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

**January 4, 2017**  
**10:08 a.m.**

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# **PRESENT**

**HONORABLE LARRY HOGAN,**  
Governor

**HONORABLE NANCY KOPP**  
Treasurer

**HONORABLE PETER FRANCHOT**  
Comptroller

**SHEILA C. MCDONALD**  
Secretary, Board of Public Works

**ELLINGTON CHURCHILL**  
Secretary, Department of General Services

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# PROCEEDINGS

GOVERNOR HOGAN: Good morning, everybody.

ALL: Good morning.

GOVERNOR HOGAN: Happy New Year.

ALL: Happy New Year.

GOVERNOR HOGAN: Welcome to the first meeting of the Board of Public Works for 2017. I hope that everybody had a relaxing and enjoyable holiday season and that you're all now ready to get back to work because we've got a lot of things to do. I'm excited about, really pleased with some of the progress we made together in 2016 and I'm excited about getting started on another year working together for the people of Maryland. So with that, I'll turn over the floor to my colleagues for any comments. Madam Treasurer? Anything?

TREASURER KOPP: Happy New Year. I'm looking forward, as my mother always said, onward and upward, it's got to get better.

(Laughter.)

TREASURER KOPP: That is what she said.

GOVERNOR HOGAN: She was an optimist.

(Laughter.)

TREASURER KOPP: But no, I look forward to a good year for the people of the State of Maryland, a lot of challenges and the capacity to make change.

GOVERNOR HOGAN: Great. Mr. Comptroller?

COMPTROLLER FRANCHOT: Well thank you, Governor, and Madam Treasurer. I also join in wishing best wishes for 2017. My dad says that 2016 was a stinker of a year and I, he's convinced that 2017 is going to be a terrific year. And since he'll be 95 at the end of March, I, God bless his optimism. And my best wishes to --

GOVERNOR HOGAN: He's in darn good shape for 95, I'll tell you that. He's going to be around for a while.

COMPTROLLER FRANCHOT: Well he's, he's unbelievable what his memory is of events in the 1930s, 1940s, 1950s. He hates the attention, Governor, so it's hard to get him to come down to the Board meetings. But I, I, he's good for me politically. So maybe I will get him to come down.

(Laughter.)

TREASURER KOPP: He is.

COMPTROLLER FRANCHOT: People like him. Anyway, my wife and I went up to New York City for Christmas and we spent it with our daughter Abbe, son-in-law Dan, and our beautiful granddaughter Vivienne, who is now eight months old. She has given us absolute joy over the past few months.

We cherish the time we're able to spend with her. And yeah, I told Dad, there's something really good that happened in 2016, your great-granddaughter.

But Governor, my agency is gearing up for the --

GOVERNOR HOGAN: By the way --

COMPTROLLER FRANCHOT: Yes?

GOVERNOR HOGAN: -- I'm going to start 2017 with a grandson in, what, like ten days. So --

COMPTROLLER FRANCHOT: Excellent.

TREASURER KOPP: Oh --

COMPTROLLER FRANCHOT: Isn't that great?

(Applause.)

TREASURER KOPP: Well we --

COMPTROLLER FRANCHOT: Yes?

GOVERNOR HOGAN: You've got one, too?

TREASURER KOPP: No --

(Laughter.)

TREASURER KOPP: No. No, I don't. But I have a daughter-in-law to be.

GOVERNOR HOGAN: Oh.

COMPTROLLER FRANCHOT: Oh.

GOVERNOR HOGAN: Congratulations.

COMPTROLLER FRANCHOT: Terrific.

TREASURER KOPP: My son, yes, they just celebrated their engagement over the holidays.

GOVERNOR HOGAN: See? We're off to a good start already.

TREASURER KOPP: So a good, a great ending for that year.

COMPTROLLER FRANCHOT: I have some pictures of my granddaughter -- no.

(Laughter.)

COMPTROLLER FRANCHOT: So -- thank you, Madam Treasurer. We are gearing up for what is an enormous exercise for us, which is in mid-January starting to receive the three million tax returns, two million of which are received in the first month because those are people looking for refunds. It's a very complicated task. And we focus on delivering the highest level of customer service that Marylanders expect and deserve.

We're also going to be on the front lines, and thank you, Governor, for your support, in combating the rapid rise in tax fraud and identity theft in our State. I remain proud and appreciative of the hardworking staff that we have at the Comptroller's Office. They work to identify suspicious returns and prevent those returns from being processed.

Since I became Comptroller my office has detected and blocked nearly 76,000 fraudulent tax returns worth more than \$174 million. Why do we



know that? Because we have them. We're looking at them. And we're physically stopping fraudulent refunds.

So we continue to collaborate with our partners and educate stakeholders and taxpayers. We're going to hold a taxpayer security summit at the University of Baltimore on Thursday, January 19th from 9:00 a.m. to 12:30. The summit will feature distinguished panelists, including U.S. Attorney Rod Rosenstein; Larry Benson from LexisNexis; as well as representatives from State and federal governmental agencies, private institutions, and consumer advocacy groups. The summit will serve as an important forum to determine how government, the private sector, and community groups can work together to further address the highly sophisticated tax fraud crimes that we face. The summit is free. It's open to the public. We have a few limited seats. I'd like to encourage everyone here, or if you know someone who has an interest in this you can sign up online at [www.marylandtaxes.com](http://www.marylandtaxes.com).

And Governor, with your permission I'd love to invite a special guest from the Assistance Center of Towson Churches, Father Joe Barr and Linda Lotz, to come up to the podium. Is that okay?

GOVERNOR HOGAN: Absolutely. We'd love to have them.

COMPTROLLER FRANCHOT: For just a couple of minutes. And I met Father Joe a few months ago during a clergy round table I held in Catonsville and was very impressed with the work that he and his colleagues at

ACTC are doing. And just said, why don't you come down? Nobody ever responds and actually shows up when I say that. But Father Barr did and thank God, because the work you do is irreplaceable. And you do things for our citizens that government simply is not equipped to do. So thank you.

GOVERNOR HOGAN: Thank you, Father. Thanks for joining us this morning.

FATHER BARR: Thank you. We are not here to ask for anything. We are here only to raise awareness and maybe break a few stereotypes about what Towson is.

MS. LOTZ: Okay. Father Barr is going to hand out some brochures that we brought. And this brochure will outline our work and help you get in touch with us. You can come visit us, if you'd like to. And it also gives our website address. We have our Facebook page. And all of our communications are managed by an 80-year-old volunteer who I love dearly. So we have people all ages working with the Assistance Center of Towson Churches.

About 31 years ago several pastors got together and decided it would be a good idea to pool resources and open the Assistance Center of Towson Churches to provide effective emergency outreach to the greater Towson area. We currently serve clients who are in 21 surrounding zip codes, or are homeless, and we have grown to about 50 member churches. We are a lean operation with

three part-time employees. We are funded -- we are primarily a volunteer organization. We are funded by the churches and by other benefactors.

The challenge of our work is not knowing who is going to come through the door or what they will need or who will provide it, but God always comes through as we are God's emergency room. Why do people need emergency assistance? Many people do not have a safety net, either family or friends or personal savings to turn to in a time of crisis. Problems arise from dysfunctional families; divorce; lack of affordable housing; lack of supportive housing; seniors who suddenly cannot work; mental illness which is inadequately treated which often leads to drug and alcohol abuse.

We have heard of housing first, which advocates that providing housing for the homeless with the idea that this housing can save the public three to four times the amount spent on housing each year and creates an environment for a return to sanity. I know we would all be happy if we could get to the root cause of these problems and put ourselves out of a job. That would be wonderful.

So what do we provide at ACTC? We are primarily a food pantry. We began as a food pantry, and we are able to supply an emergency five-day supply of nonperishable food every three months to families, supplemented by fresh food donations. We also provide gift cards to buy groceries. The homeless can come and get lunch everyday. We also provide a nonperishable care bag once a week. We provide the homeless an address for their mail. We provide toiletries

and showers at the YMCA. We support a weekly community dinner. We provide financial assistance in the form of utility turnoff prevention, eviction prevention, prescriptions, ID replacements, and limited emergency shelters. We help with clothing, transportation, and Charm Cards loaded with \$30 for those who are just released from the Baltimore County Detention Center as they begin their new life.

We have a nurse available and someone from Catholic Charities who can help people apply for benefits if they are eligible. We are currently giving out winter boots and socks to the homeless. We keep extra coats, hats, scarves, and gloves, and blankets. We will sometimes give tents and sleeping bags for homeless clients. We connect donors and families to deliver Christmases to needy families. We collect and distribute 2,000 Thanksgiving baskets to individuals and agencies primarily supplied by member churches and friends. We provide school supplies in August, tax preparation in April, dental days and prescription glasses with the help of our member churches. And with the help of our member churches, Food for Thought.

We launched Food for Thought several years ago to supply needy children with nonperishable food for the weekend. This food has been selected by someone who understands what is easy and healthy for children. We have gotten many churches to partner and expand this program to not all but many more of the 40 percent, 40 percent, of all public and parochial school children in Baltimore County who receive either free or reduced lunch at school.

We advocate for the homeless and the disadvantaged and try to prevent homelessness wherever possible. Where we cannot help we provide referrals, and most importantly we listen with compassion and allow each person to tell their story and be heard. That's probably the most important thing. People can come in and be heard.

So ACTC is housed in a small building located in an alley behind Calvary Baptist Church where volunteers and donors do a mighty work. There are often multiple generations coming and going, giving and receiving, and it's really wonderful to see and we invite you to come. Thank you.

GOVERNOR HOGAN: Thank you so much for coming this morning and thank you for all your incredible work. Thank you very much.

MS. LOTZ: It really is --

(Applause.)

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

SECRETARY MCDONALD: Good morning, Governor --

GOVERNOR HOGAN: Good morning.

SECRETARY MCDONALD: -- Madam Treasurer, Mr. Comptroller. We have 12 items on the Secretary's Agenda this morning. We have three reports of emergency procurements. We are prepared for your questions.

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GOVERNOR HOGAN: I'd like to note Items 9, 10, and 11.

SECRETARY MCDONALD: Nine, ten, and 11 are from the Public School Construction Program. They are getting, asking the Board to ratify their allocation of general obligation bond money in three previous fiscal years and that money was to be spent for non-public aging schools. There is a representative from the school program here. I don't know if you want Joan Schaefer up at the podium? Acting Director of the Public School Construction Program.

GOVERNOR HOGAN: Good morning.

MS. SCHAEFER: Good morning.

GOVERNOR HOGAN: So you know, these three items are coming before the Board of Public Works for approval this morning for \$10 million in allocations for the nonpublic aging schools program. And I have absolutely no issue at all with the program --

MS. SCHAEFER: Mm-hmm.

GOVERNOR HOGAN: -- or with any of the specific allocations. But my concern is these are previous years, 2014, '15, and '16. So my question is more about the process and about making sure that we're following the law. And my question is, you know, why are these items only now coming before the Board of Public Works when State law mandates that any projects funded with State

bond money must receive the approval of the Board of Public Works? Prior approval.

MS. SCHAEFER: Well Governor, Mr. Comptroller, Madam Treasurer, we apologize for this. It was a misunderstanding on our part. We just missed it. And all I can tell you at this point is that we have addressed our procedures. We are underway with the FY 2017 program. And you can expect to see those recommendations for your approval in March.

