

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

November 3, 2010

10:07 a.m.

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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;

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: That was very, very nice. What day is today?

(Laughter)

TREASURER KOPP: It's the first day.

GOVERNOR O'MALLEY: It's the first day.

Welcome to the Board of Public Works for November 3, 2010. I really want to thank all of the people of our State for going out yesterday and voting in this election. The people that came and expressed their diverse views. And as I said last night, you know, if we all agreed on everything there would be no purpose in having an election or electing representatives. But I'm so, I feel so blessed and so honored to be able to serve the people of such a great State especially in these challenging times. And we're going to have a couple of hard years still ahead of us, but I know we're up to this. I really do. And I really want to thank all the moms and dads and people across our State who went out yesterday to the polls and moved our State forward. And I ask the, congratulate the Comptroller on his victory yesterday.

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COMPTROLLER FRANCHOT: Thank you.

GOVERNOR O'MALLEY: And ask you, sir, if you have any opening thoughts?

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR O'MALLEY: It's so good to see you.

COMPTROLLER FRANCHOT: Yes.

(Laughter)

COMPTROLLER FRANCHOT: I want to thank Sheila McDonald for scheduling this Board meeting.

(Laughter)

COMPTROLLER FRANCHOT: But Governor, my congratulations to you. And they're heartfelt because it was a very strenuous campaign. And frankly, the fact that you're going to be Governor for four more years, I just congratulate you on that. And it was a hard fought effort, a very tough political environment. And I know we don't like to talk politics at the BPW meeting, but what the heck?

(Laughter)

COMPTROLLER FRANCHOT: But I think you bucked the national tide. And I think the taxpayers are going to benefit by the confidence that they've

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placed in you. And so I'm very grateful. We're all trying to figure out from Attorney General Gansler how to run unopposed. But anyway, I'm really looking forward, frankly, to the next four years because there are going to be some extraordinary fiscal challenges. And the fact that we can work together with Treasurer Kopp, and continue to use our shared commitment for, frankly, social progress but fiscal responsibility. I think those two values are not at war with each other. And --

TREASURER KOPP: Fiscally prudent, socially responsible.

COMPTROLLER FRANCHOT: Yes. And so anyway, I want to congratulate also our wonderful Senator Barbara Mikulski and the members of the State's congressional delegation.

GOVERNOR O'MALLEY: Hear, hear.

COMPTROLLER FRANCHOT: All, everybody who earned seats in the General Assembly, it's such a great institution, and everyone at the local level in county councils and those wonderful courthouse positions throughout the State.

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And I'd also like to frankly say to everybody from both parties, or all parties, who ran and gave their best and came up short, I really salute your willingness to engage in the political process and for contributions that everybody made to the public debate. You know, I think of Frank Kratovil on the Eastern Shore, I think of former Governor Ehrlich and others that went into the arena, fought hard, and came up short. But it's to their credit. And my general election opponent, a gentleman named Bill Campbell, some of you may have had the chance to meet him. Mr. Campbell is a gentleman that served our country well, with distinction, in multiple capacities within the federal government. He is a fundamentally decent gentleman who ran a substantive and issue oriented campaign. Obviously, we had legitimate policy differences. Why else would he have run? But the point that I liked about Mr. Campbell was he didn't result to negative campaign or personal attacks. And frankly in this day and age I think that should be recognized and commended.

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I visited, and like the Governor and others, went to every nook and cranny of the State during this campaign season. I heard two resounding messages from the voters. First, they're deeply concerned about the nation's economy and their own ability to pay the mortgage, and buy food, and keep their jobs, and put money away for the future. They have had to cut back and sacrifice and they are demanding that we do the same in government by holding a firm line on taxes, spending, and debt.

Secondly, and you all heard this, so many people were turned off by the toxic political environment that they saw, and particularly at the national level. A lady in Catonsville told me yesterday it had gotten to the point where she didn't even want to turn on her television. She didn't want to deal with the partisan personal attacks. And I think it's not hard to figure out why so many Americans are giving up on politics.

So while there is so much to be satisfied about this morning, we also have a lot of work to do to justify the confidence of Maryland's taxpayers. I

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think we need to reinforce our commitment to holding the line on taxes, spending, and debt. I also think we need to come together and offer our constituents a candid and bipartisan conversation about the challenges facing the country and our State, and do so with the kind of civility that inspires them to reengage in the political process. And I think the way to do that, just going back to the twin values of social progress and fiscal responsibility.

Thank you again, Governor, and my heartfelt congratulations to you on your election. It's extraordinary and let's roll up our sleeves and get back to work.

GOVERNOR O'MALLEY: Amen. Madam Treasurer?

