

May 15, 2013

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

May 15, 2013

10:16 a.m.

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HONORABLE NANCY KOPP, Treasurer;

SHEILA C. MCDONALD, Secretary, Board of
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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: Ladies and gentlemen, good morning. It is May 15, 2013. In case you were wondering, you are in Annapolis, and this is a meeting of the Board of Public Works. And I'd like to ask the Treasurer or the Comptroller if they have any opening thoughts?

TREASURER KOPP: Governor, I do not except that it's a pleasure and an honor to be here.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you, Governor. And good morning, Treasurer Kopp. Before we get started with today's Agenda I wanted to mention my Unclaimed Property Division's successful efforts to reunite Marylanders with their own hard-earned money. Many of you have seen the light-hearted spoof of the popular Dos Equis commercial series, the World's Most Interesting Man, my staff put together to advertise our Unclaimed Property Division.

TREASURER KOPP: Is that the beer commercial?

COMPTROLLER FRANCHOT: Yes. It's a spoof, Madam Treasurer.

TREASURER KOPP: Oh.

(Laughter.)

COMPTROLLER FRANCHOT: And for those of you who saw the You Tube video know Ravens linebacker Ray Lewis has never come to me for motivation, but yes my office does generally send electronic tax returns in three business days. And I will concede the point, if you don't think that I am the Most Interesting Man in Maryland. But I'm thrilled about the positive buzz the spoof has created around the Unclaimed Property Division. I'm particularly pleased to report that this campaign wasn't only fun, it was highly successful. During this current advertising campaign more than 7,000, exactly 7,000 Marylanders, have found unclaimed property. And as you know, Madam Treasurer, reuniting Marylanders with the lost property that is rightfully theirs has been a hallmark priority of mine as Comptroller. In fact, my office honored over 54,000 claims, totaling more than \$54.3 million last fiscal year. And since I took office in January, 2007

we have returned more than \$261 million to nearly 260,000 taxpayers. Tax free, I will say, for the vast majority. And that is why I constantly urge my fellow Marylanders to search for their names at marylandtaxes.com. You just never know if you might be on that list. And wouldn't you know it? Among the list of approximately one million account holders, our very own Governor Martin O'Malley is listed.

GOVERNOR O'MALLEY: Big dollars. Come on, tell me about it.

(Laughter.)

GOVERNOR O'MALLEY: Big bucks.

COMPTROLLER FRANCHOT: So I'm pleased to come here today with the 7,001st completed claim during this advertising campaign. And to present to you, Governor O'Malley, a check from our Unclaimed Property Division. I guess it's, it's very modest --

GOVERNOR O'MALLEY: You can --

COMPTROLLER FRANCHOT: -- it's, well it's signed by the Treasurer, and me. So it's for \$271. I wish it was \$271,000, but it's \$271. I hope the First Lady is taken out to dinner, or something appropriate.

(Laughter.)

COMPTROLLER FRANCHOT: And --

GOVERNOR O'MALLEY: Thank you, this is the first thing you've ever given me.

(Laughter.)

COMPTROLLER FRANCHOT: I just want to, when, if there's ever a conversation in the Oval Office down the road, and you reminisce about Franchot, make sure you remember this moment.

(Laughter.)

TREASURER KOPP: Yeah, but look who signed it.

GOVERNOR O'MALLEY: That's right.

(Laughter.)

GOVERNOR O'MALLEY: It's a great little keepsake, you know? That's wonderful. Well thank you for that.

COMPTROLLER FRANCHOT: Tax free.

(Laughter.)

GOVERNOR O'MALLEY: Is that it?

COMPTROLLER FRANCHOT: Yes, that's it.

Everyone who is watching at home perhaps, or everyone

in the audience, seriously check that list out at marylandtaxes.com. We have a million Marylanders we owe almost \$1 billion to. And we are delighted to return it at, through the normal process. And we appreciate the Governor allowing us to process his return.

GOVERNOR O'MALLEY: Well this is wonderful. Thank you very much for, and in case some of you might be curious as to what this, where this got lost from, the, I once had a big, big role in a blockbuster movie called *Ladder 49*. I had a stressful role. I played the Mayor of Baltimore. But I did have lines in the part, in the scene of the movie where they have having the medal day, where they are awarding medals to Joaquin Phoenix and his colleague who rescued a little girl from a building in the plot of the movie. And so because of that I would get periodically these modest little royalty checks when it would go to DVD, or when it would be on cable again. And I guess having moved from, you know, a physical location, our residence, I guess Disney had a hard figuring out --

(Laughter.)

GOVERNOR O'MALLEY: -- where in the world Martin O'Malley was in the State of Maryland. Notwithstanding my name on every sign leading into --

(Laughter.)

GOVERNOR O'MALLEY: -- the State. And so Mr. Comptroller, thank you for finding my lost dollars. And as I have with the other dollars from Disney, I will be donating these dollars to charity. Likely the Veterans Fund for veterans who come back and who are struggling with housing and food. So thank you very much. What a wonderful way to start my morning. You are the Most Interesting Man in Maryland.

(Laughter.)

COMPTROLLER FRANCHOT: Yep.

GOVERNOR O'MALLEY: All right. The Secretary's Agenda?

SECRETARY MCDONALD: Good morning, Governor, members of the Board. We have 12 items on the Secretary's Agenda, and two reports of emergency procurements. And we are prepared for your questions.

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

COMPTROLLER FRANCHOT: Item 9?

SECRETARY MCDONALD: Item 9, Dr. David Lever
is here on behalf of the final Capital Improvement
Program for Fiscal Year 2014, the Public School
Construction Program. These are the final allocations
and Dr. Lever can explain and respond to your
questions.

DR. LEVER: Good morning. I'm pleased to
answer any questions you might have about the Capital
Improvement Program or the other programs we are
bringing forward.