GOVERNOR HOGAN: Okay. Well that's great. That was going to be a question, too, when are we going to see 2017? But you know, I want to make sure that we really, I want to make sure this mistake doesn't happen again. It's not just an oops. It's, you know, \$10 million, it's over three years --

MS. SCHAEFER: Absolutely.

GOVERNOR HOGAN: -- that you never had approval and you're out spending the taxpayers' money.

MS. SCHAEFER: Absolutely. We were trying to recreate how this started and how we got here in the first place. I'm, our agency works with MSDE. Barbara Bice is the Manager of the School Construction Program with MSDE. And between the two of us we manage this program. Primarily they do the review of the documents and put together the approvals and we handle the accounting side of this. I would venture to say we've talked this through, we're trying to understand, and we think that we pretty much followed the pattern that

had been established with the textbook program which does not include a formal higher approval. And all I can tell you at this point is that we're very sorry and we have it under control. You can count on us. We'll have it done appropriately.

GOVERNOR HOGAN: Well thank you. You know, again, I have no problem with the program. I think it's a great program.

MS. SCHAEFER: Yes.

GOVERNOR HOGAN: I think the things that you're funding are great. But you've got to make sure that when the law requires it to be approved by the Board, you've got to take it before the Board before not three years later or four years later.

MS. SCHAEFER: Absolutely. We hear you.

GOVERNOR HOGAN: Well thank you. At our next meeting of, on January 25th --

MS. SCHAEFER: Mm-hmm.

GOVERNOR HOGAN: -- the IAC, which is an agent of the BPW, will be submitting the preliminary draft of the FY 2018 Capital Improvement Program totaling more than \$200 million for our consideration. In the past BPW always heard appeals from local school jurisdictions and they would have the opportunity to request additional funding of their projects from this Board. Last year, however, members of the Legislature in what can only be described as misguided partisan shenanigans which they saw fit to sneak into the capital



budget in the middle of the night, they came up with crazy language which attempted to bar appeals to the IAC's draft recommendations. They attempted to remove this Board's authority and role in the process. They attempted to eliminate any oversight, accountability, transparency, or fiscal responsibility from the process, which as constitutional officers through this fiscal board we are required to provide.

This was also an attempt to eliminate a valuable public meeting that for years has provided an open forum for parents, students, and teachers, and other interested parties, whose concerns may not have been heard by their local school superintendents or by the appointees on the IAC. But final approval of the expenditure of school construction funds rests solely with this Board of Public Works. And anyone who thinks that they can somehow just take away that authority on a whim is gravely mistaken.

Our advice from our Board of Public Works counsel strongly reiterates that the BPW has final authority over the expenditure of capital funds and this Board obviously has the authority to ask questions of and to require additional information from any potential recipients of capital funds. We are charged by State law and by the voters of Maryland with overseeing billions of dollars in capital funds and this Board of Public Works is not going to be a rubber stamp of approval and we certainly are not going to cede our authority to an

unelected part-time committee made up of former legislators and lobbyists who are accountable to no one.

Secretary McDonald, would you please send notifications to all the local school systems who are requesting State school construction funds for fiscal year 2018, notify them that they will be required to appear before this body at our next meeting on January 25th to provide us with information, to address issues, and to answer any questions that we may have on their proposed capital projects and maintenance programs?

SECRETARY MCDONALD: Will do.

GOVERNOR HOGAN: Are there any other questions on this item or on the Secretary's Agenda? Comptroller?

COMPTROLLER FRANCHOT: Well I'd like to strongly support the Governor's request to the Secretary and I would like to start by thanking Mr. Mark Newgent for identifying this particular item which is renovation money for private schools, which is something the Legislature approved and it's a very important program. So I'm pleased that now it is, these items are going to be brought before the Board.

But why am I pleased with that? This Board represents transparency and accountability for the public. We meet every two weeks. Anybody can come as long as there's a seat. They can sign up and testify on a subject if they want to, or they can just sit and participate. I in my ten years as

Comptroller have visited over 300 K through 12 public schools in the State of Maryland. I have given awards to janitors and maintenance people called the Silver Hammer Award. I've presented Golden Apple Awards to the Teachers of the Year. I have been in and out of these schools. I have never, ever seen a member of the IAC, number one.

Number two, I don't believe that the issue of school maintenance, which is critical to our taxpayers and the whole concept there is let's take good care of the school buildings we have, which the IAC is involved in overseeing. Let's take care of those facilities, A, because it's the right thing, and B, because it puts off for decades often the unbelievable burden on the taxpayers to pay for brand new, shiny expensive schools. So school maintenance is important. You'd have to put a stick of dynamite under the IAC to get them to talk about school maintenance. They didn't do the inspection reports that were mandated. Year after year after year the reports never showed up. So I just want to --

GOVERNOR HOGAN: It was kind of like this approval, they were three or four years late.

COMPTROLLER FRANCHOT: Yeah. I mean it was, it's basically a subject that is very important, I believe, to the fiscal health of the school construction program but it's something that got very short shrift. And in fact, as the Governor said, the IAC and its membership in the Legislature apparently is hell bent to reduce the transparency and accountability by limiting

the review of the only body, the Board of Public Works, that does any kind of transparency and accountability in an overall way. And for example, the air conditioning issue in Baltimore County and Baltimore City schools would still be sitting on the curb with no attention being paid to it.

So I want to thank again Mr. Newgent for bringing this item before us. I completely and strongly support Governor Hogan in asking that every school superintendent, local officials, and frankly I would ask that the State Delegates and State Senators come back and understand what transparency and accountability is all about. And that hatchet job in the back rooms of the Capital Conference Committee that the Governor referred to is a blow against the taxpayers because it limits the review.

GOVERNOR HOGAN: Well it attempted to, but it's certainly not going to.

COMPTROLLER FRANCHOT: Well good. I'm glad that it isn't. I, but the secretive nature in which that was done with no public hearings and nothing other than --

GOVERNOR HOGAN: In fact nobody will admit to offering that amendment. It's sort of like a mystery --

COMPTROLLER FRANCHOT: Yeah. It's just a, it's a -- let's be honest and call it for what it is. It's a power play and people don't want this Board looking at school construction in a way that will promote the interests of

the taxpayers. That's unfortunate. But it certainly, Governor, is something that should be pushed back on. And I would strongly urge every elected official that is interested in their county school construction to be here at the next meeting.

TREASURER KOPP: Okay. Is it my turn now?

GOVERNOR HOGAN: Sure.

TREASURER KOPP: Thank you. I don't know, I mean, there has been so much said it's not clear, it's not clear where to start.

First of all, I do respect the authority of the Board of Public Works and I do respect transparency and I think the ability of the local elected school boards and superintendents to come before the Board and explain where their programs are, where they are going, what their needs are, is a very good thing. And I have no problem with that at all. I do think directing them and ordering them to do it is part of a sort of a bullying tactic that is unfortunate --

GOVERNOR HOGAN: Well the Legislature told them they could not appear before us.

TREASURER KOPP: Sir, it's my turn.

GOVERNOR HOGAN: And we're --

TREASURER KOPP: I --

GOVERNOR HOGAN: -- saying that's not true and --

TREASURER KOPP: The Legislature is quite aware that until they change the law again it's the authority of the Board of Public Works to

approve final allocation. I think the problem is that in the last year or two what had been a set of very useful and informative hearings have turned into a political barrage of basically of bullying and not one of inquiry.

The schools are the most important keystone, I believe, in our State. They are what bind a community together. And the education is the most important building block of our State. And we have all known that for a long time. What we have now, however, is the use of the schools and education simply as a political hammer to hit particular subjects, and we don't know from month to month or year to year who those subjects are going to be. And if it is you, I apologize. I am sorry.

The IAC, as we know, is made up not just of representatives of the Legislature, but Governor, of your secretaries, of General Services --

GOVERNOR HOGAN: I know, but the Legislature is trying to remove all the secretaries.

TREASURER KOPP: -- your Secretary of State Planning, your Superintendent of Schools. That's the majority --

GOVERNOR HOGAN: The Legislature is proposing to remove all of those people from the board.

TREASURER KOPP: The Legislature has made no such proposal, Governor. Perhaps you --

GOVERNOR HOGAN: They certainly are discussing it.

TREASURER KOPP: Governor, the Legislature has made no such proposal.

GOVERNOR HOGAN: Okay.

TREASURER KOPP: In terms of laws that are enacted, they are enacted by the full House and the full Senate voting on the floor. It's televised and it's recorded. It's not in secret.

In terms of maintenance, I think you are absolutely right. I wish we would allocate the \$10 million to Baltimore County and the \$5 million to Baltimore City that are being held up so in fact they can be used for maintenance and for the purposes they were, they were intended for. In terms of the maintenance reports, there were some that were late but we have received them over the years, albeit prepared by a limited staff. So to say we didn't get them simply is factually inaccurate --

GOVERNOR HOGAN: We got them three or four years late.

TREASURER KOPP: -- along with other factual inaccuracies. And I would point out once again, by the way, that the maintenance of our State buildings, Mr. Secretary, is something that is in dire, dire straits also, as you know, bedbugs, mold, plaster falling. And I hope that we will pay the same amount of attention to the State buildings that we do to the, to the schools.

And as for never seeing a member of the IAC at a school, I too over the years have visited hundreds of schools. And I will tell you the

Secretaries of General Service have been there, the Superintendents of Schools have been there. I assure you that former Senator Hoffman spent a great deal of time in the schools. And the fact that you and they didn't go to the same school at the same time, I understand, it's not unreasonable perhaps that you wouldn't see them. But I assure you that they have been there, as have I, as have many, many people from the public and from the government.

I just, I think that we can all work together to build the great schools and the great educational program that we all want. But to do it through a vehicle of bullying and banging on people is truly not only unnecessary but politically quite destructive. Thank you.

GOVERNOR HOGAN: Thank you. Let me just touch on a couple of items before we move on. What you would call bullying we would call fiscal responsibility and accountability, which is what we were elected to do. Certain school board members and certain superintendents believe that they have the final authority and they can spend the taxpayers' money in any way they want. Some legislators think these political appointees on the IAC make the final decisions and neither one of those is true.

The role of this Board of Public Works is to oversee these capital funds and to make sure the taxpayers' money are being spent wisely. That's our primary responsibility. We all want to improve the schools. And we're trying to keep, hold people accountable when we think they are not doing their job properly



and that's what we'll continue to do. And we think it's been very helpful. And it was something maybe that wasn't happening during the previous administration but it certainly is now. And I think the people are happy about that.

We've raised some issues in Howard County that were being swept under the rug that's caused quite a controversy up there. In fact, an entire new school board was elected primarily over this issue that we brought up at the Board of Public Works. We're still pushing to make sure, we have tens of thousands of kids in un-air-conditioned classrooms in two jurisdictions and we want that taken care of. So we're talking about --

TREASURER KOPP: But sitting on \$10 million won't help.

GOVERNOR HOGAN: -- two different things. We agree that we want better schools. We agree that people should have the right to come before the Board of Public Works. We agree that we have the authority. And what you would call bullying we would call just doing our job. So we're going to have the school systems that are looking for money come before us at our next meeting or they won't be getting money. So but --

TREASURER KOPP: Well that, sir, would be a violation of the law.

GOVERNOR HOGAN: No. It wouldn't. We have to make the final approval and we're not going to do it unless we get a chance to discuss it. So are there any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Yeah. I just want to add that I want to again thank Governor Hogan for bringing transparency and accountability to the issue of taxpayer expenditures, school maintenance, air conditioning, and other items. This is extraordinarily important.

