
STATE OF MARYLAND
BOARD OF PUBLIC WORKS
80 CALVERT STREET
TREASURY BUILDING ASSEMBLY ROOM
ANNAPOLIS, MARYLAND

March 4, 2020
10:10 a.m.

PRESENT

HONORABLE LARRY HOGAN

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

MICHAEL 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

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

CONTENTS

Subject	Agenda	Witness	Page
Compensation to Erroneously Confined Individual Alfred Chestnut	SEC 17, p. 20	Secretary Gontrum	10
Compensation to Erroneously Confined Individual Andrew Stewart, Jr.	SEC 18, p. 22	Secretary Gontrum	10
Compensation to Erroneously Confined Individual Ransom Watkins	SEC 19, p. 24	Secretary Gontrum	10
Bond Sale		Treasurer Kopp Christian Lund	13
Residential Child Care Services	SEC A2, p. 28	Secretary Gontrum Greg James	17
Department of General Services Procurement Agency Activity Report	SEC 3, p. 3	Secretary Gontrum Nelson Reichart Courtney Lee	20
Princess Anne Wastewater Treatment Plant Solar Project	SEC 11, p. 14	Secretary Gontrum	23
DNR Agenda	DNR	Jeannie Haddaway- Riccio	25
Amendment to BioPark Ground Lease	USM 2-RP, p. 40	Joe Evans Luke Mowbray	26
Acquisition of Easement for Construction of Purple Line	DOT 8-RP, p. 57	Greg Slater	28

Small Buses for LOTS and Mobility	DOT 6-GM, p. 52	Greg Slater Kevin Quinn	30
Grant to the Board of Directors of Echo Hill Outdoor School	DGS 7-CGL, p. 82	Withdrawn	37
Grant to the Board of Education of Baltimore County	DGS 8-CGL, p. 83	Nelson Reichart	38
Grant to the Housing Authority of the City of Annapolis	DGS 12-CGL, p. 87	Nelson Reichart	38
Grant to the Board of Directors of Delmarva Community Services, Inc.	DGS 3-CGL, p. 78	Nelson Reichart	39
Bond Sale Resolutions	SEC 4, p. 4	Treasurer Kopp Christian Lund	48

PROCEEDINGS

GOVERNOR HOGAN: Well, good morning, everyone.

ALL: Good morning.

GOVERNOR HOGAN: Welcome to the Board of Public Works.

I want to begin today with some important updates regarding Maryland's coordinated efforts to prepare for COVID-19, the novel coronavirus, which has become a major public health threat around the globe. On Monday, as Chairman of the National Governors Association, I joined Vice President Mike Pence, Secretary Azar, and others in the Situation Room at the White House for a teleconference with top ranking federal officials and nearly all of America's governors regarding the coordinated federal/state response to COVID-19. And we are in constant communication with federal officials, governors in other states, and with our State and local officials, who are on the front lines leading our preparedness efforts.

Here in Maryland, there is not yet any public health emergency. Yesterday, the Maryland State Public Health Laboratory was approved for testing for COVID-19, giving our State the capability to quickly test for potential cases. As of this morning, 21 individuals in Maryland have been tested. Ten results have been negative, and 11 still remain pending. But there are no positive cases.

While we continue to hope for the best, we are also actively planning for the worst. This morning, the Maryland Emergency Management Agency is raising our activation level to enhanced in order to mobilize additional resources. Our administration is also submitting a supplemental budget, which includes \$10 million in emergency coronavirus preparedness funding. In addition, we are submitting emergency legislation today allowing us the ability to transfer any necessary resources from the Rainy Day Fund for costs associated with the State's coronavirus response. Given the rapidly evolving nature of this threat to public health, it is critical that we have the flexibility to immediately access these resources.

I want to continue to assure Marylanders that our State is taking every precaution when it comes to the coronavirus. Our highest priority is keeping our residents safe. I would encourage all of our citizens not to panic, but to take this seriously and continue to stay informed by visiting health.maryland.gov/coronavirus. Residents can also call our hotline at 211 to connect with a helpline representative to get information and community resources regarding the coronavirus, and we will continue to update our citizens on a regular basis as the situation develops.

Now, let's move on to the business of the day. It's always great to join my colleagues here on their home turf in the Goldstein Building. We're here this morning for our semi-annual Bond Sale. I know that the Treasurer and her

staff have been working very hard to make sure that today's Bond Sale is a success. Last week we were very pleased that all three rating agencies reaffirmed Maryland's AAA bond rating. Maryland is one of only 13 states in America to receive this coveted ranking, and our AAA rating is the result of all of us working together in a bipartisan manner and acting as prudent fiscal stewards of the taxpayers' money. All three rating agencies noted our State's vigilant debt management, sound budget policy, and proactive fiscal management, including this Board's quick, decisive actions to address mid-year shortfalls. And I want to especially applaud my colleagues, Treasurer Kopp and Comptroller Franchot, and their staffs, for their tremendous work, and to thank them for their collaboration with our team, especially with our Budget Secretary David Brinkley and his staff. And I can tell you we would not have received this AAA bond rating without this entire team all working collaboratively together. So let's give them all a big round of applause.

(Applause.)

GOVERNOR HOGAN: With that, I'm going to turn it over to my colleagues for any opening remarks. Madam Treasurer?

TREASURER KOPP: Thank you. Governor, thank you very much. On behalf of our office and all the offices which have been working together, you're right, the Department of Budget and Management, the Comptroller's Office, the Legislative Fiscal Office, everyone pulling together.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

And the rating agencies obviously recognized it and appreciated it, that while we may differ on some political issues, we're together on the fiscal health of this State. And our system -- thank you for leading on the coronavirus. Our system is unique in its flexibility and its integrity, I think. And the flexibility in dealing with that, the flexibility in having some funds when the Legislature is out of session to deal with emergencies, is part of what the rating agencies look at.

We will be having sales throughout the morning. But at 10:30, in about 15 minutes, we will do one of the two parts of the new money issuance. And then go on to taxable and refunding. So as far as we are concerned, this is a very important part of the Agenda. But another important part that I know you are going to address next is the issue of rectifying the wrong that was done to three more of our citizens in the past. Three men who were taken and put in prison out of middle school, many of us have children in middle school right now, and are only now recognizing the freedom that they deserve and should have had all along. Because State Prosecutor Mosby and her Integrity Unit sought them out, and because of ongoing support and faith on the part of these three gentlemen, and we are now in a position to recognize it. And I'm just terrifically pleased because of that, and I know the Comptroller and you share my --

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: Thank you. Thank you. Mr. Comptroller?

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

COMPTROLLER FRANCHOT: Thank you, Governor and Madam Treasurer. And I want to, along with the Treasurer, welcome everybody to the Louis Goldstein Treasury Building for the Bond Sale.

