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STATE OF MARYLAND
BOARD OF PUBLIC WORKS
ANNAPOLIS, MARYLAND

April 22, 2020
10:18 a.m.

PRESENT

HONORABLE BOYD RUTHERFORD

Lieutenant Governor

HONORABLE NANCY KOPP

Treasurer

HONORABLE PETER FRANCHOT

Comptroller

JOHN GONTRUM

Secretary, Board of Public Works

NELSON REICHART

Deputy Secretary, Department of General Services

DAVID BRINKLEY

Secretary, Department of Budget and Management

GREG SLATER

Secretary, Department of Transportation

JEANNIE HADDAWAY-RICCIO

Secretary, Department of Natural Resources

MIKE LEAHY

Secretary, Department of Information Technology

JIMMY RHEE

Special Secretary

Office of Small, Minority and Women Business Affairs

LISA GRIGSBY

Recording Secretary, Board of Public Works

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CONTENTS

Subject	Agenda	Witness	Page
Neighborhood Business Development Program Loan to Sky High Sports & Entertainment, LLC	SEC 9, p. 16	John Gontrum	15
African American Heritage Preservation Program Grants	SEC 24, p. 41	John Gontrum	15
State Property Tax Rate	SEC 2, p. 5	John Gontrum	17
Wetlands License	SEC 3 (erroneously referenced as SEC 4), p. 6	John Gontrum	18
Oyster Recovery and Habitat Restoration in MD Sanctuaries	SEC 6, p. 18	John Gontrum	18
Federalsburg Wastewater Treatment Plant Update to Conserve Energy	SEC 16, p. 31	John Gontrum	18
Phase III Ocean City Convention Center Renovation and Expansion	SEC 26, p. 46	John Gontrum	18
Rental Housing Works Grant to River Bend Court, LP	SEC 8, p. 15	John Gontrum	18
Neighborhood Business Development Program Grant to The Latino Economic Development Corporation, ECDC Enterprise Development Group, and Life Asset, Inc.	SEC 10, p. 19	John Gontrum	20

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Acquisition of Conservation Reserve Enhancement Program Easement	DNR 10A, p. 65	Jeannie Haddaway- Riccio	22
Notice of Federal Participation in Deed to the Browns Branch Wildlife Management Area	DNR 14A, p. 71	Jeannie Haddaway- Riccio	23
On-Call Mechanical/Electrical Design Services for Academic Projects for the University of Maryland, Baltimore	USM 2-AE, p. 75	Joe Evans	24
NextGen Energy Program	USM 3-GM, p. 77	Joe Evans Carlo Colella	25
Acquisition of Property along Baltimore Avenue in College Park	USM 4-RP, p. 92	Joe Evans Linda Goode Jay Perman Del. Mary Lehman Patrick Wojahn	28
Capital Lease to Finance Portion of City Hall Block Project	USM 5-LT, p. 95	Joe Evans Linda Goode Jay Perman Del. Mary Lehman Patrick Wojahn	28
Statewide Cloud Solutions PA for Amazon Web Services	DGS 10-LT- MOD, p. 152	Nelson Reichart Michael Leahy Greg James	44
Statewide Personnel System Workday Operation Maintenance and Resources	DGS 7-IT, p. 145	Nelson Reichart	55
Long Term A Culvert Replacement at BWI Marshall Airport	DOT 2-C, p. 100	Greg Slater	58
Modification of Contract for Light Rail Fleet Mid-Life Overhaul	DOT 5-GM- MOD, p. 108	Greg Slater Michael Zimmerman Kevin Quinn	59, 64

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Modification of Contract for Light Rail Vehicle Car Cleaning	DOT 6-M-MOD, p. 112	Greg Slater Michael Zimmerman	59
Modification of Contract for Light Rail Facilities Electrical Maintenance	DOT 7-M-MOD, p. 115	Greg Slater Michael Zimmerman	59
Modification of Contract for Light Rail Facilities – HVAC Maintenance Services	DOT 8-M-MOD, p. 117	Greg Slater Michael Zimmerman	59
Modification of Contract for Light Rail Division Landscaping Maintenance Services	DOT 9-M-MOD, p. 119	Greg Slater Michael Zimmerman	59
Security Services for the Maryland Port Administration	DOT 4-S-OPT, p. 138	Nelson Reichart Greg Slater	67

PROCEEDINGS

LIEUTENANT GOVERNOR RUTHERFORD: Well, good morning, and Happy Earth Day. Sorry for the delay in getting started. It probably was me, primarily. I was having problems with my audio this morning. The video was working, but for whatever reason I'm having a little problem with audio. But, that's technology for us.

Welcome to another virtual meeting of the Board of Public Works. We continue to hold these meetings virtually as we remain under the Governor's emergency order limiting public gatherings in response to the coronavirus pandemic. We are practicing social distancing, or I should say physical distancing because we're still social. We're just physically distant from one another and participating in this meeting remotely. And I'm pleased to say that we feel that this physical distancing and other measures that have been taking place over the last several weeks are making a difference. It is allowing us to flatten the curve to ensure the health and well-being of Marylanders by limiting the spread of the virus, keeping our healthcare system from being overrun.

I also want to take a moment to thank, of course, our Board of Public Works staff, who have been making this possible for us to conduct these meetings virtually. They have done an excellent job and I want to say thank you very much for all the work that you put into this. And of course, we want to thank the

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healthcare workers, our grocers, our food distributors, all the essential workers and others who have helped to respond to this pandemic and keep essential businesses operating.

Now I just want to give a quick update in terms of where we stand today with regard to the virus. This morning we have 582 new cases in the State. That gives us a total of 14,775 cases. Unfortunately, our COVID related deaths stand at a total of 631. So we've gone over the 600 mark. We've had new confirmed deaths this morning reported of 47. We always expected that the cases would go up as we increase testing. But that was a concern all along, but we were particularly concerned and really focused on hospitalizations and deaths to make sure that we weren't overloading our healthcare system.

But I want to put something in perspective, the coronavirus from that standpoint. According to the State Department of Health information, from October of 2019 to April 11th of this year, the seasonal flu season, the seasonal flu accounted for 60,213 cases in Maryland. Of those 60,213 cases, it resulted in 62 confirmed fatalities. On April 11th of this year, we recorded 7,694 cases of COVID-19, resulting in 206 deaths. That's in a month's time. Our first deaths in the State were approximately March 11th. So in one month, we had 206 deaths. We have now tripled that number since April 11th. So, for those who think that this pandemic is nothing more than a bad flu season, they are badly mistaken.

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So it's, we're in a challenging time. And it's not quite over yet. But as Governor Hogan said last week, we are beginning to see the light at the end of the tunnel. And just on Monday, the Governor announced the State's receipt of 500,000 COVID-19 tests from South Korea. This testing capacity is equal to an amount of testing that had been completed by four of the top five states in the country. And later today, the Governor will make comments during a press conference here in Annapolis to talk about the building blocks for a return to normalcy.

Finally, I want to switch gears and just take a moment and end my opening comments on a very positive note and point out again that today is Earth Day. Weeks ago, I was looking forward to celebrating Earth Day in one of our beautiful parks. Actually, I was supposed to spend the morning planting a tree out at the Howard County Conservancy. I will be attending this afternoon a virtual event at the Conservancy in Howard County. Unfortunately, you know, I can't be there physically because the coronavirus had different plans. But, I do look forward to being there in a virtual manner to help celebrate this occasion. And if it were a normal Board of Public Works meeting, I would be presenting Maryland's Official Earth Day Proclamation to Secretary Jeannie Haddaway-Riccio of the Department of Natural Resources, and Secretary Ben Grumbles of our Department of the Environment. So instead today, I have a Proclamation -- I reach over, stage left, or

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over there, stage right, I don't know. So I have the virtual Proclamation for this virtual presentation to both of the Secretaries on recognition of Earth Day, April 22, 2020. Now, ah there it is. It pops up on the screen.

And lastly, I know I said that was going to be my final comment, but before I turn over the microphone to Treasurer Kopp, I just want to point out the physical as well as environmental benefits of our doing the BPWs virtually. We've estimated that the State is saving or avoiding approximately \$6,000 per meeting in doing this virtually. And that's factoring in the lost productivity of the 50 or more mid-to high-level, high-ranking officials who are waiting to participate for sometimes a couple of hours, participate in the Board of Public Works, the cost of their travel to Annapolis, plus the emissions reduction from the vehicle travel of these officials and the observers who come down to the meetings. So it's something to think about as we recover from the pandemic and as we go forward. And so with that, I want to hand things over to Treasurer Kopp for her opening remarks. Thank you. Madam Treasurer?

TREASURER KOPP: Thank you, Governor. I would like to reiterate and join in the celebration of Earth Day. The Comptroller and I and Delegate Lehman, actually, Mary Lehman from Prince George's County, were talking about it earlier. It's the 50th, I believe, the 50th global Earth Day. I remember 1970. It was very exciting to bring people together. No one thought it

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would last for 50 years. If it weren't for the virus, there would be more than a billion people across the globe celebrating together our dedication to restoring the earth and the quality of our air, water, and joining together, I would hope, across borders and across parties to combat the great challenge of combat change.

And I wanted to point out to you and to the Comptroller, to the Board, the leadership that this administration, through the Secretary of the Environment Ben Grumbles, and the Secretary of Natural Resources have taken. The State has really engaged seriously. We have a very long, long way to go. But the recognition that it's a problem, and the recognition that's shown in our Board of Public Works Agenda, in the items. I point out to you that all of the items, just about all of the items from those two departments, have in their descriptions the impact, relationship to climate change, the fact that these projects have come to us after going through an investigation and, I trust, serious consideration of both climate change on the project that is proposed or the impact of the project that is proposed on our battle with the impact of global climate change. So it's working its way. The issue is working its way into the everyday, ongoing business of State government. And that's where it has to be.

And I did want to recognize the work of the Governor and First Lady, as we understand it, in bringing the tests from South Korea, the badly needed tests, 500,000 is a lot. We need the infrastructure to do the tests. But I, they are

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critical to opening up the economy, opening up our community. And I think it is a great first step.