COMPTROLLER FRANCHOT: Well I just wanted to
comment, I have a couple of questions, if I could.
This \$321 million program, which I strongly support,
is incredibly impressive. It is a great investment in
our kids, our educators, our communities. On behalf
of everyone who benefits from this program, which I
would suggest is frankly every person in the State,
and in this room, I commend the Governor and the
General Assembly for making this financial commitment.

And I am especially grateful, Dr. Lever, to you and your staff, Joan Schaeffer, for managing what can only be described as a complex and sometimes contentious process with incredible fairness and sound judgment. It's, both of you are true assets, frankly, and deserve a lot more public recognition than you generally get.

I do have a couple of questions for you. Could you give us a sense of how this fiscal year 2014 program supports our policy goal of reducing average class sizes, moving students out of portable classrooms, relieving overcrowding? Do you have any statistics or data that would show we are making progress, substantial or otherwise, as a result of the investments that we have approved over the last several years?

DR. LEVER: Well I can't speak to average class size, but we can speak to the overall utilization of schools across the State. If we use the State rated capacity we are operating at just under 90 percent. That's across the State, and the jurisdictions vary quite a bit in the utilization.

St. Mary's County is at about 102.4 percent utilization. It's the most densely used school system. Montgomery is just under 100 percent. And the lowest utilization is in Kent, at about 61 percent.

Those figures give kind of a very rough assessment that statewide we are in good shape. But what they do not indicate is that we have pockets where we have intensive overcrowding, and then other pockets where we have intensive underutilization, sometimes within the same jurisdiction. And we would have to look at that across a number of years to see how things are changing as a result of investment. But there are so many other factors that come into play, of demographics, and the economic recession has had a huge impact on utilization, particularly in Montgomery County where they are seeing as many as 2,000 or more students per year increase.

COMPTROLLER FRANCHOT: Mm-hmm.

DR. LEVER: And they attribute most of that to the economic recession. So it's a difficult subject. We are seeing a reduction in the number of

relocatable classrooms. You mentioned that. We, since 2007, 356 relocatable classrooms, have come out of service. That's about an 11 percent decrease. It is a fluctuating number because it's affected by program, it's affected by enrollments, it's affected by special education, and so on. We are also seeing, and we are very glad about this, that the average age of the facilities is holding steady at 27 years rather than slipping. So the investment really does make a big difference in terms of keeping our plant up to date.

COMPTROLLER FRANCHOT: Excellent. Thank you. I had a follow up question on the design of many schools in Maryland, apparently during the seventies there was a big popularity for so-called open classrooms. And the schools that I have visited that are open classrooms are, everybody is complaining now and blaming, frankly, my generation of the sixties for advocating this concept that the architecture should follow the open spirit of the sixties, and all the kids should be grouped together. And obviously it

suffers are far as functionality. And a particular concern of mine is safety.

DR. LEVER: Mm-hmm.

COMPTROLLER FRANCHOT: Because you know, there are not only not locks on the doors, there are no doors in the school. So anyway, how many of these I guess relics from the seventies exist? And do you have an estimate? And what's the timeline for switching that inventory to a design that was, I think, more in keeping with current thinking?

DR. LEVER: Well it is a huge number. We've had partial response to a survey that we initiated. And with ten small jurisdictions, two large jurisdictions, and one mid-sized jurisdictions among them, 13 in total, we have over 100 schools that have open space pods. With the current CIP that number will be reduced by nine. But clearly if you extrapolate, and we don't have results in from Prince George's and Montgomery County, the largest jurisdictions, and Baltimore County. So clearly the number is extremely large. And what we are seeing is that these are very expensive to convert the open pod to regular classrooms. In one jurisdiction, in

Worcester County, they did a study. And simply to put doors on the temporary partitions they have, which are metal, would be over \$1 million for seven schools, about \$1.1 million. And to put in drywall partitions, to replace the temporary metal with drywall partitions, would be about \$4 million. And that doesn't even include the safety considerations or to maintain egress, and the HVAC and lighting requirements, or the architectural engineering fee. So that number would increase substantially. From my experience it's about \$1 million to \$1.2 million per pod to do everything. So a school that has four pods, you know, is already well over \$4 million per school.

The timelines given, it depends on funding. We're hearing ten years, if funding works, or indefinite if funding isn't given. So we, this is something that we do want to follow. But we do encourage, but of course school systems have to decide where their priorities are. And they do recognize the safety issue that you raised.

COMPTROLLER FRANCHOT: And could you just comment on the \$25 million allocation of supplemental PAYGO dollars that are dedicated exclusively for I

take it the security, some of the security issues that you just raised?

DR. LEVER: Yes. Well we are in the application process now. And so a few systems have submitted. We will do a tally eventually, when we have received all of the applications, to see what are the items that seem to be most significant. But it's up to the school system, and in fact it comes down to the individual school level to decide what the most appropriate response is. Because conditions vary enormously from one school to another, even within the same district. And across the State the potential threats that a rural school might face are quite different from the threats that say a school might face in a highly urbanized area. But we do know that the school systems are extremely keen on this subject. They are doing their own assessments and they are doing their cost evaluations. They will use this money, we are quite confident about that.

COMPTROLLER FRANCHOT: Excellent. And so you don't see a common, commonality to these security concerns that --

DR. LEVER: We don't, and we don't pretend to be experts in this field. But we have talked to national experts. And they also say there isn't a single solution. You know, clearly every school would like to have a controlled access and yet that may not be the most important issue for a particular school. They may be able to have a person at the entrance, use personnel. And then their concerns might be the woods that surround the school, or the plantings that are close to the front that need to be cleared out to improve lines of sight. Or the fact, there's a high school that I visited in February, has 57 exterior doors in an area that's burdened with gang activity. Their problems are quite different than a high school in, let's say, a suburban area surrounded by a different kind of environment.