Governor, I couldn't agree with you more about the potential impact of coronavirus. Thank you for your comments. I know that you and your administration have been working non-stop with our federal, State, and local partners to ensure that we're as prepared as we can be. And the testing announcement is very welcome news. We've already seen the fatal impact that this global outbreak has caused. Here in the United States, nine people have died. We hear new reports on a daily basis about the rising number of individuals who were diagnosed with the virus.

Obviously, public health and safety continues to be the main focus of government attention, and resources. But I am beginning to turn my attention, as the Comptroller and the State's chief fiscal officer, to the economic and fiscal impact that the coronavirus outbreak has already caused for our State, and will continue unfortunately in the event that the outbreak worsens.

With a significant percentage of our State's revenue stream directly impacted by what happens on Wall Street, and with the success of Maryland's economic assets, like the State-owned Port of Baltimore and the State-owned BWI Marshall Airport, dependent on international commerce and travel, not to mention the fact that consumer confidence obviously is affected.

Unclear, but consumer confidence is what powers our economy. This is an area where we have to keep an eye on as this pandemic continues to disrupt our way of life. It has the potential to inflict significant damage. On top of all the public health concerns that everybody has as their rightful priority, we have this economic and fiscal situation.

So, earlier this week, I directed my team to begin planning a public forum, a summit, so to speak, I guess, to examine the economic impacts of the coronavirus in Maryland. This forum is being planned in partnership with the Schaefer Center for Public Policy at the University of Baltimore. It will include experts and stakeholders who can provide us with valuable insights into the current and potential economic impact of this virus. We'll be releasing the specific details later this week, but it will be held March 24th at 10:00 a.m. in Baltimore. I'm sure it will be, we'll have more data there, I think, than we have right now. But Governor, thank you for your leadership. Madam Treasurer, thank you. I associate myself with all your comments.

GOVERNOR HOGAN: Thank you. Thank you very much. We're going to move on to the Secretary's Agenda.

SECRETARY GONTRUM: Governor, Madam Treasurer, Mr. Comptroller, there are 19 items on the Secretary's Agenda, and three reports of emergency procurement. Item 4 is the Bond Sale.

GOVERNOR HOGAN: Great. I want to take a moment just to address Supplemental Items 17, 18, and 19, which the Treasurer commented on in her opening comments, which ask the Board to grant compensation to three men who were wrongfully convicted and spent over 35 years incarcerated for crimes they did not commit. All of them experienced unimaginable pain while they were incarcerated. And there is no question that they deserve to be justly compensated as they work to rebuild their lives. I know that all three of us strongly agree with that. And last fall, when this Board took action to compensate five wrongfully convicted men, I strongly urged members of the Legislature to put a process in place in order to ensure that individualized consideration of every one of these important cases, that we lay out specific guidelines for compensating any additional exonerees as we move forward. And we are looking forward, we weren't successful in last year's legislative session in getting that done, but we are looking forward to continuing to work with the legislative leaders over the final closing weeks of this legislative session on a long term bipartisan solution to this issues. So we're going to deal with these three cases today, but I still want to encourage our colleagues in the Legislature on both sides of the aisle to work towards a long term solution with us. So with that, any comments from you, Madam Treasurer, on this particular item? You already kind of covered that.

TREASURER KOPP: I couldn't agree more, Governor. And Mr. Chestnut, Wilkins, and Stewart deserve our sincere apologies on behalf -- it

wasn't just a mistake. Someone else did the deed and it was no -- I just thank God it was recognized and thank God they maintained their faith in justice. And in the end, justice prevailed. But you know, they say the mills of justice grind slowly but this is extraordinarily slowly. But they did grind fine. And these gentlemen are recognized and have our apologies and an attempt at financial recompense.

GOVERNOR HOGAN: Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you, Governor. And I want to applaud the Board of Public Works, my colleagues, for moving quickly to approve compensation to these Marylanders who have spent years behind bars for crimes that they did not commit. And as the Treasurer and the Governor noted, these are years that can't be regained. They were incarcerated, separated from their families, friends, and loved ones. Years that they could have spent pursuing their hopes and dreams and living their lives freely. Alfred Chestnut, Andrew Stewart, Jr., Ransom Watkins are victims of a broken criminal justice system. And although no dollar amount can restore what was stolen from them, I hope that today's action brings some solace and sense of vindication for these three individuals.

Each of them will be receiving \$81,868.00 for every year they spent unlawfully in incarceration. Where did that amount come from? That's the median household family income in Maryland. We, the Board of Public Works,

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

chose that median income intentionally, because their erroneous conviction and incarceration, we deprived these men with the opportunity to have a household, frankly, and the opportunity to gain an income and make contributions to their communities and our State.

Governor, I'd really like to close by tipping my hat to the Board's staff for all their hard work behind the scenes that made today's action possible. The Governor looks very, very calm and measured. But I remember when John Gontrum, who is now the Board's Executive Secretary, but he was filling the role of Anne Klase when this all came up. He presented the large amounts of money that were being asked for the previous allocation, and I said, what did the Legislature do? And he said, well, the Legislature really couldn't reach a decision so they are not there. I said, what do you want to do? And he said he came up with this very creative idea of the average family income. And I'd like to just give a tip of the hat to John Gontrum, the Board's Executive Secretary, and my former liaison, because he is responsible for convincing a somewhat skeptical me that we were the right body to this. But I think we are. And frankly, I'm not even sure you need legislation down the road. This is going to be something that will happen for generations now. I think the State is going to have a way in which we correct quickly egregious wrongs like this that have been committed and do the right thing as far as providing just a small, inadequate healing to these situations. So John, I'm going to give you a round of applause.

(Applause.)

COMPTROLLER FRANCHOT: And we're grateful, obviously, for everyone's effort. Governor Hogan, we couldn't have done it without your leadership that you've exhibited. But I particularly want to thank the Board of Public Works for being the kind of body that can step in, in the breach, and actually make these wrongs right. And Madam Treasurer, I know you were pounding the table. But we were a little bit flummoxed as to just exactly what we should do. And I know you quickly supported this creative idea.

TREASURER KOPP: Yes.

GOVERNOR HOGAN: Thank you all very, very much. Are there any other questions on the remainder of the Secretary's Agenda?

SECRETARY GONTRUM: Governor, I'd just point that Item 4, the Bond Sale, my understanding is the intention is to vote on it at 11:30?

GOVERNOR HOGAN: Yeah, we have about one minute. I think we can probably wrap this up --

TREASURER KOPP: Yeah.

GOVERNOR HOGAN: -- and make a motion on the rest of the Secretary's Agenda and then do the Bond Sale. Or is --

COMPTROLLER FRANCHOT: No, I --

GOVERNOR HOGAN: Or do you want to wait and do the Bond Sale included in this --

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

SECRETARY GONTRUM: I'll allow the Treasurer's Office to explain their --

GOVERNOR HOGAN: Yeah, let's do that. Okay. We'll take a break and explain the Bond Sale.

TREASURER KOPP: Christian, introduce yourself and explain the Bond Sale.