Having said that, I would hope, Governor, that you would take back to Governor Hogan and Secretary Brinkley, who I know is here, the concerns that I have heard from both the Legislature and State employees about the conditions in the prisons, hospitals, and juvenile detention centers in terms of the actual protection of employees from the virus, the necessary PPEs, the tests now that we are beginning to get them, and the plans. We depend on our employees. We are responsible for them, the employees in the institutions of various types. We need them. They are very concerned. I'll be sending to Secretary Brinkley, unless you tell me who else to send it to, communications that I've received, Secretary Brinkley because he heads the Personnel Administration, and similar inquiries from the counties which I will send on. But I thank you very much for hosting this meeting. I think the lessons about the benefits of telecommuting, teleworking, staggered hours, are tremendous and should make a significant impact on, not only on the State, but on the private economy as well. So with that extraordinarily long statement, Peter, sorry.

LIEUTENANT GOVERNOR RUTHERFORD: Not as long as mine. Okay. Mr. Comptroller?

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COMPTROLLER FRANCHOT: Thank you, Lieutenant Governor, Madam Treasurer. As always, it's good to be with both of you. As State Comptroller, I have over the last several months personally spoken with countless small business owners in Maryland whose worlds have been turned upside down by this pandemic. The Paycheck Prevention Program that was enacted as part of the CARES Act at the federal level last month offered a ray of hope, a much needed helping hand to small businesses and their employees. The recent news that \$349 billion, however, in the Paycheck Protection Program had been depleted in two weeks with thousands of applications still pending from small businesses, that was a real punch in the gut for those applicants who really sorely needed financial assistance. We're talking about businesses in Maryland that have three or four weeks of cash available before they have to close permanently.

To make matters worse, in the last several weeks we've learned that thanks to backroom deals and legislative maneuvering by high-paid lobbyists in Washington, big corporations got slices of the \$349 billion pie intended for small businesses. And the big businesses had their applications reportedly prioritized by banks over the loan applications of the intended recipients of the Paycheck Prevention Program. That's why Ruth's Chris Steak House, for example, received not one, but two \$10 million loans for a total of \$20 million. This is a loan, really, that is forgivable, so to speak, because after a number of months, it's forgiven.

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Shake Shack and Potbelly, they got \$10 million in forgivable loans. These are large publicly financed companies that, frankly, I believe some of them are giving the money back, it's so embarrassing that they even applied for it. I have nothing against these restaurant chains, but I would much rather see that money go to its intended recipients, the hundreds and thousands and tens of thousands of Maryland small businesses who are on the verge of closing shop permanently. But they haven't received a single penny from the Paycheck Protection Program.

I'm encouraged, of course, by the agreement from Washington that recently, yesterday, or apparently it's going to be voted on tomorrow, includes another \$300 billion for the Paycheck Protection Program. It is critical that the Federal Small Business Administration this time around direct those critically needed funds to the small businesses that they were supposed to help, not big, multimillion dollar companies and chains that have lots of wealthy investors and lots of reserves built up. That's why today I'm sending a letter to the Small Business Administrator Jovita Carranza in Washington and to the SBA Mid-Atlantic Regional Administrator Steve Bulger at the federal level to strongly urge the agency to prioritize and support these small businesses that are the lifeblood frankly of our State's economy. It's shameful that they didn't get it right the first time. It's my sincere hope that they don't repeat what turned out to be a disastrous mistake this time around.

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Lieutenant Governor, as always it's good to see you. I look forward
to today's Agenda.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Thank you.

TREASURER KOPP: Could I just --

LIEUTENANT GOVERNOR RUTHERFORD: Yes.

TREASURER KOPP: -- your letter has not been already sent. I
agree with the sentiments completely. If you could add nonprofits, people don't
think of the nonprofits. But the point -- they are employers. They are very
important employers in Maryland. And they have the same issues that for profit
businesses have.

COMPTROLLER FRANCHOT: I'm happy to do that. Good
advice. And I also --

TREASURER KOPP: Thanks.

COMPTROLLER FRANCHOT: -- will send the draft. If you want
to co-sign it, I'm happy to have you also. Because it's, you know, it's the big
federal bureaucracy that we don't control in Maryland. But they definitely need to
put some filters up, make sure that this money goes to the businesses it's supposed
to. Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Great point. All
right. Thank you. Mr. Secretary, Secretary's Agenda?

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SECRETARY GONTRUM: Good morning, Governor, Madam Treasurer, Mr. Comptroller. There are 30 items on the Secretary's Agenda. Items 1, 2, 7, 8, 24, 26, 27, 28, and 29 have been revised. I'm happy to assist with answering any questions.

LIEUTENANT GOVERNOR RUTHERFORD: I only have comments, not necessarily questions. Let me just make sure I don't have questions. Item 9, which is Neighborhood Business Development Program to Sky High Sports and Entertainment, LLC, I visited with the entrepreneurs behind this, oh, maybe a year or a year and a half ago, when they were talking about their concept. I'm glad to see that they were able to get their financing, bank financing, as well as their credit, and work with the landlord. It's going to be an entertainment facility at the Bowie Town Center, that very much could use this type of family friendly entertainment center. Hopefully, they will, by the time they get started there we'll be back open and allowing people to go to those types of things again. But I just wanted to point that out.

And then also, the Maryland Historical Trust, Item 24. There are several grants that are being provided. First, one to Bethel AME Church in Cambridge. I had the pleasure to go there for the Gloria Richardson Day that the Governor declared back in February of 2017. The group, Eastern Shore Network for Change, which is run, was created and run by Kisha Petticolas and Dion Banks,

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are doing a wonderful job down there in Dorchester County. And it was a wonderful program.

I also wanted to point out the Fairmount Heights World War II Monument, and Mayor Lilly Thompson-Martin, and all the work that they've been doing in Fairmount Heights. Now, with all disclosure on that, Mayor Thompson-Martin goes to my mother's church, the same church that I went to as a boy, which is on the same block as my elementary school in Northeast Washington. And so she knows my mother, so I have to give a shout out to her on that.

And then lastly, the Zion United Methodist in Federalsburg, a historic church that was founded by African American congregants in 1848 in the time of slavery. And for those as familiar with Caroline County, Caroline County is actually on that trail to freedom for many slaves who were on the Eastern Shore would traverse through Caroline County on their way to Delaware and eventually to Philadelphia for freedom. And there the Caroline County Historic Society does a very good job in explaining that history, that part of the history that took place in Caroline County where there were a number of free and freed African Americans as well as Quakers that basically were conductors on the Underground Railroad.

So those are the comments I had on the Secretary's Agenda. I didn't have any concerns. So Madam Treasurer or Mr. Comptroller? Any questions?

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COMPTROLLER FRANCHOT: I have a couple of comments, also, thank you, Lieutenant Governor. I wanted to comment on Item 2 and applaud my colleagues, the Treasurer and Secretary Brinkley, who I believe is on the phone. This is where the Commission on State Debt is letting us know at the Board of Public Works that we had unanimous agreement to recommend maintaining the State's property tax rate at its current level. Given the uncertain economic future that lies ahead, raising this property tax rate would have been an irresponsible action and would have done nothing but inject further uncertainty and disruption into the lives of working families and homeowners who are under tremendous fiscal stress right now. Raising the property tax rate would impose disproportionate damage on what I consider are the two goalposts of the Maryland economy: working families and homeowners. And in the entire economy, it's the small businesses and consumers that are affected by these kinds of tax increases.

Given the outside role that small businesses and consumers play in the health of our economy, we should be mindful in making economic and fiscal decisions that impact, and especially with the situation we find ourselves in today. There is never a good time to take money out of the pockets of Maryland homeowners through tax increases. But I can hardly think of a worse time than right now. And with a tax that quite frankly, the State property tax is regressive. It frankly harms those it's most designed to help. In the months and years ahead,

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we'll need to tighten our belts more and identify opportunities to save money and reduce costs whenever and wherever possible. So I strongly support Item 2, which is the recommendation for us to approve the adoption of the Commission of State Debt's recommendation. I urge all of us, obviously, to support that.

And then very briefly, Lieutenant Governor, I wanted to take a moment to express my support for Items 4, 6, 16, and 26 on this Agenda. Item 4 is a State tidal wetlands license for a new pedestrian bike path. This is a significant marker in the renaissance of Downtown Salisbury on the Lower Shore. Under the leadership of Mayor Jake Day, Downtown Salisbury has become a vibrant destination for shopping, dining, and downtown living. This will make it easier to enjoy everything that Downtown has to offer without getting behind the wheel of a car.

Item 6 is a request from the Department of Natural Resources to, you just mentioned Secretary Haddaway-Riccio, this is a request from the Department of Natural Resources to award the Oyster Recovery Partnership a contract for the purchase and collection of oyster shell and plant natural oysters for oyster reconstruction in targeted sanctuaries in the Chesapeake Bay. This is critical to the oyster aquaculture and the future of Maryland's seafood industry. These ongoing efforts to restore the Bay's oyster population are essential to the health and vitality of the Bay, ensuring a dependable oyster bounty and Maryland's economy.

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Item 16 would award the Town of Federalsburg grant funding for the Federalsburg Wastewater Treatment Plant upgrade to conserve energy.

And Item 26 approves the much needed phase, next phase and renovation of the critically important Ocean City Convention Center. These are terrific State investments for the City of Federalsburg and Ocean City. They are going to support jobs, provide economic activity and reach important parts of our State. I'm glad to see that some parts of the State government are working positively, as the Treasurer alluded to, and that we're able to get this money where it's going to have a very positive impact. Thank you, Lieutenant Governor.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you.

TREASURER KOPP: Governor --

LIEUTENANT GOVERNOR RUTHERFORD: I would add that all parts of State government are continuing to work hard and have a positive impact.

COMPTROLLER FRANCHOT: Yes, of course.

(Laughter.)

TREASURER KOPP: Since I had mentioned the good work of DNR and the Department of the Environment in their items, and their inclusion of consideration of impact of climate change -- excuse me. I just had -- there. My computer is a little --

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LIEUTENANT GOVERNOR RUTHERFORD: We still see you,
though.

