
STATE OF MARYLAND
BOARD OF PUBLIC WORKS

*GOVERNOR'S RECEPTION ROOM, SECOND FLOOR, STATE HOUSE
ANNAPOLIS, MARYLAND*

January 6, 2016
10:03 a.m.

PRESENT

HONORABLE LARRY HOGAN

Governor

HONORABLE NANCY KOPP

Treasurer

HONORABLE PETER FRANCHOT

Comptroller

SHEILA C. MCDONALD

Secretary, Board of Public Works

GAIL BASSETTE

Secretary, Department of General Services

MARC NICOLE

Deputy Secretary, Department of Budget and Management

PETE RAHN

Secretary, Department of Transportation

MARK BELTON

Secretary, Department of Natural Resources

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Secretary, Department of Information Technology

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MISSY HODGES

Recording Secretary, Board of Public Works

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CONTENTS

Subject	Agenda	Witness	Page
Neighborhood Business Works Loan to the Smith Island Baking Company	SEC 8, p. 10	Sheila McDonald John Maneval	12
Loan to the Abingdon Fire Company	SEC 13, p. 16	Sheila McDonald Catherine Kelly	16
DNR Agenda	DNR	Mark Belton	18
Legal Services for Cecil County Department of Social Services	DBM 2-S, p. 48	Marc Nicole Greg James Charles Reedy	21
Approval to Subdivide and Sell Surplus Property in Riverdale Park	USM 2-RP, p. 65	Joe Evans Carlo Colella	28
Construction Management at Risk Services for West Village Housing Phases III and IV at Towson University	USM 1-C-MOD, p. 63	Joe Evans Scott Guckert	30
Statewide Public Cloud Housing and Disaster Recovery Services	DoIT 2-IT, p. 70	Withdrawn	34
Paratransit Services	DOT 2-S-OPT, p. 78	Pete Rahn Paul Comfort	35
Emergency Repairs to Heating System at the World Trade Center	SEC A1, p. 78	Sheila McDonald Pete Rahn	45
Replace Oil Switches and Transformers at Charles H. Hickey, Jr. School	DGS 1-C, p. 88	Gail Bassette Mark Schneidman	46

Amendment of Easement for Rosewood State Hospital Pipeline Modernization Project	DGS 8-RP, p. 100	Gail Bassette Wendy Napier Patrick Roddy	50
Amendment of Easement for Torrey C. Brown Rail Trail Pipeline Modernization Project	DGS 9-RP, p. 102	Gail Bassette Wendy Napier Patrick Roddy	50
Amendment of Easement for Garrison Forest Veterans Cemetery Pipeline Modernization Project	DGS 10-RP, p. 104	Gail Bassette Wendy Napier Patrick Roddy	50

PROCEEDINGS

GOVERNOR HOGAN: Good morning.

AUDIENCE: Good morning.

GOVERNOR HOGAN: I'm excited to be starting a New Year here at the Board of Public Works. I know you are all excited about the New Year too. It looks like a packed house this morning.

This Board is Maryland's fiscal watch dog and there is no other institution like it in any of the states in the United States. Last year it was a great year working together with my colleagues as we presided over the appropriation of \$8 billion here in these Board of Public Works meetings. On today's Agenda we will consider another nearly \$200 million in State expenditures.

I'm sincerely honored to be able to serve on this Board with Comptroller Franchot and with Treasurer Kopp. I look forward to continuing our bipartisan partnership this year and working together for the people of Maryland to ensure fiscal restraint and to protect Maryland's fiscal integrity.

At this point I'd like to turn to my colleagues for any opening remarks. Madam Treasurer?

TREASURER KOPP: It's a pleasure to be here. Happy New Year

--

GOVERNOR HOGAN: Happy New Year.

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TREASURER KOPP: -- Governor, Comptroller, and everyone else in the room and the world beyond. It's an honor to be here. It's a pleasure to be here. When I hear you speak --

GOVERNOR HOGAN: Turn off that phone.

(Laughter.)

GOVERNOR HOGAN: There goes the bipartisanship.

TREASURER KOPP: When I hear you speak I wonder who else is calling?

(Laughter.)

COMPTROLLER FRANCHOT: Sorry about that.

GOVERNOR HOGAN: That's Mike Busch.

(Laughter.)

GOVERNOR HOGAN: Stop working with him.

(Laughter.)

TREASURER KOPP: I just want to tell you I start out this year, as I do all years really for the past decades looking at the budget and looking at our fiscal situation, with the words of my dear late friend Pete Rawlings in mind, Peter knew him well, that our job is to be fiscally prudent and socially responsible. And I think that's what this State is. That's what this Board is. And I thank you for allowing me to serve here.

GOVERNOR HOGAN: Thank you. Comptroller?

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COMPTROLLER FRANCHOT: The Treasurer mentioned Chairman Rawlings. He once threw me out of an Appropriations Committee meeting when my phone went off.

(Laughter.)

COMPTROLLER FRANCHOT: So thank you for your tolerance.

GOVERNOR HOGAN: We're going to let you stay today.

COMPTROLLER FRANCHOT: Yeah. But Happy New Year, everyone. And Governor, I couldn't agree with your comments more. And there's a very rich historic legacy to this Board of Public Works. The approval of these contracts is crucially important. And you were, put your, you said it exactly right, which is Maryland is the only state in the country that has a Board of Public Works such as this made up of independent elected officials who look at the actual, not the authorization, but the actual expenditure of the taxpayers' dollars. And I couldn't agree with the Governor more that this is a Board that has got an enormously important role as far as fiscal responsibility.

So I am looking forward to the, now that we're out of the holiday season, to all of the important work that we're going to look at in 2016. Later this month at our January 27th meeting we're going to be considering the interagency school construction recommendations for school maintenance projects. So I wanted to take this opportunity to announce that my office is accepting nominations for the 2016 Silver Hammer Award.

Now these hammers we present are not exactly, they look like they are made out of silver but they are not really silver. But we established it, this program in 2010 to recognize public schools around the State who have money saving initiatives and superior maintenance. This is not something that's just subjective. There are 37 engineering criteria that every school gets evaluated on and it's very rigorous and the schools that they, that do well we go out and recognize. And as a member of the Board of Public Works, I'm proud of the unprecedented capital investments we have made in our schools. I remain committed to ensuring that we will continue those investments so our children are in safe, well-equipped, well-maintained classrooms.

But the fact is we just don't have enough money to build all the new schools we need or renovate, frankly, all the schools that need renovation. And these are tough fiscal times and we have limits. It's important to recognize, however, schools throughout our State that have gone above and beyond to keep their students safe in well-maintained older buildings. A fresh coat of paint, new carpeting, a repurposed room makes a huge difference in the educational experience for students, demonstrates a sense of pride and commitment to the community. Not to mention that research has shown that positive impact that better maintained schools lead to better educational outcomes.