MR. LUND: Okay, great. So, my name is Christian. I'm from the Treasurer's Office. I'm the Director of Debt Management. I'm trying to get the screen shared here.

So we have four bids that we're going to take today. We have two tax-exempt bids, a refunding that we're doing, and a taxable sale. Those bids are coming in every half an hour. So we've actually already taken one bid at 10:00. We're about to take another one here in just a couple of seconds. And we'll take two more at 11:00, and then 11:30. So the Board won't need to vote until we take all four bids. And when I come back at 11:30, we'll have confirmed everything and you all can approve, assuming that you'd like to.

TREASURER KOPP: It's the Comptroller's technology.

MR. LUND: Yeah.

COMPTROLLER FRANCHOT: Yeah, could we turn the Wi-Fi on, please? Or get me the channel changer?

MR. LUND: So it is a very good day to sell bonds, because we all know when it's kind of tough in the global economy, there's typically a flight to quality. Maryland's AAA bonds are some of the most quality investments that investors can make. So there's a lot of demand for these this morning. When we took the first set at 10:00, we got one of the lowest rates we've ever received. We got a TIC of under one percent. Ten-year treasury yields right now are under one percent. That's never happened before. Ten-year MMD is under one percent. That has never happened before. So assuming everything holds up, we should have a good day.

All right. So we've got three bids in already. Here in about 20 seconds, we will get the last (indiscernible). So we've got some of the big players in. Let's see.

COMPTROLLER FRANCHOT: Can everybody see that?

MR. LUND: All right. And done. Okay. So the results from that second group. We'll go over here. It looks like Morgan Stanley is the low bid. You'll see that TIC. This TIC is a little bit higher than the first group because these are a longer date of maturity. So, all of these mature in 31 or later. So, it looks like we got, we got a total premium of about \$77.5 million just on the second group. On the first group we got another \$72 million. So we're going to be around \$150 million in total premium.

COMPTROLLER FRANCHOT: Can you just explain the premiums quickly?

MR. LUND: So essentially when there is, when we sell these bonds, we have a coupon for each maturity. And typically that coupon is either four or five percent. If the market rate that the bond should actually go for is less than that coupon structure that the investors want, that the banks want, then they pay us more money up front to make up that difference over time. So the fact that rates, the market rate is so low right now, but investors are asking for a four or five percent coupon, means they are giving us a bunch of money today, cash, to purchase these bonds.

So I will just show you these real quick. So again, here's the results from the second sale. From the first sale, if I can get back to that, here is the result from the first sale. It was also Morgan, and here's that premium number and that TIC, .882. So, great result for the first two. We're going to go back, confirm these, take a couple more bids, and we'll be back around 11:30 to have you all --

TREASURER KOPP: But this is all, this is all of the tax-exempt new money --

MR. LUND: Correct. We have a refunding sale and a taxable -- okay? Thanks, everybody.

GOVERNOR HOGAN: Wow, that's fantastic.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

TREASURER KOPP: Build some schools.

GOVERNOR HOGAN: That's great news. So, are there any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Yes, question on A2.

SECRETARY GONTRUM: Emergency Report A2 is a report of an emergency contract for residential childcare services. I understand Greg James, Deputy Secretary of DHS, is here.

MR. JAMES: Thank you. Good morning. For the record, I'm Greg James, Deputy Secretary for Operations at the Maryland Department of Human Services. I have with me this morning Tennille Thomas, who is our Chief of Staff for the Social Services Administration. The item before you is a contract modification for one of our providers in Maryland. The provider is Innovative Services. I'm sorry -- it is Innovative Services. What we are asking for with this modification is they have created an additional facility with three new beds and we have placed youth there. This provider serves youth with intellectual or developmental disabilities or autism, and this program will serve some of our most challenging youth. So creating this additional capacity is critical for the department.

COMPTROLLER FRANCHOT: Thank you, Mr. Secretary. I really appreciate your professionalism in support of our kids that are in need of special services like this. But I noticed this article in YPR, a news segment

concerning foster children whose stays in psychiatric hospitals are intentionally extended by DHS and Social Services, even after doctors and judges have determined that they no longer needed to be there, in the psychiatric hospital. Maryland foster children stay in hospitals because they have nowhere else to go. Can you just comment for a minute about how many kids we're talking about, and what exactly is going on? And particularly the kids that don't have to be there?

MR. JAMES: Certainly. So all of these youth when they were taken to the hospital had a medical need to be there, whether that is a somatic, physical, medical issue, or a psychiatric or behavioral issue, that required hospitalization at the time. In some cases, when they have been stabilized in that hospital environment, and the doctors in that emergency department or psychiatric unit have certified that the youth no longer or child no longer needs to be there, it takes us some time to arrange for the next placement for that child, assuming that they are not going to be able to return back to their original program. Our information is that over the past two years, we have had approximately 63 youth who have overstayed at a hospital. Of those, about half were psychiatric placements. Half of those, the overstay was five days or less. Three-quarters of those, the overstay was ten days or less. So we were making arrangements. There are a handful of outlier cases that have significant and lengthy overstays.

I do want to push back, by the way, and to the extent that the story creates the impression that this is somehow a policy or a practice of the

department to take youth to the hospital simply because there is no other placement, that is not the case. It did not come through in that story and the quotes there, but that was certainly conveyed to the reporters at the time. And that had never been and will never be the policy of the department.

We have been working very closely with our colleagues at Department of Health and the other State agencies that work with these children to develop additional placement options for these children so that we can reduce even those long overstay. Currently we have 33 children in Maryland who are hospitalized for various medical conditions or psychiatric or behavioral issues. Of those, three are on overstay, two of which are medically fragile youth. And in all three cases, we do have a placement identified for them. We're simply waiting for the bed to become available so that we can transfer them.

COMPTROLLER FRANCHOT: Great. Well, I understand from that you have a short term plan, you have a long term plan. Thank you for doing that. I have a lot of confidence in your leadership and empathy for these kids who obviously, you know, need to be placed in a proper family context. Thank you.

MR. JAMES: Thank you, Mr. Comptroller.

COMPTROLLER FRANCHOT: Thank you, Governor.

GOVERNOR HOGAN: Thank you, Mr. James.

MR. JAMES: Thank you.

GOVERNOR HOGAN: Any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Yes. There's the procurement -- Item 3, please.

SECRETARY GONTRUM: Item 3 is the Procurement, the PAR Report from the Department of General Services. We have the Deputy Secretary of the Department of General Services here.

COMPTROLLER FRANCHOT: So this is something I'm not particularly happy about, I guess, just from a reading of the information. We're looking at a contract we approved for \$58,000 for mold remediation at Deer's Head Hospital in March 2019. And over a two-year span, it's grown to \$6.2 million. Is that me? Am I doing something on the --

TREASURER KOPP: I think I did something.

COMPTROLLER FRANCHOT: Oh, okay.

