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P R E S E N T

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HONORABLE LUCILLE MAURER, Treasurer;

JAMES J. MCGINTY, Secretary, Board of
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EARL SEBODA, Secretary, Department of
General Services;

LOUIS H. STETTLER, III, Secretary,
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MICHAEL NELSON, Assistant Secretary,
Department of Natural Resources;

MARION J. BOSCHERT, Administrative Assistant,
Board of Public Works; and,

K. P. HEINEMEYER, Director of Real Estate.

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P R O C E E D I N G S

GOVERNOR SCHAEFER: Before we start the agenda today, there is an announcement that we want to make. The Board of Public Works sat through all and reviewed all the appeals that were made by the subdivisions on school construction. We listened to every appeal. I guess that was really the first time it's been done. Afterwards, there was deliberations made, and we made some recommendations and changes on funding.

It's become very apparent to me that funding that the State now is doing on school construction is very laudible, but it's time for a change; and today I am pleased to announce that the Board of Public Works has a new and important study group, the Task Force on School Construction Finance.

Over the past 17 years, the State of Maryland has invested two and a half billion dollars to construct and renovate elementary and secondary schools throughout the State to assure and assume some local debt service. The Board of Public Works is very proud of the record, and I am, as a mayor, very proud of what the State did

for the City of Baltimore and the other subdivisions. The program received national recognition.

Now there are other concerns. Skyrocketing increases in school construction needs and other critical construction demands at the State and local level require the local government to share to a greater degree the cost of school construction. Because of this change, this Board has named an 18-member task force that will look at the problem in depth, so we can accomplish some solutions. We are asking the group to have a preliminary report in our hands by September.

Task force membership is extremely important, and most of you know Donald Hutchinson, former Baltimore County Executive, and now Chairman of MEGA -- that's the Maryland Economic Growth. We've asked Don to chair this very important study. We needed someone who understood the school construction program first-hand, and he did as the County Executive. With his guidance and that of our fellow Board member Lucy, Lucy Maurer, who is the Vice-chair of the task force, we are certain to get innovation solutions on this very

critical problem.

Don and Lucy will be chairing a task force that consists of talented members, members of the Legislature including Senators Blount and Levitan; Delegates Athey and Ryan; local leaders from around the State, Anne Arundel County Executive Lighthizer; Ron Bowers, President of Washington County Commission. We've also selected members of the business community from around the State, experts in education, members of the Governor's staff. This is what I consider a blue-ribbon committee and will serve the citizens of the State.

All that says this: the State has, I think, in the past, just done a remarkable job in school construction. It's time for the State to withdraw part of their support. Now, this is the Governor's opinion only. It is not the opinion of Louie or Lucy. What I hope will be done, that the formula will be changed, the State responsibility will be lessened, either more given to local subdivisions, and maybe those subdivisions that need additional help worked into the formula.

I think Louie would like to make a few

remarks, and then Lucy, and then Don, as Don assumes this very important chairmanship.

MR. GOLDSTEIN: Thank you, Governor and Lucy and Don. I've sat at this table since 1959, and I can remember when we started this program in 1971, and I voted for every one of those projects, including one billion and almost seven hundred million in new school construction, and we passed legislation and paid off the bonds that were issued prior to 1967, and that amounted to almost seven hundred million dollars. No other state in the United States has done that, and I've always said, when we finish the program, that we should then put some of the responsibility back in the 24 subdivisions, because the State assumed that awful task of not only putting the buildings up, but putting the most up-to-date equipment in these schools, so every child in Maryland would have an opportunity to go to a first-class school facility with first-class equipment, you name it; and I feel that Maryland has met that responsibility.

Now, we know there's several counties that are

growing way beyond their expectations as the population is coming into Maryland. Maryland is one of the few states that the population is moving in, and it's a younger population; and I kept saying around this table here that we were going to have to build more schools. They all laughed at me, and I said I go around these supermarkets, like I was this morning, and I notice the pregnant women, and I observe that. I'm the father of three children, and I know how these things are done.

(Laughter.)

MR. GOLDSTEIN: And they used to laugh at me. It's now stylish to have children again. We might as well discuss it. It's now stylish for people to have children, and that's the way it should be; and, if you're going to have children, you have to have school facilities.

So I'm glad to see you naming this outstanding committee; and I, as a member of the Board of Public Works, will work very closely. I've asked Robert Swann to serve, representing a small county like Calvert. He represents Calvert, Charles and St. Mary's, a tri-county

area; and I feel that we'll get a solution under the leadership of these two distinguished individuals, Chairman and Vice-Chairman, along with this excellent committee; and I want to congratulate you, Governor, for taking that step.

GOVERNOR SCHAEFER: Lucy.

MS.MAURER: Well, I look forward once more to working with Don Hutchinson, who is -- we served together in the Legislature, and I think it's an outstanding group that has been put together. We are at an important crossroads, because we have increasing needs in which the State shares for local facilities; and for a period of time, the State, in terms of how much bond money we gave to local facilities and how much we gave to State facilities, we have been giving a majority, more than a majority, for local facilities. This included jails and for water and sewer and for other purposes. Now we have accumulated needs of the State. We'll be visiting one of the prisons soon. There are other needs that the federal government is transferring, and we must face up to a rebalancing of

the school construction allocation of funds. So it's an important task. It comes at an important juncture in our financial history, and I look forward to serving under the distinguished leadership of Don Hutchinson and working with the full group which has been appointed.

MR. HUTCHINSON: Thank you, and thank you, Governor and Mr. Comptroller. I do very much appreciate the opportunity to work on this task force. I was a member of the General Assembly when this program was created in the early 1970's; and, when we created the program in 1971/1972, school enrollments in the State had reached their peak of somewhat more than 900,000 students. Since that time, the School Construction Program has seen new facilities built in virtually every subdivision of this State and built with the monies provided by the State of Maryland. When that program was created, Maryland had a triple "A" bond rating, but we did not have debt limit considerations; and, today, because the State has taken on much of the debt responsibility of local subdivisions, 70 percent of all of the construction dollars, and all the borrowing

dollars that the State takes on itself is for facilities owned by either local government or, in some cases, private, non-profit organizations. Only 30 percent of all of the money that it borrows is for State facilities.

The State has reached -- or is reaching, I should suggest, a debt limit; and, because of that, it has to reconsider all of its various programs, and much of his debt limit and much of his debt capacity has been filled by the School Construction Program, over two billion dollars in the last seven years.

So the call that has been given to the task force is to look at the program, take a look at the responsibility that the State has and the local government has, try to come up with some type of compromise solution, so that school construction can continue, so that the needs of the student population can be served; but, at the same time, the burden for the programs can, once again, be redistributed equitably between the State and the local governments. That's the call that the task force has been given by the Board of Public Works, and we will try to come back with some solutions during

late summer and early fall.

GOVERNOR SCHAEFER: We thank you, Don.

Whenever you try anything new or you try to change anything, you're up against a tough situation. Innovative ideas and innovative financing is not a bad word. It's not a word that just should be ignored. It's something that can be thought about.

Superintendent Ryan of Somerset County was on television down in Ocean City. He defended the County Commissioners, the State of Maryland. I think he did a fine job in saying that the State had provided a tremendous amount of money, that the school system in Somerset County couldn't operate if the State withdrew its support. He also commended the County Commissioners on what they're doing, but he's talking about more people moving in, and that the local government must assume more responsibility for modernizing the facilities, computers and others.

We must take into account, and I think that's one of the charges that Lucy has given you, also to look out for the smaller counties, such as Somerset,

Wicomico, whatever they are down in Southern Maryland, to make sure that the wealthier counties, while we distribute the money, we take into account the needs and the tax assessable base of the less populous counties and less wealthy counties.

