
STATE OF MARYLAND
BOARD OF PUBLIC WORKS
GOVERNOR'S RECEPTION ROOM, SECOND FLOOR, STATE HOUSE
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10:06 a.m.

PRESENT

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HONORABLE NANCY KOPP

Treasurer

HONORABLE PETER FRANCHOT

Comptroller

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PROCEEDINGS

GOVERNOR HOGAN: Good morning, everybody.

AUDIENCE: Good morning, Governor.

GOVERNOR HOGAN: Mr. Comptroller, I had a great time walking in the parades with you over the weekend.

COMPTROLLER FRANCHOT: Yeah, people, well, people love the Governor. And I get to hang out a little bit behind, I was in the car behind the Governor. So --

GOVERNOR HOGAN: Well --

COMPTROLLER FRANCHOT: -- I was really impressed with the response from Marylanders all over Baltimore County honestly. It was such a positive day. And --

GOVERNOR HOGAN: Well I think it's pretty clear from most of the people out there that they really do appreciate the fact that we work together in a bipartisan fashion to get things done. He's a pretty popular guy, too, out there I've got to tell you.

But I hope everybody had an enjoyable Fourth of July and I hope you were able to take in some fireworks. You may have heard that Mother Nature supplied some fireworks of her own here at our historic State House when lightning hit the State House and the lightning rod on top of the State Dome. But

I was in the Government House across the street. We heard this really loud boom, crack. We thought it hit our house. My wife looked out the window and says, the State House is on fire. Because smoke was pouring all around the Dome. So I ran across the street with the troopers instantly. And the Annapolis Fire Department pulled up at the same time we got there from 100 yards away. I don't know how they did it, but the response time --

(Laughter.)

GOVERNOR HOGAN: -- the response time from the Annapolis Police, I mean, Annapolis Fire Department was just incredible. And I don't know if you've seen the pictures, but it really did look like smoke rather than mist. But we have this elaborate misting machine that keeps the Dome safe and it was Ben Franklin's lightning rod, more than 200 years old, that actually saved the State House. We really would have had, this is the largest wood domed structure in the world, the oldest. And it would have burned down if it weren't for that Ben Franklin lightning rod. So thankfully nobody was hurt, no damage was done. And I really want to give my thanks out to the Annapolis City Fire Department. They did a tremendous job.

And this morning before we get started we have a very special guest with us. It is my real pleasure to recognize the State's longest serving employee, Earle "Jock" Freedman. And I'd like, Mr. Freedman is here in our front row. If you'd stand up for a second?

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(Applause.)

GOVERNOR HOGAN: Well so I've been on the job for 17 months. Jock is retiring after spending his entire career, a total of 65 years, with the Maryland Department of Transportation's State Highway Administration. He began his career in November of 1950 as a Junior Bridge Engineer, working his way up to Director of the State Highway Administration's Bridge Office. He has mentored countless young engineers and his legacy of service will carry on, I'm sure, for many years through their work. After years of supporting others, it's great to see much of his staff and his colleagues and his family here to support him today.

Throughout Jock's career he stressed the importance of bridge safety, simplicity, and beauty and personally reviewing every single bridge plan. Two of the State's most beautiful bridges, the U.S. Naval Academy Bridge and the Woodrow Wilson Bridge, are a testament to Jock's talent and ingenuity. And under his leadership our inspection program is considered a national model. Thanks to Jock, we are on track to fulfill my mandate to eliminate every single State owned structurally deficient bridge in the entire State.

And today we are honoring him with a, pass this over to me, thank you, we are going to honor him with the Jock Freedman Day Proclamation. We are going to name today as Jock Freedman Day. Jock, thank you for your exemplary work, your leadership, and your extraordinary talent. And the citizens

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of Maryland were certainly lucky to have you keeping our bridges safe for all these years. And we wish you the very best in your well deserved retirement. I'd like to present you with this proclamation.

(Applause.)

GOVERNOR HOGAN: Come on. Let's get in between the flags here with all of us.

COMPTROLLER FRANCHOT: Good. Congratulations.

GOVERNOR HOGAN: Great job. How about one more round of applause for Jock?

(Applause.)

MR. FREEDMAN: I've been very blessed. I have had the opportunity to do something that I really loved for my whole life. And I've been blessed that I had a wife that gave me the opportunity to do that. She wasn't the one that said, when are you going to retire, and this and that. She left that up to me. And I also have a family. Thank God, they are all in reasonably good health and doing everything that anybody would want their kids to do. So I've got, I'm up to five great-grandchildren so we're doing pretty good there, too.

So Governor, I appreciate your kind words. I don't know I, we have a book, and we give out, *Historic Bridges in Maryland*. I'm not sure whether you have one of these?

GOVERNOR HOGAN: I don't have one.

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MR. FREEDMAN: It was dedicated to me when they put it together. I put a nice note in there to you for the wonderful job you've done.

