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*STATE OF MARYLAND*  
**BOARD OF PUBLIC WORKS**

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

**March 20, 2019  
10:05 a.m.**

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# PRESENT

## **HONORABLE LARRY HOGAN**

Governor

## **HONORABLE NANCY KOPP**

Treasurer

## **HONORABLE PETER FRANCHOT**

Comptroller

## **SHEILA C. MCDONALD**

Secretary, Board of Public Works

## **ELLINGTON CHURCHILL**

Secretary, Department of General Services

## **DAVID BRINKLEY**

Secretary, Department of Budget and Management

## **PETE RAHN**

Secretary, Department of Transportation

## **JEANNIE HADDAWAY-RICCIO**

Secretary, Department of Natural Resources

## **MICHAEL LEAHY**

Secretary, Department of Information Technology

## **JIMMY RHEE**

Special Secretary

Office of Small, Minority and Women Business Affairs

## **MISSY HODGES**

Recording Secretary, Board of Public Works

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# PROCEEDINGS

GOVERNOR HOGAN: Good morning, everyone.

ALL: Good morning.

GOVERNOR HOGAN: Welcome to the Board of Public Works.

Before we begin, I just want to take a moment. Today marks the one-year anniversary since the tragic shooting at Great Mills High School in St. Mary's County. I remember it like it was yesterday, rushing down there immediately after the incident and then attending the memorial service for Jaelynn Willey, meeting with Great Mills students in my office after the tragedy, and then having the ceremony honoring the heroic school resource officer, Deputy First Class Blaine Gaskill, for his bravery in stopping the further loss of life. And in the wake of that tragedy we immediately proposed the most aggressive school safety proposals in the country.

All of us, we all continue to pray for Jaelynn, the young girl that was killed in that senseless act of violence. Our prayers continue to be with her family and loved ones, and with all of the students and faculty and staff, and for really the entire Great Mills community. So at this time I'd just like to ask everyone to please join me in a moment of silence for Great Mills and to honor the life and the memory of Jaelynn Willey.

(Moment of silence.)

GOVERNOR HOGAN: Thank you.

On a more cheerful note on the first day of Spring, we have a special guest joining us this morning that I'm very excited about. Captain Ed O'Brien is a man that I have had the pleasure of getting to know. Captain Ed has committed his time and talents to improving the management of our natural resources and preserving the State's fishing heritage and the charter boat industry. Ed has been a charter boat captain for more than 40 years, entertaining celebrities and politicians and even Presidents while displaying the beauty of our greatest natural treasure, the Chesapeake Bay. He has been appointed by four Governors over a span of 30 years to the Sport Fisheries Advisory Commission. Ed advises the Department of Natural Resources on fisheries issues. He's a founding board member of the Maryland Sportsmen's Foundation, and he served as President of the Charter Boat Association, Vice President of the National Association of Charter Boat Operators, and he received the Meritorious Public Service Award from the U.S. Coast Guard.

Today we're pleased to present Captain Ed O'Brien with a very special tribute as we bestow upon him our highest honor, the Admiral of the Chesapeake Lifetime Award. Let's give him a big round of applause --

(Applause.)

GOVERNOR HOGAN: If you and your family could come back here for a picture, Ed. Come on up.

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(Applause.)

COMPTRROLLER FRANCHOT: -- first Admiral I've ever met.

(Laughter.)

GOVERNOR HOGAN: Come on. You get in the middle. Maybe some of you could get on either side, since we have so many folks that want to get into the picture with you. Come on through. It's a big crew. We'll have to use the -- maybe some of you can go on this side so we can squeeze all together. You've got the entire crew here with you. Come on. You're going to get in between all of us and then we'll have everybody try to -- let's all pretend like we really like each other and squeeze in as tight as we can. Ed, you've got to stand here next to me so we can give you this. And you've got a lot of people pretty proud of you, I think, Ed.

CAPTAIN O'BRIEN: Well, it makes me feel good. You make me feel good, too.

GOVERNOR HOGAN: Thank you. Were you able to get everybody?

COMPTRROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: Congratulations. One more time.

(Applause.)

GOVERNOR HOGAN: Thank you. Thank you, guys. Thank you, guys. Congratulations. You've got a good one here.

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(Laughter.)

COMPTRROLLER FRANCHOT: Governor, I want to -- Ed, could you stay for one second? I have given these Comptroller medallions to Governors and Ambassadors, VIPs, muckety-mucks, but I never had a chance to give one to an Admiral.

(Laughter.)

COMPTRROLLER FRANCHOT: So, Ed, thank you very much. Congratulations on the --

(Applause.)

GOVERNOR HOGAN: Captain Ed said that's a lot for a Marine Sergeant. We just promoted him to Admiral.

(Laughter.)

GOVERNOR HOGAN: But thank you very much. And with that, I'm going to turn it over to my colleagues for any opening comments. Mr. Comptroller? Madam Treasurer?

TREASURER KOPP: Governor, first of all, I echo the praise of the Admiral. I actually have been out with him. He's a great ambassador for the Bay and for our State.

Just to take a moment to recognize another great Marylander, Harry Hughes, with whom some of us are, it seems like only yesterday, but it was little while ago. Harry passed away this week, last week, after a relatively brief

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illness. He was a great Governor. I had the honor to serve when Harry was Secretary of Transportation, the first Secretary of Transportation, and the one who formed Maryland's modern Department of Transportation. It's a unique system with a Transportation Trust Fund and everybody working together.

He had a capacity, whether it was in the Senate, or as Secretary or as Governor, and afterwards, to bring everybody together. A quiet but determined person, he was always a surprise at the end of the session because people always thought Harry was quiet and not pushy and yet he got what he needed done. He got what he wanted done. And there were some great things. Whether it was protecting the Bay or advancing civil rights, supporting education, helping create the first modern education funding formula, Harry's hands were on all of that. And while he wasn't expected to become Governor, I think that most thinking Marylanders will agree that he was a great Governor and a good man and that combination is something that stands I think as the Maryland model.

You've mentioned the Maryland model. You can be a strong politician. You can have an agenda that will take pushing and take working and take bringing people together, but you can accomplish it, and Harry did that. And we will all miss him. I almost left the Legislature to join his administration and I'm glad I stayed where I was. But he was a very, very persuasive, strong, and good man.