So I think we're all in agreement that our kids and hard-working teachers deserve learning and work environments that are well-maintained. And I

hope, Governor, that you and the Treasurer, if you could perhaps join me for one or two of these visits as we make these awards, it's very moving. I always like calling out the, I'm not sure what the correct title is, the maintenance people, the people that are in charge of this. Because it's always, the kids go crazy at these school assemblies because these are the most popular people in the school, Mr. Dave and Ms. Elizabeth, and whatever. They are the folks that are actually out there doing the hard work. So maybe I could talk you guys into joining me for one or two. And I think the, our appreciation and recognition that we give these schools because they have been able to maintain these facilities in a very tough environment I think is, well I think it's appreciated by the local communities.

So I encourage Marylanders to submit nominations for the Silver Hammer Award by February 15th, and they may do so by going to www.marylandtaxes.com, unless they are scared to get on my radar screen.

(Laughter.)

COMPTROLLER FRANCHOT: But it's a great program. And I appreciate the Governor's opening statement because I think it fits right in with what we're talking about here, which is taking care of what we have.

GOVERNOR HOGAN: Thank you, Mr. Comptroller. I would love to join you on some Silver Hammer Award presentations.

COMPTROLLER FRANCHOT: Yeah?

GOVERNOR HOGAN: In fact, with the Legislature starting next week I'd love to have one of those silver hammers.

(Laughter.)

GOVERNOR HOGAN: Maybe I could borrow one?

COMPTROLLER FRANCHOT: Yeah, silver sledgehammer. No, I'm only kidding. That's just a joke.

GOVERNOR HOGAN: Let's get started with the Secretary's Agenda. Secretary McDonald?

SECRETARY MCDONALD: Governor Hogan --

GOVERNOR HOGAN: Good morning.

SECRETARY MCDONALD: -- Madam Treasurer, Mr. Comptroller, good morning. I would --

COMPTROLLER FRANCHOT: Oh hey, by the way, I would like to, you know, we all get along great up here on this panel. But I thought that the initiative in Baltimore, the urban renewal initiative, was just about spot on. And I want to congratulate the Governor and the Legislature and the Mayor and everyone involved. That wonderful town needs a Marshall Plan. And I think we've got General Eisenhower or somebody here who can, General Marshall himself. But the, I think that's a terrific --

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: -- project. And if I can help out in any way, take me up there. I'm pretty good at demolishing things.

GOVERNOR HOGAN: We'll bring those hammers.

COMPTROLLER FRANCHOT: Yeah.

(Laughter.)

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: And Madam Treasurer, this is something you have always commented on. So --

TREASURER KOPP: There is, there are few things more depressing than going down some of those streets with boarded up houses on both sides and one family, a grandmother, trying to care for her child. And I know the Mayor, I gather they have torn down 2,000 already and put up 2,000 new, and there are tens of thousands left.

GOVERNOR HOGAN: Yeah --

TREASURER KOPP: It's a big --

GOVERNOR HOGAN: It's a huge undertaking. We are very excited about it. And we've been working very cooperatively with the City. We're happy to have the support of the Legislature. Our team has done an incredible job and it was a great announcement yesterday. I think it really has the opportunity to transform our most important city. So thank you very much for the comments.

Secretary McDonald?

SECRETARY MCDONALD: Good morning again. We have 19 items on the Secretary's Agenda this morning and one report of an emergency procurement. We're prepared for your questions.

GOVERNOR HOGAN: Could we go over Item 8, please?

SECRETARY MCDONALD: Item 8, Mr. Maneval is here from the Housing and Community Development Department and this is a loan of \$650,000 to Smith Island Baking Company. Mr. Maneval?

MR. MANEVAL: Good morning.

GOVERNOR HOGAN: Good morning.

MR. MANEVAL: Happy New Year. John Maneval with the Department of Housing. Today we are presenting to you a \$650,000 loan to support the expansion of the Smith Island Baking Company, a small business located in Crisfield. This loan of \$650,000 will enable the expansion of this business and the occupation and revitalization of a currently empty former supermarket in downtown Crisfield. It will enable Smith Island Baking Company to add new jobs, to increase their ability to meet strong demand for their very delicious cakes. And we are very happy to be able to support it.

This is a loan. It is a ten-year term loan with a 20-year amortization, three percent interest rate. And we have with us today Brian

Murphy, who is the President of Smith Island Baking Company. And we're happy to answer any questions you may have about this item.

GOVERNOR HOGAN: The Treasurer had a question about whether or not anybody brought any cake with them?

(Laughter.)

GOVERNOR HOGAN: Not that our votes can be influenced or anything but --

MR. MANEVAL: The cakes exceed \$25 in value. They are subject to ethics.

(Laughter.)

GOVERNOR HOGAN: Well I don't have any questions on this item. I simply want to strongly state my support for this loan to the Smith Island Baking Company down in Crisfield on the Lower Shore. They do a great job of baking and selling our State dessert, Smith Island Cake. And I believe that this loan will help the company expand its operations, retain positions, and create new jobs in a part of the State that desperately needs them and that has been neglected for far too long. So thank you. I congratulate all your efforts.

TREASURER KOPP: I do have one question. I just, I understand that steps have been taken to make the building in fact stronger, more, less vulnerable to sea level rise surge, etcetera. Is that --

MR. MANEVAL: Yes. Yes, it is.

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TREASURER KOPP: That was our one concern about it.

MR. MANEVAL: Right.

TREASURER KOPP: It was victim to the hurricane.

MR. MANEVAL: So we have worked very closely with Smith Island Baking Company, their construction team, to make sure that the project will be fortified against any, you know, future inundations. Of course, you know, Hurricane Sandy hit Crisfield very hard.

TREASURER KOPP: Right.

MR. MANEVAL: The flood maps were redrawn earlier this year. This property is in a flood area, but it's in a 100-year flood area which makes it eligible for flood insurance. So the property will receive flood insurance.

TREASURER KOPP: But as we know, 100-year flood --

MR. MANEVAL: They occur much more often than --

TREASURER KOPP: Right.

MR. MANEVAL: -- anybody ever thought they would. It is encouraging, though, that FEMA has updated the flood maps reflecting --

TREASURER KOPP: Yes.

MR. MANEVAL: -- the recent impact. The property is a renovation so it's not possible financially for us to rise it above, you know, the levels --

TREASURER KOPP: Right.

MR. MANEVAL: -- that would be impacted but flood insurance helps mitigate the risk of our loan as well as for the company's continued operations.

TREASURER KOPP: Well I think it's a wonderful thing and I love Smith Island, more than I should, Smith Island Cakes. But that is a concern. I hope you will keep us in mind if there are things that, if it looks as though further changes have to be made. I wish you well. It's a great positive. It should be on the tourist map of Maryland.

