

June 15, 2011

STATE OF MARYLAND
BOARD OF PUBLIC WORKS
GOVERNOR'S RECEPTION ROOM
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P R E S E N T

LIEUTENANT GOVERNOR ANTHONY BROWN, Presiding;

HONORABLE PETER FRANCHOT, Comptroller;

HONORABLE NANCY KOPP, Treasurer;

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

ALVIN C. COLLINS, Secretary, Department
of General Services;

T. ELOISE FOSTER, Secretary, Department
of Budget and Management;

BEVERLEY SWAIM-STALEY, Secretary,
Department of Transportation;

MEREDITH LATHBURY, Land Acquisition and
Planning, Department of Natural Resources;

LUWANDA JENKINS, Special Secretary,
Governor's Office of Minority Affairs;

MARY JO CHILDS, Procurement Advisor, Board
of Public Works; and,

MARION BOSCHERT, Recording Secretary, Board
of Public Works.

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P R O C E E D I N G S

LIEUTENANT GOVERNOR BROWN: Welcome to the June 15th meeting of the Board of Public Works. This is a first for me, two consecutive meetings presiding over the Board. But it's an honor and a privilege to be here with each and every one of you today. And after consulting with the Comptroller's staff we are going to proceed slowly through our Agenda, hoping that he'll be here soon. I'm sure he will. We'll go in the normal order.

But the first thing I'd like to do after turning it over to the Treasurer for any opening remarks that she may have, what we will do is we will go to DGS' Agenda items and we'll pull out the item dealing with the Holy Cross Hospital so that Senator Forehand, who is joining us this morning, and welcome, can speak to that matter. And then we'll put it aside and go back to the order of the Agenda as it is laid out, I guess in the public domain and in my notebook.

Okay, with that, Madam Treasurer?

TREASURER KOPP: Well it's a pleasure to be here, Governor. Nice to be back. Just a, I returned,

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just a personal note to my friends here. I returned back to Maryland on Monday with my daughter and nine-month-old grandchildren, who are now staying with us. They've become Marylanders, or are about to become Marylanders. But I had forgotten in thirty years how little nine-month-olds sleep, so I'll --

(Laughter)

TREASURER KOPP: I want to thank everybody for their support over the past nine months as I've been traveling back and forth. And realize now that I'll need it more now than ever.

(Laughter)

TREASURER KOPP: Thank you.

LIEUTENANT GOVERNOR BROWN: Welcome home to your family.

TREASURER KOPP: Thank you, Governor.

LIEUTENANT GOVERNOR BROWN: Okay. So with that let's go to the Secretary -- no, the DGS Agenda.

COMPTROLLER FRANCHOT: Good morning, Governor.

LIEUTENANT GOVERNOR BROWN: Oh, good morning. How are you? Good. And what we'll do now,

just a modification, what I just said, is we'll go to the DGS Agenda. We'll pull out the item on Item 4 with a --

COMPTROLLER FRANCHOT: If I could interrupt I'd like to --

LIEUTENANT GOVERNOR BROWN: Okay. Let me just finish the procedural before we, I mean, before we do that and then I'll turn it over to you for any remarks. We'll pull out Item 4. And since the Comptroller is here we'll go ahead and just dispose of that issue. We'll act on that issue, Item 4. And then we'll return to the beginning of the Agenda. Yes, sir?

TREASURER KOPP: Anthony, can I just add one more thing? I apologize.

LIEUTENANT GOVERNOR BROWN: Sure.

TREASURER KOPP: I just made a, one personal remark. I'd like to make another one as the Comptroller gets his papers together. We saw this week the passing of a person who I think was a great Maryland leader. He actually had not been active in public events in the last few years but Peter O'Malley

was not only a great leader in Prince George's County, bringing together a diversity of people within his Democratic party, and making them a great whole. But also a great spokesman and leader of the University of Maryland.

When we created the University of Maryland system I think he really was one of the prime sponsors and people responsible for making this the great system that it is now. I've served with many chairmen on different types of boards and commissions and I will tell you that I don't think there was anyone who ran a committee as well as Peter O'Malley. And the reason he ran it so well was because he understood where we probably wanted to be in the end, but made great, great efforts, successfully, in eliciting the opinions, the concerns, and the understanding of all the people at the table before coming to a conclusion. And the conclusion, he would say, and only he would know, was invariably better than it would have been if it didn't have the input of a diversity of views.

I learned a great deal from him. He was really a very amazing person, I think. And in his

private life did a great deal for education and for social services and for individual poor families, just as the late William Donald Schaefer did. Talking about have you helped a person today, instead of just humanity writ large. And I just think his passing should not go unnoticed.

LIEUTENANT GOVERNOR BROWN: Absolutely. Thank you, Madam Treasurer. And welcome, Mr. Comptroller.

COMPTROLLER FRANCHOT: Thank you, Governor.

LIEUTENANT GOVERNOR BROWN: And we will yield to you for some opening remarks.

COMPTROLLER FRANCHOT: Thank you. I concur with what the Treasurer said. I think, I noticed a former colleague of ours, Tim Maloney, had an excellent op ed piece that echoed some of, and underlined some of your comments.

Thank you, Governor. I know we have a heavy Agenda. But I wanted to take a minute and just update you on an initiative, and the Treasurer, that my office is participating in, where we believe we're going to recover tens of millions of dollars that I

believe are owed Marylanders. Managing the State's unclaimed property accounts is one of my agency's responsibilities and I take it very seriously. I'm proud that Maryland has the reputation among all of the states for being the most aggressive unclaimed property unit when it comes to reuniting people with monies or items that they are owed.

Last fiscal year alone we settled nearly 49,000 accounts worth \$48 million. And it came to our attention that several of the nation's largest life insurance companies may have been holding back on paying out on life insurance policies and annuities after policy holders have passed away. I have to say that, just on a person basis, that trying to keep money from people who have lost beloved family members or friends is unconscionable. And if some financial institutions have inadvertently or purposely kept money that rightfully belongs to Marylanders we're going to aggressively pursue those funds.

Therefore we have joined with a number of other states to have these life insurance companies audited to determine what if anything has been held

back. By law financial institutions, utilities, insurance companies, and other corporations are required to report to my agency any bank accounts, security deposits, wages, insurance benefits, contents of safe deposit boxes that have been unclaimed for more than three years in Maryland. These funds then remain the property of the owners or the legitimate heirs and can be claimed at any time from my office. There is no statute of limitations.

The first audit, that of the John Hancock Companies, have been completed. And we learned recently that the State of Maryland and its residents are entitled to an estimated \$4 million in overdue insurance and annuity payments. With nearly two dozen more audits scheduled to go, you can see where we're anticipating tens of millions of dollars coming to Maryland. You can understand why this is an important issue.

Under any circumstances that money would be appreciated, but in these hard times economically that everyone has been living through any amount of extra income is appreciated and can make a real difference

in people's lives. And I'd emphasize that per the statute as we try to reunite Marylanders with their unclaimed property, that money is put into the general fund. So if we're talking about a considerable amount of money, and also a penalty that the State suffered because these dollars five, six, ten years ago were worth a lot more than likely the dollars are today. So there is both an impact on the State budget, because we use these dollars. And also obviously on Marylanders who are, I know it's hard to believe this, but there are lots of people that sadly pass away and their heirs are not cognizant of what the policies are. And these big insurance companies have taken the position that they are doggone just going to sit there until somebody comes and knocks on their door. And that's not right.

So we're going to get to the bottom of it. And I think it's a win-win story for the State. And I'll update you as we continue to go along on this. But we basically want to get Marylanders what are rightfully theirs. Thank you for letting me --

TREASURER KOPP: Well it falls in quite candidly with aggressive tax collection so that everybody pays, everybody pays fairly I think --

COMPTROLLER FRANCHOT: No, it's a good analogy. Thank you.

LIEUTENANT GOVERNOR BROWN: Yeah. Let me also say thank you to you, Mr. Comptroller, and your entire staff for, you know, serving a very important kind of watch dog role on behalf of Marylanders. And this sounds like a great development and we look forward to updates on the progress and give us some dollar tallies as we are going along. And that \$4 million already starts, sounds pretty impressive. So that's great. Good work. Keep up the good work.

COMPTROLLER FRANCHOT: Thank you, Governor.

LIEUTENANT GOVERNOR BROWN: Okay. So let's turn to the Department of General Services Agenda. Good morning, Secretary Collins. And let's dive right into Item 4.

MR. COLLINS: Good morning, Mr. Lieutenant Governor. Mr. Lieutenant Governor, I only have

thirteen items today. May I introduce my entire Agenda and then to go to Item 4?

LIEUTENANT GOVERNOR BROWN: Yeah, okay.
That sounds good.

MR. COLLINS: Mr. Lieutenant Governor, Madam Treasurer, Mr. Comptroller, the Department of General Services has thirteen items on our Agenda. Of course we'd be glad to answer any questions that you may have. The item of immediate interest is Item 4-LL, having to do with the ground lease associated with Montgomery County, Montgomery College, involving the Holy Cross Hospital of Silver Spring.

LIEUTENANT GOVERNOR BROWN: And that's Item 4?

MR. COLLINS: That's Item 4.

LIEUTENANT GOVERNOR BROWN: Good.

MR. COLLINS: Item 4-LL.

LIEUTENANT GOVERNOR BROWN: Okay, so --

MR. COLLINS: The item before the Board is approval of a ground lease that will allow the lease with Holy Cross Hospital and subsequently some additional lot development on behalf of one of their

developers. There are appropriate individuals here this morning from both parties, from all parties to answer. If you would like more of a fundamental background Mr. Michael Gaines, Assistant Secretary, is here to provide that.

LIEUTENANT GOVERNOR BROWN: Why don't we do this? Perhaps the Secretary can tell us how many --

SECRETARY MCDONALD: Yes we have --

LIEUTENANT GOVERNOR BROWN: -- people are signed up?

SECRETARY MCDONALD: Here it is. I'm sorry --

LIEUTENANT GOVERNOR BROWN: We'll here from them, and then we'll have your kind of response.

MR. COLLINS: Yes, sir.

SECRETARY MCDONALD: We have three people opposed --

LIEUTENANT GOVERNOR BROWN: I'm sorry, can you repeat that?

SECRETARY MCDONALD: We have three people opposed to the project.

LIEUTENANT GOVERNOR BROWN: Anyone in support?

SECRETARY MCDONALD: Well the Montgomery College is here and I'm sure they are --

LIEUTENANT GOVERNOR BROWN: No, is anybody signed up for support? I mean, is anybody signed up?

SECRETARY MCDONALD: Nobody has signed up to speak in support.

LIEUTENANT GOVERNOR BROWN: Okay.

SECRETARY MCDONALD: Actually, I think, Mr. Gaines, do you want to get up and state who is here from the College? And maybe if we know who is here from the College --

TREASURER KOPP: I think it would be useful if you or the College could set out what the project -
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LIEUTENANT GOVERNOR BROWN: Okay.

MR. COLLINS: He's prepared to do that, Madam Treasurer. Mr. Gaines, why don't you lay out the entire matter?

MR. GAINES: Sure. Thank you. Good morning. Michael Gaines, Assistant Secretary,

Department of General Services, Office of Real Estate.

Item 4-LL, as the Secretary indicated, is a lease before the Board for approval that will allow Montgomery College to execute a ground lease with Holy Cross Hospital. Foulger Pratt as the developer identified Holy Cross as an anchor tenant for the Montgomery College Science and Technology Park.

The project consists of a little over twenty-four acres to be built out over fifteen years. The ground lease actually spans ninety years. The first phase includes the building of the hospital, which will encompass approximately 350,000 square feet. The total build out of the two phases will comprise approximately 600,000 square feet.

We have this morning representing Holy Cross Hospital the President of Holy Cross Kevin Sexton. And for Montgomery College we have Dr. DeRionne Pollard. And they are both here as well as I am to answer any questions that you may have.

LIEUTENANT GOVERNOR BROWN: Well I have a question. Is anyone here that can speak to the oversight and review of this project? Not from the,

sort of the procurement and leasing, property disposition and utilization standpoint, but from the standpoint of healthcare delivery? Because I'm anticipating that some of the opposition, some of the basis of the opposition might include questions that go beyond your scope and the scope of Montgomery College officials. And I just can't, I don't know off the top of my head which is the reviewing agency on the health delivery --

MR. GAINES: That would be the Maryland Healthcare Commission.

LIEUTENANT GOVERNOR BROWN: Oh, the Healthcare Commission? And are they in the room today? Okay.

MR. GAINES: I don't -- no.

LIEUTENANT GOVERNOR BROWN: Okay. No problem. So Mr. Comptroller?

COMPTROLLER FRANCHOT: If I could address some questions here, because this is a ninety-year lease agreement, I take it, for a 24.5-acre space on Montgomery College's Germantown campus?

MR. GAINES: Correct.

COMPTROLLER FRANCHOT: Obviously I think this new facility is anticipated to provide a broad range of healthcare and emergency services to upcounty students and would provide Montgomery College's nursing students, I understand, with clinical training venues. Could I ask maybe Dr. Pollard, I guess, would be the best person? I have a --

MR. GAINES: Yes. Dr. Pollard?

COMPTROLLER FRANCHOT: Excellent.

MR. GAINES: She is here. And Mr. Sexton, if you all could come forward?

COMPTROLLER FRANCHOT: Dr. Pollard, welcome. Nice to have you here.

DR. POLLARD: Good morning. Thank you for having me.

COMPTROLLER FRANCHOT: The question I have is how many nursing students are currently enrolled at Montgomery College? And how many take classes specifically at the Germantown campus? Ball park?

DR. POLLARD: We have approximately 200 students enrolled in our nursing program. And what we're very excited about is the opportunity to

significantly increase the number of students that will have the ability to participate in our nursing program. So with the addition of this hospital and the clinical site that will be available, we have approximately sixty-four new clinical sites that will be available, at least I should say.

The other thing that I would offer is that this gives an opportunity for students who live upcounty to have a clinical rotation that is closer to them as well. So we're very excited about both the nursing program, but I would also offer to you there are about ten other health and allied health programs --

COMPTROLLER FRANCHOT: Mm-hmm.

DR. POLLARD: -- that will have an opportunity for students to have clinical rotation sites there as well.

COMPTROLLER FRANCHOT: Excellent. So it's health related, plus the nurses. And I take it the nurses who come out of your great institution, also there are some that go on and get their bachelors in nurses, and this is --

DR. POLLARD: Certainly.

COMPTROLLER FRANCHOT: So the clinical training facilities that you mentioned are going to be synergistic with your programs?

DR. POLLARD: One --

COMPTROLLER FRANCHOT: Where -- yeah, go ahead.

DR. POLLARD: One of the things I think is very beneficial as you described a tight coupling between both the hospital and the educational programming is that it provides us one, as I said, clinical rotation sites. But it also provides us with access to faculty who will teach our curriculum at our institution who will provide those additional adjunct faculty spaces that we need. We also will have the infusion of additional understanding of equipment, how that will affect the environment. And we're very excited about the fact that our students will have internship opportunities, student club opportunities, all of the things that add to the wealth of the educational experience for students.

COMPTROLLER FRANCHOT: And where do these students go now if, generally, are they --

DR. POLLARD: Sure. Our nursing program has had a long history with over a dozen, nearly a dozen hospitals, many of them are faith-based within our County, and outside of our County, for many years. Over twenty-five years we've enjoyed a wonderful relationship with Holy Cross Hospital. Right now our students who are nursing students take their didactical instructional courses at our Tacoma Park/Silver Spring campus. And then in addition to that as they take their clinical rotations they are in hospitals in Montgomery County, Prince George's County, in the District. They are all around the regional area to provide those students with the space and the time to do those rotations.

COMPTROLLER FRANCHOT: Excellent. And if I could just ask --

DR. POLLARD: Sure.

COMPTROLLER FRANCHOT: -- the President of the, of Holy Cross, Mr. Sexton, how is this hospital going to fit into the healthcare picture of the

upcounty area? Is it going to offer kind of niche, specialized services? Or is it going to basically deliver fundamental services in a booming area, I take it?

MR. SEXTON: I would say if I had to characterize it, Comptroller, that I would put it as a general service hospital. What we're looking at is an area of not just Montgomery County but of the entire State of Maryland with the highest number of people and the highest density in the State without a hospital. So there is a very significant need. We're also looking at a doubling of the number of seniors in Montgomery County over the next twenty years. We will literally double our population of seniors, who use six times more hospital care. And in fact the upcounty area, the Germantown/Gaithersburg area, is aging twice as fast as the rest of the county. So we have a county aging tenfold, I mean, aging by twice, and an increase that is higher than that in the upcounty area.

So what the hospital will be doing is providing people services closer to home. Many of

those folks get services in a variety of other places in the state, but as they grow and as they age we are very tight in Montgomery County right now for beds. We are blessed by having good hospitals and I think the right mix of hospitals. We're also blessed by a very low use rate of our citizens, which I think speaks to their health. But it is inevitable that aging is going to drive these numbers higher. So we are going to meet a very important need.