TREASURER KOPP: But I'm not sure what.

COMPTROLLER FRANCHOT: Yeah. Anyway, I'm just curious as to these huge increases. And you know there were 38 modifications to the initial \$58,000 contract. All 38, of course, were below the \$200,000 threshold required for Board of Public Works approval. And there appeared to be one modification on an almost biweekly basis over the course of a two-year span. What, you know, I understand mold remediation is crucial. But what's going on?

MR. REICHART: Mr. Comptroller, I have Courtney Lee here to explain the process of mold remediation and its insidious weave throughout a building.

TREASURER KOPP: But an 8,000 percent increase?

COMPTROLLER FRANCHOT: Yes. Maybe we could get a better estimate in the future. But please, go ahead and tell us what this is. Because we don't want to have convenient extensions fall just below \$200,000 and you get the drift. We want to be able to have an idea of what exactly the project is going to cost.

MR. LEE: Absolutely. Good morning, Governor, Treasurer, and Comptroller. For the record, my name is Courtney Lee. I'm the Chief of Facilities Engineering for the Department of General Services. So this is Deer's Head Hospital mold. We were made aware of a potential mold issue in 2017, towards the end of the summer of 2017. We brought an industrial hygienist in at the request of MDH to address that and assess what that initial issue was. As a result of that, mold was identified. We mobilized a contractor that specializes in remediation on site to address that particular concern. Further evaluation of the 120,000 square foot hospital identified mold throughout the building. As we were working through the building, the industrial hygienist was assessing the areas as we moved through the building to make recommendations for remediation.

Mold is a unique thing to remediate. You might come in one week and do an assessment of a building, and come back the following week and it's a completely different assessment. It's difficult to pinpoint a specification in a mold remediation project. I will say also that when we did, we began this process, we approached it with a three-prong set up, where we had an industrial hygienist under a separate contract. We had a remediation contractor under contract. And we brought in an architect and engineer to evaluate the building to make recommendations on how we could repair the building so we could mitigate this from happening in the future. That evaluation was completed last fall. We have since taken those recommendations and we put them into our backlog for our facility renewal or operating projects so we can bring projects forward to correct the building's deficiencies to not have this happen again, this particular situation.

COMPTROLLER FRANCHOT: Great. Because there was a second project, not just the Deer's Head mold remediation, but then the Court of Appeals, where we gave, on February 6th we voted for \$887,000, I guess. But then in June of last year, within a 48-hour period there were four change orders to that contract, one on June 24th and three the next day. So in a 48-hour period the contract went from, it is \$997,000 to nearly \$1.5 million. And once again, these four change orders were just below the \$200,000. So I accept your explanation

they corrected the problem. I just want to make sure that you are aware that this just doesn't look quite right.

MR. LEE: I appreciate that. And we're always looking for ways that we can improve our processes and approach these projects differently. We learn from each experience to find a better path forward.

COMPTROLLER FRANCHOT: Thank you. Governor?

GOVERNOR HOGAN: Thank you.

MR. LEE: Okay.

COMPTROLLER FRANCHOT: I would move approval of the --

GOVERNOR HOGAN: Great. Is there a second? Madam Treasurer?

TREASURER KOPP: It's not a question. I'd just point out what I consider that bad news, whether it's bad news in terms of the program, in terms of the budgeting, or the format in which you report, which is possible. On the other hand, Item 11, the, I think you will be pleased to see, as I was, the Princess Anne Wastewater Treatment Plant is now going on solar energy. All around the State, the State is waking up. Actually, the Eastern Shore, between the University of Maryland Eastern Shore and these sorts of projects, is moving ahead very strongly to replace old energy with renewable, specifically solar in these cases. And I just want to point it out as maybe an incentive to other parts of the State.

GOVERNOR HOGAN: Thank you for pointing that out.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

TREASURER KOPP: Congratulations.

GOVERNOR HOGAN: So there's a motion to approve the Secretary's Agenda. Is there a second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing.

SECRETARY GONTRUM: It's my understanding that that is not inclusive of Item 4, which is the Bond Sale item --

GOVERNOR HOGAN: Do we need a motion to pull out Item 4?
Or --

SECRETARY GONTRUM: Sure.

GOVERNOR HOGAN: Okay. So is there a motion to pull Item 4 out?

COMPTROLLER FRANCHOT: So moved.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second. Three-nothing. So is there a motion for the remainder of the Secretary's Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. Thank you. Now we move on to the DNR Real Property Agenda.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

MS. HADDAWAY-RICCIO: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Jeannie Haddaway-Riccio with the Maryland Department of Natural Resources. We have five items on our Real Property Agenda this morning for which we are seeking approval, and we'll be happy to answer any questions you may have.

GOVERNOR HOGAN: Thank you, Madam Secretary. Any questions on DNR?

COMPTROLLER FRANCHOT: Not for me.

GOVERNOR HOGAN: Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second?

MS. HADDAWAY-RICCIO: Thank you very much.

GOVERNOR HOGAN: You got off easy today. Three-nothing. We're going to move on to the University System. Good morning.

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

GOVERNOR HOGAN: Any questions on the University System?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Could you explain Item 2? 2-RP?

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

MR. EVANS: 2-RP?

TREASURER KOPP: I have no intention of voting against it.

MR. EVANS: I have -- I need Luke. I have someone here to explain it.

GOVERNOR HOGAN: You have someone. We're going to round them up out in the hallway.

TREASURER KOPP: Well, you can do it some other, I mean, we're obviously going to vote for it. But what happened?

GOVERNOR HOGAN: We'll get an explanation.

MR. MOWBRAY: Luke Mowbray, Interim Director for Real Estate Planning and Space Management for the University of Maryland Baltimore.

GOVERNOR HOGAN: Good morning.

MR. MOWBRAY: Good morning.

GOVERNOR HOGAN: I think the Treasurer just had a question about -- explain the item.

TREASURER KOPP: In simple language to people like me, can you explain what this is?

MR. MOWBRAY: Sure. We are extending a ground lease, on which a private building will be built. The ground lease term needed to be extended in order to secure financing for the construction of the project. The item

also conveys two footpaths that exist on the City's plat to the developer, so they can have the full assemblage to build the property on.

TREASURER KOPP: So there were just errors in the first --

MR. MOWBRAY: The conveyance of the footpaths was kind of a clerical issue. The ground lease extension is actually related to the financing of the new building.

TREASURER KOPP: And it will now extend to when?

MR. MOWBRAY: 2095.

TREASURER KOPP: Okay.

MR. MOWBRAY: Yes.

TREASURER KOPP: Well, let's hope we don't need it before then. Thank you.

MR. MOWBRAY: Anything else?

GOVERNOR HOGAN: Thank you. So there's a motion to approve the University System Agenda. Is there a second? Three-nothing on the University System. Thank you, Mr. Evans.

MR. EVANS: Thank you.