GOVERNOR HOGAN: Sounds good. Any other questions?

COMPTROLLER FRANCHOT: So I've visited Mr. Murphy and it's a great operation and my congratulations. I particularly want to thank the program because in years gone by we have had some mission creep. And for some reason fast food restaurants and hotel chains got somehow on your Agenda. And I'm delighted to see this investment because it is exactly what the program was designed to do.

TREASURER KOPP: Mm-hmm.

COMPTROLLER FRANCHOT: And give me a call if you have any flooding down there. I'm going to come down myself and help out. Because you know, you have got a great operation, a great company. The Lower Shore down there desperately needs this kind of economic activity. And

congratulations. And to the agency, kudos because this is just what you should be doing.

MR. MANEVAL: Well thank you. The program only works because we have good businesspeople who are very energetic like Mr. Murphy.

TREASURER KOPP: Governor, I was remiss in not noting that Senator Mathias sent us a very strong letter of endorsement. Endorsement is hardly the word for it, he was very enthusiastic. And --

GOVERNOR HOGAN: Great. Well, thank you very much.

MR. MANEVAL: Thank you.

GOVERNOR HOGAN: Any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Yes, there was one. Item -- which is it? Item 8 and Item 13, is it? The Abingdon Fire Company.

SECRETARY MCDONALD: Right. This is a, Catherine Kelly is here from the Military Department --

COMPTROLLER FRANCHOT: Anybody here for that?

SECRETARY MCDONALD: -- with a grant of money, it's actually a loan of money, to the Abingdon Fire Company.

GOVERNOR HOGAN: Good morning.

MS. KELLY: Good morning, Governor, Mr. Comptroller, Madam Treasurer. Catherine Kelly, Director of Legislative and Government Affairs with

the Military Department. We do administer the Volunteer Company Assistance Fund. You have five loans in front of you and the one in question is the Abingdon one, sir?

COMPTROLLER FRANCHOT: No, I visited there and they have a tremendous operation. And I just want to echo my previous comment. These kinds of investments by the State are absolutely what the taxpayers support and what the communities support and saves us money. My God, if we had to supply all of the resources that these volunteers around the State do we wouldn't know how to begin to pay for it.

MS. KELLY: Yes, sir.

COMPTROLLER FRANCHOT: So this type of partnership --

MS. KELLY: Today you are approving almost \$5 million to help with two facilities and three new apparatus. Absolutely our State could not afford to provide the fire prevention and service that the volunteer fire companies give to us. So they are out there and working hard for our citizens. So we appreciate your support.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR HOGAN: Any other questions or items to discuss?

TREASURER KOPP: Could I, since I did mention the member of the Senate, we also have received a letter of support from Senator Cassilly for Item 13 --

COMPTROLLER FRANCHOT: Oh, good.

TREASURER KOPP: -- for the Fire Department that I think you visited --

COMPTROLLER FRANCHOT: Yes.

TREASURER KOPP: -- and he was enthusiastically in support also.

GOVERNOR HOGAN: Great. Thank you very much. Is there a motion on the Secretary's --

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing on the Secretary's Agenda. Let's move on to the DNR Real Property Agenda.

MR. BELTON: Governor Hogan, Comptroller Franchot, Treasurer Kopp, Happy New Year.

GOVERNOR HOGAN: Happy New Year, Mr. Secretary.

MR. BELTON: There are 13 items on the DNR Real Property Agenda for your consideration this morning. I'd be happy to field any questions.

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GOVERNOR HOGAN: Any questions on the DNR Agenda?

COMPTROLLER FRANCHOT: No.

GOVERNOR HOGAN: Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second? Second.

TREASURER KOPP: Did she want to speak?

GOVERNOR HOGAN: Three-nothing on the DNR Agenda. That was easy, Mr. Secretary.

MR. BELTON: Yes, sir.

GOVERNOR HOGAN: Now we go to DBM.

MR. NICOLE: Good morning, Mr. Governor --

GOVERNOR HOGAN: Good morning.

MR. NICOLE: -- Mr. Comptroller, Madam Treasurer. DBM is pleased to announce this morning that we have implemented a contract oversight project. The goal of the project was to limit unnecessary extensions, avoid retroactive approvals, and helping us complete timely procurements on over 700 agency service contracts requiring DBM and BPW approval. The project consists of a database compiling information on various agency service contracts. It creates alerts triggering at set intervals contract expiration dates and reprocurement deadlines. It allows for increased communication between DBM and all the agencies.

The project began earlier last year and it is now operational. I would note one caveat that while this is a significant improvement in the way we have done our work over past practices, there will still be from time to time retroactive procurements. We believe that the contract oversight project will prove to be an effective and critical instrument in providing services to the Board and to the agencies. And I would like to recognize the person who made this happen and who steered the project to its completion, Rachel Hershey from our Office of Procurement. Rachel has done an excellent job on the project and is a highly valued member of the DBM procurement team.

GOVERNOR HOGAN: Let's let Rachel stand up and let everyone know where she is.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: Rachel, thank you.

(Applause.)

GOVERNOR HOGAN: Thank you very much.

MR. NICOLE: Okay. This morning, Governor, DBM has seven items submitted on today's Agenda. We have representatives from the agencies to answer any questions you or the Comptroller or Treasurer may have.

GOVERNOR HOGAN: Any questions --

TREASURER KOPP: Can I just say, Marc, I think this sounds terrific. I mean the proof of the pudding is in the eating.

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MR. NICOLE: Right.

TREASURER KOPP: But this is great.

MR. NICOLE: Thank you.

TREASURER KOPP: Congratulations.

GOVERNOR HOGAN: Any questions on the DBM Agenda?

COMPTROLLER FRANCHOT: Yes, on Item 2-S.

MR. NICOLE: We have Greg James, the Deputy Secretary for the Department of Human Resources, and some members of his team.

GOVERNOR HOGAN: Good morning.

MR. JAMES: Good morning, Governor, Madam Treasurer, Mr. Comptroller.

COMPTROLLER FRANCHOT: Mm-hmm.

MR. JAMES: I'm joined here today by Sue Bailey, who is our Local Director for the Department of Social Services for Cecil County; and Mr. Charles Reedy, who is our Assistant Director for Administration from Cecil County.

The item before you today is a contract with attorney Michael Scibinico to provide legal services for DHR's Cecil County Department of Social Services. The attorney will represent the DSS before the Cecil County courts in matters relating to the department, including child welfare, foster care, adult

services, adult protective services, and other services for families with children. This is a five-year contract for \$1,044,000.

This was put out through an RFP for a competitive bid. In this case we received only a single bid for this contract and that is the incumbent Attorney Scibinico, and we are recommending that that contract be awarded.