And I will pay you back on what Dr. Pollard said, the way this project came about was not only the opportunity to put a hospital in a great location. But we immediately set out with Montgomery College to put together a companion piece to help them double the number of nurses as she has referenced. And that takes educational slots, it takes faculty, and it takes money. So Holy Cross has actually pledged outside of the legislative deal a very substantial, that will be millions of dollars over the life of this agreement, to be able to put our nurses, who we will give what we call a teaching sabbatical to where they can take a semester and teach instead of work in the

hospital. We will cover that so they don't lose their benefits. It gives them a little break from what is very difficult work. It gives students a tremendous benefit, which is they get somebody who is very close to the action who can teach them and who is prepared to teach them.

In addition we are, we put our first grants out this year. We have a joint committee between Montgomery College and the Hospital. We awarded I think seven grants to basically improve the number of people that will get these, take advantage of these programs. And that gets down to things like creating simulation labs and funding that, providing money for the library. We're even looking at programs that might go as far down as middle school to try to encourage people to think of healthcare as a line of work. Because many of the people who are going to age are healthcare workers. They are going to need care, they are not going to be giving care. If we don't start now we're not going to have enough facility, but more importantly not enough people.

COMPTROLLER FRANCHOT: Thank you, and just analogous to that do you have any data on temporary construction jobs, or permanent jobs, or the overall economic impact on the upcounty from this project?

MR. SEXTON: I do. We obviously started out to meet a healthcare need but there is no question it has big economic impact. And at this time in our history particularly important ones. So last year we asked the Sage Group to do an analysis of this project in terms of its jobs implications. Essentially their estimate is that the construction project related to the hospital and the related job growth to that construction is about 1,100 jobs. The long term, steady state, with the full development of the hospital, and maybe most importantly the hospital as an anchor tenant to the Science and Technology Park, which will enable it to get off the ground, is 5,700 jobs over the course of this project, is their best estimate in the Sage Group.

COMPTROLLER FRANCHOT: And --

MR. SEXTON: And I would say one last thing?

COMPTROLLER FRANCHOT: Sure.

MR. SEXTON: The Germantown area has the most people and the fewest jobs in Montgomery County. It has half as many jobs per person as the rest of the County does. And so most, the fact of life in Germantown is you get up, you get in your car, and you drive where you are working. This is a way to begin to move in an opposite direction and make a community where there are jobs close at hand, good jobs. Nursing jobs, tech jobs, steady jobs that we think are going to be a big part of our future.

COMPTROLLER FRANCHOT: Well you mentioned the Life Science Park and I think the Treasurer may have been responsible for putting that together. But it was not supposed to be a site for a hospital, I take it, originally. So how does this, how do you, you know for me I don't see a hospital as necessarily incompatible. But we're all big boosters of the I-270 tech corridor. Is this supported by the chambers, and the tech councils, and other entities over there that are, you know, the folks that are, were going to be the beneficiaries of this Life Science and Biotech Park?

MR. SEXTON: I could make a few comments. But I think I'll let Dr. Pollard start, at least in terms of the College's process as they --

COMPTROLLER FRANCHOT: I mean, where is the tech council, for example? Is the tech council and the chamber in support of this or not?

DR. POLLARD: We have broad based support for this, because I think for several reasons. One as you described if we look at the 270 corridor we're recognizing an interest in having biotechnology industries located there. I would offer to you that science and technology is a very broad descriptor, and certainly when this project was initially conceived as we were going out to bid, to look at a developer to develop it, a hospital may not have been the original idea. But I would offer to you that as we think about the emerging technologies, and the confluence of health sciences and technology, the reality about this is that there is a very significant presence that can be had there.

The opportunity for us to look at biotechnology, bioinstrumentation, the development and

the dissemination of those biotechnology industries and their findings into a broader area of practice, whether that be healthcare. But then also how to recruit other businesses to the area. I think everyone that I've spoken with are very excited in terms of the business and industry. And we have not necessarily solicited, or to go out and say, "Oh, do you buy into this?"

COMPTROLLER FRANCHOT: Mm-hmm.

DR. POLLARD: But I think the reality is that we have had broad support. We have also received endorsement both by the Maryland Higher Education Commission, in terms of their approval of this lease. And we've done considerable work in the community to ensure that people understand one, we're bringing jobs. But we're also providing an educational opportunity to a significant number of our residents in Montgomery County.

COMPTROLLER FRANCHOT: Excellent. And then something that Governor Brown alluded to in his statement, some opponents I think feel that Holy Cross will impose the tenets of your, of the Church on

nursing students who are there for clinical education and prevent them from getting vital training in areas such as contraceptive counseling and reproductive freedom. I guess I'd like to just give you a chance before we hear from the opponents about that situation, or President Sexton maybe you could talk about -- well, anyway. Both of you can talk about it. It's a kind of --

DR. POLLARD: I'm delighted to speak on this on behalf of Montgomery College.

COMPTROLLER FRANCHOT: Thank you.

DR. POLLARD: To be clear, the instruction of the students of Montgomery College is the responsibility of Montgomery College and our faculty. Our nursing program is accredited by the Nursing League accreditation body that oversees our curriculum, the development of the standards for that, and certainly the Maryland Board of Nursing. As a result of that for over twenty-five years we've had longstanding partnerships with dozens of hospitals in the community. Many of them are faith-based who are in partnership with us. But the instruction that

occurs in our classrooms, the instruction that occurs in the clinical sites, is delivered by Montgomery College faculty based on the standards that are delivered by and expected of our accrediting body and the Board of Nursing.

So to be clear about that, while we certainly recognize that there are wonderful opportunities and different opinions about many of these issues, the delivery of instruction is the responsibility of my faculty and our staff and we do an excellent job of that for a long time.

COMPTROLLER FRANCHOT: So the clinic in my old legislative district in Silver Spring --

DR. POLLARD: Yes.

COMPTROLLER FRANCHOT: -- operates under your guidelines and aegis, and --

DR. POLLARD: Our students --

COMPTROLLER FRANCHOT: Okay.

DR. POLLARD: They are our students, and as you said, for the last six years we've had a wonderful partnership at that clinic in Silver Spring.

COMPTROLLER FRANCHOT: And MHEC, has the council weighed in? Has everybody looked at this thing from top to bottom? Or --

DR. POLLARD: Yes. A two-year process to review the lease at MHEC and it has been approved. We responded to additional questions. We have worked deliberatively with multiple bodies within the State to respond to concerns and questions they had. And we feel very confident in what we have submitted to you, and also very confident in the high quality of instruction that we deliver in our program.

COMPTROLLER FRANCHOT: Okay, great. Then I just have one final question for Mr. Sexton, and I, it's related in a conceptual way. And I just want to know what Holy Cross' position is on the relocation of Adventist Hospital to White Oak? Which is another project but it's related to this.

MR. SEXTON: Right. The certificate of need process that Maryland has, obviously not all states do, requires that whenever hospitals do major construction projects, add beds, and in selected programs like open heart surgery, Maryland requires a

review by the State through the Maryland Healthcare Commission. I support that. I think certificate of need is arduous, but I think it allows important issues to be discussed and debated in a structured and I think fair fashion. That was the process we followed in the upcounty area and that is the process that you are referring to with respect to the Washington Adventist Hospital.

With respect to how we feel about that project at Holy Cross, what I would say is I support Washington Adventist Hospital and not only want them to be a success, I need them to be a success. More than half of all the hospital care in Montgomery County is delivered by either Holy Cross or Washington Adventist Hospital. And the reason for that is that the people who use the most healthcare in Montgomery County live in the southeastern section of the County. Unfortunately they are poorer, they tend to be older and sicker, and they have other language and cultural barriers to care.

My concern about this project, and it is a perfectly appropriate question I think for the

certificate of need people to decide, it's not my decision, is that a movement away from that area of the distance that we are talking about worries me significantly in terms of the access of those folks who live particularly around the hospital where it exists today, and south and east of it. One out of every seven of those households don't have a car and many of them are quite poor. And so I think we are going to have to come together and figure that access issue out. It is not an issue of commerce. It's an issue of access.

That is a standard. The State gets to decide that. I think the CON process is the right place to have the discussion, and those are my views. We've done --

COMPTROLLER FRANCHOT: No, and I appreciate that. And I understand Dimensions is one of the main opponents on this site. But it strikes me that you're a world class institution, as is the College. Obviously Adventist is. Obviously are other hospitals. And too often what I end up in the middle of are these battles where it's corporate agendas, not

public health agendas, that are being fought over in the public. And I'm pretty frustrated with the whole thing because I think the public loses out when these great institutions collide. I'm going to have a conversation with Dimensions, frankly, which has a lot more problems than picking a huge fight with, you know, their neighbor institutions. And ultimately coming up, I suppose, before the Board in some way.

I just hope you, and Adventist, and Dimensions, and the other big institutions can, you know, it's not the, the pillow fights are probably, I don't know what, more, you know, more in front of you because you've got your own budgets and other things. But to the extent you can get together and lay down the sword and support each other, I would be personally grateful.

MR. SEXTON: Well we work together on a lot of issues. And I would say that I think Maryland, having a certificate of need program, does allow us a vehicle to have honest debates. I don't think it has to become public acrimony. I think that's bad for

everybody. It's bad for hospitals, bad for the public.

COMPTROLLER FRANCHOT: Well I'm inclined to, I'm going to listen to the opponents but I'm inclined to be supportive of this. But I'm also reaching out and saying to the extent everybody is in discussions with each other I hope that we can have a more public interest oriented debate rather than what often just turns out to be a hassle over business interests and other things. And I don't, I'm not speaking about you --

MR. SEXTON: I understand.

LIEUTENANT GOVERNOR BROWN: Can I just jump in here?

COMPTROLLER FRANCHOT: -- because this is other things. But I would really appreciate it if you could keep us informed on that, and --

MR. SEXTON: I appreciate your comments.

LIEUTENANT GOVERNOR BROWN: I believe the Treasurer is going to have some questions, I have some, and then --

COMPTROLLER FRANCHOT: Thank you. I'm all through. I'm all through.

LIEUTENANT GOVERNOR BROWN: Yeah, because we vote there will be an opportunity for discussion by Board members. I have some questions, but do you? Yeah. Just one is just a clarification. The 5,700 you called it steady state jobs, I like that term steady state. Does that include projections for the entire Science and Technology Business Park? Or just the jobs associated directly and indirectly with the hospital?

MR. SEXTON: No, it includes the Science and Technology Park.

LIEUTENANT GOVERNOR BROWN: And what would be the number for the hospital? That ninety-three-bed acute care hospital?

MR. SEXTON: It's around a little less than half of the total 5,700.

LIEUTENANT GOVERNOR BROWN: Okay. The second, just like maybe in ninety seconds or less. I mean, you mentioned the MHEC, you detailed a little bit the MHEC process, two years, and then did that.

The CON process, just, you know, how long did it take? What were the, what were the most contentions, if you will, issues that were raised? And how did you address them?

MR. SEXTON: Thank you. I was a young man when the CON process began.

(Laughter)

LIEUTENANT GOVERNOR BROWN: I think the President says the same thing about his job.

MR. SEXTON: It was about a two-and-a-half-year process. It is a very, a very specific process in the State. And actually one of the reasons it took longer was that Holy Cross took a step back and said that given that there was a second proposal that came in after ours we thought it would be fairer and better if the CON process did them together. It made the process longer but I think it made it more appropriate and ultimately fairer.

There is a set of standards. I think there are as many as forty-eight of them that you have to meet for a new hospital. And what the process, the way the process works is that the commission picks one

person to be the hearing examiner. They assemble all of the evidence. There are questions and answers and rebuttal questions and answers, and then she held a week-long hearing at which witnesses gave their testimony. At the end of that entire process she issued a 179-page report that basically said she recommended for approval the Holy Cross Germantown facility and recommended against the construction of the Clarksburg facility. Because when she illuminated all of the standards she felt that particularly on issues of access and particularly on issues of sustainability of the project it was head and shoulders higher. Then that process goes to the full fifteen-member commission. They hold another hearing, and then they voted. And they did vote unanimously to accept her recommendation.

So it was a long process. But I must say the big issues of where do you get the most bang for the buck, where is the best place to put a hospital given the demographics, and what is the most sustainable model were the things that they probably spent the lion's share of their time on. Although

they have seven boxes of materials so there were other things covered as well.

LIEUTENANT GOVERNOR BROWN: Okay.

TREASURER KOPP: And then after that you go to the, or the College went to the MHEC?

MR. SEXTON: It was actually, they were moving down parallel tracks for the last, what, year and a half?

DR. POLLARD: Mm-hmm.

LIEUTENANT GOVERNOR BROWN: So, and then to be clear there are basically, I'm identifying three approval processes for this. The certificate of need, right? And that's not before us. You know, we're not reviewing appeals or, you know, acting on that. There's MHEC's approval, and we're not, that's not before us, right? And then there is the issue of, that's before the Board of Public Works. Which involves the Board of Public Works' requirement to act on leases of, could somebody just tee up exactly what the decision is? What are we acting on?

SECRETARY MCDONALD: I don't, because you, correct words, but the Board of Public Works is

approving the disposition of land that the State subsidized some time ago.

LIEUTENANT GOVERNOR BROWN: Got it.

SECRETARY MCDONALD: So the State gave bond money to the community colleges in the early seventies. And when that land is being disposed of in a ninety-year lease it has to have approval of the State.

LIEUTENANT GOVERNOR BROWN: Got it. Okay.
Madam Treasurer?

TREASURER KOPP: I hope we can reserve the right to go back to these two people after we hear the opponents because I think they're going to raise some specific questions and concerns that ought to be addressed directly. One of them, as you know, having to do, we've talked about upcounty and that's something that the cost review commission looked at with the certificate of need. And then I know the County Executive endorsed it also. But this question of the directives and whether that would somehow forbid emergency treatment for people coming to the hospital? They're going to be raised more eloquently

than I, but I wish we could hear the responses after you've heard the specific concerns.

MR. SEXTON: I'm happy --

LIEUTENANT GOVERNOR BROWN: Don't go too far now.

MR. SEXTON: -- to address it now, or whenever you wish.

TREASURER KOPP: Well I think it be better if you just, to not assume we know what we're going to hear.

LIEUTENANT GOVERNOR BROWN: Right. Let's have the opposition come tee up their issues and then you'll be here for rebuttal, reply, response.

TREASURER KOPP: Ah, I see the President is in need of your assistance already.

MR. SEXTON: Actually, we did this to her.

(Laughter)

DR. POLLARD: And I forgave him.

LIEUTENANT GOVERNOR BROWN: Right. Okay. So why don't we ask then, let's see, we have three in opposition. Thank you very much.

TREASURER KOPP: And I think the Senator had to leave to go to --

LIEUTENANT GOVERNOR BROWN: No, no, she's here. Oh yeah, that's right.

TREASURER KOPP: No, no, no, I know.

LIEUTENANT GOVERNOR BROWN: So we'll call up first Senator Jennie Forehand, and welcome. After that we'll hear from Jill Morrison, and then Linda Mahoney.

SENATOR FOREHAND: Thank you very much. I am speaking for myself this morning. But I have discussed this issue very thoroughly with other, with Senator Nancy King, who represents the upcounty District 39, and Senator Rob Garagiola, who represents the upcounty District 15, and also with Senator Ron Young from Frederick. Because it, this impacts the future needs of Frederick County as well. And I'll mention that.

I really am speaking for myself because I have a passion about this. I served on the Montgomery County Health Planning Board. It used to be called a Health Systems Agency for old-timers around here. But

it was in the middle seventies, I think for about six years. And we really did serious health planning then. And it was required. It was a national thing. And I learned a lot. And as a matter of fact really that's why I ran for office in the first place because I got so angry that something was not being handled as well as I thought it should have been. And that there had been no input from elected officials. So that's another reason I'm here.

But I called, I want to be considered as a friendly opposition. But I think that we've talked a lot about this. This certificate of need process is based on, is based on a lot of things about location and so forth. One thing that got, I brought a State map, I know you know what the whole State, where the growth is. But the main growth now is heading up towards Clarksburg, and down, in Frederick County down from Urbana. And when there's another hospital that's needed between Frederick Hospital and Shady Grove, which by the way is I think eight or nine miles, only eight or nine miles away from where this hospital will be located. And I don't know how many years ago,

maybe seven or eight years ago, the Adventist built a, at the request of the community, built an emergency facility in Germantown across the street from the campus, almost across the street, you can actually see it, it's less than half a mile away, from the entrance to the Germantown campus. And that, and they have not just, I mean, they don't have anyone spending the night there. But they have been able to take care of all the emergency concerns that have been there. And they also have extensive laboratory, I mean, not labs but they have a lot of x-ray equipment and so forth. And the thought, one of the thoughts is is if the hospital comes that will obviously go out of business because they have will an emergency room and so forth.

So I think that is one of the things that has not been mentioned. And when I looked at the analysis from the person who did the review for the Healthcare Commission I was not satisfied with the fact that, you know, saying that there were no services up that way. And given the fact of the growth I think that that was incorrect and it was not included.

Years ago we had a Maryland Health Planning Commission. That was a separate entity. And to downsize we made that into the Healthcare Commission. In this approval I saw very little of the health planning as I knew it years ago, and which it should continue to be. I think that that was one of, I called two of the former directors of the Montgomery County Health Planning Board who are both retired now, Dr. Hameed Naz and Dr. Steve Lipson. I called and asked them to be sure that my memory was correct. And they agreed with me, with the thought that this hospital should really be built farther north to accommodate future growth because it's only, I'm not exactly sure, but I think it's eight or nine miles north of the Shady Grove facility, hospital. So the existing, so those existing facilities, probably the emergency room, will probably have to close.