But I think I just want to repeat again, the formula will be changed, and I think that message came through loud and clear that the State is withdrawing part of its construction. Now, Lucy cautioned me and said maybe we won't reduce the amount of funds in school construction. I took a look at the amount of money that the State is putting into the local subdivisions. It is tremendous, absolutely tremendous, and we'll have to look.

One of the articles in the paper -- and I am reading with great interest the articles that are appearing in the Sun Paper on the mental institutions. It is not something we should be proud of, that we've allowed institutions to fall in disrepair and a serious problem. So that there will be some shifting of funds possibly in aid to mental institutions, and that must

come from somewhere.

Okay. Don, thank you very much. I appreciate your assuming this responsibility.

MS. MAURER: Thanks.

MR. GOLDSTEIN: Thank you, Don.

GOVERNOR SCHAEFER: The Board of Public Works will come to order. What's first?

MR. MCGINTY: Department of Transportation.

MR. BRISTOW: Good morning.

GOVERNOR SCHAEFER: Hold just a minute.

MR. BRISTOW: Yes, sir.

GOVERNOR SCHAEFER: There is an item on the blind, if we could take that item first. We're going to defer the item, but if the people that are here to be heard on that would like to be heard, we'd be glad to hear them. What item? Where is that?

MR. MCGINTY: 25-L.

MR. SEBODA: 25-L.

MR. MCGINTY: General Services.

GOVERNOR SCHAEFER: Okay. Would any of the people like to be heard? Would one of our --

MS. MANEKI: Thank you, Governor. I just --

GOVERNOR SCHAEFER: Right in front of you.

Stay with her.

MS. MANEKI: Got it. I guess you can hear me, anyway; right?

GOVERNOR SCHAEFER: Yes, we can hear you just fine. Thank you. We can hear you.

MS. MANEKI: Sure, sure, fine. Thank you. Governor Schaefer, Comptroller Goldstein, Lucy Maurer, ladies and gentlemen, my name is Sharon Maneki of the National Federation of the Blind of Maryland, and we feel that the Library for the Blind and Handicapped has been seriously neglected. What we feel has happened is that the public does not really understand the importance of that issue. The idea of this lease to us is like putting a Band-aid on someone when they have broken their arm instead of getting a cast.

Now, we recognize and appreciate the fact that the building will undergo the 17 major repairs, but that is not going to be a solution. If this lease goes through as is currently planned, the blind will still

face three years of reduced books. The library will still give 3,000 to 6,000 books away each year, and we really feel that the Department of Education and the Department of Planning have been negligent. You had five years to get ready for this.

We've prepared a comparison of the other states, just to give you an idea of what can be done and what should be strived for, and just to show how far Maryland is behind; and I'll just tell you a few of those examples, and I hope that you would take the time to read the material for yourselves. Connecticut has 3,000 fewer patrons than Maryland does; yet they have more books. Now, I'm not just talking about one or two, I'm talking about 10,000. Alabama has 2,000 less patrons than Maryland, but Alabama has a library with 50,000 square feet of space. Now, space -- you know, we're not saying that we just want a building. The reason we want the building is for the books, for the Braille, for the records, for the cassettes. Wisconsin has the same number of readers as Maryland. They have 30,000 more books. Arizona has twice as many. They

have 188,000 books, and Maryland has about 92,000. Arizona spends 775,000 on its budget for the library. Maryland is way down in the 300,000 figure.

As I said, I think that people have not understood the importance of this issue. Remember that it's not just the library. It's for us. It's the only game in town. Thank you, Governor.

GOVERNOR SCHAEFER: Let me ask you, the comparison -- I can understand the comparison. Is the space inadequate?

MS. MANEKI: The space in Maryland?

GOVERNOR SCHAEFER: Yes.

MS. MANEKI: Yes, sir.

GOVERNOR SCHAEFER: Now, you have -- does the National Federation contribute any money towards the library?

MS. MANEKI: No. We are a -- we're strictly an advocacy --

GOVERNOR SCHAEFER: You also collect a lot of money through the mail?

MS. MANEKI: We collect money through the mail

that is used for civil rights cases, for -- you know, when we've had problems with blind parents losing their children due to improper attitudes by social workers, that kind of thing.

GOVERNOR SCHAEFER: Isn't there some money that the National Federation could help us with? Is there any money that they could help us with?

MS. MANEKI: The National Federation of the Blind of Maryland, sir --

GOVERNOR SCHAEFER: Blind.

MS. MANEKI: -- doesn't have money to its -- you know, we just live hand -- from hand to mouth. I really --

GOVERNOR SCHAEFER: You've got a large building. You've got a large building over there. Do you have space over there that could handle this library? You have a very large building down in southwest Baltimore, I believe. Isn't that your building?

MS. MANEKI: Yes, sir, 1800 Johnson Street.

GOVERNOR SCHAEFER: Right.

MS. MANEKI: I believe you've been there.

GOVERNOR SCHAEFER: Don't you have a lot of space down there?

MS. MANEKI: Well, you know, I wouldn't be able to say whether we could. We would -- you know, we'd certainly be willing to talk to you. However, you know, that is the national center for the blind.

GOVERNOR SCHAEFER: Pardon me one second. Was that space ever looked at, the space in that building?

MS. MANEKI: I'm sorry?

MS. LIEDER: Not for the library.

GOVERNOR SCHAEFER: Do you know if your building is rented out completely? You use -- if I remember correctly, you use the top floor.

MS. MANEKI: Right. And we have recently expanded, and we use more than that; but, you know, I --

GOVERNOR SCHAEFER: Do you know if there's any vacant space in that building that would be available?

MS. MANEKI: I don't, but that answer can be had.

GOVERNOR SCHAEFER: What?

MS. MAURER: She'll get the answer.

GOVERNOR SCHAEFER: I'd like to know because, if there -- we'll look at other space. We are going to take a look at this. It isn't -- the articles in the paper, of course, always put the State in the worse light. We also heard that some were satisfied with it; and, then when the articles in the newspaper came out, they were dissatisfied with the service; and we want to try to do everything we can, but time is not on our side in this new lease. So we'll have to take a look. We are going to take a look at the space up there before we approve this. We are going to defer this.

I'd like to know from the National Federation if they have space in their building that would be better than the space that we use now. Okay. Thank you.

MS. MANEKI: Governor, who should we get back to you on that?

GOVERNOR SCHAEFER: Well, I guess all of us will be -- Earl, is this yours? Earl Seboda will be the one.

MR. GOLDSTEIN: Yes. It's 25-L, page 25,

Governor.

GOVERNOR SCHAEFER: Earl Seboda will be in touch with the National Federation.

MS. MANEKI: Fine.

GOVERNOR SCHAEFER: Okay. Thank you.

MS. MAURER: Thank you.

MS. MANEKI: Thank you.

GOVERNOR SCHAEFER: Okay. Thank you very much. We'll defer that item until we have a chance to look at the space. We'll also ask you to look at the National Federation of the Blind building down there on Johnson, whatever street that is, and to -- it's a very large, old warehouse building. They can give you the exact address of that building. I've been in it. Maybe -- I don't know whether the space is adequate. I don't know, but maybe we'll take a look.

MS. MANEKI: Governor.

GOVERNOR SCHAEFER: Yes.

MS. MANEKI: Could one more person just give a couple of words?

GOVERNOR SCHAEFER: Sure, yes.

MS. MANEKI: Ms. Reihing. Thank you, sir.

MS. REIHING: Okay. Governor and members of
the Board of --

GOVERNOR SCHAEFER: Now, who are you, please?

MS. REIHING: I'm Mary Ellen Reihing.

GOVERNOR SCHAEFER: And you're with?

MS. REIHING: I am the President of the
Greater Baltimore Chapter of the National Federation of
the Blind.

GOVERNOR SCHAEFER: Right.