TREASURER KOPP: All right. I couldn't see anything. Just to point out the items from the Department of Housing and Community Development, which range from senior housing, to the Bowie project, which you mentioned, to projects in -- yes. Projects in every part of the State, the Neighborhood Development in both the Baltimore City area and the Montgomery County Area, and the Latino Economic Development Corporation, the ECDC Enterprise Development Group Like Assets, that's Item 10. But all of those items, this department, too, is incorporating that consideration, just like DNR and Department of Environment, and bringing it to the Board of Public Works and through the Public Works to public attention, their inclusion of this consideration in projects of different types across the State. And I just want to thank Secretary Holt for that.

LIEUTENANT GOVERNOR RUTHERFORD: Good. Thank you.
Any other questions or comments on the Secretary's Agenda?

COMPTROLLER FRANCHOT: I would move approval, if that's appropriate.

LIEUTENANT GOVERNOR RUTHERFORD: Do we have a second?

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TREASURER KOPP: I would just ask to -- I would second it. I would just point out that the Commission on State Debt, which the Comptroller mentioned in Item 2, is composed of myself, the Comptroller, and Secretary Brinkley, and none of the parties were considering raising the property tax --

COMPTROLLER FRANCHOT: Yes.

TREASURER KOPP: -- and supported the Comptroller strongly in his effort not to do so.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you.

COMPTROLLER FRANCHOT: Thank you, Mr. Secretary.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you all. Okay. So we have a second on the Secretary's Agenda? Okay. We're all in favor. Thank you very much. Department of Natural Resources.

MS. HADDAWAY-RICCIO: Hi, good morning, Governor, Madam Treasurer, and Mr. Comptroller. For the record, Jeannie Haddaway-Riccio, Secretary of the Department of Natural Resources. I want to start by thanking all of you for recognizing the 50th Anniversary for Earth Day, and for all of your support of our natural resources. And I wanted to let everyone know that in honor of the 50th, our Maryland Park Service staff will be planting 10,000 trees in our State Parks across the State of Maryland, including a Wye Oak seedling that Park Superintendent Nita Settina will be planting at Sandy Point State Park. And since

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it's the Year of the Woman, I wanted to quickly recognize Superintendent Nita Settina. She is the first and only woman to serve in that capacity since the Park Service was formed in 1906. So we're really proud of both of those factors.

And today, we have 14 items on our Real Property Agenda for which we are seeking approval, and I'm happy to answer any questions that you may have.

LIEUTENANT GOVERNOR RUTHERFORD: Any questions for the Secretary?

TREASURER KOPP: I do have a question on Item 8, on Item 10, 10A, the Conservation Reserve Enhancement Program. It's a more general question. This is an item that picks up property that might have been dropped off when the federal coverage essentially ended. And I recall a few years ago there was real concern about people being in the federal CREP and then dropping out and we losing the property. What's, do you know or could you get to us later some information of how we're doing with that, with that problem?

MS. HADDAWAY-RICCIO: Sure, we'd be happy to follow up with some additional information. I would just add that you're right, the State program for CREP is supplemental to the federal program and it is really helpful in trying to achieve our Chesapeake Bay goals. There were some changes, very important changes, in the 2018 Federal Farm Bill that would be really beneficial to the Chesapeake Bay and to Maryland. Secretary Bartenfelder and I sent a letter to

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Administrator Fordyce last month asking for a meeting with USDA so that we can talk through some of those new provisions and figure out how we can most effectively and efficiently (indiscernible) in place and take advantage of these new provisions. So I'd be happy to share some of that information with you. And when we receive our response, I will keep you posted.

TREASURER KOPP: That would be great. Good luck. Let us know if we can help.

MS. HADDAWAY-RICCIO: Thank you.

TREASURER KOPP: And I would point out, is it Item 14, the Ben Lee property? Where is the Ben Lee? I think --

MS. HADDAWAY-RICCIO: Yes, I know Item 14.

TREASURER KOPP: Where you are attempting to, essentially as I read it, leverage it to support more federal funds. Is that a fair way of putting it?

MS. HADDAWAY-RICCIO: Yes. So last spring, U.S. Fish and Wildlife made a determination that we can use property that we own as a match for federal grant assistance. And so the approval of this item will allow us to leverage additional federal funding, and will also help ensure that the property continues to be in conservation in perpetuity.

TREASURER KOPP: Very good. Thank you. Thank you for your leadership.

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MS. HADDAWAY-RICCIO: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Any other questions?

TREASURER KOPP: No other questions.

COMPTROLLER FRANCHOT: If not, I would move approval.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. All right.

Well, we're all in favor. Thank you, Madam Secretary.

MS. HADDAWAY-RICCIO: Thank you very much.

LIEUTENANT GOVERNOR RUTHERFORD: University of Maryland System.

MR. EVANS: Good morning. Joe Evans representing the University System of Maryland. We have five items on the Agenda. I have speakers for Item 4-RP and 5-LT, which I will introduce once we get to those items. We are here to answer any questions.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Thank you. I have one question on Item 2-AE. This is an on-call mechanical/electrical design contract. Are any of these awardees small businesses or minority businesses?

MR. EVANS: Yes, sir, they are. Henry Adams is a small business. Burdette, Koehler, Murphy is a small business. Kibart is a small business. And

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MS Engineering is a small business. Setty & Associates International is a minority business.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you very much. And thank you. The University does a good job in, you know, utilizing small and minority businesses. I know we're going to get to Items 4 and 5. Are there any questions on the other items before we get to 4 and 5?

COMPTROLLER FRANCHOT: Thank you. I had a question on Item 3. Mr. Evans, if you could, I understand this is a request to designate a public-private partnership and approve the competitive solicitation method that you have used before with the private sector for this program. And I'm just trying to get an idea of what this particular project entails and what each part is going to be responsible for. I understand you have used this methodology in the past and that you've had some success with it and that's why you're back requesting another designation. Could you just briefly explain what the project entails, the University's role, and the concessionaire's role, and how a P3 is financial advantageous to the University System, and what other I guess universities in the State are utilizing this for their energy program? And are they using it around the country and what's the marketplace? I mean, you can put it in writing, if, Joe, if you want to. But if you could just give us a bird's eye view of are these, are we

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going to see a lot more proposals from your institutions? And for our review and approval? Or is this something that we're basically dealing with right now?

MR. EVANS: For this item, I have Carlo Colella, who is the Vice President for Administration and Finance at University of Maryland College Park, on audio, who can answer the question.

MR. COLELLA: Thank you, Mr. Evans. Thank you, Mr. Comptroller, for the question. Greetings, Lieutenant Governor and Madam Treasurer. This is Carlo Colella, Administration and Finance Vice President, University of Maryland. And Mr. Comptroller, you are correct that we went down the public-private partnership path 21 years ago when we converted what was then simply a steam plant and a steam distribution plant to a co-generation plant that includes steam and electrical distribution and some chilling water. Those agreements have expired. We were able at that time to make a significant capital investment without incurring State or University debt. The operations have been reliable in meeting the campus' energy needs, which of course continue.

At the end of this period, we now are in a position of needing to do more capital renewal and continue operating with a third party. The University continues to purchase the commodities that are provided to the energy operator. The agreements, once, if this is approved and we go through the solicitation process, we expect to come back to this Board in about two years' time with

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agreements for formal approval. This is a large project, so not many projects that I'm aware of in the University System would go -- at least, energy projects. This is a common (indiscernible) student housing. But as far as I know, this is the only energy project in the University System.

There are other universities across the country that have followed suit. We were actually the pioneer 21 years ago and received an Energy Star Award for that project. So we're delighted to -- we've had good performance and we're delighted to continue with the support of the Board of Public Works. As you know, years ago we didn't need a BPW action pre-solicitation, only on the final agreements. Laws have changed so we're here in front of you today seeking your support.

COMPTROLLER FRANCHOT: Great. I look forward to looking at those contracts when you bring them before us. And thank you for the background. I didn't mean to spring the question on you like that, but that's very helpful.

MR. COLELLA: My pleasure.

TREASURER KOPP: Carlo, could I just add on this project, 3-GM, this is the most extensive description that I recall ever seeing for a Board of Public Works item, and I found it really helpful. And I hope that you will keep that in mind as you go forward with these things that, the Comptroller is right, are very,

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very complex, not simple, and very costly also. It really I think added significantly to our understanding. And I hope it will not be a unique experience.

MR. COLELLA: Thank you, Madam Treasurer. We have a terrific team working on this and we've enjoyed great support from the University System and of course the Board of Regents. So, thank you.

COMPTROLLER FRANCHOT: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: So we'll -- Items 4 and 5.

MR. EVANS: I have --

LIEUTENANT GOVERNOR RUTHERFORD: Joe, I see on the screen we have Chair Gooden and Dr. Perman here?

MR. EVANS: Yes, sir. We have additional speakers. We have Linda Gooden, who is the Chair of the USM Board of Regents; Dr. Jay Perman, who is the Chancellor of USM. We also have speaking Patrick Wojahn, Mayor of the City of College Park; Senator James Rosapepe; and Delegate Mary Lehman.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Well, good morning, Chair Gooden and Dr. Perman. I'm glad that you could join us this morning. As you know, and Dr. Gooden in particular, you know that I sent a letter to the Board of Regents detailing my concerns with regard to the System's oversight of Terrapin Development Corp. And I really do appreciate the response that you

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both provided with regard to the need for appropriate levels of oversight for TDC,
but also other University created entities.

As I mentioned to you in a telephone conversation we had, I do still have concerns with regard to the conflict of interest policy that TDC has and some of the clauses in that policy that really allow them to raise real conflicts of interest. And so, as I said in my letter, I'm supportive of this project and the great things, the number of things that they've been doing in the College Park area, the partnership between the University, the Foundation, TDC, and the City of College Park. But my concern is more when we have entities and projects that are affiliated with the University, which is a State institution, they need to be held at a high standard. And you know, we don't need to go through what happened with the University of Maryland Medical System. And again, as my letter said, I don't suggest that there was any wrongdoing on the part of TDC or anyone else. But I do think that there is a high standard that requires oversight and transparency and accountability. And so, I'd like to see some of these weaknesses strengthened, particularly that conflict of interest policy. And I ask that you explore having TDC follow the same procurement policies that the University System has to follow as well. And I think that would ensure competition as well as transparency. So, thank you.