Another issue that somebody else brought up that I thought was valid in these days we're trying to talk about public transportation. The nurses are having most of their classes down at Tacoma Park now. How are they going to get to Germantown? I mean, how

are they going to get to Germantown? And if Holy Cross is really excited about having student nurses do they have any at their campus in Silver Spring? I don't know. But that was one of the things that people have asked about.

I want, the land purchase for the, that the Board of Public Works approved in 2007, I believe. I found the press release for that and it talked about the technology things that would be added. And I think that those were very important. And if you wind up approving this I would hope that you would add to the requirements that they follow through with everything that they promised to do when the land was purchased. I think that is, that would give a lot more comfort to people. And this idea came from Dave Edgerly, the former Secretary of, what was it? Economic Development. And so I think that's really an important thing.

These, I know that there are a lot of women who are very upset about this because they don't provide all services. And of course we know that people get quoted in the newspaper kind of with off

the cuff comments that are really maybe not true. But there was one in the paper that may not be true, but somebody had asked someone on the Health Planning Commission about what about, you know, that's an area where there are lot of young people, and there would be a lot of concern and a lot of babies born there. And if someone wanting to have their tubes tied, or whatever, those services would not be allowed there. And I think that that was one of the things because someone was quoted as saying, "Well, they can go somewhere else." Right. Well that was, maybe that was not accurate but that's the message that has gone out.

But this also, I may as well mention it, this idea for this hospital started under the previous President of Montgomery College who is not here today for several reasons. But I think that, I don't, I think that this is something that deserves a lot of concern. I don't want to, it really should be farther north. And when talking to Senator Young we talked about, you know, he said they were talking about a hospital, another hospital in the southern part of

Frederick County. And you asked about the one at White Oak, which was a great question. Because I think this applies also. If this hospital is approved is this going to hurt Frederick County if they want to have another hospital built near Urbana? Or would it be better not to approve this hospital, not to approve one at Urbana, and do one midway? So that's not for the Board of Public Works Agenda, really. But on the other hand it's really important and significant because you don't want too many hospitals close together because then they are not operating at full capacity, which makes them more effective and efficient.

So I just really thank you for your time. Thank you for putting me on first. I've got to go to something that I'm supposed to be chairing. So thank you very much, and we really want to thank the people who have worked really hard on this, especially this lady. We have a friendship anyhow. Thank you very much.

LIEUTENANT GOVERNOR BROWN: Okay. Next then, thank you very much Senator Forehand. And next

we'll have, ask Jill Morrison if she is here? She is signed up, National Women's Law Center and Montgomery County Comprehensive Care Coalition. Here she comes. Hello, Ms. Morrison. How are you?

MS. MORRISON: I am fine. Thank you for calling me today. I am Jill Morrison. I'm from the National Women's Law Center and I am here today representing the Montgomery County Complete Care Coalition. The Coalition includes Montgomery County NOW, NARAL Pro-Choice Maryland, and Americans United for Separation of Church and State. We wish to emphasize that without this Board's imposition of specific conditions on Montgomery County's land use contract the development of Holy Cross Hospital will undermine the public health goals of the County and the State; will subject residents to treatment that does not comport with the medical accepted standard of care; will impede the college's role as a leader in the development of biotechnology; and will raise considerable constitutional questions regarding the separation of church and state.

The Coalition submitted a letter on June 13th detailing our concerns and I ask you to reference that letter for further information as I will only be able to provide a brief summary of those concerns today.

SECRETARY MCDONALD: It's in the record. We have your letter in the record.

MS. MORRISON: Thank you. The eventual operation of Holy Cross Hospital has the potential to impede healthcare access rather than advance it. As a Catholic hospital Holy Cross will be governed by the ethical and religious directives for Catholic healthcare services. While it is commonly believed that the directives only prohibit the provision of elective abortion, this is not true. The directives forbid a range of common reproductive health services, including surgical sterilization and infertility treatment. Moreover, all contraceptive services and counseling are prohibited, even counseling on the use of condoms for patients who are at risk of transmitting HIV. Furthermore, sexual assault advocates calling Holy Cross affiliated hospitals on

behalf of rape survivors have been told that they do not provide emergency contraception. The directives also limit some patient options at the end of life, such as cessation for artificial nutrition and hydration for patients in a persistent vegetative state.

The public health implications of restricting access to these services is clear. Spacing of pregnancies, which requires contraceptive use, is a critical factor in improving maternal and child health. Barriers to family planning services will only exacerbate persistent racial disparities in areas such as unintended pregnancy, and infant and maternal mortality. With regard to HIV infection rates, another area of striking racial disparities, the Maryland AIDS Administration envisions a Maryland with no new HIV infections. Yet a critical tool in this fight, condoms, are forbidden at facilities that are bound by the directives. The directives have also been interpreted to forbid some treatments that are medically accepted at the standard of care, including the use of methotrexate to treat ectopic pregnancy and

tubal ligations for women immediately after they have caesarean sections for those who choose to undertake that method of family planning.

We are also concerned that given the opposition to certain biogenetic technologies within the directives Holy Cross will be unable to fill this development's original use as a life science and biotechnology park. For example, the directives restrict the use of embryonic human tissue for research and therapeutic purposes. These restrictions could severely undermine Montgomery College's efforts to become the crucible for biotechnology in the Metropolitan Washington area.

And finally the development of Holy Cross Hospital also raises serious legal concerns about allowing a facility with religiously mandated service restrictions to be built upon the campus of Montgomery College, upon land that is publicly owned. It is not merely the religious affiliation of Holy Cross that gives rise to our concerns. Rather it is the imposition of these beliefs on patients who would be seeking services at the hospital, as well as health

professionals who would receive training and clinical guidance that is restricted by religious doctrine.

So we ask that in furtherance of this Board's duty to protect the public interest we request that you make your approval contingent upon the following. First, the establishment of a separately incorporated healthcare facility that is not subjected to either the healthcare service or biotechnology research restrictions included in the directives. And second, the guarantee of prompt, medically appropriate care for pregnancy related conditions in the emergency room and compliance with the advance directives of patients that are receiving care at the hospital. These contingencies will allow the project to preserve its intended purpose of advancing biotechnology as well as resolve the serious constitutional concerns raised when public property is used for religious purposes.

I thank you for allowing me to testify today, and for your careful consideration of our concerns. Thank you.

LIEUTENANT GOVERNOR BROWN: Thank you very much. Just a question to staff. Does the Board have the authority to approve with conditions?

SECRETARY MCDONALD: At this point I did have a few files today, and so finally I have pulled out the file with the actual regulations, thank you, for what the Board is doing. And what the Board is doing under Code of Maryland Regulations and an Attorney General opinion is a college/community college may not enter into an agreement to lease real property in which the State has participated without the prior approval of MHEC and the subsequent approval of the Board of Public Works. And the Attorney General opined in 1979 that if the board of trustees of a community college is desirous to lease property it first must obtain the approval of the Board of Public Works and the Board of Public Works must agree that the consideration is adequate. So that is the entire statement in front of you, to decide if the consideration is adequate for this lease. And if you wanted to ask the parties, if you thought the consideration wasn't adequate then you could make

that. And obviously the consideration can be broadly construed or --

LIEUTENANT GOVERNOR BROWN: So it sounds like the answer to my question is no? Right?

SECRETARY MCDONALD: You can decide that the consideration is not adequate.

LIEUTENANT GOVERNOR BROWN: Right. But I mean I'm talking about approval with conditions.

TREASURER KOPP: To make the consideration more adequate.

LIEUTENANT GOVERNOR BROWN: To make the consideration more adequate.

SECRETARY MCDONALD: But the Board, I mean, right. And the parties could decide, and the parties could decide that they do not want to agree to that.

LIEUTENANT GOVERNOR BROWN: Got it.

SECRETARY MCDONALD: And but what you could do, I mean, you can approve contingently and we have done that on rare occasions.

LIEUTENANT GOVERNOR BROWN: Mm-hmm.

SECRETARY MCDONALD: And give instructions. And obviously if the parties do not want to agree to

those terms they would not be bringing this lease to you to approve. So.

LIEUTENANT GOVERNOR BROWN: Sure. Okay.

Thank you very much, Ms. Morrison, I believe. Yes, indeed. Now we'll hear from Linda Mahoney. And then after we hear from Linda, Ms. Mahoney, can we have, because I don't believe we've received anything today, oral presentation or testimony, dealing with the consideration for the lease. Sort of how we, and you know, how we came up with the fair market value, and things like that. So if someone is prepared to do that, either at DGS, or the College, then that would be appreciated. Good morning.

MS. MAHONEY: Good morning. And thank you to the Board for allowing me to testify today. I'm Linda Mahoney. I live in Silver Spring, Maryland. And I'm here to represent the concerns of all the NOW members throughout the State. Thus our State council members have a more global and negative view of the lease than what has been represented so far.

TREASURER KOPP: Could I just ask, so did Jill Morrison represent another part of --

MS. MAHONEY: Our Montgomery County chapter has decided to request with this coalition restrictions, or additional conditions. And as you have noted we're, the Maryland NOW represents members throughout the State. And we first off view the conditions as being fairly unworkable and the State as not being --

TREASURER KOPP: Okay. I'm just asking whether, I mean, she was Montgomery County NOW and you are Maryland NOW?

MS. MAHONEY: Maryland NOW.

TREASURER KOPP: I'm just trying to --

MS. MAHONEY: I'm the State President, thank you.

TREASURER KOPP: Yeah. Great.

MS. MAHONEY: Sorry for the long answer.

SECRETARY MCDONALD: Yeah, and actually I think Ms. Morrison to the Board has said that she is with the Maryland County Comprehensive Care Coalition.

MS. MAHONEY: Yes --

SECRETARY MCDONALD: She's not actually saying Montgomery County Chapter of NOW.

TREASURER KOPP: No, but when she introduced herself she said --

SECRETARY MCDONALD: Okay.

TREASURER KOPP: -- in fact --

LIEUTENANT GOVERNOR BROWN: Mm-hmm.

MS. MAHONEY: And we recognize that our Montgomery County Chapter, of which I'm a member, has taken a position in favor of restrictions. We understand and share the concerns of our chapter members regarding the additional traffic woes, the lack of reproductive health services, and the fact that, and our State Senator's concerns about the fact that the site doesn't conform to the Montgomery County General Plan for Development. But an organization representing members throughout the State must look at the bigger picture.

It's my understanding that the new hospital in Northern Montgomery County will be the first new full service hospital facility licensed in Maryland in thirty years. This historical context is essential. The last hospital was built prior to popular use of the birth control pill; at the inception of the

hospice movement; prior to popular implementation of advance directives by informed patients refusing resuscitation or other artificial unnecessary and expensive life extending procedures; prior to the AIDS epidemic; prior to funding for women's shelters and rape crisis centers; prior to knee and hip replacement surgery, and the multitude of wonderful medical developments we enjoy in the U.S.

We are looking at a situation where a hospital group will be licensed to give less than full service, less than the range of quality legal healthcare. This is the first hospital licensed in Maryland in thirty years and we look at this as a terrible precedent going forward.

A year and a half ago Holy Cross representatives looked me straight in the eye and told me that they provided all the medical services they deemed necessary for their patients. No, they admitted they don't provide certain routine reproductive health services such as tubal ligations at the time of birth. No counseling about the range of options for women or couples wishing to choose

whether or when to have children. They don't do rape kits because that would require provision of follow up medical treatment including birth control. They don't honor DNR instructions. They won't do abortions even to save the life of the mother and even in instances where there is no chance to save the fetus. Of huge concern from a public health standpoint they may treat the HIV AIDS patients but we know that they are not going to be counseling them in condom use and we are looking at an epidemic if we aren't responsible about this.

My concern as well, and I don't think one that has been looked at, is that if we, if Maryland does the siting where it is now that precludes other hospitals which would do full service healthcare from coming into that area. I think this is a bad precedent for Maryland to be looking at and we hope that you consider that aspect above all when you are considering this lease.

Thank you very much for your time. I really appreciate your consideration.

LIEUTENANT GOVERNOR BROWN: Any questions, comments, concerns? Okay, thank you. Could we please have someone speak to the terms of the lease? And how, yeah, just the terms of the lease?

MR. GAINES: Yes, sir. The, in general the lease was based on an assessment of market rates for establishing the rent. And I'm going to ask Mr. Rocky Sorrell, he is general counsel to Montgomery College, to walk through specifics.

MR. SORRELL: Good morning still. I wanted to just address how we came about with the rent that's paid under this lease. It's a phased lease, so this is only for the first 350,000 square feet. It's paid per square foot, so it's based on density. The square foot assessment of both the developer Foulger Pratt and the experts that we utilized including volunteer experts inside our foundation, particularly Bill Hard with LCOR who is doing development up and down the 270 corridor, is that this is approximately \$22 to \$24 to \$26 per square foot value here. And what we did is we negotiated a lease, this first payment is at \$28 per square foot with some adjustments and credits down for

a structured parking facility that they would be putting in.

So there was basically an effective payment of \$7,925,000 for this particular take down of 350,000 square feet. That's a \$22.64 square foot effective. And there is then payments back for that. Beyond that it goes from \$28 to \$35 a square foot for the additional take downs beyond 350,000 square feet to 600,000 square feet. And then of course in addition to that there's all the items that Holy Cross is donating or giving to the College in terms of in kind for the instructors as well as actual money grants that I believe Mr. Sexton earlier mentioned. But under the lease itself, the legal confines of the lease and its consideration, we believe that this is more than fair. Or as they say, adequate under the standards.

LIEUTENANT GOVERNOR BROWN: Any questions or comments?

COMPTROLLER FRANCHOT: If Dr. Pollard or President Sexton could just comment on the concern

about no counseling on condoms, or whatever the concerns were?

LIEUTENANT GOVERNOR BROWN: Oh, well before we do that, though, I want to just, I want to make sure I'm, we've got closure on this, the terms of the lease issue. So are there any questions or comments on that?

TREASURER KOPP: Not on the terms of the lease as described by Mr. Sorrell. I think you do a good job for the College. But the Secretary pointed out that there can be other types of conditions deemed necessary so I don't think that takes care of the --

SECRETARY MCDONALD: Right. Correct. I think that we have broadly interpreted consideration to be more than something monetary.

TREASURER KOPP: But I think the considerations in terms of cost per square foot, etcetera, plus the additional educational benefit and all that, it's very well compensated indeed.

COMPTROLLER FRANCHOT: No. I, much as I respect Governor Brown I don't agree with him as to

our ability to attach conditions separate from the AG's opinion from whenever it was in --

LIEUTENANT GOVERNOR BROWN: Hold on. Time out, time out, time out. Wait a second. Time out, Mr. Comptroller. At no point did I make a comment or offer an opinion. I simply asked a question as to whether or not --

COMPTROLLER FRANCHOT: Okay. Great.

LIEUTENANT GOVERNOR BROWN: -- this Board can attach conditions. So I don't think anything ought to be read into the conditions. I don't sit on the Board as often as you do. And I always like and I think people have observed my practice is to always have the issues teed up, to be very clear on what we're deciding on.

COMPTROLLER FRANCHOT: With great respect, I retract that comment.

LIEUTENANT GOVERNOR BROWN: On the lease, is there any opposition to the terms of the lease? The dollars being offered? The consideration being offered? Is there anything on the record in opposition to that?

SECRETARY MCDONALD: No, not at all.

LIEUTENANT GOVERNOR BROWN: Okay. Okay.

Mr. Comptroller?

TREASURER KOPP: And can I just ask one more thing? I don't know whether it's connected to the terms of the lease or not, but it meets all of the zoning and planning requirements, the master plan, etcetera, of the County?

MR. SORRELL: Yes. In a recent master plan amendment through a sector plan, the County Council placed the life sciences zone on this particular property, over the entire campus. And in that the hospital is a permitted use. So there is absolutely no zoning issue.

TREASURER KOPP: So those types of requirements, the cost, the square footage, the zoning?

MR. SORRELL: It's all within the zoning, and it's a very flexible zone. It's meant to mimic what you can do at the Shady Grove life sciences zone, which of course had a hospital anchor too.

DR. POLLARD: It also is in line with our
MHEC --

LIEUTENANT GOVERNOR BROWN: You may need to
come up there so that we can have the stenographer
pick you up, pick up your voice.

DR. POLLARD: Thank you. In addition it
also was approved by our master plan through the
Maryland Higher Education Commission. So I think an
important point, while it also has local approval it
also fits into the master plan for that particular
campus as well.

TREASURER KOPP: Right. But in terms of --

DR. POLLARD: Zoning, yes.

TREASURER KOPP: -- the lease and all the
local requirements?

COMPTROLLER FRANCHOT: Okay.

LIEUTENANT GOVERNOR BROWN: Mr. Comptroller?

COMPTROLLER FRANCHOT: If I could ask Dr.
Pollard and President Sexton to just to comment on
this issue. Earlier you commented that the training
of the nurses in your facilities are not subject to
any restrictions based on religious orientations of

the Church, etcetera. Apparently some of the opponents believe that the clinical exercise of that training is restricted. So if --

DR. POLLARD: Thank you, Mr. Comptroller, for that question.