COMPTROLLER FRANCHOT: Thank you. I want to just touch on the issue of Baltimore County and air conditioning. According to the approved list of projects, ten Baltimore County public schools are receiving funding for central air conditioning. Including Middleborough Elementary in Essex, a wonderful community school with a passionate group of

parents who frankly never stopped fighting and now they are finally going to get the air conditioning. And I was engaged on that issue. Frankly the Board looked at Middleborough in the Fall of 2011 and the Spring of 2012. And I just wanted to commend the County Executive in Baltimore County for putting air conditioning, or planning to put it in Middleborough. He and I have had some animated discussions on this issue. We might have more in the future if they cannot adjust to, you know, this absolutely illogical opposition to box air conditioning units.

But I want to give credit where credit is due. And he has made air conditioning a priority and he has invested attention and resources in providing kids in his schools with air conditioning. I just want to find out where we are as far as Baltimore County. I know that only 79 of the 173 public schools were equipped with air conditioning when we first started looking at this a couple of years ago. Do you happen to know what the number and percentage of schools in Baltimore County that have air conditioning right now? And what is the number and percentage of schools that will have air conditioning when the

Baltimore County approved funded projects are completed?

DR. LEVER: Right now the communication from Baltimore County is that 99 schools out of 169 have air conditioning. That is central for the entire facility. That is 49 percent. After these approvals today 110 out of 169, so that will improve it to 65 percent. And we think that they are going to apply for five air conditioning projects under the Air Conditioning Initiative which is part of the fiscal year 2014 CIP. That application process is going on now. That will bring the number up to 115 out of 169, which is 68 percent.

COMPTROLLER FRANCHOT: Okay.

DR. LEVER: But Mr. Franchot, I wonder, I just received a letter this morning from Dr. Dance.

COMPTROLLER FRANCHOT: Correct.

DR. LEVER: And I was wondering if I could distribute copies of that?

COMPTROLLER FRANCHOT: Sure. I have a lot of respect for Dr. Dance.

GOVERNOR O'MALLEY: Thanks.

DR. LEVER: If you look at the second to last paragraph Dr. Dance indicates that they are undertaking a facility assessment study now. They have engaged a consultant. The consultant I believe I was told will receive, they will receive results in June. And they will be looking at all of their facilities and developing a comprehensive plan, very much as Baltimore City has developed a comprehensive plan. This will in effect replace the plan that was done at the end of the 1990's, which has served them up till now but is clearly outdated. And so this will be a new look. And it's meant to actually address issues like air conditioning, as well as renovations in schools. I wanted to mention that as part of the overall plan here.

COMPTROLLER FRANCHOT: No, thank you very much. And that is a very good gesture because I hope that it will allow the other 41 percent of the schools to get air conditioning. Because when you, obviously when you, as much as we like to see some schools moving forward, the question for the public is how do they get picked?

DR. LEVER: Yeah.

COMPTROLLER FRANCHOT: And to someone that is not picked, it looks like an arbitrary process. And climate relief is something that frankly, well, let me talk about West Town Elementary, which is in Catonsville. It's a wonderful school. It's close and yet it's economically and ethnically diverse. It was built in 1951. It's undergone some renovations. It still does not have air conditioning. Which means that the kids are forced to sit there and learn, sometimes in 90 degrees, and the faculty, as you know, often periods of illness. And the windows can't be opened, and there are no fans allowed. And I bring that up just because it's the oldest, it's older than any of the other schools that are receiving air conditioning money. And I don't bring it up to say necessarily that the County Executive isn't doing a good job. But for the public they look at that and they say, hey, we're here. We need it. We qualify. And you know, it's a pretty bitter pill to swallow if you think that politics is making these decisions, if it's your kid that is sweltering in a classroom with very little relief in sight. So I'm delighted if this process that you just hand delivered to us, you think

could open up some possibilities for more comprehensive action.

DR. LEVER: I --

COMPTROLLER FRANCHOT: -- everybody is taken care of.

DR. LEVER: If it's similar in some ways to the Baltimore City process, it will lead to a prioritization process. But West Town is actually in the capital improvement program. It's the last priority, but it's in for a full renovation rather than for just HVAC improvement.

COMPTROLLER FRANCHOT: Okay. And I know that traditional capital dollars do not allow for box unit air conditioning. But I take it this \$25 million air conditioning fund could be used to purchase box units? Or not?

DR. LEVER: The prohibition against that is that the units themselves have a life that's less than 15 years. And when we put in money for a single system, we expect the components to have a life of 15 years. And these also tend to be very energy inefficient units. They don't allow for the kind of central automatic controls that we get with a central

system. It's a large investment which will preclude coming back to that same school to do a central system because the investment will already have been made and we'll have to go on to other schools. So we encourage central systems and we do have actually a constraint against the use of box units in the way that capital dollars are used.

COMPTROLLER FRANCHOT: Okay. Even with the \$25 million fund?

DR. LEVER: Those are bond proceeds --

COMPTROLLER FRANCHOT: Well I would urge you to rethink that. Because what we have, even with this wonderful, comprehensive plan, is tens of thousands of kids up in Baltimore County subject to these climate situations which that are simply unacceptable. And almost unique, except for Baltimore City.

Let me just finish up and ask about public school maintenance.

DR. LEVER: Yes?

COMPTROLLER FRANCHOT: I know your survey has not come out for several years. I know you are constantly touring and looking at schools around the State as far as maintenance. I am wondering if you

are, have any opinions as to how individual schools and systems are measuring up to your standards for routine maintenance, timely repairs, keeping the schools looking good? Which are obviously connected to school morale.