MS. REIHING: I just wanted to talk to you
about what the problems with the library mean in
practical terms for blind people in Maryland. Every
time a new book comes in, a book that is at the library
must go away. Books are chosen to remain or to stay
based on how much they're circulated. If a book is
popular, it stays. If there has been little request for
it, it goes. That means that the Maryland Library for
the Blind does not have Charles Dickens' Oliver Twist
in Braille. It does not have Braille copies of
Shakespeare.

I think that the space is an extremely important part of that. If there was space, then maybe decisions about the collection could be made on the basis of library considerations and not of popularity contests. I think that, beyond the space issue, we're dealing with a question of perception and perspective about what library services for the blind ought to be.

The Maryland Library for the Blind has no real facilities for Braille material. It has one or two transcriptionists who will do Braille. It has volunteers who work extremely hard, but the person who coordinates them is busy with other work and cannot take full-time charge of the volunteers who would love to work for the library.

So, although the building is important, and it certainly is critical, I think that the other considerations need to be taken into account, too.

GOVERNOR SCHAEFER: I think you're absolutely right, and we will do this. We're going to come out and take a look at it, and we're also going to look at the volunteer space. What happens to the books after

they're removed from the library?

MS. REIHING: Well, they're given to other states; and so that, even if the library were to get space tomorrow, we couldn't get back the books we gave away last year. They're gone.

GOVERNOR SCHAEFER: Why didn't the National Federation take the books?

MS. REIHING: We've done -- we have done that with the National Library Service. We're keeping a number of books now that have been given away by Maryland and by other states and holding them.

GOVERNOR SCHAEFER: Did you request the books from the library, and they wouldn't give them to you?

MS. REIHING: No. What happens is that the procedure is that the Maryland library sends a list to Washington to the National Library Service, which is the supplier of the books and really the owner of the books; and it says, you know, "We're going to get rid of these books." Then other state libraries get first priority about what books are going to be going to the various states, and then what's left over, you know, what no

other state takes away, then other people outside of the library service then are permitted to get them. So that's how that works.

GOVERNOR SCHAEFER: All right. We thank you very much for that. We're going to take a look at that.

MS. REIHING: Okay.

MR. GOLDSTEIN: Thank you.

MS. MAURER: Thank you.

GOVERNOR SCHAEFER: Thank you very much. Who runs that library?

MS. LIEDER: Sir?

MR. SEBODA: Department of Education.

MS. LIEDER: Department of Education.

MS. MAURER: How do they relate to the public library systems?

MR. SEBODA: They have -- in the Department of Education, there is a fellow by the name of Lance Finney, who is the Director of Library Services. He is responsible for the program here at the Library for the Blind. He is also in charge of the regional libraries.

MS. LIEDER: Regional libraries.

MR. SEBODA: And he's the guy that you dealt with when you were Mayor on the expansion of the Enoch Pratt Library.

MS. LIEDER: Pratt.

MS. MAURER: He should be with us when we go for a tour.

GOVERNOR SCHAEFER: How can we get into this when the people who are going to use the library are down here criticizing us for everything we're doing on this line? I don't understand why --

MR. SEBODA: There is within the building where the lease is -- there is additional space, and you could get as much as 30,000 square feet, which is about 14,000 more square feet than is in the existing lease; and so there is --

GOVERNOR SCHAEFER: How much will that cost?

MR. SEBODA: It would be at the same rate.

GOVERNOR SCHAEFER: How much?

MR. SEBODA: Seven dollars and 37 cents a square foot.

GOVERNOR SCHAEFER: Can we get it better than

that if we're going to take it all?

MR. SEBODA: We would have -- there is also another State agency in the building. Who's in there?

MR. HEINEMEYER: We had Juvenile Services in there on the second floor.

MR. GOLDSTEIN: Can't hear you. What building is that?

MR. SEBODA: This is the Charles Street address, 1715-1727 North Charles Street.

MS. LIEDER: Near North Avenue.

MR. HEINEMEYER: It's in the block just north of the Chesapeake Restaurant.

MS. LIEDER: Below North Avenue.

MR. GOLDSTEIN: I mean, I know where it is; but, in other words, you have another item here --

MR. HEINEMEYER: A former bowling alley was right in that area.

MR. GOLDSTEIN: -- Item 21-GM, page 22B, under the Budget and Fiscal Planning, where Dr. Hornbeck says they'll pay the extra 29,000; and there's a letter here from Horbeck addressed to Dr. Stettler, dated May 5.

You heard the question here today that the Board of Education had worked with them. So maybe we ought to get a hold of Dr. Hornbeck and all these folks, and then we'll get a meeting of the minds. Don't you think that would be the way to do it?

MR. SEBODA: I agree with you 100 percent.

GOVERNOR SCHAEFER: The first thing to do is to take a look at the facilities.

MR. GOLDSTEIN: That's right.

GOVERNOR SCHAEFER: That's the first thing I want to do.

MR. SEBODA: This afternoon --

MR. GOLDSTEIN: I'll be glad to go.

GOVERNOR SCHAEFER: The second is how did we get into this? If this wasn't adequate and we knew it wasn't adequate, they did tell you it was adequate, then they tell you it wasn't adequate, how do we get into these things?

MR. SEBODA: Well, if you come down -- on the history of this transaction, in November -- this lease has expired within the last 30 days. The Department of

Education, we wrote to them and asked, "Do you want to renew the lease?" They said, "Yes, renew the lease at the present address." We began negotiations with the land-owner to renew the lease for five years. During the general --

GOVERNOR SCHAEFER: All right, Earl. We're going to have to spend a lot of time. Just automatically renewing the lease without talking to the ones who need the library doesn't make a whole lot of sense to me, and I don't understand this. I don't like what I'm hearing. So let's take a look at it.

MR. SEBODA: Yes, sir.

MS. MAURER: We'll defer the item.

GOVERNOR SCHAEFER: I want to go up, take a look at it. The first thing I want to do is take a look at it. So arrange for Louie and Lucy and all of us to go up there at a day unannounced.

MR. SEBODA: Yes, sir.

GOVERNOR SCHAEFER: And I hope I'm making that clear.

MR. GOLDSTEIN: I'm ready.

MS. MAURER: I always welcome unannounced days.

GOVERNOR SCHAEFER: All right. Let's go. What's first?

MR. MCGINTY: Department of Transportation is the first agenda.

GOVERNOR SCHAEFER: Okay. Let's go.

MR. BRISTOW: Good morning. I'm Chuck Bristow representing the Department of Transportation. There are 25 items on our agenda for the Board's consideration this morning. For the record, I'd like to note that there is an error on page 21. Item 13-RP references Maryland Route 4. That reference should be Maryland Route 5.

We're prepared to answer questions you may have about our agenda at this time.

GOVERNOR SCHAEFER: Okay. Let's start right off with Number 1, page 1, and Louie will ask you the first question. Then I'll get into it.

MR. NELSON: Good morning. I'm Bob Nelson, Director of Engineering of the Maryland Port

Administration. Item 1 is the contract to dismantle and store the heavy-lift crane, which is at our South Locust Point Marine Terminal.

This crane was erected back in the mid '70s when the terminal was built and was to handle the Mid East project cargo. While that has pretty much dried up today, the large lifts and the crane is in a location that is not conducive to efficient terminal operations. We're going to remove the crane from that location and store it.

We attempted to sell the crane, and the best -- highest bid we got was \$105,000. This is a crane that cost us about a million and a half. So, because of the oil glut, there's cranes all over the country today that are for sale, particularly down in the Gulf area. Used cranes are very cheap. So we've decided to store it and see what happens in a few years. We may be able to get a considerably better price.

GOVERNOR SCHAEFER: How much could we buy a used crane for, similar to this?