The citizens certainly don't feel as if they have a body, as much as I respect and spent 20 years in the Legislature myself, that is not viewed as something that adequately addresses the fact that 50,000 kids as we speak go to school in un-air-conditioned and many of them in unheated classrooms in Baltimore City and Baltimore County. And for ten years I have brought this issue up. So yeah, I'm delighted to have a strategic partner in Governor Hogan in requiring Baltimore City and Baltimore County to do the right thing.

And as far as school maintenance around the State, it is in a very unevenly applied priority. Some counties do a lot of it. Some counties don't do any, or do very little. So I just want to thank again the delivery of transparency and accountability to an extraordinarily important issue. And --

GOVERNOR HOGAN: Okay --

COMPTROLLER FRANCHOT: -- you know, you want to see some bullying, go on down and check, have you met with the Senate President lately?

MS. SCHAEFER: Are you asking me?

COMPTROLLER FRANCHOT: No, I'm just saying --

MS. SCHAEFER: No, I haven't.

(Laughter.)

COMPTROLLER FRANCHOT: Yeah.

TREASURER KOPP: That was a rhetorical question.

GOVERNOR HOGAN: I have seen some of that bullying.

(Laughter.)

GOVERNOR HOGAN: But it's all fun, you know.

MS. SCHAEFER: And we do look forward to meeting with you or your staffs. We have meetings set up next week --

GOVERNOR HOGAN: Great.

MS. SCHAEFER: -- to review the IAC's recommendations to you.

GOVERNOR HOGAN: Wonderful. Thank you so much for coming this morning. Any questions on any other items on the Secretary's Agenda?

TREASURER KOPP: Yeah, I do. I do. I have a question on A1.

SECRETARY MCDONALD: A1 is an emergency at the Maryland State Archives and the Department of General Services reported that they awarded a contract for emergency mold remediation at the Archives, \$443,000. This is Secretary Churchill's item.

TREASURER KOPP: This is not, this is not to score a point on mold, which I recognize is in a lot of our buildings. We live in Maryland. It's a southern state. But the question is, you're recontracting with the same people that cured it before. Are they going to do it differently?

MR. CHURCHILL: This is the second step in this process. The first step happened with a previous IDQ. We are looking at a holistic approach to the mold remediation through this phase of the project. And to add any additional context I would invite Deputy Secretary Nelson Reichart to come up to the podium to address specific items.

GOVERNOR HOGAN: Good morning, Nelson.

MR. REICHART: Good morning. Good morning. Nelson Reichart --

TREASURER KOPP: Nelson, how are you?

MR. REICHART: -- Deputy Secretary. And I also have Lauren Buckler, who is our Assistant Secretary for Construction.

GOVERNOR HOGAN: Good morning, Lauren.

MR. REICHART: She can address any specific questions about the mold remediation that has been an ongoing process. We work on it, find some, clean it up. As more shows we have to keep working on it. So --

MS. BUCKLER: That's correct. So we have multiple processes in place with this. We have the actual remediation going on. We also have a

consultant on site looking at the HVAC and the building envelope to figure out long term corrective solutions so the mold won't come back. Their report is due this month on what those corrective solutions are. They have been down at the site on a regular basis. We get regular reports on what the sample counts are in different areas, what we need to be drying out, what area we're moving to next. So there's a couple different things going on. So you may have seen some different contracts related to this as we move through the process of cleaning this up for good.

TREASURER KOPP: So there is one basic contract for the Archives? I mean, is that how it -- this is old. I mean, this was, you didn't send it to us on time and now we have it and that's why I'm asking these questions. But was there one contract that went back to October or whenever it did that you just follow through in different stages? Or is this a new contract?

MR. REICHART: No, it's not a new contract. When we find the emergency we put it in as an emergency because we jump on the problem right away. And then we come and report it to you. We'll continue to work with that contractor as we go along to remediate, you know, additional areas that we find remediation --

TREASURER KOPP: So it's just a slip between October and January?

MR. REICHART: Yeah.

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TREASURER KOPP: Is there anything that you, I assume there is, but unique about the way you have to do this at the Archives?

MR. REICHART: Well you have to very thorough with it, at the Archives especially --

TREASURER KOPP: Yeah.

MR. REICHART: -- because of the materials that are there. Obviously we need to preserve them. So it's got to be very thorough so we're doing a very thorough analysis through the building, through everything, from the carpet, through the ceiling tiles, above the ceiling tiles, in the heat ducts, to make sure that we get it all. Because --

TREASURER KOPP: And what about the materials in the Archives? Are these specialists who --

MS. BUCKLER: The materials are turned over as they are, depending on what they are, are turned over to the Archivist to restore themselves. The more sensitive --

TREASURER KOPP: Okay.

MS. BUCKLER: -- documents are restored by them. So far no documents have been lost in this process. Everything has been able to be restored.

TREASURER KOPP: That's great. I would be interested in being kept on top of this. Obviously this is Maryland's heritage. Yeah.

MR. REICHART: Okay.

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: Thank you.

MR. REICHART: Sure.

MS. BUCKLER: Thank you.

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

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

SECRETARY MCDONALD: Thank you.

GOVERNOR HOGAN: Now we're going to move on to the DNR Real Property Agenda. Good morning, Mr. Secretary.

MR. BELTON: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Mark Belton, Secretary of the Maryland Department of Natural Resources. And we have three items on our Real Property Agenda for your approval this morning.

GOVERNOR HOGAN: Thank you, Secretary Belton. Any questions?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. You're off the hook today. Secretary Brinkley, the DBM Agenda?

MR. BRINKLEY: Good morning, Governor, Mr. Comptroller, Madam Treasurer. Today DBM brings eight items for today's Agenda. Item 8-GM is revised. And I am withdrawing Item 6-S-MOD, leaving seven items for your consideration. I have individuals here to address any concerns or questions that you may have.

GOVERNOR HOGAN: Questions on DBM?

COMPTROLLER FRANCHOT: Item 4-S, please, Mr. Secretary. This is a request for \$65,000 to upgrade a seven-year-old vehicle for someone who is disabled. I have no problem with mobility services, obviously, to citizens who need accessibility. But spending \$65,000 on a car that's worth about \$8,000 or \$9,000, is that a good move for the State?

MR. BRINKLEY: We have Suzanne Page, the Assistant State Superintendent, and Scott Dennis, Director of Business Support Services. At least they are supposed to be here.

COMPTROLLER FRANCHOT: Oh, good.

MS. PAGE: Good morning. My name is Suzanne Page and I'm the Assistant State Superintendent for the Department of Education's Division of Rehabilitation Services. And I'd like to also introduce Scott Dennis. You can introduce yourself.



MR. DENNIS: Good morning. I'm the Director of Administration and Finance for the Division of Rehabilitation Services.

GOVERNOR HOGAN: Good morning.

MS. PAGE: Good morning.

COMPTROLLER FRANCHOT: Great. So the question is a friendly one, because obviously the services you provide are very important. But is it a good idea to spend \$65,000 upgrading a, I believe the car you are going to upgrade is seven years old and is worth \$8,000 to \$9,000. Is that, am I wrong in that? Or -- in other words, no problem with what you are doing. But shouldn't we be doing it on a new car that may --

GOVERNOR HOGAN: Last longer?

COMPTROLLER FRANCHOT: -- last longer?

MR. DENNIS: Well we will agree with that assessment. This individual, this is the vehicle that they are able to own and operate as far as a private vehicle. And as such that's what we're going to have to look to modify.

COMPTROLLER FRANCHOT: In other words, you don't supply the vehicle, the individual does?

MR. DENNIS: No, sir. We do not.

COMPTROLLER FRANCHOT: Okay. And what is the mileage on the vehicle that you are putting this federal money but still taxpayer dollars into?

MR. DENNIS: Off the top of my head I do not recall what the mileage is on this vehicle. I can certainly find out for you and let you know.

COMPTROLLER FRANCHOT: Okay. But maybe you have some bright suggestions as to how we avoid this. Because it doesn't seem to make, it doesn't seem to be the right way to go.

MR. DENNIS: Well typically we would, we prefer to have, when we do modified vehicles we prefer to have our consumers bring in, purchase new vehicles. That way we can get the maximum amount of years out of the vehicle. And that's typically what has been our position as the agency. But at times we do have to take a look at what the individual is able to afford as far as their vehicle and we work within those parameters for that individual.

GOVERNOR HOGAN: So they have to pay for their own car --

MR. DENNIS: They have to --

GOVERNOR HOGAN: -- and you pay the \$65,000 to upgrade it, is that --

MR. DENNIS: That's correct, sir.

COMPTROLLER FRANCHOT: Shouldn't it be somewhere, I mean, I take it there's --

GOVERNOR HOGAN: So they can't afford a new car, is what he's saying, I think.

COMPTROLLER FRANCHOT: Yeah, I know. But I take it also there's no car too old or too broken down to put this stuff into as long as they can push it up to wherever you do it.

MR. DENNIS: Well it's a vehicle that has to at least pass State inspection and has to be one that the modifiers we deal with can be modified and is in good enough shape to be modified. In other words, if it's got a lot of rust, you know, it's not capable of taking the modifications, we would have gotten that feedback from the vendor if they just simply, a lot of this equipment has to go into certain levels of age of the vehicle and this vehicle seems to have met that requirement. If it was too old, if it was a ten- or 15-year-old vehicle then the modifiers would not have touched this vehicle because it would have been too old for them to do anything with as far as the technology that exists within the vehicle as well as, you know, basic age of the vehicle itself.

COMPTROLLER FRANCHOT: Well that's something you might want to take a look at. Because it doesn't, it seems to be a little odd. And maybe there's some way you can help the individual get a new car. Because that sounds like it would be a much better deal for the taxpayers.

MR. DENNIS: It's something we can certainly take a look at, sir.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: Thank you.

TREASURER KOPP: Can I just follow up for a second? I mean, you have told us the individual is presently driving a car that has 276,000 miles, has found this new car which is a 2010 Ford which can be modified, this one individual.

MR. DENNIS: Yes, ma'am.

TREASURER KOPP: Okay. And the modification costs you will cover and that's 65. In a year, how many cases like this do you deal with?

MR. DENNIS: We will modify probably anywhere from six to ten vehicles a year.

TREASURER KOPP: And is this a typical sort of situation? Or are there often -- I'm sympathetic with what the Comptroller is saying.

MR. DENNIS: Again our, we typically have asked the individuals to bring new vehicles, purchase new vehicles or vehicles that have had a few years --

TREASURER KOPP: Well apparently this individual did purchase a vehicle new to him but --

MR. DENNIS: Correct.

TREASURER KOPP: -- it's a 2010.

MR. DENNIS: I mean, when we talk about, say new --

TREASURER KOPP: Right. I mean, I'm driving one of that vintage.

MR. DENNIS: -- 2016, 2017 model year.

TREASURER KOPP: Right.

MR. DENNIS: In this case --

TREASURER KOPP: But those are very expensive.

MR. DENNIS: Yes, ma'am. They are. The modifications on these vehicles can be extremely expensive. They can run close to \$80,000 or \$90,000. That's the reason why we want to have as many, again, as long a life as possible out of these vehicles when doing these modifications.

TREASURER KOPP: Have you, have you looked at the relative cost of investing in new ones as opposed to repeated not new ones?

MR. DENNIS: Well again, we as an agency do not buy the vehicle.

TREASURER KOPP: No, I understand that. But the question is what the cost benefit would be of doing that, or of assisting buying.