COMPTROLLER FRANCHOT: -- you and maybe President Sexton could --

LIEUTENANT GOVERNOR BROWN: Yeah. To clarify, I mean, I think the opposition was less to the College. So I don't know if it's the President's response. I think it's the Hospital's response.

COMPTROLLER FRANCHOT: I'm happy to have both of them together. They seem to be partners, so it's --

DR. POLLARD: Yeah. I would argue, two things, I would agree with you. The issue in terms of instruction is very clear. We're guided by an accrediting body.

LIEUTENANT GOVERNOR BROWN: We got that.

DR. POLLARD: And also by the Maryland Board of Nurses.

LIEUTENANT GOVERNOR BROWN: Yeah, we got that. Mm-hmm.

DR. POLLARD: The other thing that I would offer is that our students have multiple locations in which they do their clinicals, so they move from different hospitals every semester. So I think it's highly unlikely that a student will stay at one hospital for their entire rotation.

LIEUTENANT GOVERNOR BROWN: Can we hear about, though, the delivery of services? That was the gist of the opposition. If you could just address the delivery of service first, and then we can come back to, you know, put some more on.

MR. SEXTON: Sure. Let me try to put this in context for you, Governor. Holy Cross Hospital is a hospital like any other hospital in the State. It's a hospital in good standing. We have all the rights and all the obligations of any hospital in the State, including protections we have and other hospitals have under State law, obligations we have under State law. We take that seriously. And in fact last year we were cited by the State as one of only five hospitals that

were viewed as having exemplary community benefit programs, programs that improve the health of the entire community. The only hospital in our County that was so cited.

A little bit about us. We are one of the largest hospitals in the State. We are number two in discharges, number three in emergency room visits. We provide more inpatient women's services than any hospital in Maryland. We are in every survey that's conducted most trusted by women for the services that we provide, and in fact in our own surveys it's three times as high as the number two choice. We provide more uncompensated free care, prenatal care to uninsured women than anybody in Maryland by far. Since, from 1999 to 2007 at the request of Montgomery County we were the only provider of services to women who were pregnant and had no means of paying for their healthcare. Since that program began 16,000 women have been served at Holy Cross through that program. Nobody comes close to that. In the last year 900 women from the upcounty, from the Germantown area, came all the way to Holy Cross for their prenatal care

because that's where it was available and they got that care and they had their deliveries.

In addition to those services, which are now provided by some other hospitals, we are the only provider of certain specialty GYN services to women. There are services for women who get an abnormal pap smear that can only be provided, we are the only ones who provide it at Holy Cross. So we get referrals from the County government, from the other safety net centers, from other hospitals, and from Planned Parenthood for those services. And we provide all the care, including all the follow up care through surgery and radiation and chemotherapy if that's required.

My point here is that of the services that are really needed in our county, the real access issues are poor people. No one does more of that than we do, particularly for women. And what this program will allow us to do is have a center that is closer so that the prenatal care and frankly the deliveries don't require people to make such a long trip all the way down to Silver Spring.

We're the only hospital in the County that runs outpatient centers for the uninsured. We have two of them. We're opening a third one next year, we hope. One of them actually is a seven-year lease that's been under, it's a fifteen-year lease, we're seven years into it, with Montgomery College. We provide care for people who lack insurance at that center and we provide hospitalization if they need it.

TREASURER KOPP: And where is this center?

MR. SEXTON: It is in Silver Spring, at the Health Sciences Center at Montgomery College.

TREASURER KOPP: One of the questions was why the College didn't do anything with the hospital in Silver Spring.

MR. SEXTON: Right. Well we have a very large component of students at our place. And in fact last year we had forty-six students rotate just through the Health Center in Silver Spring. Many of them nurses, but also people in health information technology. Because we're putting in electronic medical record there that we're giving folks training on.

So what I would say to you is that no hospital provides all services. And in fact, none of the hospitals in Montgomery provide more than 70 percent of all the services listed by the American Hospital Association. Most of us provide a lot of them, but none of us, and we don't all provide exactly the same ones. Sometimes that is a good thing, because of health planning reasons. And sometimes it's just economics. And sometimes it is the availability of physicians to do those particular services.

The services that we don't provide are extremely limited. I would take issue with a number of those claims. Holy Cross opened the first hospital based hospice program in Montgomery County. We were the first hospital to hire a full-time palliative care physician and fellow. We work very hard to get people to be directive about what they want to do at the end of our lives. It's a great tragedy in our State that frankly our laws haven't kept up with what is needed, in my opinion, to make sure that people make and can

executive better choices. We believe in that strongly.

What we don't do is widely available. That's exactly what was said in the opinion of the reviewer in the CON process. Widely available, and frankly not provided by hospitals generally. It is just a fact of life the services that we're talking about here are provided by physicians mostly in an outpatient setting. It's like many other things. It's like cataract surgery. Once something can be done outside of the hospital, people do it outside of the hospital.

So there is not an access problem here unless you're poor, and Holy Cross does more about that than anybody else.

LIEUTENANT GOVERNOR BROWN: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yeah, no, for cataract surgery if someone tells me after that not to go out and look at the sun that's probably good counseling advice. Is it, are your employees unable to say to people that, you know, particularly people who have HIV or other problems, that they are unable

to say as far as their counseling that condoms should be used?

MR. SEXTON: The ethical and religious directives speak to a lot of things, including physician/patient respect and confidentiality. Holy Cross does not, abides by those directives and stands behind physicians speaking to patients. We don't own the physicians. We, Holy Cross has an independent voluntary medical staff, as frankly do most of the hospitals in this State. And the physicians do as they do, and they provide the services that they provide. And we respect that, and we respect the confidentiality frankly of that conversation. That is, that is central to what we believe and frankly it's central to the --

COMPTROLLER FRANCHOT: And nurses I take it would be part of that? Or no?

MR. SEXTON: If the nurses work for the physicians that's, they are their employees. They do what they do. One of the things I think you need to understand is that many of the services we're talking about just are not provided by any of the hospitals in

the County. These are highly ambulatory, highly physician or nurse practitioner centric services. And frankly they exist overwhelmingly outside of hospitals except when people don't have the means to pay for them. Then there's no access. That's why we've created the health centers.

TREASURER KOPP: Well the other issue was an emergency.

MR. SEXTON: Yes.

TREASURER KOPP: If somebody is brought there, the mother, or the pregnant woman's life is in, and the switch is, and the fetus cannot be delivered.

MR. SEXTON: Right.

TREASURER KOPP: You would let them die?

MR. SEXTON: Holy Cross delivers more babies than anybody in Maryland. We have the most experience with these issues. And I'm here to tell you that is just not the case. I've, we are, we have made that statement publicly. We have made it in every setting. And here is what it is. We try very hard to save everybody's life in a situation like that. And when we can't, we save the life we can. That's it in a

nutshell. That's it in a nutshell. And we have a lot of experience with very, very difficult situations.

TREASURER KOPP: Good, but very unfortunate.

MR. SEXTON: It's what everybody else would do as well. You do what you can do. You do what you can do. And sometimes that is the case, what happens. You know, you have a non-viable pregnancy and a very serious situation. We do everything we can in that situation, but ultimately we save the life of the person we can.

COMPTROLLER FRANCHOT: Let me just ask it another way, I guess. Because I have a lot of respect for your opponents, and Senator Forehand who was here earlier. I take it you don't have a history of disciplining nurses and doctors who may have with their patients counseled behind closed doors that either condoms or other contraception should be used? Or do you have a history of disciplining those employees who do that?

MR. SEXTON: I think I was as clear as I can. I've never had a situation like that arise.

COMPTROLLER FRANCHOT: Okay.

MR. SEXTON: Those are the facts so rather than speculate --

COMPTROLLER FRANCHOT: No, I understand the sensitivities of this.

MR. SEXTON: -- I've never had a situation arise.

COMPTROLLER FRANCHOT: And I just wanted to, my impression is that common sense rules here and that the teachings of the Church are respected but that it's also, as I said, I think common sense prevails. I won't ask you to say anything more on that. And I appreciate your comments.

TREASURER KOPP: I have one more practical question just to follow up on what the Senator asked. You answered the question of how the College relates to Holy Cross in Silver Spring. The question of how do you get from the Tacoma Park campus to Germantown?

MR. SEXTON: Yeah I think, and I, certainly Dr. Pollard can speak. But I think the bigger issue is all of the people who live in Germantown who come all the way down for their training could do their clinical rotations closer to home.

TREASURER KOPP: That's an --

MR. SEXTON: And frankly just more slots.

There's a need for more clinical slots if we're going to raise the number of nurses. Not just at Holy Cross, although we are obviously making a very substantial number available, and the dollars are very important as well. But it is, but we just need to be able to devote more ideas and more space to people to be trained because we're going to need a lot of them.

LIEUTENANT GOVERNOR BROWN: So you are expanding the number and not shifting the number?

MR. SEXTON: Doubling the number.

DR. POLLARD: No, we're doubling the number.

LIEUTENANT GOVERNOR BROWN: You're doubling the number?

DR. POLLARD: I think that's a very important point. Because the irony of the statement, as I think you are appropriately catching, is that many of our students who are enrolled in our nursing program travel from all parts of the County to Tacoma Park/Silver Spring where we offer our didactic there. The other part that is very important about this is

that those students who are doing their clinical rotation here is one less travel, who are at this particular hospital will not have to travel to the southern end of the County. They'll be able to stay at the top of the County, or upcounty, as I understand the term we're using, to be able to secure their technical or their lab training there.

COMPTROLLER FRANCHOT: One final question for President Sexton, I take it the conditions that we're being asked to add, whether we have the ability to do that or not, I believe we do, but I take it that would not, that would, well, what impact would that have on this proposal?

MR. SEXTON: I believe that they would be singling us out in contradiction to what the State law provides in terms of protections for hospitals who follow the ethical and religious directives. I don't think they are, I don't think they are germane and I don't think they are frankly very, very significant relative to this project and what it is going to be able to do. This is exactly the issues that were addressed by the Maryland Healthcare Commission when

they look at access. That is their charge when they make a decision like this. They were convinced that we would have far more access and better access by picking this hospital in that location than the other option.

COMPTROLLER FRANCHOT: I take it it would jeopardize the whole project?

MR. SEXTON: I think the, I think the issue of what that condition said could.

COMPTROLLER FRANCHOT: Right.

MR. SEXTON: Yes.

COMPTROLLER FRANCHOT: Thank you.

LIEUTENANT GOVERNOR BROWN: Any other questions, comments, concerns? Okay, Item 4 --

TREASURER KOPP: I just have one more, actually yeah. I'm sorry.

LIEUTENANT GOVERNOR BROWN: That's all right.

TREASURER KOPP: But the biotech aspect. One thing you, you referred to but didn't say explicitly. My understanding, however, is that the hospital will to a significant extent be a site for

testing use and learning how to use, and therefore encourage the development of new devices, new things that are being developed in the life science corridor. Which now are in a more academic, R & D setting and not actually --

MR. SEXTON: I could take a --

TREASURER KOPP: I guess they're used at Shady Grove, but --

MR. SEXTON: I would take a pass at that, I think. I think when you're talking about community hospitals they have a very important role to play in biomedical research. But by and large it's clinical research. If you don't, if you're not a major academic teaching hospital with wet labs you're not going to be in on the ground floor of biomedical discovery. So you're more likely to be testing products, drugs, etcetera.

The one exception I think will be in informatics. I think there are all sorts of informatics development that could be tested really fairly early in the process.

TREASURER KOPP: Well that actually is what I had in mind because I remember visiting the School of Nursing in Baltimore some years ago when they were one of the, and I assume they still are, the leaders in developing informatics in the nursing setting. And the question is, will there be that sort of, initial because it's a community college, initial introduction for the students to the most modern techniques?

MR. SEXTON: Actually I have a very interesting point to make on that. Because we've created this committee to work together on this to try to, to try to address opportunities for synergy and health information technology is one of those areas. And one of the things that the College has chosen to do out of this discussion, this work group, is to create a special module specific to Maryland. We use different health informatics than any other state in the country and we don't have people trained in how to code under that system. So what we've done is we've created the program through the College and the Hospital to now put in a training module that will allow people to do that. And they will have to get

their experience within hospitals as they do that. And that's going to be critical, frankly, it's a critical place for us to get workers. It's one of the hardest jobs there is to fill, health information technology folks, particularly in the coding side of the equation.

DR. POLLARD: I think the other point that I would offer outside of our nursing program, as Kevin mentioned, just in health information technology, we have about another dozen give or take health sciences or allied health science programs. And the opportunity for those students to have a rotation through the Hospital. But also our very significant and nationally recognized biotechnology program will also have the opportunity, as we use Holy Cross as an anchor to recruit other industries and other companies to that Science and Technology Park. Those students will benefit from the opportunity to rotate into other areas, not just the hospital. So for us it's a very important first step in being able to actualize the broader vision for the Science and Technology Park.

TREASURER KOPP: Maybe as you do that you could counsel the Johns Hopkins Institution in East Baltimore, how they can attract the people they had been hoping to attract.

LIEUTENANT GOVERNOR BROWN: Anything else from the Comptroller or the Treasurer? Let me thank Holy Cross for your participation in advancing one of the O'Malley-Brown strategic goals, which is to be first in the nation for the implementation of health information technology and the adoption of electronic health records, and the work that you are doing. It's going to go a long way. It's going to be a benefit not only in this relationship but in all of our institutional providers and their partners in the adoption of electronic health records. So we really, really appreciate that.

Okay. So Item 4 is on the table. Do I have a motion to approve, or any other motions?

TREASURER KOPP: I would move to approve.

LIEUTENANT GOVERNOR BROWN: Move to approve?

TREASURER KOPP: Understanding the concerns that were expressed, and understanding that we're

going to be watching to see how it develops, watching very, very closely. I think that in terms of approving this lease for this amount of money is in order for the Board.

LIEUTENANT GOVERNOR BROWN: A motion to approve is made.

COMPTROLLER FRANCHOT: Second.

LIEUTENANT GOVERNOR BROWN: Seconded by the Comptroller. All those in favor say, "Aye."

THE BOARD: Aye.

LIEUTENANT GOVERNOR BROWN: Any nays?

(No response.)

LIEUTENANT GOVERNOR BROWN: None. Item 4 on the Department of General Services Agenda is approved. And --

MR. COLLINS: There are twelve more items.

LIEUTENANT GOVERNOR BROWN: Twelve more? Motion to approve is made -- no, is there any discussion, questions, comments, concerns on any of the other items on the Department of General Services Agenda?

COMPTROLLER FRANCHOT: None for me.

LIEUTENANT GOVERNOR BROWN: Any other questions on the Agenda?

TREASURER KOPP: No.

LIEUTENANT GOVERNOR BROWN: Okay. Hearing none, so the motion is made by the Comptroller, seconded by the Treasurer to approve the balance of DGS' Agenda. All those in favor say, "Aye."

THE BOARD: Aye.

LIEUTENANT GOVERNOR BROWN: Any opposed?

(No response.)

LIEUTENANT GOVERNOR BROWN: Hearing none, the DGS Agenda is approved. Let's start now, or return to the Secretary's Agenda. And I want to thank all of those who participated in the discussion, provided testimony, and written comments on Item 4 that we just ruled on. Thank you for coming and participating before the Board of Public Works. As you are departing, please, if you could keep your conversations to nothing and then resume them --

(Laughter)

LIEUTENANT GOVERNOR BROWN: -- when you make your way outside we would appreciate it. So Madam Secretary, you are on. Thank you --

SECRETARY MCDONALD: Good morning, Governor, Madam Treasurer. We have thirteen items on the Secretary's Agenda this morning. We have two reports of emergency procurements. And we are withdrawing Item 1 which will return at a later date.

TREASURER KOPP: That is the Aging --

SECRETARY MCDONALD: Office of Aging, Department of Aging, yes.

TREASURER KOPP: Governor, because Ms. Konrad has been standing there so patiently, but very interested I'm sure, for the entire meeting thus far I would simply draw the Board's attention to Items 8 and 9 which are the upcoming bond sales. Eight authorizes the issuance of a refunding, refunding bonds up to \$550 million if the market so allows. If interest rates are appropriate and we save sufficient money by doing it. It allows us over the next ninety days? How long is it open for?

MS. KONRAD: With the rating --

TREASURER KOPP: About ninety days after we get the ratings you have to go to the market. So that's the window for when we can judge whether the taxpayers would save enough money to complete this issue. And then nine is the new money bonds, both the negotiated competitive, the Qualified Zone Academy Bonds, and the Qualified Energy Conservation Bonds. As you know the bond rating agencies are coming to visit us in about ten days. We're going to show them BRAC, among other things, and the progress that the State of Maryland is making. And then we'll be going to the market in July with this new issue. And this is the next step in the authorization by the Board. It is really the Board which does the issuance, the Treasurer acting as their representative. Just to tell you what's before us.

COMPTROLLER FRANCHOT: Move approval.

LIEUTENANT GOVERNOR BROWN: The Comptroller moves approval, seconded by the Treasurer. All those in favor say, "Aye."

THE BOARD: Aye.

LIEUTENANT GOVERNOR BROWN: Any opposed?

(No response.)