COMPTROLLER FRANCHOT: Okay. Well I'm a lawyer, not a great lawyer, I don't even practice. But I would love to have a contract, if I were in the private sector, paying me I guess it's up to \$200,000 a year? Or is it, is it a flat payment of \$200,000? How are the payments billed?

MR. JAMES: So I believe it's a graduated amount over the life of it, but it's roughly \$200,000. I think it starts out at slightly less than \$200,000, \$192,000, and then steps up over the course of the five years --

COMPTROLLER FRANCHOT: Okay.

MR. JAMES: -- to reflect inflation.

COMPTROLLER FRANCHOT: So, and I obviously have --

TREASURER KOPP: So was that the answer to the Comptroller's question? I mean it's a flat salary, it's not --

COMPTROLLER FRANCHOT: Is it, so this person works full time for you?

MR. REEDY: Governor, Madam Treasurer, Mr. Comptroller, Charles Reedy, Assistant Director, yes he does, strictly on our foster care caseload and on our adult protective services.

COMPTROLLER FRANCHOT: And he doesn't have other clients?

MR. REEDY: No, sir.

COMPTROLLER FRANCHOT: And what's the problem with competition? Why isn't there someone else who might be interested? Because it seems like a pretty nice arrangement. A lot more money than I get paid, or the Governor, I'll say, or the Treasurer, I guess. What exactly --

GOVERNOR HOGAN: You get what you pay for.

COMPTROLLER FRANCHOT: Yeah.

(Laughter.)

TREASURER KOPP: These guys work.

(Laughter.)

COMPTROLLER FRANCHOT: So --

MR. JAMES: So let me say, at the Department of Human Resources we are always troubled whenever we see a competitive procurement go out on the street and we only receive one bid. That is very troublesome to us. And we did inquire with a number of folks, and let me also I think it's helpful to

lay out what we had done as part of this procurement to try and attract more competition.

We have expanded the area within which the individual must live or have their office in the hopes of attracting more competition. We sent, in addition to posting this on the Maryland eMarketplace and posting the solicitation in a number of journals and areas where you would post for legal positions, we specifically sent out invitations to bid to 130 attorneys and law firms across the State and focusing especially in that region, but not limited to that region, in an attempt to generate more interest in this procurement. When we came to the pre-bid meeting, we had only three individuals who showed up for that and only the incumbent submitted a bid. So I cannot tell you specifically why we did not receive more competition on this. This is the standard contract that's used throughout the State for these type of services in other regions where we also use an outside attorney to represent the department. It may just be the particular nature of Cecil County with its geographic location and its small legal community and the specific nature of this work that we only received the one bid.

COMPTROLLER FRANCHOT: Well I am not an expert on all of this and you guys obviously have a lot of responsibility. But it sounds to me like it's a kind of a hybrid position. Is this person in your, in the county offices? Or --

MR. REEDY: Yes, he has a county --

COMPTROLLER FRANCHOT: He has a county office?

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MR. REEDY: Not within, he has his own private office within our county.

COMPTROLLER FRANCHOT: Well and so help me understand why we don't move something like this in house --

MR. REEDY: Well --

COMPTROLLER FRANCHOT: -- and get someone that is an employee of the State as opposed to this kind of an arrangement. And your, you still, you know that he does not do other legal business, I take it?

MR. REEDY: Yes we do know that as a fact, sir. We actually did look at the Attorney General's Office. Excuse me. If you look across the board we have to, as far as the attorney is concerned, if that attorney goes on vacation we have to hire a conflict attorney and a replacement attorney. To bring that attorney also into our building we have to hire a paralegal, a secretary, and renovate for security. On this contract we're looking at a break even point of year three. Anything prior to year three, yes, it's, as far as fiscally advantageous, yes it is fiscally advantageous for the State of Maryland. Anything after year three, it's more advantageous to go with the attorney that we chose. Plus we get the number of years experience, we don't have to pay leave, etcetera.

COMPTROLLER FRANCHOT: Well I'm going to, I'm not going to make a big deal out of it. But these things add up.

MR. JAMES: Well and Mr. Comptroller please know we, while we are recommending awarding this contract that does not mean that we are satisfied with this outcome. That we are committed to going back and looking are there other ways we can approach this type of solicitation that would generate more competition in the future? And generate more bids in the future? Because having a single bid on any contract is simply not acceptable to us.

GOVERNOR HOGAN: Great. Thank you very much.

MR. JAMES: Thank you, Governor.

GOVERNOR HOGAN: Any other questions on the rest of the DBM Agenda?

TREASURER KOPP: Could I just add something, Governor? On this one, but on several others, it's not just you, you were good enough to do what we requested, which was to go back and ask people why they didn't bid. And then you report to us, I assume, candidly and completely why they didn't bid. Some of the responses, not just yours on this one, but other ones on the, even on our Agenda today, begged for an answer to the question well what did you do then? Somebody, somebody writes back and said we couldn't, we didn't bid because of a bad experience in the past. We didn't bid because we didn't know enough about it, or we didn't bid because you didn't give us enough time. Is it a normal thing then to go back and try to learn more about that and correct it? Or are you just reporting why people didn't bid?

MR. JAMES: So I'm not sure --

TREASURER KOPP: And I don't know if you are the people, or someone else.

MR. JAMES: So --

TREASURER KOPP: I mean it just slaps you in the face sometimes.

MR. JAMES: From our perspective the, in some cases we have tried to follow up with the individuals who responded with those to find out what was the specific issue that they had concerns about. Because some of their complaints, as you note, are somewhat vague or don't really help us understand how to adjust this.

TREASURER KOPP: Or are almost begging for a follow up.

MR. JAMES: In many cases, in many cases they haven't followed up, they don't respond to us when we try and follow up with them. However, I know from my perspective going forward, from this department's perspective going forward, we will continue to push and see if we can get an answer from them as to what we can adjust.

TREASURER KOPP: This is supposed to be used in a constructive way, not simply --

MR. JAMES: Absolutely. Absolutely. It's not just a check box. It should be a tool that we use to improve our procurement process.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Okay. Thank you very much.

MR. JAMES: Thank you, Governor.

GOVERNOR HOGAN: Any questions on the rest of the DBM Agenda? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: The vote is three-nothing. We move on to the University System Agenda.

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

GOVERNOR HOGAN: I'd like to talk about Item 2, University of Maryland College Park.

MR. EVANS: I have Carlo Colella, who is the Vice President of Administration and Finance for College Park.

GOVERNOR HOGAN: Great. Thank you. Good morning.

MR. COLELLA: Good morning, Governor, Mr. Comptroller, Madam Treasurer, Happy New Year. I'm glad to answer any questions you may have.

