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PRESENT

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HONORABLE PETER FRANCHOT

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PROCEEDINGS

GOVERNOR HOGAN: Well, good morning, everyone. Welcome to the Board of Public Works. This morning, I'd like to take a moment to recognize all of the procurement professionals across the State, as we recognize their exemplary service during Purchasing Month. And this group of dedicated professionals make important contributions to ensure the efficient use of taxpayer dollars, while maintaining the highest standards. They work collaboratively at every level and procurement processes are integral to operating government effectively and efficiently.

Over the past year, COVID-19 has driven our procurement professionals to work even closer together to expedite the delivery of emergency lifesaving supplies and services. Our procurement teams have demonstrated an unwavering commitment. And this month, we recognize their accomplishments. So I would like to sincerely thank the Maryland Public Procurement Association and all of our procurement officers. And I'd like to virtually present this proclamation to Chief Procurement Officer Robert Gleason and on behalf of all of you with our very sincere appreciation. We'll get this to you in person.

MR. GLEASON: Thank you very much, Governor. I sincerely appreciate that on behalf of all of our pros. We've got a lot of people involved and we're all very appreciative of the leadership of yourself, the Lieutenant Governor,

the members of this Board, and all the leaders in our State. We couldn't do it without your support. So thank you very much, sir.

GOVERNOR HOGAN: Well, thank you. And please pass on our appreciation to every single one of the procurement officers that you work with. The whole team has done a terrific job. Thank you.

MR. GLEASON: Yes, sir. Yes, sir. Thank you.

TREASURER KOPP: Governor, could I just add one thing --

GOVERNOR HOGAN: Absolutely.

TREASURER KOPP: -- since Mr. Gleason is here? I just want to thank you, Bob, for your work in starting up the academy and making sure that everybody has a level understanding of procurement. We've been asking for that for a long time and you're the guy who did it. And also, the push you are making for green procurement.

MR. GLEASON: Yes.

TREASURER KOPP: I'm not sure everybody realizes how much has been done with the Green Procurement Council, I think, and your leadership there is really evident and I appreciate it. Thank you. Thank you.

MR. GLEASON: Thank you for recognizing that. We have pushed about 40 people through the academy at this point. We probably have about another

160 to do throughout the executive branch. But transformation is a journey. We're on that journey and we hope to get there in the next year.

TREASURER KOPP: Well, the Comptroller, I think, will recall Jerry Klasmeier and Howard Freedlander were pushing that for years in other administrations and it didn't happen. And so I thank you. Thank you --

GOVERNOR HOGAN: Thank you for bringing that up, Madam Treasurer. That was an oversight for me not mentioning that. It's terrific. We're really proud of your work there, too. Thank you.

On a personal note, before we get started, I'd just like to extend my sincere condolences to former Governor Bob Ehrlich on the loss of his dad, Robert Ehrlich, Sr. He was a great man who I got to know. He's going to be greatly missed and my thoughts and prayers are with the entire Ehrlich family this morning.

With that, I'll turn it over to my colleagues for any opening remarks. Madam Treasurer?

TREASURER KOPP: Well, I assume the Comptroller is going to mention the revenue estimates that we heard yesterday. But I just want to say we're thankful that the State is on strong footing so we can go forward and address the serious problems that so many of our communities and people have.

I would like to send another congratulations. We don't know what's happening in the next couple of weeks. But I don't know that we have mentioned

recently Brenda Frese and the wonderful Terrapin women's basketball team, which is now the number one seed for the NCAA. And their coach, who is the winningest coach in Maryland basketball history, I have to complain a little bit. My community newspaper, *The Washington Post*, last week put on the front page of the sports section a story about how the men couldn't make it in their last game and the next day on the back page of the sports section was the story about the women's team and their wonderful record and wonderful players. I think, I'm glad that men like to play basketball, too. I think that's very good. But I really think the folk of Maryland ought to understand what a gem they have in our team and in the coach. I don't usually get into this area. But I took my grandchildren the year before the pandemic to a couple of Maryland games and they were just wonderful. It was wonderful basketball. It was inspiring. And I just want to congratulate her on behalf of all of us.