LIEUTENANT GOVERNOR BROWN: Hearing none the Secretary's Agenda is approved. And I want to thank the Treasurer and your staff for your continued good work and diligence on our bond sales and enabling us to get, you know, our competitive rates, and putting to good use our debt capacity here in Maryland.

TREASURER KOPP: Thank you. I must say that one of the things that Maryland is well known for, actually, is the coordination and the cooperative work between the Legislature, the Governor's Office, the Comptroller's, and the Treasurer's, and everybody coming together to show the world what a fine State this is in which to invest. And we thank Patti, who just left, but who honchos the whole thing.

LIEUTENANT GOVERNOR BROWN: Thank you. Next will be, we'll call the Agenda for the Department of Budget and Management.

TREASURER KOPP: Open Space.

SECRETARY MCDONALD: Actually Program Open Space.

LIEUTENANT GOVERNOR BROWN: Oh, I'm sorry.
Missed one, it's right up there. All righty.

MS. LATHBURY: Good morning, Governor, Madam
Treasurer, Mr. Comptroller.

LIEUTENANT GOVERNOR BROWN: So we'll call
the Agenda for Program Open Space.

MS. LATHBURY: Meredith Lathbury with the
Department of Natural Resources. We have two items on
the Agenda this morning. I'll be happy to answer any
questions.

TREASURER KOPP: I don't have any questions,
but I look forward to consultation on how to deal with
these new Marylanders that are living with me.

(Laughter)

MS. LATHBURY: I will be happy to share
about my five-and-a-half-month old.

TREASURER KOPP: Thank you.

LIEUTENANT GOVERNOR BROWN: Anything else on
Program Open Space?

COMPTROLLER FRANCHOT: Move approval.

LIEUTENANT GOVERNOR BROWN: Motion made by the Comptroller for approval, seconded by the Treasurer. All those in favor say, "Aye."

THE BOARD: Aye.

LIEUTENANT GOVERNOR BROWN: Any opposed?

(No response.)

LIEUTENANT GOVERNOR BROWN: Hearing none the Program Open Space Agenda is approved. Thank you. Now we will move to the Department of Budget and Management's Agenda. Hello Secretary Foster, how are you?

MS. FOSTER: Governor, Madam Treasurer, Mr. Comptroller, good morning. There are twenty items on the Department of Budget and Management's Agenda for today and I'll be happy to answer your questions.

LIEUTENANT GOVERNOR BROWN: I just have a comment on Item 12. And I've got some concerns with Item 12. Is anyone from MPT here?

SECRETARY MCDONALD: Mr. Shuman is here.

MS. FOSTER: Yes.

LIEUTENANT GOVERNOR BROWN: Yes. Mr. Shuman?

MS. FOSTER: And Item 12 is a contract to provide direct marketing services for MPT's fundraising activities.

LIEUTENANT GOVERNOR BROWN: And really the only issue I have, I don't think we can resolve this on the Board, so let me simply say to Rob Shuman congratulations for your retirement. You've done an outstanding job at MPT. We really appreciate the programming. It's relevant. It's timely. It's comprehensive. And on behalf of the Governor and myself, and I know I speak for many, I want to say thank you for your years of public service.

MR. SHUMAN: Wow, this is probably my best Board of Public Works meeting yet.

(Laughter)

MR. SHUMAN: And thank you for calling me up, Lieutenant Governor. Yourself and Governor O'Malley and your recognition of public media and its responsibility to our community to keep our citizens informed, to assist in our education, has been outstanding. I know we've gone through some very difficult times and even in those difficult times

Secretary Foster has taken the surgical knife to us as opposed to the --

LIEUTENANT GOVERNOR BROWN: Hatchet?

MR. SHUMAN: -- the hatchet.

MS. FOSTER: That's right.

MR. SHUMAN: Treasurer Kopp, your support in terms of our education, our Thinkport efforts. I remember early on talking to you about that, it's something that we're very proud of. Comptroller Franchot, with respect to financial literacy and the support we've gotten from you. Secretary Collins, my thanks to all of you. It has been a wonderful time here the last fifteen years. Struggles, challenges, but I think we're leaving MPT at a time where it's ready to ascend as our State does as well. Thank you.

LIEUTENANT GOVERNOR BROWN: Mr. Comptroller?

COMPTROLLER FRANCHOT: I am delighted to have you up here, and I was wondering why you look so happy.

(Laughter)

MR. SHUMAN: I'm happy now.

COMPTROLLER FRANCHOT: But thank you for your, I think it was fifteen? Or sixteen years of service? It is much appreciated. And I'm sure you have the black and blue marks to prove that you've been here through the legislative battles, and agency battles. And thank you for what you've done. And it's a great operation and I wish you many years of success in whatever you choose to pursue now. Thank you, though, on behalf of the State.

MR. SHUMAN: Thank you, sir.

TREASURER KOPP: Rob, let me just add I remember when you came. And we were in great need of your leadership. There really was even a question of whether MPT would survive or not. And through hard times and good I think we've made tremendous progress. We're in an entirely new century now, an entirely new situation. And we're there because you stuck to the helm. And I just want to thank you.

MR. SHUMAN: Again, thank you all. I've got a, I don't have a bucket list, I have a barrel list. And I am excited. Thank you, Lieutenant Governor.

LIEUTENANT GOVERNOR BROWN: Thank you.

MR. SHUMAN: And I want to particularly thank you for your support on V-Me. That was an important launch and an important community.

LIEUTENANT GOVERNOR BROWN: It sure was. It was fun, too.

MR. SHUMAN: Thank you.

LIEUTENANT GOVERNOR BROWN: Thank you for including me. Right, anything else on this item or any other item on DBM's Agenda?

COMPTROLLER FRANCHOT: I have a question on Item 15.

MS. FOSTER: Item 15? Item 15 extends the enrollment broker services contract by nine months to allow them to complete the contract. And we have the Deputy Secretary for the Department of Health to speak on that item.

MR. KIM: Good morning, Governor Brown, Mr. Comptroller, Madam Treasurer Kopp. My name is Thomas Kim, Deputy Secretary. I'll be happy to address your questions.

COMPTROLLER FRANCHOT: Okay. My, I guess my observation is that we're being presented once again

with a request for an extension but the contract runs out on June 30. So in effect there's no realistic option for us other than to approve the extension. And I hope that in the future we can continue to understand that this Board has important responsibilities as far as accountability. And it's very difficult to exercise that if we're being told, "Approve this or there are huge problems," because of the deadline. Just a comment.

But actually as long as you're here I did want to bring up a story that I read about in the Sun paper last week about the destruction of the blood test records for lead poisoned children that was occurring within the Health Department's lab. The story has been thoroughly covered. It's not my intent to rehash the details. But I know the Director and Deputy Director of the lab were placed on administrative leave and have since retired. I'm curious to know whether there are any new administrative controls, checks and balances if you will, that have been put in place so that this sort of thing doesn't happen again. And I ask that because

the inspector general's report betrays some real structural and deep seated issues within the lab. Apparently supervisors felt overwhelmed and understaffed. There was a simmering culture of animosity between the lab's employees and plaintiffs' lawyers who frequently asked for records. And that strikes me as issues that aren't necessary going to be solved simply by replacing people.

MR. KIM: And I can certainly speak to that on a fundamental level. But we'd be happy to address your concerns and specific policies that are currently in place and have been put in place since the discovery of that particular incident, Mr. Comptroller.

But in general the policies as it relates to the destruction of records and information in general vary across our department in terms of the programming and in terms of the laws and regulations set forth in COMAR, for example. And so it is paramount that each individual division is A, aware of what those laws and regulations are, and B, is to ensure that we have a system that they are actually adhering to those

policies. And those are two areas for which we have addressed very acutely over the, since the discovery of this particular incident. And again, the details of which we can certainly articulate.

But again the, and there is interface with the Department of General Services as it relates to the record keeping protocols as well. And another component has to do with the inventory and the tracking thereof of the records that we do keep on a department basis. You know, including of course what is stored at the labs as well.

So to further address your concerns, Mr. Comptroller, is that, you know, we understand that there has to be a very transparent way for leadership across the board at DHMH to fully understand where, what the policies are, the adherence to the policies, and to ensure that the policies are reviewed and audits are performed on a regular basis to ensure that the divisions are doing what they are supposed to do. But I --

COMPTROLLER FRANCHOT: Good. If you could just keep us informed as to, in addition to new personnel, what the new administrative controls are --

MR. KIM: Of course.

COMPTROLLER FRANCHOT: -- and checks and balances, that's fine. Thank you for that response, and thank you for recognizing that.

LIEUTENANT GOVERNOR BROWN: You know, let me just ask a question on Item 15 and get some more information, more than anything else. And it says, "Contract to provide Statewide outreach, education and enrollment services to HealthChoice and Maryland Children's Health Program enrollees." Can you just describe the Statewide nature of the service?

MR. KIM: Sure. The HealthChoice enrollment services contract is the centerpiece of the HealthChoice program in terms of recipient outreach, education, enrollment, primary care provider selection, and general transfers in and out of managed care organizations. The enrollment broker that is provided through this contract provides customer service to recipients by contacting and educating

enrollees about their managed care opportunities to, so that in a nutshell is what the contract provides for.

Now to address some of the Comptroller's concerns, legitimate concerns, as far as the department bringing this item before the Board for an extension is the fact that earlier this year in May, actually just approximately a month ago, is when we knew that the federal government would be providing very explicit guidelines over the summer as it relates to the navigator component of the Affordable Care Act. Which means that specific guidelines as far as how these enrollment brokers would be interacting with recipients and with citizens, that those guidelines are a key component. And that the Department had, again, could have gone through to the Board and had a multiyear contract with, you know, and gone through another solicitation process. But it felt like that it will do that when it understands what this key navigator component is, and the guidelines better that come from the federal government. So the decision that was made was to extend the existing contract for

the amount of time that it would take to do a full RFP, you know, with the guidelines for the navigator in the specifications for the new solicitation.

Of course there are guidelines with, you know, ACA --

LIEUTENANT GOVERNOR BROWN: Let me just say this, let me just jump in here.

MR. KIM: Yes?

LIEUTENANT GOVERNOR BROWN: If the Comptroller or the Treasurer has more concerns about the nature or the reason for the extension I'll let them follow up with questions, because that's not where I'm going. I'm sort of interested --

MR. KIM: Sure.

LIEUTENANT GOVERNOR BROWN: -- in something a little different. But certainly we can come back to that if necessary. But, so you've got this outreach Statewide. You have enrollees in communities throughout Maryland, is that right?

MR. KIM: Yes, that's correct.

LIEUTENANT GOVERNOR BROWN: Throughout Maryland. So the reason why I'm asking about this,

and it's not really specific to this, but I was in Western Maryland yesterday and speaking with some local businesspeople about our Statewide service contracts. And the concern was that a smaller sized firm, maybe an accountant or maybe someone in sort of the outreach and education and the healthcare field, they just simply can't compete for these Statewide because they couldn't reach to Ocean City, let alone Oxon Hill in Prince George's County, and barely out of Oakland. So their question to me was could the State consider, DBM and other procurement managers and officers, breaking down some of these where it doesn't jeopardize the feasibility, the viability, the economic budget rationale, or common sense, or good practices.

I know we've done that for big IT contracts to try to promote local businesses. We've done that with MBE, where we've identified component parts to big contracts, because you have an MBE that couldn't do the whole thing but they could do component parts. And where the generals come in and say they can't meet MBE goals we sit down with them and say, "Well what

about here?" And we encourage, we nudge, etcetera. So the question that was asked of me from Western Maryland is can we do that with these Statewide, particularly these Statewide service contracts? I don't, I'm using Item 15 as a vehicle to raise this issue. I'm not expecting you to answer that, or anyone to answer that. But perhaps Secretary Foster you could give that some thought?

MS. FOSTER: Certainly.

LIEUTENANT GOVERNOR BROWN: And run something back to the Board of Public Works in terms of, you know, whether this is something that is doable. And maybe we are doing it in some areas, I don't know.

MS. FOSTER: And I think we are doing it in some instances, certainly on a regional basis. But we can look at it and see what kinds of contracts may lend themselves to specific jurisdictions and whether that would be appropriate. I'll be happy to get back to you.

LIEUTENANT GOVERNOR BROWN: Thank you.

Thank you. Anything else on Item 15? Thank you very

much. Anything else on any of the other items on the

--

TREASURER KOPP: I have a couple of things.

LIEUTENANT GOVERNOR BROWN: Mm-hmm. Yeah.

TREASURER KOPP: Starting with number one, the weather data integration services. Is there anyone here who --

MS. FOSTER: Yes. Erin Easton, who is the Deputy Director of MEMA is here.

TREASURER KOPP: Really?

MS. FOSTER: She's here. And Item 1 is just a contract to provide up to date weather data information using a network of 350 Maryland weather stations.

TREASURER KOPP: I just have a basic question about this project. Thank you.

MS. EASTON: Sure, thank you.

TREASURER KOPP: Could you identify yourself again, please?

MS. EASTON: Erin Easton.

TREASURER KOPP: Ms. Easton?

SECRETARY MCDONALD: And your position, please, so we can have it on the record?

MS. EASTON: The Director of Administration at the Maryland Emergency Management Agency.

TREASURER KOPP: Hi, good morning.

MS. EASTON: Hi.

TREASURER KOPP: This looks like a very interesting contract, and I understand that it's not the first time. But the use of WeatherNet to keep MEMA and then everyone on top of weather related events, weather is certainly getting more erratic, no question about it, and dangerous events. How exactly is this, the information comes in to MEMA, as I understand?

MS. EASTON: Mm-hmm.

TREASURER KOPP: And then is translated to local governments or first responders directly instead of waiting for, that's my question.

MS. EASTON: Right. And I actually have Brian Muser here. He's our Technology Director at MEMA. And he can speak to how the actual technology part works.

TREASURER KOPP: Just very briefly. But I mean this seems to me --

MS. EASTON: Sure.

TREASURER KOPP: -- a significantly important tool.

MR. MUSER: Yes, ma'am. My name is Brian Muser. I'm the Technology Director at MEMA. What WeatherNet has the ability to do is they have 300, over 300 weather stations throughout the State of Maryland. So we capture that data in real time and then we then roll that, and the locals can then also see that information, it's real time weather data. National Weather Service is every hour to two hours and only at airports, regional local airports.

TREASURER KOPP: Right. So I know Mr. Vanderbosch, our Attorney General, asked you all a question about it in relation to this spring, whether it had been useful in transmitting information. And also in terms of terrorist concerns --

MR. MUSER: Well --

TREASURER KOPP: -- security concerns in terms of knowing where the air plumes are --

MR. MUSER: Correct. It has a couple of components in relation to that.

TREASURER KOPP: Yeah.

MR. MUSER: During the recent rainstorms, the foul weather that we've had, we've had the ability to actually track the storm as it's moving across the State. We visually can see the line of the storm, which now the Weather Service doesn't provide for us. So being able to see that information and then being on the phone with the local jurisdiction emergency manager, as well as the executive staff at MEMA, we're able to have a predefined response to as the storms are passing through. Rather than having, you know, responding after the fact we can preplan our responses in advance.

TREASURER KOPP: And does it actually fit into the national weather of, I mean, are there ever conflicts? Of they are saying this is happening and meanwhile they are sending out --

MR. MUSER: No, there's never a conflict. It's just the advantage that we've gotten it sooner.

TREASURER KOPP: Yeah.

MR. MUSER: This service is also used by several federal agencies, DOD, NOAA utilizes this service. We also have other, some television channels within Maryland that also utilize the --

TREASURER KOPP: What about the utilities?

MR. MUSER: Some of the utilities are actually using our resources. So we have it in our GIS solution of EMMA and, which is now the Osprey, is the next generation that we're working on. So they actually have a log in to ours and they can utilize our application.

TREASURER KOPP: So they could see also what was --

MR. MUSER: That's correct.

TREASURER KOPP: My power went out again yesterday. I, Pepco --

(Laughter)

MR. MUSER: I can feel your pain.

TREASURER KOPP: I thought we would draw their attention to this ability if they didn't know that they had it.

MR. MUSER: So yeah, they have the ability to utilize it if they deem appropriate. We don't, you know, obviously we don't mandate, saying they have to use it.

TREASURER KOPP: Right. Right. Well.

MR. MUSER: All of our local jurisdictions though do use it.

TREASURER KOPP: The other thing is that just, it's one sentence that you respond to Mr. Vanderbosch, or someone did --

MR. MUSER: Mm-hmm.

TREASURER KOPP: -- that I wanted to, he asked about, or you mentioned the ability to generate plume modeling from Calvert Cliffs or Peach Blossom, Peach Bottom, excuse me.

MR. MUSER: Yes, ma'am.

TREASURER KOPP: And then relay it during times of an emergency at either of these plants, it gives, it says Maryland Department of Energy?

MR. MUSER: Environment.

TREASURER KOPP: Environment? Okay, that was one of my questions. The tool to make definitive

decisions for the protection of the citizens within those regions. Isn't it the government, I mean, I'm a little confused about who makes decisions for protection in what way --

MR. MUSER: MDE --

TREASURER KOPP: This sentence raises a concern of mine.

MR. MUSER: The recommendations of should a citizen ingest KI for the potassium 4 release, or any of that nature, actually comes through the Secretary of the Maryland Department of the Environment. So the MDE's response to that, and we have, if we activate our emergency operations center we have an MDE representative physically in the emergency operations center who is also looking at those plume models.