GOVERNOR HOGAN: And now we move on to the Department of Transportation. Good morning, Mr. Secretary.

MR. SLATER: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Greg Slater, Secretary of the Maryland

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

Department of Transportation. The Maryland Department of Transportation is presenting 17 items today. If I may, Governor, I want to take a moment and highlight something that is on the DGS Agenda that relates to our Customer Connect Program.

Customer Connect is an IT modernization project that will change the way we do business and help serve our customers a little bit more efficiently. It's going to allow businesses and individuals to complete more transactions than ever through our online system, and streamline the processes and services that MVA provides. So this first phase will include, you'll be able to one stop shop vehicle services, business licensing, processing of vehicles and fleets, including our international registration program with our reciprocity with Canada. Phase two will include all of our driver services. So MVA is truly transforming into this one stop shop enterprise through our online services. And we have our representatives here to answer any questions you may have.

GOVERNOR HOGAN: Greg, thank you very much. Any questions on Transportation?

COMPTROLLER FRANCHOT: I had one question on Item 8. It's not anything that I'm concerned about. It's acquiring easements for the Purple Line. But you know we're right in the middle of the tax season. Sometimes I have people come up and complain to me about, oh my God, you can't believe how much taxes I have to pay. And I often say, somewhat in jest,

well, I'm glad you're making a lot of money. Because you know, that's good for the Treasury of the State. And don't be too upset. But I now have a lot of people coming up to me and complaining about the congestion caused by the Purple Line construction. And I say, folks, we all supported this. The Governor, God bless him, put it in the budget. It is a fabulous transit project. Don't complain too much. But could you please give us an update as to whether there are any unforeseen issues that are going on? Or is this all moving forward?

MR. SLATER: The Purple Line is going well. We had to deal with some of the initial challenges kind of getting off the ground. But it's about 25 percent complete today. We only have about six more properties that will come before the Board, so that's really progressing well. We just last weekend set the beams over the Colesville Road Rail Bridge, going over WMATA and CSX. So that's going well. Our team was up in New York a few weeks ago. We're actually testing some of the vehicles that are complete. We're testing them on some tracks in New York. And later this year, we'll have them down here. So it's moving along.

COMPTROLLER FRANCHOT: Thank you very much.

GOVERNOR HOGAN: Great. Thank you very much. Is there a motion --

COMPTROLLER FRANCHOT: Move approval --

TREASURER KOPP: Could I ask a question, Greg? Item 6. Item 6 --

MR. SLATER: Mm-hmm.

TREASURER KOPP: -- is the purchase of a large number of diesel powered buses. I understand, when I asked -- here's my frustration.

MR. SLATER: Sure.

TREASURER KOPP: As you know, the two key things to mitigating climate change in Maryland are transportation and the building. So everyone agrees and the Governor has an electric vehicle task force group. Everyone agrees we have to electrify our fleet. So here we are, renewing a fleet, and there's nothing. It's all diesel. Now, you're going to say part of it is for the locals and they don't have the infrastructure yet for electric. The infrastructure is coming very quickly and we could help them have it. Part of it is not local, it's mobility. When are we going to put our money where our mouth is?

MR. SLATER: Yes, Madam Treasurer. I think we're in a little bit of our transition period with the technology itself. It's the infrastructure as well. So this contract is mobility and the local governments --

TREASURER KOPP: Right.

SECRETARY GONTRUM: -- are purchasing them. We tend to let them drive what their needs are. The other piece is, the technology itself is kind of driving some things. So for instance, Indianapolis, they just had to

actually cancel a zero emissions fleet contract because they were having some challenges with the ranges and how it was being handled in cold weather. So we're continuing to kind of push through the grant programs as we get into this transition period. And that electrification of the fleet so that we can, one, transition the fleet, but also continue to not have any disruptions in our services between us and the locals.

TREASURER KOPP: So when are we going to transition the fleet?

SECRETARY GONTRUM: I think Kevin is here. And he can give us a little bit more of a timeline.

TREASURER KOPP: Because we've just been doing this, I recall, at the Airport, too. I mean, all over we're renewing non-renewables.

MR. QUINN: Good morning. For the record, Kevin Quinn, MDOT MTA Administrator. I'm happy to answer your question. So at MTA, we have a current bus buy that goes through FY '24 and our next procurement will be for zero emission vehicles. We're committed to doing that. And we're committed to helping the locally operated transit systems where we can. To Secretary Slater's point, I think we don't want to be in the position of mandating that the locals go with an electric, a battery electric or a certain type of propulsion system. So we're doing all sorts of tests. And the locally operated transit

systems, Montgomery County, Howard County, Frederick County, they are ramping up their fleets.

Something that is coming up is cold weather. We're finding that buses that are running, the research is showing that the buses that have to run regularly in 27 degrees or below are having significant battery issues. And so what this causes is bus fleets have to grow by as much as 50 or 60 percent. So the --

TREASURER KOPP: I get that in Garrett County.

MR. QUINN: Yeah. So we're still testing it out. We still have that commitment out there. As the locals put in their, they request State funds annually from us, they have not put in their annual applications for electric vehicles from us yet. We're still talking to them about it. And I think to your point, we are getting to that point where we're going to need to do some sort of battery electric or at least some sort of zero emission type of fleet purchase.

TREASURER KOPP: Or say we didn't really mean what we were saying. Which I hope we will not be saying. We do mean that we recognize that we have to stop investing in the old ways. You know? I mean really. I understand the State, when the Secretary put out to all of the State, the vehicle list, you said the default position was what?

MR. BRINKLEY: They are to adopt electric vehicles or plug in --

TREASURER KOPP: Plug in hybrids. But when they can. But we have to encourage and help them be able to do it.

MR. QUINN: Yeah. So you know, there's a variety of federal grant programs out there that we're supporting the locals in going forward. So there's an MTA low or no emissions program that we're supporting the locals. We're going after some of those ourselves. I think we're supporting all those efforts. I'll just, you know, caution out there. That technology is still really being tested. And so I think there's a lot of agencies that are finding that they have committed to certain types of fleets and are running into some real trouble in providing reliability of services.

The real value of transit is getting people off the road. That's the big one. And I don't, we don't want to be in a position of risking the reliability of a system by going with an untested propulsion system that results in even less people being able to take transit.

TREASURER KOPP: Right. Right.

MR. QUINN: And so we've got to be cautions.

TREASURER KOPP: And I'm not suggesting we go with untested propulsion systems.

MR. QUINN: Sure.

TREASURER KOPP: But we could at least go with what the private sector is going with now --

MR. QUINN: Sure.

TREASURER KOPP: -- what people around the world are going with now. We don't have to be right out there at the very tip of the arrow.

MR. QUINN: Sure.

TREASURER KOPP: But we've got to move.

MR. QUINN: Absolutely.