GOVERNOR HOGAN: Thank you so much.

MR. FREEDMAN: We've been fortunate since you've been with us. You gave us the money to do what we needed to do, and we're doing it. And I think everyplace you go in Maryland you see the fruit of what you gave us the money to do with.

GOVERNOR HOGAN: Thank you Jock. Thank you so much.

MR. FREEDMAN: Thank you.

GOVERNOR HOGAN: Congratulations.

(Applause.)

TREASURER KOPP: Governor, I think you'd better get Mr. Freedman to reconsider. I think we need him.

GOVERNOR HOGAN: Yeah, we've got a lot of work to do on these bridges. Maybe we can get another 65 years out of him.

(Laughter.)

GOVERNOR HOGAN: At this point I'll turn it over to my colleagues for any remarks. Madam Treasurer?

TREASURER KOPP: No, except that I am moved to say that we have so many great public servants in Maryland. Seriously, people who are there on the job doing important things, making a difference to the lives of our citizens

and our communities and nobody knows about it. And I think it's about time that we took it upon ourselves here to let the world and most importantly our fellow citizens in Maryland know about the great people with whom we work and who work for them. And whether it's an award, a recognition, an acknowledgment in many different ways could be made. But I think it's up to us to do that. And I truly believe knowing the story of Jock Freedman and others will help restore the people's faith in their own government and in their own State. So I thank you so very much, and Mrs. Freedman, for being here all the time with us.

GOVERNOR HOGAN: Thank you. Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes, thank you, Governor and Madam Treasurer. And I happen to have that photo of the Governor running in with one of the fire hoses to put the fire out. And I want to thank him for saving the Dome and also for, well, the award to Jock is just very special. And I couldn't agree with the Treasurer more. But you, sir, are, well you're a model for me. Sixty-five years? It gives me something to shoot for.

(Laughter.)

COMPTROLLER FRANCHOT: But thank you for your service. It's fabulous. And we have one bridge over in Takoma Park which is a thing of beauty. And it's historic. It's getting completely replaced and you're keeping it to its old architectural lines.

MR. FREEDMAN: -- going to save most of it --

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COMPTROLLER FRANCHOT: Well thank you.

MR. FREEDMAN: -- to restore it to what it looked like in its prime --

COMPTROLLER FRANCHOT: Fabulous. Thank you for that. And Governor, thank you again for mentioning the Fourth of July. I attended four parades, Dundalk, Towson, Arbutus, and Catonsville. It was a terrific holiday. It gave time for a lot of us to reflect on the blessings that we have as American citizens. It was great to see you, Governor, out there. Thank you for treating me and my volunteers so graciously. And well the rain was a little bit of a problem, but that's okay. I was pleased to see so many families come out and enjoy the parades and festivities, which were meticulously planned, executed by countless dedicated volunteers committed to making these celebrations very special for their communities.

For so many people, especially our active servicemembers, our veterans, and their families, the Fourth of July is a meaningful reminder and a celebration of the freedoms that we enjoy and the values that we hold near and dear to our hearts. I gave several of my medallions to veterans along the parade route. One of them got a little emotional after receiving one, telling me he had not gotten a challenge coin in nine years, since his active combat service in Iraq. It was yet another reminder that we can never thank our nation's heroes enough for their service to our country.

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I'm grateful to have had the honor of participating in those terrific parades, and there are lots of other parades equally terrific around the State, and pay tribute to the freedoms that are represented by our Fourth of July ceremony. Thank you, Governor.

GOVERNOR HOGAN: Thank you, Mr. Comptroller. Madam Secretary, let's get started with the Secretary's Agenda.

SECRETARY MCDONALD: Good morning, Governor, Madam Treasurer, and Mr. Comptroller. We have 18 items on the Secretary's Agenda this morning. We have four reports of emergency procurements. We are withdrawing Item 16. And I believe we are prepared for questions you may have.

GOVERNOR HOGAN: We have three items from the Public School Construction Program on the Agenda.

SECRETARY MCDONALD: Right. They would be five, 17, and 18, I mean 15, 17, and 18, excuse me. Yes, we do.

GOVERNOR HOGAN: And I see Item 16, the subject of a recent legislative audit, was withdrawn.

SECRETARY MCDONALD: That's correct.

GOVERNOR HOGAN: I understand that it was withdrawn due to the fact that Board action is not needed to collect the outstanding debt which Baltimore City owes?

SECRETARY MCDONALD: That's correct. They determined that the 2008 action of the Board was sufficient to collect the money.

GOVERNOR HOGAN: Okay. Great. I have no problems with the remaining items. I do want to take this opportunity, though, to restate my strong opposition to the Public School Construction Program's proposal to reduce the number of school maintenance inspections. It's unbelievable to think that performing less inspections is a good idea when we're talking about the health and safety of our students. The recent audit found that the Public School Construction Program had failed to issue inspection reports for 72 percent of the inspections that it conducted for fiscal years 2013, '14, and '15. The audit also noted that reports for inadequately maintained schools were consistently 18 to 30 months late. The maintenance reports for 2013 and '14 were not delivered until January of this year after much prodding from this Board. And we're still waiting for the 2015 report.