GOVERNOR HOGAN: Great shout out, yeah.

TREASURER KOPP: Yeah, really.

GOVERNOR HOGAN: Thank you. Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. I want to start by thanking the Maryland congressional delegation for their unbelievably dedicated work to pass the American Rescue Plan of 2021. I believe it is being voted on as we speak. Led by House Majority Leader Steny Hoyer and Senator Ben Cardin and Chris Van

Hollen, our members of Congress delivered on much needed and long overdue relief to people and businesses that are suffering from the economic and health consequences of the pandemic. Members of Congress Dutch Ruppersberger, John Sarbanes, Anthony Brown, David Trone, Kweisi Mfume, and Jamie Raskin, they worked tirelessly on this monumental relief bill. And Governor Hogan, as head of the National Governors Association last year, I want to thank you for your leadership in championing state and local aid. You may not even remember this, the \$500 billion. I do. And it was an uphill battle back then. But I'm not sure what the exact amount is right now. But I wanted to recognize the fact that you spoke up and I think all the states are benefitting from, you know, well, it didn't succeed last year. Sometimes I don't succeed. So I'm glad it ultimately succeeded. And I think it's going to benefit the entire country.

As Maryland's Chief Fiscal Officer, I welcome this additional federal aid with open arms. There's no doubt that the three federal stimulus plans, one of which is about to happen, have and will in my opinion save the Maryland economy. And it will prevent, I think, the possibility of a national collapse, which we all obviously hope will not happen. However, we're still down 138,000 jobs in Maryland since the pandemic started a year ago. Our office is estimating the loss of approximately 30,000 small businesses across the State before the pandemic ends. I mean, literally not opening their doors again. Tens of thousands of

Maryland families and small businesses have received no federal relief or State relief. That's just, you know, highly unfortunate. For many of our friends and neighbors who are low wage earners, they face unfortunately utter financial devastation with no money to buy food or medicine for their kids, or pay their rent, and they have suffered disproportionately from COVID because of their living conditions.

Nationally, 29,200,000 have been infected and 527,000 Americans have died. Yesterday, 1,866 tragically died. That was unbelievable to me. On the news channels, you know, can you imagine reporting that and saying, you know, this is better? 1,866 people died yesterday. Our deepest sympathies, I know, go out to their families, particularly the 389,000 infections in Maryland and the 7,988 deaths in Maryland. Roughly one-third of the State is in a deep recession, reminiscent of the 1930s right now. Racial and economic disparities have become glaringly obvious during the pandemic. The other two-thirds of the State, which includes a lot of us, is doing okay. We're working remotely. We're getting paid salaries. We're living in relatively safe homes from COVID. We're getting individual medical care. We're paying our bills. We're getting vaccinated. But there's a big disconnect right now between two-thirds of the State and the bottom low wage earners, in that bottom one-third.

I do have some concerns about the economic situation. Obviously, we have the Board of Revenue Estimates meet, we met yesterday and Treasurer Kopp is right, the news is relatively good. But boy, there is some high risk factors down the road. And I just want to comment on a few of them.

One is the level of stimulus. Right now we're talking about \$4.5 trillion being approved within basically a year, \$4.5 trillion by the federal government. That's enough to make two trips -- I used to say \$2.2 trillion was one trip of end to end dollar bills laid from earth all the way into outer space, all the way to the sun, all the way around the sun and all the way back. That's a lot. But now we're talking about two of those trips. So it's really an extraordinary amount of money. And it's unprecedented. I believe it's going to be successful. I hope it is. I have my fingers and toes crossed. But it also could give what's called a sugar high to the national economy and result in inflation, interest rates going up, and destabilizing the stock and bond markets. I hope that doesn't happen.

