
STATE OF MARYLAND
BOARD OF PUBLIC WORKS
ANNAPOLIS, MARYLAND

June 22, 2022
10:00 a.m.

PRESENT

HONORABLE BOYD RUTHERFORD

Lieutenant Governor

HONORABLE DERECK DAVIS

Treasurer

HONORABLE PETER FRANCHOT

Comptroller

JOHN GONTRUM

Secretary, Board of Public Works

ELLINGTON CHURCHILL

Secretary, Department of General Services

JIM PORTS

Secretary, Department of Transportation

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PROCEEDINGS

LIEUTENANT GOVERNOR RUTHERFORD: This is of course the Board of Public Works. Before turning to my colleagues here, I just want to state that yesterday I had the unfortunate but still honor to bring condolences on behalf of the State at the funeral of Deputy Sheriff Glenn Hilliard, who was gunned down in the line of duty pursuing a career criminal who really should not have been on the streets. It was of course an extremely moving ceremony, which anyone could expect. And it just reminds us that our law enforcement personnel go into the line of fire every day and they go to work, they leave their home, you know, not knowing for sure that they will return that evening or afternoon or after their shift. And as was stated by the Sheriff, they all kind of push that to the back of their mind when they are doing their duty. But these incidents remind all of us of the challenges that they face trying to keep us safe. And in the case of this particular criminal, he probably should not have been on the streets. He had a past of armed robbery and he didn't serve any time for that in Baltimore City. And then he committed other crimes on the Shore and was still on the street, and then unfortunately was able to then kill a law enforcement officer.

So one of the things that just needs to be done in a lot of our jurisdictions is everyone needs to do their jobs. And that starts with the police. If they have probable cause for an arrest, to arrest. And prosecutors to prosecute violations of the law. And if the person is found guilty, judges to give them the appropriate sentence. And that doesn't always happen. And so with that, I'll turn to my colleagues for their comments. Mr. Treasurer?

TREASURER DAVIS: I want to thank you, Governor, and good morning everyone. I'm going to deviate just a little bit from what I was intending

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to say. Not so much for what the Governor was speaking to, but as it relates to violence in general and certainly gun violence.

At the end of the day, you know, we, everything that goes on, or a lot of it, is just symptoms. The real problem as I see it is the gun laws that we have in this country, or more specifically the lack thereof. We love to pat ourselves on the back about being the greatest country in the world. But we are the only ones who seem to have these mass shootings on a regular basis. We have them at our churches and our synagogues and our schools. We can't even protect our children and our seniors. And yet, we want to pat ourselves on the back for how great we are. Now I think it was Hubert Humphrey who said it once, and I don't have the exact quote, about when you are judging the moral compass of, I guess of a nation, you judge it by how it treats those in the dawn of life and the twilight of life. And he was talking about our young people and our seniors. And we do a miserable job at that. I think if we put aside politics -- and I will say that is bipartisan. Democrats as well as Republicans are equally responsible, because for those liberals, conservatives, however you want to phrase it, because while some may be for stricter gun laws and they are not willing -- and I am specifically speaking of the United States Senate -- they are not willing to put aside their norms and traditions and so forth to do their jobs. It's more important, you know, the world's most exclusive club, that they maintain those traditions than they are to protect its people. Yeah, I know that there is some sort of bipartisan agreement that's on the way. But it is far short of what we need. So you know, I'll leave that there. But I will say this, and I would say this to the citizens of Maryland and really to the citizens of this country. You get the kind of government that you deserve. And if, you know, because someone shows up at your barbecue or your wedding and those things, you think they are so great without looking at their voting record. You know, we are complicit in that as well. We are just as

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responsible as our elected officials because we keep sending them back year after year and not allowing them, or not requiring them, to do their jobs.

So with that, now I'll get with what my staff made me.

(Laughter.)

TREASURER DAVIS: I don't know why they do it. They know I'm --

(Laughter.)

TREASURER DAVIS: They made --

LIEUTENANT GOVERNOR RUTHERFORD: -- to say --

TREASURER DAVIS: -- I've got to go home tonight. Social media, they made, they have a social media account for me. Like, people are following me, they said. I'm an old guy. I don't really know what that means. If you tell me somebody is following me, I get nervous.

(Laughter.)

TREASURER DAVIS: -- one week after we opened the social media stuff, so let me see --

LIEUTENANT GOVERNOR RUTHERFORD: -- half of them are probably press --

TREASURER DAVIS: -- yeah, or former colleagues --

LIEUTENANT GOVERNOR RUTHERFORD: -- former colleagues --

TREASURER DAVIS: -- let me see, all right. So I would like to invite anyone who is interested to follow along on Facebook --

(Laughter.)

TREASURER DAVIS: -- Maryland State Treasurer's Office, and Instagram @mdtreasurerdavis and @mdtreasurer. I have no idea what the hell that means but --

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(Laughter.)

TREASURER DAVIS: -- you all do that and like it and tell other people (indiscernible) and I guess that means something. So in any event, it's good to see everybody this morning.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you for that commercial interruption.

(Laughter.)

LIEUTENANT GOVERNOR RUTHERFORD: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yeah, no, I'm honored to be sitting here with these two leaders. I completely identify with what the Treasurer says. And he's a little bit liberated now. He's not a member of the Legislature. He can say things that, you know, are just common sense. And Governor, thank you for the attending and speaking about Deputy 1st Class Hilliard. And I couldn't agree with the comments more of both of these gentlemen. So thank you for blessing Maryland with adult, rational, functioning leadership, which is what we need in the country.

I don't know whether anybody saw any of the hearings yesterday? There were three Republicans, Rusty Bowers, he reminded me of Clay Mitchell, the conservative Republican Speaker of the Arizona House. And then Brad Raffensperger, who is the Secretary of State down in Georgia, and Gabriel Sterling I think was the name of the other individual. All three Republicans. They should be given a Congressional Medal of Honor for standing up and just speaking about -- once again, it's not, this is a bipartisan problem that we have, as the Treasurer was mentioning. But I'm delighted to associate myself with the remarks of the gentlemen and also say that I would really want to bring particular honor to these three individuals. It's not easy. But on that happy note --

LIEUTENANT GOVERNOR RUTHERFORD: Those who are

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younger, that is actually a newspaper.

(Laughter.)

COMPTROLLER FRANCHOT: Yeah --

LIEUTENANT GOVERNOR RUTHERFORD: (Indiscernible).

COMPTROLLER FRANCHOT: -- anyway, I just want to mention that and say how proud I am to be a Marylander and be on this great panel, which has such a wonderful history and legacy, the Board of Public Works.

I would like to mention the passing of Jerry Klasmeier who --

LIEUTENANT GOVERNOR RUTHERFORD: Oh --

COMPTROLLER FRANCHOT: -- years. He passed away Monday evening at the age of 81. For more than five decades, Jerry served the people of our great State in a number of critical roles in local and State government. He was the Chief Administrative Officer, that's the top appointed person, in Anne Arundel County. He was also the Deputy Secretary of General Services. He was an Assistant Comptroller and BPW Liaison for me and my predecessor, Comptroller Schaefer, for nearly 12 years. He wasn't a lawyer. He was better than lawyers. He knew more than Bruce Bereano did about law. He was an expert on procurement law.

LIEUTENANT GOVERNOR RUTHERFORD: He was.

COMPTROLLER FRANCHOT: A fabulous individual. It truly would be difficult to measure and quantify the positive impact and contributions that Jerry made to our communities, our State, generations of Marylanders who benefitted from his honorable, effective public service. One of the kindest individuals you would ever meet. My thoughts and prayers are with his wife Janie and their children and grandchildren and to the many friends and colleagues who mourn Jerry's passing. He was just a great guy. And everybody in my office that interacted with him said the same thing. He could not have been nicer.

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So if I could, I'd also like to just take a minute and say a few words about what is on the mind of frankly every Marylander I encounter nowadays, and that's the state of the economy. Marylanders and small businesses are feeling the stinging whiplash caused by this historic period, it hasn't happened for 40 years, of skyrocketing inflation. And coupled with the Fed's actions to combat inflation, which none of us will ever say we support, but it's important that we pour some cold water on a red hot economy. Otherwise, we're going to have inflation through the roof. That is taking us into uncertain economic waters. There appears to be broad agreement among economists and business leaders that we are headed into a recession, if we're not already in a recession. And it's not if, it is when.

I'm optimistic about our State's economic bones and the long term future, but we must address, I believe, the short term impact, the immediate impact that, particularly this recession will have on people in our community that unlike us, don't have any cushion. It makes it more important now that we begin to act with urgency to blunt the impact of inflation and the inevitable recession in the foreseeable future.