These reports are not only crucial for local school systems but this Board of Public Works relies on these reports to fulfill its role in providing proper oversight of State school construction funding. And contrary to some of the comments I heard, the problems in the Public School Construction Program's maintenance reporting has not been because of a lack of funding or staff resources. We've increased the staff over there, specifically to fix the reporting

backlog. And the problems have really been about, as the audits make abundantly clear, poor management and having the wrong priorities.

Mr. Comptroller, I stand strongly with you on this issue. I believe that reducing school maintenance inspections takes our State in the wrong directions. Any other questions on the Secretary's Agenda?

TREASURER KOPP: Yeah, I'd just like to make a couple of points about that issue. I too believe that school construction and maintenance go together and that it is foolish to invest in construction when you don't assure maintenance and indeed perhaps this Board has a responsibility to find a way in which we can have a trust for maintenance, whether it's part of the school construction project or otherwise. Because it's just foolish not to.

In terms of the school maintenance inspection program I would point out, Governor, you did put some money in the budget this year because it was impossible to hire people at the salaries before then. I believe that Dr. Lever was proposing to reduce to 155 inspections in fiscal 2017 because out of four people in the program there were two vacancies. The PINs are there. It's difficult to retain and train and keep people. And I think you do have to be practical.

I believe that we should do as many inspections as we can. But to have, to assume that two people, or even three because one is now hired and hopefully they are searching for a fourth, can do the same number that four were designated to do seems to me not very realistic.

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I would also point out that the school inspection program is created to inspect maintenance quality. It's not really the primary health and safety inspection, although I think there should be health and safety measures in it. But that's the provision of the local safety officials, if you're talking about direct safety. I know that we're going to face some very difficult times with school construction and school maintenance in the next several months because you're going to have an agency that will not have the institutional memory and that will not have the staffing that it's had. And I don't know exactly how it's going to work. But I do know that we have to be practical and look at real numbers and real slots and all work together, as I know you like to do, to make sure that the schools are well constructed and well maintained, instead of simply trying to point fingers of blame. Thank you.

GOVERNOR HOGAN: Okay. Well luckily we have new management coming in there and they can hopefully fix the problems.

TREASURER KOPP: Mm-hmm.

GOVERNOR HOGAN: A year ago we said. why are these three years behind? And what would it take to get it done? They said, we need to add another position, which we did. The fact that we can't keep people there is a problem. It's a management problem that we have to fix with the new leadership that comes in. Mr. Comptroller?

COMPTROLLER FRANCHOT: Yeah, let me just summarize what's going on here. Because I have brought this issue up, as the Governor graciously noted, thank you, for years. And the issue here is, one, first and foremost, public health and safety. Our kids in our schools deserve to have a safe and healthy school environment. Number two, if they don't have a safe and healthy environment it affects their learning. Their learning environment is damaged because they aren't in a school that is properly maintained. And third of all, when you have a school that is allowed to deteriorate, like sadly some schools in Maryland have been, many have been properly maintained. But when they are allowed to deteriorate it affects community pride, who we are as a neighborhood and a community, when the school is allowed to slide into neglect.

The Governor is absolutely right. We have urged that this be given a priority status. A couple of years ago I went around to businesses and gave them awards for doing what I called better with less, because they were more efficient. They were able to deal with the tough economy. And they were able to produce and grow their revenues despite the fact that they had less. This program of school maintenance is an example of doing less with more. We gave additional staff. We gave additional support. We gave additional encouragement. And Dr. Lever, a very nice guy, didn't get the job done. And just like this gentleman who worked for 65 years for the State preserving the historic nature of bridges and refurbishing them from the neglect and deterioration, we have to do the same

things with our schools. And I applaud frankly Governor Hogan for this concept of taking care of what we have. And he exemplifies that as far as schools. It's difficult because there's a lot of rank opposition for some reason. But he's done it as far as schools. He's doing it as far as roads. Pay me now or pay me ten times later for neglecting our roads. Well thank goodness now the roads are beginning to get the proper attention around the State. He's doing it as far as other things that need to be husbanded and protected. And this issue of school maintenance is first, second, and third priority for me because our kids deserve it.

So Governor, I have a few questions on these Agenda items. But thank you for raising the issue of school maintenance to its proper priority.

TREASURER KOPP: We'll get back to the facts later.

COMPTROLLER FRANCHOT: So I have some questions on Item 15.

SECRETARY MCDONALD: All right. I believe that Joan Schaefer was here --

COMPTROLLER FRANCHOT: Is that still on --

SECRETARY MCDONALD: -- from the Public School Construction Program. Joan, the Deputy Director. All right. We're going to go find out if Joan Schaefer, the Deputy Director, is here.