TREASURER KOPP: Thank you. There's little I could add, except my congratulations to both you gentlemen and to the citizens of the State of Maryland for having made an outstandingly good set of decisions, I believe. I spent a good amount of time going door to door in several different areas, just because I enjoy doing that, and I like to find out what people are thinking, going to some schools,

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etcetera. And I do agree with the Comptroller, people are concerned about the economy, the national economy. They are concerned about their children's future, their education, what the environment is going to be like. Everything that we all are concerned about, too. But I do think the results of the election in Maryland are a clear indication that people recognize and respect the ability of a leader to make tough decisions. And to talk about reality. To keep an eye on the prize, and to share the common set of priorities of education, strong families, strong communities. And recognize that there often is not an easy way to go down the path, but we keep going. And not to, quite candidly, blow a lot of smoke at people. And I think the people recognize that. And so Governor, as I said a little earlier, a grateful nation lifts its eyes to you. And we look forward to going forward, and not back.

GOVERNOR O'MALLEY: And not back.

TREASURER KOPP: And continuing the progress and the unique State that is Maryland.

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COMPTROLLER FRANCHOT: Does the Treasurer get a hug, too?

GOVERNOR O'MALLEY: Yes.

(Laughter)

TREASURER KOPP: So, I think we have to get to work.

GOVERNOR O'MALLEY: I think we do. Let's get to work. We're on the Board of Public Works, here, and we go to the Secretary's Agenda. Ms. McDonald?

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

GOVERNOR O'MALLEY: And the interoperability one was pulled?

SECRETARY MCDONALD: That will be on a later Agenda, but we will be withdrawing that one. You want to announce that now? Deputy Secretary Stacia Cropper

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is here from Information Technology. I understand she is withdrawing Item 3-IT?

GOVERNOR O'MALLEY: Come on down.

MS. CROPPER: Good morning, Governor --

GOVERNOR O'MALLEY: Hi.

MS. CROPPER: -- Madam Treasurer, Mr. Comptroller. Stacia Cropper standing in for Elliot Schlanger today, Department of IT. We had three items on the Agenda. We are pulling 3-IT for today.

GOVERNOR O'MALLEY: And they, because they're having trouble hitting their MBE, huh?

MS. CROPPER: We are working on that. We have some other questions we're also trying to answer for you. So we will have those --

GOVERNOR O'MALLEY: It's hard to believe that in a State as diverse as ours, with a technology sector that's as diverse and as robust as ours, that on a contract as significant as this, that they wouldn't be able to hit their MBE.

MS. CROPPER: They actually hit the MBE goal. They've exceeded the goal that was established

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on the contract. We're just looking for a different level of diversity within that goal.

GOVERNOR O'MALLEY: Okay. All right.

COMPTROLLER FRANCHOT: Governor, if I could just?

GOVERNOR O'MALLEY: Sure.

COMPTROLLER FRANCHOT: As you're, if you're looking at items in that contract, if you could also look at the possibility of phasing in the contract based on how it's executed?

MS. CROPPER: Yes, sir.

COMPTROLLER FRANCHOT: Because of the concern about the dynamic turnover in that technology area.

MS. CROPPER: Yes.

COMPTROLLER FRANCHOT: And if you could come prepared to speak on that, that would be terrific.

MS. CROPPER: Absolutely.

GOVERNOR O'MALLEY: Okay. Any questions on -- so this item is?

SECRETARY MCDONALD: 3-IT.

MS. CROPPER: 3-IT.

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GOVERNOR O'MALLEY: Is pulled?

SECRETARY MCDONALD: Right.

GOVERNOR O'MALLEY: I can defer it once again.

SECRETARY MCDONALD: Do you want to -- all right, withdrawn.

MS. CROPPER: Do you want to -

GOVERNOR O'MALLEY: What's that? Withdrawn?

SECRETARY MCDONALD: They withdrew it, yeah. DoIT withdrew.

GOVERNOR O'MALLEY: Okay. All right. Any other questions on the balance of the Secretary's Agenda?

SECRETARY MCDONALD: Of the Secretary's Agenda. You'll have to come back up for yours.

GOVERNOR O'MALLEY: Thanks very much.

TREASURER KOPP: I have one --

SECRETARY MCDONALD: Madam Treasurer, Item 7 was one of your energy performance contracts --

TREASURER KOPP: That's the one, that's the one. Thank you very much. Your help is always needed and appreciated. Item 7, Governor, an energy lease

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program. As you know, we have an ongoing energy lease program run through the Treasurer's Office. Patti Konrad, the Head of the State's Debt Management is running it. It allows us to invest in savings, invest in energy improvements which not only help the environment but save money. And I'm bringing this particular one to your attention, and to yours, Madam Secretary of Transportation, because it's my understanding that your Department, through the work of June Hornick, an employee. One of those thousands of Maryland State Employees who for the last several months while everything else has been going on, have been working hard, pressing forward, and saving the taxpayers money, saving over \$1.5 million for the taxpayers over the life of this lease. Because she figured out how to do it in an appropriately tax exempt way, brought it back, it has been implemented, it is being carried out. We will save energy, help the environment, save money, and save particularly \$1.5 million more than we even thought we could because of the work of your staff. And I hope you'll thank her on our behalf.