DR. LEVER: It would be premature to give an overview because we don't have the full results from the fiscal year 2011 and fiscal year 2012. We are working on that and by September we will have that. Anecdotally I have talked to any number of facility planners and maintenance staffs and schools. And they tell me that the program is encouraging better maintenance because it's put a spotlight onto the issue of maintenance. And it has helped them to protect their budgets and that is a critical issue because it's almost legendary in my field that the maintenance budget is the first thing that gets raided to support everything else in the school system. And so protecting that budget is a critical issue. But we've seen a great deal of stress on the budgets in recent years, not only because the budget themselves are less but also because with the addition of square footage, and either with no increase of personnel or

with a reduction, the burden on the individual maintenance person, the roofer, the painter, the person in charge of HVAC, increases. Plus, the cost of materials and equipment goes up. And winter is always an unpredictable in using up the maintenance budget. So there are genuine stresses that are --

COMPTROLLER FRANCHOT: Excellent. So you are seeing some increased attention. Is that in the larger systems which traditionally have not kept pace with the smaller jurisdictions in this emphasis on taking care of what they have?

DR. LEVER: We see it across the board. We don't know the cause, why the larger systems, so a definitive break, when we did an analysis about three or four years ago we found a definitive break between the small and mid-sized jurisdictions and then the large jurisdictions in terms of measuring just by the number of schools that receive superiors as a percentage of all the inspections. We think it is structural to some extent. When we finish these reports we will be in a much better position. We will have more years of data to really begin to look at that issue and see if we can find what the cause is.

COMPTROLLER FRANCHOT: And that is objective data that you are looking at? Because that's the key. And thank you for your attention to this, and I appreciate all the --

DR. LEVER: My pleasure. I'm happy to answer any other questions.

TREASURER KOPP: Yeah. David, I have a question. Now that you have handed us this letter from Baltimore County Superintendent Dr. Dance about, and mentioned Baltimore City's facilities study, and now Baltimore County is doing a facilities study. And I'm sure some other jurisdictions will be doing facilities studies, too. It was very difficult, I don't remember when, ten years ago? Twelve years ago? To try to get a Statewide facilities study.

DR. LEVER: Right. Yes.

TREASURER KOPP: But at least that gave us a measuring point, a common standard of where --

DR. LEVER: Right.

TREASURER KOPP: I'm concerned about, I think it's great people are doing studies, but when you see all these studies, how do you compare, how

does that help looking at Statewide school construction needs?

DR. LEVER: You have raised an important point. We don't have a mandate. We don't have a standard that's imposed, and I don't think we have the authority to impose such a standard for what an assessment will consist of. There is, however, an industry norm which looks at an indicator called facility condition index, which is broadly accepted across the industry as an objective measure of a single digit, a single unit measure of the condition of each facility and then you can also look at the aggregate. And in that way, because it is accepted across the industry, one system can be compared to another or we can compare systems that actually go through this process to a Statewide average. And that's proven to be a very useful measure from an objective point of view, because it involves assessment of deficiencies against replacement cost of the facility. But it's also proven to be an excellent communication tool with decision makers --

TREASURER KOPP: So how does that relate or conform or differ from the study that the State did some years ago?

DR. LEVER: We were looking at, ten years ago, at a set of minimum deficiencies and the cost to correct, to bring the facilities up to a minimum standard. That didn't necessarily address every deficiency that was in --

TREASURER KOPP: Right.

DR. LEVER: -- the facility. And it also, it was self-reported, it didn't involve the engineering level analysis, it's called a level one engineering, that's involved in the types of assessments that have been done, say, by Prince George's County, Baltimore City. Which those require an outside consultant to be brought in, generally, because you don't have the staff in house to do it. Montgomery County is unique I think in the State that they do an in house assessment, which I think can stand comparison with the work that's done by outside consultants. But they have the staff to do that. So it's really a different kind of study.

TREASURER KOPP: I, I, I don't want to spend the Board's time here. But I would like to follow that up. It was suggested some years ago that there be some sort of follow up study, and we couldn't get the support to do that for a variety of reasons. One of which is that it was not necessarily in the interest of all the, the same, it was not equally interesting to all of the parties involved. And I think before we find out that we need another \$50 million because you've had all these different studies coming up, and you don't know how to compare them, that it would be worthwhile to look at it in a more --

DR. LEVER: Well we would like to have a Statewide measure.

TREASURER KOPP: I had not meant to bring that up --

GOVERNOR O'MALLEY: A Statewide measure of air conditioning --

DR. LEVER: Everything.

TREASURER KOPP: Not air conditioning, but the quality of the schools. Including things like ADA compliance.

DR. LEVER: Electrical systems.

TREASURER KOPP: Electrical systems, the quality of the science laboratories. I mean, there are a lot of things, including but more --

DR. LEVER: Mm-hmm.

TREASURER KOPP: Thank you.

DR. LEVER: Thank you.

GOVERNOR O'MALLEY: Thanks. I think we should organize a bus tour for all of the PTAs and all of the school boards --

TREASURER KOPP: To see others?

GOVERNOR O'MALLEY: -- to see all of the school systems.

TREASURER KOPP: Yeah. I think that's a great idea.

GOVERNOR O'MALLEY: Schools. So anyway, all right, Secretary's Agenda?

TREASURER KOPP: I had one question on the Secretary's Agenda?

GOVERNOR O'MALLEY: Yes, ma'am?

TREASURER KOPP: Just on Item 1.

GOVERNOR O'MALLEY: Item 1?

TREASURER KOPP: Which was the Department of Aging, the Waxter Center?

SECRETARY MCDONALD: Correct.

TREASURER KOPP: And it made me just, I don't have any really problem with this item. But an issue has come up about a limit on the funding in any 15-year period. Is that law? Or where does this limit come up?

MR. ROSS: It's in statute --

SECRETARY MCDONALD: Andrew, could you introduce yourself for the record?

MR. ROSS: Sorry. My name is Andrew Ross, from the Maryland Department of Aging. There is a statutory requirement that this capital program cannot fund two projects, the same project in the same jurisdiction, more than the maximum amount, which is \$800,000, within 15 years. The Waxter --

TREASURER KOPP: And when was that law written?

MR. ROSS: I don't know. But I can find out and get back to you on that.

TREASURER KOPP: I, I don't think it seems reasonable. Thank you, Governor. But the answer is yes, it is in statute?

MR. ROSS: Yes.

TREASURER KOPP: Thank you.