In Maryland alone, we're estimating \$45 billion to \$50 billion is coming from the federal government into our State's economy, on top of everything else. That's the federal stimulus, cumulatively from all three of the stimulus plans. That's what is being sent to public and private entities in Maryland. I mean, that's an extraordinary situation. And I would like to just say I'm going to ask in writing all of the leaders in the State, basically the legislative leaders, I'm going to request

that the legislative leaders at the end of this week begin to get together and appoint a bipartisan, independent commission of fiscal experts, no elected officials on the commission, with subpoena power and staff to fully investigate and do a top to bottom review of every federal and State pandemic relief program.

This commission could focus on several areas. There are many areas it could focus on. I'm particularly interested in how much of the federal and State relief actually went to Maryland residents and small businesses who are most in need. Secondly, I would suggest they look at how much of the federal and State relief went, this is a delicate subject, I guess, but went to fraudsters. I mean, literally. People that have just stolen financial identities from Marylanders and used it to defraud the U.S. and the Maryland treasuries. We're estimating \$500 million went to fraudsters in unemployment checks alone last year. And the commission could also examine what I call pandemic profiteering by national and even Maryland based companies, such as the troubling report by *The New York Times* in Sunday's front page of a well-connected Maryland based company called Emergent BioSolutions, which engaged in years of influence peddling in Washington, according to *The New York Times*, and received hundreds of millions of taxpayer dollars, if not billions, over the last ten years, paid for useless anthrax vaccines. Anthrax is a disease treated by antibiotics if you get it, not by a vaccine.

And the most unbelievable thing is, it almost completely depleted the Strategic National Stockpile for the entire country.

Let me just read one paragraph from *The New York Times* front page story, “As COVID-19 spread unchecked, sending thousands of dying people to hospitals, desperate pleas for protective masks and other medical supplies went unanswered. Health workers resorted to wearing trash bags. Fearful hospital officials turned away sick patients. Governors complained about being left in the lurch. Today, the shortage of basic supplies alongside inadequate testing and the slow vaccine rollout stands as a symbol of the broken federal response to a worldwide calamity that has killed more than a half million Americans.” That was on the front page of *The New York Times*.

And who is the chief corporate offender according to this massive in depth article by *New York Times* reporters, Chris Hamby and Sheryl Gay Stolberg? Emergent BioSolutions, a Maryland-based company, which according to my reading -- it’s just unbelievable. They treated the Strategic National Stockpile like a corporate ATM machine and left the entire nation vulnerable to harm from the COVID virus. It’s completely unacceptable, as described in the *Times*, reckless, irresponsible corporate behavior. And as if to just rub salt in the wound, last year the founder and owner, I guess, or head of the Board for Emergent BioSolutions, cashed in shares and options of the company for \$42 million. That’s

what I call pandemic profiteering. And you know, I don't mean to inject that into this. But I think we need this independent commission to get to the bottom of a lot of questions that people have. And thank you very much, Governor.

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

SECRETARY GONTRUM: Hi, good morning, Governor, Madam Treasurer, Mr. Comptroller. There are 14 items on the Secretary's Agenda and four reports of emergency procurements. I'm happy to assist with answering any questions.

GOVERNOR HOGAN: Any questions on the Secretary's Agenda?
Is there a motion to approve?

COMPTROLLER FRANCHOT: I would move to approve.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Is there a second? Three-nothing. We'll move on to the DNR Real Property Agenda.

TREASURER KOPP: Governor, could I just point out and thank our Secretary -- I should have done this earlier, I know. Item 1, that you are now posting the PAARs reports, the procurement activities reports, on the website for public scrutiny. I didn't realize they hadn't been posted before and I really appreciate your opening that up.

SECRETARY GONTRUM: Happy to do so, Madam Treasurer.

TREASURER KOPP: Yes, good.

GOVERNOR HOGAN: Madam Secretary, good morning.

MS. HADDAWAY-RICCIO: Hi, good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Jeannie Haddaway-Riccio, Secretary of the Maryland Department of Natural Resources. And we have four items on our Real Property Agenda today for which we are seeking approval and we're happy to answer any questions you may have.