MR. NELSON: How much could we? We've seen

them for three or four hundred thousand dollars, but we have to realize that this \$100,000 included the contractor's cost of -- or the buyer's cost of dismantling the crane, which --

MR. GOLDSTEIN: Well, that's the point. Look, you have no use for the crane. Why aren't you just better off -- 105, and you're going to spend 215. So, actually, you'll be getting 320,000. Why don't you just go ahead and sell the crane as is, where it is, let the guy buy it and move it? If you're going to store it, you'll never use it. It will just lay there, and the parts will get the hell lost. Pilferers will take care of the rest of it. Some junk dealer will find a piece. You know what the hell happens around a big port like Balitmore.

Why don't you just go ahead and sell it as is and where is and let the guy move it?

MR. NELSON: Well, Mr. Wagner, the Administrator, reviewed this, and he made the decision that he thought it would be better for the State if we did store it and hopefully be able to sell it in several years.

MR. GOLDSTEIN: Is this an American crane or a Japanese crane?

MR. NELSON: This was an American crane.

MR. GOLDSTEIN: Yes. Thank God, you've got one American crane, and you want to take it down and store it.

MR. NELSON: Yes, sir.

MR. GOLDSTEIN: You can't find any other place to put it up and use it?

MR. NELSON: There is no use for it today. There is no heavy lifts in the port.

MR. GOLDSTEIN: Well, if there's no heavy lifts --

MR. NELSON: We averaged eight or nine lifts a year during the early 1980s.

MR. GOLDSTEIN: I understand. Now everything comes in containers.

MR. NELSON: Yes, sir.

MR. GOLDSTEIN: Right. It's a whole new business.

MR. NELSON: It's a whole new business.

MR. GOLDSTEIN: Well, why do you think you'll have a use for it five years down the road?

MR. NELSON: We don't think we will have a use. We think there will be a use some other place that we could sell it.

MR. GOLDSTEIN: But, in the meantime, you've got 320,000 bucks tied up.

MR. NELSON: Yes, sir.

MR. GOLDSTEIN: At ten percent interest, that's 30-some thousand dollars a year interest, and that thing is not going to improve in value. It will probably decline in value. That's my -- I don't know.

GOVERNOR SCHAEFER: Well, I don't care if Dave Wagner reviewed this or Santa Claus reviewed it. It doesn't make sense to me, and I'd rather just overrule Dave Wagner. I'll try to get some people from the port to give me some advice on this. I don't mind telling you, this doesn't make a whole lot of sense to spend --

MR. NELSON: I understand --

GOVERNOR SCHAEFER: -- \$215,000 to store it, never going to be used by the port, and we could get

\$105,000 for it, and we could buy the same crane for \$300,000 some place else, a better crane. This does not make any sense at all to me.

MR. NELSON: All right.

GOVERNOR SCHAEFER: So we will ask Earl Seboda to get a couple people in the port to give me advice by next week on whether this makes any sense.

MR. NELSON: All right, sir.

MR. GOLDSTEIN: I move we defer it for a week.

MS. MAURER: Second.

GOVERNOR SCHAEFER: All right. What's next, Louie?

MR. GOLDSTEIN: I say, I move we defer it.

GOVERNOR SCHAEFER: Is there a motion, second? No objection. So ordered.

MR. GOLDSTEIN: Item Number 2, the estimate -- there's a big difference in the estimate and the -- that's at Martin State Airport. Can you tell us why you've got such a big difference?

MR. WEST: Okay. This is -- my name is Michael West. I'm Associate Administrator for Planning

and Engineering for the State Aviation Administration. Item 2-C is for facility requirements, site preparation, installation of a navigation aid at Martin State Airport.

The contract was originally bid to procure the navigation aid and to do the site preparation. The bids came in extremely high. The Administration decided to procure the equipment itself and has done so at a very much more reasonable price than was originally bid. This contract is just for the site preparation work and the installation of that device.

The bids came in again in excess of engineer's estimate. We went through a negotiated -- a negotiation with the two contractors, and we were able to negotiate a price of \$199,500 from the proposed firm. This is within ten percent of the engineer's estimate, and we recommend that the Board approve it.

This was an existing navigation device at the airport. It is now out of operation, and it is needed for safe navigation.

MR. GOLDSTEIN: Thank you. Governor, Item

Number 3-C, that's the purchase of several cranes, six of them to be exact, \$25,106,000. It's one of the largest purchases ever done at that port.

MR. NELSON: Yes, sir. This is for the purchase of six state-of-the-art container cranes for our new Seagirt Marine Terminal. We procured this purchase on a competitive negotiation process according to State regulations. We originally received six proposers -- from six proposers. After they were evaluated, we determined that two of them were not acceptable. We went to the remaining four and had detailed technical negotiations with each of the four and then asked them to resubmit with their best and final technical and price proposal.

Those were evaluated, and the evaluation scores are shown on the agenda sheet, and we are recommending that the contract be awarded to the lowest bidder, which is Nissho Iwai American Corporation. Now, this is a Japanese corporation. We have gotten from them -- they have met the Maryland Buy American Steel Act. The Buy American Steel Act says that, if the cost

of American steel is in excess of 20 percent of the foreign steel, we're allowed to use foreign steel. In this case, it was 43 percent greater. American Steel was 43 percent greater; and, by the way, these cranes will be fabricated in Korea, not in Japan, with Korean steel, Korean steelworkers, Korean fabricators.

GOVERNOR SCHAEFER: Oh, that's very good. That makes me very happy to hear it. I am so proud that Japan is not -- it's going to be in Korea, and Korean workers, and Korean steel, and all the rest. That is -- that's really something.

MR. NELSON: I understand your concern, Governor. However --

GOVERNOR SCHAEFER: So that the press will understand, that is a sarcastic remark.

MR. NELSON: Yes, sir.

GOVERNOR SCHAEFER: As sarcastic as I can make it. You know, you're here at a bad day.

MR. NELSON: Apparently so.

(Laughter.)

GOVERNOR SCHAEFER: Because all the

frustrations that I have on what the port is doing are going to spill today, and this is the top. This is the top of the list; and, when Louie gets done, then I'm going to start.

MR. NELSON: Of the total --

MR. GOLDSTEIN: Well, right here --

MR. NELSON: Yes, sir.

MR. GOLDSTEIN: -- is a letter I got from Mr. Wagner the other day, and he came to see Mrs. Maurer and myself yesterday; and, on the last page of his letter, "Steel cost after fabrication in Korea, 45 percent of the 25,000,000."

MR. NELSON: Yes. I was just going to tell --

MR. GOLDSTEIN: "Items to be purchased from U.S. firms, 32 percent. Erection cost, a Baltimore local firm, 11 percent." Engineering and ocean transportation -- and he said that would probably be a foreign carrier, and they'll probably ship it -- land it over there in California and then have to transship it by railroad.

MR. NELSON: No, sir. They will ship it

directly through the canal.

MR. GOLDSTEIN: All right. Now, right on that point, we've got American ships, and we've got some customers like Evergreen that come to Baltimore. I'm not going to vote for this unless, number one, that it comes on a carrier that comes directly to Baltimore.

MR. NELSON: Yes, sir, it will be a carrier --

MR. GOLDSTEIN: And by a carrier that does business there, that's one of our customers, you see, not one of these Jap-made ships.

MR. NELSON: It will be a regular carrier that comes in and will unload at the Port of Baltimore. All of our cranes have been that way, sir.

MR. GOLDSTEIN: I see, because I understand that a Japanese bank owns this company, Sumitomo Bank, that owns this Nissho --

MR. NELSON: Well, this is a trading company. Sumitomo is the -- Sumitomo Heavy Industries will actually engineer and fabricate the crane.

MR. GOLDSTEIN: All right. Now --

MR. NELSON: But this is a trading company.

As you know, the Japanese work that way.

MR. GOLDSTEIN: Right. And you say the erection cost in Baltimore, local firm, 11 percent.

MR. NELSON: That will be done by McLean, who's done a lot of work around Baltimore.