GOVERNOR HOGAN: Well I, I don't have any specific questions. I just wanted to bring you up here to say that I think this is another great project that I'm very excited about, I'm happy to support, happy that it's happening in my native Prince George's County. This project will support the University's M Square Research Park creating I think a world class campus for companies looking to connect to the latest scientific and technical research conducted at Maryland's flagship university. And I believe that the project will have a transformative effect on the ongoing economic development along the Route 1 corridor from College Park down through Riverdale and into the City of Hyattsville. And I just wanted to express my support. And I know that we also have a couple of speakers that have signed up to testify or talk about this issue as well. So if you don't have comments, we'll maybe turn it over to these people that have signed up to talk.

MR. COLELLA: Thank you very much, Governor. We certainly feel the same way and we appreciate your support and the support of the County Executive's Office, and the mayors of the surrounding communities, the current Mayor of University Park Mr. Len Carey and former Mayor Mr. John Tabori are here in attendance to show their support. So --

GOVERNOR HOGAN: Great.

MR. COLELLA: -- I appreciate your consideration very much.

GOVERNOR HOGAN: Great. Well I know we have the Town Administrator from Riverdale Park Sarah Imhulse; and Brad Frome, Prince George's County Executive's Office. I don't know if they still want to testify? You guys are good? Since we already told you how great it was you don't need to lobby us?

(Laughter.)

GOVERNOR HOGAN: In the interests of time, all right. Well thank you very much. Any other questions on the University System?

COMPTROLLER FRANCHOT: Yeah. If I could just mention on Item 1, which is a \$100 million I take it taxpayer funded project to build new housing at Towson?

MR. EVANS: At Towson.

TREASURER KOPP: No --

COMPTROLLER FRANCHOT: Yeah, Towson's a gem, a fabulous institution, but I hope at some point in the not too distant future we see the dormitory housing contracts coming to us using private capital. Because they have done it before, I believe at College Park. And I know this is not, it has gone out of favor a little bit. But I would hope that someone, perhaps you could get one of your staff to send me and my colleagues on the Board what the plans are for instead of \$100 million of taxpayer supported expenditures get the private sector to put their money in and pay them back with lease payments.

TREASURER KOPP: Mr. Evans, could I just interrupt?

COMPTROLLER FRANCHOT: Does that make sense?

GOVERNOR HOGAN: It makes sense to me.

TREASURER KOPP: I thought this was auxiliary funds.

MR. EVANS: Hold on a second here. Oh, academic revenue --

TREASURER KOPP: How is this being paid for?

MR. EVANS: -- academic revenue bonds.

TREASURER KOPP: Academic revenue bonds.

MR. EVANS: Yes.

TREASURER KOPP: And auxiliary?

MR. EVANS: Yes, it is.

TREASURER KOPP: So how is it being backed?

SECRETARY MCDONALD: Well you need to come to the
podium --

MR. EVANS: I have Scott Guckert.

MR. GUCKERT: Good morning. Scott Guckert with Towson
University.

GOVERNOR HOGAN: Good morning.

MR. GUCKERT: What was the question, please?

TREASURER KOPP: How are the bonds serviced, with what
funds?

MR. GUCKERT: These are auxiliary revenue bonds paid back with revenues brought in through our residential life --

TREASURER KOPP: Fees.

MR. GUCKERT: -- fees, they are. It's all fee-based.

TREASURER KOPP: This is not a GO bond. This is not taxpayer funds.

MR. GUCKERT: It's not GO.

TREASURER KOPP: Okay. I just wanted to make sure. Because I agree completely with the Comptroller, we have not traditionally used GO bonds for this sort of project.

GOVERNOR HOGAN: Great. Any other questions? Thank you.

MR. GUCKERT: Thank you.

GOVERNOR HOGAN: Any other questions on the University System?

TREASURER KOPP: Governor, I would just like to pile onto what you said? This is a project, the M Square one --

GOVERNOR HOGAN: You can pile on.

TREASURER KOPP: -- that I have been excited about for years because it is right at the juncture where we have one of the world's premier research universities; we have the federal installations including those that the Comptroller knows so well, NOAA, NASA Goddard, all the ones there; NIST

also coming in. And not only those scientific ventures but the private sector, the businesses, the American Physical Society, the language and crypto people all there. I think this should be the heart on the East Coast of the development of a scientific center that melds all these things and also is focused, as ESEC and Jack Reid which are right there are, on global climate change. This is the place where we mentioned before sea level rise, storm surge, this is the place where climate change is hitting the East Coast, as we all know. And this place with the right backing and the right attention and bringing in the right folk could be the focal place, not south, not north, not even north in the Boston/New York area, but right here. And I think this is the heart of it. And I think that this project is the first step to bringing all those things together. And I want to congratulate you but also tell you that a lot of people are watching and I hope the University continues to make the progress it has been making.

MR. EVANS: Thank you.

GOVERNOR HOGAN: Thank you. Thank you.

MR. EVANS: Thank you.

GOVERNOR HOGAN: Any other questions at all? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second? Three-nothing. Let's move on to DoIT, Information Technology Agenda.

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MR. GARCIA: Good morning, Governor --

GOVERNOR HOGAN: Good morning.

MR. GARCIA: -- Madam Treasurer, Mr. Comptroller. David Garcia, Department of Information Technology. We have four items on the Agenda. We are withdrawing Item 2 and we have agency representation to address any questions you may have.

GOVERNOR HOGAN: Any questions on Information Technology?

TREASURER KOPP: Could I just say I really appreciate your withdrawing number two. I find this whole cloud thing very confusing. And the more information we can get the --

MR. GARCIA: Not a problem.

TREASURER KOPP: Thank you. Thank you.

GOVERNOR HOGAN: Any questions? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Three-nothing. Move on to the Department of Transportation.

MR. RAHN: Good morning, members of the Board. For the record, I'm Pete Rahn, Secretary of the Maryland Department of Transportation. We are presenting five items today for Board approval.

GOVERNOR HOGAN: Great. Questions?

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COMPTROLLER FRANCHOT: Item 2.

GOVERNOR HOGAN: Item 2, Director Comfort?

MR. COMFORT: Yes, good morning.

GOVERNOR HOGAN: Good morning.

TREASURER KOPP: Good morning.

MR. COMFORT: Madam Treasurer, Mr. Governor, Mr. Comptroller, I'm Paul Comfort, the Administrator of the MTA. I'm happy to be here with you today, my first time in this new role.

GOVERNOR HOGAN: Well we're happy to have you.

COMPTROLLER FRANCHOT: Excellent. So thank you, Mr. Comfort. We're being asked to renew contracts with three paratransit service providers for one year at a cost of more than \$80 million. Obviously that's a lot of money and these are critical services for a very vulnerable population. The questions I have relate as to whether the services we are providing to paratransit users are the best they can be given, the best they are, given the considerable State resources that we are investing.