COMPTROLLER FRANCHOT: What? Well let's see now. I have questions on 13 and 14.

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SECRETARY MCDONALD: I was going to say maybe we could go, yeah, to something else and we'll track down and find out in the meantime. So 13 and 14 is Morgan State, yeah well 13, both of them, are Morgan State University. And yes, Ms. Kim McCalla is here, Vice President of Construction. She can answer them.

MS. MCCALLA: Good morning.

GOVERNOR HOGAN: Good morning.

MS. MCCALLA: Kim McCalla, Associate Vice President of Facilities, Design, and Construction at Morgan State.

COMPTROLLER FRANCHOT: Excellent.

MS. MCCALLA: How may I help you?

COMPTROLLER FRANCHOT: Yes, nice to have you here.

MS. MCCALLA: Thank you.

COMPTROLLER FRANCHOT: We're being asked to add funding for two construction projects at Morgan State University, the new Behavioral and Social Sciences Center and the new Student Services Center. According to my notes we're going to authorize an additional \$30 million in spending for the Behavioral and Social Sciences Center, authorize another \$3.9 million for the Student Services Building. That seems like a lot of money that we're adding to the price tag of these new buildings. I guess I just want to have a better understanding of the rationale behind the request for additional funding.

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MS. MCCALLA: The total funding for the project was \$79.9 million, \$79.4 million. So this is just the continued funding that was supplied by the Legislature over the five-year course of period. So we're just asking for the next slug of money that's due the project. We're not asking for additional money to the project, but this was money that was set aside for the project.

COMPTROLLER FRANCHOT: Okay. According to the background notes on the Behavioral Science and Social Services Center the additional \$30 million would be, as you noted, for Bid Package C and then for Bid Package D.

MS. MCCALLA: Yes.

COMPTROLLER FRANCHOT: What exactly are those? And how do you divide them? And is it, is it, are these, I guess I just don't understand how these all fit into a budget.

MS. MCCALLA: We leave it to the construction manager to decide how he wants to procure all the bid packages. Generally Bid Package A is site, utilities, foundations. Bid Package B could be concrete, structural steel. C, D start to become the body of the building, which is the skin, the interior walls, mechanical systems, electrical systems. And E, AV systems, some built in case work. It varies per construction manager as to how they want to package the projects together.

COMPTROLLER FRANCHOT: Okay. And for the record, how much was budgeted for these two individual projects individually --

MS. MCCALLA: Individually --

COMPTROLLER FRANCHOT: And --

MS. MCCALLA: I'm sorry.

COMPTROLLER FRANCHOT: -- and how much do we believe these projects will now cost in order to bring them to completion?

MS. MCCALLA: The Behavioral and Social Sciences, if my memory serves me correctly, was \$79.4 million and change. And the Student Services Building will be about \$80 million and change. We expect to bring the projects in on budget. But again, the Legislature funds the projects over a three, four, five-year period. So as I believe last year the Board requested that we come down for each, every time the funding is approved that we come down for the approval for that funding. And this is what we're doing.

COMPTROLLER FRANCHOT: Okay. So the \$79.4 million and the about \$80 million are amounts that were approved --

MS. MCCALLA: Approved by the Legislature.

COMPTROLLER FRANCHOT: -- by the Legislature --

MS. MCCALLA: Yes.

COMPTROLLER FRANCHOT: -- several years ago and your contention, and you're stating that these are just components of those overall

authorized amounts and can you keep us in the loop, please, as to whether there are any overages, I guess?

MS. MCCALLA: Yes. Correct. We have not had overages. We fill out the spreadsheet that shows all the details of the funding sources and the expenditures and --

COMPTROLLER FRANCHOT: Right.

MS. MCCALLA: Yes.

COMPTROLLER FRANCHOT: But these amounts are not being changed each year by the Legislature?

MS. MCCALLA: No. It's the amounts that have been --

COMPTROLLER FRANCHOT: Thank you.

MS. MCCALLA: -- authorized by the Legislature per year and we are not intending on going over budget.

COMPTROLLER FRANCHOT: Thank you very much.

MS. MCCALLA: Thank you.

GOVERNOR HOGAN: Did we find the missing person?

SECRETARY MCDONALD: I don't think we have anybody here from the Public School Construction Program.

COMPTROLLER FRANCHOT: Well that's a sorry situation.

SECRETARY MCDONALD: I have to say I think the Director of the Public School Construction Program was not to attend. I don't know about the Deputy Director.

GOVERNOR HOGAN: We still can maybe raise the issue.

COMPTROLLER FRANCHOT: Sure. No. I might as well. What the heck?

TREASURER KOPP: Well let me just clarify --

COMPTROLLER FRANCHOT: I mean, is this --

TREASURER KOPP: -- for my own mind. I was told that they were, it was suggested by the Governor's Office that they not attend. Is that wrong?