COMPTROLLER FRANCHOT: Could I interject here? So last Friday I'm walking out of my house in Takoma Park. I walk up to the local, little local store, about a half a block, and there are all these kids that have gotten out of middle school. And they are all excited and jumping around. And I said, hey guys, what's going on? They said, Governor Hogan is here.

(Laughter.)

COMPTROLLER FRANCHOT: I said, really? He is? And sure enough, there was a big gaggle of folks surrounding the Governor at our electric gas station.

TREASURER KOPP: Right.

COMPTROLLER FRANCHOT: Which he was promoting electric

--

GOVERNOR HOGAN: It's not a gas station. It's an electric vehicle --

COMPTROLLER FRANCHOT: Oh, electric vehicle --

(Laughter.)

GOVERNOR HOGAN: There's no gas. There's no gas.

COMPTROLLER FRANCHOT: So --

GOVERNOR HOGAN: You've got to get this terminology down.

TREASURER KOPP: -- it used to be a gas station.

GOVERNOR HOGAN: It's the only one of its kind.

COMPTROLLER FRANCHOT: Yeah. So anyway, I was saluting the electrification of our fleet down the road, I guess. But Madam Treasurer, I agree with you. I think that nothing happens unless you have a little bit of stimulus. But Governor, thank you for being there in Tacoma Park. I said, welcome to the neighborhood.

GOVERNOR HOGAN: Thank you. And we actually put the legislation in to double the electric vehicle tax credits this year, which we hope you can help us convince the Legislature to go for. It looks as if they are trying to cut all of their tax credits. But that one I hope can survive, and we've got now 1,800 charging stations. I think we are kind of on the cutting edge and out front ahead of most states. But thank you very much.

TREASURER KOPP: But if there's anything more we can do talking to local people, talking to MACo, talking to --

GOVERNOR HOGAN: Yeah.

MR. QUINN: Mm-hmm.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

TREASURER KOPP: -- we really have to.

MR. QUINN: That's what, we're doing a lot of information sharing in terms of what's out there. We're testing vehicles. The lots are testing vehicles.

COMPTROLLER FRANCHOT: I'm going to let the Treasurer, I'm going to ask the Treasurer about that budget. Because they should not cut that. I didn't really realize that, that's what it was --

TREASURER KOPP: The tax credit?

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: Yeah, we're trying to double it. Because it's been wildly successful. We have 25,000 electric vehicles in the State now, and we'd like to see more.

MR. QUINN: It's important. Yep.

COMPTROLLER FRANCHOT: I'm going to go there and tell them to cut it, because then they will probably increase it or triple it.

(Laughter.)

GOVERNOR HOGAN: That's probably a good idea.

If there's any media here, make sure you put the Comptroller is against this idea.

(Laughter.)

MR. QUINN: Thank you.

GOVERNOR HOGAN: All right. Thank you very much. Is there a motion on the Department of Transportation Agenda?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second? Three-nothing. We're going to move on to the Department of General Services.

MR. REICHART: Good morning, Governor --

GOVERNOR HOGAN: Good morning.

MR. REICHART: -- Madam Treasurer, Mr. Comptroller. For the record, I'm Nelson Reichart, Deputy Secretary of the Department of General Services. Today the department is presenting 31 items for your consideration. We are withdrawing Item 7-GL and Item 33-GM. We do have representatives here who are available to answer any questions you have.

TREASURER KOPP: I just have one quick --

GOVERNOR HOGAN: Sure.

TREASURER KOPP: Item 7 I assume is coming back?

MR. REICHART: Yes.

TREASURER KOPP: Echo Hill.

MR. REICHART: It is scheduled --

TREASURER KOPP: I mean, it's a project that many people are very interested in.

MR. REICHART: I think it's scheduled for next Board meeting.

TREASURER KOPP: Thank you very much. Governor, there are two projects that members of the Legislature --

GOVERNOR HOGAN: Yeah. I was going to mention that as well. I don't know if they are out there in the hallway or not, but we have a couple of items I wanted to bring to everybody's attention. Maybe, I don't know if they can hear us out in the hallway. But on Item 8, it's a grant to the Baltimore County Board of Education for the Essex Elementary School Playground project. And I know that Senator Johnny Ray Salling is here to speak on this item. I don't know if he -- he's not in the room, I don't think. But if he's here, I know he's very supportive of the project. And if he's not, we also have here on Item 12 a \$750,000 grant to the City of Annapolis Housing Authority for the Newtowne Community Resource Center. And Delegate Shaneka Henson also was here to talk on --

TREASURER KOPP: They are probably in a session now.

GOVERNOR HOGAN: They are probably all busy. But they, I just wanted to let you know that they are very supportive of these two items and we thank them for their support.

TREASURER KOPP: And Delegate Henson, I believe, I may be wrong, was on the City Council --

GOVERNOR HOGAN: Yeah.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

TREASURER KOPP: -- when this project was started and is now in the Legislature seeing the project --

GOVERNOR HOGAN: See it finally happen. That's great.

TREASURER KOPP: Yeah.

GOVERNOR HOGAN: Are there any other questions on the DGS?

COMPTROLLER FRANCHOT: Yes. Item 3 is a capital grant to the Delmarva Community Services to support the development of the Chesapeake Grove Center, including the Harry and Jeanette Weinberg Intergenerational Center, the only not-for-profit mogul that I know in the State of Maryland who is able to do something like this successfully. And it's one of many, many things that he has done down on the Lower Shore. Mr. Santo Grande. I wonder if, Santo, you could come up and say a word about your empire and how great it is.

MR. GRANDE: Please. Please. My empire is only because of you all. That's why it's like that. But thank you --

GOVERNOR HOGAN: Welcome. We're happy to have a not-for-profit mogul here with us.

(Laughter.)

MR. GRANDE: Ay-ay-ay. I think that's enough.

(Laughter.)

MR. GRANDE: I'll come back later.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

(Laughter.)

COMPTROLLER FRANCHOT: Yeah, no, this is good.

MR. GRANDE: No, really, I would like to thank you all for your constant support. And Governor, and Comptroller, you've been helpful and your presence on the Shore means so much when you come. And we can't do anything without your support. Especially nonprofits, especially trying to build coalitions, trying to do infrastructure work, etcetera. It's just we need your help and we so appreciate everything you've done for myself at Delmarva Community Services and our region. And I know you're so interested on the Shore, both of you all. And I can only say --

TREASURER KOPP: And I am, too.

GOVERNOR HOGAN: And the Treasurer is, too.

MR. GRANDE: Good. I wasn't sure you were listening.

(Laughter.)

MR. GRANDE: But thank you so much. And the Intergenerational Center is being built. It should be built in probably less than a year coming. So we should be in really good shape and we'd love for you to come out and see it. And we're already planning on doing the other part of the project that's 87 units for seniors, also.

GOVERNOR HOGAN: Wow. Great.

MR. GRANDE: So, in Cambridge, Maryland.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

GOVERNOR HOGAN: Well, thank you very much for all of your great work. We certainly appreciate you coming today.

