of course.

COMPTROLLER FRANCHOT: Well it's dangerous to praise Pepco in our area. But whoever it was they brought in to cut the trees and put the lines back up did a good job.

GOVERNOR O'MALLEY: The, also, in addition to, I thought Pepco did a very good job in this particular storm. But also SMECO in Southern Maryland also did a very good job. They took the, Southern

Maryland, from my short travels around the State and a few days after seemed to, seemed to get really clobbered by the combination of the gusts and also the heavy rains. And SMECO did an outstanding job of getting them back up and running as well.

So let's go to the first order of business here, which is the Secretary's Agenda?

SECRETARY MCDONALD: Good morning, Governor, Madam Treasurer, Mr. Comptroller. We have sixteen items on the Secretary's Agenda. There are six reports of emergency procurements. We are withdrawing Item 5 which will return probably to the next meeting. And we are withdrawing Item 16, which was a little bit of a hurricane hiccup for the Treasurer's financing. And that will be returning to a later Agenda as well. So on the fourteen remaining items, and the six emergency reports, we are prepared for your questions.

GOVERNOR O'MALLEY: Any questions, Secretary's Agenda?

TREASURER KOPP: I have a couple of brief ones.

SECRETARY MCDONALD: Okay.

TREASURER KOPP: Number four, the wetlands license.

SECRETARY MCDONALD: All right. Mr. Doldon Moore, please?

TREASURER KOPP: Delmarva Power and Light? I just wondered why there was such a gap in time between the public comment period and the report and recommendation.

SECRETARY MCDONALD: Mr. Moore, the application was received from Delmarva on August 12, 2010 and public comment ended November 1, 2010, and MDE reported to you on August 3, 2011 which you've now processed on September 7th. Do you know anything about the period between the public comment ending and the MDE report getting to you?

TREASURER KOPP: Yes. Because I assume there are only certain times of year you can lay these wires? Are there certain times of year you can lay the wires --

MR. MOORE: On certain projects there are time of year restrictions. However, I can't, I honestly can't comment in the delay between November 1

and August and under MDE's review on it. But yeah, we, in terms of times of installation it's to protect the fisheries, and so forth. But that would not have anything to do with MDE's length of review.

TREASURER KOPP: Yeah.

MR. MOORE: And it didn't appear to be --

TREASURER KOPP: Well it just seemed to me a pretty long time.

MR. MOORE: It is a long time, and I agree with you. And it didn't appear to be a controversial project.

TREASURER KOPP: No.

MR. MOORE: There was no hearing or anything held.

TREASURER KOPP: Well maybe we could try to find out about it?

MR. MOORE: I can get back to you.

TREASURER KOPP: Yes, exactly. I imagine it probably is a resource issue. But --

SECRETARY MCDONALD: -- I think there is a resource issue there and we will talk with Mr. Sakai and the Secretary and get back with you.

TREASURER KOPP: Yeah, thanks.

MR. MOORE: Okay, thank you.

TREASURER KOPP: Because I had too much time

SECRETARY MCDONALD: No, I appreciate you bringing that up. Because that's the information we need from the Board members. Thank you.

TREASURER KOPP: Five was withdrawn?

SECRETARY MCDONALD: Five was withdrawn. The lease was not completely signed by the tenant yet. But it's not an item.

TREASURER KOPP: Nine? Nine. Is there anyone here from Housing? Who could just explain to me --

SECRETARY MCDONALD: Okay. I was just --

TREASURER KOPP: And I know you've tried to do it before and I apologize for that. With the program --

SECRETARY MCDONALD: Could you introduce yourself for the record, please?

MR. EATON: Good morning. My name is George Eaton. I'm the Director of the Division of Credit Assurance for the Department of Housing and Community

Development. And I'm here to talk about nine. Nine is a situation where we have two loans in place. We have a Maryland Bond Loan, which is the primary loan for the property. For example, for a \$100,000 house \$95,000 of that house would be a Maryland Bond Loan. The secondary loan, which is the DSELP loan which we bring before you today, are the State loans which allow the person settlement and down payment assistance. And in order for us to do a short sale, which the collective group are today, we need to ask for your permission to release the DSELP loan and then establish a note with the individual for payment on the DSELP loan.

TREASURER KOPP: So the person now is substituting a personal obligation --

MR. EATON: That's correct.

TREASURER KOPP: -- for a second mortgage, is that --

MR. EATON: And those payments are never over \$50 a month. So we keep it very reasonable for them to be able to recover.

TREASURER KOPP: And meanwhile it looks as though these houses are going for, like, half of what they were worth.

MR. EATON: In many cases. It's really tied to, and I know the Department has a map of where the primary foreclosures are and what's been hurt worse. But it's primarily in those counties where there was a tremendous amount of run up in value. And during that period of time because of the tremendous amount of run up in value there was a tremendous amount of loss --

TREASURER KOPP: Right.

MR. EATON: -- in those particular areas. Not all Maryland is totally reflective of this.

TREASURER KOPP: I was just amazed as I read, there are about five of them I think, that they, that they were bought for \$154,000, they are going for approximately, their value is approximately \$75,000. You don't know what they're going to go for. \$163,000 and going for \$77,000, \$250,000 going for \$158,000. I mean it's really, it's a 50 percent reduction which gives you some idea of what's happening to the families.