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MS. SWAIM-STALEY: Well, thank you. I will pass that on --

TREASURER KOPP: Yeah.

MS. SWAIM-STALEY: Thank you.

TREASURER KOPP: Good. I like to save money and save energy.

GOVERNOR O'MALLEY: Good stuff. Anything else on the 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, "Nay."

(No response.)

GOVERNOR O'MALLEY: The ayes have it.

Program Open Space?

MS. LATHBURY: Good morning, Governor.

GOVERNOR O'MALLEY: The trees and the rivers--

MS. LATHBURY: Yes.

GOVERNOR O'MALLEY: -- are ever our allies.

MS. LATHBURY: Meredith Lathbury for the Department of Natural Resources. We have six items on the Agenda this morning. We have three Rural Legacy

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easements, and three Conservation Reserve Enhancement easements. We'll be happy to answer any questions you might have.

GOVERNOR O'MALLEY: Madam Treasurer?

TREASURER KOPP: No, it's the first one.

It's just interesting that the very first Rural Legacy one that is going to help us save over 125 acres, conservation easement, is at the Harry Reid Farm in Dorchester County.

GOVERNOR O'MALLEY: Really?

TREASURER KOPP: That's a very good sign for the --

GOVERNOR O'MALLEY: Any relation?

TREASURER KOPP: I doubt it, but you never know.

GOVERNOR O'MALLEY: What is that one? Do you want to talk about that one?

MS. LATHBURY: Sure. This is actually an interesting project because it involves our partnership with the Navy. And the Navy has a program called the Readiness Environmental Protection Initiative where they are seeking to protect land from

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development and protect open space around their key testing areas. And we also have, we have Liz Zucker here from the Nature Conservancy who has worked on this project. She can tell you a little bit more about it.

SECRETARY MCDONALD: You need to come to the podium.

GOVERNOR O'MALLEY: Come on up to the, come on up to the microphone. We know you're shy. We know that you don't want to be broadcast on the web. We know all of these things.

MS. ZUCKER: My name is Liz Zucker. I'm the Eastern Shore Project Director of the Maryland/D.C. Office of the Nature Conservancy. And I am a cosponsor with the Conservation Fund for the Nanticoke Rural Legacy Area. And we have a terrific partnership with the State of Maryland and with the Navy, the U.S. Navy, who came to us last year and noted that we were doing some Rural Legacy work around the Town of Vienna. Mayor Brinsfield was here last week. And the Navy has the restricted air space for Patuxent Naval Air Station in St. Mary's County over the Nanticoke.

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So they saw what we were doing around Vienna, because they get noise complaints from the bombing maneuvers.

So they came to us and offered us a partnership of \$3 million to match with the Rural Legacy. And we've been working on farms and protecting farms and forests around Vienna with the Navy and with the State for the last year. So, and this is one of our projects.

TREASURER KOPP: Teamwork.

MS. ZUCKER: It is teamwork.

GOVERNOR O'MALLEY: How many acres is this?

MS. ZUCKER: This one is 125 --

GOVERNOR O'MALLEY: Wow.

MS. ZUCKER: -- which is pretty small, actually. We usually do bigger areas. The last one was 200, and we've done 400 acres at a time.

GOVERNOR O'MALLEY: But it's all square within the GreenPrint, huh?

MS. ZUCKER: Yes. Yep, we're building huge blocks of protected lands around Vienna.

GOVERNOR O'MALLEY: Well, that's very good. All right. Tell the Mayor I'm going to be down now.

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MS. ZUCKER: He, we're looking forward to it. We're going out tomorrow with the --

TREASURER KOPP: The Colonel.

MS. ZUCKER: -- the Treasurer's staff.

GOVERNOR O'MALLEY: This isn't waterfront property, is it?

MS. ZUCKER: That one is not. The last one we did was.

GOVERNOR O'MALLEY: Uh-huh. All right. Anything else on the Program Open Space? Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you, Governor. I have a question about Item 4.

GOVERNOR O'MALLEY: Item 4?

COMPTROLLER FRANCHOT: And my question is that earlier when we were looking at this CREP program we were talking about the State putting in \$33 million and the federal government putting in \$200 million. Where is the federal money, or share, in this, in these contracts before us?