GOVERNOR HOGAN: Thank you very much for mentioning Governor Hughes. He was an incredible Governor and I was lucky enough to have gotten to know him and to consider him a good friend and a mentor. I'm honored they've asked me to give a eulogy for him tomorrow. The kind of humble, unassuming guy that he always was, he did not want to lie in state in the State House, like most previous Governors do. We wanted to honor him but he wanted it more low key. But we are going to have a reception at the Governor's Mansion after the service, the funeral tomorrow.

He was just an incredible guy. And I got the chance to go over and visit him at his home in Denton not too long before he passed. And I can tell you I learned a heck of a lot from Harry Hughes. One thing we shared in common, we were the Governors nobody expected to be elected.

TREASURER KOPP: Right.

(Laughter.)

GOVERNOR HOGAN: We came, you know, surprised a lot of folks. But he really was a gentleman who did a lot for the State and he'll never be forgotten. He'll be missed. And tomorrow we're going to give him the best send-off we can, but a modest one which is what he always wanted. Thank you.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: Mr. Comptroller?

COMPTROLLER FRANCHOT: I'm delighted to hear those words from the Governor and the Treasurer. And I got to visit Governor Hughes on February 28th and he told me that he was going to be buried in his backyard right on the Choptank River, a beautiful spot, right next to his beloved wife, Pat. I of course said, is that legal?

(Laughter.)

COMPTROLLER FRANCHOT: He said, down here nobody asks.

(Laughter.)

COMPTROLLER FRANCHOT: So Governor and Madam Treasurer, thank you for those words. I think they are entirely appropriate. Governor Hughes was a statesman and a consummate public servant who followed his moral compass over the course of his distinguished career in public service. He entered the political arena to make a difference in the lives of others, and you mentioned that he was an accidental Governor. I don't happen to think he was accidental, and I don't think you're accidental either. I, however, was described as a lost ball in high grass when I was running for Comptroller. So I enjoy that comparison to Governor Hughes at one point I think in the press.

But he was in innumerable ways a reformer, someone who despised the corruption and the back room deals that had engulfed State politics back in his day and through his modest principled way of governing restored the people's faith in the institutions of power here in Annapolis.

I was grateful for the opportunity to sit with him a little bit. He is completely, he was, as I described, completely at ease and totally irreverent and humble is the right word to describe him. It's that humbleness that comes from being part of an older generation, I think.

He talked a lot about my legendary predecessor, Comptroller Louis Goldstein. I wasn't always completely complimentary, but that's okay. And he talked about the current events. He talked about the future of the State. And I benefitted, as the Governor said, from my chat with Governor Hughes and I will carry with me the words of wisdom that he generously imparted to me over the years. Maryland lost one of our finest public servants last week and I, like so many others out there, mourn the passing of a friend, a friend to the State. And I see his portrait directly across from us and I think that captures his spirit of informality, openness, transparency, accountability, and competence, which is how I view Governor Hughes. Thank you, Governor.

TREASURER KOPP: Could I take one more moment to mention something about Harry Hughes that I don't think many people remember. But during his second term, Harry thought it would be a good thing to create a Maryland center on essentially civil rights and civil liberties and to be another venue for bringing people together. And in fact went so far as to create it and to choose some leadership, board leadership. And it was a time when, again, we

were talking about diversity and diversity was under attack. And you needed a place to bring people together.

Interestingly, the two people who took the lead were Birch Bayh, former Senator Birch Bayh, who also passed away this week, and the late great Juanita Jackson Mitchell. And they brought together a group. Unfortunately bad times hit and it I think did not succeed. I must admit, I applied to be the executive director of that group. And meeting those people and meeting them with Governor Hughes and hearing Governor Hughes, again and Birch Bayh and Mrs. Mitchell, talk about the importance of bringing people together, the importance of taking a stand, I think was rather transforming. I really regret that it didn't become the institution that Harry dreamed of but another great, I think a great example of the sort of dream that he dreamed.

COMPTROLLER FRANCHOT: Senator Bayh lived on the Eastern Shore, Easton.

TREASURER KOPP: Yes.

COMPTROLLER FRANCHOT: In fact, I see my chief of staff sitting here. I'm not quite sure why he's here --

(Laughter.)

GOVERNOR HOGAN: He's just keeping an eye on you.

TREASURER KOPP: He's watching.

GOVERNOR HOGAN: Watching to make sure you don't mess up. Yeah, Governor Hughes was a terrific Governor. He was way ahead of his time on civil rights, on appointing women and minorities to positions in State government. He was way ahead of his time on the protection of the Chesapeake Bay, getting federal assistance and working together with our surrounding states. And he became Governor after a turbulent time, at a time when the State really needed him. And he was exactly the kind of leadership we needed at the time when he was there. So thank you.

Let's get started with the Secretary's Agenda.

SECRETARY MCDONALD: Good morning, Governor, Madam Treasurer, Mr. Comptroller. We have nine items on the Secretary's Agenda. We have three reports of emergency procurements. We are prepared for any questions you might have.

GOVERNOR HOGAN: Item A3, please.

SECRETARY MCDONALD: Item A3 is an emergency report from the Division of Rehabilitation Services. Is Mr. Shird here? Vern? Or whomever, come up and introduce yourself for the record and the Board's got questions.

GOVERNOR HOGAN: Good morning.

MS. BRANDENBURG: Good morning. For the record, I'm Amalie Brandenburg, Deputy for Finance and Administration. With me today is

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Scott Dennis, the Assistant State Superintendent for the Division of Rehabilitation Services.

MR. DENNIS: Good morning. I'm Scott Dennis, the Assistant State Superintendent. I'll be happy to answer any questions.

GOVERNOR HOGAN: Great. You know, I understand that the department terminated the original contract for poor performance, which is I guess why we're here today. But I'm a little bit confused about why this item is before us as an emergency procurement, an emergency contract. You know, we've been very clear about the kinds of things that we want to come before the Board as an emergency versus a non-emergency. You know, an emergency is when it's life threatening or presenting an immediate danger, or if we have pipes burst in a building that need to be immediately repaired. But Snickers bars and sodas at rest stops doesn't seem to me to be an emergency that needs to come before this body in this kind of a way. Can you explain that to me?

MR. DENNIS: I'll be happy to, sir. The reason why -- we worked very closely with the Department of Budget and Management and the Attorney General's Office on this. And the fact that the rest stops do serve the traveling public, the rest stops provide rest for individuals who are traveling --

GOVERNOR HOGAN: Well I understand all that. But why an emergency contract? Why was this not handled in a different way?