GOVERNOR HOGAN: I think we did instruct them not to attend because they are --

TREASURER KOPP: Yes.

SECRETARY MCDONALD: The Director, yes.

GOVERNOR HOGAN: The Director. We wanted somebody else to come. The Director has already resigned.

SECRETARY MCDONALD: -- not sure --

GOVERNOR HOGAN: -- not doing the work --

SECRETARY MCDONALD: Yes, I agree about the Director.

And so I'm not sure --

GOVERNOR HOGAN: Yeah, we expected maybe to have his Deputy or somebody from the department come.

TREASURER KOPP: But it may well not have been made clear to the Deputy that she --

GOVERNOR HOGAN: Okay. Okay.

TREASURER KOPP: -- which doesn't stop you from going on to the issue.

GOVERNOR HOGAN: Sure. We can still talk about the issue. We'll get answers. Do you want to cover this?

COMPTROLLER FRANCHOT: Yeah, I'm going to recommend deferral of the item until we get someone from the agency here. I think it's--

TREASURER KOPP: Well --

COMPTROLLER FRANCHOT: I'm, things don't surprise me a lot but this one does. And I hope that we could defer these items without hurting anything until they produce somebody who can responsibly address questions.

SECRETARY MCDONALD: All three items, 15, 17, and 18? Is the Board --

GOVERNOR HOGAN: Is that a motion?

SECRETARY MCDONALD: -- deferring them?

COMPTROLLER FRANCHOT: Yes, that is a motion.

GOVERNOR HOGAN: I'll second it.

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SECRETARY MCDONALD: On the deferral motion.

TREASURER KOPP: Let me just say I have no problem with deferring motions. But to tell people not to come and then say you're going to defer them because they didn't show up seems to me a little disingenuous.

GOVERNOR HOGAN: There's one person that's resigned who's no longer doing the work who we don't have much faith in. We asked him not to attend. We asked the department to still be here. So --

TREASURER KOPP: This ongoing battle is not doing any good for the schools or the school systems.

GOVERNOR HOGAN: I know. Hopefully it will be over soon.

TREASURER KOPP: Record me as no.

GOVERNOR HOGAN: Okay, two-one. Any other questions on the Secretary's Agenda? Is there a motion?

TREASURER KOPP: Favorable.

GOVERNOR HOGAN: Second?

COMPTROLLER FRANCHOT: On ones that we --

GOVERNOR HOGAN: We already passed that one two-one.

COMPTROLLER FRANCHOT: -- yeah, I'm happy --

GOVERNOR HOGAN: Now we're voting on the entire Secretary's Agenda.

COMPTROLLER FRANCHOT: I vote yes.

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GOVERNOR HOGAN: Three-oh.

SECRETARY MCDONALD: Thank you.

GOVERNOR HOGAN: How we'll move on to the DNR Real Property Agenda.

SECRETARY MCDONALD: Secretary Belton.

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

GOVERNOR HOGAN: Good morning, Admiral.

MR. BELTON: Thank you, sir. For the record, I'm Mark Belton, Secretary of the Maryland Department of Natural Resources and we have four items on our DNR Real Property Agenda for your approval this morning.

GOVERNOR HOGAN: Okay. We'll hold up here until it quiets down a little bit.

TREASURER KOPP: Ah.

GOVERNOR HOGAN: Oh, here he is. I'll go ahead and answer your question. But we already took the vote. Okay, go ahead, Mr. Secretary.

TREASURER KOPP: I recognize Dr. Lever, but know you were told not to come. And I think we've gone beyond your items.

GOVERNOR HOGAN: Yeah, we've actually already made a motion and no need.

DR. LEVER: If you have any questions, I'll be glad to answer them.

GOVERNOR HOGAN: Great.

DR. LEVER: The Deputy Director could not be here today.

GOVERNOR HOGAN: Okay. Thank you.

DR. LEVER: You're welcome.

MR. BELTON: Good morning, Governor --

GOVERNOR HOGAN: Good morning.

MR. BELTON: -- Mr. Comptroller --

TREASURER KOPP: I apologize, Dr. Lever. I'm sorry.

DR. LEVER: (Indiscernible).

MR. BELTON: -- Madam Treasurer, for the record I'm Mark Belton, Secretary of the Maryland Department of Natural Resources, and we have four items on our Real Property Agenda for your consideration this morning.

GOVERNOR HOGAN: Great. Any questions on DNR? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: I'd like to ask the Secretary a question that we can follow up later, but a continuation of a past discussion. There is more and more concern growing, I get letters and I'm sure you do too, we all do, about the impact of climate change and what we're doing to adapt our planning and our

infrastructure to potentials of climate change. And I understand that you're the one who's tasked with that?

MR. BELTON: I do chair the Adaptation Committee of the Climate Change Commission, yes, ma'am.