The goal for the State of Maryland should be to avoid a deep recession. We can't avoid a recession. The interest rates are going up. We're going to see unemployment increase. We're going to see, you know, some real economic volatility. But we can do something. As the thermostat is turned down at the national level, we can turn it, adjust it, here at the State level and I think we need to think about doing that. We can start with enacting a gas tax holiday to provide Marylanders relief from the State's most regressive tax at a time when families are being forced to make the decision on whether to buy a few tanks of gas in their cars or buy food at the grocery store. Later today, according to news reports, President Biden is going to call on Congress and every state to enact a gas

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tax holiday until the end of September. I'm not suggesting we're brilliant or anything. I'm just saying, this is what happens. You avoid a deep recession by doing a little bit of stimulus. It could be, you know, my experts tell me it could be the gas tax holiday or it could be us asking businesses to be generous with keeping their employees working remotely. That also apparently would be helpful.

Economists that we're talking to and that we have in our operation, we have many, many fine economists, are telling me it's an effective tool, the gas tax holiday, at providing some relief and stimulus as we feel the ripple effects from inflation and the recent interest rate hikes and work with the private sector to explore things such as once again allowing employees who are able to telework to do so once again, providing some financial relief for those whose jobs do not have to be done in the office. For our low wage workers and essential employees who must report to work, we can provide survival checks, frankly, not only to help with the cost of gas but to provide some assistance with cost increases associated with food, rent, and other essential needs. The State is in a strong position to provide immediate relief to our residents and small businesses who are constantly struggling right now. My former colleagues in the Legislature, it's not just me calling for the gas tax holiday, it is the President of the United States. And he is not calling for some kind of, just an 18 cent federal gas tax holiday. He is asking us to have a gas tax holiday on the 43 cents per gallon of Maryland's gas tax.

So I urge the Legislature and the Congress to step up and use the occasion to act with the urgency that it requires. There are people who are on the shoulder of 95 that have run out of gas and couldn't afford to fill it up. Literally, people on the shoulder, people see them walking with little gas tanks trying to -- so I really urge everybody in Maryland to put aside some of the reasons that they have for not acting and do something, do something. I think it will be very

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beneficial for the economy as a whole if we are able to do it. Otherwise, we could be in for a period of volatility, put it that way. Thank you for letting me --

LIEUTENANT GOVERNOR RUTHERFORD: Thank you. And the gas tax, as you just quoted, will soon be 40-some odd cents because of the automatic gas tax increase that --

COMPTROLLER FRANCHOT: I call it the Frankenstein tax. It always goes up and never goes down.

LIEUTENANT GOVERNOR RUTHERFORD: Right.

COMPTROLLER FRANCHOT: And it happens in the middle of the night. And I understand why my colleagues in the Legislature did it, because they did not want to vote --

LIEUTENANT GOVERNOR RUTHERFORD: They didn't want to face the voters.

COMPTROLLER FRANCHOT: -- that's okay, I mean, it's not okay. It's just --

LIEUTENANT GOVERNOR RUTHERFORD: It's not okay but -
-

COMPTROLLER FRANCHOT: -- just we need to, we need to have a break. Whether you believe in that or not, we need a gas tax holiday to offset a deep recession. Which we went through in 2008-2009. Everybody knows how bad that was. So this is some welcome news from President Biden and I think he, maybe he will decide to come to Maryland and say something.

(Laughter.)

COMPTROLLER FRANCHOT: Thank you. And it's, I'm following in the bipartisan tradition of the Treasurer, because he just, his comments today were so -- I welcomed them. I welcomed them. Because it, you know, we need to, we need to have exactly what Dereck was talking about. And I

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think Boyd, what you represent. So thank you both.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you.

TREASURER DAVIS: Thank you, sir.

LIEUTENANT GOVERNOR RUTHERFORD: Lastly, on Deputy Sheriff Hilliard, today, June 22nd, would have been his 42nd birthday, a young man. Mr. Secretary?

SECRETARY GONTRUM: Good morning, Governor, Mr. Treasurer, Mr. Comptroller. There are 21 items on the Secretary's Agenda and four reports of emergency procurements. Items 19, 20, and 21 are supplemental. Item 11 was revised to update the grantee information, and Item 15 was revised to clarify that the Stadium Authority will return to seek authorization to use the approved funding once the funds become available.

If I may just very briefly build off the remarks about Mr. Klasmeier. Jerry was a superb mentor and a terrific friend, a consummately decent person in the best use of the term, someone who cared very, very much about improving State government. And Mr. Comptroller, as you said, I know he will be missed by colleagues he served with throughout the government of Maryland, from Department of General Services in the Schaefer administration, to Anne Arundel County, the Anne Arundel Community College, which was one of his passions, one of Jerry's many passions. Certainly the MALF Board and the various boards and commissions he worked on, including here at the Board of Public Works. So thank you for allowing me the opportunity to say something about the very untimely passing of Mr. Klasmeier.

There is, I'll note for the Board, there is a speaker request on Item 6, which is the tidal wetlands license.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Well, is the speaker opposing or supporting the item?

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SECRETARY GONTRUM: It's my understanding --

LIEUTENANT GOVERNOR RUTHERFORD: -- one speaker request?

SECRETARY GONTRUM: -- one speaker request. I understand that the licensee is here if the Board has questions for the licensee. There is a request from a neighbor who supports the current posture of the item, which is to revoke the license. He opposes the issuance of the license and has requested to address the Board.

LIEUTENANT GOVERNOR RUTHERFORD: But -- okay. But he doesn't oppose the item that's before us. He wants to talk about other things, in a sense, because he doesn't like the project.

SECRETARY GONTRUM: Correct, Governor.

LIEUTENANT GOVERNOR RUTHERFORD: And I think there is another forum for that. This is not the forum to come in and make that case. The license is being revoked and I think he's in support of that part of it.

SECRETARY GONTRUM: That's my understanding.

COMPTROLLER FRANCHOT: Maybe he wants to speak on that --

LIEUTENANT GOVERNOR RUTHERFORD: Then --

COMPTROLLER FRANCHOT: -- he's here.

LIEUTENANT GOVERNOR RUTHERFORD: -- he wants to --

COMPTROLLER FRANCHOT: He wants to, his neighbor's permission from us, to do what the neighbor is --

LIEUTENANT GOVERNOR RUTHERFORD: No, well, but --

COMPTROLLER FRANCHOT: -- apparently doing poorly. He doesn't --

LIEUTENANT GOVERNOR RUTHERFORD: -- but the license

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was revoked and it's going to go to --

COMPTROLLER FRANCHOT: Don't we have to vote on that?

SECRETARY GONTRUM: Yes, sir.

LIEUTENANT GOVERNOR RUTHERFORD: Yes. He supports the license being revoked.

COMPTROLLER FRANCHOT: Well, that's good. That's good.

LIEUTENANT GOVERNOR RUTHERFORD: So why, why take that time. This is not the forum for that.

COMPTROLLER FRANCHOT: That's not, I just disagree. I just, he's here, we only have one or two people. Just limit it to three minutes and have him speak.

LIEUTENANT GOVERNOR RUTHERFORD: We'll limit it to two minutes to just avoid the controversy. But this is really not the forum. But yes, if that individual, if Item 6, if there is an individual here to speak on it, they can speak. Two minutes.

SECRETARY GONTRUM: Governor, perhaps the Board would like to hear from the Board's wetlands administrator to provide the background on the project? Or --

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Very briefly.

MR. MORGANTE: Good morning, Governor, Mr. Comptroller, Mr. Treasurer. For the record, Bill Morgante, Wetlands Administrator for the Board.

The wetlands license under review here is an emergency license. It was issued in February of 2020 to stabilize an eroding slope at the waterfront home of Mr. Robb Merritt on the Magothy River in Pasadena. To provide a quick response in an emergency, the authority to issue an emergency license is

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delegated by regulation to MDE's Wetlands and Waterways and to me as the Board's Wetlands Administrator. However, the Board regulations also stipulate that the same license must come back before the Board to be ratified, modified, suspended, or revoked. So this is where we are today, for the Board to ratify, modify, suspend, or revoke this emergency license.

In this instance, the applicant's home is on a peninsula and was in danger from erosion. The emergency license authorized the licensee to place 150 linear feet of stone revetment, up to 15 feet channelward of the mean high water line. At the time, I believed this was an appropriate response to the emergency condition and MDE concurred. However, what was constructed by the licensee was 38 feet channelward of the mean high water line rather than the maximum of 15 feet. This resulted in 3,435 square feet of unauthorized fill in the State tidal wetlands beyond what was authorized by the emergency. Additionally, the licensee placed an additional 180 linear feet along the adjacent shoreline outside the emergency area.

So on returning this license to the Board, the regulations stipulate the decision to ratify, modify, suspend, or revoke the license. Ratifying is not appropriate since what was constructed was not what was authorized. Suspending is not really an option since the work has already been completed. So my recommendation is to revoke. The decision, just a little bit more here, the decision to modify or revoke comes down to the following question: was the additional fill necessary to abate or mitigate the emergency? BPW wetland regulations state that an emergency license "is limited to those activities necessary to abate or mitigate the emergency." I do not believe the additional fill was necessary. I believe the original design for 150 feet 15 feet channelward of mean high water as first put forth by the licensee and approved by MDE and BPW was adequate to abate this emergency. I have consulted with other engineers who

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perform this type of work in helping me make my decision.