MR. DENNIS: We haven't, we have not looked into doing that.

TREASURER KOPP: I mean, what the Comptroller is asking I think is the bottom line effect, cost effectiveness of alternative modes.

MR. DENNIS: Well it's certainly something we can sit down and explore. It's something that, you know, over the years, we have not. It's been the agency's policy not to purchase the individual's vehicle.

TREASURER KOPP: I get that. I get that. And you have to treat everybody equally so you have to -- and nonetheless the question he raises is not an unreasonable one.

MR. DENNIS: No, and I appreciate, and I appreciate it. And I understand that. The same, where we've been throughout the years and --

TREASURER KOPP: Right.

MR. DENNIS: -- where our current policy is.

TREASURER KOPP: Why don't you look at it?

GOVERNOR HOGAN: Yeah, it seems like there's legitimate concern here amongst the members of the Board. And I would suggest that we don't want to hold up, I don't think anyone wants to hold up --

TREASURER KOPP: No, not this one.

GOVERNOR HOGAN: -- this approval or not this person from getting their car modified. But I, you know, why don't you go back and take a look at, you know potential options. Maybe there's other groups that you could team up with that can help. There are people out helping folks to acquire cars. I mean, maybe you can take advantage of the legislation that we just announced yesterday, the Clean Car Act of 2017, where we're increasing the tax credit for electric vehicles. Or, you know, there are a lot of options to do that. So why don't you just go take a look at it. Because this is, you don't want to put \$65,000 into a car that's worth ten.

MR. DENNIS: Okay. We will do that.

MS. PAGE: We will do that.

GOVERNOR HOGAN: All right. Thank you.

MR. DENNIS: Thank you very much.

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

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second? Three-nothing. Thank you, Mr. Secretary. We're --

TREASURER KOPP: I did, I'm sorry, just one question. The six --

GOVERNOR HOGAN: We already, we already made a motion, seconded it, and voted.

TREASURER KOPP: Yeah, we did. I would just like you to come back with clarification on the Medicaid. I don't understand some of these dates on number six. And if somebody could just explain it to me?

SECRETARY MCDONALD: Didn't you withdraw six?

MR. BRINKLEY: It's on one or --

TREASURER KOPP: All right. It was withdrawn. When you come back --

MR. BRINKLEY: Okay.

(Laughter.)

TREASURER KOPP: -- let's see if all the dates line up.

MR. BRINKLEY: All right.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Okay. Great. Yeah, it was already withdrawn so we didn't --

TREASURER KOPP: I apologize. It was already --

GOVERNOR HOGAN: Yeah. Good. No problem. Let's move on to the University System Agenda. Good morning.

MR. EVANS: Good morning. Joe Evans representing the University System of Maryland. We have six items on the Agenda. We are withdrawing Item 5-S-MOD and Item 6-S. We're here to answer any questions.

GOVERNOR HOGAN: Thank you, Joe. Any questions?

COMPTROLLER FRANCHOT: I had a conversation, Governor, with your very talented Lieutenant Governor about this issue of design bid build that DGS uses for capital expenditures and the system you use. And he seemed to be very interested in it and he's kind of the procurement czar so I'll leave it up to him to say what if anything he wants to recommend doing. But was there one of these items -- what? Item 2? Is that the, which is that? Salisbury, great. So Item



2 is for an athletic field at Salisbury University, one of my favorite schools. It's the Yale of, it's the Yale of Maryland. Yeah, Salisbury.

(Laughter.)

COMPTROLLER FRANCHOT: So why are we using the construction manager at risk model here? Why don't we just design the intramural fields? It can't take very long. Bid them, and build them. And why do we need to use the system that has been challenged by folks as adding unnecessary cost? And those I guess can be justified in high performance physics labs and things that have to have calibration and all sorts of special bells and whistles. But what's the explanation for this?

MR. EVANS: I would like to call up Bill Olen, who is the Director of Architect and Engineering Infrastructure at the University of Maryland College Park.

GOVERNOR HOGAN: Thank you.

MR. OLEN: Good morning, Board members.

GOVERNOR HOGAN: Good morning.

MR. OLEN: To answer your question, Comptroller Franchot, we use it because of the phasing of the project. Instead of issuing one contract for all the phases, we didn't get all the funding authorized at once. So we did it in pieces. We actually, we changed the phases, which piece of it we were doing first because of various reasons. One being some of the fields we didn't want to take

out of service before others. That's one of the options, versus a hard bid where you do it all at once. Additionally having Whiting Turner as the CM gave us an opportunity to look at different estimates. They were part of the design phase so they were on board with us deciding whether athletic, the athletic surface would be better as natural versus artificial, and bidding climate would be better to bid it and with this being all exterior work, you know, when is the best time to bid it and get the most interaction with subcontractors and the most competition by the subs.

COMPTROLLER FRANCHOT: Well I'm going to send this over to the Lieutenant Governor. Although, Lieutenant Governor, if you are listening in, feel free to take at this item. Because this is ridiculous in my opinion that you say your plan is to phase one field out and one field in. If that's the explanation for going to a bidding system which is more slanted towards high tech highly complicated buildings, I mean, this is absurd. And Whiting Turner, what do they get paid -- great company. I take it they don't do the construction?

MR. OLEN: They do pre-con and construction phase services. So they --

COMPTROLLER FRANCHOT: So how much are they getting --

MR. OLEN: -- managing the subcontractors.

COMPTROLLER FRANCHOT: How much are they getting paid for that?

MR. OLEN: I don't have that in front of me.

COMPTROLLER FRANCHOT: I'm happy to wait.

MR. OLEN: For the entire -- I would have to get back to you with the construction phase fee for the entire phase of the project.

COMPTROLLER FRANCHOT: A ballpark. Four or five percent of the cost of the contract?

MR. OLEN: The pre-con effort is less than a percent, typically a half percent or lower for the overall fee. We recover that from savings typically during the design phase because they are providing value engineering, constructability issues, telling us when the environment is to bid, best environment to get the most competition. They additionally if we don't like the amount of competition we're getting during the pre-con phase and the bidding phase we can send them back out. So it's an open book. We see their bids. We are assured of their competition. And if we don't feel comfortable we ask them to get more competition, which we've done.

COMPTROLLER FRANCHOT: Okay.

MR. OLEN: We don't have that opportunity with general contractors. The number is the number. We don't know what's behind, how many subcontractors, who they are. We do have, transparency is very much apparent in this process.

COMPTROLLER FRANCHOT: Okay. But I believe it's going to change, at least according to my conversation with the Lieutenant Governor, and the fact that DGS has a very well trodden path to where for example \$500,000 doesn't have to be paid to Whiting Turner. In fact we could save even more by designing and bidding and building these soccer fields, or whatever it is that they are being constructed down there. I'm going to leave it up to the procurement czar and the Governor to make recommendations. But the era when you spend \$2 billion to \$3 billion on construction in the University System and only spend \$10 million on that on a design bid build model, and all the rest is spent on construction manager at risk, that's going to have to stop. Because it's just, it lacks a justification. Please, am I --

MR. EVANS: In regards to about the comment about the, I think it was --

COMPTROLLER FRANCHOT: Thirteen million.

MR. EVANS: -- \$13 million, the last time? We went back and looked at it. And over that eight-year period that you mentioned, we do do GC contracts. We did over that eight-year period we did \$230 million in construction through the GC process. Okay?

COMPTROLLER FRANCHOT: Good. Well I was just dealing with the information that was before me.

MR. EVANS: That you had. Right.

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GOVERNOR HOGAN: Yes.

COMPTROLLER FRANCHOT: And I happen to believe that you guys use that process, if at all, after you've exhausted every opportunity to use the more expensive construction management at risk. I'm not opposed to construction management at risk. Some things it's appropriate for. But not as many as you guys seem to be using it almost as a default. But I'm happy to --

GOVERNOR HOGAN: Well it sounds like we got false information at the last meeting or somewhere there was an error --

MR. EVANS: And when we meet with the Lieutenant Governor, there has been conversation that we will meet with the Lieutenant Governor and we will present information to him.

GOVERNOR HOGAN: So the Comptroller was concerned that only \$13 million, which is what we discussed at the last meeting --

MR. EVANS: And that's what was --

GOVERNOR HOGAN: -- no one, you know, said that wasn't correct. So now it's 50-50 instead of less than five percent. That's a big difference. But there's no question that there are certain times when it's preferential to use one versus the other. It sounds like it's more balanced than we were talking about at the last meeting. But I think we left the last meeting saying we'd love to have you sit down with the Procurement Task Force and talk about it. Because we may get the DGS folks and you together and maybe make sure

that we have, I mean, obviously you have different needs, you know. But to make sure that we're all doing what we think is best for the taxpayers and getting the best bang for our buck.

MR. EVANS: Yes, sir.

COMPTROLLER FRANCHOT: Excellent. I'm happy.

GOVERNOR HOGAN: Great. Any other issues on the University System? Motion?

COMPTROLLER FRANCHOT: No, move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Very good. Thank you.

MR. EVANS: Thank you, sir.

GOVERNOR HOGAN: Next we're going to move on to Secretary Garcia and the Information Technology Agenda. Good morning.

MR. GARCIA: Good morning, Governor, Mr. Comptroller, Madam Treasurer. For the record, I'm David Garcia, Secretary of the Maryland Department of Information Technology. And today we have four items on the Agenda and agency representatives to answer any questions you may have.

GOVERNOR HOGAN: Any questions on DoIT? Maybe?

COMPTROLLER FRANCHOT: So, yeah, if I could just a couple of quick questions. Because this Item 1, there are four items on the Agenda, three

of them involve retroactive approval. As we all know, retroactive approval is not

--

TREASURER KOPP: Ideal?

COMPTROLLER FRANCHOT: -- it isn't an approval at all. It's just we have to do something administratively and so there's no choice. We have to do it. So I'd like to discuss Item 1. It's an item to retroactively approve a sole source contract to Nortridge Software out in California for proprietary software. The initial contract was approved in 2009. It was allowed to lapse back in 2015. It's now 2017 and this Board hasn't had the opportunity to review or approve the current \$145,000 contract until now. So apparently the explanation is we had a lot of staff turnover. And that, if that's the case, is that the --

GOVERNOR HOGAN: Wait till we get Secretary Holt here --

COMPTROLLER FRANCHOT: Oh, hey, Secretary, oh good.

Nice to see you.

MR. HOLT: Good morning. Ken Holt, Secretary of --

COMPTROLLER FRANCHOT: That's right. You guys request these folks to --

GOVERNOR HOGAN: We'll put him on the spot.

MR. HOLT: Okay.

MR. GARCIA: I'm good with that, Governor.

(Laughter.)

COMPTROLLER FRANCHOT: Yeah. I'm sorry.

MR. HOLT: Madam Treasurer, Governor, Comptroller. Well I'm really pleased to be here to answer this question. This is the final retroactive contract approval request that we have before you. And obviously --

GOVERNOR HOGAN: Are we going to have a party or something to celebrate?

MR. HOLT: I feel in a celebratory mood, yes. We've tried to unwind a lot of problems over the last 18 months. And some of it was because there was a big turnover in our procurement staff from the top right on down. Others we had audits to deal with. We had a good deal of State funded servicing programs that we had to address. And there were a number of energy contracts that were very weak and not being fully compliant. So unwinding all of this took a good bit of attention. And I think some of these more minor contracts that were running successfully were really not addressed in a timely fashion. We've gotten it all under control now and this will not happen again.