MR. EATON: Mm-hmm. And you also notice that these are, if you look at when they were purchased they were purchased in 2006, 2007, which was at the very peak. These people got in and they said, "Oh, this is great, I've got a house." And they got in at the time when the properties were at their highest value.

TREASURER KOPP: So how many of these, do you have any idea how many of these we're going to see?

MR. EATON: I'm sorry, how many?

TREASURER KOPP: Of these we're going to see eventually? I mean, I'm sure you're tracking it --

MR. EATON: I think we're going to see, I think we're going to see this kind of activity for the next year and a half to two years. Just because there's the normal activity with people who are underwater, and if they haven't got a job, or they've been scaled back they've lost time. This is primarily what we're seeing. Is people who have lost hours, lost part-time jobs, or have lost their jobs in between, and they are, and there's a couple that

actually move out of State to try and find a job, or move so far away that they can't really utilize the house any longer.

TREASURER KOPP: Well I, I just wondered what the story was that you were telling us, and it is as, really sad. I appreciate the fact, by the way, that in the background you're putting a little paragraph to explain what the situation is.

MR. EATON: They are not happy reading. They're kind of --

TREASURER KOPP: No, but it puts a human face on a lot of them. Thank you.

GOVERNOR O'MALLEY: All righty. Any questions, Secretary's Agenda? 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 Department of Natural Resources Real Property.

MS. LATHBURY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Meredith Lathbury for the Department of Natural Resources. We have six items on the Agenda this morning. I'll be happy to answer any questions.

GOVERNOR O'MALLEY: Any questions? This used to be called Program Open Space, huh? Is it still called Program Open Space?

SECRETARY MCDONALD: You can still call it Program Open Space. But it's just that this Agenda has a lot more than just her Program Open Space program. But she's still favorably the person who does Program Open Space.

GOVERNOR O'MALLEY: Okay.

SECRETARY MCDONALD: So that's good memories for everyone. A lot of good will in that.

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?

(No response.)

GOVERNOR O'MALLEY: And the ayes have it.

We move on now to the Department of Budget and Management.

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

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: If, Madam Secretary, you could have someone explain Item 8, please?

MS. FOSTER: Certainly. Item 8 is a request for retroactive approval to increase the amount available on the contract to pay an outstanding invoice that's due to Integrated Designs. It's a Department of Transportation item. And from the Department is Cheryl Hill who is the Deputy Administrator.

MS. SWAIM-STALEY: Actually, I'll take it, Eloise.

MS. FOSTER: Okay. All right.

MS. SWAIM-STALEY: Beverley Swaim-Staley, Secretary, Maryland Department of Transportation. This is the first of probably several items, Mr. Comptroller, that we're going to be bringing back as a result of the SHA audit. We have been working with your staff and all of the Board staff, actually, as we're working through items. This was a very clear cut case of an item that should have been brought to the Board by the State Highway Administration. Instead I think they had piggybacked on an MTA contract. And while there were sign offs for that this would really have been the proper way to do it. And so that's why we're bringing it back here now. We've been working with your staff on these so we appreciate their help on that. But this is the first one of those.

COMPTROLLER FRANCHOT: So the contracts that you're finding where they had do not exceed but people looked for other vehicles to exceed the contract, you're bringing back to us for --

MS. SWAIM-STALEY: We're bringing them back if we believe it would have been more appropriate for

them to have brought them to the Board in the first place, yes.

COMPTROLLER FRANCHOT: And has this happened a lot? They've looked through these interagency cooperative agreements?

MS. SWAIM-STALEY: This is, this is fairly rare. There will be other kinds of contracts, though, that we will be bringing back for your review and approval. But an interagency one is fairly unusual.

COMPTROLLER FRANCHOT: Well I applaud the audit and the response. Because potentially there's a whole, you know, can of worms here that --

MS. SWAIM-STALEY: Which we are --

COMPTROLLER FRANCHOT: -- affects the integrity of the procurement process. And I think that's --

MS. SWAIM-STALEY: They had a contract and this would have been the best way if they wanted to add to that, would have been to simply bring it back. So that's why we're doing it.

COMPTROLLER FRANCHOT: Particularly because it said do not exceed.

MS. SWAIM-STALEY: Exactly.

COMPTROLLER FRANCHOT: Thank you, Governor.

TREASURER KOPP: Just, as, I'm trying to understand the response to a question that our office asked you. And I do understand what you and the Comptroller were saying. It says the SHA and MTA even executed an MOU for contract utilization. But then MTA cited lack of contract authority.

MS. SWAIM-STALEY: Well --

TREASURER KOPP: Is that just simply another complication? Or was that not --

MS. SWAIM-STALEY: I think so. And again, that might be a legal question because there was a legal sign off just for legal sufficiency. But clearly SHA had a vehicle with the firm --

TREASURER KOPP: Oh, I don't doubt --

MS. SWAIM-STALEY: -- and they should have used it. So we're still trying to sort through sort of the legality of whether or not they --

TREASURER KOPP: But I hope MTA --

MS. SWAIM-STALEY: But there was sign off, but this is definitely the best way to do it. And our

message from now on will be this is what should be done.