Lastly, I'll just say should the Board agree with MDE's position that this unauthorized fill was necessary to meet the emergency and move forward with modifying the emergency authorization, I believe that the best interests of the State would be served by the Board adopting an alternative mitigation plan to that which was proposed. And I'm suggesting this just because the mitigation plan proposed by MDE, (indiscernible) the living shoreline, utilize a significant amount of stone fill in the State tidal wetlands to mitigate for other fill. So I believe an alternative mitigation plan would be more appropriate. But in conclusion, I recommend that the Board revoke the license and allow the unauthorized fill to be handled as a compliance matter by MDE.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you.

COMPTROLLER FRANCHOT: So the error in expanding the permit is going to be dealt with by MDE and hopefully that will be rectified.

MR. MORGANTE: That would, if it were revoked --

LIEUTENANT GOVERNOR RUTHERFORD: (Indiscernible).

MR. MORGANTE: -- by MDE compliance.

COMPTROLLER FRANCHOT: Because otherwise, who needs to pay any attention? Just go ahead and do it. You can revoke it, but you've got to make sure that it's mitigated and brought back in within what is appropriate, I take it.

MR. MORGANTE: Well, MDE compliance --

COMPTROLLER FRANCHOT: -- chop down trees and say, geesh, you know, nothing I can do about it now. So I sympathize with you as the administrator, because that obviously, well, we can hear from other people, I guess. But this certainly seems like the right direction to move in. As long as you all are going to enforce the original agreement.

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LIEUTENANT GOVERNOR RUTHERFORD: Well those would, it becomes a compliance issue for the Department of the Environment. So they basically come in with a hammer.

COMPTROLLER FRANCHOT: Okay. Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Is --

COMPTROLLER FRANCHOT: What is the timeline on MDE correcting, taking corrective action?

MR. MORGANTE: I think Assistant Secretary Dorsey could speak to that.

COMPTROLLER FRANCHOT: I mean, it's the precedent, it's not the actual --

DR. DORSEY: Mr. Comptroller, Governor, Treasurer. For the record, my name is Suzanne Dorsey, Deputy Secretary of the Maryland Department of the Environment. Should this license be revoked, it will be remanded to Maryland Department of the Environment's compliance program. Upon review of the information, they will act in the best interests of protecting the environment, which will include mitigation, sir. And again, the exact timeline, I would say months, 60 days, would be my guess.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

SECRETARY GONTRUM: Dr. Kebaish, are you available to address the Board for two minutes, please?

DR. KEBASH: Yes, certainly. Thank you for allowing me the opportunity to address the Board. And I have experienced this sequence of events just from a very close view. Clearly, the impact on this cove, which is a very small cove with about five or six neighbors neighboring that cove, it took a lot away from the cove. It expanded 40 feet into an already small cove that has been plagued by sediments and that continues to be a problem now that the beachfront

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that we all use in this area has been altered significantly. And when we moved in, we had a view of the water. We had access to a beach. Now this has changed dramatically.

Now what the MDE has recommended to amend the original license would add more fill into the cove and make even whatever was left after the unauthorized work was done not even usable for us. I have photos of the cove from before the work has started and currently. And it clearly highlights and shows what the damage that has happened. I would love to share that with you. I have shared it with the, some of the members of the committee and they would be able to pass it on.

The one concern I have currently, the, our neighbor has already accumulated a large amount of dirt next to the cove with the plan to do the mitigation as proposed. So before even waiting for a final decision on what is required to do (indiscernible) mitigation, they already started the process. So that's a big concern. I don't know what they are going to do with that big pile of dirt. It amounts to about 20 truckloads of dirt that is supposed to be dumped into a small cove. So I'd like that to be considered pretty carefully. And my proposal is any additional encroachment on the cove to be done elsewhere as opposed to at the cove itself. Because I think that is going to add more impact on the environment and will really hurt an already damaged or partially damaged waterway and habitat including --

SECRETARY GONTRUM: That's two minutes, doctor. Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you. I believe then the matter, because it will be at the Department of the Environment, that presenting the information that you're talking about would be best to provide to them and their compliance agency with regard to what would be the next steps

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and how to address the issues that you raise and concerns with regard to the permit. So I appreciate your weighing in on this matter, but we are revoking the emergency license. Or at least that's what's before us, and if the Board agrees it will be revoked and then it will be in the jurisdiction of the Maryland Department of the Environment to address any damage that was done. Thank you.

Any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: I wanted to just salute whoever is in charge of Item 10. It's \$10 million to plant urban trees. As a relatively urban resident, I applaud because it's getting hotter and hotter out there and I think this program is something that is commendable. Obviously, the environmental benefits will take a few years, because they have to grow up, the trees, the saplings. But I happen to think that that's a good project and we should also try to preserve the trees that are out there because they are already giving us the shade that this program I think is --

LIEUTENANT GOVERNOR RUTHERFORD: This was the result of legislation that was passed. I wish the Secretary was here today, but she's off in Europe on a trip there but -- a business trip. But the department was already in the process of planting a substantial amount of trees and this was something that was, you know, the Legislature wanted to do as well. But the -- is there anyone from the Department of the Environment?

COMPTROLLER FRANCHOT: Yeah --

SECRETARY GONTRUM: We have Deputy Secretary Dorsey.

COMPTROLLER FRANCHOT: -- come on up.

SECRETARY GONTRUM: Ready for Secretary Dorsey.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Oh, I'm sorry. I was thinking of DNR. But go ahead.

COMPTROLLER FRANCHOT: Yeah.

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DR. DORSEY: DNR -- for the record, Suzanne Dorsey, Deputy Secretary, Maryland Department of the Environment. DNR is an integral part of the 5 Million Trees Act. And I also want to recognize Dr. Jana Davis and Greg Burks from the Chesapeake Bay Trust, who are the implementing partners for the Urban Trees Program. And I encourage you to give them a moment to address you about the work that they are doing. From MDE's perspective, this has been an incredibly collaborative, multiagency effort that also involves private sector engagement to support the right trees in the right place throughout Maryland. And I'm ready to answer any questions that you have.

COMPTROLLER FRANCHOT: What are you doing about the old, the old trees?

DR. DORSEY: Yeah, forest management is really -- you are very wise to look at forest management and, again, I can't speak for my great colleagues at the Maryland Department of Natural Resources. But their programs are excellent. And supporting forest industries, which also support effective management of our forests, is an important goal that they may have.

LIEUTENANT GOVERNOR RUTHERFORD: With your staff, I went out to -- actually, the Comptroller's staff, thank you. We went out to Pocomoke Forest, I guess it was last year, to understand a little bit about forest management and the carbon sequestration of old trees compared to new trees. Old trees have more carbon that they have sequestered, because of just their age. The new trees, of course, consume or sequester more carbon during that period of time. But your staff, you can talk to some of your staff members who did attend. The Treasurer was, the former Treasurer, excuse me, attended. And then the former Treasurer and I went back this past spring to the same forest area to see the new growth that was taking place. Because you do have to also thin forests, because you can have trees that are damaged, trees that are infested with, you

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know, types of bugs that create problems. One of the problems in the west, in addition to the drought conditions and climate change, is that they have infestations of beetles and other insects and if you can't go in and thin those trees they just become kindling wood that creates wildfires. I'm not going through the whole forest fire issue. But when I was a kid, Smoky Bear, it's not, or it's Smoky Bear, Smoky Bear would say, "Only you can prevent forest fires." If you notice now, they say wildfires. Forest fires are natural. Wildfires are out of control.

COMPTROLLER FRANCHOT: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Sir?

MR. BURKS: Good morning and thank you so much for having me here. For the record, my name is Greg Burks and I'm at the Chesapeake Bay Trust and I manage the Urban Trees Grant Program. So thank you, Comptroller, Governor, and Secretary. This is, we're really honored to be here and I'm happy to talk to you about this program and what it means for so many.

Trees belong in all communities, especially urban areas. I tell folks that I'm very appreciative of this bill and the legislation that did this work. As someone who is from an urban area, underserved area, as someone whose family members have experienced high comorbidities from living in these urban heat islands, this bill, the five hundred (hundred-thousand) tree goal is going to make a huge impact on families for years to come. And not just those families but the youth and the health and all the things that are so important to make sure that folks in our communities survive. So it is an honor to be here today to talk to you about the Urban Trees Grant Program and the benefit that it is going to have, just beyond appreciative.