TREASURER KOPP: Right.

MR. MUSER: And then in concern with communications with the field people of MDE, they make those determinations and those recommendations to the Secretary.

TREASURER KOPP: Right. Well I would just be interested in knowing whether that is sua sponte a decision made by the Secretary of --

MR. MUSER: I'm sure it's --

TREASURER KOPP: -- the Environment, or they don't --

MR. MUSER: I'm sure it's in communications with Health.

TREASURER KOPP: -- the Governor and --

LIEUTENANT GOVERNOR BROWN: So what we know is that there are elevated levels of decision making in the emergency management arena.

TREASURER KOPP: Right.

MR. MUSER: Yes, sir.

LIEUTENANT GOVERNOR BROWN: Many of them made by cabinet secretaries. The Secretary of Health and Mental Hygiene makes a number of them in public health areas. And so because we should always use every opportunity to just check and double check to make sure what would be helpful is you all just go back and identify the written protocols for the

decision making, the elevated decision making for this particular issue. And that would be helpful for us.

MR. MUSER: I'm sure we already have that.

LIEUTENANT GOVERNOR BROWN: Oh, I'm sure you do.

MR. MUSER: We already have that. We have those plans.

TREASURER KOPP: I'm sure you do, and it really was just this one sentence in your response. And I really appreciate the response that raised this concern in my mind, of who does what, and who reports to whom.

LIEUTENANT GOVERNOR BROWN: Mm-hmm. Good.

TREASURER KOPP: Just to clarify.

MR. MUSER: Yes, ma'am.

TREASURER KOPP: Thank you.

LIEUTENANT GOVERNOR BROWN: I have a question on this one. So it's sole source, and "because ENI's WeatherNet is unique in its density and timeliness and is a proprietary product of ENI." I'm not endorsing every other vendor, believe me. But since I visited WeatherBug it's just, you know, I'm

thinking about that. I'm not endorsing it. I'm not suggesting it.

MR. MUSER: Right.

LIEUTENANT GOVERNOR BROWN: But, I mean, WeatherBug. I mean, they've got a whole bunch of reporting stations throughout Maryland and the nation.

MR. MUSER: WeatherBug is Weathernet, sir.

LIEUTENANT GOVERNOR BROWN: Oh.

MR. MUSER: It's AWS --

LIEUTENANT GOVERNOR BROWN: I guess when I visited I was so in awe of the technology that I just didn't hear the information they were giving me, and I went right by the welcome sign that said Weathernet.

MR. MUSER: If you look at it on the public side of the house you'll see WeatherBug for your television screen, WeatherBug on your computer. But if you look on the commercial side --

LIEUTENANT GOVERNOR BROWN: Got it.

MR. MUSER: -- it says Weathernet.

LIEUTENANT GOVERNOR BROWN: All right, good.

MR. MUSER: But they are synonymous. It's all, Earth Networks is the one vendor.

LIEUTENANT GOVERNOR BROWN: All right.

Thank you. Anything else on DBM? On this item? Or any other items on --

TREASURER KOPP: I have a brief question on number five.

LIEUTENANT GOVERNOR BROWN: Thank you.

TREASURER KOPP: Thank you. It's very interesting.

LIEUTENANT GOVERNOR BROWN: Yeah.

MS. FOSTER: Item 5 is a contract to provide job placement services for the non-custodial parents in Prince George's County who are receiving unemployment benefits, and who are in arrears in their child support payments. And we have with us Secretary Dallas.

TREASURER KOPP: Good morning.

MR. DALLAS: Good morning. This contract, as Secretary Foster described, this is a contract to provide job training services for non-custodial parents in Prince George's County who are in arrears on their child support. I'm happy to answer any questions you may have.

TREASURER KOPP: Great. I have a question that again was raised by Mr. Vanderbosch, but I thought a very good one. And that is the measures of success. And we were reported, and this is just one region, I'm not talking about this particular office. Success rate was reported to us in terms of enrolling in the program rather than in terms of job placement. And I just need your help in understanding why that should be our measure?

MR. DALLAS: Well I think that it should be one of the success measures is enrollment in the program. Enrollment is defined as three consecutive meetings, and that's getting folks involved, getting them in the process. But I think what you're getting at is the real measure of success is placement in a job.

TREASURER KOPP: I would think placement and continuation for a period of time.

MR. DALLAS: Mm-hmm, and retention in a job.

TREASURER KOPP: Retention.

MR. DALLAS: And that is a much more difficult standard to meet rather than just getting

folks getting enrolled in the program. It's about, the program we have in Prince George's County is a voluntary program as opposed to other ones that are mandatory. The success rate is a little lower. It's about 52 percent of those folks who stay, remain, stay or remain engaged in the process. You have some folks who come and they stay for the first three programs and, for compliance issues or for other issues, they wash out of the program. The measurement we have is about 52 percent of those who make it through the program who work with the folks working on the grant, 52 percent find employment, are placed in a job.

TREASURER KOPP: Okay. So first of all half of them wash out --

MR. DALLAS: Mm-hmm.

TREASURER KOPP: -- not because they've received jobs, or found jobs otherwise, but for other reasons?

MR. DALLAS: Yes. There are compliance issues. They stop coming to the meetings. And by nature it's a voluntary program so if they stop coming then they are no longer part of the program.

TREASURER KOPP: Okay. Although we have spent money and we don't know whether in fact they have entered the workforce or not?

MR. DALLAS: Well it's interesting. When this came before me, other versions of the program are mandatory when it's court ordered and I think those are a little more successful. One of the things that we're going to take a look at as we extend this grant will the federal government allow us to use it as a mandatory program as opposed to just a voluntary one, to see if we can get --

TREASURER KOPP: Well I mean the point is to get people into the right jobs --

MR. DALLAS: Yep.

TREASURER KOPP: -- and retain them in the jobs. And I mean it's interesting, it would be interesting to know whether the mandatory part may keep them in this program and may even get them placed. The question is whether we have true participants in the workforce --

MR. DALLAS: Having, yeah and I think it's, other places where this program is in place they've

been mandatory and I think the participation rate is slightly higher. I think for this particular grant the idea was to look for people who were job ready or work ready and get them to voluntarily commit to the process. That has resulted in a slightly lower rate than I think in other programs across the country. So as we extend the contract I think we're going to look at the terms of --

TREASURER KOPP: Do you follow up the retention aspect?

MR. DALLAS: I do not know. I don't know --

TREASURER KOPP: There is somebody behind you who is giving --

MS. JOHNSON: Good, is it morning? Good afternoon. My name is Jarnice Johnson. I'm the Director for Prince George's County Office of Child Support Enforcement. And yes, we do follow up with our non-custodial parents participating in the Survive and Thrive Program. That's the name of the program. We meet monthly with the current vendor and they provide us a status update on every non-custodial parent referred to the program. We do keep numbers

each month statistically, where they are, and the progress they are making. Most of the time individuals do fall out of the program for various reasons. They start with the program but some attain employment on their own. Some individuals actually leave the state to seek other employment. Some individuals reconcile with the custodial parent, thereby falling out of the program. Right now we have approximately seventy-five non-custodial parents who are gainfully employed. We've actually referred approximately 280 non-custodial parents to the program and of that 265 have actually been enrolled and are currently working with the vendor on seeking employment.

TREASURER KOPP: So out of 280, 265 -- 280 were referred to the program?

MS. JOHNSON: Correct.

TREASURER KOPP: Of that 265, you say, are still, how does that fit with the 50 percent --

MS. JOHNSON: They are actually still in the program but have not gained employment. Some have dropped out, but some have gotten employment.

Seventy-five of the 265 enrolled have actually gotten a job.

TREASURER KOPP: All right. So enrolled are not people who did enroll, but they are currently --

MS. JOHNSON: Correct. Enrollment means actively gone through the eligibility screening process by the Office of Child Support Enforcement staff. They are then enrolled, or referred I should say, they are referred to the work program with our Educational Data Systems.

TREASURER KOPP: Okay. I don't want to take up the time of my colleagues.

MS. JOHNSON: Okay.

TREASURER KOPP: And I have no problem I guess going forward with the continuation of this program. But I would like the problem offline --

MS. JOHNSON: Oh, sure.

TREASURER KOPP: -- and whoever else is interested --

MS. JOHNSON: Absolutely.

TREASURER KOPP: -- to learn more about it.

I do think that our concern is for the families, the children, making sure they are supported.

MS. JOHNSON: Yes.

TREASURER KOPP: And that people enter the workforce and stay in the workforce.

MS. JOHNSON: Absolutely. And that's the focus of the program, is to get these individuals while they are receiving unemployment insurance benefits before those benefits run out and then the children --

TREASURER KOPP: Right.

MS. JOHNSON: -- don't receive anything.

TREASURER KOPP: And I would hope we've structured our accountability measures --

MS. JOHNSON: Yes.

TREASURER KOPP: -- to measure that and not simply measure what is --

MS. JOHNSON: Yes.

TREASURER KOPP: -- easily measurable.

MS. JOHNSON: Yes, ma'am. Thank you.

TREASURER KOPP: Thank you. Mr. Secretary, thank you.

MR. DALLAS: Thank you.

TREASURER KOPP: Good to see you.

LIEUTENANT GOVERNOR BROWN: Anything else on this item? Anything else on any other items on DBM's calendar?

COMPTROLLER FRANCHOT: Move approval.

LIEUTENANT GOVERNOR BROWN: Okay. The Comptroller moves approval, seconded by the Treasurer. All those in favor say, "Aye."

THE BOARD: Aye.

LIEUTENANT GOVERNOR BROWN: Any opposed?

(No response.)

LIEUTENANT GOVERNOR BROWN: Hearing none, DBM's Agenda is approved. We'll now move to the University System of Maryland.

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

SECRETARY MCDONALD: We also have a revision to Item 7 that we have to detail because it came in at the beginning of the meeting.

LIEUTENANT GOVERNOR BROWN: Hold on, hold on, hold on one second. Excuse me, folks? Excuse me, really, attention in the room, please. I mean, when you move in and out of the room, please, if you'd just sort of allow us to continue the meeting, to proceed. And we can't do that when there's talking. Thank you. Where were we?

SECRETARY MCDONALD: Governor, let me hand you this revised item. It is simply an amount change, but I want to make sure --

LIEUTENANT GOVERNOR BROWN: Okay.

SECRETARY MCDONALD: -- that the top amount on the first page recommendation, that amount should read \$118,384. And on the third page of the item under F the amount should revise downward to \$4,788. They don't affect the substance of the item but I did have to make them on the record because they only just came in now.

TREASURER KOPP: There's not going to be a fourth --

MR. EVANS: No, ma'am.

SECRETARY MCDONALD: That was the third revision to the item, but it's right now.

LIEUTENANT GOVERNOR BROWN: Okay, thank you. Any interest, comments, questions?

TREASURER KOPP: Great interest.

LIEUTENANT GOVERNOR BROWN: Yeah --

SECRETARY MCDONALD: I do want to say that your assistant did think that those were very expensive projectors and so now we know that they were not quite as expensive projectors, so Mr. Large had carefully eyed that.

LIEUTENANT GOVERNOR BROWN: Okay. The Treasurer moves approval, the Comptroller seconds USM's Agenda items for this morning. All those in favor say, "Aye."

THE BOARD: Aye.

LIEUTENANT GOVERNOR BROWN: Any opposed?

(No response.)

LIEUTENANT GOVERNOR BROWN: Hearing none, USM your Agenda items are approved. Thank you.

MR. EVANS: Thank you.

LIEUTENANT GOVERNOR BROWN: Okay. We'll go next to the Department of Information Technology. Good morning.

MR. SCHLANGER: Good afternoon, Lieutenant Governor, Madam Treasurer, Mr. Comptroller. Elliot Schlanger, Department of Information Technology. We have seven items on the Agenda today and I would be happy to answer any questions at this time.

TREASURER KOPP: I, I have a, just a question of number five. I just want to make sure I understand what a patient tracking kit is.

MR. SCHLANGER: Okay. We have from the Department of Health and Mental Hygiene, my colleague will be more than happy to explain what a patient tracking kit is.

TREASURER KOPP: Very briefly. What is a patient tracking kit?

MR. DONAHUE: Hi, I'm John Donahue. I'm from the Maryland Institute for Emergency Medical

Services Systems. I'm the Chief of Field Operations there. This has been a project that has been going on for several years. To be able to track patients from large scale mass casualty incidents, for example the incident we had last week at the stadium in Southern Maryland where we had several children who were overcome by heat that were transported to five different hospitals from three different school systems. We need to know where we put those patients. And this includes handheld computers and also the ability to hook several of these handheld computers together through a pop up network and be able to communicate that to the central software at our facility in Baltimore so that we can build a central list of patients that were seen by the providers on the street, and know where they went, and what their status is.

TREASURER KOPP: Okay. And this is deployed across the State?

MR. DONAHUE: Yes. This is one of several grants that we've gotten. We've gotten grants through the Urban Area Secure, well not MIEMMS. So directly

MIEMMS has used some of the DHMH hospital preparedness funds in the past to buy the central software. We worked very closely with the Department of IT to be able to do that. And it also integrates with Web EOC software and several other softwares that are involved in situational awareness. The other grants have been provided to the local jurisdictions who will actually be using the handheld computers on ambulances, in hospitals, etcetera. This particular grant is to help the hospitals to be able to register the patients into the system as soon as they walk into the door so they know that we've arrived at a particular hospital.

TREASURER KOPP: So is there somewhere a narrative about, besides this, about the project as a whole?

MR. DONAHUE: Yes. I can get you a full, full description of the project and the software so that you can understand that better.

TREASURER KOPP: Yeah, that would be, I --

MR. DONAHUE: That's not a problem. I will make sure that I --

TREASURER KOPP: And is it in use at Anne Arundel, for instance?

MR. DONAHUE: Anne Arundel will be the recipient of one of those Urban Area Security Initiative Grants.

TREASURER KOPP: So one could actually go see it?

MR. DONAHUE: They will have it, have the, what we call the e-wraps, which are the pop up networks, and handheld computers in all of their EMS supervisors' vehicles in the Anne Arundel, hopefully within the next six months.

TREASURER KOPP: All right, unless others have questions I would like to learn more about that.

MR. DONAHUE: I can do a full, we can provide a full demonstration for you, actually bring you out to show you or bring it in to you and show it to you. I'll make sure we work with your office.

TREASURER KOPP: Thank you.

LIEUTENANT GOVERNOR BROWN: Anything else on this item or any other items? Mr. Comptroller?

COMPTROLLER FRANCHOT: Move approval.

LIEUTENANT GOVERNOR BROWN: Okay. The Comptroller moves approval, seconded by the Treasurer. All those in favor say, "Aye."

THE BOARD: Aye.

LIEUTENANT GOVERNOR BROWN: Any opposed?

(No response.)

LIEUTENANT GOVERNOR BROWN: Hearing none, congratulations, Secretary Schlanger.

MR. SCHLANGER: Thank you.

LIEUTENANT GOVERNOR BROWN: And now we'll go to our final calendar, Maryland Department of Transportation.

MS. SWAIM-STALEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Beverley Swaim-Staley representing MDOT. We are presenting fifteen items today, as Items 5, 6, 7, and 19 have been withdrawn. For the record, Items 3 and 15 have been revised. And to note Item 17 is an item that was held over from the last meeting, and Item 18 is the extension based on the conversation at the last meeting.

LIEUTENANT GOVERNOR BROWN: Well let's say why we've got Item 18 for. What's Item 18? Please describe Item 18?

MS. SWAIM-STALEY: Item 18 is the extension for the current contractor for the taxi services at BWI Airport.

LIEUTENANT GOVERNOR BROWN: And Item 18 would be necessary when?

MS. SWAIM-STALEY: Item 18 is necessary after the item was held over --

LIEUTENANT GOVERNOR BROWN: Right. But Item 18 would be necessary --

MS. SWAIM-STALEY: Either way.

LIEUTENANT GOVERNOR BROWN: -- if Item 17 was not approved?

MS. SWAIM-STALEY: For short term it would be required either way. But --

LIEUTENANT GOVERNOR BROWN: Okay. So what's the range you're giving us on Item 18? What are you asking for --

MS. SWAIM-STALEY: Item 18 we are asking for a year if Item 17 is not approved, or up to a year.

LIEUTENANT GOVERNOR BROWN: Right. Right.

TREASURER KOPP: Up to a year.

LIEUTENANT GOVERNOR BROWN: Up to a year.

MS. SWAIM-STALEY: Well we're asking for a year at this point in time.

LIEUTENANT GOVERNOR BROWN: I'm not following. If Item 17 is approved, what do you want Item 18?

MS. SWAIM-STALEY: In Item 18, we think a transition would probably be ninety days.

LIEUTENANT GOVERNOR BROWN: Ninety days. Okay. So you're asking, depending on the actions on Item 17, Item 18 would probably, you would be looking at anywhere from ninety to 365 days?

MS. SWAIM-STALEY: That's correct.

LIEUTENANT GOVERNOR BROWN: Okay. So why don't we take Item 17 and 18 out of the calendar. You know, separate them. And let's handle those separately. And before we go to Item 17 and 18 let's dispose of the remainder of your calendar. Any other, any questions or comments, concerns about any of the

other items? Not Item 17 or 18, but any of the other items that remain on MDOT's calendar?