TREASURER KOPP: You understand, I was asking more from the perspective of MTA doing it --

MS. SWAIM-STALEY: Right.

TREASURER KOPP: -- than the SHA part, which you did address.

MS. SWAIM-STALEY: Well I guess they could. But again, they were using up their capacity so it would have been better to have kept it as an SHA contract.

TREASURER KOPP: Right.

MS. SWAIM-STALEY: Yeah.

TREASURER KOPP: Thank you.

COMPTROLLER FRANCHOT: I think what we're, what I'm trying to address here is there's some sense out there in the agency that the Board is an extra detail, or complexity, that has to be somehow avoided if possible through this kind of complicated procedure. And we meet, as you know, every two weeks you're here, we're always available to look at a contract extension.



MS. SWAIM-STALEY: That is correct. And that is a message that we have to work on. There should never be any implication that there was any reason why these contracts cannot come to the Board. You have always been extremely responsive.

TREASURER KOPP: And I must say while the matter at hand is MDOT and SHA and the audit was SHA, those are not the only people who seem to be reluctant to bring things to the Board because of fear that it will either take too long or somehow they will be treated meanly. And I hope you all can tell them we're only trying to do our jobs. And shine a little sunshine on things, and actually make things move more smoothly.

MS. SWAIM-STALEY: Speaking for the Department, we do not have an issue. And we're working to make sure that everyone who works on these contracts, down to the lowest levels, understand there are procedures which must be followed.

COMPTROLLER FRANCHOT: All the meano people have left.

(Laughter.)

TREASURER KOPP: Right, it's just us.

COMPTROLLER FRANCHOT: We're, you know.

TREASURER KOPP: I have a question about number twelve.

GOVERNOR O'MALLEY: Number twelve, Treasurer?

TREASURER KOPP: It's the DHCD contract. And my only question is, you gave us a lot of input under the description of the contract. The last paragraph of your description went into six input, outstanding inputs. But what I don't sense from this is what output measures you're using. So we know what they did, but how do you know they were successful?

MS. FOSTER: So just for the record this is a request to increase the amount for additional marketing services for your Maryland Emergency Mortgage Assistance Program. And we have the Deputy Secretary here.

MR. SNUGGS: Right. I'm Clarence Snuggs, Deputy Secretary of DHCD, and I have with me Jackie Lampell, who is our Communications Director. And as the Secretary mentioned this is an increase, this is a request to increase an existing contract with Media Works. The purpose of it is to add additional resources in our efforts to implement the Emergency Mortgage

Assistant Program, which we were awarded back in April. That program expires at the end of September and so our efforts have been to push those funds, get those resources out throughout Maryland. And we've used Media Works as our primary source of helping to outreach in addition to other outreach efforts to homeowners who qualify for that program.

TREASURER KOPP: So the accountability measure in the end is whether the money all gets out or not?

MR. SNUGGS: Our goal is to, yes. Our goal is to make 1,274 mortgages for \$41.6 million. We started on April 2 and we have until September 30 to make that happen. And we're marching down that road right now. If you want specific numbers I have numbers.

TREASURER KOPP: So I see that they got -- no. But they, they reduced some of the advertising price, the cost of advertising, and got some spots free of charge? I mean, all those were very good things that I have no reason to doubt they did accomplish. But in the end the question is having done that were they effective in getting the word out? And how do you know they were effective?

MS. LAMPELL: Yes, Treasurer Kopp. I would say working with Media Works has been a very good experience for DHCD because as Deputy Secretary Snuggs mentioned we're well on our way to meeting our goal of getting out all of the money that was given to us by HUD for the Emergency Mortgage Assistant Program. In addition to that we are tracking the number of phone calls that come in over our HOPE hotline and we are tracking the number of hits that come in to the MDHOPE site. And we are able to see over a period of time, between last April and the month of July at this point, that the number of hits for instance on MDHOPE has gone up from about 20,000 to 69,000. So the number of people hearing the message is clearly increasing by leaps and bounds.

Also in addition to helping us get a little price for some of the advertising and getting us some of the value added things such as website placements, they came up with ideas that, you know, we hadn't thought of. Like advertising on a boat in Ocean City, you know, where people, that's going across while people are on the beach, "Mortgage Late? Don't Wait," that sort of a

thing. So we were advertising in movie theaters and trying to use the money in the best possible way to get the best possible result.

GOVERNOR O'MALLEY: I can also tell you, Madam Treasurer, that our foreclosures in Maryland are at the lowest point that they've been since April of 2007. And Chris, I don't know, I mean Kevin, I don't know if you can get that graph up from my daily reports on mortgage events and how they are tracking. But it's, I'll get it.

MR. SNUGGS: Through the end of, Governor, through the end of the second quarter Maryland was down 54 percent as compared to the end of last year, the second quarter of last year.

TREASURER KOPP: In foreclosures?