As you know, the Chesapeake Bay Trust was identified to lead this work to establish a grant program to make sure that we are engaging folks across the region to engage in tree planting projects to make sure that projects that they

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take ownership of. We want folks to embrace this work and have ownership of that. And we have done that work by offering three different listening sessions which helped us develop requests for proposals to solicit grant opportunities. And the requests for proposals really helped us as we engage forestry boards, urban planners, utility companies, schools, faith based organizations, really engaging groups in the urban communities to learn about tree planting projects, what is important for them, and to take ownership even for the type of tree that they want, to how much tree cover they want in their neighborhoods, to how they can take care and manage so these trees thrive for years to come.

We are so honored to be in this position for 500,000 trees. We did craft an RFP. We received 33 proposals actually requesting over \$14 million out of the prescribed \$10 million proposed in the Legislature. So that let us know that there was a need so we were really excited to see that number. The Trust is prepared to make awards to groups on the ground across the region, all the way from Western Maryland to Southern Maryland, as far west to closer to our Eastern Shore. So with this program and the impact that it's going to have, we will reach that 500,000 tree goal over the next eight years. And with this funding, there will be significant impact in our first year. And we continue to do this work, build on our RFP, continue reaching groups throughout the region. And in talking to folks on the ground, that direct outreach to talk about what folks know about trees, how they can embrace trees, and the importance of trees. But the Trust, again, is honored to be leading this work, especially with the folks at DNR, MDE, and others. So thank you for your time and again, I'm appreciative to be here today.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you. I have one question and two suggestions, comments. One question in terms of how much of the \$10 million do you actually feel is going to be awarded in grants versus overhead?

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MR. BURKS: Well, the Trust has one of the lowest overheads as a nonprofit here. So we do feel that we will be putting towards -- our first, so for our first round of grants, we have identified the 34 organizations and we feel confident that we're putting out close to \$7.7 million of the \$10 million to do that work.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. And it only goes to organizations and not individuals?

MR. BURKS: Yes. Only organizations, qualified organizations, 501(c)(3)s and other forestry boards and other groups to plant trees in underserved areas.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. And then the suggestions. In talking to one, State Highway, they have a lot of property that sits along roadways that probably could utilize those trees. The second is if you go into Baltimore City where there has been utilization of Project C.O.R.E. and some others, and the City is being, and I will say this for the record, extremely slow, I sound like the Comptroller here raising my voice a little bit, extremely slow in terms of developing these properties and doing something with the properties. So there's large expanses of open space, open land, that if they are not going to do anything with it, it can be good places to put -- even if you don't put a small forest there, a few trees in that area so that then at a later time they can build around those trees.

MR. BURKS: Thank you for that comment --

DR. DORSEY: Sure, sure. I just want to address with Secretary Ports here. We met even last week with Sandy Hertz and engaged with her for not just the Urban Trees Program but also the other tree plantings throughout the State. Because we do know that Department of Transportation is one of the largest tree planting organizations, second to DNR, in our State. So thank you.

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MR. PORTS: When this bill was being passed, I specifically went to State Highway and MDTA to start the conversations about how we can be part of that program. Because we don't need a grant. We have a mandate that we have to do it. We could probably save you a lot of time and money and we could probably reach your goal a lot quicker by using State Highway and MDTA. We have a lot of tree plantings. And not just this program, but even working with DNR. Because DNR wants to plant trees in a lot of parks. I'm trying to get our folks to focus on achieving their goals for planting more trees also.

DR. DORSEY: Sir, as a collaborative lead, MDE looks forward to taking you up on that offer.

MR. PORTS: I'll take your card.

DR. DORSEY: I know the same is true for the Trust. Dr. Jana Davis --

DR. DAVIS: Thank you so much. I just wanted to address quickly the overhead question, as our program manager did such a great job. But I just wanted to --

LIEUTENANT GOVERNOR RUTHERFORD: Please introduce yourself.

DR. DAVIS: Oh, I'm so sorry. I'm Jana Davis, the Director of the Chesapeake Bay Trust. Thank you for your time here. I just wanted to jump in on the overhead question. The Trust commits to spending no more than five percent on indirect or overhead. So the rest will go out to grants. As Greg mentioned, we identified \$7.7 million already. Additional funds from that \$10 million probably will be put out the door in grants this coming year.

LIEUTENANT GOVERNOR RUTHERFORD: Very good. Hopefully those agencies, or those entities that you are providing grants to, that they keep their overhead down just like --

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DR. DAVIS: Absolutely. The Trust believes in efficiency --

LIEUTENANT GOVERNOR RUTHERFORD: And then the last question, it relates to what the Comptroller asked about old growth trees. In a lot of urban areas, and you probably see this in Takoma Park, I grew up in Washington. And you see trees that are now 70 years old and they are coming up through the concrete, through the walkways, that in some cases every now and then a branch comes down. We hear, you know, if there is a severe storm, someone gets injured, killed because some of the cities do not take care of the old trees. And in some cases, they do need to come down and we get communities that say, oh no, keep the trees. But sometimes you need to take those old trees down and then you can replace it with a newer tree and they can put the little boxes around the roots so the roots go down versus out. Is that some of the thinking that's going on? Because I know that even the utility companies talk about that and there is always a fight when the utility companies want to come down and either trim the trees down or take them down completely. The communities get all upset even though --

TREASURER DAVIS: Until the power goes out and then --

LIEUTENANT GOVERNOR RUTHERFORD: Until the power goes out --

(Laughter.)

LIEUTENANT GOVERNOR RUTHERFORD: -- they blame the utility company that then says, hey, you wouldn't let me take these trees down. But they don't remember that part.

DR. DAVIS: Right. Like so many things, life is full of trade-offs and this is one of them. So maintenance of existing trees is obviously something DNR, MDE, and the Trust are very concerned about, along with the forestry groups in all of these regions. Maintenance of those larger trees is not part of this

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grant program, but there are other programs that we want to coordinate with and make maintenance -

LIEUTENANT GOVERNOR RUTHERFORD: Those trees really need to come down.

DR. DAVIS: They do.

LIEUTENANT GOVERNOR RUTHERFORD: So and I think if you go into some of our older communities, you will see where that tree is dying. And the community, the city or the county or whoever, they don't ride around and do these inventories and then take down those dying trees before they fall on someone.

DR. DORSEY: State leadership on management of trees is essential. And as you said, trees can be a risk to life and livelihood. So it is essential that we do as a State develop not just the plans for management of trees but also the industries that support the management of those trees. So you know, funding supporting mills that can use the wood and turn, and keep that sequestration, keep that carbon in that wood because it is used as part of building programs or, you know, making beautiful art. I think it's essential that we do have a very life cycle perspective in State government as we work with our wood resources. Right now, those wood resources are part of our waste stream. And that's not the best end point for a lot of the trees that you discussed. So thank you for raising the management issue. I think it's something that we need to continue to wrestle with and find good solutions for. Thank you, Lieutenant Governor.

LIEUTENANT GOVERNOR RUTHERFORD: There are companies that take the wooden products, from biomass to of course the timber industry --

MR. PORTS: Mm-hmm.

DR. DORSEY: Yes, not enough in our urban and suburban

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environment. You're exactly right.

LIEUTENANT GOVERNOR RUTHERFORD: And it's shipping and getting it to those entities that, you know, create the biomass. So thank you.

DR. DORSEY: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you all. I'm just going to mention Item 15. We're going to have a lot of construction around here, right now going on with the dome. But they are taking down the Legislative Services Building. I did get a briefing on that. The building is in bad shape and has been in bad shape for a while, a lot of water damage. And it's going to be, I think they are going to start the demolition this August, as I understand. I do have my regular jihad of why is it the Stadium Authority doing this, but that's what the Legislature wanted, or at least Legislative Services wanted. During my time we built the expansion of the Lowe House Office Building, the Cas Taylor Wing, took down the old Bloomsburg Housing Project that was beside it. And I expanded the parking lot, or the side essential services building. And it came in on time, on budget with a 40 percent MBE goal that was met. And we sent reports every month to the members of the Legislature on that with regard to our percentage and goals. And we got it in on time, on budget. And I just, I think for the next administration that comes up, it will be in our transition report. We've got to figure out what is the role of the Stadium Authority. Are they just going to be kind of like the special forces for political maneuvering to get things done quickly? And you know, just push it out there? Or are they going to maintain stadiums? And if they are going to be something else, then let's change their name. For the next administration.

I voiced that concern in this administration but no one wanted to do it. And it's kind of like one of those things where all politicians kind of like the ease of having, you know, a special forces that can go in and kill everybody.

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This is one of those. And you know, so I will continue to say that we need to have a little bit more transparency.

COMPTROLLER FRANCHOT: If I could just switch the subject?

LIEUTENANT GOVERNOR RUTHERFORD: Yes, go ahead.