MR. GRANDE: Again, I couldn't do it without your help. So thank you.

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

COMPTROLLER FRANCHOT: Yeah, I wanted to just take a moment -- this is not on an item. But I know we are all aware that the Maryland State Board of Contract Appeals rendered a second opinion last week on the Maryland Insurance Agency lease dispute. These two opinions and their lengthy findings underscore what I said and believed at our January 8th meeting when I expressed serious doubts, concerns, and reservations about moving forward with the contract award before the Board of Contract Appeals had the opportunity to weigh in and issue their determination. What did they do now that they have finally determined?

In the first opinion they wrote that the procurement officer's, and I quote, "determination that it was in the State's best interest to cancel the solicitation to Montgomery Park was unreasonable, arbitrary, and capricious." What else did they find? To be blunt, a lot of the information we heard from DGS and MIA and Kornblatt at our January 8th meeting has proven to be inaccurate or could not be backed up by any evidence. And let me just refer to page 29 of the January 29th opinion. "Apparently the procurement officer acknowledged that

she did not have any data on anticipated rate of employee turnover, and that she had not seen any communications from experienced, regulatory, or professional staff that planned to leave MIA if it moved to Montgomery Park.” That unfortunately is fascinating since this was one of the top reasons that DGS and MIA cited as to why they needed to stay with Kornblatt.

The Board of Contract Appeals in the first opinion found that despite the fact that Montgomery Park won this contract fair and square, and that Montgomery Park had done everything it was required to do, DGS engaged in delays and evasive tactics that kept Montgomery Park in the dark. All of this was occurring while DGS was still in regular contact with Kornblatt. Let me put this in greater context. Montgomery Park was notified that they had been selected as the recommended awardee on May 4, 2018 and that DGS would be submitting this award for BPW approval in August of 2018. Between May 2018 and April 2019, nearly a year, nearly a year after Montgomery Park was selected as the recommended awardee, DGS or MIA apparently did not convey to Montgomery Park any of the concerns that they raised at our January 8th meeting about availability of public transit, about moving costs, about employee retention, and so on and so on and so on. But in April of 2019 when Commissioner Redmer sent his letter outlining concerns that again have been contradicted by evidence gathered by the Board of Contract Appeals, the procurement officer sent a

cancellation notice to Montgomery Park the same day that Commissioner Redmer sent his letter to DGS.

And Kornblatt's contention that it would go belly up if we didn't approve the award on January 8th, DGS claims that Kornblatt had the right to charge double rent and all the other doom and gloom scenarios that they gave at the January 8th meeting. So the contention that it's going to go belly up -- wrong, false. That they had the right to charge double rent -- wrong, false. That all this doom and gloom was going to happen if we didn't correct the situation -- false. But don't take my word for it. Read the Board of Contract Appeals' opinion.

What else did they find? In their opinion on the second appeal they concluded that DGS violated the procurement law in connection with the sole source award to Kornblatt, and they held, the Board of Contract Appeals held that the procurement officer, and I quote, "failure to document the reasons for her determination that it was in the State's best interest to sole source and approve a lease for St. Paul to Kornblatt rather than award a new lease to Montgomery Park or conduct a competitive procurement for a new lease after the wrongful cancellation of the prior competitive procurement also violated the procurement law."

So Governor, I don't, you know, I have tremendous respect for my colleagues, the Treasurer and the Governor. I understand that they didn't like this, or at least the Governor stated very clearly that he thought it was a very bad

procurement. And all I'm suggesting is that we need to take another look and do the right thing here. I'm not sure what that is, but I'd love to see this on the Agenda sometime in the future and I'd like to see our staffs perhaps get together and toss some ideas around that could correct this situation. Because left unaddressed, just when I'm talking about it I'm trying to be nice here, the lack of data and the misinformation that we apparently made the decision on is going to be a serious blot, I think, on the State's economic and business reputation. And we should do the right thing. Once again, I think there was a lot of misinformation that we all were being presented with. But now it's out in the open. And I'd like to as a, if I could, put the two opinions in the record so at least for history's sake, you know, what was presented to us is understood by people as highly irregular, I guess.

GOVERNOR HOGAN: Thank you. Look, we had a pretty lengthy hearing on this topic. And nobody was very pleased with the way this procurement took place. But this is a final decision by the BPW. I couldn't be more disappointed in the Board of Public Works, who fooled around with this decision for --

TREASURER KOPP: Contract Appeals.

GOVERNOR HOGAN: I mean, the Board of Contract Appeals took four months to render a decision. We were pushing them to finally act on this thing, which they said wasn't a priority for them. And then finally made the

decision after the final decision of the BPW, which was absurd. The Attorney General has a completely different opinion of this than the Board of Contract Appeals does. I believe this is going to be litigated and decided by the Attorney General and the courts. But it's certainly not something that should come back before the BPW again and the Board of Contract Appeals has no authority over the BPW whatsoever. So I think that's the opinion of our counsel at the BPW. It's the opinion of the Attorney General. And, you know, I'm disappointed with the entire process and everybody involved in the process including the Board of Contract Appeals. So I for one would not consider bringing it back before the Board. I don't know.

TREASURER KOPP: Mr. Secretary?

MR. REICHART: Madam Treasurer --

GOVERNOR HOGAN: Yeah, I think we ought to have our counsel, the BPW, and the AG address this if they want to. But I don't, I'm not sure --

MR. REICHART: The Attorney General is handling the issue for us. Okay? It's still a matter that's in the court. You know, between the Court of Appeals and the Attorney General --

GOVERNOR HOGAN: -- don't really want to interfere with an ongoing litigation.

TREASURER KOPP: It's in the midst, exactly.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

MR. REICHART: Yeah, it's in the midst. I have one of the Assistant Attorney Generals here that can address any questions that you have.

TREASURER KOPP: Well, I think it's --

COMPTROLLER FRANCHOT: No, I don't think we should have

--

GOVERNOR HOGAN: I think at this point --

COMPTROLLER FRANCHOT: -- I hear what the Governor says, but I would continue my request to have this looked at by the Board of Public Works, at least our staff can attempt to communicate with the Treasurer and the Governor. Because I just don't think it's right. And I think this, the, I just think it needs to be addressed, and read the record. Because it's frightening how that decision was based on falsehoods. And that should not happen before the Board of Public Works on any issue. But it did here, and it's all right here. And so I heard clearly from the Governor and I have total respect for him --

GOVERNOR HOGAN: -- the Attorney General and the courts will resolve whatever disputes there are and we'll get to the facts. But it's not this body shouldn't be going back and looking at it because of this Board that may have rendered a decision four months later.

TREASURER KOPP: I look forward to following the legal process as it develops and see what the conclusion is. Obviously there's a difference of opinion.