MR. SNUGGS: In foreclosure events, which is made up of defaults and sales and auctions. So it's down 54 percent. Overall it's down 68 percent, the first half of this year over, versus the first half of last year. So there's a significant reduction. We had about 4,500 foreclosure events in Maryland in the second

quarter. And in the first quarter of 2010 we had 14,800

--

TREASURER KOPP: Is there a way to tie this program, not the advertising, but the program to the reduction in foreclosures? Or to --

MR. SNUGGS: I'm not sure I --

TREASURER KOPP: -- keeping people, so you got the money out for emergency mortgage assistance. You're going to get it all out --

MR. SNUGGS: Yes.

TREASURER KOPP: -- and people will be aware of the program.

MR. SNUGGS: Yes.

TREASURER KOPP: And then what is the impact of that in terms of people having housing?

MR. SNUGGS: Well the effort is to try to keep families who have been, who have been negatively impacted by the recession, due to loss of income, reduction in income, or major medical experience who couldn't make their mortgage payments. The purpose of this loan is to try to get them up to date and to work with them. And we'd make a portion of their payment

over the next, up to twenty-four months. Which is time hopefully for the recovery and for them to get back to where they were prior to that event. So our efforts have been to outreach to these families. Not everybody qualifies. Not everybody is eligible. It is a loan that we're making on behalf of the federal government and so we need to get the word out across the State.

As I said earlier our goal is to try to serve about 1,300 Marylanders that we can try to keep in their homes --

TREASURER KOPP: Okay.

MR. SNUGGS: -- as a result of this mortgage. Which helps to I think stabilize their personal financial situation as well as communities, which have been negatively impacted by foreclosures. So we want to try to help people who are on that edge. This is a resource that we don't have, we didn't have at the State level. We got funding from HUD, through the President, as a part of the Banking and Wall Street Reform Bill, the Dodd-Frank Bill. And so we were able to use those funds directly for the purposes that HUD designed, which

is to help keep Maryland families who had a negative impact because of income. So it's about --

TREASURER KOPP: And you assume there are about 1,300?

MR. SNUGGS: We have, based on our calculations, you know, we're going to look to do about \$41.6 million in these loans. The average loan is about \$32,600. When you do the math, it comes out to about 1,274 loans that we will be able to do based on those averages. And so far we've taken 2,600 applications for about \$87 million. There are a lot of folks who call out for different reasons. We've approved about \$26 million so far. We believe that based on where we are right now we can take probably another 541 applications before we will start to run out of time. So we're working, we're sort of at the end of this but we still want to make that push to make sure we get all of these resources realized. And the advertising and the promotion have been critical to our success in reaching people throughout the State.

TREASURER KOPP: So you are projecting, you are projecting based on experience about 1,300 --



MR. SNUGGS: 1,274.

TREASURER KOPP: And this is based on assumptions regarding the employment rate? Unemployment rate?

MR. SNUGGS: 1,274 is based on our approval rate --

TREASURER KOPP: Right.

MR. SNUGGS: -- based on the applications that we see.

TREASURER KOPP: Okay.

MR. SNUGGS: About 40 percent of the applications --

TREASURER KOPP: Okay.

MR. SNUGGS: -- are folks that we can approve.

TREASURER KOPP: So if unemployment goes up that's irrelevant really to your projections?

MR. SNUGGS: If it goes up it makes folks more, and if, there's a minimum of a 15 percent reduction in pre-event income. That is sort of one of the primary characteristics, or primary requirements. So if a person's income has gone down by 15 percent, or has gone to zero, then yes they would be, that would be

one of the eligibility requirements. There are others -  
-

TREASURER KOPP: But your 1,300 is based on  
the amount of money that you are getting right now  
regardless --

MR. SNUGGS: The money we have, the average  
loan, our approval rate, and that calculates out to the  
number of Marylanders we think we can serve.

TREASURER KOPP: Well that's great. I mean,  
that's wonderful if you can do 1,300 and provide a  
bridge, and they get jobs, keep the jobs, and everything  
else together. I had the unpleasant experience of  
viewing on the computer some congressional debates on  
the Dodd bill. But I'm glad to know we're doing what we  
can --

MR. SNUGGS: Yes.

GOVERNOR O'MALLEY: So the bottom line is you  
expect to do how many at what amount?

MR. SNUGGS: 1,274 Marylanders --

GOVERNOR O'MALLEY: Mm-hmm.

MR. SNUGGS: -- and we are averaging about \$32,000 per loan. The maximum is \$50,000, in Maryland we're averaging \$32,000 per loan.

GOVERNOR O'MALLEY: And in many cases this allows people to catch up with their arrearage --

MR. SNUGGS: Yes.

GOVERNOR O'MALLEY: -- as they get back to work.

MR. SNUGGS: That's correct. That's correct.

GOVERNOR O'MALLEY: Mm-hmm.

MR. SNUGGS: It gives them a chance to catch up. A lot of them would not be able to get a modification through their servicer because their incomes --

GOVERNOR O'MALLEY: Right.

MR. SNUGGS: -- have been reduced, or they're not, you know, they're not getting the proper response from the servicer. And therefore, this is an option that was not on the table before.

TREASURER KOPP: Can I ask a related question? And I think you are the gentleman. Bank of America said that they had changed their program in the last year and

had set up a large number of people screening their mortgages, particularly those they got from Countrywide. Countrywide? Is that?

MR. SNUGGS: Countrywide.