MR. DENNIS: We, well what we wanted to do is be able to provide those services in a quickly and timely fashion and to make sure that there was no interruption in services out on the interstates and so we felt that this was the appropriate mechanism to take considering the fact that individuals could be at risk while driving and we thought that that --

GOVERNOR HOGAN: How are they at risk?

MR. DENNIS: Well they could be tired. They could need to be pulled over, be able to get some type of coffee, Coke, a Snickers bar, and so forth, just to be able to take that break and have an opportunity to kind of refresh themselves before they continued on their drive. And so we felt that it was an emergency situation as a result of the traveling public.

GOVERNOR HOGAN: Well I'm not sure we agree. You know, my first Board of Public Works meeting we had an emergency procurement left over from the previous administration for public relations. It was a huge contract as an emergency, which we said we weren't going to do. You know, there's a process of procurement that we like to follow. Certainly sometimes things come up as an emergency that we have to deal with. But we don't want to have the Board wasting its time on things that are not emergencies. So I don't know --

MR. DENNIS: Yes, sir. I understand.

COMPTROLLER FRANCHOT: Let me ask a technical question.

There were six bidders when you brought this contract to us in 2017.

MR. DENNIS: Yes, sir.

COMPTROLLER FRANCHOT: Why did you only directly solicit bids from three of the six original bidders?

MR. DENNIS: In some cases there's been consolidation within the industry and so several of those companies no longer exist because they have been bought out by other companies. Actually a couple of those companies that we solicited, Canteen and Accent, actually purchased several of those companies over the last couple of years. So we were looking for companies that had at least the capital to be able to move quickly in order to backfill from the previous contractor.

COMPTROLLER FRANCHOT: Okay. Well I share the concern of the Governor. Because classifying this as an emergency procurement is just, it's absurd. And to state that, well, someone might need a cup of coffee to stay awake is pretty thin reasoning. Because under that reasoning you could almost get rid of the procurement system and everybody could hand-pick their own vendors. So I share the Governor's concern and I'm not quite sure what to do about it given that this is before us. But could you please --

GOVERNOR HOGAN: So you were unable to go through a normal procurement because why?

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MR. DENNIS: Well we felt, and after talking it over, again with the Attorney General's Office, that we felt that this was the best course of action.

GOVERNOR HOGAN: The Attorney General's Office thought that Snickers bars rose to an emergency?

MR. DENNIS: Well they felt that it would --

GOVERNOR HOGAN: I mean, I love Snickers as much as the next guy. But --

MR. DENNIS: Yes, sir.

GOVERNOR HOGAN: -- I'm not sure --

COMPTROLLER FRANCHOT: Yeah.

MR. DENNIS: Well they felt because of the public safety, because of the drivers, because there had been, you know, a lack of services being provided at the rest stops that --

GOVERNOR HOGAN: And why is that? Why is there a lack of services? You terminated the contract, we didn't do another procurement for a new vendor? What exactly, what happened to precipitate the lack of sodas?

MR. DENNIS: Well what happened was the vendor that had been previously awarded the contract was just not able to keep up with keeping the machines filled. The machines were constantly broken. They were constantly empty. We were receiving multiple complaints from the rest stops themselves

indicating that they were receiving a lot of complaints from the traveling public who had stopped at the rest stops and gone to the vending machines.

GOVERNOR HOGAN: And when did you award the contract to this failed vendor?

MR. DENNIS: We awarded it in 2017 and we --

GOVERNOR HOGAN: And immediately you found out that they really weren't capable?

MR. DENNIS: Well we worked, we've been working with them since 2017. You know, and we tried to help remediate the situation but they continued just to fail to perform at the level that they needed to perform at. And so it was determined after approximately 18 months or so that we needed to make a change in who the contractor was.

GOVERNOR HOGAN: And so after a long normal procurement you came up with a bad vendor but now through an emergency you think you're going to pick a good vendor?

MR. DENNIS: Well we think we've got a good vendor in there now. The machines are full throughout the interstate system.

GOVERNOR HOGAN: And how is that person now operating?

MR. DENNIS: I'm sorry, sir?

GOVERNOR HOGAN: How is this vendor you have in there now able to operate?

MR. DENNIS: Well it's a large enough corporation that they --

GOVERNOR HOGAN: I mean how, under what, how are they operating? Do you have a contract with them?

MR. DENNIS: Yes, sir. We do.

GOVERNOR HOGAN: And that's what you're coming before us retroactively to approve?

MR. DENNIS: It was done under the emergency.

GOVERNOR HOGAN: The emergency --

COMPTROLLER FRANCHOT: Wasn't the emergency, excuse me Governor, wasn't this emergency conducted, this procurement conducted just by email? Did anybody ever sit down and talk to these people?

MR. DENNIS: Well we sent out inquiries to the three companies to see whether or not they were interested in providing the service and doing the bid. And so --

COMPTROLLER FRANCHOT: And you got one response?

GOVERNOR HOGAN: And you believe that there are only three companies in Maryland that can fill vending machines?

MR. DENNIS: Well it's not that three companies can fill vending machines. It's whether they have the resources to move quickly on the, on those sites and be able to continually keep those vending machines filled, seven days a

week, for you know, in difficult weather and so forth. And so we believe that the vendor that was selected is capable of doing that.

COMPTROLLER FRANCHOT: But are you paying them?

MR. DENNIS: No, sir. This is a revenue generating contract. This is money coming into the State.

TREASURER KOPP: So how is it --

MR. DENNIS: It's a three-year contract.

GOVERNOR HOGAN: So it's an emergency contract with no procurement process, with no competitive bids, and it's for three years?

COMPTROLLER FRANCHOT: And it's for profit.

GOVERNOR HOGAN: And it's a profit making thing for them. Is that, so you just hand-picked them by sending them an email. But you're coming after the fact to ask us to approve it, is that right?

MR. DENNIS: Under the emergency --

GOVERNOR HOGAN: Yeah.

MR. DENNIS: -- procurement, yes, sir.

TREASURER KOPP: Is there any limit to the extent of an emergency contract?

GOVERNOR HOGAN: Yeah.

SECRETARY MCDONALD: Right. To clarify for everyone, this is a, because it's an emergency report, this contract has been awarded and is in

effect. And what they are telling you reporting this item is that it's a three-year contract that they have awarded. So it is done. They are reporting it to you. But if they are --

GOVERNOR HOGAN: It's not done if we don't approve it.