TREASURER KOPP: Which I guess is the only place, so you're tasked with it. I hope, and I'm sure that the rest of the Board is interested too, in hearing what the State's plans are in terms, not that you have plans ready for adaptation, but the plans for going into this question, developing them, and dealing with the impact of climate change? Could we --

MR. BELTON: Yeah, we have extensive, extensive activities throughout --

TREASURER KOPP: Yeah, so they have to be, they have to be sort of capsulized. But if we could put that on our Agenda, Governor, I would appreciate that.

GOVERNOR HOGAN: Sure.

MR. BELTON: I'd be delighted to.

GOVERNOR HOGAN: Great. Any other questions? Is there a motion on DNR?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second? Three-oh. Now we'll move on to the DBM Agenda.

MR. BRINKLEY: Good morning, Governor, Mr. Comptroller --

GOVERNOR HOGAN: Secretary Brinkley, good morning.

MR. BRINKLEY: Good morning, Mr. Comptroller, Madam Treasurer. David Brinkley, for the record, Secretary of the Department of Budget and Management. We have ten items on the Agenda. We are withdrawing Items 5-S and 10-GM. And should you have any questions or issues, I have representatives here to address them.

GOVERNOR HOGAN: Any questions?

COMPTROLLER FRANCHOT: Not for me.

GOVERNOR HOGAN: Madam Treasurer?

TREASURER KOPP: No, I don't.

GOVERNOR HOGAN: Motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. You didn't have to answer any tough questions.

MR. BRINKLEY: Ten seconds, I love that.

GOVERNOR HOGAN: We're going to move now on to the University System Agenda.

MR. EVANS: Good morning. Joe Evans representing the University System of Maryland. We have seven items on the Agenda. We are withdrawing Item 6-RP. We're here to answer any questions.

TREASURER KOPP: I'm sorry.

GOVERNOR HOGAN: I'm sorry.

MR. EVANS: Joe Evans, University of Maryland. We have seven items on the Agenda. We are withdrawing Item 6-RP. We're here to answer any questions.

GOVERNOR HOGAN: Thank you. Any questions?

COMPTROLLER FRANCHOT: Was item, one of the items removed?

SECRETARY MCDONALD: Number six.

COMPTROLLER FRANCHOT: Six?

MR. EVANS: 6-RP.

COMPTROLLER FRANCHOT: Has been pulled off?

MR. EVANS: Withdrawn.

COMPTROLLER FRANCHOT: Thank you.

TREASURER KOPP: That's the St. Johns --

COMPTROLLER FRANCHOT: Thank you.

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TREASURER KOPP: I have a question really just to understand the history of what happened with Item 3. I don't have a question about Item 3 but I understand that this is the marketing services, marketing communication services for the Smith School. It was before us last October and then it was withdrawn so there was time to look at the process because questions had arisen about weighting technical capacity versus cost.

MR. EVANS: Cost.

TREASURER KOPP: And it comes back to us now with a different resolution than it had last time and I just want to understand. It went back, it was restudied, you looked at the weighting of the two aspects, and came to a conclusion that the difference in the first, in the technicals, did not outweigh the very significant difference in cost? Is that simply --

MR. EVANS: I'd like to bring up Robert Martinazzi, who is from College Park, he is the Director of Construction and Facilities Procurement, to address that.

TREASURER KOPP: Thank you. I'm just trying to read into what you said, exactly what happened.

MR. MARTINAZZI: Yes, good morning. My name is Bob Martinazzi. I'm the Director of Construction and Facilities Procurement at the University of Maryland College Park. Basically, ma'am, you are correct. We went back and looked at the technical and the financial evaluation and determined

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that we could not justify a 60 percent premium to an incumbent based off of the technical ratings of both firms, which were both extremely close. So that's what occurred on this item.

TREASURER KOPP: Okay. I recall that October meeting and I recall raising the question, because it's sometimes hard to tell based on what we get what is included in technical ratings. This has come up. Governor, you brought it up before with DHR, I think. And different people have brought it up over the years. If there were some way, Madam Secretary, to make these things a little clearer so we know what is being weighed within these categories. We can look at the numbers for price. That you can understand. But in the technicals, the difference between first, second, and third is often not clarified for this Board and it leads to questions like that where here, I gather, you went back and looked and yourself --

MR. MARTINAZZI: Right. There were six criteria, and we could provide that information on future Agenda items.

GOVERNOR HOGAN: Great.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: That would be helpful, thank you. Any other questions on the University System?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

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GOVERNOR HOGAN: Three-oh on University System Agenda.

Thank you very much.

MR. EVANS: Thank you.

GOVERNOR HOGAN: Move on to Information Technology.

MR. ESTRADA: Good morning, Governor, Mr. Comptroller, Madam Treasurer. I'm Luis Estrada, the Deputy Secretary for the Department of Information Technology. Today we have six items on the Agenda and have representatives to answer any questions that you may have.