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MS. GOODEN: Well, I want to start by thanking the Board for the opportunity to address you today. At your last meeting and in a subsequent letter we received earlier this month, the Lieutenant Governor asked questions about the operation, governance, and oversight of the Terrapin Development Company. In that letter, the Lieutenant Governor noted there is an expectation that the processes and procedures are completely transparent and meet the highest ethical standards. The Board of Regents completely agrees.

Upon receipt of your letter, Chancellor Perman and I began a review process and shared our initial findings with you in a letter which you all should have received last week. I will share a few key points from that letter. We were asked to reflect upon our oversight role to ensure that the University and any affiliated foundations or companies conduct business in the most transparent manner possible with meaningful mechanisms for oversight. As noted, we wholeheartedly agree with the shared goal. The Board of Regents takes care in the creation and continuing oversight of business entities. To that end, I think it helpful to lay out our existing policies and procedures, both generally and as applied to TDC.

As written in Maryland statute, the Board of Regents may establish business entities if the entity would further the goals of the University and is related to its mission. Economic development is statutorily part of that mission. The USM

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has a policy governing business entities. TDC's creation was authorized by the Board of Regents on April 21, 2017. TDC is subject to an annual independent audit and it must have a conflict of interest policy approved by the Office of the Attorney General.

It is also important to note this board's oversight of affiliated business entities. Our policy mandates annual reporting, first to the presidents of each institution and then to the Chancellor, and then in aggregate by the Chancellor to the Board of Regents. These annual reports must identify all affiliated business entities, identify funds invested in or financing provided by the institutions or any affiliated foundations to those business entities, disclose any ownership interest in business entities acquired by the institution, and report on current status of all business entities.

Despite the various safeguards we have in place, the USM will continue its review of these matters and report back to this Board. Specifically, we commit to review TDC's conflict of interest policy and seek ways to strengthen it. We will also consider ways to apply additional procurement best practices to these entities where appropriate.

We believe the ability for the USM to establish these entities exists in statute because the State recognizes the values they bring to our communities. The many community focused projects happening in College Park are evidence of

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this. The Board of Regents will continue to provide strong oversight and we remain committed to transparency and good governance for these affiliated entities.

Again, I thank you for the opportunity to address you today, and appreciate your support of the City Hall Block Project, which also has the unanimous support of the Board of Regents.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Thank you very much. Dr. Perman?

DR. PERMAN: Hi, thank you, Governor, thank you, Madam Treasurer, Mr. Comptroller. I appreciate the opportunity that we've been given to respond. And I simply want to underscore Chair Gooden's commitment. We are not finished with our process. We promise to complete our review, paying attention to the areas that you have called out. And we will come back and report to the Board on our findings. So thank you very much.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you. Madam Treasurer?

COMPTROLLER FRANCHOT: Could I just --

LIEUTENANT GOVERNOR RUTHERFORD: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yeah, thank you, because I happen to appreciate very much the Chancellor and the Board Chair and Senator Rosapepe, who has been such a great leader on all issues over there with College

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Park, and the Mayor of College Park. I think this is a terrific project. I think it's exactly the kind of relationship between College Park and, between the City of College Park and the University that we want to have. I'm all for it. I'm happy to vote for it. But I also am not, I'm not on the inside on this issue. But I hope your review is going to require that there not be any business relationships whatsoever. I mean, this is not right, if there's something there where your folks and your not for profit are doing business with, I mean, disclosure to me is not enough here. You need to draw a line and say, look, we love our employees. But they can't be involved in business decisions with entities that they are making the decision to spend taxpayer dollars and other things with. This is, you know, I just, I'm not exactly sure of all the details. But I'm not going to be satisfied if somebody comes back and says, oh, we've done it for a long time and it's approved unanimously by the Board of Regents and there's an audit. That's not good enough from what I understand the Lieutenant Governor was concerned about. So I hope that the situation is resolved and, you know, you don't just fall back on, well, we're disclosing everything. That to me is, you know, I just think that's an out of date idea sometimes. And so, and I'm happy to defer to the Lieutenant Governor. He's the one that brought the issue up.

LIEUTENANT GOVERNOR RUTHERFORD: I think that they can address this issue, and your concerns and my concerns, by strengthening the

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conflict of interest policy. Because right now the conflict of interest policy -- and I have a copy of it in front of me and we've talked about it. I talked to the Chair, Chair Gooden and Dr. Perman about it. It's very weak. And so it needs to be an absolute bar on the types of things that you were talking about. I don't, I didn't see this being an issue here. But the conflict of interest policy has enough holes in it that you can drive a truck through it. So I think they can correct that by that policy, as well as possibly looking at their ethics policy as well.

COMPTROLLER FRANCHOT: Thank you. Delighted that everybody has joined us. Is Senator Rosapepe on the phone, by some chance?

MR. EVANS: He's the next one up.

LIEUTENANT GOVERNOR RUTHERFORD: And then the elected officials --

COMPTROLLER FRANCHOT: yeah, I've been --

DELEGATE LEHMAN: If I could just say Senator Rosapepe is hoping to join the panel at the end because he is part of that legislative COVID work group that meets at this time on Wednesdays. That's a meeting that runs from about ten to noon. So he wasn't sure that he would make it on time. But Mayor Wojahn, I believe, is prepared to speak first, and then I'm going to go next. If Senator Rosapepe is available, he'll come on at the end.

MR. WOJAHN: Yes, thank you, I appreciate the opportunity --

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TREASURER KOPP: Before we do that, excuse me, I'm a member of the Board of Public Works and I'd like to say something, if that's okay? I'll be very, very brief. I just want to add my appreciation to the Chair and to the Chancellor for being here and most particularly for the letter that you sent last week, and the commitment to look once again through your policies. I find your policies really significantly better than I gather the Comptroller does or the Lieutenant Governor. But it never, it actually does no harm to look at them. Actually, I think they should be looked at regularly, annually, look through these things and make sure that changes are not needed. But I'm very glad to hear the unanimous support now for this project, which is an outstanding project. And I look forward to working with you all. Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: And I'll just close, and then we'll turn it over to the elected officials, the Mayor in particular. No, there is a provision in the conflict of interest policy, Madam Treasurer, that I think only requires disclosure and then the board can make a determination that essentially if it's within what they feel is the best interests financially for the University, then it doesn't matter that someone is profiting as an insider into the deal. So to paraphrase it, it's like it's not a conflict if it doesn't conflict with my interests. So that part has to be tightened up. So I think we have the Mayor on now?

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MR. WOJAHN: Yes. Thank you, Mr. Lieutenant Governor. I tried to share my web cam. I don't know if you all can see me. But that's not absolutely necessary. I'm happy to just talk.

So I want to, first of all, I want to thank you all for considering this this morning and moving forward with this project. This is something that we've had in the process for many years, decades even, that we've been talking about a new City Hall. I appreciate your stated support for the project. I appreciate the opportunity to highlight the benefits that this project will provide to our community. And first, I want to say that I hope you and your families are staying safe and healthy during this time. Certainly our community appreciates the leadership we've seen from the Governor and our entire Maryland State Government through this crisis. So I think I can -- it still says that all web cam spaces are being used so I can't. Okay.

So let me talk a little bit about the history. There is a long history here and I only have three minutes to talk, so I'll just suffice to say this, that our old City Hall was built in 1959 and at that time the population of College Park was about 18,000. Our population has increased by about 80 percent since then and our City staff has had to grow accordingly. With our old City Hall, we had staff working out of closets. We had other makeshift temporary sites around the City where we had to locate our staff, and we had to limit our number of new hires

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because we didn't have any space for them to be. So we've been talking about this since the early nineties.

In recent years, the City and the University had the opportunity to jointly acquire some of the properties that front on Baltimore Avenue. So that now between the City and the University we own the entire block where the old City Hall is located, including, I'm not sure a lot of you know the area, the area fronting on Baltimore Avenue.

Meanwhile, under the leadership of President Wallace Loh over the past decade, the University has engaged more deeply in the community. And this deeper level of partnership between the University and the community has helped enable an ongoing transformation throughout College Park, making the University of Maryland more than just a university surrounded by a community, but a true university community. Dr. Loh's leadership came at just the right time for us to collaborate with the University on this unique partnership and to my knowledge we are the first community, university community in the entire country that is partnering in this way to build a joint building that will serve as our City Hall and also serve as University offices. This new City Hall will allow College Park to provide a much higher level of service to our residents to meet modern standards of service that provide new technology and key services located in one place. The building will serve as office space for approximately 200 University of Maryland

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employees and also provide community serving retail space that will help continue the transformation of Downtown College Park. The University of Maryland, the University of Maryland Foundation, and the Terrapin Development Corporation have all been great partners in helping us get this done. We appreciate the unanimous support from the Board of Regents. In addition to Dr. Loh, the University leadership has been very deeply engaged and supportive in this project.

When I came on board in City government as a City Council member in 2007, the relationship between the City and the University was cold and tense on our best days. Now, we are working together. We're working together for a better College Park and for a better Maryland, and this project is a key component of that.

So this project is now at the finish line. I appreciate, we would appreciate your vote to move this forward today. And I'm going to turn it over to Delegate Lehman to talk some more about the community benefits that this will see, and then I'll be happy to take some questions.

DELEGATE LEHMAN: Thank you, Patrick. And can everyone hear me?

LIEUTENANT GOVERNOR RUTHERFORD: Yes.

DELEGATE LEHMAN: Okay, yeah. So I was telling Comptroller Franchot and Treasurer Kopp before we got officially underway that yesterday

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when I was doing my IT test, I was able to turn on video immediately but not audio, and today it's the opposite. But since it seems like it was more important, I'm going to just go with it. I don't dare mess with any of these things on my computer screen for fear of losing you altogether.

But I just want to thank you for allowing me the opportunity to speak on what I think is a really dynamic project. But I also want to echo what the Mayor said and thank each and every one of you for your great leadership during what is an obviously very challenging time for the State and the country. We all have a role to play and you all are playing, you know, an important part, and I thank you for that.