SECRETARY MCDONALD: Right. No. I know. That's what I'm saying. But at this point it is until you all do something, unless you all do something. What I'm saying is often emergency --

GOVERNOR HOGAN: I'm not sure anyone should ever award a three-year non-bid contract as an emergency without approval.

SECRETARY MCDONALD: And --

GOVERNOR HOGAN: I'm going to make a motion that we pull this item from the list --

SECRETARY MCDONALD: Okay.

GOVERNOR HOGAN: -- and vote on that separately.

COMPTROLLER FRANCHOT: Second.

SECRETARY MCDONALD: Because you did have your Procurement Advisor also advising you that there had been, he had felt there was enough time to conduct a standard procurement in the two months that was there.

GOVERNOR HOGAN: Yeah.

SECRETARY MCDONALD: And I think the competitive procurement had produced I think six bids, but the revenue rate they were

promising back to the State was 51 percent. And this person is at 32 percent. So perhaps that 51 percent was too high for any company to be able to do. But there is --

GOVERNOR HOGAN: Well it's hard to figure that out when you don't have a bid.

SECRETARY MCDONALD: Right. So exactly. So this is not with the rate from the rate that was approved two years ago.

GOVERNOR HOGAN: We could either deny it right now or pull it out and do it --

SECRETARY MCDONALD: You can, no we can, you can defer it. We will defer this report.

COMPTROLLER FRANCHOT: I would vote, I would vote --

GOVERNOR HOGAN: There's a motion --

SECRETARY MCDONALD: Well you're going to remand it. Actually, you're remanding this report.

COMPTROLLER FRANCHOT: No. I would move to just eliminate this proposal because it has, it's not the specifics. I was mentioning to the Governor, I make a great cup of coffee. So I always want good coffee available. But this is something that --

GOVERNOR HOGAN: Maybe you could --

COMPTROLLER FRANCHOT: -- serves as a bad precedent and

--

TREASURER KOPP: So what's the effect of doing this?

SECRETARY MCDONALD: Okay. I think right now what you probably want to do is remand this because that's really what you can do, accept or remand this report. As soon as you remand it, I am charging our Procurement Advisor to get with the agency and the Attorney General to find out what can be done and report back to you based on this transcript discussion.

COMPTROLLER FRANCHOT: Okay.

SECRETARY MCDONALD: So if you --

GOVERNOR HOGAN: The Comptroller has a motion to remand. I second. All those in favor? Aye.

COMPTROLLER FRANCHOT: Aye.

TREASURER KOPP: Aye.

GOVERNOR HOGAN: Three-nothing.

SECRETARY MCDONALD: And we will get back to you shortly.

GOVERNOR HOGAN: This decision is remanded. Thank you.

MR. DENNIS: Thank you.

TREASURER KOPP: You know, could I just add there are real emergencies.

GOVERNOR HOGAN: Yes.

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TREASURER KOPP: And to call things that don't on their surface appear to be anywhere near emergencies an emergency --

GOVERNOR HOGAN: Right.

TREASURER KOPP: -- tends to add --

GOVERNOR HOGAN: Well and I would never approve any contract as an emergency that lasts three years without a bid process for anything. So just the whole thing wasn't handled right. Thank you. Any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing.

SECRETARY MCDONALD: Thank you.

TREASURER KOPP: Well, okay, let me just point out the PAARs report --

SECRETARY MCDONALD: Oh yes.

TREASURER KOPP: -- which is right at the beginning.

SECRETARY MCDONALD: Number three.

TREASURER KOPP: I don't have any problem with the PAARs report. But I would point out that it includes a number of, as I understand it, task orders, just reporting, that are huge that would never have been reported before until this Board took the initiative to say they should be reported. These are very

large expenditures. They are -- I'm not saying there's anything wrong with them. And they were done properly. But just to show what is, what was going on.

COMPTROLLER FRANCHOT: Thank you for highlighting that. I had forgotten. And thank you for the support, Madam Treasurer. I think it is an important change.

SECRETARY MCDONALD: And so having it in the report makes them transparent because it's there and you have a report of it.

TREASURER KOPP: Yes.

SECRETARY MCDONALD: But what you all did in the last meeting and is now effective is these ones will actually have to come for approval. That was the Comptroller's motion. So this is just an interim thing of them reporting them to you. At the next meetings it will be asking for your approval --

TREASURER KOPP: Right. Because these are very large items.

GOVERNOR HOGAN: Great. Thank you.

TREASURER KOPP: I have one other question. This really is a question, on the wetlands licenses.

SECRETARY MCDONALD: All right.

GOVERNOR HOGAN: Should we withdraw the unanimous approval of the Secretary's Agenda now that we have questions? Or --

SECRETARY MCDONALD: Without discussion. Wetlands --

GOVERNOR HOGAN: Is there a motion to reconsider?

TREASURER KOPP: Well I'm not opposing it. But I do have a question. Which is when, with the wetlands, when we set, people impact wetlands adversely and they have to either mitigate it or pay a fee.

SECRETARY MCDONALD: Okay. Okay so --

TREASURER KOPP: If they can't mitigate it, they pay a fee of a few hundred dollars.

SECRETARY MCDONALD: Right.

TREASURER KOPP: How is that fee set?

SECRETARY MCDONALD: Okay. We have Bill Morgante, our Wetlands Administrator here. Also we have a representative from the Department of the Environment. Currently the mitigation is set at \$75,000 an acre. If you are affecting a portion of acreage then you are going to multiple that by \$75,000. And Mr. Morgante, you can explain mitigation a little bit further. But --

MR. MORGANTE: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Bill Morgante, Wetlands Administrator. You know, the way that the regulations are written actually if there needs to be mitigation, if there's impacts to wetlands and they are going to --

TREASURER KOPP: Right.

MR. MORGANTE: -- try to replace so they need to mitigate it somehow, then there's actually an order of what should be followed. And actually the first order is actually that they can replace it or can build something. But typically with all of our projects that come before us, there is not the room on the site to actually do mitigation on the site, to actually create it on the site. So then the default if they can't do that is to pay into a compensation fund. So the, we've actually tried to search where, we've been using \$75,000 an acre for decades and we've actually tried to search like where that came from. And it appears that it's not in statute, it's not in reg, but it is policy that was established with MDE and I guess the Board agreeing back in the 1990s. So the way it's --

TREASURER KOPP: It was a while ago.