One of the longstanding challenges we have heard about for years from MTA mobility users is lack of reliability when it comes to the paratransit vehicles arriving when they are scheduled to arrive. In the year since you have been looking at these issues, Mr. Comfort, what areas have you identified that we can address to improve the on time performance?

MR. COMFORT: Thank you. Thank you for the question. We have made dramatic improvements in the mobility service. As you mentioned, you know, the MTA as a whole, as you are probably aware, is the 13th largest transit system in America. We provide six primary services: bus, light rail, metro, and mobility services in our core service area, which is Baltimore County, Baltimore City, and part of Anne Arundel County; then we have the commuter bus, commuter train; then we have the locally operated transit systems which are operated out in the communities and we provide money and oversight for them.

In the City, in our primary core service area, mobility now serves over about 9,000 people a day. The service is one of our two fastest growing services at the MTA. And when I got there seven months ago that's one of the first things I looked at because that is where I had just come from in D.C. where I had been Director of Operations for Mobility there for the last five years. And there was a number of problems that we moved immediately to address and we have already seen dramatic improvements.

The number one thing, as you pointed out, is on time performance. On time performance after safety is the number one key performance indicator to show that you are doing a great job. We brought a chart here to show you that when I got here in May on time performance was 85.4 percent average, meaning for ADA services we provide door to door service. So we take, it's a dial a ride service. You call one to seven days in advance. The van will come right up to the

front of your house, with the driver up to your door, and we were only getting there 85 percent of the time. And as you can see we've got a nice trend going and so far this month we're at almost 93 percent on time. So we have made dramatic improvements. And kind of a national standard you shoot for is between 90 and 92 percent on time performance. And so we're real pleased with the improvements we have made there and we did a lot of things to make that happen.

TREASURER KOPP: But Paul, what is on time?

MR. COMFORT: I'm sorry?

TREASURER KOPP: What is on, I mean, everybody has a little give. What is on time?

MR. COMFORT: Yeah, so it's like five minutes before or minutes after.

TREASURER KOPP: Thank you.

MR. COMFORT: Is when we want you to be there. So yes, we have, I brought in a whole new team of management to the mobility service. I brought in five brand new managers to oversee it. A lot of them worked in the private sector for private companies and we brought some business sense to it. We increased the staffing of our call center. We added a new phone system this year. We have added new vehicles. We have gone out and actually managed the contractors in the field. So we have done a lot of improvements there to help improve our overall performance.

The other key factor there to look at in the chart is trips over 91 minutes late. This is, you know, excessively late. The van is getting to the door an hour and a half late. When we got here in May the average was 143 a day, and now you can see the trend we're down to negligible. So we have really focused on making sure that we improved the service for them.

COMPTROLLER FRANCHOT: Okay. And how does this relate to the van contract that we voted on?

MR. COMFORT: Excellent. So the way we operate the service is, this service is mostly contracted out. Three, the three largest national companies that do this kind of work, MV Transportation, First Transit, and Transdev, it used to be Veolia, they operate the bulk of the on street service but they can't cover all the work. And so MTA has traditionally had a fourth contractor which is basically a car service, or a dial a ride service, sedan service. And so they provide the overflow. And so our three companies provide about 6,500 trips a day and the overflow is about 2,000 to 2,500, which goes on the car service.

COMPTROLLER FRANCHOT: And combining everything, the van service, the mobility service, the cars that we own, I take it --

MR. COMFORT: These vehicles --

COMPTROLLER FRANCHOT: -- as opposed to the van service, I mean the --

MR. COMFORT: Right. The sedans --

COMPTROLLER FRANCHOT: Sedan, the sedan service. Okay.

If you add everything up, what does it cost for each --

MR. COMFORT: For the whole service?

COMPTROLLER FRANCHOT: -- each trip?

MR. COMFORT: Oh, each trip? Yes, so --

COMPTROLLER FRANCHOT: Ballpark?

MR. COMFORT: It's about \$100 million a year we are spending on mobility service. It's a big investment of the State to serve about 9,000 to 10,000 people a day with disabilities. So it's a major cost. And the cost per trip is in the \$50 to \$55 range. Which is why we like the sedan service so much, because the sedan service cost per trip is about \$25. So it's a significant savings when we utilize the sedan services.

COMPTROLLER FRANCHOT: Good. Okay. I understand the State is currently in litigation with the AARP? I'm sorry to say that's an organization I belong to right now.

MR. COMFORT: Me too, now.

COMPTROLLER FRANCHOT: Yeah. And of course they are lowering, I think they let in people who are 50 now.

MR. COMFORT: Right.

COMPTROLLER FRANCHOT: So okay, with the AARP and others regarding the scheduling of these services through the MTA call center.

We're in litigation and being sued. What steps have been taken to improve customer service in, I take it the litigation is not with your vendor companies, it's with your employees?

MR. COMFORT: Yes. So MDLC, the Maryland Disability Law Center, and AARP, they have brought a law suit against us. And we are in settlement talks with them. We have been meeting with them on a regular basis and it's going well. I can't comment a whole lot on that.

But I can say we have made dramatic improvements in our customer service. I'll give you a couple of examples of that. We added about ten new reservationists. There was concerns a lot of folks had about having to wait too long on the phone. And so we have dramatically decreased the call hold time. We also got a whole new phone system earlier last year, which really dramatically improved our ability to provide that customer service.

COMPTROLLER FRANCHOT: Excellent.

MR. COMFORT: Yes, sir.

COMPTROLLER FRANCHOT: And then I'm curious, you mentioned that you I take it fund paratransit service performance outside of the greater Baltimore area?

MR. COMFORT: Yes, sir. Through the locally operated transit services.

COMPTROLLER FRANCHOT: What, are there any updates you can provide us with how those are working in the metro region and Shore, etcetera?

MR. COMFORT: Yes, absolutely. So we provide about \$70 million of operating and \$30 million of capital funds each year, a total of \$100 million. We split it out among all 23 jurisdictions in Maryland. And we provide a funnel for federal funds as well that come through the MTA out to the counties. We have got a director, Beth Kreider, who does a tremendous job. And we just went out, the Secretary and I just went out and visited every county in the State of Maryland and talked to the local county commissioners and delegates and senators, and they are very pleased with the services that their own local governments are providing, sometimes outsourced, sometimes operated there. But we are providing that oversight and funding. And they are very pleased with the service we are providing.

COMPTROLLER FRANCHOT: Well Mr. Comfort, a couple of weeks from now my superb staff is going to start the tax season. And it is just an unbelievable exercise, complicated, but the foundation of it is customer service. Do you ever want to come over and help us out?

(Laughter.)

COMPTROLLER FRANCHOT: Feel free.