So I had the honor, actually, of presenting the City Hall Project to the Senate Budget and Tax Committee. It seems like a long, long time ago that we were in sessions. But I presented the bond bill request along with the Mayor Pro Tem Monroe Dennis. And I have to say, of the, you know, bonds requests over the years that came out of District 21, I was a former County Councilwoman and often I was part of that process from the County side, this request is I think one of the more creative city projects, certainly, to come out of the district. And I think it's a great project for a number of reasons, both symbolically and substantively. I think it will really promote more community and civic involvement because of the building, because of its location. But what I'm really excited about is this beautiful

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plaza. It's about a 10,000-square foot plaza that's going to front Baltimore Avenue in what is the heart of the downtown shopping area. And it's going to have all these really neat green features, speaking of Earth Day. It's going to have the stormwater controls that the City sees as a great environmental teaching tool. It's going to have all kinds of trees, benches, tables for dining, and that could be for actually dining, people eating lunch or dinner, or just gathering. And the City does plan on this space being used for year-round activities.

So to me, symbolically it's an important way for the City to engage the University community and the University in turn to engage with the City and its residents. As the Mayor said, there will be about 200 University of Maryland staff housed in the building. So they will be interacting with City staff and residents and presumably supporting the nearby retail.

You know, I grew up nearby in Greenbelt and I went to the University of Maryland College Park a long, long time ago. But I would be willing to bet, I know it was true in my time, but I would be willing to bet that, you know, today probably three of four students, and I would venture to say a significant percentage of faculty and staff, would not even have been able to say where the old City Hall was located. But with this new building and its orientation facing Baltimore Avenue, this very inviting plaza that's going to encourage gathering, it's just going to be a complete I think sea change. And I think the expectation, I hope

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it will be by everyone involved an opportunity to foster a lot more interaction and
to promote civic engagement the whole way around.

So I hope the Board appreciates the significance of this, as Patrick
said, this very unique City/University project. And that you'll all be on hand for
the ribbon cutting. And thank you again for your time and your consideration.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Well, thank
you. Any other questions for the University System on their Agenda?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. We're all in
favor.

MR. EVANS: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you very
much, Madam Chair, Dr. Perman, Delegate, Joe, of course, thank you very much,
Mr. Mayor, thank you for your involvement in this matter. And I look forward to
talking to the leadership of the University System in the future with regard to
conflict of interest and oversight. So thank you very much.

DR. PERMAN: Thank you all. Have a good day.

DELEGATE LEHMAN: Thank you.

MS. GOODEN: Thank you.

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DELEGATE LEHMAN: And stay safe, everyone.

LIEUTENANT GOVERNOR RUTHERFORD: Department of Transportation now? Is anyone from the Department of Transportation? We can, unless Dr. Perman wants to take over that department. Well, let's get to General Services, then, and come back to Transportation. Dr. Perman is walking away from us. Okay. General Services?

MR. REICHART: Good morning, Lieutenant Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Nelson Reichart, Deputy Secretary of the Department of General Services. Today we are presenting 14 items for, including one supplemental, for your consideration. Revisions have been made to Items 1-C, 9-IT-MOD, 10-IT-MOD, 11-IT, and we are withdrawing Item 5-S. Our representatives here are available to answer any questions you have at this time.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. I don't have any questions for General Services at this particular time. Shocking, right?

COMPTROLLER FRANCHOT: Yes. But I always look forward to DGS with you, Lieutenant Governor, and you have a long history with them, so.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah. Yeah. Definitely my favorite State department and agency. And let me just say, they have done an extremely good job with regard to the procurement of those COVID tests from South Korea. They were at the helm of that. No one there speaks Korean, so

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they had to get some assistance from both the First Lady as well as one of our employees over in Steve McAdams' Community Initiatives shop. But they were up late at night. There's about a 12-hour time difference. So many of their folks were up late at night, including Secretary Churchill, who may be sleeping now. I don't know. He's probably out getting PPEs, because I know that that's his mission, is the PPEs now. But they were up late at night to negotiate with the folks in Korea, the Health Department there, the freight forwarders, the airlines. It was a logistics challenge that they did a good job. And I just want to give credit to General Services, as always the backbone of State Government. And so thank you, and please pass on my thanks to the Secretary, Nelson.

MR. REICHART: Thank you very much for your comments. We certainly will pass them on to the Secretary and to all of our other people in the Procurement Department.

COMPTROLLER FRANCHOT: I have a question --

TREASURER KOPP: Nelson, yeah, I'll just pile on again. Talking to the folks in the Treasurer's Office, and the Comptroller's also, I know we've been very busy processing all of the financial side of the things you've done. And you all have been really, Department of General Services and the Department of Health have been tremendous and have been really not only terribly, terribly busy, but very effective in getting the big purchases out with the federal money and the

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State money. And helping us get on (indiscernible). I am very impressed by, Governor, very impressed by the State work force that is, even when working from home, are just working terrifically hard and terrifically effectively.

MR. REICHART: Thank you, Madam Treasurer.

TREASURER KOPP: Please extend our thanks, Nelson.

MR. REICHART: I certainly will. I certainly will.

COMPTROLLER FRANCHOT: I have a question about Item 10, please.

MR. REICHART: Item 10, I believe Secretary Leahy is available to answer any questions.

COMPTROLLER FRANCHOT: Excellent. So this asks us to modify a current contract with Deloitte Consulting and add \$48.3 million to this contract, nearly the same amount as the original contract cost when this was first approved in April 2017. If approved, this would mean in a three-year span we're going from \$50 million to \$118 million. Correct me if I'm wrong, Mr. Secretary, but wasn't this always described as something that was complicated and would be an enormous and costly undertaking to consolidate things into the one cloud network? I guess I'm a little buffaloeed by the fact that Deloitte told us they could it for \$50 million, and now they are telling us that apparently they didn't plan that out accurately. Can you help me understand why the consulting company that we

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hired to save money doubles the contract without even giving us a hint that it was going to be increased at this kind of rate?

MR. LEAHY: Certainly. Good morning, Governor, good morning, Madam Treasurer and Mr. Comptroller. Yes, sir. I also believe Greg James from the Department of Human Services, who has been working on this directly, will be available to answer. But it's my understanding that there are three things that have occurred. The first was that this is a utilization contract using cloud services rather than on-prem computing. The storage services have increased substantially because of the health exchange infrastructure moving into this particular cloud exchange for MDTHINK. The Department of (indiscernible) also apparently has entered into an agreement with MDTHINK to do work that was not anticipated at the beginning. So both of them were substantial lifts and require additional cloud access and compute capabilities.

You know, my understanding is that over time the various platforms that have been set up to test certain technologies that are used as a sandbox, if you will, are still operational because of the changes in schedule and additions which originally I'm told would have been turned off by now. So between the increase in utilization over what was originally expected three years ago, and the change in schedule with regard to several aspects of bringing MDTHINK applications online, that's what has accounted for this. If Deputy Secretary James is available and

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would like to speak to it specifically, I'm happy to hear from him also. But that's
my understanding, sir.

COMPTROLLER FRANCHOT: You mentioned the name of this
project is all in capital letters, M-D, standing for Maryland, and then the second
word is THINK --

MR. LEAHY: Yes, sir.

COMPTROLLER FRANCHOT: -- T-H-I-N-K. MDTHINK is the
name of the program and you mentioned that we're doubling the price that was
competitively bid because of unanticipated healthcare or other uses of this
technology. Why couldn't we have thought about that in 2017 when we approved
this contract?

MR. LEAHY: As I said, the contract, although it is through my
agency because it is to utilize technology, was specifically set up based on DHS'
expectations of their needs at the time. And we, it's not healthcare uses, it's that
the entire insurance exchange has become part of this infrastructure, which was not
necessarily anticipated originally, as I understand it.

COMPTROLLER FRANCHOT: Mr. Reichart?

MR. REICHART: Mr. Comptroller, I believe (indiscernible) is also
available to answer questions, if he could be tagged in.

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COMPTROLLER FRANCHOT: Terrific. I just, you know, I'm just asking on behalf of the taxpayers, I guess why couldn't we have anticipated back in 2017, when there were lots of healthcare costs, etcetera, and lots of complexities and nuances that this expensive procedure, which I can conceptually support of bringing all the State agencies into one cloud network, I understand that. And you know, but we were well aware that this migration of data to a new platform was going to be enormously costly. Why didn't we, why weren't we told what some of the parameters were? Because obviously folks that are involved in these procurements are asking, I assume, are asking questions, such as what is going to be the entire cost.

MR. JAMES: Good morning. For the record, this is Greg James from the Department of Human Services, if I may speak to this. As Secretary Leahy mentioned, this is part of the MDTHINK project, which is being operated out of the Department of Human Services. But it's a multi-departmental project to create a platform that will be utilized by multiple State agencies for a variety of different applications.

So I think it's important at the outset to also identify what we are and are not getting from Deloitte under this contract. So there is a professional services portion of this contract where we do go and hire programmers and other subject matter experts from Deloitte to assist the State in creating this platform.

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The other major component of this contract and what is driving our request for the increase in the spending authority is this is how we purchase the computing power from the Amazon Cloud Services to support all of those applications. And so as new programs come onto this contract, or not this contract, but as applications from different programs come onto the platform, they have a need for additional computing resources that was not included in the original estimate. And the very nature of the platform is we are constantly, if we are successful, we will always have, or at least for the next several years, several State agencies coming and saying, it looks like this is a more advantageous way for us to provide services. So we would like to come onto the platform. And that means we are going to have to purchase additional servers and data storage from Amazon, which is what we do through this contract.

So when we last came before the Board with this contract, we had not yet on-boarded the health benefits exchange and we did not know the total number of environments that they were going to require and the amount of data that we were going to have to store once they came onto the platform. They have now successfully come onto the platform, and I characterize success by the fact that I'm sure most people were not aware that we had on-boarded onto the platform. You didn't hear any major brouhahas or press blow-ups about that because it's been a seamless, smooth transition.