MR. GOLDSTEIN: McLean, McLean?

MR. NELSON: Yes, sir.

MR. GOLDSTEIN: All right. Then you'll have to have some representatives from Japan.

MR. NELSON: Yes, sir.

MR. GOLDSTEIN: And, now, who's going to pay them?

MR. NELSON: That is all included in this price.

MR. GOLDSTEIN: They charge \$500 a day plus expenses.

MR. NELSON: Well, I don't know what they charge, but --

MR. GOLDSTEIN: The last time you came here, you gave me that figure.

MR. NELSON: Well, when they came under a

special assignment.

MR. GOLDSTEIN: Five hundred bucks a day.

MR. NELSON: Probably.

MR. GOLDSTEIN: Now, in other words, you're telling us now that the Japanese will take care of the cost in this 25,106,000?

MR. NELSON: They will have two to three men here for a period of over a year during the erection.

MR. GOLDSTEIN: Yes, and that comes out of this contract?

MR. NELSON: Yes, sir.

MR. GOLDSTEIN: And we don't have to pay them?

MR. NELSON: No, sir.

MR. GOLDSTEIN: Because they live in high style when they come here, because they like steak, like all kind of foods that they have to pay a hell of a price for in Japan.

MR. NELSON: Well, I doubt if they're paying their men \$500 a day.

MR. GOLDSTEIN: Well, that's the point. See, when we've got to get them, we've got to pay them 500

bucks a day, and I'm opposed to that. They're not giving us a damn thing. Can't even go over there and do any business 90 percent of the time.

MR. NELSON: Well, we would -- all four of the firms that gave us prices, any of them technically, we could have accepted; but it was very difficult for us to make a recommendation to the Board for the only American firm that is \$7,000,000 more than the low bid.

MR. GOLDSTEIN: Why can't we do like they do in Rotterdam? Why can't you have a company up there that gets the parts and puts them together and maintains these cranes? You've got enough cranes now at these two installations.

MR. NELSON: Well, Rotterdam still has crane manufacturers to put their cranes up.

MR. GOLDSTEIN: Sure, they do.

MR. NELSON: Well, we're doing the same thing.

MR. GOLDSTEIN: But you've got to go to Japan to buy the steel parts. Now, you're going to use American Motors, I understand, from Mr. Wagner yesterday.

MR. NELSON: American Motors and all

electrical controls are American. It's only the gearing and the structural steel that is --

MR. GOLDSTEIN: So, in other words, you're not buying that direct. That's part of this contract. So the Japanese are making --

MR. NELSON: That's part of this contract. The Japanese are buying it. It will be shipped directly to Baltimore for erection.

MR. GOLDSTEIN: And they're making a profit on that. Instead of you buying it direct, you're paying a middle man another profit.

MR. NELSON: That may be, Mr. Comptroller, but if we split this up, we'll have no control over the final product. We have to have one company that's responsible.

MR. GOLDSTEIN: Wait a while now, wait a while. Mr. Wagner told us yesterday that you all were going to have another contract to hire consultants and experts to see that these cranes are erected according to your contract.

MR. NELSON: Yes.

MR. GOLDSTEIN: So you're actually going to have people right on the job, and you're going to pay them additional to the 25,000,000. How much is that going to cost?

MR. NELSON: Well, this man will be a staff member. We have the -- it will be no different than the inspectors we have on any other job.

MR. GOLDSTEIN: A staff member? No, he said you were going to hire consultants. That's what he told us yesterday, not a staff -- consultants.

MR. NELSON: No, this is a staff member, sir.

MR. GOLDSTEIN: Well, now, see, I'm just telling you what he told -- I made notes what he told me yesterday. You were going to have to hire personnel, consultants, to be sure that this crane is erected -- these cranes are erected properly and work properly.

MR. NELSON: We have consultants that have been on our payroll for close to two years now that developed the performance specifications for the cranes. They will continue to review the shop drawings and review the --

MR. GOLDSTEIN: That's the point I'm making. Why couldn't those people -- why couldn't you get the components and put the crane together yourself? You said you were going to hire the workers; McLean Construction Company is going to be there; and you've got these consultants.

MR. NELSON: But the cranes have to be designed.

MR. GOLDSTEIN: Do what?

MR. NELSON: The cranes have to be designed.

MR. GOLDSTEIN: I understand that.

MR. NELSON: We are not capable of designing. We only --

MR. GOLDSTEIN: No, you're not, but you're hiring these consultants.

MR. NELSON: They're not either.

MR. GOLDSTEIN: Well, you could hire some other engineers. They designed these Bay Bridges, designed the tunnel. We didn't have to go to Japan to get somebody design the damn tunnel. We had it designed here in this country. We've got brains in this country,

if you'll utilize them.

MR. NELSON: I understand. We have brains right down at PACECO, but they can't compete on a dollar basis.

MR. GOLDSTEIN: That's for the complete job. I'm talking about, right now, you're buying your motors independent through this trading company, and American Motors, either one company or the other -- General Electric or the other company he told us about.

MR. NELSON: This has never been done --

MR. GOLDSTEIN: I've been sitting here now since 1959, and I get the same music all the time. You never innovate, and it's time to start innovating. I'm damn sick and tired of taking our American dollars and sending them over to Japan, and they're going to come over here -- there's a great economic war -- and take this country over.

MR. NELSON: Wouldn't it be the same way if we still did it in pieces? You'd still get it from the foreign because of the price differential. What would be the difference?

MR. GOLDSTEIN: I don't know. In other words, I think you could go down to Bethlehem Steel and get the steel and get somebody to fabricate it and get the parts put together, the motors and all the other stuff. That's my gut feeling. I may be wrong, but --

MR. NELSON: Mr. Goldstein, there's no one that can do it in this country any cheaper than PACECO, and their price is \$7,000,000 more.

GOVERNOR SCHAEFER: While Louie is regrouping, he used the word "innovative," and the Sun Papers, of course, will go absolutely insane when they have any word called "innovation." Let me ask you, all of these are foreign companies. Now, you evaluated, and the Japanese, the Fins and the --

MR. NELSON: The Germans?

GOVERNOR SCHAEFER: -- and the Germans, all so much superior to us.

MR. NELSON: Yes, sir.

GOVERNOR SCHAEFER: In your evaluation, did you ever sit down and try to figure out why -- how we can protect or look out for this company that's

\$7,000,000 over? How are they able to do this? Now, you're talking -- it isn't always labor. There's something else in there. Now, you've got a great evaluation, and you evaluated and you did your job, and you came in with the low bid, which that's what your job is, and I told Louie this when we talked about this early this morning. That was what your job is, but you haven't finished the job.

If you can't hear the frustration of Louie and Lucy and me in saying, every time that something big -- it's the Japanese, the Germans, the Fins, or somebody else, and America is always last. Now, I am tired of that. I am tired of that. So, now, when you come in with another one of these -- and I don't know whether I'm going to vote for this or vote against it, because I just don't know yet -- I want to know why and how we can do something to look out for the American ships, the American steel, all the rest of this.

Now, apparently, the federal government is not going to bother doing it, and I read that the Sun Paper said I'm supposed to do this in one of their brilliant

editorials this morning and told me how I should operate as Governor. We've been doing some of this. Now, when you come in the next time, don't just give me this stuff that you've evaluated and it's all happy with the Japanese and the company. How come? How come? And don't defend them. Give me ways that we can work out to get Americans to do some of this stuff.

Now, you smile, but when you smile next time, you better have a damn serious grin on your face when I see the smile, or Wagner will be in here explaining this. Now, if you don't think I'm serious, you'd better take it back to Wagner.

MR. NELSON: I know you're serious, sir.