MR. ROSS: Thank you.

GOVERNOR O'MALLEY: Okay. Any other items 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?

(No response.)

GOVERNOR O'MALLEY: And the ayes have it. We now go, I'm going to go out of order a little bit to the Department of General Services. Because we have a number of elected officials who are here from, our colleagues in county and municipal government. And they have items on, they happen to have items all on that Agenda. Pardon? Right. Oh, I thought he was here on Department of General Services?

COMPTROLLER FRANCHOT: No --

SECRETARY MCDONALD: No, I think Mayor Brinsfield is here on the Department of Natural Resource Real Property Agenda Item 1.

GOVERNOR O'MALLEY: Oh, I don't know about that because I think I looked that up. I know County Executive Baker, is he here? Oh, okay.

COMPTROLLER FRANCHOT: How about the Mayor of --

GOVERNOR O'MALLEY: Huh.

MR. COLLINS: And all the seats were full, Governor. So I had, I'm waiting for County Executive Baker.

GOVERNOR O'MALLEY: Okay. Mary Ann Lisanti?

MS. LISANTI: Yes?

GOVERNOR O'MALLEY: Councilwoman? Do you want to come on up? This is Department of General Services Item 25.

MS. LISANTI: Thank you very much, Governor, Madam Treasurer, Mr. Comptroller. I'm here today to ask for approval. I think maybe the Secretary, Mr. Secretary are you going to do the introduction? Do you want me to --

MR. COLLINS: Just go right ahead --

MS. LISANTI: Okay, very good. This is a bond bill in the amount of \$153,000 to the Lower Susquehanna Greenway, which is a State Heritage Area

Program, in combination with the Mayor and City Council of the Town of Perryville. This project is a \$2.2 million project. The Heritage Area Program will actually, my nonprofit, Lower Susquehanna Greenway provided 60 percent of the funding. The additional funding was provided by the Department of Natural Resources and State Highway Administration, as well as Federal Highway Administration through a longstanding federal earmark of Senator Paul Sarbanes. This particular project is 13 years in the making. And --

GOVERNOR O'MALLEY: And what will it actually do, Councilwoman?

MS. LISANTI: It actually will create, has created a 750-foot public transit pier so that boaters can finally arrive to the Town of Perryville and enjoy the, all of the restaurants and amenities of all the communities in the upper Bay. And I have a picture for you, if you want to see it.

GOVERNOR O'MALLEY: Sure, you have a picture?

MS. LISANTI: I do.

GOVERNOR O'MALLEY: We like pictures.

MS. LISANTI: I know you do. That's why I brought it.

GOVERNOR O'MALLEY: That's good.

TREASURER KOPP: Oh, that's nice.

MS. LISANTI: 750 feet, and it's already sold to capacity. For boaters, there's a big demand for boaters to come up from Annapolis into the upper Bay. And we only had boating facilities relatively recently when we started this in Havre de Grace. Now we have them in Port Deposit and now this final, this completes our trilogy in the Town of Perryville.

GOVERNOR O'MALLEY: You should put a sign on it and tell people they are entering upon an earmark.

MS. LISANTI: Yes. It is good when your members of Congress can bring your tax dollars, isn't it?

GOVERNOR O'MALLEY: Yeah. Okay, any questions on this one? The Treasurer moves approval on item 25, 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.

MS. LISANTI: Thank you very much.

GOVERNOR O'MALLEY: Thank you.

COMPTROLLER FRANCHOT: Governor, I see Mayor Brinsfield from --

GOVERNOR O'MALLEY: Russ, reelected. I see him. That's why we're calling -- now I was told that County Executive Baker was here, but no?

MR. COLLINS: No, he's not here.

GOVERNOR O'MALLEY: Okay. All right. Well then we're going to switch over. And this is back now to Department of Natural Resources. We're leaving the balance of DGS for a time. We're going back to Department of Natural Resources in order to accommodate and return to active service the newly and duly and overwhelmingly reelected Mayor of Vienna.

MR. BRINSFIELD: Not quite overwhelmingly.

(Laughter.)

MR. BRINSFIELD: As you know, you don't gain friends over time in politics.

GOVERNOR O'MALLEY: I don't know. It looked pretty overwhelming from here. So what do we have, Mr. Mayor?

MR. BRINSFIELD: We have a -- do you want to?

MS. WILSON: Okay, I'll introduce the DNR Agenda, if that's okay. Emily Wilson with the Department of Natural Resources, good morning. We do have three items on our Agenda. And Item 1A, which is Three Water Street in Vienna, is a key parcel for Vienna's Riverfront and Waterfront Park. It's also part of the Vienna Greenbelt and it's also a key component of the John Smith Water Trail. And Mayor Brinsfield is here in support of that item.

MR. BRINSFIELD: And she covered everything really well, so I'm here to answer any questions. We appreciate your support. I need to get you all back down to Vienna to see the Greenbelt. As you know, several years ago you all approved the purchase of 275 acres to create a permanently protected greenbelt around the Town of Vienna. And as a part of that we had a massive restoration program where we took about half of the farmland and converted it back to wetlands, forest, so that we've got a lot of natural habitat. We saved the prime farmland and rent it out to local farmers. But all the sensitive areas now

have been protected. And that project was just recently completed. And I want to thank the folks from DNR for all the hard work they did on that restoration work, and for working with us on this parcel as well. So I'll answer any questions.

GOVERNOR O'MALLEY: So this is just that tiny little parcel at Three Water Street, huh?

MR. BRINSFIELD: Yeah. And what that does is that connects to our Riverwalk, and it puts us a step closer to connecting the Riverwalk with the John Smith Discovery Center on the north, and to the Greenbelt on the south. And as a part of that Greenbelt to the south we want to create a walking trail through that Greenbelt so one could start at the John Smith Discovery Center, walk along the Riverwalk, walk through the Greenbelt, back to Elliott Island Road, and back to the Town of Vienna. So it will be a nice loop for those who want to get a little bit of exercise. And it would encourage, it's going to encourage tourism which we think is the future for economic development for the Town of Vienna.