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So that's what's going on here. It's not a question of whether Deloitte could have estimated this. As we've noted in the past, for the MDTHINK project, we are our own integrators. We don't rely on somebody else to design the platform for us. We have a team of experts that the State has hired that are building this platform today. So we've had in addition to the Health Benefits Exchange, we have also had Department of Health has identified applications that are currently hosted by Towson University and other locations that they are also bringing onto the platform, which gives it greater recovery and stability and moves them into a modern environment. Those are the activities that are underlying this contract. All of these projects are included in each one of our departments' individual budgets that are submitted annually to the General Assembly and are approved. So, all of these projects are included within the State budget. This isn't a cost overrun for those projects. This is just a reflection of the move from other hosting environments into the MDTHINK platform.

COMPTROLLER FRANCHOT: Okay. I see what you're saying, that these are costs that are incrementally being added to an overall worthwhile project. Help me understand how it is that we're not, these increases are not anticipated when we vote for the original \$50 million. Now it's going to be a \$118 million non-competitively bid increase. And I guess the question is what other

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increases do you anticipate? Since the project is named MDTHINK, what do we think are going to be future requests for increases to this consulting contract?

MR. JAMES: Mr. Comptroller, I think the best would be for me to go back and provide you a list of additional applications that our sister agencies are looking to bring onto this platform and come back to the Board with that information.

COMPTROLLER FRANCHOT: Terrific. That's all I want. I would be very grateful for that. And you can also factor in the savings that the State may be getting from its existing inadequate or not up to snuff data storage, etcetera. So I think it's more the presentation right here. And I would, if, unless you think it would do big damage, I would ask that this be deferred to the May 3rd or May 2nd meeting and have you just lay it out for us so that we have an idea of what is going to be coming down the road. And I'm not sure my colleagues would agree with me there, but it sounds as if there are going to be more than several increases to this proposal even if it were approved today.

LIEUTENANT GOVERNOR RUTHERFORD: Greg, how would the May 2nd affect moving forward with the work that needs to be done?

MR. JAMES: I would like to, I'm going to defer to Secretary Leahy for the final decision. I believe we can tolerate the delay until the next Board meeting.

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SECRETARY GONTRUM: And just for clarity purposes, the next Board meeting is May 6th.

COMPTROLLER FRANCHOT: Thank you. I would make that motion, Lieutenant Governor, but if it's appropriate, and also approve the rest of the Agenda items.

TREASURER KOPP: Could we hear from Mr. Leahy?

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, Secretary Leahy.

COMPTROLLER FRANCHOT: Oh, good, Mr. Secretary?

MR. LEAHY: I do not think this would cause any specific difficulties that I'm aware of, and I will talk to Deputy Secretary James and the other folks that are heading up the actual development at MDTHINK so that we can present that information as soon as possible.

COMPTROLLER FRANCHOT: Thank you very much. Yeah --

TREASURER KOPP: Could I suggest, I don't know which Secretary it is but one of you gentlemen before us, if you would look at what the University System set out in their Item 3, the NextGen project, it was a very detailed and long description, but an extremely helpful one. And I think in a number of these DoIT related projects, Mr. Secretary, they are very important and they are very complex. And if you could share some more of that type of background

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information coming into this meeting, I think it would be very helpful to everyone concerned. So I agree that to have a little more understanding of these very expensive items is in everyone's interest.

MR. LEAHY: Absolutely. I believe that as you said the integration of technology into not only doing things more efficiently and more effectively, but saving money for the taxpayers, is our principal goal. And to the extent you have not been informed as well as you'd like, I will endeavor to make sure you get more information. And if it's too much, just tell me.

TREASURER KOPP: Okey-doke. Could I ask one more question?

LIEUTENANT GOVERNOR RUTHERFORD: Oh yes, please.

TREASURER KOPP: Just one. Do we have any place where we could see all of our financial relationships with Amazon?

MR. REICHART: We will look at it and get back to you. I have to do a little bit of research with Secretary Leahy because it comes out of their shop and see what relationships we have.

TREASURER KOPP: I have nothing against Amazon. I think it's fine. But I think to have a price tag would be extremely helpful.

MR. REICHART: We'll see what we can put together.

COMPTROLLER FRANCHOT: My wife just got an Amazon credit card, and it was very heavy she said. I said, really? It's heavier than a normal credit

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card? And she said, yes, it is. So but we get a five percent savings at the grocery store, allegedly.

LIEUTENANT GOVERNOR RUTHERFORD: That's because they are tracking her. It's the tracking device.

(Laughter.)

TREASURER KOPP: The little cameras inside it.

COMPTROLLER FRANCHOT: Don't believe what they say about us, though. Yeah. It's ubiquitous. So I appreciate the Treasurer's request.

LIEUTENANT GOVERNOR RUTHERFORD: And yes, and also the Comptroller I think raised a very good point, too, with regard to, you know, when you come back with this item to talk about a little bit of, you know, how it started and the benefit that the State has gained from this, the cost savings, the productivity savings. Because I do remember when this was just an idea of Secretary Malhotra, because he walked into the Department of Human Services, I guess it was Human Resources at that time, and the computers had the old green screens. Now, those are great for cybersecurity, because no one knows how to access those anymore and they were all in COBOL or something like that. But they just, it was really antiquated. The data was terrible. And so, he was I think wanting to move forward, and integrating with health data. And so we can talk. I think that

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would be something that would be meaningful to the Board members as well as the public, understanding what is actually taking place.

TREASURER KOPP: Governor, when I was first elected and came into office in 1975, the first hearing that our Committee on Appropriations had was on something called AMES (phonetic). And I'm not sure I remember what AMES stood for. But it was a project to try and automate it, I'm sure, A started Automated, trying to get Human Services and the Health Department together on one platform. Needless to say, it didn't work. And AMES II had a lot of problems, too. And the one that came after it started to work, and I think that's when Nelson might have come in. And we've been working on it ever since. So THINK, it is not even just since, you know, the last couple of decades, at least for the last 45 years. And it didn't start it. It didn't start with Nancy Kopp's first hearing. So it's probably 50 years old this year, just like Earth Day.

LIEUTENANT GOVERNOR RUTHERFORD: Right. Well, I will say though that the health system, they have integrated a lot of the health and human resources. It's these other entities that are coming in. So we will defer Item 10-IT, and then we have a motion, a second motion to approve the remaining items.

TREASURER KOPP: Could I just --

COMPTROLLER FRANCHOT: Move approval on both of them.

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TREASURER KOPP: I was, just would note looking at Item 7, I obviously can't oppose it, Mr. Secretary. But these are very expensive costs and just give us some, these are the IT people who we are hiring, bringing on, seven people for \$2.45 million. We have to pay what we have to pay because they are absolutely essential. But it's another example of the situation the State is in, Governor, when we are trying to compete to get the services that we absolutely need.

LIEUTENANT GOVERNOR RUTHERFORD: Yes.

TREASURER KOPP: I'll just point out 7-IT. Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Yes. Yeah, they are supporting the timekeeping system Workday. Yes. And it's technology professionals. So and the --

TREASURER KOPP: -- and because we are having turnover and we have trouble attracting people to stay, salaries and positions. And so --

LIEUTENANT GOVERNOR RUTHERFORD: Right.

TREASURER KOPP: -- we have outsourced, and there's a cost to outsourcing.

LIEUTENANT GOVERNOR RUTHERFORD: There is a cost. No question about it.

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TREASURER KOPP: With that, I would second the Comptroller's motion.

COMPTROLLER FRANCHOT: Well, there are two motions, one to defer and one to approve the rest of the Agenda.

TREASURER KOPP: Yes.

COMPTROLLER FRANCHOT: But I would move those. And thank you for the second.

LIEUTENANT GOVERNOR RUTHERFORD: I think she's seconding both of them. So --

TREASURER KOPP: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: -- we're all in favor. Thank you. We'll go back to Transportation. I saw Secretary Slater pop in a few moments ago. There he is, in a red sweater, or cranberry, or whatever that is, sweater.

TREASURER KOPP: It looks good.

LIEUTENANT GOVERNOR RUTHERFORD: Uh-oh, we don't, we're not getting the sound.

MR. SLATER: All right, can you hear me now?

LIEUTENANT GOVERNOR RUTHERFORD: Yes.

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MR. SLATER: Great. Thank you. It looks red. It's supposed to be orange, because it's Work Zone Safety Day, so to support our men and women out on the road. Well, thank you, good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Greg Slater, Secretary of the Maryland Department of Transportation. The Maryland Department of Transportation is presenting 15 items today. Items 1-C, 4-S-OPT, and 14-RP are being withdrawn, leaving 12 items for your consideration.

Before I turn it over for any questions I do want to take a quick moment and highlight something that's not before the Board today, but an important procurement. During this COVID-19 health emergency, we are really focused 24/7 on transportation services, essential supply chain items, and getting those frontline workers to work. And this pandemic has presented some significant procurement challenges for us. And we are faced with a large demand on limited supply.

One of the tools that we have is hand sanitizer, and I want to take a minute and thank a Maryland small business and give a special thank you to Jamie Windon, CEO and founder of Windon Distilling, and her colleague R.B. Wolfensberger of Gray Wolf Distilling, both located in St. Michael's. When we reached out to them that we needed supplies, Jamie and R.B. stepped in and helped, pausing their production of rum, vodka, and whiskey to focus on making hand

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sanitizer at a good price for State and local government. When we approached them, they immediately pivoted and quickly delivered more than 3,000 gallons of hand sanitizer for us in less than two weeks. I personally picked up the first batch in St. Michael's and saw their operation, but it just felt like it was a great story to highlight. A good price, a good small business on the Eastern Shore that really stepped up when we really needed them.

LIEUTENANT GOVERNOR RUTHERFORD: Yes, and I have appreciated the vodka that they produce, too. So --

COMPTROLLER FRANCHOT: Yeah.

TREASURER KOPP: They will go back to it soon, we hope.

COMPTROLLER FRANCHOT: Make sure they rinse out the equipment.

MR. SLATER: That's right.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah.

MR. SLATER: I am here and we have representatives here for any questions you may have.

LIEUTENANT GOVERNOR RUTHERFORD: I want to thank Maryland Aviation Administration on Item 2-C for using the Small Business Reserve Program for the culvert replacement. The different modes have been doing

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a fairly good job, a really good job actually, in using the Small Business Reserve Program.