COMPTROLLER FRANCHOT: Item 19 is on the Retirement System and it reappoints Michael Barry as a public member of the Maryland State Retirement and Pension System's Investment Committee. As Chair of the State's Retirement System Board of Trustees, and the Treasurer is the Vice Chair, I've had the privilege of working with Michael over the last six years, and during that time he has proven to be an indispensable advisor from the private sector to this committee. His expertise in the investment industry combined with his commitment to public service has profoundly benefitted the more than 400,000 members of the State Retirement System. So it's with great pleasure that I endorse this item, Item 19. Obviously I think the Treasurer and I both support that.

TREASURER DAVIS: What he said.

(Laughter.)

COMPTROLLER FRANCHOT: Yes. I know it's a pleasure to have the input of private sector professionals.

LIEUTENANT GOVERNOR RUTHERFORD: You need to have. They are the ones who know what they are doing. Probably as long as they are not part of, you know, double dealing there, you need to have the private sector to come in to help advise. And I hope you all strongly listen to what they are saying.

TREASURER DAVIS: The Chair and Vice Chair are doing a great job, by the way --

(Laughter.)

LIEUTENANT GOVERNOR RUTHERFORD: We'll see. We'll

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look at the results. You know, we'll see what the results, particularly in this downturn of the stock market. But --

COMPTROLLER FRANCHOT: Well, speaking of that, we're actually doing very well compared to our peers. Because we have made risk averse our \$70 billion portfolio. And for a while we lagged behind our fellow pension systems around the country. Now we're up at the top. We adjusted it for exactly the kind of downturn we're experiencing.

TREASURER DAVIS: We just had a meeting, by the way.

COMPTROLLER FRANCHOT: Yeah.

(Laughter.)

COMPTROLLER FRANCHOT: Anyway, it's all good news, I think. And Michael Barry, welcome.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Good. I hope we didn't miss a good opportunity, so. All right. Any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Item A2.

SECRETARY GONTRUM: Item A2 is an emergency report from the Department of Information Technology. We have Mr. Chip Stewart available to answer questions. Mr. Stewart, when you're ready.

MR. STEWART: Good morning. Good morning, Governor, Mr. Comptroller, Mr. Treasurer. Thank you for the opportunity today. I'm happy to answer any questions you may have.

COMPTROLLER FRANCHOT: Okay. So the original emergency contract that we're being asked to amend today was in response to a cybersecurity incident that occurred at the end of last year. But the modification adds \$10 million to the contract, which means it's a 250 percent increase in the contract total since the State first entered into this agreement seven months ago. So

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Secretary Leahy, thank you --

LIEUTENANT GOVERNOR RUTHERFORD: Oh, that's not the Secretary.

COMPTROLLER FRANCHOT: Who is this? Oh, I'm sorry --

MR. STEWART: This is Chip Stewart --

COMPTROLLER FRANCHOT: I see a picture up there --

MR. STEWART: -- the Chief Information Security Officer. No worries.

COMPTROLLER FRANCHOT: Well, if you could communicate to the Secretary my concern that we're talking about a substantial investment of taxpayer dollars and to date all procurement actions have been done using emergency authority. As you know, we don't follow the normal procurement requirements, including prior approval of this Board. So can you walk me through the basis for this sudden and rather, well, 250 percent increase in the existing emergency contract?

MR. STEWART: So the original procurement, the original emergency item was a result of merger and acquisition activity that occurred in the third quarter of last year. RSM was the subcontractor to a prime contractor. And because of that merger and acquisition activity that occurred with the prime, the work that RSM had already started couldn't continue. So we had to transition the original item from what was done as a competitive procurement to an emergency.

This modification is the result of a need to increase scope as well as scale. So it is tangentially tied to the cybersecurity incident from December of last year, but is also heavily related to increased scope as a result of legislative action, so the scope and the frequency of cybersecurity assessments.

We've started the process to put out a formal RFP. We started that

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almost immediately after the legislation passed, so in anticipation of the Governor signing that new legislation. Because this is such a critical item, we did not want to allow it to wait for the full procurement. As soon as the RFP hits the streets and we award a vendor, we'll obviously plan to transition out of the emergency contract into the competitively bid procurement.

COMPTROLLER FRANCHOT: What's the timeline for that, please?

MR. STEWART: So we have a tech writer. We're doing interviews for them now. It typically takes a few weeks to a couple of months to get the RFP drafted. It's then submitted to DGS. It goes out to competitive bid. That's around a 60-day process to get the bids in. From there, depending on the number of bids and the selection process. So we're probably in all likelihood looking at around the first quarter to second quarter of next year.

COMPTROLLER FRANCHOT: Okay. And does the current extension or addition of 250 percent, does that reflect what the Legislature passed as far as their five core initiatives?

MR. STEWART: It does cover nearly all of those initiatives. The other initiatives are covered by other funding sources.

COMPTROLLER FRANCHOT: And so you are bringing something back that is competitively bid by what date? The end of the year?

MR. STEWART: By the end of the fiscal year is our target. So the end of fiscal '23 is when that would be coming back. Hopefully before then but, as you are aware with procurements, it frequently can take more time than expected. You have protests and things like that. Much of that is just out of the control, out of our control.

COMPTROLLER FRANCHOT: Okay. Well that's, if you could keep us informed as to the status of the RFP, that would be helpful. Thank you.

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MR. STEWART: Absolutely.

COMPTROLLER FRANCHOT: Thank you.

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

COMPTROLLER FRANCHOT: Move approval --

TREASURER DAVIS: If I --

COMPTROLLER FRANCHOT: Oh sorry, great.

TREASURER DAVIS: If I can, I don't really have a question, it's more so I feel the need to make just a statement. It's regarding Items 16 and 17 in specific, to a lesser degree 18. I know that these are confidential settlements so I won't get into the details of it, other than to say it seems like a lot of this could have been avoided, based upon my reading, if we take a little greater care in documenting things and I'll leave it at that. If we take greater care in documenting incidents. And that's not a small thing. This is the people's money that can be used in a lot more productive ways than settling cases. And all it seems, like I said, it required, if we pay a little more attention to detail some of this could have been avoided. So I would like to communicate that to, you know, those at the Department of Human Services just on that piece, to focus a little more. And Mr. Comptroller, I think my office at some point in the future will be talking to you more about the issue as it relates to Item 18. Not so much that agency, or the Sheriff's Department there specifically, but just in general with some things that are coming up as it relates to authority that you have in these matters that, you know, it's for a future discussion. But we do have to -- and it's just a pet peeve of mine as it relates to what we are doing with public dollars. I understand that this is the prudent course of action. But I want to make sure that, you know, that those involved understand that this is not our money. It's not their money. This is the people's money and I believe that they expect us to be better

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stewards of their money than to keep having to pay settlements. So that's my, you know, that's my rant.

COMPTROLLER FRANCHOT: Yeah. No. That is not some pet peeve, Mr. Treasurer. That is a very important issue. Because I think our legal part of our executive government has gotten a little bit, not a little bit, way out of whack on these settlements. And I hope that, Treasurer, you and perhaps the Lieutenant Governor, could join us in demanding that we have an analysis and audit of all of these settlements going back several years. Because every time I turn around, it's not that I'm the greatest lawyer in the world, but it's the easiest thing in the world to say, hey, let's settle. And what --

LIEUTENANT GOVERNOR RUTHERFORD: Yeah --

COMPTROLLER FRANCHOT: -- \$40,000 can turn into \$400,000. But I applaud you bringing that up, Mr. Treasurer. I'm happy to amend these things and say could we please get an audit of the last four years as to settlements. And particularly whether they were, as you say, the taxpayers' money --

TREASURER DAVIS: But I mean, but I mean --

COMPTROLLER FRANCHOT: -- it's what are they pushing under the rug that we don't know about?

TREASURER DAVIS: And I want to be clear, I'm not blaming the legal department. I didn't mean to insinuate that if I did. But just reading some of the background, I think there was a lack of care, attention to detail, on behalf of --

LIEUTENANT GOVERNOR RUTHERFORD: Management.

TREASURER DAVIS: -- management --

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

TREASURER DAVIS: -- that got us to this point. Now, whether

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or not they should or not, you know, that's a slightly different thing. You know, we can certainly talk about that as well. But we wouldn't even have been at this point if we had paid a little closer to documenting things and that wouldn't have gotten us where we are. So that's, I just wanted to say that part of it. I'm not, I really wasn't trying to point fingers. But --

COMPTROLLER FRANCHOT: Yeah, I'm not trying to point fingers either but --

TREASURER DAVIS: No all I was saying --

COMPTROLLER FRANCHOT: -- every time I turn around there's a bunch of these things.

TREASURER DAVIS: Right. Right.

COMPTROLLER FRANCHOT: And lawyers out there can I think agree with us that that's not a good custom unless it is rigorously applied. Otherwise we're just, what I said, sweeping things under the carpet.

TREASURER DAVIS: Right.

LIEUTENANT GOVERNOR RUTHERFORD: I think there is a little bit of both. Where you have managerial issues, where they are not documenting that there is a challenge, let's say, with a particular employee. And there is a certain amount of time that you have to be able to seek some type of sanction and they often miss those timelines and then still try to go forward. And so it creates these kinds of situations.