GOVERNOR SCHAEFER: I am really unhappy with both of these items, very unhappy; and I understand this low bid stuff, but there's something that has to be done to look out for, you know, the American. Somewhere along the line, he's got to get a break, too. Everything is over in Japan and Korea and China and Taiwan, and they're all our friends and our allies and so forth. So is that Kuwaiti where we're protecting

their oil. They won't let us land a helicopter, to protect our helicopters. That's just an aside.

I think we'll hold this up. I don't know whether Louie and Lucy will, but I'd like to hold this, and I'd like you to give me a full analysis on why the American can't compete and what we can do to help them out.

MR. NELSON: I mean, it seems to me, when they're paying two dollars an hour over in Korea for their steelworkers, and they're paying 18 or 20 --

GOVERNOR SCHAEFER: You know, Louie said, "I heard that music before."

MR. NELSON: Well, I mean, how --

GOVERNOR SCHAEFER: Well, if you all can't figure out a new way to look at it, let me just suggest to you, you'd better find a new way than just to tell me they're paying two dollars over there, because that's the same old hymn that Louie has heard and I've heard for six months; and I don't like the music, as Louie said.

MR. NELSON: Okay.

GOVERNOR SCHAEFER: Now, if you can't do it, just tell me. Just have Wagner come in and tell me, "I can't do it."

MR. NELSON: Okay. Sure.

GOVERNOR SCHAEFER: Now, you better get the message to him so loud and so clear, and I'd better have an explanation down to the dollar and, also, some recommendations on what we can do.

MR. NELSON: All right.

GOVERNOR SCHAEFER: You've got one week.

MR. NELSON: Yes, sir.

MR. GOLDSTEIN: Mr. Nelson, the engineer's estimate was 29,235,000.

MR. NELSON: Yes, sir.

MR. GOLDSTEIN: So, in other words, his estimate was over \$4,000,000. So see what I'm talking about? I saw Seabees -- I saw Seabees on the island of Guam build the North and Northwest Field where 500 B-29's could move almost overnight. I saw them build April Harbor on the island of Guam when they said it couldn't be done. I saw them move a mountain and put it

out to sea, so ships could come there and load them and unload them. Said it couldn't be done. There's a lot of brains in this country. If you assemble -- and they can build these damn things by some -- I'm sure Bethlehem Steel, with those new rolling steel mills they've got down there, they can produce that steel. It's almost next-door, isn't it? Bethlehem Steel is right next-door; and the motors, you said, were made in this country, aren't they?

MR. NELSON: The motors are made in this country.

MR. GOLDSTEIN: All right. And the cable is made in this country, isn't it?

MR. NELSON: That's right. It's just --

MR. GOLDSTEIN: The bolts are made in this country, aren't they?

MR. NELSON: It's just the steel that is not.

MR. GOLDSTEIN: All right. So you've got one component, and I honestly believe, if you got the right brains together, you could build these six cranes there, and you're talking about a seventh one. I know, state

of the art, you want to compete with Norfolk; they've got a two-way crane, and Rotterdam; is that correct? There's only two of them there?

MR. NELSON: That's right.

MR. GOLDSTEIN: And the ones down in Norfolk don't work right. It was built, according to Mr. Wagner, by the KONE Corporation, and I've been to the KONE Corporation in Finland where they built these tremendous icebreakers. It's really something to see, when I was over in Finland, Helsinki.

So I've got sense enough to know it can be done if you get the right people together. So I second the motion to defer it to next week.

GOVERNOR SCHAEFER: What's next, Louie?

MR. GOLDSTEIN: There's another one of these where the estimate was 430,000, and the bid was 339,000. It was a 90,000 difference. Let's see, Number 9, Number 9, Fort McHenry Tunnel. Will Browning Ferris pay for this damage to these signs at the Fort McHenry Tunnel? They knocked the signs down, the Browning Ferris Company.

MR. HIGGINS: I think that's Item 9-M. I'm

John Higgins with the Maryland Transportation Authority; and, yes, we intend to have them pay for them, but we haven't gotten the recovery from their insurance company yet.

MR. GOLDSTEIN: I see. You haven't had any trouble with anybody else running into the signs, have you?

MR. HIGGINS: There have been a couple of vehicles that have bumped them, but just minor dents, and we did lose a police booth inside.

MR. GOLDSTEIN: All right. Thank you, sir. Item 11, how about Item Number 11 on real estate, up there in Howard County? John, good morning, sir.

MR. AGRO: Good morning. My name is John Agro, the Deputy Highway Administrator. Item 11-RP is a request by the Administration to dispose of a parcel of land --

MR. GOLDSTEIN: It's 18 acres.

MR. AGRO: Yes, sir.

MR. GOLDSTEIN: It looks like it's awful cheap, \$2,000 an acre for land in Howard County right on

that boulevard.

MR. AGRO: The land itself, the parcel of land, is landlocked, no access from I-70 to the parcel. There's only one adjoining property-owner, which is the Mangione property-owner, which is also the Turf Valley Country Club, if you're familiar with the area.

MR. GOLDSTEIN: Yes, I've been there, very familiar, very; but you can't buy land around there for \$2,000 an acre.

MR. AGRO: We have no access to the property. Turf Valley Road itself does not extend to the property. So it is landlocked and unusable by the State. The only adjoining property-owner is the Mangione individual. If you look at other -- which we have done, is look at other large parcels that have sold in the area.

MR. GOLDSTEIN: Well, why couldn't you use this maybe for a rest place for people to stop? Did you ever think about that?

MR. AGRO: Not in -- we're really into the metropolitan area, the urban area of the Baltimore Metropolitan Area, and we don't feel that that would be

an appropriate place to have a rest stop. We have one further up in both Howard and Frederick Counties, as you're aware, on I-70.

MR. GOLDSTEIN: Yes, but look how far away that is. If you have to go to the bathroom and all, there's no place to go.

MR. AGRO: That would be -- that would be --

MR. GOLDSTEIN: That's a hell of a long way. I think this piece of property would make an ideal -- you have to go all the way to the top of that mountain before you've got a --

MR. AGRO: Comptroller Goldstein, that would be on the eastbound side roadway, and traffic coming from Western Maryland would have already passed the facility in Frederick County.

MR. GOLDSTEIN: No, but I'm talking about traffic coming out of the city, people -- tourists, you know. Nowadays, you can't go in -- they've got signs in most places, "For patrons only."

MR. AGRO: Well, being on the east side of the roadway, to have access from the westbound roadway would

involve the construction not only of a rest stop or facility, but also expensive bridges to carry traffic over eastbound I-70.

MR. GOLDSTEIN: But, no, it would come in and go out. Why would you have to build a bridge? We're just talking about --

MR. AGRO: The property is on the eastbound side.

MR. GOLDSTEIN: I understand. It would be one from one side, like when you're talking about up the road there. You've got one on each side of the road up -- we were up there back on May -- last Monday in May.

MR. AGRO: I don't know what the exact distance is, Comptroller, but we feel that the facility we have in Frederick County adequately meets the needs of the Administration.

MR. GOLDSTEIN: That's a hell of a long way. That's on top of the mountain. That's at least 50 miles away from where we're talking about, 40 or 50 -- at least 40 or 50 miles.

MR. AGRO: About 40 miles.

MR. GOLDSTEIN: Sir?

MR. AGRO: That's about 40 miles.

MR. GOLDSTEIN: Yes.

MR. AGRO: And that's not an unusual --

MR. GOLDSTEIN: Did you ever have to go to the bathroom in a hurry?

MR. AGRO: Well, hopefully, anyone that's traveling that route from the metropolitan area would have left their home or business in a more local area.

MR. GOLDSTEIN: Well, I don't know.

MR. AGRO: We have a very extensive program for looking at rest stops and tourist facilities throughout the State, and we just don't feel that this is one that's conducive to our needs.

MR. GOLDSTEIN: Seems very cheap for this piece of land, I can tell you that, \$2,000 an acre for land in Howard County. You can't hardly buy a lot there for 20 or 25 thousand and --

MR. AGRO: Well, relative to the appraised value, it is only of value to the adjoining property-

owner. It is landlocked.