MR. COMFORT: Whatever I can do to help. I aim to please. But thank you. And thank you for your support and your great insight into what we're doing here. We appreciate it. This is a critical service. This is just a one-year, the first of two possible year extensions. I want to let you know that I have asked our staff, we are looking to revamp how we run the service. We may make some changes in how it is operated. I believe there are some market efficiencies we can bring to it to run it better and more efficiently and provide better customer service by dividing up maybe how we operate the service in the City by having a third party manage the dispatch separate from the other vendors, etcetera. So we are looking at other models around the country. We may come back with a new RFP next year and not extend that second year.

GOVERNOR HOGAN: Director Comfort, I just want to personally congratulate you on your leadership and thank your entire team for the incredible work that they have been doing. You know, to provide, I know that the failures in this agency did not occur under your watch. And I just believe that providing these critical transportation services to our disabled citizens, you know, is extremely important. It wasn't being done very well. I know the problems didn't occur under your watch. But I want to commend you for the swift action you have been taking to fix the problems. And I especially want to applaud your efforts to improve and implement better customer service, which has been atrocious.

MR. COMFORT: Yes.

GOVERNOR HOGAN: And notoriously bad in your department. Providing excellent customer service is something that the Comptroller and I are passionate about and talk about a lot and focus on. And it's a fundamental principle of our administration. So congratulations on the impressive turnaround in your agency and please keep up the good work.

MR. COMFORT: Thank you, sir.

GOVERNOR HOGAN: But let me say, 93 percent on time is great. It's a tremendous improvement. But let's see if we can't get it to 100 percent. Okay?

TREASURER KOPP: Yeah.

MR. COMFORT: Yes, sir.

GOVERNOR HOGAN: Thank you very much.

MR. COMFORT: Thank you. Any other questions?

TREASURER KOPP: Welcome.

COMPTROLLER FRANCHOT: Well I hesitate to bring up the Senate President because he famously sent me a letter the other day claiming I just at the Board of Public Works pop off with anything that jumps into my head.

MR. COMFORT: Okay.

COMPTROLLER FRANCHOT: If I could just say that what you are talking about today represents what the citizens of Maryland deserve, which

is, they deserve a government that respects the taxpayers. And part of that is delivering government services that are critically needed at the lowest possible cost. And it's a question of management and administration. And I salute the Governor for this turnaround. Because this is proof positive of respect for the taxpayer.

MR. COMFORT: Thank you.

GOVERNOR HOGAN: Thank you, Mr. Comfort. Any other questions on the MDOT Agenda?

TREASURER KOPP: I --

COMPTROLLER FRANCHOT: Sorry for popping off there, but -

-

TREASURER KOPP: Oh, that was a good one.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: -- pot calling the kettle black, just popping off and saying whatever comes into your mind.

(Laughter.)

TREASURER KOPP: Governor, I would like for the Secretary --

(Laughter.)

COMPTROLLER FRANCHOT: Yeah, be careful what you --

TREASURER KOPP: I should have asked during I think DBM and I didn't, and the Secretary's Agenda, and during the Secretary's Agenda, and

I forgot. And that was the question of the World Trade Center and Pepco. Do you know this item? Have you been told about this item?

SECRETARY MCDONALD: The emergency --

TREASURER KOPP: There's an emergency, yeah. I have no problem with the item. I have no problem with the department at all. I seem to have a problem, however, with Pepco. And I'd like to learn a little more. Maybe you all can come back. Because it looks like Pepco has failed us miserably.

MR. RAHN: Okay. Why don't we --

TREASURER KOPP: And we've had to step in. Now we have a way of getting the money, they didn't do what they were supposed to do, we had to hire someone else to do it instead, and we are taking the money out of the contract that we have with Pepco. That's swell. But they, I keep telling, hearing about how great, how well run the private sector is. This is something that sounds like they just didn't step up and fulfill their obligations. Could you get somebody to come in?

MR. RAHN: Absolutely.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Thank you, Mr. Secretary. Is there a motion on the MDOT Agenda?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

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GOVERNOR HOGAN: Three-nothing on MDOT. We move on to our last item, which is the Department of General Services Agenda.

MS. BASSETTE: Good morning, Governor, Madam Treasurer, and Mr. Comptroller. Happy New Year.

TREASURER KOPP: Happy New Year.

GOVERNOR HOGAN: Happy New Year, Madam Secretary.

MS. BASSETTE: For the record, I'm Gail Bassette, Secretary of General Services. The department has 22 items on our Agenda and we will be glad to answer any questions you may have.

GOVERNOR HOGAN: Any questions on DGS?

TREASURER KOPP: I have a question about the first item at the Hickey School.

MS. BASSETTE: Yes?

TREASURER KOPP: Apparently this is a case of important equipment aging out and not being maintained properly. And you all found out about it, and I think our insurance people in the Treasurer's Office found out about it, and it's being fixed as I understand it. But apparently it took some talk and persuasion to move these juveniles out of the buildings where the obsolete equipment was failing and they have been moved out now. I am concerned because we talk about maintenance, and here is a very, very critical piece of maintenance that we stumbled across and now we are looking at other buildings

with the same sort of devices and making sure that, according to the Deputy Treasurer, making sure that they are in good working shape and not dangerous. But what is done before these things break down to make sure? I mean, you can understand if they broke down, if there was a fire, there are a bunch of kids in a building, that a very, very bad situation. What do we do on a routine basis to prevent this situation?

MR. SCHNEIDMAN: Good morning. My name is Mark Schneidman.

TREASURER KOPP: Good morning.

MR. SCHNEIDMAN: I'm the Senior Project Manager with the Department of General Services. This is a not an item that I handled personally. I am representing the department. So I'm not aware of what exactly happened in this specific situation but --

TREASURER KOPP: Okay. Well could I ask the Secretary --

MS. BASSETTE: Yes?

TREASURER KOPP: -- to look at this and come back? Because I doubt that this is the only building, although it may be the only building housing people, that had this equipment --

MS. BASSETTE: Mm-hmm.

TREASURER KOPP: -- and where this could come up.

MR. SCHNEIDMAN: We do routinely rely on the agencies, though, to report issues, you know, to us.

TREASURER KOPP: Right.

MR. SCHNEIDMAN: And at that point with our maintenance program we prioritize the issues as we are made, you know, aware of them so that they can be addressed as expeditiously as possible.

TREASURER KOPP: Well this is, this is 30-year-old obsolescent equipment, hot voltage, high voltage, I wasn't going to go into it. But high voltage oil switches.

MS. BASSETTE: Mm-hmm.

TREASURER KOPP: The oil ran out, I mean you can just imagine what could happen.

MR. SCHNEIDMAN: It's beyond its useful life, clearly.

MS. BASSETTE: Yes.

TREASURER KOPP: Thank God it was found.