GOVERNOR O'MALLEY: Sounds like a plan.

MR. BRINSFIELD: Yes, sir.

COMPTROLLER FRANCHOT: Great project.

MR. BRINSFIELD: Thank you, sir.

COMPTROLLER FRANCHOT: But I'm going to come down and take a look at it just because I like to look at your house, too. It's got to be one of the most beautiful homes in Maryland.

MR. BRINSFIELD: Thank you very much. And I'd like to thank the DNR staff for the extraordinary work that they have done in helping us realize our dream in Vienna. Because we just absolutely couldn't do it without the help of the State. So we, on behalf of the citizens of Vienna we thank you very much.

GOVERNOR O'MALLEY: Anything else?

TREASURER KOPP: Could I just add, Mayor, that we every once in a while hear from our legislative offices. And Delegate Eckardt just wanted us to point out her strong support of this item, as well as the Eastern Shore Land Conservancy, and the rental housing that I think we have already gone through and approved.

MR. BRINSFIELD: Thank you very much. I appreciate their support. We try to --

TREASURER KOPP: It's nice when they support

--

MR. BRINSFIELD: We try to keep the local council --

TREASURER KOPP: Yes.

MR. BRINSFIELD: -- Dorchester County Council and the delegates and senators informed of what we are doing and hopefully have their support.

TREASURER KOPP: At least on these items.

MR. BRINSFIELD: Yeah, right.

GOVERNOR O'MALLEY: Okay. Anything else on this item? Hearing none, the Treasurer moves approval, seconded by the Comptroller, the Most Interesting Man in Maryland. 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. BRINSFIELD: Thank you, sir.

GOVERNOR O'MALLEY: Thank you. I think Russ could give you a run for your money.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR O'MALLEY: Russ is pretty interesting.

COMPTROLLER FRANCHOT: Yeah, but he doesn't hand deliver checks.

(Laughter.)

MR. BRINSFIELD: You've got me on that one.

GOVERNOR O'MALLEY: All right. The balance of the DNR Real Property Agenda items. What else do we have? I see something on Antietam Creek.

MS. WILSON: We do, yes. It's a 150-acre conservation easement in the Mid-Maryland Washington Rural Legacy Area providing 1,900 feet of buffer along Little Antietam Creek and protecting 4,500 linear feet of the viewshed. And it's also, this actual property is the site of a Union field hospital during and after the Battle of Antietam.

GOVERNOR O'MALLEY: How far away is it from the battlefield there?

MS. WILSON: From, I'm sorry?

GOVERNOR O'MALLEY: From the battlefield? Any idea?

MS. WILSON: Tom McCarthy, I'm sorry, from Department of Natural Resources.

GOVERNOR O'MALLEY: Hello, Tom.

MR. MCCARTHY: Good morning, Governor, Tom McCarthy, Department of Natural Resources. It is on the very southeastern corner of the battlefield. It's near Rohrersville.

GOVERNOR O'MALLEY: Southeastern corner of the battlefield? Got you. Okay. So I'll have to drive up there and find it. Okay. Anything else on the Real Property Agenda you want to call our attention to?

MS. WILSON: We have a timber sale also.

GOVERNOR O'MALLEY: Okay. Green Ridge State Forest in Allegany County, huh? All right. The Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. And that approves the balance, therefore, of the Natural Resources Real Property Agenda.

MS. WILSON: Thank you.

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

MS. FOSTER: Governor, Madam Treasurer, Mr. Comptroller, good morning.

GOVERNOR O'MALLEY: Good morning.

MS. FOSTER: There are 16 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: Any questions, Department of Budget and Management?

COMPTROLLER FRANCHOT: Just a quick question on Item 7.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Madam Secretary, you know we're always struggling with these single bid contracts. This is a five-year award to Westat of over \$6 million. And I guess --

MS. FOSTER: This is a, Item 7 is a contract to provide quality assurance and data management services for the Maryland Cancer Registry. And Deputy Secretary Thomas Kim is here to answer any questions you may have.

COMPTROLLER FRANCHOT: Well it's really not the subject matter, it's to the bidding process. Why don't we have competition here?

MR. KIM: Sure. And as far as the explanation as to why that is I'd like to call up Ms. Courtney Lewis to describe to you what the nature of the issue of the service is, and to provide insight as to why we received one bid.

MS. LEWIS: Good morning. My name is Courtney Lewis. I'm the Director for the Center for Cancer Prevention and Control and my colleague here is Dr. Diane Dwyer. She is the Medical Director for the center and also oversees the Cancer Registry. We did have, we sent a direct solicitation to a list of 14 potential vendors, and we also had nine potential vendors attend a pre-proposal conference. However, none of those vendors actually submitted a proposal, and nor did they provide a feedback response form.

For the complexity of the services that are provided there is information on your summary sheet. But to summarize it there are really complex data management systems with this contract that requires certified tumor registrars, which are employed by the

vendor internally. So we postulate that there were really complex data systems and processes that probably prevented the potential vendors from actually submitting a proposal.

COMPTROLLER FRANCHOT: Well doesn't that, I don't really know who to appeal to, Madam Secretary. I understand that on the surface that makes some sense. But maybe the, someone should reach out to the other folks that showed up at the initial stage and ask them whether it's something that's in our process or is it just because this is a uniquely highly complicated technical matter. I mean, we have a lot of contracts that are complicated, specialized. And anyway, we, I've talked to you about this, Madam Secretary. You know that it's a, to the extent we can make sure our processes are scrubbed so that it's not something in the RFP that is preventing these people. And so if you could perhaps exercise some curiosity ex post facto and call these people and say, hey, what is it that steered you away from submitting a bid?

MS. LEWIS: Sure, we can contact them and try to get feedback and provide a summary to you.