MR. GOLDSTEIN: I understand that.

MR. AGRO: We've looked at other sales in the area of large parcels of land, large parcels of land in the 50 to 100 acre size now. I'm not going to tell you it's any less than that, and those parcels have sold somewhere between 1,800 to 2,500 dollars per acre.

MR. GOLDSTEIN: How many years ago was that?

MR. AGRO: These are recent sales. These are large tracts of land that may not be zoned for commercial or residential development. This cannot be developed at the present time. The owner has attempted to get the --

MR. GOLDSTEIN: Can we -- I know we've got enough time --

MS. MAURER: Defer this, yes.

MR. GOLDSTEIN: Can we defer this to next week?

MR. AGRO: Certainly.

MR. GOLDSTEIN: And get some more information.
Thank you.

MS. MAURER: Are you ready to movw the whole transportation one, if you're going to leave?

MR. GOLDSTEIN: Pardon?

MS. MAURER: Are you going to make the Patuxent -- do you have to leave shortly?

MR. GOLDSTEIN: I have to, yes. Okay. That's all I have on here.

MS. MAURER: Should we -- you want to move approval?

MR. GOLDSTEIN: I move we approve the Transportation Agenda with the exception of items that have been deferred.

MS. MAURER: 1, 3 and 11.

MR. GOLDSTEIN: Right.

MS. MAURER: Second.

MR. GOLDSTEIN: All in favor, signify by saying "aye."

BOARD MEMBERS: Aye.

MR. GOLDSTEIN: Opposed, "no."

BOARD MEMBERS: (No response.)

MR. MCGINTY: Department of General Services.

MR. GOLDSTEIN: Right.

MR. SEBODA: Ready to answer any questions that the Board may have.

MR. GOLDSTEIN: Okay. We haven't got much time here. We need a special motion on Item Number 12-RP. It's a condemnation case. That's on page 12, that South Mountain State Park. I move we approve the condemnation.

MS. MAURER: Second.

MR. GOLDSTEIN: All in favor, signify by saying "aye."

BOARD MEMBERS: Aye.

MR. GOLDSTEIN: Opposed, "no."

BOARD MEMBERS: (No response.)

MR. GOLDSTEIN: So ordered. Do you have anything, Lucy?

MS. MAURER: No.

MR. GOLDSTEIN: Item Number 25 has been deferred.

MR. SEBODA: Yes, sir.

MR. GOLDSTEIN: 38 is all right. 42 is local. All right. I move we approve the General Services

Agenda except for the item that was deferred.

MS. MAURER: Second.

MR. GOLDSTEIN: All in favor, signify by saying "aye."

BOARD MEMBERS: Aye.

MR. GOLDSTEIN: Opposed, "no."

BOARD MEMBERS: (No response.)

MR. GOLDSTEIN: So ordered.

MR. MCGINTY: Secretary's Agenda.

MR. GOLDSTEIN: Yes, indeed.

MR. MCGINTY: Moving right along.

MR. GOLDSTEIN: Got to keep the train on schedule. Secretary's Agenda, Item Number 4 is all right. Item 7, Item Number 7, that's the -- page 8, that's the dredging down in Ocean City. Any comments necessary on that?

MR. NELSON: No, sir. In fact, it allows us to place an initial placement of 2,000,000 cubic yards of sand along eight miles of beach. We have the project engineer here, if you'd like a general description of the project.

MR. GOLDSTEIN: No. I mean, is anybody opposed to it? Is there any opposition to it? In other words then, everybody now is in favor of it?

MR. NELSON: Yes, sir. It's been through public hearings.

MR. GOLDSTEIN: I know at one time there was some talk about it may affect some environment in certain places, but it's all been agreed to now?

MR. NELSON: Yes, sir.

MR. GOLDSTEIN: It's a great project.

MR. NELSON: Very good project.

MR. GOLDSTEIN: How are you getting along with the easements?

MR. NELSON: Seventy-one more easements.

MR. GOLDSTEIN: Seventy-one more easements.

MR. NELSON: We've been averaging about 20 easements per month. So, if we can just keep that up --

MR. GOLDSTEIN: Okay. Do you have any questions on that, Lucy?

MS. MAURER: No.

MR. GOLDSTEIN: Thank you, sir. All right.

Item Number 15, that's the Kelly-Springfield. Is anybody here opposed to that?

MS. MCCOY: Mr. Goldstein --

MR. GOLDSTEIN: Can you be very, very quick today?

MS. MCCOY: Yes, sir. I'll be very brief. I represent the Maryland Economic and Employment Development and, particularly, the MICRF Program, which is the Maryland Industrial --

MR. GOLDSTEIN: You want to give your name and title for the record, please?

MS. MCCOY: Yes, sir. Marion J. McCoy. Particularly the MICRF Program, which is the Maryland Industrial and Commercial Redevelopment Fund, and we're making available to MEDCO, the Maryland Economic Development Corporation, a \$2,000,000 grant and a \$3,000,000 loan for the construction of the 133,000 square foot four-story corporate headquarters office building, and a separate one-story tire test facility in Cumberland or outside of Cumberland. The total project cost is \$16,890,000.

MR. GOLDSTEIN: Sixteen million eight-ninety?

MS. MCCOY: Sixteen million, eight hundred and ninety thousand dollars, of which the State will have five; and the balance, according to the sheets we gave to you, is from the Allegany Community College, Board of Trustees, who basically are contributing \$180,000, at least, for 20 years on the land. Allegany County is contributing three million five toward construction. MIDFA and Maryland National Bank are infusing \$6,400,000. MDOT is putting in \$725,000 for professional services, and MEDCO itself is putting in over one million for --

MR. GOLDSTEIN: Is anybody here opposed to the project?

MS. MCCOY: Shouldn't be, sir.

MR. GOLDSTEIN: Okay, fine.

MS. MCCOY: That means retention of at least 600 jobs and probably more than that.

MR. GOLDSTEIN: Okay, fine. Thank you. All right. Motion made on Secretary's Agenda. All in favor, signify by saying "aye."

BOARD MEMBERS: Aye.

MR. GOLDSTEIN: Opposed, "no."

BOARD MEMBERS: (No response.)

MR. GOLDSTEIN: The ayes have it. Open Space, do you have any questions on Open Space?

MR. MCGINTY: Open Space.

MR. GOLDSTEIN: I don't have any questions on Open Space. Do you move we approve the Open Space Agenda?

MS. MAURER: Move approval.

MR. GOLDSTEIN: Second. All in favor, signify by saying "aye."

BOARD MEMBERS: Aye.

MR. GOLDSTEIN: Opposed, "no."

BOARD MEMBERS: (No response.)

MR. MCGINTY: Budget and Fiscal Planning.

MR. GOLDSTEIN: Budget and Fiscal Planning next.

MR. STETTLER: I have 26 items on the published -- on the original agenda, and I have one hand-carried item, which we've distributed. It's 250,000 for a grant that the District Courts do not

have sufficient money for from last year.

MR. GOLDSTEIN: That's over in Montgomery County.

MR. STETTLER: That's over in Montgomery County.

MS. MAURER: That's that old Gray Courthouse that keeps on costing.

MR. STETTLER: I also am withdrawing Number 14-S at the request of the agency. That has to do with the WIC Program.

MR. GOLDSTEIN: 14-S?

MR. STETTLER: 14-S.

MR. GOLDSTEIN: 14-S withdrawn.

MR. STETTLER: I would like to note for the record that, on Number 11-S, which is one of the energy projects --

MR. GOLDSTEIN: One minute, let me mark that.

MR. STETTLER: 14-S.

MR. GOLDSTEIN: Withdrawn by the agency.

MR. STETTLER: Yes.