The other is where there is some issue that pops up and the facts may be 50/50 in terms of whether, you know, and so recommendations, and I have seen this come from the, you know, Assistant Attorney General, well, you know, let's just settle this, get rid of it. And you don't address the underlying issue and you also don't, in some cases you may feel, you know, well wait a minute, we didn't do anything wrong --

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COMPTROLLER FRANCHOT: How about that instance where the State does nothing wrong --

LIEUTENANT GOVERNOR RUTHERFORD: Oh no, I agree --

COMPTROLLER FRANCHOT: -- paying out --

LIEUTENANT GOVERNOR RUTHERFORD: -- I agree --

COMPTROLLER FRANCHOT: -- hundreds of thousands of dollars and --

LIEUTENANT GOVERNOR RUTHERFORD: -- and you know, my view has often been there is some 700-plus Assistant Attorney Generals out there that, you know, and we pay them a salary. They are not paid on an hourly basis. They should be going to court instead of hiring outside counsel, which we often see on some of these cases, and then we are paying hourly for it. But that's just another story. Any other --

TREASURER DAVIS: Maybe I should second --

(Laughter.)

COMPTROLLER FRANCHOT: Yeah, I'm all in favor of that. Yeah, please.

TREASURER DAVIS: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

COMPTROLLER FRANCHOT: Because I think we need to know the facts.

LIEUTENANT GOVERNOR RUTHERFORD: I think he's seconding your earlier motion --

COMPTROLLER FRANCHOT: Right --

LIEUTENANT GOVERNOR RUTHERFORD: -- to approve the Agenda.

COMPTROLLER FRANCHOT: -- approve the Agenda, okay --

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LIEUTENANT GOVERNOR RUTHERFORD: Okay. Well, we're all in favor. Okay. Department of Natural Resources. Now, do we have anyone here? Jeannie is not here.

SECRETARY GONTRUM: Ms. Wilson is here.

LIEUTENANT GOVERNOR RUTHERFORD: Oh, okay. Emily decided not to come in because her Secretary is not here. Usually, you are sitting over here somewhere.

MS. WILSON: I usually am. But I think perhaps you can tell from my voice why maybe I'm not there in person today.

LIEUTENANT GOVERNOR RUTHERFORD: -- a little froggy today.

MS. WILSON: A little bit. I'm sorry to not be there in person today. But good morning. My name is Emily Wilson with the Department of Natural Resources. Good morning, Lieutenant Governor, Mr. Comptroller, and Mr. Treasurer. We have 13 items on our DNR Real Property Agenda for which we are seeking your approval. I'm happy to try to answer any questions. And I also want to say from the prior Agenda, that we are happy to be an effective partner on the ambitious tree planting programs that were mentioned. And Mr. Lieutenant Governor, I really appreciate your astute comments on forestry management.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you.

COMPTROLLER FRANCHOT: I hope you feel better.

MS. WILSON: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Any questions on the Agenda?

COMPTROLLER FRANCHOT: Move approval unless the Treasurer has something.

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TREASURER DAVIS: Second.

LIEUTENANT GOVERNOR RUTHERFORD: We're all in favor.

Thank you.

MS. WILSON: Thank you very much.

LIEUTENANT GOVERNOR RUTHERFORD: Get well soon.

MS. WILSON: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: There's nothing on the University's Agenda. I guess school's out for summer. Department of Transportation?

MR. PORTS: All right. Good morning, Governor, Mr. Treasurer, Mr. Comptroller. For the record, my name is Jim Ports, Secretary of the Maryland Department of Transportation. The Maryland Department of Transportation has 23 items on today's Agenda, and we are withdrawing Items 14-C and 21-S. I'll be happy to answer any questions.

LIEUTENANT GOVERNOR RUTHERFORD: Transportation.

COMPTROLLER FRANCHOT: I do have a question on Item 8-GM-MOD. That's a request, I think, for your old responsibility, Mr. Secretary, Maryland Transit Administration. It's a contract with Alstom in Naperville, Illinois for two years to continue their work overhauling 50 Light RailLink Vehicles. I guess the question is, what are we doing, where are we in that (indiscernible) since it has gone on for some time? I think this is the eighth extension of the contract. Just brief me, if you can, on the progress and what's going on.

MR. PORTS: Sure.

LIEUTENANT GOVERNOR RUTHERFORD: Your old job was

--

MR. PORTS: That's not my old job, but I did run transit for

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Harford Transit but --

LIEUTENANT GOVERNOR RUTHERFORD: Maryland Transit Authority --

MR. PORTS: -- I was at the Authority, yes.

COMPTROLLER FRANCHOT: Sorry.

MR. PORTS: The MDTA. But no, this is one of those contracts where we're trying to overhaul these Light Rail Vehicles. We have had some challenges with the vendor in getting this completed. And we're hoping that this settlement, which took some liquidated damages as well as claims and tried to settle those terms, completing that will help us get this, no pun intended, back on track. And so we believe that now, with this agreement, that we will get these completed in the allotted timeframe.

COMPTROLLER FRANCHOT: Excellent. And if you could just have, I guess it's Administrator Arnold, make sure that --

MR. PORTS: Sure.

COMPTROLLER FRANCHOT: -- we're aware of the concern about the length.

MR. PORTS: Oh, she has heard it from me and so did Kevin Quinn prior to that when I was Deputy Secretary. Trust me. And we also had some problems with some of the Light Rail Vehicles up in New York that were being completed, too. So and actually in that one we threatened their bond. So I mean, we are trying to take those steps necessary to get this moving. But it is a big challenge, especially with the work force issues that they have now.

COMPTROLLER FRANCHOT: So I just had one other item, 6-C, which is a much smaller contract, \$2.1 million with Overhead Door Company of Baltimore. I don't have a major problem with it, but I noted that the original proposal was rejected by MTA because of a concern that apparently the company

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didn't understand the scope of work. And their bid is considerably lower than the competitors'. And are you sure that they can actually do the job?

MR. PORTS: Yeah, that's a great question, actually. I had some questions on this one myself. It's a state of good repair. You can see there's 500 door openings in 14 Metro stations. I was shocked that there were that many doors. And what they did, Mr. Comptroller, is they, after the first initial bid, they went through and they looked and assessed each door, the MTA did. And through that assessment, they had a much better understanding of what actually had to be completed and then went after that in that way.

COMPTROLLER FRANCHOT: Well, good. So it's a good deal for mass transit and good for the taxpayers.

MR. PORTS: Correct.

COMPTROLLER FRANCHOT: Thank you.

MR. PORTS: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: I do want to thank you on Item 15-M, that's a certified small business, it's put in the Small Business Reserve Program, Chesapeake Pilot Training, Inc. And it is good to see the utilization of the SBR, because it's a prime program that allows small businesses to compete with each other as primes on contracts. And we hope to see more of them and larger ones. Any other questions on Transportation?

COMPTROLLER FRANCHOT: Move approval.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Thank you.
The Department of General Services.

MR. CHURCHILL: Good morning, Governor, Mr. Treasurer, Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary of the Maryland Department of General Services. Today we are presenting 43 items on our Agenda, including four supplementals. We are withdrawing an item within Item

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30, which is sub-item 6.1 of Item 30 at this time. The Agenda includes \$2.5 million in capital grants and loans, including \$1 million going to the Reginald F. Lewis Museum of Maryland African American History and Culture in Baltimore City. Additionally, we are seeking approval for contract actions that support five minority businesses and eight small businesses. We have representatives available at this time if you have questions.

LIEUTENANT GOVERNOR RUTHERFORD: And the Reginald Lewis Museum is another project that was built by the Department of General Services.

MR. CHURCHILL: Yes, it was. And there is another connection. You were building the Reginald F. Lewis Museum and at the time, the same time, I was building the Flag House that's now right next door.

LIEUTENANT GOVERNOR RUTHERFORD: Next door.

MR. CHURCHILL: Yeah.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, very good. I want to jump all the way to Item 32 1.1. It's the portrait of the Speaker. And I believe in the last meeting we had the portrait of the Treasurer, who objected to hers. I forgot the dollar amount. But this is only, only \$17,000 compared to what the Treasurer's portrait. And I don't know, is this -- who would have this? This is General Services. Is this in addition to his portrait that's already downstairs? Is this a new portrait for \$17,000? Is it smaller? Is that why the Treasurer's is so much more expensive?

MR. CHURCHILL: Yes, I do believe that this is a new portrait. And Courtney League, I mean, if you care for more details we have Courtney League --

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, I'm interested. Because --

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MR. CHURCHILL: -- he was --

LIEUTENANT GOVERNOR RUTHERFORD: -- I don't want the Treasurer Emeritas to fly down here and just get upset about this.

MR. CHURCHILL: Courtney League with the department, Assistant Secretary for Construction.