MS. BASSETTE: But what we are doing, Madam Treasurer, is our new year, our fiscal year proposal is to do condition assessments on all buildings, on all of State government buildings, we are starting there. Because there has not been an updated condition assessment from the department --

TREASURER KOPP: Well that's what I wondered. Yes.

MS. BASSETTE: -- from the department. So we will have an opportunity to really assess all the systems and all the conditions of those systems and then we will be able to do a comprehensive plan on the critical maintenance that needs to get done. Because right now most of the, just like this, we are catching it as we are reacting. And so we are trying to be, or we will be more proactive by doing the condition assessments of the buildings.

TREASURER KOPP: Thank you, Madam Secretary.

MS. BASSETTE: So that's one, mm-hmm.

TREASURER KOPP: Could I suggest you talk to the Deputy Treasurer --

MS. BASSETTE: Sure.

TREASURER KOPP: -- also about what the insurance, because we have to go out and do some of this when we --

MS. BASSETTE: Mm-hmm.

TREASURER KOPP: -- procure insurance for these buildings.

MS. BASSETTE: Yes.

TREASURER KOPP: And maybe there could be a combination of --

MS. BASSETTE: Sure. Yes.

GOVERNOR HOGAN: Good idea.

MS. BASSETTE: Thank you.

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TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Thank you. Any other questions?

COMPTROLLER FRANCHOT: I have a question on Items 8, 9, and 10.

MS. NAPIER: Good morning.

COMPTROLLER FRANCHOT: Good morning.

MS. NAPIER: Wendy Napier, Assistant Secretary for the Office of Real Estate.

COMPTROLLER FRANCHOT: Great. So we're being asked by a number of State agencies, I guess, to grant permanent utility easements and right of ways to Columbia Gas on selected parcels of public property in Baltimore County. This would allow Columbia Gas to extend one of its two natural gas pipelines in the area from Owings Mills to Rutledge in Harford County. I have a couple of questions, and but I wonder if anybody from the company is here just to briefly tell us what the need for the project is and what the consequences of failure would be?

MS. NAPIER: Yes, sir. I have Pat Roddy with me representing Columbia Gas this morning.

COMPTROLLER FRANCHOT: Excellent.

GOVERNOR HOGAN: Great. Thank you.

COMPTROLLER FRANCHOT: Mr. Roddy? Welcome.

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MR. RODDY: Mr. Governor, Mr. Comptroller, Madam Treasurer, my name is Patrick Roddy. I'm with Rifkin Weiner, local counsel to Columbia Natural Gas. I'm here asking for these easements so we can, my client can continue this critical infrastructure upgrade in our State.

COMPTROLLER FRANCHOT: Okay. And it has attracted, the project has attracted the opposition of both homeowners and local environmentalists, who say that the construction of the pipeline will result in elimination of trees and vegetation and prove disruptive to the area's brown trout population. Have the State and federal agencies that have environmental oversight, have they studied the environmental impacts of this proposal? And if so how did they come down?

MR. RODDY: Yes, Mr. Comptroller. First of all, the pipeline received a certificate of convenience and necessity from the Federal Energy Regulatory Commission. That process involves all the federal agencies, including the EPA, Fish and Wildlife, and a number of others.

In addition my client has received a permit, a 404 water quality permit, from the Corps of Engineers. That water quality permit is in direct consultation and approval with the Maryland Department of Natural Resources and the Maryland Department of the Environment. Both of those departments along with the Corps of Engineers has issued that 404 permit for this entire 18-mile line.

In addition my client has proceeded through the regulatory process in both Harford County and Baltimore County to receive the local permits needed for things like erosion and sediment control, soil conservation, and forest mitigation. So each of those regulatory agencies has given approval to this 18-mile pipeline.

In addition on December 17th in the Circuit Court of Baltimore County the final litigation in this matter brought by the Gunpowder Riverkeeper was settled. That settlement, which will end in a dismissal with prejudice of that lawsuit, will be finalized once the judge receives the proper order from the attorneys to Columbia and he acts on that order I believe on January 15th.

COMPTROLLER FRANCHOT: Okay. So your client Columbia Gas is going to try to do this project with as little ecological disruption as possible.

MR. RODDY: Correct.

COMPTROLLER FRANCHOT: What has been, or who has, what has been the experience on current lines that have been done? Can you document that the environmental damage can be kept to a minimum?

MR. RODDY: Currently the line has been constructed from Hunt Valley in Baltimore County to Rutledge in Harford County. The remaining six miles are from Oregon Ridge to Owings Mills. That is where the State properties are implicated and that is why the easements are before you today.

In the previously constructed areas we have received no permit violations from any of the agencies that I have listed. There was one incident that was corrected quickly that resulted in some sediment release because of a failure of some super silt fence. But that was corrected within 48 hours.

COMPTROLLER FRANCHOT: Okay. And you mentioned that there is active litigation or not? Is --

MR. RODDY: The litigation was, there was a settlement read into the record on December 15th --

COMPTROLLER FRANCHOT: Mm-hmm.

MR. RODDY: -- that settlement will be finalized with an order of dismissal, which the judge will be issuing my understanding is on January 17th.

COMPTROLLER FRANCHOT: So it's appropriate that the easements be awarded today?

MR. RODDY: Mr. Comptroller, this is the final governmental approval. This Board is here as the landowners and are granting permission to my client to use the existing easement. I would note for the Board that my client has an existing pipeline in all three of these areas. They have had an existing pipeline on these three properties since 1960 and there have been no issues or implications with that easement.

COMPTROLLER FRANCHOT: Thank you. No further questions.

GOVERNOR HOGAN: Thank you.

MR. RODDY: Thank you, Governor. Thank you, Madam Treasurer. Thank you, Mr. Comptroller.

COMPTROLLER FRANCHOT: Yep.

GOVERNOR HOGAN: Any other questions on the MDOT Agenda? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing on MDOT. With that --

TREASURER KOPP: No, no, no.

COMPTROLLER FRANCHOT: Yeah, less than an hour.

TREASURER KOPP: General Services.

GOVERNOR HOGAN: Oh, General Services.

COMPTROLLER FRANCHOT: Yeah, DGS.

GOVERNOR HOGAN: I was ready to get the heck out of here.

(Laughter.)

TREASURER KOPP: Well that's it. We're done.

GOVERNOR HOGAN: On the General Services Agenda.

MR. RAHN: Governor, can I use that extra approval for next week?

(Laughter.)

GOVERNOR HOGAN: No. No, you may not. Let me correct the record. There is a motion to approve the DGS Agenda. And it has been moved and seconded and it has been voted on three-nothing. And we are adjourned.

SECRETARY MCDONALD: Thank you.

TREASURER KOPP: Thank you.

(Whereupon, at 11:03 a.m., the meeting was concluded.)