COMPTROLLER FRANCHOT: Does that make sense to Madam Secretary? I don't, because it's a mystery to me why, I mean, I know in my agency we have them from time to time. And they are software proprietary contracts, and that, you know, I can see. But we have a lot of these things coming through.

MS. FOSTER: Mr. Comptroller, it makes a lot of sense. I think for the most part we do try to reach out to vendors and ask them why they decided not to submit a proposal. Obviously we cannot make them do so. But we do try to reach out so that we will have widespread competition.

COMPTROLLER FRANCHOT: Okay. But we have approved in the last couple of years over \$126 million for 49 single bid awards. And fine, if they are all, you know, because of the unique subject matter. I can, I guess I'll just learn to live with that. But if it's because of something in the process that we're not aware of, that's a lot of contracts, single bid contracts.

MR. KIM: Also, Mr. Comptroller, I would add that during the pre-proposal conference, which is an opportunity for there to be a free discussion about

the criteria listed in the solicitation, that we did not receive any concerns, expressed concerns about those criteria. I just wanted to add that.

COMPTROLLER FRANCHOT: Okay, great. Well the Secretary has my complete obviously confidence on this. She's been very supportive of trying to get competition. This one kind of stuck out. Thank you, Governor.

GOVERNOR O'MALLEY: Thank you.

COMPTROLLER FRANCHOT: And Madam Secretary, thank you.

GOVERNOR O'MALLEY: All right. The Comptroller moves approval of the DBM Agenda items, 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 University System of Maryland.

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

have seven items on the Agenda today. I'm here to answer any questions.

GOVERNOR O'MALLEY: Any questions?

TREASURER KOPP: Well I, what's the, just out of curiosity, what's the status of the Coppin project? Is it --

MR. EVANS: The Science and Technology?

TREASURER KOPP: Yeah.

MR. EVANS: An item is on the Board today. Jim can tell you there was a, groundbreaking was yesterday, on the 14th.

TREASURER KOPP: The groundbreaking was --

SECRETARY MCDONALD: -- come up and explain about it. Because we've had at least 208 items in front of the Board. So maybe you want to explain where we are with all the 208 acquisitions and documents and agreements of sale the Board members have had to sign. So --

MR. BROWN: Good morning. I am Steven Brown, the Real Estate Acquisition Manager for Coppin. And I am happy to announce that after all of the meetings, and all of the times I've had to come over the last four years, we are completing the acquisition

process of all the properties as of this Friday. The last two properties, we for all intents and purposes own all of the properties now. The last two acquisitions are going to be completed by depositing money in the escrow account on this coming Friday. And that will be the end of the acquisition process.

GOVERNOR O'MALLEY: And you had a groundbreaking yesterday?

MR. BROWN: Yes, we did.

GOVERNOR O'MALLEY: Wow. We weren't there?

MR. BROWN: We missed you.

(Laughter.)

GOVERNOR O'MALLEY: I would have liked to have been there. Any pictures? No?

MR. BROWN: I'll, I'll ask the President --

GOVERNOR O'MALLEY: Because this project has been going on forever. Have you started the demolition?? Or is that what the groundbreaking was? The beginning of demolition?

MR. BROWN: The demolition is completed.

GOVERNOR O'MALLEY: Completed?

MR. BROWN: Yes. And construction should start in about a month, I believe.

GOVERNOR O'MALLEY: Great. Wow, I wonder why I wasn't there for the groundbreaking? Any ideas --

MR. BROWN: We would have loved to have had you there.

GOVERNOR O'MALLEY: Okay. Any other questions, University System of Maryland? Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. It just turns out Item 5 is another one of these single bid, this one is for \$5 million. What is the reason why that's not competitively bid?

MR. EVANS: Which item is that, sir?

COMPTROLLER FRANCHOT: Item 5-S?

SECRETARY MCDONALD: UMUC Salesforce.

MR. EVANS: UMUC? Valerie Rollandelli.

MS. ROLLANDELLI: Good morning. I'm Valerie Rollandelli the Assistant Vice President for Strategic Contracting from UMUC. And this is for an implementation of our Salesforce system, which is for customer relationship management. From the beginning of the time that a prospective student contacts us, all the way through their alumni status, this

particular product again is very, it's unique. You need to have certified people to do this. We reached out to 12 people who can do this. Three others got it through eMaryland Marketplace. And we followed up with them. We thought we were going to get competition. We actually did receive two responses but one was two hours late and we could not accept it.

COMPTROLLER FRANCHOT: And the original, I see there was an original procurement that didn't come before the Board because it was less than \$1 million. I take it that was to Salesforce? Or not?

MS. ROLLANDELLI: No, that too was also awarded to Acumen. That was done competitively.

COMPTROLLER FRANCHOT: Oh, Acumen I mean.

MS. ROLLANDELLI: And we did receive responses, several responses on that, I believe four to five.

COMPTROLLER FRANCHOT: Well I understand my objection? We --

MS. ROLLANDELLI: I understand. Which was why we reached out. We tried to get competition. We constantly followed up.

COMPTROLLER FRANCHOT: Okay. Well could someone also perhaps from the System update me or the Board at some point, it doesn't have to be in public here, but what exactly UMUC's situation is given the fact that everybody and their cousin, as far as I can tell in higher ed, is now rushing to present or provide online courses? And I mean, this traditionally has been a much less competitive, well not much less, but a less competitive field. And I'm concerned that this gem of a member of our System is going to be damaged heavily from this new --

MS. ROLLANDELLI: We're fully aware of the increased competition and I will have someone in the University System follow up with you, Comptroller.

COMPTROLLER FRANCHOT: Thank you very much.

MS. ROLLANDELLI: Thank you.

TREASURER KOPP: Governor, I assume it goes without saying, but it should not be left unsaid, that Chairman Conway is a very strong supporter of Salisbury University also, and that project. Which probably wouldn't exist without the Chairman in fact.

COMPTROLLER FRANCHOT: I know the Holly Center wouldn't.