MR. LEAGUE: Yes, good afternoon. Courtney League, Assistant Secretary for Design, Construction and Energy for the Department of General Services. Good afternoon, Mr. Lieutenant Governor, Mr. Treasurer, and Mr. Comptroller.

This portrait was for a posthumous portrait for Michael Busch, Speaker Busch. And it was at the discretion of Speaker Jones. And there was a recommendation from the Commission on Artistic Property for the artist that was selected. The portrait was done off of a photograph of the prior Speaker Busch, so it wasn't a live sitting. And that's one of the reasons why I think the cost difference was so, you know, much between what was done for the Treasurer Kopp portrait and this particular one. And it was done, interestingly enough, by a, the artist had attended St. Mary's High School, which was the alma mater of Speaker Busch as well. So there is some connection there, you know, that is unique for this particular portrait.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. All right. I don't know how much art costs and how much time it took and -- so, I guess is the Speaker planning to put this in, I guess, the Speaker's Lounge or some other -- okay. Since there is already -- okay.

TREASURER DAVIS: If I can, as long as we're there, it would be remiss of me, Speaker Busch gave, what was it, nearly 20 years ago now, Speaker Busch gave an opportunity to a 35-year-old back bencher from Prince George's County --

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LIEUTENANT GOVERNOR RUTHERFORD: Who could that be?

TREASURER DAVIS: -- that everybody thought he was crazy, including myself, to chair the House Economic Matters Committee. He also gave an opportunity to a relatively young delegate to be Speaker Pro Tem, and another to be Majority Whip, those people being myself, Adrienne Jones, and Talmadge Branch. I guess what I wanted to say, or what I'm trying to convey, that you all already know, Speaker Busch cast a wide shadow over the State of Maryland during his tenure, not only as a delegate but certainly as Speaker. He left an indelible mark, certainly, for a number of us, with his emphasis on inclusion and diversity. And it has been three years now since he transitioned from us. I still think about him many times and I was proud to call him a friend. So I'm happy for, you know, I think this is money well spent, Governor. And I'm thrilled that, you know, his likeness, his image, is going to be in the House where it is so richly deserved. But I just, this had actually slipped by me until you pointed it out, you know, that this was up. And I just had to make those comments for all that he has done for me and really for the State of Maryland.

LIEUTENANT GOVERNOR RUTHERFORD: I'm not disputing that. I'm just --

TREASURER DAVIS: No, and I didn't make --

LIEUTENANT GOVERNOR RUTHERFORD: -- I'm just --

TREASURER DAVIS: -- that was just me. That wasn't in response to you, Governor.

LIEUTENANT GOVERNOR RUTHERFORD: -- I was just concerned he's being shortchanged, that's all. That they just hired that student from St. Mary's High School to do a stick figure or something like that. So that was the only --

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TREASURER DAVIS: -- and I didn't take it that way --

LIEUTENANT GOVERNOR RUTHERFORD: -- the Treasurer's, hers was what, \$90,000 or something like that?

TREASURER DAVIS: It's kind of like Mother's Day and Father's Day.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, that's true. Mother's Day versus Father's Day, yeah.

MR. CHURCHILL: Maybe the price difference is in the frame --

LIEUTENANT GOVERNOR RUTHERFORD: In the frame, yeah, yeah. You get something framed, you can buy a cheap poster and you get it framed it costs a lot of money.

MR. CHURCHILL: Governor, let me make a correction to my intro. I announced that there were four supplementals. There are not four supplementals --

LIEUTENANT GOVERNOR RUTHERFORD: Oh, okay.

MR. CHURCHILL: -- I just want to, just in case there was any confusion, there are no supplementals --

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Item 35-RP is interesting. This, these two buildings also at one point were called Schaefer House. Juvenile Services managed the buildings. They had treatment facilities there for juveniles. And when they no longer needed the property, there was some thought of utilizing it as transitional housing for those who were suffering from, or in recovery from substance use disorder. The community was opposed to it through the local Senator there, Antonio Hayes, the council member, and a number of others who spoke to me and General Services about it. And I was hoping that it could go to essentially a boutique hotel there, since it's right there across from the reservoir and it's two large old mansions that were built I think in

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the 1920s, if I'm not mistaken, when there was a lot of industrial wealth in the City of Baltimore. And so I'm glad to see that it is being purchased, that there's going to be new investment going in there. The only question, where does the funding go, the \$700,000? Does that go into the general fund or is that into a special --

MR. CHURCHILL: I believe it does go into a general fund, but Nelson Reichart, our Deputy who was handling that --

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

MR. CHURCHILL: -- can probably give a yes or no very quickly.

LIEUTENANT GOVERNOR RUTHERFORD: I know that Department of Health property goes into a health trust fund, healthcare trust fund. But maybe Nelson can help on this.

SECRETARY GONTRUM: Mr. Deputy Secretary, you are muted if you are trying to talk.

MR. CHURCHILL: Don't forget to unmute, Nelson.

LIEUTENANT GOVERNOR RUTHERFORD: If he's there.

MR. CHURCHILL: He's there.

MR. REICHART: -- I was trying --

LIEUTENANT GOVERNOR RUTHERFORD: There we go.
There we go.

MR. REICHART: I'm on? Okay. Is it on now?

LIEUTENANT GOVERNOR RUTHERFORD: We got you.

MR. CHURCHILL: Go ahead, Nelson.

MR. REICHART: For the record, I'm Nelson Reichart, Deputy Secretary. Lieutenant Governor, I've been around for a long time but I think this was bought a little bit before I was involved at General Services. So I'm not sure exactly where the funding goes. You're right, many times properties purchased

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with Health Department funds goes back to a health trust. Most properties go back to the general fund, the proceeds from the sale. But I can't give you an answer on this one. I'd have to do some research on it.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Can you just get back to me?

MR. REICHART: Sure.

LIEUTENANT GOVERNOR RUTHERFORD: It's more of a curiosity than anything else.

MR. REICHART: Right. I will go back and check the records.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

MR. REICHART: Because at that point Juvenile Services was part of the Department of Health.

LIEUTENANT GOVERNOR RUTHERFORD: Oh, okay. That's another part that I didn't know that.

MR. REICHART: We'll let you know.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Thank you.

MR. REICHART: Sure.

LIEUTENANT GOVERNOR RUTHERFORD: Any other questions on General Services?

COMPTROLLER FRANCHOT: Yes, Item 22.

MR. CHURCHILL: Item 22 involving -- I'm sorry.

LIEUTENANT GOVERNOR RUTHERFORD: Caremark.

MR. CHURCHILL: Pharmacy benefit plan, Christina Kuminski, Director of Employment Benefit Division for Maryland Department of Budget and Management is on the line.

COMPTROLLER FRANCHOT: Excellent. So it's a request for \$178,544,114. It's a large item. It's my understanding that the modification is --

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we're retroactively approving a contract modification with Caremark, an Illinois company. It's my understanding that the modification is to improve pricing in response to an annual market check, as well as add additional funding needed in relation to the ongoing litigation, which stems back to 2011 when the Governor and the General Assembly sought to transition all Medicare eligible retired State employees to Medicare Part D. Is that, am I correct in that?

LIEUTENANT GOVERNOR RUTHERFORD: That's my understanding, too. Do we have --

COMPTROLLER FRANCHOT: Is there someone on who is --

MS. KUMINSKI: I'm sorry, yes. This is Christina Kuminski, Director of Employee Benefits with the Department of Budget and Management. And this is related to the continuation of the EGWP Program. Initially, the contract awarded to CVS Caremark did not include the continuation of the EGWP Program, which was required following the lawsuit that was filed in 2018.

COMPTROLLER FRANCHOT: And what's the timing on the litigation then? When are we going to have this resolved?

MS. KUMINSKI: At this point, sir, we don't know. It is ongoing.

COMPTROLLER FRANCHOT: So obviously, this predates the current administration, unless maybe Secretary Brinkley can help me on this. Where are we headed as far as -- I take it the litigation is based upon the retirees saying that should not have happened. And so --

MR. BRINKLEY: Mr. Comptroller, this is, remember, we had a conversation yesterday in the trustees meeting --

LIEUTENANT GOVERNOR RUTHERFORD: Introduce yourself. Introduce yourself for the record.

MR. BRINKLEY: Oh, I'm sorry. David Brinkley, the Secretary of the Department of Budget and Management. And yesterday -- I think there was

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an attempt to include the Pension System in the lawsuit that was shot down and this was where we had the conversations. This is the one with the retirees that continues on. So Christina and her team are, they are trying to juggle the timing of what she has with moving forward with this very, very large contract. You'll notice that this thing is over \$1 billion on our pharmacy benefits. So trying to time it with what court decision might come through and then how they need to extend it. And I think that's part of the reason for the extension, is we now know that the decision on this thing will be delayed a little bit more. Christina, correct me if I'm speaking out of turn here, and so that was part of the timing again, was this thing was supposed to run out at the beginning of the year. We thought we were going to get a decision out of the feds. That hasn't happened. They have continued to postpone that.