MR. MORGANTE: I'm sorry -- yes. And you know, the way it's been calculated is based on the square footage of impact. You know, if it's 10,000 square feet, then it's \$75,000 an acre that, you know, we just do a formula to then calculate what of the \$75,000 how that would translate to 10,000 square feet of impact.

TREASURER KOPP: Have you all looked at this whole issue of wetlands mitigation, impact mitigation?

MR. MORGANTE: Yes, in terms of --

TREASURER KOPP: I mean, do you, I don't know whether it's DNR or MDE or --

MR. MORGANTE: Yes. I mean, it's something that actually has been discussed many, many times between the Board and between MDE and, you know, the fact that it's a known fact that actually our use of \$75,000 an acre is extremely low because that really would have to do with acquiring the land, designing a wetland, building a wetland, and actually having monitoring for that after the wetland is built. That's a very low number. But we, you know, we're working right now on redoing our regulations.

TREASURER KOPP: Well that's, yeah, that's only one piece. I mean, we are much more aware I think than we were 30 or 40 years ago of the importance of wetlands in mitigating the impact among other things of climate change. And what we want, I think, is to keep and enhance the wetlands, really, not just get money. So the question is whether these new sets of circumstances that we now understand about the role of wetlands is slightly different than it was 30 or 40 years ago. Our interests may be different, may be more profound and acute. And I just wonder if we shouldn't be looking at that with somewhat fresh eyes. We want to enhance wetlands. I'm not saying that individual projects should be rejected at all. But our goal is to enhance the wetlands, I believe, and wetlands of a certain type, too.

GOVERNOR HOGAN: I think a lot of that work is being done by MDE.

TREASURER KOPP: Right.

GOVERNOR HOGAN: Unfortunately I don't think we have the MDE Secretary here with us.

TREASURER KOPP: Good. But all I'm asking is if maybe you could talk among yourselves and come back to us and tell us how --

GOVERNOR HOGAN: Yeah.

TREASURER KOPP: -- what is needed to bring this whole process, including this fee but that's a small part.

GOVERNOR HOGAN: Right.

MR. MORGANTE: Certainly. Yes.

TREASURER KOPP: Exactly.

GOVERNOR HOGAN: Yes. Makes sense. Great. Thank you.

SECRETARY MCDONALD: Thank you.

MR. MORGANTE: Thank you.

GOVERNOR HOGAN: We're going to move on to the DNR Real Property Agenda.

MS. HADDAWAY-RICCIO: Thank you. Good morning, Governor, Madam Treasurer, and Mr. Comptroller. We have -- for the record, Jeannie Haddaway-Riccio, Secretary of the Department of Natural Resources. We have seven items on our Real Property Agenda today for which we are seeking approval. And I'm happy to answer any questions.

GOVERNOR HOGAN: Questions on DNR?

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COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: I had -- hold on. I promised I would say something. DNR, Item 4A, new park. Senator Kagan thinks it is a great project.

COMPTROLLER FRANCHOT: Excellent. Can we send her a letter?

TREASURER KOPP: Yes.

GOVERNOR HOGAN: Great project.

MS. HADDAWAY-RICCIO: It is a very, very great project. And I think it's a perfect example of what Program Open Space Local Side should be used for. And I think we have a representative from the City of Gaithersburg here today so thank you for highlighting that project, Madam Treasurer.

GOVERNOR HOGAN: Thank you for coming.

COMPTROLLER FRANCHOT: Is that where Jud Ashman comes from?

GOVERNOR HOGAN: It is.

COMPTROLLER FRANCHOT: Yeah, give him my very best. There is someone who truly has an independent sense of integrity. A great man.

GOVERNOR HOGAN: I second that. Was that a motion?

(Laughter.)

GOVERNOR HOGAN: Is there a motion on DNR?

COMPTROLLER FRANCHOT: Move approval.

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TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. We move on to DBM.

MR. BRINKLEY: Good morning, Governor, Mr. Comptroller, Madam Treasurer. David Brinkley, the Secretary of the Department of Budget and Management. I've brought seven items on your Agenda. I'm withdrawing Item 7-GM leaving six for your consideration.

GOVERNOR HOGAN: Any questions on DBM? Motion?

COMPTRROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second. Three-nothing. We'll move on to the University System.

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

GOVERNOR HOGAN: Mr. Comptroller?

COMPTRROLLER FRANCHOT: Yes. Seeing you standing here reminds me of the University System, and for some reason the University of Maryland Medical System, UMMS, the healthcare. I know it's not an academic institution, but just stay up there, Joe. Don't –

MR. EVANS: Okay.

(Laughter.)

COMPTRROLLER FRANCHOT: Yeah. And I thought --

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GOVERNOR HOGAN: Poor Joe. He --

COMPTRROLLER FRANCHOT: -- yeah, I thought frankly --

GOVERNOR HOGAN: -- not even part of the University System.

COMPTRROLLER FRANCHOT: I almost was going to mention this, Governor, when we were talking about Harry Hughes because he comes from the Shore and he was a great defender of the Shore. And I recently spent some time with the leading citizens of Chestertown, and that was the head of Dixon tools, a 400-person manufacturing company in Chestertown; and the head of Washington College, a fabulous school; and the head of a retirement community in Chestertown. And they had another dozen prominent members of the community. What were they meeting over? They were meeting over the fact that they believe UMMS is going to close their local hospital that UMMS bought several, recently I guess, a couple of years ago, and promised not to close.

But now they feel the thing is being stripped down to its axles in preparation for being closed as a hospital and left as kind of a clinic, like other places that have been closed. So they desperately want their rural hospital to stay there for economic reasons and healthcare reasons and quality of life reasons.

What do they think about when they read about the board of trustees at this \$4 billion healthcare behemoth, largely funded by the taxpayers, where we have a, among other things, and I won't list them, but the \$500,000 book deal caught my eye with a former Senator who led the Finance Committee

that funded a lot of the operations of UMMS? And obviously everybody else is now wondering and wringing their hands about the self-dealing that was going on.

Governor, I know you're meeting later on today with the leadership and with the Speaker and the Senate President, and they are all upset. Well the Speaker has been on the Board of Directors for 16 years. Sixteen years. And when those people in Chestertown read about the number of contracts and other things, I can't imagine them doing anything other than being furious. And I hope out of the meeting will come an independent audit. Not one done by the Legislative Audit Division, because that everybody knows is under the thumb of the Speaker and the Senate President. So please, don't give us an audit by DLS. Give us an independent audit that asks who knew what when about this, well, the Speaker called it corruption. That was his word, not mine. So please, out of this meeting come up with a real examination of what happened here. Because it goes back obviously a long time and it raises some real ethical concerns. And I'll just leave it at that. Thank you.