GOVERNOR HOGAN: Any questions? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-oh. Thank you.

MR. ESTRADA: Thank you.

GOVERNOR HOGAN: We're going to move on now to the Department of Transportation.

MR. PORTS: Good morning, Mr. Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Jim Ports, Deputy Secretary for the Maryland Department of Transportation. The Maryland Department of Transportation is presenting 14 items today for your consideration.

TREASURER KOPP: I just, I don't know which issue it is but the salt melters. Is there really only one company that sells these, basically?

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MR. PORTS: Let me see what number that is. There's actually three companies. One of them -- let me grab that item number real quickly. What number is that? Twelve?

TREASURER KOPP: I'm sorry --

SECRETARY MCDONALD: I think it's Item 12-E.

MR. PORTS: Yeah. Okay.

TREASURER KOPP: Thank you.

MR. PORTS: So one of them -- it is very much a niche business, obviously. And one of them is Snow Dragon. That's the name of the company. It's not being used at any other of the larger airports in the nation. It's probably, that's even more of a niche market than with some of the smaller airports. There's Aero Snow. They do not sell their equipment. Their business model is only to lease their equipment.

TREASURER KOPP: So there's really only one that --

MR. PORTS: And so there's one other that we were able to choose from. Obviously we solicit all three. We can't change Aero's business model, and of course with Snow Dragon not being large enough to be able to get into the larger market, basically leaves you the one other manufacturer.

TREASURER KOPP: Would it be beneficial to the states if Snow Dragon or some other were in the bidding? I mean --

MR. PORTS: Well we did include them in the bids.

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TREASURER KOPP: -- to somehow crack this?

MR. PORTS: I mean, we solicited them.

TREASURER KOPP: Right.

MR. PORTS: And actually I think we had conversations with Aero Snow to see if they would you know --

TREASURER KOPP: Be willing to --

MR. PORTS: -- if you will change their business model from a lease model to a sale model, and their answer was no. So we've done all of our --

TREASURER KOPP: No, that's what it looked it.

MR. PORTS: -- due diligence, in other words. Yeah.

TREASURER KOPP: I have another question, and I guess you're the person to ask because it's MDOT, about the last paragraph on that page, on page 26. Other non-bidders were contacted to inquire as to why they chose not to bid. The following reasons were given: 56 firms stated they didn't supply/sell the product that was being requested.

MR. PORTS: Mm-hmm.

TREASURER KOPP: So why are they on the list if they don't do, I mean, why are we wasting the time?

MR. PORTS: Well I think what we've been trying to do is try to solicit as much competition as possible. That's what we are hearing from the Board. And so we are looking for anyone out there that may have newly entered

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the market or, you know, recently decided to purchase another company. I mean, we're looking for anybody out there and of course it works with the NAICS codes and stuff like that. So --

TREASURER KOPP: Well that's what I wonder about the codes.

GOVERNOR HOGAN: Yeah.

MR. PORTS: Yeah. Well, they do that. They do that. They put the codes in on what they want to be available for --

TREASURER KOPP: Okay fine.

MR. PORTS: -- throughout the procurement process.

TREASURER KOPP: I'm just, it just seems to me that you get one, you've contacted 56 who aren't even in the business, the other two really aren't in the business either. It doesn't seem to me the most efficient way of doing things. And I just --

MR. PORTS: Well I guess part of it is also --

TREASURER KOPP: I'm all for encouraging participation but not necessarily just the appearance of competition.

MR. PORTS: I guess part of it is -- take Under Armour, for example. I know it's not transportation related. But they utilize a lot of other firms to sell their --

TREASURER KOPP: Mm-hmm.

MR. PORTS: -- their businesses, or their product. And so we're looking even for those manufacturers or other businesses that might represent these companies that may even give us a better deal because they're hungry. Who knows? You know, we're looking for all those types of opportunities.

TREASURER KOPP: Okay.

MR. PORTS: Our goal is to find the best product --

TREASURER KOPP: Right.

MR. PORTS: -- and the best price for the State of Maryland and the taxpayers.

TREASURER KOPP: I don't doubt that. I just sometimes wonder whether for whatever reason we're walking through sort of, what was the term you used, Governor? Kabuki Theater, of doing things because we think people think they are right to do, but it really isn't getting us anywhere. And there are a lot of other important things to get done. That's my --

MR. PORTS: Okay.

TREASURER KOPP: -- question. Thanks.

COMPTROLLER FRANCHOT: That's a step up for me to be quoted, I'll tell you that.

TREASURER KOPP: Yes.

(Laughter.)

TREASURER KOPP: Oh, you're quoted often, Mr. Comptroller.

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GOVERNOR HOGAN: Any other questions --

TREASURER KOPP: Thank you. Thank you, Governor.