COMPTROLLER FRANCHOT: And once again, but Mr. Budget Secretary, this predates you, this situation that you are trying to deal with. I take it you are on top of the litigation. And do you have any ideas to the timeframe?

MR. BRINKLEY: We don't have any idea as to the timeframe. The lawsuit came about directly to me. I think it was the first term of the Governor. The decisions the Legislature made go back to 2011, you're right about that aspect. But then the lawsuit itself started with us. Ironically, I testified in front of Budget and Tax to request that they not make a change that they were petitioning to change. They went ahead and did it anyway, and then the Governor and I are the ones that got sued in spite of our objection to the changes. So we don't know when it will resolve itself but we're optimistic that we will be prevailing in this.

COMPTROLLER FRANCHOT: If you could keep us informed and in the loop, I would be appreciative. Obviously it's something that is a big ticket item for the State. And it's at least a certain portion of our retirees feel as if

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they were not treated correctly. And if the courts come down in their decision, that is something that is going to be, have to be dealt with.

MR. BRINKLEY: Exactly.

COMPTROLLER FRANCHOT: Thank you. If you could keep us informed as to the litigation, that would be great.

MR. BRINKLEY: We will do.

COMPTROLLER FRANCHOT: And then I had a quick question on 30-IT, which is Skyline Technology. They are getting \$74 million to do --

MR. CHURCHILL: Which item, Mr. Comptroller?

COMPTROLLER FRANCHOT: It's 30-IT, task order 1.1, contract from the Department of Information Technology for \$74 million to support DoIT's security operations center and manage firewall service. Obviously, I have nothing but support for the constant financial crimes that are being done to people's identities. And anything that can be done to protect our databases, I'm in support of. But this particular item had a complete absence of information. And I'm just wondering what is the explanation. Apparently two bids were received, which is good. But that was out of a pool of 479 qualified vendors. But I don't see any information on the pricing, on the technical ranking, or even the basis for Skyline's selection.

MR. CHURCHILL: Speaking for the department, Deputy Secretary Lance Schine.

MR. SCHINE: Good morning. I'm Lance Schine, Deputy Secretary of the Department of IT. Good morning, Governor, Comptroller, and Treasurer. This procurement was handled by the Office of State Procurement. While I believe there were some members of the Department of IT that were on the evaluation committee, the procurement information should be with DGS and the Department of the Office of State Procurement. I don't have any of those

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details. I was not involved in the procurement efforts.

COMPTROLLER FRANCHOT: Well, I'm, my staff informs me that there were two bids and one bid was \$16 million lower than the bid that we're being asked to support right now. Isn't that a little bit relevant as far as briefing us? I understand it's not you, it's some, it's apparently --

MR. SCHINE: I believe the variation in cost was trumped by the technical evaluation. But again, the procurement officer who handled that should have those details. But it was handled --

COMPTROLLER FRANCHOT: Well I would be happy to hold up this thing for a couple of weeks. Because I think, you know, these briefing documents, it's all we have. And somebody has got to put who the second bidder was and what their bid was and why the \$16 million difference was not responded to. I think that's, it may be totally legitimate what you said, but it's got to be in the information we get. Otherwise, we're just, you know, giving a rubber stamp here. And I don't, would bad things happen if we held this up until the next meeting and you could put in, get the department, the procurement department to put in the correct information that we can --

LIEUTENANT GOVERNOR RUTHERFORD: This was a task order, I guess, under one of the multiple award schedules, Mr. Secretary?

MR. CHURCHILL: Yes. Yes. And actually, yes, we can provide more information. And we do have our Deputy CPO, Mike Haifley is here --

LIEUTENANT GOVERNOR RUTHERFORD: And the CPO.

MR. CHURCHILL: -- and the CPO. But I believe the deputy is --

COMPTROLLER FRANCHOT: Well, this is \$74 million and we don't even have any, we don't even have any information on the technical ranking. So isn't that --

LIEUTENANT GOVERNOR RUTHERFORD: Mike, are you

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able to address some of these questions?

MR. HAIFLEY: Good morning, Governor, Comptroller, Mr. Treasurer. Mike Haifley, Department of General Services. I do not have the additional details that you are looking for. We can provide them. I will note the current contract expires June 30th. So I will point that out.

COMPTROLLER FRANCHOT: Yeah, but that's your problem, not our problem. Our problem, you nicely sent our office some of the information, and I appreciate that. And I'm sure everybody is working under the gun. But I would hope that we could postpone this for a couple of weeks, to, and you could indicate that everything is obviously to look relatively smooth. But --

LIEUTENANT GOVERNOR RUTHERFORD: I guess the question --

COMPTROLLER FRANCHOT: -- you can't award it, you can't award it on technical reasons and not even mention it in the briefing. So --

LIEUTENANT GOVERNOR RUTHERFORD: Let me ask you, did your office get that information, the --

COMPTROLLER FRANCHOT: No, they got partially some of it. But there is nothing in the backup material. And you can't, I mean, you can't let something like that go by without at least responding. And I'm happy to delay it for a couple of weeks because, you know, that's a relatively serious omission. And you know, yeah, we have good relations with the agencies. They responded. But none of it was in the --

LIEUTENANT GOVERNOR RUTHERFORD: But the task orders are typically not -- this is how the task orders are presented. Because it's a secondary procurement that took place. The reason that we now have task orders in is because when we did procurement reform a couple of years ago, it required the reporting of the task orders as items like this. So this has been going on for

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about now two years since we did procurement reform. It's a secondary procurement and so as you stated, there was information your staff requested. They don't have to put it in this item. But your staff has that information.

COMPTROLLER FRANCHOT: It's a \$74 million contract. We deserve to have that information up front. And I just, you know, I just appeal to the, whether it's a task order or not, there has, when you say now that you awarded something on technical reasons that is \$16 million more than the second bid, and there is no information as to how many bids were solicited, that's a concern. And I don't buy this argument that, oh, it's got a different name to it so therefore we can just spend the, you know, have a spending spree of taxpayers' money.

MR. HAIFLEY: I understand your concern --

COMPTROLLER FRANCHOT: Thank you.

MR. HAIFLEY: -- and I'd be happy to meet with members of your staff to address that.

COMPTROLLER FRANCHOT: I would strongly recommend that we just delay this. It's oversight. It's information.

LIEUTENANT GOVERNOR RUTHERFORD: I understand what you are saying. But your staff got that information.

COMPTROLLER FRANCHOT: No, they didn't get all the information. All they got was a -- we have a friendly relationship with the agencies.

LIEUTENANT GOVERNOR RUTHERFORD: Did they get the names of the two bidders?

COMPTROLLER FRANCHOT: No. No, they did not, they did not receive the information that we should have received. So thank you. If we could possibly delay it and they could mention to the company that we're not, this

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is not a necessarily substantive objection. It's something that the Board needs. And thank you.

MR. CHURCHILL: Governor, I will look into the matter. At this point, I'm looking at the record that I have in front of me. I don't know if that question was asked initially during the lead in to today. So at this point, we are unable to answer the Comptroller's question. Deputy Secretary Schine, outside of, I mean, the impact to delaying until the next Board?

MR. SCHINE: Well, we have very little time to transition to the new contract and the pressure will be more significant. But I think we can, we'll be able to manage if necessary.

COMPTROLLER FRANCHOT: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: So if you could, if your office can document exactly what they are looking for and then that can be provided. Because the next Board meeting is right after the Fourth and I know some people do take the Fourth of July off. So we need to get that information. And this is the process for task orders. And it's not because it's said differently or called something different. It's because it's a secondary procurement. There is a secondary competition. The first competition is to be, you know, basically, licensed or have a contract under the task orders, under, and I guess this is, what is the IT multiple award?

MR. HAIFLEY: CATS+.

MR. CHURCHILL: This is CATS+ (Consulting and Technical Services +).

LIEUTENANT GOVERNOR RUTHERFORD: CATS, the CATS contract, where there is a competition for that and then a sub-competition within CATS. And so this is typically how, and we've been seeing these for the last two years, that this is how they are done. But if you have questions, it's good to ask

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those as soon as possible.

COMPTROLLER FRANCHOT: Thank you. And I would --

LIEUTENANT GOVERNOR RUTHERFORD: Okay. So you are deferring 1.1 --

MR. CHURCHILL: -- to defer 30-IT 1.1.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

MR. CHURCHILL: As well as now 6.1 from 30-IT.

LIEUTENANT GOVERNOR RUTHERFORD: That was already deferred.

SECRETARY GONTRUM: We'll mark those items as withdrawn, Mr. Secretary. Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Any other questions on General Service?

COMPTROLLER FRANCHOT: Move approval.

TREASURER DAVIS: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. We're done. All right, thank you.

(Whereupon, at 11:31 a.m., the meeting was concluded.)