GOVERNOR HOGAN: Well I'm, you know I'm sorry you were the --

(Laughter.)

MR. EVANS: Just to clarify --

GOVERNOR HOGAN: Yeah. I'll save him the trouble. You know, I don't disagree with anything that the Comptroller said. I just feel bad that it was directed at Mr. Evans.

COMPTRROLLER FRANCHOT: Well --

GOVERNOR HOGAN: A lot of people are under the misunderstanding, I know the Comptroller is not, that this is a State agency, or that it is the University System, and it's not. It's a private nonprofit organization, a separate board. And I agree that our State tax dollars go in there. And we are very concerned. It's outrageous and appalling and that's why I demanded that people sever the relationships or get off the board. That's why I called them down here. They are coming to my office with the Speaker and the President later today, the entire leadership. But it's not really Mr. Evans or his responsibility. So I'm sorry you caught all the flak.

MR. EVANS: That's okay.

GOVERNOR HOGAN: But we had to direct it at somebody, right? I mean --

(Laughter.)

GOVERNOR HOGAN: -- I'm going to direct it to the leadership of the hospital and the chairman of the board and the top leadership over there. Because it is something we need to get to the bottom of.

TREASURER KOPP: Governor, could I just say I agree with what you said and what you've done. And I think it ought to be a very productive and meaningful meeting and changes have to be made. I would only disagree with the Comptroller about the Office of Legislative Auditor. I think they are quite independent. They are not under anyone's thumb. I don't always agree with what they do or say and share some of the Comptroller's frustrations as the head of an agency that is audited by that group, and do think an outside look is appropriate, not necessarily the Legislative Auditor. But I wouldn't want anybody to think that the legislative audits are not strong, independent, usually accurate reflections of reality.

This situation at University Hospital is --

COMPTRROLLER FRANCHOT: It's unfortunate.

TREASURER KOPP: -- appalling.

GOVERNOR HOGAN: Yeah.

COMPTRROLLER FRANCHOT: But I will comment, just since the Treasurer brought up the audit independence --

TREASURER KOPP: No, you did.

COMPTRROLLER FRANCHOT: -- years ago --

(Laughter.)

GOVERNOR HOGAN: She commented on your comment. And I'm going to comment on your comment of her comment.

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COMPTROLLER FRANCHOT: Yeah. Years ago the audit function was lodged in the Comptroller's Office. Really, a little known fact back in the 1960s. The auditor was appointed by the Governor but employed by the Comptroller. And unfortunately some of the audits of State agencies did not meet with the approval of individuals like Governor Tawes and others. So they stripped the Comptroller's Office of the auditing function and moved it over to the Legislature where it currently resides. The Treasurer has her opinion. I have my opinion about this group. But they then tried to strip Louis Goldstein of his office by having a constitutional amendment making his office appointed in 1968 and that was defeated. So I'm going into history here but for some reason if you don't say it it repeats itself.

GOVERNOR HOGAN: I wouldn't bring that up if I were you. It might --

(Laughter.)

GOVERNOR HOGAN: There's 18 days left in the Legislative Session.

(Laughter.)

COMPTROLLER FRANCHOT: Yep.

GOVERNOR HOGAN: It could happen.

COMPTROLLER FRANCHOT: Yep.

GOVERNOR HOGAN: I mean, they are getting close.

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COMPTROLLER FRANCHOT: Yeah. Welcome to my club.

GOVERNOR HOGAN: They might do away with the Governor and the Comptroller.

TREASURER KOPP: Item 3 --

COMPTROLLER FRANCHOT: No comment from the Treasurer.

(Laughter.)

TREASURER KOPP: -- Bowie parking lot?

MR. EVANS: Yes, ma'am.

TREASURER KOPP: It is my understanding that you all are coming back with a proposal for a solar canopy, is that right?

MR. EVANS: I have Steven Jost who is the Director of Procurement for Bowie State.

TREASURER KOPP: Good morning.

MR. JOST: Hi, good morning. No, actually that's a separate contract. It's already been approved. It doesn't fall --

TREASURER KOPP: It's not coming back?

MR. JOST: No, it doesn't fall under construction and it doesn't fall under services.

TREASURER KOPP: But it is this same project? I mean, it's the same parking lot?

MR. JOST: It's the same parking lot, separate projects.

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TREASURER KOPP: Great. Well, I commend you for that. I think everywhere we're building these things we should be looking at, A, permeability, and B, the ability to use these facilities for energy production. Thank you.

GOVERNOR HOGAN: Can you do permeability and solar energy at the same time?

TREASURER KOPP: Sure. That's the little folds between --

GOVERNOR HOGAN: Between the solar panels that the water goes through? Just a question. I don't know. Any other questions on the University?

COMPTRROLLER FRANCHOT: Thank you, sir.

GOVERNOR HOGAN: Is there --

COMPTRROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: University --

MR. EVANS: Thank you.

GOVERNOR HOGAN: -- three-nothing. IT?

MR. LEAHY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. I'm Michael Leahy, Secretary of the Department of Information Technology. Today we have seven items on the Agenda. However, we are

withdrawing Item 7-IT-MOD and I do have representatives from agencies here to answer any questions you may have.

GOVERNOR HOGAN: Questions on Information Technology?

COMPTROLLER FRANCHOT: I just want to comment, Governor, Item 4 is about adding \$300 million and 28 vendors to our existing Consulting and Technical Services or CATS+ master contract. This is a lot of money. It's always well managed by IT. But now they are going to have to, thanks to the Board's action, bring any contract over \$200,000 to the Board. And I commend the agency and your administration and the Treasurer for supporting that.

MR. LEAHY: Thank you, Mr. Comptroller.

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

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second? Three-nothing. We'll move on to the Department of Transportation.

MR. RAHN: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Pete Rahn, Secretary of the Department of Transportation for the State of Maryland.

GOVERNOR HOGAN: Mr. Secretary, we were talking earlier about Governor Hughes was the first Transportation Secretary. Which number are you, do you know?

MR. RAHN: I don't actually know. But I did take the opportunity in Denton to have my photograph taken with Governor Hughes.

GOVERNOR HOGAN: You know, I'm the 62nd Governor. I think we should find out what Transportation Secretary you are.

MR. RAHN: How about 74th since 1971 --

(Laughter.)