COMPTROLLER FRANCHOT: Great. Thank you.

MR. HOLT: Okay.

COMPTROLLER FRANCHOT: So we're not going to see the lack of procurement staff necessarily being brought up down the road?

MR. HOLT: Absolutely not.

COMPTROLLER FRANCHOT: Thank you.



MR. HOLT: Yeah. Thank you.

COMPTROLLER FRANCHOT: It's getting a little old. Thank you very much, Mr. Secretary.

TREASURER KOPP: Governor, I have a question on number four.

GOVERNOR HOGAN: Mm-hmm.

TREASURER KOPP: 4-IT. As I understand it, just reading what you're telling me -- ah, Mr. Secretary, how are you?

MR. MOYER: Good morning. How are you?

TREASURER KOPP: Good to see you. This emergency contract is sole source because they are the only people that have this technology, etcetera, and we've been doing this for some time. Why do we do a year by year contract?

MR. MOYER: I'm sorry, I could not hear.

TREASURER KOPP: Why, Steve, do a year by year contract if these are the only people you can contract with and we've been doing it? And I don't --

MR. MOYER: Well, Madam Treasurer, I'm going to have --

TREASURER KOPP: -- contract? What is the --

MR. MOYER: I'll have Kevin come up. Kevin Combs is my Information Technology --

TREASURER KOPP: See, I should not ask you a question I don't know the answer to.

MR. MOYER: Okay.

TREASURER KOPP: I haven't asked my advisor about this. But why a year to year contract with the explanation you've given us? You're going to be back again with the same --

MR. COMBS: Governor, Mr. Comptroller, Madam Treasurer. Good morning. Kevin Combs, Chief Information Officer for the Department of Public Safety and Correctional Services.

GOVERNOR HOGAN: Good morning.

MR. COMBS: I agree with you. We would love to do a multiyear contract. And I, as we went through this process with this one, I've instructed my staff to move forward with doing a multiyear award going forward.

TREASURER KOPP: Okay. All right. I mean, I would suggest that you can't do all your contracts on time because you don't have enough people, etcetera, and now we have this one that just makes work, basically, until you get to a point where there is somebody else who can bid. I think, if I'm reading it correctly.

MR. COMBS: We, I mean there are, there are other companies that can do this. This isn't a new thing. We've been using this company since 2002. CPI does very well for us. One of the things that we do, occasionally do is

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go out and do a market analysis to see if there are any other companies available. We would like at some point to try to do a complete rewrite of this system to purchase a new system at some point. However, that would require, we put in project request funding through the information technology project request through DoIT for 2018. We have not heard back on that yet.

TREASURER KOPP: All right. So until that goes through, you stick to your claim that there is no other source for this technology nor its maintenance and support?

MR. COMBS: Right. This is proprietary software through the vendor. They are the only ones that can support it, yes.

TREASURER KOPP: And what's happening with the request for a new system? I don't know that it's the top of any other department's priorities.

MR. GARCIA: I don't know the specific status on the other procurement, Madam Treasurer.

TREASURER KOPP: Okay. Well I have no problem with this, except it looked like it didn't make sense. Thank you.

MR. MOYER: Thank you. Thank you.

GOVERNOR HOGAN: Thank you, gentlemen. Any other issues on Department of Information Technology? Motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

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TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. Now we're going to move on to the Department of Transportation. Secretary Rahn?

MR. RAHN: Good morning, Governor --

GOVERNOR HOGAN: Good morning.

MR. RAHN: -- and Madam Treasurer --

GOVERNOR HOGAN: Aren't you supposed to be out getting ready for the snow?

MR. RAHN: Fortunately we have a lot of good people to take care of that.

GOVERNOR HOGAN: Okay. Good.

MR. RAHN: And Mr. Comptroller --

COMPTROLLER FRANCHOT: Thank you.

MR. RAHN: -- for the record, I'm Pete Rahn. I'm the Secretary for the Maryland Department of Transportation. MDOT is presenting 13 items for consideration today. We are pulling 6-M, as in Mary. And with that, I'd be happy to answer questions. And I was quite hoping that the Comptroller was going to be out of blue pages by --

(Laughter.)

GOVERNOR HOGAN: It looks like he's got some more.

MR. RAHN: Yes.

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COMPTROLLER FRANCHOT: Well just briefly, since you brought it up, Item 11 is about the operation of the drawbridges including the Dover Bridge, which you and your staff have done a fabulous job on. And I always get a smile on my face when I read about the Dover Bridge because my good friend George Jackson, who is a little rough around the edges, let's say that, but he is really good people and good values down in that area, he has done more to advance the Dover Bridge project than anyone has. And that project spans governors. I'm delighted it's still, it's now coming to fruition under your leadership and Governor Hogan's. And I just want to reiterate my previous suggestion that the new Dover Bridge bear the name of the man who has been its greatest advocate over the years. He's not getting any younger either. So maybe you could think about that as you talk to the locals down there. Great guy.

And thank you for the good work that you've done in your agency. As I drive around the State I'm not in need of dental work quite as often as I was a few years ago. So thank you for --

MR. RAHN: Thank you.

COMPTROLLER FRANCHOT: -- the maintenance.

MR. RAHN: Thank you.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR HOGAN: Thank you. Any other questions on Department of Transportation? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Very good. Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. We'll move on to the DGS Agenda.

MR. CHURCHILL: Again, good morning, Governor, Madam Treasurer, and Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for General Services. The department has 22 items on our Agenda and we are withdrawing Item 1.

I am noting for the record that I recuse myself from Item 13-CGL.

Additionally I want to read a revision to the record concerning Item 8-LL. The item was incorrectly labeled and should appear as 8-LT. Let the revision show the item should appear as tenant lease not landlord lease. And I'll be glad to answer any questions concerning the Agenda.

GOVERNOR HOGAN: Great. I'd like to have somebody come address and present to us Item 8, if you could. And I see County Executive Gardner and Delegate Krimm here. Nobody signed up to testify but I'm assuming they are here for this issue.

MR. CHURCHILL: They are.

GOVERNOR HOGAN: So why don't we let them present, the department present it and then we'd love to give you the opportunity and come up and address us with any concerns.

MR. CHURCHILL: All right. We have several folks to come up to the podium. Deputy Secretary Nelson Reichart of General Services; Assistant Secretary Wendy Scott-Napier for Real Estate; and Principal Counsel Turhan Robinson for DGS.

MR. REICHART: Good morning, members of the Board. Nelson Reichart from the Department of General Services. The item we have before you is Item 8-LT, requests Board approval to a least with Expo Properties for office space for the Department of Human Resources, Frederick County Department of Social Services. Back in August of 2015 we put out a request for proposals to find a new location as the prior landlord had only given us a five-year lease with no extensions. So it became clear that we had to go out and find a new location. We went through the RFP process, received proposals from five different property owners, including one from the current landlord. We began to evaluate proposals. This has extended over now a period of better than a year and a half where we've examined the proposals. We've asked the proposers over this time to extend their offers out. The first time we asked them to extend two of the owners dropped out. When we did it the second time all dropped out except for one. So basically we were analyzing the proposal from Expo Properties as the other property owners

had removed themselves from the bidding process. So we're down to the one property, which is the one we're asking approval for, at 1888 North Market Street in Frederick.

We're looking to get approval because we have just about six months left to stay at the current location. We have to get out and it gives us six months to get the new facility prepared and for our occupancy. We have a signed lease from the landlord for the facility. So we're kind of, you know, moving forward.

GOVERNOR HOGAN: So if we don't get this lease done we're not going to have a facility in Frederick?

MR. REICHART: We will not have a facility in Frederick. We've been working on this, I think had I sent the letter to --

GOVERNOR HOGAN: A year and a half?

MR. REICHART: Pardon sir?

GOVERNOR HOGAN: You've been working for a year and a half?

MR. REICHART: A year and a half. I sent the letter last August to the County Executive that we were going to move forward with this negotiation with Expo Properties for 1888 North Market Street.

GOVERNOR HOGAN: Well and I remember this thing because I was of the opinion that we ought to try to keep it in the same location if at all



possible. And the landlord I know we were, DHR was involved in this, our now chief of staff who was the Secretary of DHR with your office. And we tried for over a year to negotiate with the existing landlord --

MR. REICHART: Well we --

GOVERNOR HOGAN: -- and they came back with a 100 percent increase in rent.

MR. REICHART: There is --

GOVERNOR HOGAN: Which is against the law, for us to sign a lease that exceeds more than 15 percent. Is that correct?

MR. REICHART: Exactly. Exactly. Fifteen percent --

GOVERNOR HOGAN: So we could not sign a lease legally.

MR. REICHART: His offer was over that.

GOVERNOR HOGAN: Do you have any reason, idea why he would want to double the rent? He didn't want us in the building?

MR. REICHART: I, you know, I can't answer, speak for the landlord. I do know that he bought the building in 2008, which was the top of the real estate market. I'm sure market conditions have changed since then. But I don't know what his reasoning is --

GOVERNOR HOGAN: But we're required by law to pay fair market value and we can only sign a lease with a 15 percent increase.

MR. REICHART: Fifteen percent --

GOVERNOR HOGAN: By law, right?

MR. REICHART: -- of the fair market value, right. Mm-hmm.

GOVERNOR HOGAN: Okay. I guess anything else you guys want to talk about this before I call up the local officials?

MR. REICHART: I think I've pretty much given -- oh, we do have a protest. I'm sorry. I should have mentioned. We do have a protest from one of the proposers that is still an active --

GOVERNOR HOGAN: Is it the one that's --

MR. REICHART: It is Expo Properties that we have.

GOVERNOR HOGAN: No, no, no. I mean, the protest is from whom?

MR. REICHART: The protest is from Expo Properties, the one landlord that we are asking for approval on.

GOVERNOR HOGAN: And what is their protest about?

MR. REICHART: Their protest is that when we analyzed the proposals they were the best, they provided the best proposal.

GOVERNOR HOGAN: So what's the protest?

TREASURER KOPP: What's the protest?

MR. REICHART: Their protest was filed when we were still in the analysis stage earlier on, but that protest has not been removed.

GOVERNOR HOGAN: I see.

MR. REICHART: So it's still out there. So if they --

GOVERNOR HOGAN: So they were, they were the top bidder but they hadn't gotten approval and they are waiting and they are holding their building --

MR. REICHART: So they filed a protest --

GOVERNOR HOGAN: -- open for a year and a half waiting for us to do something?

MR. REICHART: Exactly.

GOVERNOR HOGAN: And they are going to say we're damaging them because they can't lease it to someone else.

MR. REICHART: That would be up to the Board of Contract Appeals.

GOVERNOR HOGAN: Okay. All right. I may have more questions but I think that's --

MR. ROBINSON: I was going to say --

MR. REICHART: This is our Principal Counsel.

MR. ROBINSON: Governor Hogan, Comptroller Franchot, and Secretary Kopp.

TREASURER KOPP: Treasurer. I'm the Treasurer.

MR. ROBINSON: I'm sorry.

TREASURER KOPP: It's okay, it's just for the record.

MR. ROBINSON: I apologize. I've been with you too many years. I shouldn't have said that. There is a protest that was filed and the protest was filed in January, 2016. The question of the protest related to the fact that DGS did not follow State law and regulations in relating to recommendation of award.

GOVERNOR HOGAN: Because we've been trying so long to negotiate with the existing landlord.