TREASURER KOPP: Countrywide, which may not have been the greatest purchase that Bank of America ever made. But that there was a sense that things were working better now than they were because they had a lot of people out there processing the loans at several locations across the State. Do you get any sense of that at all?

MR. SNUGGS: I would say that there has been improvement. I think it was primarily because they were so bad. They were, they had a significant portion of our market share --

TREASURER KOPP: Right.

MR. SNUGGS: -- as a result of their acquisitions over the years. And they were one of the more difficult servicers to work with. Not very responsive. Per the conversations we've had with our housing counselors and our pro bono legal folks they were difficult to work with. I think it has improved

probably over the last six months. But we've been at this since, you know, the first quarter of 2007. And it was really rough in those first years --

TREASURER KOPP: Right.

MR. SNUGGS: -- getting them to be responsive.

TREASURER KOPP: So you, you sense some improvement?

MR. SNUGGS: Yes.

TREASURER KOPP: And clearly I infer a way to go.

MR. SNUGGS: Yes, there has been improvement. I think those statements are true. They are a big player.

TREASURER KOPP: They are a very big player.

MR. SNUGGS: And therefore their movement is significant.

TREASURER KOPP: And the purchase of Countrywide made them a huge player.

MR. SNUGGS: Huge.

TREASURER KOPP: Yeah. I hope it works out.

GOVERNOR O'MALLEY: Madam Treasurer, this is the graph right here showing you how the, is that

biweekly at the bottom? I can't see from that far away.  
Or is that monthly?

MR. LARGE: Monthly.

GOVERNOR O'MALLEY: Monthly, sort of our trend. The black dots is the national rate of foreclosure and the blue is Maryland. Right around that peak time, as it was climbing to that peak, was when we enacted the mandatory mediation. And then that, the HOPE hotline, the outreach. The fact that we had this apparatus in motion I think is, so that when the bill was enacted that allowed us to get these loans, I mean, a lot of other states are still trying to figure out --

MR. SNUGGS: They are struggling to get the --

GOVERNOR O'MALLEY: -- who the people are that are eligible for these loans. But because we had the network of people that both of you had been funding and supporting out there with the HOPE network, because we had that hotline, and because we did the mandatory mediation, I think we were able to get our graph, anyway, moving in the right direction. For a long time even, I mean, we were threatening for the better part of the year to actually be higher than the national

foreclosure rate, and starting to accelerate up before we finally got --

TREASURER KOPP: What was, at the other end, the pre-crisis normal?

GOVERNOR O'MALLEY: The lowest it's been since this time I think was right around near April, '07?

TREASURER KOPP: But was that bumping on the bottom, the normal rate, before --

GOVERNOR O'MALLEY: Yeah, bumping on the bottom was '06. And then beginning of '07, January of '07 is when it starts to escalate up there, if my feeble eyes do not betray me. But see at first we were way under the national rate, and then we started to threaten to go above it --

TREASURER KOPP: So where are we, at the other, at this point --

GOVERNOR O'MALLEY: Go to the other end?

MR. SNUGGS: We're significantly below --

TREASURER KOPP: So we're below the normal national rate.

MR. SNUGGS: The national rate, yes.

TREASURER KOPP: Not the national rate, but the normal national rate before the crisis.

GOVERNOR O'MALLEY: Shrink it down again so we can see the whole thing in a glance there, Kevin. And you did an excellent job of blowing it up.

TREASURER KOPP: If you assume that as the normal national rate, .8, 0.8?

GOVERNOR O'MALLEY: Yeah, how about that?

MR. SNUGGS: We're point, what's that, .5 in July?

TREASURER KOPP: So maybe my eyes are not that, but that's --

GOVERNOR O'MALLEY: That's a good graph, isn't it?

TREASURER KOPP: As bad as it is for Maryland, we're not that far from what it normally is in the United States of America, it looks like.

GOVERNOR O'MALLEY: And we're considerably below where the country is today.

TREASURER KOPP: Right.

MR. SNUGGS: We've made significant improvement over the past year. We're still faced with



a lot of folks who are underwater that we have to deal with, but.

GOVERNOR O'MALLEY: I hope our national friends know --

MR. SNUGGS: They know.

GOVERNOR O'MALLEY: -- I mean, see that we're making use of these programs so that people --

MR. SNUGGS: They are very excited about our work with EMA, with Emergency Mortgage Assistance. We've been leading from day one with the number, we have, there are five substantially similar states that got funds directly. The others are working through Enable Works Network and HUD --

GOVERNOR O'MALLEY: Mm-hmm.

MR. SNUGGS: -- administered by them. We're administering our program ourselves and we're way ahead of the other states that are in that pool with us. None of the others are even close.

GOVERNOR O'MALLEY: If only we were failing and ineffective we might get some press for it.

MR. SNUGGS: That's right. This is too good news. I've learned that lesson.

MS. LAMPELL: We had an article in the *Sun* yesterday.

GOVERNOR O'MALLEY: Did you?

MS. LAMPELL: Yes, sir.

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

MS. LAMPELL: Eileen Ambrose wrote a positive article about us.

GOVERNOR O'MALLEY: I apologize for my blanket assertion.