GOVERNOR HOGAN: Are there questions on the DNR Agenda?

COMPTROLLER FRANCHOT: I just have a quick request for the Secretary. Madam Secretary, if you could get someone from your office to communicate with folks in Delegate Bagnall's district about Cape St. Claire neighborhood. Apparently there's some concern that, and they just need to talk to somebody in the agency and find out what's going on with a grant from the Waterway Improvement Fund to support construction of a beach replenishment project. I don't even know which side is, who is on what side. But if you could get someone to answer the citizens who, you know, send emails to us, I would be grateful.

MS. HADDAWAY-RICCIO: Sure. We would be happy to do that.

COMPTROLLER FRANCHOT: Yeah. Apparently, it's just a communication problem.

MS. HADDAWAY-RICCIO: I think that's a very accurate assessment and I will just say that we are working with the Department of Budget and Management and the Anne Arundel County folks on a path forward. But we would be happy to follow up with a formal response.

COMPTROLLER FRANCHOT: Yeah. Well, they are concerned about their relatively small grant. So if you can let them know what's going on, that would be great.

MS. HADDAWAY-RICCIO: Sure.

COMPTROLLER FRANCHOT: I appreciate it.

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

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Is there a second? Very good. Three-nothing. Thank you.

MS. HADDAWAY-RICCIO: Thank you.

GOVERNOR HOGAN: Yes. We're going to move on to the University System Agenda.

MR. HICKEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Tom Hickey, representing the University System of Maryland. We have three items on our Agenda this morning and are happy to answer any questions.

GOVERNOR HOGAN: Thank you, Tom. Any questions on the University System Agenda?

COMPTROLLER FRANCHOT: Tom, you guys saved \$3 million on something at our request to take a look at something, I think. And God bless you. So I'm not even sure exactly how you did that, but I'm told that there's \$3 million in cost savings in one of your contracts.

MR. HICKEY: No, what we're doing, Mr. Comptroller, is on these on-call contracts really taking a look at the spend to make sure that we right-size these contracts so --

COMPTROLLER FRANCHOT: Thank you.

MR. HICKEY: -- is an adjustment based on the use of the on-call contract. At the next meeting, you'll see a situation where the reverse is happening, where additional resources are needed. So, you know, we feel comfortable coming to you to decrease contracts or increase contracts if necessary.

COMPTROLLER FRANCHOT: Remind me next time. Sometimes I forget these things.

MR. HICKEY: Yes, sir.

GOVERNOR HOGAN: Thanks. Any questions or is there a motion on the University System?

COMPTROLLER FRANCHOT: Move approval.

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

MR. HICKEY: Thank you.

GOVERNOR HOGAN: We're going to move to the Department of Transportation.

MR. SLATER: 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 for your consideration today. Myself as well as representatives are here to answer any questions.

Before I get into any questions, I just want to take a moment and publicly thank you, Governor, and the whole team at the Department of Health. Both you, Governor, and Acting Secretary Schrader were helping us advocate for the vaccination of a lot of our frontline employees and we have been able to really roll that out. As of Monday, we have been able to administer 1,000 first shot vaccines at our on-site clinic in Baltimore City with MTA bus operators and transit operators and a lot of our frontline employees. And we've been able to vaccinate

our first responders at MDTA Police and MTA Police, BWI Firefighters, our roadside crews at SHA and MDTA. And I just want to publicly acknowledge that and the leadership in helping us advocate for those important vaccinations.

GOVERNOR HOGAN: Thank you, Mr. Secretary. That's great news. I know we have a request to speak on Item 6, which is in regard to the Maryland Transit Authority's payments to commuter bus contractors for COVID-19 sanitation services. I think Jeff Vogel is representing the Martz Group, Gold Line, Inc. Mr. Vogel?