MR. ROBINSON: Yes. Yes. And so I just want to remind you of the fact that DGS did in fact follow the State Finance Procurement Article, which is 13-105, which identifies the process we've got to go through.

GOVERNOR HOGAN: Yeah.

MR. ROBINSON: The procurement process. And we've done that.

GOVERNOR HOGAN: Yeah, I have no problem with --

MR. ROBINSON: Okay.

GOVERNOR HOGAN: Thank you. Ready to let the County Executive speak? Or Delegate, whoever, both together, whatever, whoever wants to come first.

MS. GARDNER: We'll let Delegate Krimm go first and then I'll follow her.

GOVERNOR HOGAN: Good morning.

DELEGATE KRIMM: Good morning. Good morning, Governor. Good morning, Mr. Comptroller, Madam Treasurer. I appreciate this time and I appreciate all your efforts to date about trying to resolve this issue for us in Frederick County and the Department of Social Services.

As you may know, and Governor I know that you've been to Frederick on a number of occasions as you all have been, and you know where this office is located right now. It's located in the core of the city. It's located where all of our other services for our economically challenged citizens are located. The Union Rescue Mission, the Community Action Agency. And Mr. Comptroller, I have to say that the guests that you brought here today and who talked about all those important services that are offered to these people who are challenged economically, these are the services that are offered in the core of the City of Frederick. And when these services are offered then these people have the opportunity to go to the Department of Social Services, which is in easy walking distance of all these other services. So that is my opposition. That yes, we may save some money moving the building or moving the services to a building on the outskirts of the city. But if these people can't access them then what good is that? So I didn't know if you wanted to speak, Mr. Secretary?

GOVERNOR HOGAN: Delegate, let me just say, you know, I agree with the concerns. And I would love to keep it where it is. In fact I slowed down the process because I said we have to try to get this thing to stay in the

current building. But the landlord after more than a year of negotiating refused, it was like just about 100 percent, it was a doubling of the rent. It's against the law for us to sign a lease that's anything more than 15 percent higher.

DELEGATE KRIMM: Mm-hmm. We are aware of that.

GOVERNOR HOGAN: So it's not like, we wouldn't love to have it stay there. The building, the person that owns the building would not negotiate with the State.

DELEGATE KRIMM: I think the County Executive is going to address some of those concerns that you have, Governor. But I want to make it clear that a lot of the local elected officials agree with what I'm saying here today.

GOVERNOR HOGAN: I agree with what you are saying.

DELEGATE KRIMM: You agree with what I say?

GOVERNOR HOGAN: That doesn't change the law.

DELEGATE KRIMM: So --

GOVERNOR HOGAN: We can't change the mind of the guy that owns the building.

DELEGATE KRIMM: Okay. So let me have her address some of these concerns that you have raised.

GOVERNOR HOGAN: Okay. Sure.

DELEGATE KRIMM: Thank you for your time.

GOVERNOR HOGAN: I think the Secretary is trying to respond to something you said, the Secretary of Transportation.

MR. RAHN: Governor, Delegate, we've been in contact with the local bus system in Frederick. And we've got an agreement that they would extend a bus line out to this new facility for hourly basis and then we will pay for that difference with some of our specialized local federal funds. So I do believe that making bus service available to this on an hourly basis could very much benefit the people who would utilize this sort of service.

GOVERNOR HOGAN: And actually I understand 80 percent of the people drive to there, and park. And we actually pay I think \$165,000 a year in parking fees to the county.

MS. GARDNER: All right. Thank you. This does have a long history and I talked to a few of you about it. But we are here today to specifically ask you to rebid the lease. I understand your issue with procurement. This has been a very long and difficult procurement process. And I really want to speak to the fact that I think this procurement process has been flawed.

I have been advised that the geographic area that was used was put together by the local staff of DSS. That has not been the case. We can find no record of that. The former Director of DSS when this bid was to go out put a letter into the record, which I have provided today, indicating that they did not

desire to move, that they supported staying in Downtown City of Frederick in their current location, raised concerns --

GOVERNOR HOGAN: And so did we and so did the Department of DHR --

MS. GARDNER: But --

GOVERNOR HOGAN: -- and almost everyone.

MS. GARDNER: -- the reason I bring it up is I have heard that the procurement defined a geographic area, because the local staff defined it. We can't find any record where that is the case. I do think the geographic area defined in the bid itself was a fundamental flaw. You --

GOVERNOR HOGAN: But let's look at no matter what the geographical area was, if the landlord insists on 100 percent increase it's against the law for us to stay there.

TREASURER KOPP: But --

MS. GARDNER: The landlord --

TREASURER KOPP: -- they wouldn't have to stay at that same building.

MS. GARDNER: -- I mean, I can't, I respect the procurement process. I run my own procurement processes. I do think that this process has been flawed. Most of your bidders have pulled out, and it's my understanding your low bidder has pulled out. Okay? The lower, you're not making a decision



today on the lowest bidder, you're making a decision on the only bidder that's remained for this year and a half timeframe. And you know bus service, if you have come to an agreement with my staff I guess you did that this morning. Which I don't know about. But I know there was discussion about it. But also, the current landlord has hired a commercial realtor who I have talked to who has said they are interested in extending the lease, renegotiating the lease, and so forth. They said they've reached out to DGS and they have been unable to have a meeting with them. I can't confirm any of that.

GOVERNOR HOGAN: Yeah, that's just not true.

MS. GARDNER: But I do believe --

GOVERNOR HOGAN: They want to extend the lease for 100 percent increase.

MS. GARDNER: I do believe that there has been some confusion about the 15 percent because of the fact that the leases that existed previously were leases that were for, they were triple net leases or modified triple net leases and now what you are putting out to bid is all inclusive leases. And so comparing the two is apples to oranges. And so I don't know if that was taken into consideration with this 15 percent.

GOVERNOR HOGAN: I don't know but the guy who would know is standing next to you.

MS. GARDNER: But I really want to say that, you know, we do really want this service to be, remain downtown. We do have several hundred people who walk in everyday. We do have the best transit service you can have within one block of this location. We really don't want to fail to serve those most vulnerable people in our community. I do understand the bid process but I do think for a lot of the reasons stated that you do have the ability to cancel this lease and rebid it. Rebid it with a new geographic area and rebid it with --

GOVERNOR HOGAN: -- the lease ended. And we attempted to negotiate a new lease and they demanded that we double the rent. There is no lease. We have to move out in six months. So it's not like, we're not canceling, it's like we'd love to have it the way it used to be but the landlord hasn't been willing to do that.

MS. GARDNER: Well in November the lease was extended for some period of time. I don't know how long it was.

GOVERNOR HOGAN: We've already extended it. It's already beyond the contract.

SECRETARY MCDONALD: It's January 31st.

MS. GARDNER: I really didn't come here to argue some of these finer details because quite frankly I don't know some of them. Because I'm not into the lease RFP process. We really feel strongly that this has just been a flawed process and we'd like to see it rebid so that these services can stay co-

located with our other human services that are downtown and that we can serve the people who can walk and use transit to this location. We do have some human service nonprofit agencies here today to speak to this. We did provide a letter to you from Arnold Farlow with the Rescue Mission, who you know from the opening of the Hope House recently. And we have a letter from the United Way, and Ken Oldham from the United Way is here today, as well as Ed Hinde from the Student Homelessness Initiative Partnership, who would like to speak to the human service agency side of this if you'll give them an opportunity to do so.

GOVERNOR HOGAN: Are they here today, you mean?

MS. GARDNER: They are here.

GOVERNOR HOGAN: Good. Sure. So I agree with almost everything you've said. I would love to keep it downtown. I told the Secretary of DGS and the Secretary of DHR for the past year and a half, we've been trying to keep it there. The process has been going on for a year and a half. And the bid was, it went out to bid, it's now already a year and a half later. If we don't sign this lease there won't be an office because they are not going to be in that existing building. So --

MS. GARDNER: Well --

GOVERNOR HOGAN: -- I mean if during the past year and a half --

MS. GARDNER: -- it's just inconsistent with what I've heard but that's all I can say.

GOVERNOR HOGAN: During the past year and a half, I mean, if the city or the county was able to pay 100 percent increase in rent and then sublease it to the State, we could have done it. If we could have stopped paying the \$165,000 in parking rent to the, it could have maybe been thrown into the lease. But I mean now it's sort of, the whole thing is done. It's like the cart has left, the train has left the station.

MR. CHURCHILL: Governor, I would echo what you are saying. There's been a lot of conversations that have gone on between our office, DHR, and recently local officials. Because the process has gone on so far the opportunities to detour the road that we're on is not available. And so we are at the end of the process. As has been stated, the office, our current extension of the lease in the present location will sunset in June. We need that time presently to ready the new office. And to delay the process will bring the whole resolution of this office into peril. So --

GOVERNOR HOGAN: So if we get kicked out in six months --

MR. CHURCHILL: We have no place to go.

GOVERNOR HOGAN: -- and we don't have the new one built out --

MR. CHURCHILL: And --

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GOVERNOR HOGAN: - there won't be a --

MR. CHURCHILL: That's right. And I should remind the Board that previous negotiations with the current landlord to ready an extension were difficult.

GOVERNOR HOGAN: Well I, for over like a year-long period, I was like, go back to the landlord and, you know, why does he need a 100 percent increase? We have to, we want to keep it where it is. I mean, I agree with all the things you said, everything that Delegate Krimm said. And I was saying the same things, it should be downtown.

MR. CHURCHILL: And --

GOVERNOR HOGAN: But this landlord, who apparently, and I don't know the details of it, was insisting on he needs to get money way over the market value and the only way he can do that with a loan is to get this exorbitantly high lease, from what I understand.

MR. CHURCHILL: That was the proposal.

GOVERNOR HOGAN: And we're not allowed legally to pay for it.

MS. GARDNER: I do want to say for clarity that I'm not here negotiating on behalf of the landlord.

GOVERNOR HOGAN: Yeah, no, I know.

MS. GARDNER: I am here discussing the need to provide this service in the city. That's really what I'm here for.

GOVERNOR HOGAN: I, we provide the services.

MS. GARDNER: And the --

GOVERNOR HOGAN: I wish they could stay where they are. But I'm very concerned about not having them provided at all and having them homeless.

MS. GARDNER: I would hope that would not happen. I --

GOVERNOR HOGAN: It will happen if we don't sign this lease.

MR. CHURCHILL: Yes.

MS. GARDNER: I mean, that's just contrary to what their commercial realtor has told me and that's all I can say.

GOVERNOR HOGAN: And they have a new realtor?

MS. GARDNER: Yes. And we, and that person has told me they have tried to reach out and hold meetings with --

GOVERNOR HOGAN: But since the award is already --

MR. REICHART: The award --

MS. GARDNER: -- but I can't say that, that's a, that's a hearsay kind of thing.

GOVERNOR HOGAN: The bid process took place over a year, right, and somebody is already awarded the bid. Then they would sue because we went back to the guys who didn't even participate --

MR. REICHART: We've already got that protest in the wings now. That there was no other bidder. We were down to one, to the second lowest option. That's the one we've accepted.

GOVERNOR HOGAN: So even if they came back now and said -

-

MS. GARDNER: So it was the second lowest.

GOVERNOR HOGAN: -- we'll extend the lease at the same rate, it's too late.