TREASURER KOPP: You are on target to do your spend by September 30th?

MR. SNUGGS: Absolutely.

GOVERNOR O'MALLEY: Kevin, can you find that article in the *Sun*? We want to frame it and put a gold seal on it.

TREASURER KOPP: Well that's really a good chart. I mean, it tells a very sad story, and every foreclosure is a terrible thing. But --

MR. SNUGGS: I think the key to our success from the very beginning has been the variety of things that we've done. Not just a single solution. We've done, we've done things, we had a HOPE hotline before

the national HOPE hotline existed we had one in Maryland. And we've received over 50,000 phone calls from Marylanders since the very beginning. We've had, we expanded our network of housing counseling organizations. I mentioned earlier the pro bono legal attorneys. We've trained over 1,100. Judge Bell helped us --

GOVERNOR O'MALLEY: Right.

MR. SNUGGS: -- with getting them to volunteer to participate. And we've had some active participation by our legal community. We have reached out in very creative ways to our faith community, community based organizations all over to get the word out, to get people to move. Our motto is, you know, "Mortgage late? Don't wait." We put that out there with the hotline. And I think it showed with the implementation of EMA as an extension, along with some of the legal things that have been done, with the notification law that went into effect as well as mediation that went into effect recently. All of those things, I think, are combining to show we have come a long way.

TREASURER KOPP: Excellent. Progress, thank you.

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

COMPTROLLER FRANCHOT: Yes.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Item 10 and 11.

MS. FOSTER: Okay. Items 10 and 11 are both a request to extend a contract for the eligibility assessment and resource coordination services, one in Central Maryland, the other in Western Maryland. The extension is to be for nine months to give the Department an opportunity to complete the regulations to put into place the fee for service system. And the Deputy Secretary for the Department of Health is here. Mr. Kim?

COMPTROLLER FRANCHOT: Great.

MR. KIM: Good morning, Mr. Governor, Madam Treasurer, Mr. Comptroller. I'm happy to answer your questions on this item.

COMPTROLLER FRANCHOT: Okay. Six months ago we gave you a six-month extension and now you are asking

for a nine-month extension. Is this the last we're going to see this request for extensions?

MR. KIM: I believe so, and I will qualify that statement. Just a slight bit of background on this is that the Development Disabilities Administration within DHMH is proposing to move to a fee for service based model to serve the over 18,000 with disabilities. What that means is that the State will be able to seek reimbursement from the federal government at a clip of 50 percent.

In order to do that the service coordinator agencies that are comprised of the local health departments and two major private vendors who work with us will have to start billing the federal government directly for these, for the services rendered. In addition the benefit is that the State will be able to serve approximately 3,000 more individuals who are currently on the waiting list immediately without having to apply for a Medicaid waiver. So 3,000 additional individuals, approximately \$10 million to \$11 million of extra revenue that will come into the State for these services.

The original extension that was approved by this body did call for the implementation of regulations so that the State of Maryland could put this into effect. In the Spring of 2011 the administration was prepared to move forward as such. Secretary Sharfstein upon his arrival to the State had decided to have a round of stakeholder meetings, meaning the advocates for these individuals, the service providers themselves, the local health departments, and so forth. And there was very much a consensus that there wasn't enough communication and roll out of this particular plan. Meaning that there are certain technical requirements that these entities would have to go through, as I had mentioned, to bill the federal government for these services.

Those structures were not sufficiently in place in the Spring of 2011 when the Secretary had done this round of stakeholder meetings. At the time the Secretary, DDA, who now has a new Director, did not feel that ramming this down the throats of our providers was in the best interest of our clients, meaning these 18,000 to 20,000 individuals. We did not want to

jeopardize their level of service for this. The alcohol tax, however at the same time we weren't sitting on our hands. Because with the advent of the \$50 million in the alcohol tax we were able to address the neediest individuals on that waiting list this fiscal year, for which we are aggressively implementing right now. Again with the buy in, with the support, and the coordination of our providers.

So that being said there was a concerted decision to ensure that we have all our ducks in a row before implementing this new fee for service model. And so we've done extensive communications. I think I have, there's a service provider here who can attest to that. But we have been meeting extensively with all of our stakeholders throughout the spring and the summer. And we feel that within the next six to eight weeks we will be able to make a firm decision on whether to indeed move to the new fee for service model or stick with the status quo, which is issuing contracts out to service coordination providers.

If it is the latter we will have given ourselves enough time to put a new solicitation out on

the street to get bidders and a selection made, you know, within that nine-month period.

COMPTROLLER FRANCHOT: Terrific. So my concern once again is just the repetition of these short term contracts. For example, do we pay a premium when we do a six-month extension or a nine-month extension, as opposed to --

MR. KIM: No. These rates will remain as they are.

COMPTROLLER FRANCHOT: And your statement today seems to imply that the fee for service model favored by the federal government is not the direction we may end up going in?

MR. KIM: I can't say with moral certainty that we will --

COMPTROLLER FRANCHOT: It certainly has some -  
-

MR. KIM: Right. But we are certainly leaning in that direction. And again, you know, we --

TREASURER KOPP: In which direction?

MR. KIM: To move forward the new fee for service model for which we will be able to service 3,000



additional individuals and receive \$11 million of additional funds.