I do have some questions and concerns with regard to the MTA modifications, Items 6 through I believe Item 9.

MR. SLATER: Okay. Modifications with the preferred provider, I have Mike Zimmerman here on the phone to help answer any questions.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Each one of them are being modified while completing a new procurement. It seems as though, I'm not sure if the procurement management system is not working that you are not getting them in on time or if there's a particular challenge of negotiating with preferred providers.

MR. SLATER: Mike can expand a little bit. But we got a little detailed in some of our contractual documents with them and we've been working on price negotiations that are somewhat new territory in working with, this one in particular is Maryland Works. But Mike, are you on the phone?

MR. ZIMMERMAN: Yes, I am. Can you hear me?

MR. SLATER: Yes, Mike. Thank you.

MR. ZIMMERMAN: Good morning. Thank you, Mr. Secretary. Good morning, Governor, Madam Treasurer, and Mr. Comptroller. For the record, my name is Michael Zimmerman. I'm the Chief Procurement Officer for the

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Maryland Department of Transportation. With regard to these two contracts, there are two a little bit different stories, but similar. The first one, MTA, 6-M-MOD, which is the Light Rail car cleaning, this contract has been a challenge since the beginning. The previous contract did not have a well-defined scope of work and the performance of the vendor wasn't satisfactory to the MTA. So when we put the new contract out, we redrafted the scope of work to be a little more defined. And when we sent it to Maryland Works, it took many months for them to get a response back to us and when they did the price was significantly higher than what we were expecting. We have been in negotiations with them on this particular contract since January. We're not sure that we haven't reached an impasse. We're waiting for a response from them and we're asking for this extension so that we can either work through the rest of this, or if Maryland Works gives us a waiver move forth in a competitive market so that we can provide the services for our customers.

With regard to the other contract, it's similar. It was just a delay in response from Maryland Works. Again, we're trying to draft better scopes of work to better define what the expectations are from the providers. And that is causing, you know, some negotiations and some conversations that maybe hadn't happened in the past. We do expect that with time it will come to closure very quickly. We hope to be in front of the Pricing and Selection Committee in May, and back to the Board probably in June with that contract.

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LIEUTENANT GOVERNOR RUTHERFORD: Okay. I know that Maryland Works, at least, you know, my memory might be fading, but they were in statute as kind of the middle person, coordinator for working with the preferred providers. I thought some things were changed a number of years ago. But if they do not respond in a reasonable time frame, January to April, couldn't that be just assumed that they have waived that requirement and that you can go to the open market with this? I mean, it doesn't make sense. And is Bob Kaufman (phonetic) still running Maryland Works?

MR. ZIMMERMAN: Yes, sir. He is.

LIEUTENANT GOVERNOR RUTHERFORD: I think, you know, talk to your Assistant Attorney General in terms of by their inaction they essentially are waiving the requirement, and that you can go into the open market if need be.

MR. ZIMMERMAN: But they have been negotiating with us, Governor. It's not that they just haven't been doing anything. With regard to Item 9, we have been in negotiations and we do think we are very close on that one. The Light Rail car cleaning is a bit of a different story, and we probably should have been in front of them for a waiver quite a while ago. But in an effort to try to (indiscernible) we have been trying to negotiate a resolution there.

LIEUTENANT GOVERNOR RUTHERFORD: Well, I mean, I know a numbers of years ago, and Treasurer Kopp may remember, I had a lot of

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challenges when I was at General Services with Maryland Works. And you have to take a strong stand with them sometimes because, you know, we have decided as a State that we are going to do business and give the preferred providers an opportunity so that they can, because of the people they hire and we understand that it's going to cost a little bit more because of the oversight and other requirements. But this is the middleman that gets a fee in the whole process and so there is an incentive for them to have a higher cost, just like an agent for a movie star or an athlete or performer. And so sometimes you have to really push Maryland Works a little bit to say, look, guys, come on. You can't be, now we had them in some cases they were coming in 50 percent of the market, 50 percent higher than the market on projects. And they came back. But I'm just concerned about that.

But it's not just those two. Let me just mention Items 7 and 8. Seven is also, and this is a private company, where you are modifying for, you know, to complete a new procurement. And you are extending it for a period of time and adding \$112,000 to the contract. They have only had seven percent of the 30 percent participation goal for minority businesses. I don't see how they are going to get that number unless they give virtually all of this modification to a minority subcontractor. That's the Mona Electric, 7-M.

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MR. ZIMMERMAN: Yes, sir. Maybe Bill Parham is here. But Mona has a corrective action plan in place so there is an expectation that they will meet that goal or get very close to it.

LIEUTENANT GOVERNOR RUTHERFORD: Well, I hope you are right. Let me know after the fact, you know, how close they got to it. And actually, if you can send me the name of whoever their contractors are, their MBEs. And then similar --

MR. ZIMMERMAN: Absolutely.

LIEUTENANT GOVERNOR RUTHERFORD: -- with the, you know, 8-M, this is another one that's being extended, you know, to complete the procurement process. I know MTA has had a challenge in the past with regard to their procurements. But this is four, two of them with the preferred providers and then two are with commercial operations, where they are popping up and seeking an extension because they can't get the procurements out. So Mike, I think you need to see what's going on over there.

MR. ZIMMERMAN: Yes, sir. I already had some conversations with the Director there and we are on it.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Any questions for Transportation?

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TREASURER KOPP: Can I, yes, Governor, I had the same question
on Item 7 about the compliance with the MBE goals.

MR. SLATER: Mm-hmm.

TREASURER KOPP: And you gave us a good answer of how they
were going to subcontract to make it. I'd like to see, as you oversee it and as the
Governor has asked, to see whether it really happens. Because it's a big stretch
now.

MR. ZIMMERMAN: Correct.

TREASURER KOPP: And I don't want to sound too skeptical, but
we'll see what happens. And Item, I think it was Item 5 that's being extended? Is
that the one, extraordinarily long?

MR. SLATER: The Mid-Life Overhaul?

MR. ZIMMERMAN: Yes.

TREASURER KOPP: Yeah. Do you really think this is going to, I
mean, it has taken so long already. They were supposed to be through two years
ago. You're going to have to, you know, they are hardly halfway through now.
What's happening?

MR. SLATER: We do feel like we are making progress there. We
were stuck -- I think Kevin Quinn is on the phone as well. He can expand on this.

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But we've had some pretty in depth negotiations with them trying to get them back on track.

TREASURER KOPP: This is the Light Rail, I'm sorry, Light Rail vehicle?

MR. SLATER: Yes. This is the Mid-Life Overhaul. Absolutely.

TREASURER KOPP: Yes.

MR. SLATER: Kevin, are you on?

MR. QUINN: Yes, I'm here. Yes. Thank you, Secretary Slater and Governor, Treasurer, Comptroller, thank you for your questions. So this contract is for a complete overhaul of our Light Rail fleet, 53 Light Rail vehicles, and the contractor is Alstom. It's a well-known Light Rail contractor out of upstate New York. I've actually gone to their plant myself and worked directly with their senior management in trying to resolve some of the delays that we saw in their schedule. We've worked with them to get them back on track. We've seen this company really progress over the past couple of years and they really made a commitment to the required staffing level and the project management continuity that we needed to see.

They are now delivering overhauled Light Rail vehicles at a rate of about one vehicle every 35 days. So, you know, essentially what they are doing at the factory is they are taking the whole shell of the vehicle and gutting the entire

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inside and really redoing all of the internal components and the mechanics of it, as well as the customer facing features, the seating, the lighting, the audio. So it's a really pretty in-depth job that they are doing.

So again, they are arriving now at a rate of one every 35 days and they are about halfway through. And so, yeah, to your point, it is going to take some time to get the rest of that fleet back to Baltimore.

TREASURER KOPP: But you are confident it will be done?

Whatever --

MR. QUINN: Yes, I am confident.

TREASURER KOPP: -- or they must have made really significant changes in --

MR. QUINN: They have.

TREASURER KOPP: -- process or whatever.

MR. QUINN: Yeah, they have. You know, I said at the beginning of this project, we had, there was a series of issues with some materials and components needed, just extended turnaround times, some turnover in some staff, some parts delays that led to really getting a solid design for the first few vehicles. I mean, that's really how this works, is they nail down the design within the first few vehicles, they test it out, they prototype it. And that just took longer than expected. They are now back on track. And also, as part of the, as part of this

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extension, you know, it's also partially a settlement agreement as well. And so we've gotten some really great contract changes for this extension, including an increased warranty period because this is taking longer. So we've increased the warranty period for four years for new parts, a more frequent schedule submittal, an increase in the amount of liquidated damages, a credit for spare parts. And again, they are meeting that one Light Rail vehicle every 35 days. And the vehicles we're getting now are much better quality and we're seeing really increased reliability in the vehicles.

TREASURER KOPP: Well, good. Okay. Mr. Secretary, I might have missed this, and maybe it's not in your Agenda. But the Airport contract to help with the homeless at the Airport, wherever on the Agenda that is. I would like to follow up with a question. I support it, so I'm not asking for a consideration. But how you decide what should be covered by the Transportation Trust money and what shouldn't. Because we don't want to just slide into providing other services wherever they -- good services that should be provided. But if you could come back to all of us if the others are interested, or just me, just with an understanding --

LIEUTENANT GOVERNOR RUTHERFORD: Very good point.

MR. SLATER: Sure. Absolutely. We can follow up with that.

TREASURER KOPP: Thank you.

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LIEUTENANT GOVERNOR RUTHERFORD: Any other questions on Transportation?

COMPTROLLER FRANCHOT: Yes, if I could just take advantage of Administrator Quinn being with us momentarily, and frankly Mr. Slater also, let's see, on March 4th I asked MDOT about the status of the Purple Line Project. This is one of the most expensive transit projects in the country. Thanks to the Hogan administration it's moving forward. I'm a big champion of it over in Montgomery, Prince George's, etcetera. But there was a headline, well, on March 4th everybody thought when I asked about the status, they said things are going smoothly and we don't see any major complications. That was fine. But then last week, a month later, this headline is in the *Washington Post*, "Builders of Purple Line Say They Need More Time and Money; Five Months and \$187.7 Million." So I guess I would like to find out what, from MDOT what exactly is going on.