MR. REICHART: And the fact is that when we put the bid, when the proposal was put out the only offer that we had in the downtown area was from this landlord. All the other offers we had were more peripheral --

GOVERNOR HOGAN: You probably had to go to a wider geographic area because no one else bid on it. Is that correct? Or maybe, your question earlier about why was the geography, no one else in the City of Frederick, Downtown --

MR. REICHART: We had five bids. And nobody from downtown --

GOVERNOR HOGAN: Only the one that was doubling?

MR. REICHART: The existing landlord submitted a bid which he later refused to extend. Once he refused to extend he's out of the game. We can't change the game and go back. If we did, we've already got a protest on that. So we're --

GOVERNOR HOGAN: Well so and my understanding is that 80 percent of the people drive, are able to drive to the location. So the other 20 percent are going to have difficulty getting there. We came up with a proposal of using federal funds to add a transit line out there, which I think we can do. It's a bus line.

MS. GARDNER: I haven't seen it.

GOVERNOR HOGAN: And but I think the federal funds are going to require some participation by the county as well.

MS. GARDNER: Yeah. What I heard was that the county was going to be asked to pay 50 percent. But again, none of this has come to me.

GOVERNOR HOGAN: I think that's a federal requirement.

MS. GARDNER: So I don't know what that is. And we probably do have, you know, 15 buses an hour at the current location. So it will be a challenge for the people who have to, the 20 percent of the people who have to walk or take the bus that they aren't taking now.



MR. REICHART: The downtown transit center is about a block and a half from the existing building. So it's a block and a half away from the transit, to the transit center where the buses would then --

GOVERNOR HOGAN: Could take them?

MR. REICHART: -- circle to take people --

GOVERNOR HOGAN: And they don't go near this location now?

MR. REICHART: They do, actually. I think that line goes past there but not immediately makes a circle and runs around. There's no stop at this location. We would have to get a stop put in.

GOVERNOR HOGAN: But is that all we need, to just add a stop? Well that would be easy. You wouldn't even need a whole lot of grant money for that.

TREASURER KOPP: Is it hourly now?

MR. REICHART: It's, yes, I forget whether it's the orange line or one of the lines that Frederick Transit has. Those run up Market Street and goes, in fact it goes all the way out to Walkersville.

GOVERNOR HOGAN: All right. I think we have someone else that would like to speak.

MR. KNIGHTON: Yes. Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Jim Knighton, Chief of Staff at

Maryland Transit Administration. I'm here on behalf of our Administrator and CEO Paul Comfort. We are engaged with our local partners at the Frederick Transit System to make sure that this location receives adequate service. There is a line, the 65 line, that serves the area of where this new facility will be. And it is hourly service. And the secretary, Mr. Secretary was right, conversations have been going on as recently as this morning to make sure that we're working closely with our local partners to make sure that as the folks start to use this facility if the demand increases and the ridership figures are appropriate, we can make that service more frequent just by adjusting our locally operated transit system annual grant in fiscal year '18.

GOVERNOR HOGAN: So the buses currently go right in front of the new facility?

MR. KNIGHTON: Yes.

GOVERNOR HOGAN: But they don't stop.

MR. KNIGHTON: That's my understanding, yes.

GOVERNOR HOGAN: And they are hourly?

MR. KNIGHTON: Right. That's right. So --

TREASURER KOPP: So if they are going hourly and the difference is they are going to stop, but the county is going to pay 50 percent? Does that make sense?

GOVERNOR HOGAN: Federal dollars --

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MR. KNIGHTON: Well if the, the way the grant works it's a mixture of federal, state, and local funding.

GOVERNOR HOGAN: For the whole line.

MR. KNIGHTON: Yes. Yes. It's for 50 percent share is federal, 25 percent is State, 25 percent is local. So if we had to add the stop or if we need to add more frequent service --

GOVERNOR HOGAN: Well what does it cost to add a stop? Is it putting up a sign that says bus stop?

MR. KNIGHTON: Yeah, or a concrete pad sometimes. Yeah, something like that.

GOVERNOR HOGAN: It can't be that much money.

MR. KNIGHTON: Yeah, doubt it.

MS. GARDNER: Having a stop isn't the issue. It's the frequency of how often it goes by.

GOVERNOR HOGAN: It says hourly.

MS. GARDNER: If a bus goes by an hour, it doesn't, somebody is going to have, let's say they live on the west side of the City of Frederick. They are going to have to take a bus from there to downtown, and transfer, which may take an hour to wait --

GOVERNOR HOGAN: Do you have any other suggestions on what could we do?

MS. GARDNER: I think you need to add a higher frequency of transit service.

GOVERNOR HOGAN: I guess if the numbers --

MS. GARDNER: So moving a stop, there is a stop like a few blocks away. If we literally move the existing stop a couple of blocks that's not really the debate. The debate is the frequency because people will have to transfer to that bus to get there.

GOVERNOR HOGAN: I think, I think that MTA and Secretary Rahn, you guys will take a look at --

MR. KNIGHTON: Yes.

GOVERNOR HOGAN: -- you know, work with the County Executive --

MS. GARDNER: We'll take a look at it. But I do want to say there's no agreement with the county on this until --

GOVERNOR HOGAN: Yeah, I understand.

MS. GARDNER: -- I actually see it. It hasn't come to me yet.

MR. KNIGHTON: Yes.

GOVERNOR HOGAN: No, I understand. I understand.

MS. GARDNER: It's been discussed this morning.

GOVERNOR HOGAN: It's just an idea --

MS. GARDNER: Yeah. I'm open to the conversation without a doubt. But I still do think that I really would really like you to rebid the lease. I do think the process has been terribly flawed and you are not selecting the lowest bidder that you initially had. And if we could --

GOVERNOR HOGAN: I don't know who the lowest bidder was but it certainly wasn't the one that we --

MS. GARDNER: I don't know who it is either.

GOVERNOR HOGAN: -- it's not the current landlord. He was by far the highest.

TREASURER KOPP: Just --

MR. REICHART: The other property was out on Spectrum Drive, which is near Francis Scott Key Mall. He was the lowest bidder --

GOVERNOR HOGAN: Wow, that's even further away.

MS. GARDNER: It's even further.

MR. REICHART: Mm-hmm.

GOVERNOR HOGAN: So you don't want us to go out to Francis Scott Key Mall.

MS. GARDNER: No. I would really like you to rebid it and have a geographic area of the downtown core of the City of Frederick. And I think if you did that you would get other bidders. Because when you open it up to the whole county --

GOVERNOR HOGAN: But no one in the City of Frederick bid.

They were already in the geographic area.

MS. GARDNER: -- people know that competing with out in the county are going to get a lower rent.

GOVERNOR HOGAN: Okay. But there weren't people in the city that, that --

MS. GARDNER: I think you would have gotten people in the city to bid --

GOVERNOR HOGAN: Oh, I see.

MS. GARDNER: -- had you done the tighter geographic area.

GOVERNOR HOGAN: I got you.

MS. GARDNER: Because they would have been in a scenario where they could have more evenly competed. So that's my point.

GOVERNOR HOGAN : Thank you.

MS. GARDNER: I do want to ask if Ed Hinde and Ken Oldham from United Way and SHIP can speak to you?

GOVERNOR HOGAN: Sure.

MS. GARDNER: Thank you.

MR. OLDHAM: I have to check my watch and make sure it's still morning.

GOVERNOR HOGAN: Good morning.

MR. OLDHAM: Good morning. Thank you for the opportunity to speak in front of the Board. I'm Ken Oldham. I am the President and CEO of the United Way of Frederick County. We among other things we host and support what we call the Prosperity Center, which is we work with clientele in need of financial support services. We provide savings accounts, VITA free tax services to process taxes. Bottom line is our clientele is the clientele of the DSS. So we see this everyday.

Our offices are located on 7th and Market which is about a, only a few blocks from Town Center. And the feedback that we get is that we're too far removed from the Town Center. And this particular building is now another solid half mile, probably more than that, from where we are. The location will pose hardship for that 20 percent of individuals that need to make their way out to this facility.

If this train has left the station then I think the only plausible --

GOVERNOR HOGAN: Can I interrupt for one second? Because I didn't ask this before. The 20 percent who don't drive --

MR. OLDHAM: Yes?

GOVERNOR HOGAN: -- are they riding a bus? Or are they walking?

MR. OLDHAM: Currently --

MS. GARDNER: They are mostly walkers.

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GOVERNOR HOGAN: Oh, okay. Walking.

MR. OLDHAM: Currently pedestrians.

GOVERNOR HOGAN: Because if they are riding the bus they just go a couple more stops on the road for half a mile.

MR. OLDHAM: And this 1888, this particular location, I just drove by it this morning, has really no pedestrian access at all and it's far removed from just about any residential community, much less the residential communities in which the clientele would come from. It is a bus trip. If this train has left the station, and I hope it isn't, I hope that it can be rebid, if it has then my recommendation is that the frequency of bus travel has to increase. These individuals if given the choice of not being able, well they are just not going to be able to, they are not going to choose the services. They are, these are services our clientele that are in desperate need of these services, the department does spectacular work with these folks and they need access. If this building cannot be rebid then the bus transit has to be increased. An hour is a long time to wait for a bus, and then have to wait another hour to get back. These people have jobs, sometimes they have two or three jobs just to make ends meet. This is our clientele, the working poor. Thank you very much.

GOVERNOR HOGAN: And thank you for saying what a great job the staff does. I think they really do, the local and State together. They provide tremendous services. And no argument about that.



MR. OLDHAM: We work with the county and the State often. We couldn't agree more.

GOVERNOR HOGAN: Thank you.

MR. OLDHAM: Thank you very much.

GOVERNOR HOGAN: Good morning still, I think.

MR. HINDE: Yes, good morning. My name is Ed Hinde. Peter, good to see you again. It's a pleasure. I'm the Executive Director for Student Homelessness Initiative Partnership of Frederick County. We are a local nonprofit serving the soon to be 1,000 children in our public school system that will be homeless this year. We provide food, clothing, funding for extracurricular activities, and when necessary and when no other options exist, we provide emergency shelter.

I just second our delegation's recommendation here in seeking to rebid this. We serve, again, the thousand children and their families, most of which are single parent households who are going through some challenging times. And the beauty of what the scenario is now is that you have both DSS, Frederick Community Action Agency, the Housing Authority, the public housing complexes close by, the train station there, they are all within very quick walking distance.

GOVERNOR HOGAN: It's the perfect location.

MR. HINDE: Absolutely.

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GOVERNOR HOGAN: Unfortunately they didn't want to do a lease with the State.

MR. HINDE: Well I would ask that you perhaps revisit this with the current landlord. Because I think certainly a year and a half later I think circumstances have changed for the gentleman and his commercial operation. And, you know, I say this on behalf of the thousand children that we try and support. And when you decentralize this continuum of care process that's provided to these families, my large, my real concern is that you do damage to their very tenuous situation as it is right now.

GOVERNOR HOGAN: Thank you very much.

MR. HINDE: Thank you so much.

GOVERNOR HOGAN: Thank you for take the time to come down and address us. Anything else, Nelson?

MR. REICHART: No, sir.

GOVERNOR HOGAN: Or Mr. Secretary?

MR. CHURCHILL: I don't want to lengthen the conversation if it's to the end. I just would bring up that Secretary James, Acting Secretary James, DHR, is in the gallery if you had any questions concerning the office.

GOVERNOR HOGAN: Mr. Secretary, good to see you.

MR. JAMES: Good to see you, Governor.