MS. LATHBURY: That's a great question. As we talked about last time, this is a two-step program,

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the Conservation Reserve Enhancement Program. So the landowner first enters into a contract with the federal government, and that's where all the funding goes. And that helps to establish the restoration and environmental practices on the property. That State matches the purchase of the easement portion, which is the second step in the process.

COMPTROLLER FRANCHOT: So you're not troubled, are you concerned that we don't apparently know, or do we know what the federal government is paying these individuals that we're giving the easements to?

MS. LATHBURY: We don't have access to information about how much the federal government is paying for each of these individual contracts. The reason is because of the confidentiality rules that the federal government has with the landowners. So we don't have the specific amount for each project, but we know what the total amount will be for the entire program.

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GOVERNOR O'MALLEY: Mm-hmm. So they administer this themselves? I'm sorry, I might learn something new, too. I just assumed that MDA or --

MS. LATHBURY: It's in partnership with MDA, but actually it's the Farm Service Agency that is part of the federal government that actually develops the contracts and processes all of the paperwork.

GOVERNOR O'MALLEY: And so whatever they are compensated for through the CREP program stacks on top of what we do with the Rural Legacy stuff?

MS. LATHBURY: Correct. So they enter into the contract with the federal government, they are paid cost share to establish the conservation practices and an annual rental payment.

GOVERNOR O'MALLEY: Uh-huh.

MS. LATHBURY: And then we are coming in with a, to permanently protect those practices with the purchase of the conservation easement.

COMPTROLLER FRANCHOT: And Governor, if I could?

GOVERNOR O'MALLEY: Sure.

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COMPTROLLER FRANCHOT: It's not a huge issue, but I do think there's got to be some way for you to be informed by our federal partners about how they're spending their share. Because it only makes sense, since we're obviously negotiating with these parties also, that --

MS. LATHBURY: We can certainly look into it and see what kind of information, perhaps they can give us a block amount for how much they're spending in each county, for example.

COMPTROLLER FRANCHOT: Thank you, Governor.

GOVERNOR O'MALLEY: Thank you. Anything else on Program Open Space? 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: We move ahead now, forward not back, to the Department of Budget and Management.

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MS. FOSTER: Governor, Mr. Comptroller, Madam Treasurer, good morning. There are seven items on the Department of Budget and Management's Agenda. I'd like to withdraw Items 3, 4, and 5. And I'll be happy to answer any questions you may have.

GOVERNOR O'MALLEY: Items 3, 4, and 5 are withdrawn. Are there any questions on the balance of the Department of Budget and Management Agenda?

COMPTROLLER FRANCHOT: Move approval.

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

THE BOARD: Aye.

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

(No response.)

GOVERNOR O'MALLEY: The ayes have it. University System of Maryland. The only university system, I believe, in the country to have gone four years in a row without a penny's increase in college tuition for kids going instate.

MR. EVANS: Good morning, Joe Evans representing the University System of Maryland. We

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have thirteen items on the Agenda today. We're here to answer any questions.

GOVERNOR O'MALLEY: Mr. Evans, what's your favorite one?

MR. EVANS: What's my favorite one?

GOVERNOR O'MALLEY: Yeah, what's your favorite one.

MR. EVANS: Thirteen of them.

GOVERNOR O'MALLEY: Any questions, University System of Maryland? No? The Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

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

MS. CROPPER: Hello, Stacia Cropper, Department of Information Technology again. We have two items remaining on the Agenda. If you have any questions, I'd be happy to answer them.

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

THE BOARD: Aye.

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

(No response.)

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

MS. SWAIM-STALEY: Good morning, Governor --

GOVERNOR O'MALLEY: Good morning.

MS. SWAIM-STALEY: -- Mr. Comptroller, Madam Treasurer. For the record, Beverley Swaim-Staley presenting Maryland Department of Transportation. We have twelve items today.

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

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

GOVERNOR O'MALLEY: The ayes have it. We move on to the Department of General Services.

MR. COLLINS: Good morning, Governor.

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GOVERNOR O'MALLEY: Al Collins?

MR. COLLINS: Good morning, Mr. Governor, Madam Treasurer, Mr. Comptroller. The Department of General Services has seventeen items on our Agenda, including two supplementals. Items 4-GM, line A, has been withdrawn, and 6-RP is revised. I'd be glad to answer any questions you have on these items.

GOVERNOR O'MALLEY: Any questions?

COMPTROLLER FRANCHOT: No, other than to note this would have been a good day for someone to have an item up before us.

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

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it.
Forward together. Thanks very, very much.

SECRETARY MCDONALD: Thank you, Governor.

(Whereupon, at 10:25 a.m., the meeting was concluded.)