TREASURER KOPP: Right, and the Holly Center, and a couple of other --

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: The ayes have it. We move on now to the Department of Information Technology.

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

COMPTROLLER FRANCHOT: None from me.

GOVERNOR O'MALLEY: And 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?

(No response.)

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

MR. SCHLANGER: Thank you.

GOVERNOR O'MALLEY: -- to the Department of
Transportation.

MR. MOBLEY: Good morning, Governor, Madam
Treasurer, Mr. Comptroller. For the record, Darrell
Mobley, Acting Secretary for the Department of
Transportation. The Department is presenting 20
items. Item 16 has been revised. I'll be happy to
answer any questions that you may have.

GOVERNOR O'MALLEY: Okay. Any questions?
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: The ayes have it. We
are now on Department of General Services. Any sign
of the County Executive for Prince George's? No?
Okay.

MR. COLLINS: Not yet --

GOVERNOR O'MALLEY: Maybe he's decided he doesn't need to be here.

MR. COLLINS: Good morning, Governor, Madam Treasurer, Mr. Comptroller. I am Al Collins, Secretary of the Department of General Services. The Department has remaining 30 items. We are withdrawing Items 8, 9, and 22. And we'll be glad to answer any questions on the remaining items.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: I noticed that Mr. Barry is here from the American Film Institute. If he could just give us 30 seconds on how this fabulous Montgomery County, Maryland asset is doing?

TREASURER KOPP: In District 20?

MR. BARRY: Yes, in District 20.

TREASURER KOPP: Oh.

MR. BARRY: Hi, my name is Ray Barry. I'm the Director of the AFI Silver Theater and Cultural Center. Thank you for your support on this. For those of you that don't know, as AFI's mission statement talks about preserving the history of the motion picture, honoring the artists and their work,

and educating the next generation of storytellers. And at the AFI Silver Theater we take that mission pretty seriously seven days a week, 52 weeks a year. There's more than 600 screenings annually. We celebrate America's film heritage and its history and we keep those great works alive for the audience today in what is a historically significant and architecturally significant location.

The challenge we face right now is that in the last several years the, there have been a set of established standards for digital cinema that did not exist when we opened. And consequently much of our hardware is obsolete and is not supported by the major distributors. So we are in need of upgrading that. And it's a major and urgent matter in that most of the major distributors will be stopping in 2013. And we still need to be able to do not only their works but the works of film history, from Gene Kelly, to new African cinema, to Caribbean cinema, to Korean cinema, to our student educational programming. So if there's any questions more than that I'd be happy to answer them.

COMPTROLLER FRANCHOT: Whatever happened to that Franchot Tone Festival you were working on?

MR. BARRY: We're working really hard on it.

(Laughter.)

COMPTROLLER FRANCHOT: Thank you, Governor.

GOVERNOR O'MALLEY: Thank you.

MR. BARRY: Thank you.

GOVERNOR O'MALLEY: Thank you.

TREASURER KOPP: Great Mel Brooks Festival, too.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR O'MALLEY: Any other questions?

TREASURER KOPP: I had --

GOVERNOR O'MALLEY: Madam Treasurer?

TREASURER KOPP: I'd just like to learn a little more if there is anyone here who can tell us about the Annapolis Post Office?

MR. COLLINS: Sure, absolutely. Mr. Gaines?

GOVERNOR O'MALLEY: What number is that?

MR. COLLINS: Thirteen.

TREASURER KOPP: Thirteen.

MR. COLLINS: Madam Treasurer, Mr. Michael Gaines, the Director of Real Estate who has been the State lead on this particular project --

TREASURER KOPP: Mr. Gaines.

MR. COLLINS: -- and Bart Thomas, also Assistant Secretary, who has been doing the planning on how we are going to use the facility.

TREASURER KOPP: It sounds very interesting.

MR. GAINES: Good morning.

TREASURER KOPP: Good morning.

MR. GAINES: For the record, Michael Gaines, Assistant Secretary of Real Estate, Department of General Services. We have been working with the U.S. Postal Service to transfer ownership of this historic building, very important asset, we think, in the State of Maryland, to the State of Maryland. The negotiations for the acquisition were quite extended but we finally did reach an agreement with the Post Office to acquire it for \$3.2 million. Once we have obtained possession, we will turn it over to Bart Thomas' group. He and his group will design an expansion of the building so that we will in essence

double the square footage currently in the building. The, and that will estimate about 30,000 square feet.

The Post Office will remain a tenant for a period of time, somewhere between eight and 20 months, as a retail operation. We're not sure where the new Post Office will land but as soon as we're aware of that we'll obviously make you all aware of that as well. So we're very excited. It will be about a two, a two and a half year project. We will ultimately move tenant who are in leased space within Annapolis into owned space and try to save some money. But it will be a great project, a new addition to the physical assets of the State of Maryland.

GOVERNOR O'MALLEY: We might get a decent StateStat room out of it. Instead of that low ceilinged, stuffy room they have.

MR. GAINES: That is one of our tenants.

MR. COLLINS: Governor, it would be nice if you and I got to cut one ribbon, wouldn't it?

GOVERNOR O'MALLEY: Maybe they'll bring us back, Al. Okay, anything else?

MR. GAINES: Any other questions?

TREASURER KOPP: What do you, so what do we think the timing is on this?

MR. GAINES: Following today we'll go to closing within the next six months. Following that Bart and his group will go into a design, and design and final build out will probably be about a two year process.

TREASURER KOPP: It's been a long time in the coming. That's, that's very nice. Congratulations.

MR. GAINES: No, thank you for all, everyone, this has been a real team effort in making this happen. The Governor's Office has been extremely helpful. Working with the federal Post Office has been interesting and very supportive, but it's been good all the way around.

TREASURER KOPP: Thanks --

MR. GAINES: Yes.

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

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. And that concludes our meeting. Thanks very much.

(Whereupon, at 11:17 a.m., the meeting was concluded.)