MR. RAHN: -- I'm not sure. Members of the Board, I was going to share some positive information I just learned this morning, which is that my daughter will actually get her degree, college degree, this Spring, and that she will have accomplished that over just three terms. Bush, Obama, and --

(Laughter.)

GOVERNOR HOGAN That's pretty good. Congratulate her for us.

MR. RAHN: Yeah --

(Laughter.)

MR. RAHN: We'll see if it works out. So members of the Board, the Maryland Department of Transportation is presenting 16 items today and

either I or representatives of our various administrations are here to answer questions.

GOVERNOR HOGAN: Questions on Transportation?

COMPTROLLER FRANCHOT: Could I just ask a question on the paratransit proposal? It's a lot of money.

MR. RAHN: Yes.

COMPTROLLER FRANCHOT: And it's kind of almost a Byzantine process where one of the bidders is peeled off and given a, given or awarded, I guess, a separate contract. How did that all work?

MR. RAHN: So let's see. Kevin, would you come up to be able to go into the details there? I know paratransit is always a topic of conversation when it comes to the Board because it is a great deal of money. It is something that we are required as a service to provide by federal law if we accept federal resources for transit. So with that, Kevin Quinn is our administrator.

TREASURER KOPP: Pete, could I just say it's from my perspective not only because it's a lot of money, but it deals immediately with individual people who are in need and have concerns and that sometimes are organized. So it's more than just --

MR. RAHN: Mm-hmm.

GOVERNOR HOGAN: Yes.

TREASURER KOPP: -- money.

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MR. RAHN: Well it's an important service that we provide.

TREASURER KOPP: Yes.

MR. RAHN: But it's an expensive service as well. And it's growing.

COMPTROLLER FRANCHOT: How much money is this contract for?

MR. RAHN: We have two items here for paratransit. One is for our call center --

GOVERNOR HOGAN: Why don't we let the administrator address the issue?

MR. RAHN: All right. Let me --

MR. QUINN: Sure.

GOVERNOR HOGAN: Good morning.

MR. QUINN: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Kevin Quinn. I'm the Administrator of the Maryland Department of Transportation, Maryland Transit Administration. I'm here to speak with you about the mobility contracts.

Just as some really quick background, Madam Treasurer, to your point, our mobility paratransit service is a specialized service for individuals who are unable to get to a bus stop or a bus station, unable to wait at a bus stop or a station, or board a bus or a train. And folks use this service every day to get to

school, to get to work, to doctors' appointments, things like that. It's available to folks under the Americans with Disabilities Act within three-quarter of a mile of a bus route or a train stop. And annually, just to give you a sense of the scale here, we provide this service to about 2.9 million riders per year. In fact, and to the Secretary's point of the growth that we've seen, between 2010 and 2018 our ridership on paratransit has grown by 91 percent. It's tremendous growth. And just this past October we set a record for the number of trips in a single month by 197,000 trips in the month of October alone.

These are riders who in most cases just don't have access to any other form of transportation. We have to ensure that we're providing the best service that we can. And so given this growth, given the changes in technology that we see in the transportation field, changes in the industry, and different business models that are quite frankly being tried, we're absolutely focused on taking innovative approaches to providing this service and contracting to get the best service, the best value for our dollar and Agenda items are reflective of that.

I'm joined by Joe Sedital, our Director of Procurement, and am happy to answer any questions you may have.

COMPTROLLER FRANCHOT: So how does this work, since it's complicated, but it is two contracts, \$685 million. You mentioned it was expensive, Mr. Secretary. And then a second contract of \$60.2 million was given to one of the bidders. But this sole bidder, MV Transportation from Fairfield,

California, is being awarded the \$60.2 million second prize, I guess. How does that work? Do you just pluck them out of one bid and put them in another bid?

MR. SEDITAL: No. So the way the procurement was -- sorry. For the record, my name is Joe Sedital, Director of Procurement at MDOT MTA. The way the procurement was set up was to have two different functional areas: one for service and one for the control center, the MOCC which you're referring to. One of the things that MTA wanted to do was ensure that there was no potential conflict of interest between the vendor operating the control center and those providing service. The way the MTA is currently operating paratransit is we have three vendors who both provide service and dispatching in a call center. So for example, MV would both operate their own call center and dispatch to their own service providers in the vehicles. The way we structured this procurement and these future contracts is to have a call center that is separate so that one entity can provide system wide efficiencies for dispatching to two different providers. Now the way the procurement actually played out was you could bid on both functional areas but you could only be awarded one. Again, that's in reference to ensuring that there was no potential conflict of interest. So the way everything came about is one bidder did bid on the control center and we received four bids on the service component.

COMPTROLLER FRANCHOT: Yeah. But why would they be connected? Because obviously the \$685 million contract is more attractive than a

\$60.2 million. So why under the, what you just described, which is you can't do both, why would any of the three companies bid for the lower contract?

MR. SEDITAL: Well in the scenario we saw one that did. MV did in fact submit a proposal --

COMPTROLLER FRANCHOT: Yeah, I know. But that just smacks of lack of competition and particularly if it's a call center or a dispatch center. And so that's, obviously you've got a complex and costly package. I'm going to vote for it. I agree with the Treasurer that it's always been problem ridden and expensive and difficult. But I just find this bid as you just described it to be unusual and maybe self-defeating as far as competition.

GOVERNOR HOGAN: They are paid by the number of trips, is that right? You said the conflict, if the people are dispatching also are providing the service then there might be a conflict because they are sending people to that?

MR. SEDITAL: So the idea would be -- exactly right, Governor. If you are both the service provider and the only call center, there at least optically could be the possibility that the control center would divert more of their dispatch rides to their service provider as opposed to one of the other.

GOVERNOR HOGAN: This is actually to stop the conflict of interest --

MR. SEDITAL: Exactly.

GOVERNOR HOGAN: -- and to stop them from making themselves more money.

MR. SEDITAL: That's right.

COMPTROLLER FRANCHOT: How does that work?

GOVERNOR HOGAN: Because a separate company just has no incentive whatsoever to send it to those people.

COMPTROLLER FRANCHOT: As opposed to whom?

GOVERNOR HOGAN: As if you had the contract for both you would just try to generate yourself more money.