GOVERNOR HOGAN: And the former Secretary is also here, the Chief of Staff is over there. So I don't know that we have any questions. I mean, we know what a great job you guys provide. Is there anything you want to add about, I mean, I know that --

MR. JAMES: Governor, Comptroller, Treasurer, I think the only thing that's important to reiterate is, you know, we agree. This is a perfect location. And had we been able to secure a lease at reasonable terms there, we would never think of moving. But we are where we are. Our team in Frederick County, led by our local Director Martha Sprow, are very aware of the challenges that this move will create but also are excited about some of the opportunities it will give them in terms of reshaping the structure of their office and their business process flow.

We are absolutely committed to ensuring that all of our clients have access to our services, both the ability to reach our offices but also in reshaping our business processes so that we can go out and meet our clients in the field, in the community, where they are, and work with them there so that we reduce the need for coming into the office.

GOVERNOR HOGAN: Are there things that we can do to beef that up and actually get out and reach --

MR. JAMES: So a couple of the things that we are really focused on, we have introduced more systems that allow our clients to go online and file applications and handle their case work.

GOVERNOR HOGAN: The problem is a lot of them don't have computers to go online.

MR. JAMES: Absolutely. But we can station computers, because we've got this remotely, it gives us the opportunity to better engage with other community partners. And computer access available at libraries and other facilities to work with them and we can work to out-station DSS employees into these other opportunities and be there, you know, one day a week at the library we can have somebody there to help our clients go online and apply.

GOVERNOR HOGAN: But they talked about all the other groups, like and including the ones that are here today --

MR. JAMES: And we can certainly work with them.

GOVERNOR HOGAN: -- that are helping some of the same clientele. And if they could help put you in touch with their needs and vice versa, and people come into their place, and they can hook you up with the providers.

MR. JAMES: Absolutely.

TREASURER KOPP: So is there a way you can essentially be, this is not ideal, this is I think really bad actually. But I'm struck by the fact that no one else bid downtown. Is there a way, you are saying that you could

virtually, at least for those services that the 20 percent of the people come in for most, you could be virtually downtown?

MR. JAMES: So we would have to look at what services those 20 percent --

TREASURER KOPP: Get.

MR. JAMES: -- each individual are receiving, because they are coming in for different things.

TREASURER KOPP: Yeah.

MR. JAMES: Whether it's child support, or some of those --

TREASURER KOPP: But you should have records of that.

MR. JAMES: -- right. We can analyze that and work to help identify other ways that we can engage with those clients to minimize the impact of this move.

TREASURER KOPP: But can you have people at United Way or other places?

MR. JAMES: We can certainly explore that. And I think that's something we've done in other communities and other counties, and something that we'd certainly be open to looking into here to see is there a way for us to move some of this case work out of the DSS office, out into our partner's office or other community spaces so that we can engage with our clients where they are. You know, this is an office not just for Frederick City but for the entire county.

TREASURER KOPP: Right.

MR. JAMES: And when we did heat maps of where all of our clients are from, certainly there's a concentration in the City of Frederick. But we have clients coming in from all over the county. So we would like to be able --

TREASURER KOPP: Which is why you have so many by auto.

MR. JAMES: -- to engage with our clients in a variety of different locations and not simply be wedded to one geographic fixed location.

GOVERNOR HOGAN: That's great. So Mr. Secretary, I would request that you pursue all avenues to try to provide the services, that we're now going to have to address these issues of being a half mile away and not immediately next door to the other, reach out to the folks that were here today. Talk with the county. Talk with the delegate. Let's see everything that your agency can do to make it easier for people to get services and let's have the Secretary of Transportation pursue as much as they can, and our transit guys, about can we increase the bus routes and can we get a stop there and what it's going to cost and how fast can we do it. I think that would be helpful.

MR. JAMES: Absolutely.

GOVERNOR HOGAN: Thank you.

MR. JAMES: You have our firm commitment to that.

TREASURER KOPP: Could they report back?

GOVERNOR HOGAN: Yeah, and report back to us maybe.

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MR. JAMES: Absolutely.

GOVERNOR HOGAN: Both of you with, you know, what options or proposals you have.

DELEGATE KRIMM: Thank you, Mr. Secretary. So Governor, as I hear you say that you are directing these agencies to look at doing intake in the core of the city, have a central location --

GOVERNOR HOGAN: Well I'm just trying to figure out all the things they could do to address the situation that you are concerned about.

DELEGATE KRIMM: Okay. So when could I, could I meet with them?

GOVERNOR HOGAN: Absolutely.

TREASURER KOPP: Yeah.

DELEGATE KRIMM: And then --

GOVERNOR HOGAN: You can talk with him right now. He's going to stay there and talk to you after --

DELEGATE KRIMM: And then we'll come back to you and report on this at some point? Can we have a future Agenda date?

TREASURER KOPP: That would be great.

GOVERNOR HOGAN: I mean, if there's a motion. I don't know that there's -- we really can't delay it long. Because they have to get in there.

DELEGATE KRIMM: Okay.

GOVERNOR HOGAN: They've got to start building out the space --

DELEGATE KRIMM: Okay.

GOVERNOR HOGAN: -- or we're not going to have an office. So but we could, could we delay, if there's a motion to do so and there's a consensus, we could put it on the Agenda in two weeks. Delay it, and if we make any progress and the discussions in two weeks --

MS. GARDNER: We'd like to have the opportunity --

GOVERNOR HOGAN: If we can't, then we ought to move forward. But if it's, it's not going to impact the lease at all. I mean, it's going to -  
-

MS. GARDNER: We'd like to have an option to maybe have a satellite office downtown with intake and have some discussion. I mean, we're just sitting here thinking this --

GOVERNOR HOGAN: Yeah.

MS. GARDNER: -- as we're listening. I mean, my first, my first request is still to --

DELEGATE KRIMM: Rebid.

MS. GARDNER: -- to rebid. But if that's not going to happen --

GOVERNOR HOGAN: And I just don't think that's going to be able to be possible.



MS. GARDNER: -- I really want to try to make sure we don't lose these 20 percent of people.

GOVERNOR HOGAN: I agree.

MS. GARDNER: And I think we all share that goal.

GOVERNOR HOGAN: I think we all share that goal. Since we, since the lease, you know, your first request I don't think is feasible or possible or legally, we're not able to do that. We're trying to figure out all these other things to address it. So I'm not sure we should hold up the lease but we ought to have them immediately meet with you, both Transportation and DHR --

DELEGATE KRIMM: Okay.

GOVERNOR HOGAN: With you, and whoever from the local area, from the nonprofit groups, whoever wants to be involved. Because we might come up with some really good ideas on how we can collaborate and make it as easy as possible on the downtown residents who walk.

DELEGATE KRIMM: Okay, Governor. We will work on that. And then we will look for a future Agenda date.

TREASURER KOPP: The next meeting is three weeks from now.

GOVERNOR HOGAN: No what I was saying was it's not going to change the lease. So --

DELEGATE KRIMM: I understand that. But I think you should be advised. Because you have the same passions as we do about these services being located --

GOVERNOR HOGAN: I'll leave it up to my colleagues if somebody wants to --

TREASURER KOPP: I would like to see three weeks from now.

GOVERNOR HOGAN: Is that when the next meeting is? Three weeks?

TREASURER KOPP: Yeah. Yeah.

DELEGATE KRIMM: I think that's the 25th.

GOVERNOR HOGAN: Is that going to impact us, and the landlord and the build out if we wait three weeks?

MR. CHURCHILL: Yes. Because remember the process is to build out the space and then we have to effect a move with the office.

GOVERNOR HOGAN: Build out and move.

MR. CHURCHILL: The build out and the move. So --

SECRETARY MCDONALD: Yeah, I think perhaps it was talking about approving this item but a report coming back in three weeks.

GOVERNOR HOGAN: That would be great.

SECRETARY MCDONALD: That's what I --

GOVERNOR HOGAN: Yes.

SECRETARY MCDONALD: I don't know.

GOVERNOR HOGAN: So I'll make a motion --

TREASURER KOPP: -- the city, the county --

GOVERNOR HOGAN: I don't know if we need to make a motion because it's part of the whole thing. We're going to move forward with this Agenda item but we will come back with the reports at the next meeting.

SECRETARY MCDONALD: Okay.

GOVERNOR HOGAN: And in the meantime we'll sit down with everybody at the local level and try to figure out all the possible solutions.

DELEGATE KRIMM: Okay.

GOVERNOR HOGAN: Does that sound good? That's my, that would be my motion.

COMPTROLLER FRANCHOT: Second.

DELEGATE KRIMM: Thank you.

GOVERNOR HOGAN: Is that okay? So any other questions on DGS? Is there a motion to approve?

COMPTROLLER FRANCHOT: I have a question on another item.

GOVERNOR HOGAN: Oh yeah, go ahead.

COMPTROLLER FRANCHOT: I'm happy to approve this. I just wanted to bring to the attention of folks that are still awake out there, I know this

is an important subject. And County Executive, thank you for coming down, and Delegate Krimm --

GOVERNOR HOGAN: Thank all of folks from Frederick for coming.

COMPTROLLER FRANCHOT: -- and United Way and Ed, thank you. You were a William Donald Schaefer recipient winner for your altruism.

So this is a different part of Western Maryland. This is the item about a \$75,000 grant for the Lefty Grove statue. It is a phenomenal organization and a fantastic project. I had the honor of going out there to visit with Bucky Schriver and the rest of the Lefty Grove Memorial Statue Committee. And unfortunately I left the meeting and they, well they gave me the honor of serving as their honorary chairperson of their capital campaign in my absence and I appreciate that. I think it's a critical project for the Town of Lonaconing and for all of Western Maryland.

Lefty Grove has his nickname for a reason. He is one of not only the greatest left-handed pitchers ever to play the game, but right-handed. He was a 300-game winner. He led the American League in strike-outs seven consecutive years. He had the League's lowest ERA a record nine times. He also had perhaps the most dominant three-year span of any pitcher in the history of baseball from 1929 to 1931 when he went 79 wins and 15 losses and won the pitcher's triple crown, leading the league in wins, strike-outs, and ERA.

TREASURER KOPP: Was that with the Red Sox?

COMPTROLLER FRANCHOT: I'm not sure where he was at that point. But he was an Iron Man, because they didn't have relief pitchers back then. So he is a Marylander who deserves recognition and I hope and truly believe the project will draw visitors to Lonaconing in the same way that baseball enthusiasts have come to Queen Anne's County to pay homage to another Maryland baseball great Jimmie Foxx, and his statue in Sudlersville. And someday I hope that this statue will be a part of a beer and baseball trail that will celebrate our State's vibrant beer, craft beer and baseball history and serve as a boost to tourism.

I appreciate the fact that, Governor, you let me say a few words about Maryland baseball history. And I also want to commend my good friend Senator George Edwards for his work to secure the funding to support this great project.

GOVERNOR HOGAN: Very good. Thank you. Why did they call him Lefty if he pitches right also? Why is he not Righty?

COMPTROLLER FRANCHOT: He, yeah, no, he pitched lefty.

GOVERNOR HOGAN: Oh, okay.

COMPTROLLER FRANCHOT: But he was as good or better than all the right-handed pitchers also.

GOVERNOR HOGAN: I got you. Okay.

COMPTROLLER FRANCHOT: Yep.

GOVERNOR HOGAN: So is there a motion on the DGS Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing. Thank you, everyone, very much for joining us today, especially all the folks who came down from Frederick. This session of the Board of Public Works is adjourned.

(Whereupon, at 11:52 a.m., the meeting was concluded.)