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

COMPTROLLER FRANCHOT: I take that as a maybe, the comments by my colleagues. And we're going to continue to discuss this. Because I just find it to be absolutely unacceptable. And I'm not just talking about this particular situation. I'm talking about what was presented to us allegedly as facts. And to the extent they weren't, I will continue to raise my voice on it. But obviously, you know, we have a very collaborative approach to things. But Ms. Klase, you know, if it were easy, I'd do it myself. So you're going to have to like figure out how we move something on this. Because I consider the, well I consider the State's lawyers are somewhat involved with the whole thing also in a bad way. So we'll see how it goes.

GOVERNOR HOGAN: Okay. Thank you. We'll be happy to discuss it with you. So we're going to have to take a break, I guess, until 11:30, because we have no more business but we do have our Bond Sale that happens at exactly 11:30. So I guess we should take a motion on the DGS Agenda. Is there a motion?

COMPTROLLER FRANCHOT: Move to temporarily --

GOVERNOR HOGAN: Yeah, a motion on the Agenda.

COMPTROLLER FRANCHOT: Oh, I move --

GOVERNOR HOGAN: On the DGS Agenda.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

COMPTROLLER FRANCHOT: -- approval of the DGS Agenda.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second. Three-nothing. And then we'll take a break. Because we don't need a motion, I don't think. We'll just take a break until 11:30. A few minutes before 11:30, we'll come back. Right at 11:30 we do the last Bond Sale. Right? Thank you.

(Short recess taken.)

GOVERNOR HOGAN: We'll get back in session. I'm going to turn the floor over to the Treasurer, who is going to give us the report on the latest Bond Sale.

MR. LUND: Yes, hey everybody, I'm back. So we got, we took two more bids while I was gone. The first was for the First Series C Bonds. This was a refunding, a current refunding. We got a great rate. This is going to refund old bonds with new bonds at a lower rate, so it's going to save the State about \$23 million over the next few years. So that was very successful.

We just took and confirmed the First Series B Bonds. So these were the Taxable Series that were issued. I just want to point out here that these are taxable bonds, which typically trade higher than tax-exempt bonds. But we got under a one percent yield on both of these, which is sort of unheard of. So just like Treasuries and tax-exempt MMD is under one percent on these shortened periods right now, so is the taxable. So we got a really great deal on that.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

So I have all four bids here, and I'll just run through them one more time real quick. And then you guys can take it away. So there's the Group One, the Group Two, there's the First Series C Refunding, and then finally the First Series B Taxable.

TREASURER KOPP: That's very good. Good. Good. And every single person who buys them is getting a wonderful, wonderful investment.

I move that the Board adopt the resolutions before us today concerning the State and Local Facilities Loan of 2020, First Series in particular; that the Board ratify and approve the preliminary official statement dated February 26, 2020; the summary notice of sale for the 2020 First Series Bonds published in the *Bond Buyer* on February 21, 2020; and the resolutions adopted by the Board, this Board, on February 19, 2020 with respect to these bonds. I would ask for a second and a vote on these motions.

COMPTROLLER FRANCHOT: Second.

TREASURER KOPP: All those in favor?

GOVERNOR HOGAN: Aye.

TREASURER KOPP: I move that Morgan Stanley and Company, LLC be declared the successful bidder for Group One of the First Series A Tax-Exempt Bonds in the aggregate principal amount of \$245,055,000.00, subject to resizing as provided in the official notice of sale, with a net premium of \$71,993,503.73, I always love the cents, and a true interest cost of .887062

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

percent; and I further move that the First Group of the First Series A Bonds be issued in the amounts and maturities and at the interest rates and prices set forth in the successful bid for the bonds. I ask for a second and a vote on the bidding Group One First Series A motions.

GOVERNOR HOGAN: Is there a second?

COMPTROLLER FRANCHOT: Second.

TREASURER KOPP: All those in favor?

GOVERNOR HOGAN: Aye.

TREASURER KOPP: Aye. I move that Morgan Stanley and Company, LLC be declared the successful bidder for Group Two of the First Series A Tax-Exempt Bonds in the aggregate principal amount of \$249,945,000.00, subject to resizing as provided in the official notice of sale, and with a net premium of \$77,561,770.46, and a true interest cost of 1.846938 percent; and I further move that the Second Group of the First Series A Bonds be issued in the amounts and maturities and at the interest rates and prices set forth in the successful bid for the bonds. I'd ask for a second.

COMPTROLLER FRANCHOT: Second.

TREASURER KOPP: And a vote on it.

GOVERNOR HOGAN: Aye.

TREASURER KOPP: All those in favor, aye. I move that Wells Fargo Bank National Association be declared the successful bidder for the First

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

Series B Taxable Bonds in the aggregate principal amount of \$50,000,000.00, subject to resizing as provided in the official notice of sale, with a true interest cost of .912612 percent; and I further move that the First Series B Bonds be issued in the amounts and maturities and at the interest rates and prices set forth in the successful bid for the bonds. I would ask for a second.

COMPTROLLER FRANCHOT: Second.

TREASURER KOPP: And a vote on the First Series B motions.

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: All those in favor?

GOVERNOR HOGAN: Aye.

TREASURER KOPP: And I vote, I move that Bank of American Merrill Lynch be declared the successful bidder for the First Series C Tax-Exempt Refunding Bonds in the aggregate principal amount of \$234,270,000.00, subject to resizing as provided in the official notice of sale, with a net premium of \$27,602,412.04, and with a true interest cost of .71770, sorry, .717760 percent; and I further move that the First Series C Bonds be issued in and resized amounts and in the maturities and in the interest rates set forth in the successful bid for the bonds. I ask for a second and a vote on the First Series C.

COMPTROLLER FRANCHOT: Second.

TREASURER KOPP: All those in favor?

COMPTROLLER FRANCHOT: Move approval.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

GOVERNOR HOGAN: Aye.

TREASURER KOPP: And finally, I move that the Board authorize and approve the issuance of the final official statement for the bonds.

COMPTROLLER FRANCHOT: Second.

TREASURER KOPP: All those in favor?

GOVERNOR HOGAN: Aye.

TREASURER KOPP: Aye. Thank you. This really is --

GOVERNOR HOGAN: Congratulations.

TREASURER KOPP: Well, congratulations to everyone, and particularly those happy taxpayers who bought those bonds. This is really an extraordinary sale, which really does show the faith that people have in Maryland as a very sound, conservation investment.

GOVERNOR HOGAN: It does. It's a terrific Bond Sale. And I again just want to thank every, all of the staff, all of your team for doing a great job on today. So let's again give them all a big round of applause.

(Applause.)

TREASURER KOPP: I would point out that refunding bonds, the \$28 million, which we wanted the refunding bonds because the interest rates now are so much lower. But that is pure profit for the people of the State of Maryland.

GOVERNOR HOGAN: Sounds good. We should do this every day.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

TREASURER KOPP: Yeah.

(Laughter.)

GOVERNOR HOGAN: Let's do the thumbs up. Thank you.

(Whereupon, at 11:50 a.m., the meeting was concluded.)