COMPTROLLER FRANCHOT: Item 12. Madam Secretary, thank you for bringing this back before us. I think it's probably a pretty good news story because, well, I guess it's a \$4 million-plus contract to provide janitorial services for the rest areas in Howard County on 95. But as the Treasurer probably remembers last October we disqualified this vendor's bid because he wasn't incorporated at the time, and therefore ineligible to compete for a State government contract. Eight months later the same vendor is competing for substantially the same contract. He's come back with a bid that is the winning bid at \$700,000 less than the original submission. And so I believe we safeguarded the integrity of the procurement process and ended up with a better deal, and the taxpayers, and hats off to you, and thank you.

MS. SWAIM-STALEY: Well, thank you all.

COMPTROLLER FRANCHOT: I do want to revisit an issue that I keep bringing up apparently to no avail. These rest stops, like particularly the one in

Howard County, are costing taxpayers millions of dollars, because we're paying this money out to have this particular rest stop in Howard County maintained. When in fact they should be paying us huge amounts of revenue if we could simply do what lots of other rest stops in other states, and in Maryland also, do, which is partner with the private sector and provide something more than snack machines and a rack of brochures to travelers. If we had something like the Chesapeake House or the Maryland House located at that Howard County facility it would be packed seven days a week. It would make money hand over fist. I mean, it's just such a strategic location, just south of the Airport.

And I think it's particularly relevant because as you know the trust fund is bone dry. It's starved for revenue. We're talking about gas tax increases in the middle of a really bad economy. Folks on the Eastern Shore and others who are going to the beach are being asked to have significant toll hikes on the bridges. And I, you know, understand we need revenue for relieving gridlock and providing

convenient transit opportunities, and repair crumbling infrastructure. But I also believe that if we have an opportunity to look beyond that old predictable menu of just more taxes and more fees and more tolls and come up with innovative partnerships where the private sector makes its money, and we generate revenue, and we provide good services. So I just don't get what I'm missing here with this particular site. It, if you could help me understand what the hurdles are? And what the Board could do to help you work through them? Where we have a, I guess, a public/private partnership similar to the Chesapeake House and Maryland House at that site?

MS. SWAIM-STALEY: We have a variety of rest areas throughout the State. Some of them provide very minimal services, to the kinds of services that are provided along the toll facilities. At our interstate, at these rest areas, and the other I-70 probably would be similar, they are, traditionally I think they have been in cooperation with services provided, DBED, welcome centers, those kinds of things. They could, I think, I don't know that

there's anything to preclude them from being redeveloped as part of public/private partnerships if that was something that the State decided to pursue. But, you know, those decisions have not been made and that's certainly something that we could look at.

COMPTROLLER FRANCHOT: Great. If you could get back, just, why don't we just start with that site? Because it's --

MS. SWAIM-STALEY: -- understand what we're doing, you know, in terms of opportunities.

COMPTROLLER FRANCHOT: If you could help me understand why we couldn't do something at that site because of its strategic location. And then if there are other sites that, you know, there are policy reasons why you want to keep them non-commercial, I guess. But that one is just crying out for --

MS. SWAIM-STALEY: You're correct. That one and the ones on I-70 obviously are very significant sites.

COMPTROLLER FRANCHOT: Thank you. And you understand my concern? We're paying \$4 million to

take care of this and other sites over there. I'd much rather see it be the reverse.

MS. SWAIM-STALEY: Absolutely. We'll get that --

COMPTROLLER FRANCHOT: Thank you.

LIEUTENANT GOVERNOR BROWN: And when you do that, particularly on these, on this partnership, public/private, look, into the federal partnership as well in terms of what restrictions there are on federal highways for, or interstates, for these types of activities.

MS. SWAIM-STALEY: That's an important point. I suspect that's why they began as free facilities.

LIEUTENANT GOVERNOR BROWN: Mm-hmm.

MS. SWAIM-STALEY: But as the landscape continues to change with the federal government we'll continue to watch that.

LIEUTENANT GOVERNOR BROWN: It's my understanding that the Chesapeake House and the Maryland House, that those were just kind of grandfathered in but --

MS. SWAIM-STALEY: Well they were because they've always been toll facilities. So as the nature of them they are not on free interstates, so to speak. But it is actually, it is a national conversation that a lot of states are having with the federal government.

COMPTROLLER FRANCHOT: And I appreciate that, because I think the locals, obviously, negotiated these back then and they didn't want competition. But we have a whole different landscape now.

LIEUTENANT GOVERNOR BROWN: Sure.

COMPTROLLER FRANCHOT: And it might be subject to, you know, some creative revenue partnerships and --

MS. SWAIM-STALEY: We'll be happy to provide --

COMPTROLLER FRANCHOT: Great.

MS. SWAIM-STALEY: -- some of the pros and the cons of what's happening, and whether we have an opportunity to change it.

TREASURER KOPP: Could I just pile on while you're doing that, if that can't be done if you could also look and see if there are any other affordable improvements that could be made to them in --

MS. SWAIM-STALEY: Well actually --

TREASURER KOPP: -- the present?

MS. SWAIM-STALEY: -- this is in conjunction with Budget and Management and Economic Development, I think we've, they've actually, also actually they've had to shut down some of the centers. Look at opportunities for partnering with local governments or with local tourism groups to help provide staff for these facilities.

TREASURER KOPP: Yeah. Particularly the one he's talking about on 95, the Comptroller is talking about on 95, and 70. I stop there myself and keep wondering why --

LIEUTENANT GOVERNOR BROWN: Why you stop?

TREASURER KOPP: Why?

COMPTROLLER FRANCHOT: Well I've brought it up so often that if you do build it, name it after me, will you? Because --

(Laughter)

MS. SWAIM-STALEY: I'll bring it back to the Board.

LIEUTENANT GOVERNOR BROWN: Great. Anything else on this item? Anything else on, again, we have Item 17 and 18 are aside. Anything else on any of the other remaining items on the Department of Transportation calendar? Okay. Hearing none I need a motion to approve --

MR. GIBSON: Excuse me, Mr. Governor? I had actually requested to speak --

LIEUTENANT GOVERNOR BROWN: Oh, on which item?

MR. GIBSON: Item 14.

SECRETARY MCDONALD: Item 14, he is, and I apologize --

LIEUTENANT GOVERNOR BROWN: The way I handle it, I kind of get a little bit nontraditional, so --

SECRETARY MCDONALD: And I, I think it is on your speakers list, there.

LIEUTENANT GOVERNOR BROWN: Okay.

SECRETARY MCDONALD: Mr. John Gibson is here to opposed the recommendation in Item 14. The Port Administration, maybe the Port Administration would like to describe the item first before we go to the opposition?

MS. SWAIM-STALEY: Okay, this item is actually in conjunction with DGS as well, it's one of the energy savings items. And we have a team from the Port, and Hatim?

MR. THORNTON: Good morning. I'm John Thornton, the Manager of Procurement at the Maryland Port Administration. I also have with me today representatives of the engineering division including the energy manager who is the project manager for this contract. This is a fifteen-year energy performance contract, phase two contract, to implement a number of energy conservation measures at several Maryland Port Administration facilities, including the World Trade Center and it also involves an element of installing solar or photovoltaic cells at the cruise terminal. Total cost is a little over \$27 million over that fifteen-year period. The contract comes with a

guarantee of energy savings over the life of the contract which will pay for the energy savings measures to be implemented through operational savings. We'd be happy to answer any questions you have about the procurement itself, the contract, or the engineering representative can answer questions you have about the energy conservation aspects of the contract.

LIEUTENANT GOVERNOR BROWN: We may have more questions, yeah.

TREASURER KOPP: Yeah, I wonder if it would be worthwhile to hear what the concerns are?

LIEUTENANT GOVERNOR BROWN: Yeah. Let's hear both sides here. So Mr. John Gibson is -- well, I'm sorry. Who is behind you, who is standing behind you, sir?

MR. THORNTON: That was, his name is Ed Klingenstein. He's the energy manager for the Port Administration.

LIEUTENANT GOVERNOR BROWN: Okay. And do you have any in addition to add to this sort of affirmative presentation of the matter?

MR. KLINGENSTEIN: No, I'm here for support. I can defend our project and our findings.

COMPTROLLER FRANCHOT: Would you just take back to your Director Jim White what a great job he's doing?

MR. KLINGENSTEIN: I'd be happy to do that.

COMPTROLLER FRANCHOT: Because that port has just got such a tortured history of ups and downs, and he provides a tremendous kind of stability and professional management. And I recently read about coal being, more and more coal being delivered to the Port to be shipped overseas. That's just a little piece of his expertise in keeping that economic engine humming. And please give him my personal regards. Because without him it would not be as successful.

MR. KLINGENSTEIN: I would be happy to do that.

LIEUTENANT GOVERNOR BROWN: And don't go too far. We may have some more questions for you. So let's hear from Mr. Gibson.

MR. GIBSON: Thank you, Governor, Madam Treasurer, Mr. Comptroller. My name is John Gibson.

I'm a Vice President with Veolia Energy. Veolia Energy is a district energy company that operates the district steam system in Baltimore, Maryland. And this project impacts one of the buildings that we serve, the World Trade Center. So my comments are really going to be limited to that part of the project. I can't comment on the other sections.

Really the concerns I have fall into three relatively broad categories. The first was the evaluation process. We've been serving the World Trade Center for about thirty-five years, since that building was constructed back in the seventies. We found out about this project literally through the grapevine, through some comments that a building engineer made to a meter technician of ours in the building. We subsequently requested a meeting with the building personnel from the Maryland Port Administration. And we were granted that meeting. It lasted about an hour. We weren't given any information in writing. We were given a couple of pieces of information verbally and then we were told we had about a week to respond and provide a

counterproposal to what was being looked at in this project.

So the first concern I have is literally about the entire process of evaluating the savings and whether to stay with the current system or go to a different system. We ultimately provided a proposal and I'll get to that a little bit later. Since we provided that proposal we've made numerous phone calls and sent emails to Maryland Port Administration personnel and have not received any response.

The second part of my concerns, or our concerns, really have to do with the financial analysis. Again, we weren't given any detailed information but we were told that savings were on the order of \$450,000, \$460,000 per year by switching away from district steam to putting in some other form of thermal energy supply, basically heating and hot water supply, in the form of boilers. When we went back and tried to reproduce those savings there's no way we could get close, quite frankly. And what appears to have happened was the evaluation was based on what set of data for district steam service and another set of

data for the alternative gas fired boilers. That one set of data for steam service was taken when fuel costs were very high in 2008 and from what we can tell compared to fuel costs now when they have dropped substantially. Based on our analysis, again on limited information, we think the savings with no changes have been overstated by about \$2.5 million over the fifteen year period of the project.

Now we were given a week to submit a proposal, which we did. We had been operating under a very short term, essentially a ninety-day contract, where either party could cancel our contract in ninety days. When we're able to sign a long term agreement we can be much more aggressive with our rates. We put forth a twenty-year proposal and we were able to what we believe reduce the current cost by about another \$1.7 million.

So overall we think the initial savings estimate is high by \$2.5 million. And we think we can reduce the costs from where they are now through a long term agreement by another \$1.7 million. For a total reduction in the purported savings, the savings

listed on the project sheet here, of about \$4.2 million. So that's obviously a huge concern of ours, that the savings are overstated and there was no consideration given to a long term agreement with Veolia.

And I guess the last concern I have is regarding sustainability, and I know it's a high priority for the Governor and for the administration. The steam that we provide to the customers in Downtown Baltimore, about half of it comes from a waste to energy plant. Now I know some legislation was just enacted recognizing the environmental benefits of electricity from waste to energy plants by changing it from tier one to tier two resources. There isn't a designation for district steam that comes from a waste to energy plant. In fact, we're the only one in the State that has that sort of a situation. But the environmental benefits of taking energy from a waste to energy plant are the same whether you are taking steam for thermal needs or electricity. You are displacing fossil fuel that's being burned, or would be burned in this project. So about half of the

energy that's provided to the World Trade Center in the form of steam comes from that waste to energy plant, that BRESCO facility in Downtown Baltimore.

So in summary those are the concerns I have. Number one the evaluation process I think was very limited and didn't include any consideration for what we could currently do or do going forward. Or what we currently do or could do going forward. I think the savings are overstated. They don't take into account any long term agreement that we could reach with the Maryland Port Administration. And then finally I think the whole sustainability aspect of our steam services has been ignored. And essentially you will be replacing thermal energy that comes 50 percent from a renewable energy source with 100 percent fossil fuel fired, gas fired boilers. I'd be glad to answer any questions you might have.

COMPTROLLER FRANCHOT: Isn't there a bid process that you would have been made aware of?

MR. GIBSON: Well to my understanding, and certainly the folks from the Port Administration and DGS can address this more specifically, there was a

bid process to qualify energy service companies. And then once that happened they are allowed to select, or contract directly with one of those pre-qualified energy services companies. And then, so there is no bid process specifically for the thermal energy needs. That energy services company that comes into a facility and does an evaluation and comes up with ideas presents them to that, either DGS or the Port Administration, and a decision is made.

You know in the one meeting that we did have that lasted an hour to two hours, maybe, I don't recall specifically, the Maryland Port Administration personnel that were there told us they directed this contractor that they've contracted with to contact us specifically regarding the thermal energy needs. Now we've run both a steam system and a chilled water system in Downtown Baltimore. We only provide steam to the World Trade Center building. We got a single phone call from this contractor asking if we could provide chilled water service to this building. It would be a new customer for us on the chilled water side, and we said we would need some additional

information before we could tell him whether we could do it not. What was the load? You know, we'd have to go back and look at our piping, see how far away we were, things like that. The conversation ended. We contacted, tried to contact them multiple times after that and never got a response. We were never contacted about the steam side of things, the heating and hot water side of things.

LIEUTENANT GOVERNOR BROWN: Do you have anything for him, Madam Treasurer?

TREASURER KOPP: I'd like to hear the response.

LIEUTENANT GOVERNOR BROWN: Before the response I have a question. So if this contract was awarded what would be the, what's the impact? Is it a reduction or your service, or an elimination of your service?

MR. GIBSON: It would be an elimination of our service to the World Trade Center building.

LIEUTENANT GOVERNOR BROWN: Because you would be, it would be replaced by?

MR. GIBSON: I believe hot water boilers. I don't know the specifics of the project. But I believe it's boilers that would produce hot water for heating use and for domestic hot water use in the building.

LIEUTENANT GOVERNOR BROWN: Mm-hmm. Okay, let's hear the response. Thank you, Mr. Gibson.

MS. SWAIM-STALEY: You have before you a letter that was from the Maryland Port Administration regarding the response. As has been said, I believe this contract is part of the DGS master contract for energy savings and Pepco Energy did bring forth this particular proposal for energy savings at the World Trade Center. The funding will be out of the stimulus money and also I believe out of the State Treasurer's Energy Performance Contract. What they, Pepco has offered to do, they would be providing some significant capital investment, as well as the energy savings. We have looked at the proposal I believe as has DGS and the Treasurer's Office and I believe that this was in the best interest of the State for energy

performance. So with that I don't know if the Maryland Port Administration wanted to add --

TREASURER KOPP: That is that the savings would --

MS. SWAIM-STALEY: And that the savings would be, are real.

TREASURER KOPP: Equal to the cost of the --

MS. SWAIM-STALEY: Yes. That the savings that are being suggested --

TREASURER KOPP: -- service.

MS. SWAIM-STALEY: -- are in fact correct.

TREASURER KOPP: And that's true regardless of whether the original cost of energy is factored in, or --

MS. SWAIM-STALEY: Yes, I believe you have all looked and reevaluated it and it's still correct. So.

MR. THORNTON: That's correct. And we provided, Pepco provided us with a free calculation using these other numbers that Veolia has represented should have been used in the beginning. And the numbers still show that this project, the energy

performance contract, is the contract that is in the State's best interest. We can update the efficiency and operation at the World Trade Center without having to buy steam, and we can use the savings throughout the project to preserve the funding that we currently have from the federal government if the project can move forward.

TREASURER KOPP: And --

MR. THORNTON: Yes?

TREASURER KOPP: -- just Veolia, Pepco brought this project to your attention, right? The --

MR. THORNTON: Well it was brought to our attention through the Department of General Services Statewide contract. They have a contract vehicle there with a number of firms and we utilized the firm, as far as I know we utilized the firm that the Department of General Services recommended.

MR. COLLINS: Madam Treasurer, that is correct. As you know, we pre-qualified a number of firms for this Board. Pepco was the provider for this particular job and therefore negotiated with the Maryland Port Administration, presented its proposal.

We've looked at it and we think it's adequate, appropriate in terms of the numbers and the technology. We have not, we were not subject, nor did we know anything about the Veolia issue until a few days ago. But we, the proposal that's put in front of you, my office has looked at it, we've looked at it and we believe that it's appropriate and it's okay.

LIEUTENANT GOVERNOR BROWN: Mr. Comptroller?