MR. SLATER: Sure. Let me talk a little bit about kind of overall settlement. So we have settlement discussions that are ongoing with the Purple Line concessionaire associated with the NEPA and the right of way and the ROD and we're still working through that piece. That will be coming back to the Board. Those costs, those types of things are still kind of being worked out.

The CSX issue was something that was raised over the last two weeks or so. I will say that CSX has, in our view, has been a good partner with the

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Purple Line Project, partnering with us with the project on that recent construction at the Light Rail Bridge over the tracks in Silver Spring. They were really flexible to give us longer work hours, those types of things. And we're currently evaluating their active claims and have to go through some analysis and negotiation. A lot of times, we have a different perspective and viewpoint. We're able to go back through and kind of work through our contract and the process. And I'd be happy to come back and brief the Board when we reach that settlement or reach our conclusion on that claim from them.

COMPTROLLER FRANCHOT: Excellent. It's a critical project. Kudos to everybody involved in moving it forward. But if you could please keep us in the loop as far as bad news as well as good news, I guess, is the request. And you know, good luck. I know these things are complicated.

MR. SLATER: They are very complex. And right now, the environment is very challenging as well.

COMPTROLLER FRANCHOT: Excellent. Thank you, Governor.

LIEUTENANT GOVERNOR RUTHERFORD: Any additional questions on Transportation? We have a motion to approve?

COMPTROLLER FRANCHOT: Yes. Move approval.

TREASURER KOPP: Second.

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LIEUTENANT GOVERNOR RUTHERFORD: Okay. Given that we've already taken care of Transportation and General Services, we are complete. Please enjoy Earth Day on this --

TREASURER KOPP: Governor, something the Comptroller just said, I don't know how we do it for this Board, but is there a way we can get a picture of, as of a certain date, what the impact on the progress in State projects and expenditures and everything of COVID-19? Obviously, that are difficult to do because people aren't together. And he just mentioned it to Secretary Slater. But in general, do you, I'm sure in the administration you have something. But is there some way that we can get oversight of what the impact of ongoing State government --

LIEUTENANT GOVERNOR RUTHERFORD: Yes. In terms of State expenditures, projects that are going, I mean, our road construction projects are still going forward. We can see and I see that Secretary Brinkley has stepped in. You know, we have not laid off people.

TREASURER KOPP: Right.

LIEUTENANT GOVERNOR RUTHERFORD: So, either people are teleworking, those who can. There are people that are still coming in. There may be, and I guess Secretary Brinkley would have a better idea if we have

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personnel that have been out for extended periods of time because of the virus, coronavirus and COVID. Mr. Secretary?

MR. BRINKLEY: Yeah. Right now, our mission is to make sure the resources that the State has, number one, that we had before. But then secondly, now what we're getting from the federal government is distributed to the Department of Health and local health departments so that they have the resources to combat the virus and everything else that we have going on. We've also stepped up with Commerce and Department of Labor to ensure that they are getting some personnel. I know that there are some, I think that there is online with Department of Labor, that they are working to speed through the unemployment process.

We've done some budget amendments, the Department of Health, DGS, and I've assigned one of my analysts to be up there with MEMA so that they can approve any expenditures that they have for some necessary equipment. They have signed a lot of contracts. We haven't paid for a lot of things until we actually receive PPEs and some of these other things go online. But right now, that's the focus of the mission.

We've also then been in deep conversations with the federal government, Department of the Treasury. I know that my Deputy Secretary is President of NASBO, the National Association of State Budget Officers, and we're trying to pursue, as the Comptroller had indicated before, concerns that we have in

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lost revenue. Right now, we cannot use any of the federal monies to backfill any of the lost revenue. So right now we're just letting those things go through.

We've also been in conversations with DLS so that they are aware of some of what we know, most of what we know. But at this point in time, we've just simply allowed the agencies to do what they have to do to get this to move forward. It has also come at a very challenging time, being at the end of the fiscal year. But honestly, right now we don't have a whole lot of money out the door. We're just simply saying get the job done and I know that today we even have a conversation with some of the county, not the county executives, but their administrators. Because we have taken the monies that we have received from the federal government to ensure that that does the same purpose at the local level. I know that the Deputy Secretary is going to be on that call with them to say technically the money came to the State. We're going to apportion it to the counties to make sure that they, too, have the resources to get these, to get the materials and everything that they have to have for that aspect. And right now, you know, everyone is just trying to make sure that that happens.

We have not laid off any State employees. We have invested considerably in the technology and the licenses to ensure that everyone that can work from home does work from home. And we're finding decreased numbers in those that have to work from home. But we do have a handful that never will work

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from home. Specifically, a lot of those people might be maintenance individuals through DGS that handle 45 Calvert Street, where my office is, that handle your buildings, and things of that type. They cannot do their jobs from home.

But we are finding an awful lot of creativity, too, in repurposing some people. My folks at Central Collections, I know that the Lieutenant Governor has heard this before, in the sense that since the Governor ordered we're not doing collections to help Maryland families that need every penny that they can get, we have repurposed those technically bill collectors to actually help out in the Department of Labor handling unemployment insurance claims. Another I think 120 people in our personnel team were able to work from home. But depending on where they were in the status and what was going on with personnel challenges, they might have only had two, three or four days of complete work to do at home. We also repurposed those to unemployment insurance. And then I know that to one of the points that was mentioned probably a couple hours ago, we are all getting communications about ensuring that those materials are in DPSCS, DJS facilities, MDH facilities. And those facilities are following everything the Department of Health and CDC requires, or as things change that they move forward with that. And again, that's been our purpose, is just simply to get out of the way and get these things up and running to ensure public safety, certainly the safety of our employees and their families, and then to make sure things can move unimpeded.

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Lieutenant Governor, I hope I addressed the concern that was raised
by the Treasurer at that point in time. If there is anything else specific, I'm happy
to --

LIEUTENANT GOVERNOR RUTHERFORD: -- ask the
Treasurer --

TREASURER KOPP: Yeah, I'm sure he received the same
communications I have. If you don't mind, Mr. Secretary, I'm going to forward it
to you so that we can all share your response and the understanding. And it does
deal with our employees, including, I honestly have to admit I hadn't thought of
this, but the DGS and security people who are at the doors when people come in to
work, people that have to work come in, and they test those people to see if they, if
they are infected. Well, are we protecting the people who are doing the testing? I
don't know. But those sorts of questions that are being sent to us, I told the
Lieutenant Governor we will send on to you, not knowing who else to send them
to and you'll send them to whoever you think ought to --

MR. BRINKLEY: They should come to me. We are in those, we've
also received those -- keep in mind a lot of people are saying, look, we are, we are
exposed. And I don't deny certain people are exposed depending on where they
are. The whole point behind the response pay that we initiated, that everybody is
asking for, is to ensure that we had a proper balance struck between ensuring that

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correctional officers and those individuals that work within the confined area show up, because the people they are working with cannot leave. That's number one the concern that we had. And we had to strike a balance between ensuring that people got something for showing up. But we also didn't want an unnecessary incentive to have someone show up who was feeling poorly. So there is a balance there. And we are, the departments themselves are reporting every day, they have done an excellent job ensuring staffing, and ensuring protection inside those facilities. But again, this is a challenge unlike any of us have ever seen before, and we have to also be in it for the long term. We've heard it said that it's a marathon, we just don't know where the finish line is going to be or exactly what it even looks like, the finish line, depending on what definition from a medical point of view and also a technological point of view.

TREASURER KOPP: So can we assume from what you've said that the projects this Board has approved, both the capital projects and ongoing projects, are ongoing unless we're notified to the contrary? I mean, that's my question. What impact on the ongoing business of the State?

MR. BRINKLEY: Very good. So we have a couple of things that we are, you know, trying to compile to bring to the BPW's attention. And some of those would entail any reductions to the current FY '20 budget, which we don't have too many more weeks with that. Also, any preparations for the '21 budget

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that might be necessary. On the capital side, we're looking at everything on a case by case basis. I think it's safe to assume that when there are cranes in the sky or there's ongoing construction, that's going to continue. The impediments that we've had that I heard this in a conversation with Transportation is out of state suppliers. For instance, they had an issue with steel and also some contractors in Pennsylvania were not able to report to work. What that might be doing is delaying some timelines on some of these projects. But our expectation is that we would be moving forward. However, we do have a concern that some things in the recently passed budget deal with PAYGO. And those type of issues, for those that are listening it's Pay as You Go, that we're taking operating monies and perhaps putting it into capital side, we might need those operating monies for the short term, particularly if the scenario that the Comptroller laid out comes to fruition. So we're keeping our options open on that. But I will tell this Board, no decisions have been made and no firm recommendations have been passed on to the Governor at this point in time for consideration.

TREASURER KOPP: Thank you. I hope we'll have an ongoing discussion and understand what the key indicators are in each of these areas, whether we are meeting what we anticipated or not.

MR. BRINKLEY: We will, Madam Treasurer. And keep in mind that when it comes to some of the capital projects, those tend to be long term so

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they will be affected by cash flow initiatives. If the supply chain gets interrupted, those projects can be pushed back. Therefore, we might be able to redirect some of those resources to something else that is more immediate and then backfill on the other side. But it just takes an ongoing manipulation --

TREASURER KOPP: You all have a tough job. I --

MR. BRINKLEY: I've got a great crew and part of my mission is to stay out of their way and let them do their job and then --

TREASURER KOPP: Well that's --

MR. BRINKLEY: Thank you.

TREASURER KOPP: Thank you, Governor.

LIEUTENANT GOVERNOR RUTHERFORD: Okay, thank you.

All right. Well I believe that is the end. We did approve the Transportation, I believe. John, did we approve --

TREASURER KOPP: Yeah.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. So, well thank you all. Like I said, enjoy Earth Day.

COMPTROLLER FRANCHOT: Thank you.

TREASURER KOPP: Thank you.

(Whereupon, at 12:16 p.m., the meeting was concluded.)