GOVERNOR HOGAN: -- on the MDOT Agenda? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second? Three-oh on MDOT. And last but not least, we're going to move on now to the DGS Agenda.

MR. REICHART: Good morning, Governor, Madam Treasurer, and Mr. Comptroller. For the record, I'm Nelson Reichart, Acting Secretary of General Services. The department has 18 items on our Agenda. We'll be glad to answer any questions that you have.

GOVERNOR HOGAN: Any questions on DGS?

TREASURER KOPP: Governor, not a question but for the record I would just like to point out that Delegate Deborah Rey contacted us with her strong support of Item 17, the Second District Volunteer Fire Department. And I told her that I would let you know and maybe that will help get the money out even quicker. But at any rate, for the record.

GOVERNOR HOGAN: Great. Thank you. Any questions?

COMPTROLLER FRANCHOT: Yes. Just a note, also, following the Treasurer, Item 8 is a grant to the Allegany Animal Shelter Adoption and Care

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Center, which I had the privilege of visiting along with former Speaker Cas Taylor and Becky McClarran, who is President of the Allegany County Animal Shelter Foundation. I presented her with, well, I presented Dr. McGaw in May with the William Donald Schaefer Helping People Award and I'm delighted that, I think she's here, isn't, oh, there she is, right there. Becky, welcome.

GOVERNOR HOGAN: Thank you, Becky.

COMPTROLLER FRANCHOT: If we can possibly have her stand up and come and tell us what the center is?

GOVERNOR HOGAN: Sure.

COMPTROLLER FRANCHOT: She, it's a model for the rest of the State.

GOVERNOR HOGAN: Sure.

COMPTROLLER FRANCHOT: Is that Tina Rafferty also who's with you?

MS. MCCLARRAN: This is Tina Rafferty, our Executive Director.

COMPTROLLER FRANCHOT: Come on up and just briefly say what you've done because it's very impressive.

MS. MCCLARRAN: The Allegany County Animal Shelter is managed by a foundation. We are the only no kill municipal shelter in the State

of Maryland. About four years ago we had a kill rate of 85 percent of the animals that came into our shelter. At this time we have about a 95 percent save rate --

GOVERNOR HOGAN: Wow.

MS. MCCLARRAN: -- for our shelter, which is phenomenal.

GOVERNOR HOGAN: That's wonderful.

MS. MCCLARRAN: But we need a new shelter because we have a lot more animals now that we're saving them and a lot more expenses. So this bond bill is very important to us. The first bond bill will go to putting our own clinic in. We will have our own vet so that we can do more with less, to quote the Comptroller. So we're very appreciative of what the State has done and how we've been recognized. Thank you.

GOVERNOR HOGAN: Well thank you very much for your wonderful work. That's incredible. I'm a huge animal lover, by the way.

MS. MCCLARRAN: Oh, Comptroller Franchot did a 60-second video. So the next time, Governor, you're in our town we would like you to do the same.

GOVERNOR HOGAN: I'd love to do that.

COMPTROLLER FRANCHOT: Whatever happened --

GOVERNOR HOGAN: Maybe put me on your list, too, because I have a 16-year-old dog that's, you know, 112 now so I might be --

MS. MCCLARRAN: You would not be sorry.

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GOVERNOR HOGAN: -- I might be trying to do, save somebody else.

MS. MCCLARRAN: We have 95 animals, dogs right now. You can pick any one you like.

GOVERNOR HOGAN: All right. Thank you.

TREASURER KOPP: Glad you asked --

COMPTROLLER FRANCHOT: Whatever happened to Jingo, the mixed breed dog that was with me in the video?

MS. MCCLARRAN: He was adopted by an attorney after he saw you.

(Applause.)

(Laughter.)

GOVERNOR HOGAN: You knew that right? Wow. So I may have saved the Statehouse Dome, but the Comptroller saved Jingo.

(Laughter.)

MS. MCCLARRAN: Well we know, Governor, you can do the same when you come out.

(Laughter.)

GOVERNOR HOGAN: Thank you very much. Any other questions on DGS?

TREASURER KOPP: I have a question, and I'm not sure of whom so I'll just ask it, about the Board's authority to extend the matching grant period. Is it just for any period of time up to a year because we think it's a wise thing to do?

SECRETARY MCDONALD: Yes. The actual statute does say in an emergency, but it doesn't define it. So it can be that it's running out. The Board can grant it unanimously up to one year. You don't have to have a particular reason. The Board can do it --

TREASURER KOPP: Okay.

SECRETARY MCDONALD: -- as long as they do it three to zero, extend it for one year.

TREASURER KOPP: Okay. Thank you.

GOVERNOR HOGAN: Any other questions? Is there a motion on --

TREASURER KOPP: Favorable.

GOVERNOR HOGAN: -- DGS?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Three-oh. Thank you very much. We are adjourned.

(Whereupon, at 10:54 a.m., the meeting was concluded.)