COMPTROLLER FRANCHOT: So did Pepco use the 2008 --

MR. THORNTON: Originally Pepco was directed to use the 2008 baseline because that's what the Senate bill required our baseline to be developed upon. After we have completed the project and gone through Senate Bill 267, that was the Energy Reduction Act, based on the 2008 baselines for utility data. Since then we went back and we looked at the utility rates and we evaluated the current proposal to make sure that it was still a doable project and actually it was positive in our favor to pay back all the financing necessary and to get the energy savings that are required to pay back the Treasury note.

COMPTROLLER FRANCHOT: Right. But there were adjustments. There are less savings, I take it?

MR. THORNTON: There was an adjustment based on the steam rate versus the current natural gas rate and a proposed steam rate that we were --

COMPTROLLER FRANCHOT: What was that difference?

MR. THORNTON: Actually the differences comes up the same. Let me bring it out. In the spreadsheet that was provided as the calculation backup we were looking at originally on the, with the boiler installations, the net year, present year worth was \$8,624,000 with a steam purchase \$11,155,000. The revised pricing with the, well current rates as of today, was on the steam, with the boiler option was a net present value of \$6,166,000 and the purchase of steam was \$8,616,000, producing a \$2.4 million savings. By going with the boiler system, that is.

COMPTROLLER FRANCHOT: I mean this is the first time I've frankly looked at any of this. So it's probably not a great way to do business, Governor. But just, I don't feel, I've never felt

super confident about these energy performance contracts. I'm reassured that the Treasurer is involved in this, because I have a lot of respect for her judgment. But I'm not sure I want to vote against this, but I think I might want to take a few weeks to just look at it. Because it seems as if there are some legitimate questions about sustainability and cost and etcetera. I mean, I'm sure you're right that overall it still might make sense. And tell Mr. White I still believe those nice things I said about him. But I would appreciate it maybe if we could take a couple of weeks and just make sure this is an appropriate way to proceed.

MR. THORNTON: I don't know if the Department of the State has the luxury of that time. We have \$2.25 million, I believe, from the federal government, which is time sensitive.

MS. SWAIM-STALEY: But we have to take the time if we need to take the time.

MR. THORNTON: Absolutely. Absolutely. I just, I thought it was --

TREASURER KOPP: Well I mean would we be --

LIEUTENANT GOVERNOR BROWN: Jeopardizing?

TREASURER KOPP: -- jeopardizing the --

MR. KLINGENSTEIN: According to my recent, and with Mr. Jabaji's assistance, with NEA we have recently worked out a revised schedule to allocate those funds. It's the Governor's initiative to have those monies spent by December 31 of this year. We have reevaluated completion dates. Pepco has readjusted their construction schedule so that we can get those funds liquidated in a timely fashion.

MS. SWAIM-STALEY: I apologize. Because NEA stimulus money is not MDOT stimulus money, so that would have different rules perhaps.

TREASURER KOPP: And two weeks? Is it two weeks until the next meeting?

SECRETARY MCDONALD: July 6th, yeah. Well it is three weeks. Sorry, it's three weeks. July 6th.

LIEUTENANT GOVERNOR BROWN: Can you articulate the harm, if you will, if we were to delay this for two weeks?

TREASURER KOPP: Three.

SECRETARY MCDONALD: Three weeks.

LIEUTENANT GOVERNOR BROWN: If we were to delay this until July 6th, what harm would that cause to this process, the outcome? Speak up. Come on down, please.

MR. JABAJI: My name is Hatim Jabaji. I'm with the Department of General Services. The contract has loans and from SALP, which is funded through MEA, which is ARRA funds. And also have a Sunburst Grant that will go toward the solar system that we are building. There are strict regulations that we need to spend the money by the end of the year. And the schedule is tight as it is. And we would really like to start the project ASAP.

The other thing I would like to mention is that the rates that Trigen or Veolia have is nothing new. It's straight that we have seen throughout other buildings. We have other buildings with the same, with this analysis that we have seen and we've reviewed. No matter how you look at it, it is to the best interest of the State. It will save money. We will check these numbers as we go. We are under

contract to work with the Port Administration into verifying these numbers for the fifteen years. We're confident that this project is good as it is and it will save money for the best interest of the State.

TREASURER KOPP: It's a project that saves money, saves energy?

MR. JABAJI: Absolutely.

TREASURER KOPP: Pays for itself over time.

COMPTROLLER FRANCHOT: I would still press my point. If you could delay it, I would appreciate it. If it is not the pleasure of the Board I'm happy to vote against it.

LIEUTENANT GOVERNOR BROWN: You have looked at the Veolia piece of it?

MR. JABAJI: We have looked at it.

LIEUTENANT GOVERNOR BROWN: You have looked at it?

MR. JABAJI: We have looked at it. Yes. We compared the numbers. We updated the numbers. We looked at the summary of rates between now, fiscal '08, and fiscal '10. We have a really good database

that tracks these numbers and it's nothing strange for us and nothing new to us.

COMPTROLLER FRANCHOT: Well once again it's the first time literally I've heard of this. But it seems a little odd that a company that you do business with would be told that the information that this was even going on was done by a phone call from Pepco, that they testify was on an unrelated matter. So I just --

TREASURER KOPP: Yeah --

COMPTROLLER FRANCHOT: I just feel a little put upon, I guess, by this thing. And I would like to wait until July 6th, but --

LIEUTENANT GOVERNOR BROWN: But, yeah, let me ask. I did ask what I thought was a specific question, and I really do need to have a specific response. And the question is, what is the harm, so you say that time is already short. But I mean, I understand that. I mean, December, December 31st, you know? I mean, it all depends on what your perspective is. You know? For me, I mean, that's just, I'm with you, you know? That's like right around the corner.

But like for my ten-year-old son thinking about opening up Christmas gifts it's a long time away.

(Laughter)

LIEUTENANT GOVERNOR BROWN: So I need to better appreciate what you mean when you say that, you know, time is of the essence and we really need to move. If we were to come back and wait until July 6th what would be the tangible, articulable harm to this contract, to the award, to the process, to what we're trying to achieve?

MR. COLLINS: Does the SALP money disappear June 30th?

MR. JABAJI: Yes. Actually, I mean, they want us to show that construction has started, show it's on schedule. Because if they tell us if it's not spent, they need to do something else with it. Allocate it to different jurisdictions, or something. I'm not sure --

LIEUTENANT GOVERNOR BROWN: So June 30th is the date I heard? What was it? Did you say --

MR. JABAJI: December, the end of the year.

MR. COLLINS: We're fine. Delay it.

LIEUTENANT GOVERNOR BROWN: Okay, good. So the motion by the Comptroller.

MR. COLLINS: Or subject to Beverley.

MS. SWAIM-STALEY: No, it's DGS', your money, so.

MR. COLLINS: Okay.

LIEUTENANT GOVERNOR BROWN: Yeah. Okay, so the Comptroller moves to --

TREASURER KOPP: -- this gentleman --

MR. KLINGENSTEIN: If I might address a few things, because we were basically --

LIEUTENANT GOVERNOR BROWN: But keep in mind before you address something you have the Secretary of the Department of General Services in consultation with the Secretary of the Department of Transportation who believes it could be delayed. So offer what you like.

MR. KLINGENSTEIN: If I may, to address a couple of the points that Mr. Gibson had presented?

LIEUTENANT GOVERNOR BROWN: No, no, but we're talking about whether we delay or not.

MR. KLINGENSTEIN: Okay. All right.

Basically we talked with Pepco and they extended their contract because we had to get through the court commissioner to get here first, and that's on a monthly basis. So Pepco has worked with their contractors to extend their bids or their proposals, their costs, to this date. I will have to go back to Pepco and request them to if they can --

MS. SWAIM-STALEY: So we'll have to ask for another extension, you're saying?

MR. KLINGENSTEIN: Yeah, we're going to need to get an extension.

LIEUTENANT GOVERNOR BROWN: Hold on, wait a second. My understanding for the reason for the extension is that so Board members can have more time to digest. We're not extending this for you to necessarily do anything. We are, my understanding is the extension request for three weeks is that so Board members can better understand. We got this for the first time. There are some legitimate questions raised. I'm believing that between now and July 6th you'll have an opportunity to touch base with the

Comptroller in his office, the Treasurer in her office, the Governor in his office if that's what the Governor needs and wants, and then it will come up on July 6th. I don't interpret this as an extension for the purpose of telling you to do anything.

TREASURER KOPP: No but I think --

MS. SWAIM-STALEY: I think the Treasurer knows what we're --

MR. KLINGENSTEIN: No --

TREASURER KOPP: My understanding is you are contracting with Pepco, I'm not sure I do understand because that's, who then has to contract with the people who actually do the work, is that right?

MR. COLLINS: That's correct.

TREASURER KOPP: And you are concerned about that, about our delay so we can understand the project better which we have every responsibility to do, impacting those contracts in a way that the work would not be able to be done on time? Is that what you're saying?

MR. THORNTON: Or the pricing might increase.

TREASURER KOPP: Or the pricing might increase?

MS. SWAIM-STALEY: And I'd have to defer to DGS on how these contracts work.

LIEUTENANT GOVERNOR BROWN: And that's because, again, back to my question, though. What is the date?

TREASURER KOPP: Yeah.

LIEUTENANT GOVERNOR BROWN: There's got to be some date then between now and July 6th by which if we don't do something Pepco or somebody else says, "Hey, wait a second. We haven't done this by this date. So now we have to relook prices, or we have to renegotiate." What is that date? That's what I'm asking about? What is the articulable harm, and what is the date, or the people, or you know, the person, place, or thing that changes and maybe jeopardizes what we have in front of us? What is it?

MR. KLINGENSTEIN: Basically we have the most critical portion of our project right now is getting those ARRA funds in a timely fashion. And if

there's a delay on it then there's additional, if there's a hold up --

LIEUTENANT GOVERNOR BROWN: So what is a delay? Like for example, if something, like if we move it to next week what would happen? And I know we're not meeting next week. But if we moved it to next week, what would happen? Like when are you having that meeting --

MR. COLLINS: December --

LIEUTENANT GOVERNOR BROWN: Yeah, I mean, I'm not, what I'm not hearing --

MR. COLLINS: It's MEA's timeline. MEA's timeline. We can negotiate that.

MS. SWAIM-STALEY: That's right.

LIEUTENANT GOVERNOR BROWN: Okay. So the Comptroller moves to defer it to July 6th.

MR. COLLINS: One meeting, defer.

LIEUTENANT GOVERNOR BROWN: I'll second that. All those in favor say, "Aye."

THE BOARD: Aye.

LIEUTENANT GOVERNOR BROWN: Any opposed?

(No response.)

LIEUTENANT GOVERNOR BROWN: Okay. We'll see you on July 6th. Okay let's -- thank you very much. Let's take up the balance of the Department of Transportation Agenda, minus Item 17 and 18.

SECRETARY MCDONALD: And Item 14.

LIEUTENANT GOVERNOR BROWN: And, okay, Item 14 we've already acted on.

SECRETARY MCDONALD: Right.

LIEUTENANT GOVERNOR BROWN: Item 17 and 18 we've put aside, you've already withdrawn some, so whatever is left on the table.

COMPTROLLER FRANCHOT: Move favorable.

LIEUTENANT GOVERNOR BROWN: The Comptroller moves approval, seconded by the Treasurer. All those in favor say, "Aye."

THE BOARD: Aye.

LIEUTENANT GOVERNOR BROWN: Any opposed?

(No response.)

LIEUTENANT GOVERNOR BROWN: So now let's turn to Item 17. And Item 17 is a request. The nature of the request a concession contract granting the exclusive right to operate and manage the Airport

taxicab concession at BWI Thurgood Marshall Airport to Dulles Airport Taxi, Inc. of Falls Church, Virginia.

What is the pleasure of the Board?

COMPTROLLER FRANCHOT: Well from my standpoint I would prefer that we vote for Item 18, which is the deferral. Somewhat ironic, I guess, because the Governor and I rejected this proposal originally. But I think it's appropriate to take another look at this and spend a year where the interest of the State are protected by getting the maximum revenue. And the workers, it's a complicated issue and obviously there are a lot of different points of view on what is best for the drivers at the Airport. But my, I guess my conclusion from looking at this, and I have met with most of the parties, is to, you know, let's take another year and look at this and make sure that the State's revenues are maximized and that the driver protections where appropriate are secured also. And I do that with some hesitation, because the winning company didn't do anything wrong. They are subject to, you know, they are good faith participants in the process, and I understand that,

and I sympathize with that. And I think that they are, despite the fact that they are named after Dulles they are, you know, haven't done anything wrong. But I do think that there have been some issues raised that since we have an alternative I would, if appropriate, and if anyone else supported me, I would move to adopt Item 18 and defeat Item 17. And but --

LIEUTENANT GOVERNOR BROWN: So you are moving to disapprove Item 17?

COMPTROLLER FRANCHOT: Is that the contract? Are the numbers right?

SECRETARY MCDONALD: Yes, that's correct.

LIEUTENANT GOVERNOR BROWN: Yes.

COMPTROLLER FRANCHOT: I'm moving to disapprove Item 17 and approve Item 18.

LIEUTENANT GOVERNOR BROWN: And we'll take them one at a time. The motion is to disapprove Item 17 by the Comptroller. Is there a second?

COMPTROLLER FRANCHOT: Can I second my own motion?

(Laughter)

COMPTROLLER FRANCHOT: No, I understand.

LIEUTENANT GOVERNOR BROWN: And let's do this for a moment before we -- can you withdraw your motion for a moment, please? So that's a motion. Let's try it the other way around and see what happens. Is there a motion to approve? Hearing none, there's no motion.

COMPTROLLER FRANCHOT: The motion, I move to approve.

LIEUTENANT GOVERNOR BROWN: Well, on Item 17.

COMPTROLLER FRANCHOT: No, I move --

LIEUTENANT GOVERNOR BROWN: We're on Item 17. Is there a motion to approve Item 17? Hearing none, is there a motion to disapprove Item 17?

COMPTROLLER FRANCHOT: Yes --

LIEUTENANT GOVERNOR BROWN: The motion by the Comptroller --

COMPTROLLER FRANCHOT: To disapprove Item 17.

LIEUTENANT GOVERNOR BROWN: Right. There's no second by the --

TREASURER KOPP: Quite candidly, if that's the way we're going I'm prepared to do that. It does

not seem to me that that's a necessary motion, but if

--

LIEUTENANT GOVERNOR BROWN: Okay.

TREASURER KOPP: -- that's what the
Comptroller wishes to do --

LIEUTENANT GOVERNOR BROWN: Let's consult
counsel. In the absence of a motion to approve do we
need to have a motion to disapprove?

SECRETARY MCDONALD: The agency can withdraw
the item, or it can just die from the lack of a
motion.

LIEUTENANT GOVERNOR BROWN: That's my
question. Is the lack of a motion --

SECRETARY MCDONALD: It can die from lack of
a motion.

LIEUTENANT GOVERNOR BROWN: Okay. So
there's no motion --

SECRETARY MCDONALD: I mean, there is no
action taken. No action taken on this item.

LIEUTENANT GOVERNOR BROWN: Okay. So Item
17 is disapproved because of lack of an action on the
part of the Board.

SECRETARY MCDONALD: We're going to have a new category.

LIEUTENANT GOVERNOR BROWN: So let's take up Item 18.

COMPTROLLER FRANCHOT: And I would move approval of Item 18.

LIEUTENANT GOVERNOR BROWN: Okay. Now let's look at Item 18 because Item 18 is a request for approval of contract extension for one year commencing July 1, 2011 through July 30, 2012. You had stated earlier that if Item 17 failed you would need the full year? Mm-hmm?

MS. SWAIM-STALEY: Yes.

LIEUTENANT GOVERNOR BROWN: Okay. There's a motion to approve made by the Comptroller.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR BROWN: Seconded by the Treasurer. All those in favor say, "Aye."

THE BOARD: Aye.

LIEUTENANT GOVERNOR BROWN: Any opposed?

(No response.)

LIEUTENANT GOVERNOR BROWN: Hearing none, Item 18 is approved for one year.

MS. SWAIM-STALEY: Thank you.

TREASURER KOPP: And Mr. Chairman in light of that, obviously, they are going to need to act on Item 17. I would have a couple of requests of the Department as you look forward to this. First of all a question of looking at grandfathering in, which is often done when we privatize a State function, so you take care of people who are providing services. To the extent possible I would think that if there is necessary downsizing it can be done during this period so that when it's rebid it's rebid at the proper size. That you look at, that I have no conclusion at the role of the State in determining leased versus owner operated, whether it should be totally hands off or whether they should be --

MS. SWAIM-STALEY: There are a number of agencies and firms looking at those legal issues, but yes, we will pursue that.

TREASURER KOPP: And the question that I brought up that caused me the greatest concern was

whether there are the appropriate written procedures.

I have no doubt that you followed the appropriate procedures. But there is someplace in writing where everybody can look and see --

MS. SWAIM-STALEY: We'll provide those.

TREASURER KOPP: -- what they are.

MS. SWAIM-STALEY: As they're governed by the federal concession requirements.

TREASURER KOPP: Yeah. I mean, and it can be, a lot of it can be referral, I mean referring to sections.

LIEUTENANT GOVERNOR BROWN: Okay. Good, thank you. Move to adjourn the June 15th meeting of the Board of Public works. Seconded by the Comptroller. All in favor, "Aye." Thank you.

(Whereupon, at 12:59 p.m., the meeting was concluded.)

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