MR. SEDITAL: So okay --

COMPTROLLER FRANCHOT: Yeah, no, I agree. I can see what you're saying, Governor. But I'm still confused about how you correct that with this entity --

GOVERNOR HOGAN: -- that's what they did --

COMPTROLLER FRANCHOT: -- wouldn't there be a built-in conflict from the dispatcher saying we're doing a great job, it's these bozos over here who are doing the operations that are messing up. I mean, if they ultimately would like to have the larger contract. Why wouldn't that be a --

MR. QUINN: Let me just take a shot at this real quick.

COMPTROLLER FRANCHOT: Thank you. Yeah.

GOVERNOR HOGAN: Go for it.

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MR. QUINN: So if you're the operator of paratransit and you're being paid by the trip, you have an incentive to have as many trips as possible. Right? So single ride trips, long mileage, gets you more money, right? If you have a separate stand-alone dispatching center, they have the ability to combine trips. So it's not just a single person saying, oh, I'm going to come out here and bring this person here. That's dollars. The dispatcher, the now third party, is going to say, oh, you can pick someone up here and pick someone up here and pick someone up here to get full efficiency out of that trip.

COMPTROLLER FRANCHOT: And that can't be part of a procurement that you require that and that they pay a bond and that they consider this and then they have a default --

MR. QUINN: Yeah.

COMPTROLLER FRANCHOT: -- I'm just suggesting that you've got something here that may not be as beneficial as you think and you know we'll stay in touch with it, I guess. But the proof here is whether customer service and if what you're suggesting is, oh, we're going to do something efficient from your standpoint, which drives the public crazy if they are sitting there not just one, two, three, four, but you're sending around buses now picking people up and it takes forever, that may be a problem. So we'll, I guess if you can monitor the customer satisfaction in addition to the company satisfaction or whatever your satisfaction, I would be appreciative.

MR. SEDITAL: Will do.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: Do you still have an advisory board of paratransit customers?

MR. QUINN: We do. So we have two advisory boards, the Community Advisory Council and the Community Advisory Council with Individuals with Disabilities. So the CAC and the CACAT and those are still active. I present to them both regularly.

TREASURER KOPP: And do they meet regularly?

MR. QUINN: They do.

TREASURER KOPP: Meaning how often do they meet?

MR. QUINN: They are monthly.

TREASURER KOPP: Okay.

MR. QUINN: They meet monthly.

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: And do you have periodic -- audit is, I don't mean a financial audit, but you look at it to make sure the whole system is working --

MR. QUINN: Yeah.

TREASURER KOPP: -- the way, it won't be like UMMS board.

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MR. RAHN: We do. And in fact, that's another procurement that we have associated with this in which it's quality assurance.

TREASURER KOPP: Yes.

MR. RAHN: And it's to have the whole gamut of testing of the quality of our service with mystery riders testing the system. And it's a real step of improvement, I believe, and I believe the combination of features that we have here is going to give us efficiencies as well as improve service.

GOVERNOR HOGAN: Thank you.

MR. SEDITAL: Thank you.

TREASURER KOPP: Best wishes to us all. Thank you.

GOVERNOR HOGAN: Secretary Rahn, the quiz I gave you earlier that you failed miserably on, you guessed you were maybe 75th. The first 200 years, we didn't have any Transportation Secretaries. Harry Hughes was the first one in 1970 when he left the Senate. And you are only the 15th --

TREASURER KOPP: Wow.

GOVERNOR HOGAN: -- Transportation Secretary.

MR. RAHN: Wow. Well that's --

GOVERNOR HOGAN: When we had dirt roads and horses and cobblestone, we didn't have any need for your position.

MR. RAHN: Governor, I'm very disappointed in my staff not having been able to present --

GOVERNOR HOGAN: Oh, blame the staff.

(Laughter.)

MR. RAHN: Hey, the buck stops at the Secretary's desk.

TREASURER KOPP: Assistant Secretary. Deputy Secretary.

GOVERNOR HOGAN: Yep.

COMPTROLLER FRANCHOT: Geez. I had some more items I was going to bring up. But in deference to the 15th Transportation Secretary, I'm going to defer.

GOVERNOR HOGAN: Yeah. So --

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing on Transportation. Last but not least, Secretary Churchill, we have the Department of General Services.

MR. CHURCHILL: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm the 11th Secretary of General Services --

GOVERNOR HOGAN: Hey, good job --

(Laughter.)

(Applause.)

GOVERNOR HOGAN: Somebody did their homework.

MR. CHURCHILL: Yes. Just give me enough time. The department has 33 items on our Agenda. We are withdrawing Items 4 and 24, leaving 31 items left for your approval. We have agency representation to answer any questions you have at this time.

GOVERNOR HOGAN: Did the former Secretary of DGS, the Lieutenant Governor, did he make you learn that?

MR. CHURCHILL: No -- yes. Actually, we have, on his picture we have the number eight.

GOVERNOR HOGAN: Oh, you have number eight.

MR. CHURCHILL: We have a big number eight on it, yeah.

GOVERNOR HOGAN: Wow. That was a lot between, you know, a couple of them came and gone. All right.

TREASURER KOPP: I just have a question not a problem with 5-AE, the Lawyer's Mall. How are we, are we on schedule with everything that's happening out there?

MR. CHURCHILL: I'm happy to report that Lawyer's Mall, even though it may not look like there's constant activity, is on schedule. As a matter of fact, we are a little bit ahead of schedule as we came into the end of the year with the underground work. We're currently in our second phase, which is under design approval with the engineers. And so you'll be seeing activity coming up very soon.

GOVERNOR HOGAN: I ask the same question everyday as I walk past. Apparently it's all happening underground.

TREASURER KOPP: It is your backyard.

GOVERNOR HOGAN: Yeah. It's, but I think after the Session you'll see more on top of the ground, right, because they were waiting to not disrupt with all of the activity. But they are moving really ahead of schedule underground.

MR. CHURCHILL: They are moving ahead of schedule. We have some more underground work to do with tie-ins of the buildings and we're designing, we're in the process of moving forward with design concepts. So.

GOVERNOR HOGAN: Okay. Very good. Are there questions on DGS?

TREASURER KOPP: Not a question. Just to point out Echo Hill -

MR. CHURCHILL: Yes.

TREASURER KOPP: -- a great institution. Thank you very much for all you are doing with it. I think it's terrific. And Delegate Jacobs agrees. If you need help, he's a strong proponent.

GOVERNOR HOGAN: Very good. Thank you. Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

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GOVERNOR HOGAN: Second? Three-nothing. Thank you.

That concludes the Board of Public Works.

(Whereupon, at 11:06 a.m., the meeting was concluded.)