COMPTROLLER FRANCHOT: Okay. Thank you, Governor.

TREASURER KOPP: Good question.

GOVERNOR O'MALLEY: Thank you.

TREASURER KOPP: So --

GOVERNOR O'MALLEY: Any other -- I'm sorry.

TREASURER KOPP: If you go to fee for service it will be done within this fiscal year? It will all be done within this fiscal year?

MR. KIM: If we do it will be at the beginning of fiscal '13, so July. Which will be --

TREASURER KOPP: So --

MR. KIM: -- at the tail end of the existing extension.

TREASURER KOPP: I think it would be worthwhile if you informed the Comptroller, informed us, as things went on, where you were going.

MR. KIM: Absolutely.

TREASURER KOPP: And how you make up the \$11 million, and help the 3,000 people that wouldn't be helped if you didn't go in that direction.

COMPTROLLER FRANCHOT: So mark me down as reluctant approval.

GOVERNOR O'MALLEY: Okay. We're on, anything else for the Department of Budget and Management? The Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

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

(No response.)

GOVERNOR O'MALLEY: The ayes have it, with one reluctant approval. We go on to the University System of Maryland. I loved the new uniforms.

(Laughter.)

GOVERNOR O'MALLEY: I thought they were great.

MR. STIRLING: We loved them, too.

GOVERNOR O'MALLEY: Yeah, I thought they were very cool.

MR. STIRLING: The story is there's no such thing as bad publicity, you know? Whether you like it or not you're talking about Maryland.

GOVERNOR O'MALLEY: Just typical Crab Town naysayers. I thought it was, I thought it was great. I mean --

MR. STIRLING: I hope you like the next thirty-two variations, too.

(Laughter.)

GOVERNOR O'MALLEY: A new uniform every game?

MR. STIRLING: It's my understanding they have thirty-two different variants of uniforms. I would say at least one every game.

GOVERNOR O'MALLEY: Is that to confuse the enemy?

MR. STIRLING: It seemed to work.

GOVERNOR O'MALLEY: Uh-huh. Yeah, it was good.

TREASURER KOPP: It was a very good thing you all won, we won. Because it would have been really --

MR. STIRLING: For the record, I'm Jim Stirling for the University System. We have nine items

on today's Agenda. I'd be happy to answer any questions that you have.

GOVERNOR O'MALLEY: Have you all talked about doing something where you have people register online whether they liked the uniform with the thumbs up or thumbs down? You could get a lot of followers.

MR. STIRLING: I really don't know, but I'll suggest that to the Athletic Department.

GOVERNOR O'MALLEY: We did that once with what I thought was a God awful color scheme for one of the bridges over I-83 when I was Mayor. But the public outvoted me and we went with the God awful color scheme with that bridge, which it still sports today.

SECRETARY MCDONALD: Well one of the Treasurer's staff members pointed out yesterday that the Maryland flag is known for being a flag that was taken into battle, and that's what the soldiers all followed behind. So here you have a whole team, and fight on, and I think there you go. So the warrior aspect --

GOVERNOR O'MALLEY: I liked it.

TREASURER KOPP: That must have done it. I think the idea of people voting on things though is --

no, I would take that back. Because as soon as people feel that they've got a stake in something they begin paying more attention.

MR. STIRLING: Got it.

TREASURER KOPP: No harm. As long as we win games.

GOVERNOR O'MALLEY: And --

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR O'MALLEY: -- the Comptroller moves approval. Any questions? Seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

MR. STIRLING: Thank you.

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

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

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

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it.

MR. SCHLANGER: Thank you.

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

MS. SWAIM-STALEY: Good morning. For the record, Beverley Swaim-Staley representing MDOT. We have twenty-four items today, and Item 24 is a supplemental item. We'll be happy to answer any questions.

TREASURER KOPP: Governor?

GOVERNOR O'MALLEY: Yes?

TREASURER KOPP: I have something that's not a question on Item 15, but an observation on MAA, Aviation Administration. That in fact there is a decrease in the contract amount. According to the description the reduction is due to outdated and obsolete equipment

which is no longer used. Presumably showing that investing in updated equipment in fact does pay off. And I just think it's good for people --

GOVERNOR O'MALLEY: What item was that?

TREASURER KOPP: Fifteen.

MS. SWAIM-STALEY: Fifteen.

TREASURER KOPP: It's not a lot of money.

MS. SWAIM-STALEY: Radio repair.

TREASURER KOPP: But sometimes just hanging onto things and cutting, as opposed to investing in the right places, doesn't pay off in the same way.

GOVERNOR O'MALLEY: It's like that car that costs you more to repair every month.

TREASURER KOPP: Mm-hmm. I have one like that myself. I just congratulate whoever made the wise investment.

MS. SWAIM-STALEY: I'll pass that on. Thank you.

TREASURER KOPP: And the other thing while you're at it, Madam Secretary, just personally, Items 16 and 17, both Aviation Administration, small contracts. The point is, though, they are renewals and in the

remarks the Administration in fact points out why they think it should be renewed, and why it was a good contract, how it was effective. And I really appreciate that. And think if all of the renewals had something in there specifically. I know --

MS. SWAIM-STALEY: So do I.