MR. VOGEL: Governor, Madam Treasurer, Mr. Comptroller. Thank you for the opportunity to address the Board today regarding this proposed amendment. For the record, my name is Jeff Vogel. I'm legal counsel for Martz Group, the largest commuter bus contractor in Maryland, currently operating seven routes for MDOT MTA.

Despite being the largest contractor, Martz is a private family run business now in its fifth generation. Prior to the pandemic, Martz had created 157 jobs in the State and has retained 103 Maryland employees, including 61 drivers, despite the impact of COVID-19 on ridership. Unfortunately, MDOT MTA's actions in response to COVID-19 have resulted in significant losses for Maryland's commuter bus contractors, who were required to make substantial capital and operational investments. For example, Martz was required to purchase 60 new

buses to meet the contract's fleet age requirements at a cost of over \$500,000 each. These expenses continue regardless of ridership. Via email, MDOT MTA unilaterally reduced daily commuter trips by more than 50 percent, significantly reducing the contractor's revenues paid on a per mile basis with no adjustment for the continued costs. Notwithstanding the present reductions, the contractors are required to maintain their full bus fleets and related equipment for when MDOT MTA restores its full schedules, or face significant penalties for non-performance. Because of this, the contractors have lost millions during the pandemic and continue to incur additional costs weekly. Indeed, due to the reduced schedules, Martz has experienced a contractual shortfall of approximately \$4 million to date, which amount grows by over \$100,000 each week.

Accordingly, Martz filed an equitable adjustment claim with MDOT MTA in November. The agency did not engage on the claim until it issued a denial without discussion last Friday night at the urging of your offices. The message from MDOT MTA based on their actions and equitable adjustment response is clear: the burden of the pandemic, including the responsibility to keep the public safe, must be borne by the commuter bus contractors even at an economic loss.

So instead of engaging with the contractors to understand the pandemic's impact, MDOT MTA has offered the amendment before you today, which does two things. First, it includes an additional \$15 per trip to cover a

fraction of the costs for driver PPE and bus cleaning and makes nominal reductions in bonding requirements. The changes do not come close to addressing the added costs to meet COVID-19 protocols, let alone the contractual shortfall. Second, the amendment requires contractors to waive any pending or future contractual claims related to COVID-19 or schedule changes. In light of the significant uncompensated costs and continued schedule reductions, Martz feels that this waiver provision is egregious.

For these reasons, we respectfully request that the Board instruct MDOT MTA to engage in discussions with the contractors to develop a retroactive amendment that equitably and fairly compensates the contractors for their continuing costs. Thank you for your consideration. I'm joined today by Scott Henry, the President of Martz Group. We're happy to answer any questions that the Board members may have.

GOVERNOR HOGAN: Mr. Secretary, do you or Administrator Quinn want to respond? Or --

MR. SLATER: Absolutely. Let me first say, thank you, Mr. Vogel and Mr. Henry, for being on here today. We know that these businesses have been hit pretty hard and we want to ensure that they are there when the demand returns and we'll continue to work with them. There is some aid coming through the Department of Commerce. We're working with the Department of Commerce on

that. It should be available shortly through some applications. But Administrator Quinn is on here as well. Maybe he can offer a little bit of a response on kind of the day to day contract piece. Kevin?

MR. QUINN: Yeah. Absolutely. So --

GOVERNOR HOGAN: With respect to what you just mentioned, Mr. Secretary, we put \$8 million into the Relief Act, which passed nearly unanimously through the Legislature. I'm not sure in light of this claim whether he's going to be eligible to get that. But I think the other contractors will. But maybe Administrator Quinn can address that?

MR. QUINN: Sure. Good morning, Governor, Madam Treasurer, Mr. Comptroller. My name is Kevin Quinn. I'm the Administrator of the Maryland Department of Transportation Maryland Transit Administration. And just to note, I am joined today by MTA Director of Procurement Bill Parham, Deputy Chief Operating Officer Andrea Farmer, and our Assistant Attorney General Eric Hartwig. And you know, we are here today to request the Board's approval on a modification to nearly all of our existing commuter bus contracts.

Just some quick background, you know, in response to the COVID-19 pandemic, we did go to a reduced service schedule in March of 2020, but in anticipation of increased ridership as some of the positivity rates were declining, we returned to a regular schedule in July of 2020. Some of that ridership, you

know, just hasn't returned to the levels we had hoped for and in November of 2020, we reduced our service down to a level that more closely matched demand. And as Mr. Vogel noted, we are currently providing about 50 percent of normal service levels while ridership remains at only about ten percent of our normal commuter bus levels.

This reduction has enabled commuter bus to continue to operate at a fiscally responsible level while still providing service to our riders who rely on this every single day. And the adjustment before the Board does do two things. It decreases the level of bonding, and two, it provides this cleaning reimbursement.

I'll note that the bond level adjustment, that is based on a comprehensive analysis and risk matrix that we did that ensures that MTA has the appropriate level of protection in the event of complication or if something happens with one of our providers. That current performance bond requirement across all of our contracts is \$66 million, and after adjustment the requirements will be reduced to a total of approximately \$45 million. And that \$21 million reduction is significant but still allows protections to the State and will provide some relief to the commuter bus providers who would otherwise have to cover that higher performance bond requirement.

The cost per one-way trip for cleaning reimbursement, that is based on an engineer's estimate and what we've been doing at MTA in our core services.

It provides for a consistent scope of work to be done by the providers, who will be reimbursed based on the number of daily trips noted.

And, you know, I'll just note that, you know, we are not required to make any adjustments to the current commuter bus contracts. These contracts provide for a price per mile and give MTA the right to revise and implement modified schedules as needed. However, you know, we will be the first to note that, you know, the COVID-19 pandemic has absolutely hit our commuter bus providers hard. We want to be good partners. These have been challenging times at MTA and this is just one way we're trying to be fair with our partners and ensure that these companies are still with us as Maryland begins to open up these restrictions and we start to see those riders come back to the system.

To get to your question, Mr. Governor, I believe while these commuter bus companies that have agreed to this can't file additional claims related to COVID-19 and cleaning, they would still be eligible for that funding through the Department of Commerce.

GOVERNOR HOGAN: I know the other companies are eligible. I was just wondering, I don't know if you can use it to settle a claim. And so my point was that Mr. Vogel's client could be eligible for part of that \$8 million, but I'm not sure we can use that \$8 million in emergency relief funds to settle this particular claim. So we're holding up, you know, he is questioning this Agenda

item, but I'm not sure what they have done to pursue the millions of dollars that we have available to them.

MR. QUINN: Yes, that's correct.

GOVERNOR HOGAN: Any other questions on this item? Any other questions on the Transportation Agenda? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? The vote is three-nothing. We move on to the Department of General Services. Secretary Churchill? It looks like we're missing -- maybe technical difficulties. Oh, we have Nelson. Good morning. You're on mute, I think, Nelson.

MR. REICHART: There we go.

GOVERNOR HOGAN: There you go.

MR. REICHART: Sorry about that. Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Nelson Reichart, the Deputy Secretary of the Department of General Services. Today we are presenting 30 items, including one supplemental item for your consideration. We are withdrawing Item 25-IT 1.3. I do have representatives here to help answer any questions that you might have on our Agenda.

GOVERNOR HOGAN: Are there questions on the DGS Agenda?

TREASURER KOPP: Governor, before we go further, could I just tell you and Nelson, and I believe probably on behalf of the Comptroller as well, that the Senator from the 17th District, Senator Kagan is very, very strongly enthusiastically supportive of Item 8 in Rockville. It's the Main Street Connect project, housing for developmentally challenged folks. She has worked on this for years and wanted to thank you and everybody in the department for making this (indiscernible) possible. And when the Senator gets enthusiastic, she's very emphatic. So --

GOVERNOR HOGAN: Well, we are happy that the Senator is enthusiastic and it is a great project, and we want to thank everybody involved.