TREASURER KOPP: -- Colonel Freedlander was very interested in that. It's just very helpful to know why we are renewing a contract. Not just because it's there, but because it accomplished something.

MS. SWAIM-STALEY: Okay. We'll try to include that all the time.

TREASURER KOPP: Yeah, that's --

GOVERNOR O'MALLEY: Any other questions, Department of Transportation budget items? 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. Last but never least, Department of General Services.



MR. COLLINS: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Al Collins for the Department of General Services. Today we have thirty-four items on our Agenda. Item 7 has been revised. And I'd be glad to answer any questions that you have at this time on any of these items.

Governor, if I could go off topic for just a second? In preparation for Hurricane Irene last week as you were previously leading your team, we certainly always appreciate your leadership. There was a well placed phone call near the end of the day on Friday, before Saturday, from the Deputy Treasurer's Office promoted by the Treasurer. And it was the first time I remember that the Treasurer's Office, number one, was proactive in helping us figure out what to do if we had significant issues --

TREASURER KOPP: Sometimes it takes a few years.

(Laughter.)

MR. COLLINS: -- by providing insurance and claim information beforehand, as well as making available her vast array of building people who would be

available to help assist us over the weekend and during the week if we needed that kind of assistance. Madam Treasurer, I want to thank you on behalf of us --

TREASURER KOPP: Thank you, Mr. Secretary.

MR. COLLINS: -- that do the operational end of what we do. It was, made our lives a lot easier. It took a lot of grief and took away a lot of concerns that we had in terms of if we had a major fiscal event what would we do. It was well appreciated.

TREASURER KOPP: Thank you very much. I, you embarrass me.

MR. COLLINS: I'm sorry.

TREASURER KOPP: I appreciate your comments and what embarrasses me is that I didn't start out by saying a number of people from the Treasurer's Office worked the weekend --

MR. COLLINS: Yes, they did.

TREASURER KOPP: -- just to make sure that they would be there on call for insurance purposes, etcetera. And I would like to publicly thank them.

MR. COLLINS: Thank you.

TREASURER KOPP: They didn't have to do it, but they are devoted. Just as the Comptroller's folks are there opening the taxes over the weekends when they don't have to be, and doing all the other things, there are public servants all over this State who are devoted to accomplishing their tasks and staying at the job and not just being there nine to five as unfortunately sometimes the public image would have you think.

MR. COLLINS: I just wanted to thank you for that, for that work, Madam Treasurer.

TREASURER KOPP: Thank you. Governor, Item 4?

MR. COLLINS: Number four?

TREASURER KOPP: Just, it's the Glen Burnie Armory. But what, I just wanted to comment again, a little Nancy Kopp little note. The description, they are putting on a new roof, a white roof. And I want to thank you. It's extremely energy efficient, environmentally friendly.

MR. COLLINS: That's correct.

TREASURER KOPP: But as you know, the Secretary of Energy, Dr. Chu, a Nobel Prize winner, pointed out that if only a larger percentage of the

roofs were white, meaning a certain type of color and material, it would be the most immediate and significant energy and environmental savings thing that could be done, and not terribly expensive or difficult. So I would hope that as we go on we look at this sort of --

MR. COLLINS: Thank you, ma'am.

TREASURER KOPP: And for the public school system and all of the buildings the public owns.

MR. COLLINS: We are looking to make it more of a rule rather than the exception.

TREASURER KOPP: Yeah, and it's really --

MR. COLLINS: We thank the Adjutant General for this.

GOVERNOR O'MALLEY: Which one is this?

MR. COLLINS: Item 4, Governor.

TREASURER KOPP: It's Item 4-M. But it's --  
yeah.

MR. COLLINS: It's the replacement of the Glen Burnie Armory. A new roof.

TREASURER KOPP: But it's just an example, especially if you are talking about the buildings that were built in the sixties --

MR. COLLINS: That's correct.

TREASURER KOPP: -- with the large and flat roofs. You might as well take advantage of them.

GOVERNOR O'MALLEY: Right. If they are not solar they should be white, huh?

TREASURER KOPP: Yeah. Yeah.

GOVERNOR O'MALLEY: And it's in the JOBS program to do that with all those blacktop roofs --

TREASURER KOPP: Yeah.

GOVERNOR O'MALLEY: -- in the City of Baltimore. Okay.

TREASURER KOPP: That's great.

GOVERNOR O'MALLEY: Any further questions on this one? 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.

TREASURER KOPP: Governor, before we adjourn

GOVERNOR O'MALLEY: Before we adjourn?

TREASURER KOPP: -- I was also remiss in not in the beginning introducing Susanne Brogan, the new Deputy State Treasurer for Public Policy. Susanne, many of you know, came originally out of the Legislature and then was a member of the Public Service Commission. We, the Comptroller and I have worked with her for many years as have many people here, and we welcome her, and thank her for being here, and thank you all for reaching out a friendly hand.

GOVERNOR O'MALLEY: Congratulations, Ms. Brogan. Welcome aboard. And this concludes our meeting. Thank you all very, very much.

(Whereupon, at 11:14 a.m., the meeting was concluded.)

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