MR. REICHART: Thank you, Madam Treasurer. I agree. It's a great project.

GOVERNOR HOGAN: Any other --

TREASURER KOPP: Yeah, talking about the projects, I don't have a question right now but I would like to follow up, Nelson, with you and the department about the handling of the small grants programs and what we can do to clarify and expedite it.

MR. REICHART: Madam Treasurer, we would be glad to meet with you and talk with you about the process.

TREASURER KOPP: Very good. While keeping transparency and accountability foremost.

MR. REICHART: Right. We will.

GOVERNOR HOGAN: Thank you. Any other questions?

COMPTROLLER FRANCHOT: No, Governor, if I could just make three quick comments. Item 3 is a \$200,000 grant to End Hunger in Calvert County. Reverend Robert Hahn, I gave him the William Donald Schaefer Helping People Award for Calvert County, he does a great job, wonderful service, great grant.

I also want to salute Secretary Owens for the consulting award for the proposed Carroll County Veterans Home, what a fabulous thing that is. So to the Secretary and to the Governor, both of you, hats off. And then I finally want to just ask about the *Baltimore Sun* contract, Item 17-S. Apparently you spend \$100,000 a year on advertising with the *Sun*, but you always come and ask for us for approval of a \$400,000 contract. And I'm just wondering if it shouldn't be right-sized. Much as I like the *Sun*, and I notice that Stewart Bainum has just led a group to purchase it and keep it local.

MR. REICHART: Governor, we do. And I have Mark Riesett here to answer any questions about that. Our spend on that typically does run up to around \$100,000 a year for all the agencies that do advertising, legal notices and so

forth, in the *Sun* paper. But we never know exactly what it's going to be. It's sort of on an as need basis.

COMPTROLLER FRANCHOT: Yeah. No, I'm just suggesting that year after year it's four times what you use. So maybe you could right-size it.

MR. REICHART: We will take a look at that very closely and see if it can be right-sized and reduced down.

GOVERNOR HOGAN: Very good. Thank you.

COMPTROLLER FRANCHOT: Okay. Just a minute now, just a minute, hang on. So yeah, no, we want, I would like very much for you to consider making sure the *AFRO* is included in that because they are always left out and that's not good. You should really include them. Because these community newspapers are crucial.

MR. REICHART: Okay. We will consider that and look at how the bidding goes for this contract and what requirements we have as far as legal notices go.

COMPTROLLER FRANCHOT: Okay. And then I just wanted to - it's a sole source thing, you know. But I just think that you need to be a little more, really, Mr. Deputy Secretary Reichart, you've got a lot of experience in this. But you've got to broaden it out, especially if you are asking for \$400,000. Add

some more in and put them in the *AFRO*, I would suggest, would be good for the State's reputation, I guess, it might be.

I did have on Item 21, this is a request from our office to award IBM Corporation a contract for maintenance and support of the tax image system. I'm proud to report that in addition to all of the relief checks, we have processed almost one million tax returns happening simultaneous to the Governor and the Legislature issuing, you know, asking us to issue all the checks that we did. So we're almost at a million tax returns. I mean, it's unbelievable. And we have sent out 620,000 refunds and we're averaging two business days. So, you know, I just have to take my hat off to our staff because they are all about prompt customer service and I get to take credit for it, I guess, only because if they screwed up and the whole system froze up I'd be blamed. But hats off to the staff, because it has been a very hectic start of the tax season. Thank you, Governor.

GOVERNOR HOGAN: Yes, thank you. And if there are no other questions on the DGS Agenda, is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second? There you go. Three to nothing. And with that, thank you all very much. That concludes today's meeting. It's great

to see everybody. I want to thank everybody for their great work. Have a wonderful day.

TREASURER KOPP: Thank you.

COMPTROLLER FRANCHOT: Next time I'm not wearing a necktie.

GOVERNOR HOGAN: No, no ties next time.

(Whereupon, at 10:46 a.m., the meeting was concluded.)