MR. GOLDSTEIN: Excuse me. Go ahead.

MR. STETTLER: On 11-S, 11-S is the first of a number of the energy projects that will be coming to the Board. The way that we did all these is not quite in conformance with procurement law on all technical matters. So the Board can waive certain technical things, and I think it's important that these were all done tremendously in the spirit of 21. It was an open, competitive process. The projects were brought to the Board of Trustees, which is made up -- I can't remember -- it's like 13 members on that board. They selected the projects.

It's not quite in keeping with the way in which a procurement contract is made, but it's certainly within the spirit of the competitive process, which is what 21 is all about. So we're asking for the approval of these, understanding that when the notices didn't have all -- some of the mandatory requirements in them, I don't think there's anything that should be out or --

On 24 and ⁵20-S (sic), I put those back on. These are the two --

MR. GOLDSTEIN: 24 and what else, sir?

MR. STETTLER: And 25 are the two contracts for legal services. As I understand it, the draft language only yesterday was circulated, and I guess there needs to be some further work on that between both the advocate groups on behalf of the legal service groups and the State, to make sure we all agree on that language.

MS. MAURER: So it's just approval contingent upon agreement?

MR. GOLDSTEIN: Or do you want to defer it for next week? What do you want to do?

MS. MAURER: Well, the new contracts run out, don't they?

MR. STETTLER: We can make sure that the services are not --

MR. GOLDSTEIN: Yes, we want to keep the services up.

MR. STETTLER: The services up. We want to make sure that the contracts do get signed with the -- we want you to be able to see the language prior to the final approval.

MS. MAURER: Is there a meeting next week?

MR. GOLDSTEIN: Or the week after this,
whatever it is.

MR. STETTLER: On the 5th.

MS. MAURER: If it doesn't interfere with
services.

MR. STETTLER: Yes, we want to make sure of
the services.

MS. MAURER: Okay. Because I think the
contracts are up. The one-month contracts will be
expiring next week, won't they?

MR. STETTLER: On Friday, yes.

MS. MAURER: And so we don't want any
contracts to expire.

MR. GOLDSTEIN: No.

MR. STETTLER: If the language is okay by
Thursday, I'll just bring it around as a --

MS. MAURER: All right, fine. We'll defer it
and hope to get the language worked out by Thursday.

MR. STETTLER: -- preliminary prior approval.

MR. GOLDSTEIN: You want to defer it for a

week?

MR. MCGINTY: 24 --

MS. MAURER: Well, I think give preliminary prior approval with deferral until we see the final language. Would that be all right?

MR. GOLDSTEIN: Fine with me; yes, indeed.

MS. MAURER: Okay.

MR. GOLDSTEIN: I thought we agreed to everything last Thursday, sat right here.

MS. MAURER: Yes.

MR. STETTLER: Want to make sure that that agreement represents --

MR. GOLDSTEIN: The Attorney General gave a very fine recommendation. I thought everybody had a meeting of the minds.

MS. MAURER: No, we don't have a question, meeting of the minds; it's a question of the final wording.

MR. GOLDSTEIN: I get you.

MS. MAURER: Okay.

MR. GOLDSTEIN: All right, fine. So 24 and 25

will be deferred.

MS. MAURER: I have some questions, Mr. Comptroller.

MR. GOLDSTEIN: Okay.

MS. MAURER: On 7-S, the contract on the shock treatment --

MR. STETTLER: Yes.

MR. GOLDSTEIN: 7-S?

MS. MAURER: Yes. Is that just for the medical service of evaluating the patients and providing the treatment? They don't provide the electric shock treatment in-house, do they? They use a hospital facility or something?

MR. STETTLER: Yes, they have -- all of our hospitals have a medical/surgical component. All the big hospitals do. This is just for a small set of patients.

MS. MAURER: All right. Then, on 8-S, 20,000 -- you must not have many use that.

MR. STETTLER: Pardon?

MS. MAURER: You must not use that therapy .

very much.

MR. STETTLER: No, we don't.

MS. MAURER: All right. Okay.

MR. STETTLER: Not for that cause.

MS. MAURER: I guess I didn't understand the language, because it said something about these are the associates who provide the accreditation. Isn't that --

MR. STETTLER: We have a residency program --

MS. MAURER: Okay.

MR. STETTLER: -- and the people who oversee the residency program are the hospitals -- the hospital itself.

MS. MAURER: Yes.

MR. STETTLER: And we pay them for overseeing the residency program in our three hospitals, and there are three contracts for --

MR. GOLDSTEIN: Are you talking about 8-S now?

MS. MAURER: Yes.

MR. GOLDSTEIN: 8-S, right.

MR. STETTLER: -- five years for Spring Grove, Springfield and Crownsville. This is -- psychiatric

residents will go out to our hospitals and work there.

MS. MAURER: Okay.

MR. STETTLER: The supervision of the residency program is given by the mother hospital, so to speak, the medical school.

MS. MAURER: Okay. I see. You're saying that the facility accredits these --

MR. STETTLER: Yes.

MS. MAURER: -- the residency programs? Is that what they --

MR. STETTLER: Yes. These are --

MS. MAURER: Okay. The language wasn't very clear.

MR. STETTLER: Yes. These are the doctors that --

MS. MAURER: Okay.

MR. STETTLER: This is one of the groups down at the University of Maryland Medical School.

MS. MAURER: Okay. And, on 10-S, is everybody comfortable that we're relying upon the screening of Big Brothers and Big Sisters? I'm very uneasy about that.

MR. STETTLER: The Department of Human Resources is comfortable with Big Brothers and Big Sisters, and they have a fairly comprehensive program. I think our review that you directed us to do found some weaknesses in other areas, and we'll be working with the children and youth to try and --

MS. MAURER: Will the program of Big Brothers/Big Sisters, in fact, carry out the State law?

MR. STETTLER: Yes, they carry out the State law.

MS. MAURER: State law. But I think we ought to have some kind of report and monitoring set up, because I hate to leave that just to the next contract. Can we get some assurance that the Department and any involved agencies will take particular effort to monitor how well that screening is going, because that has been very much the use of volunteers? It's, unfortunately, as important as it is, been the source of so many of our problems.

MR. GOLDSTEIN: Right.

MR. STETTLER: The law does not necessarily

cover volunteers. It covers employees, which this group has a fairly comprehensive review of the volunteers.

MS. MAURER: We want to --

MR. STETTLER: And it does require --

MS. MAURER: They say they do, but I want to make sure that, if we're relying upon it, that the agency's --

MR. STETTLER: We'll ask the Department of Human Resources to do an unannounced audit of some kind on this.

MS. MAURER: Right. That's what I think we need for reassurance.

MR. STETTLER: We will have them do it. They have auditors. They can go down and check the records and see if the most recent volunteers were, in fact, processed through this.

MS. MAURER: I think that's important.

MR. STETTLER: Okay. We will have that.

MR. GOLDSTEIN: Right. On Number 9, I want to check the adequacy of these people getting the pharmacy

at Holly Center. I mean, the bid here is 66,000. It's about 40,000 less than any of the other folks. Are these the same people that are now serving this institution?

MR. STETTLER: I don't know that answer.

MR. GOLDSTEIN: Can you give us a quick answer, please, sir?

MR. STETTLER: Henry can, yes.

MR. GOLDSTEIN: Item 9-S, page 9B.

MR. GOOD: I'm Henry Good.

MR. GOLDSTEIN: That's the pharmaceutical services down there at Holly Center, down there in Wicomico County.

MR. GOOD: Yes.

MR. GOLDSTEIN: Is this a new provider?

MR. GOOD: No. It is a new provider on the Eastern Shore. We have used Institutional Pharmacy in the Baltimore Metropolitan Area.

MR. GOLDSTEIN: That's just what I'm asking. They're from Baltimore. Now, can they give adequate service down in Salisbury, which is a two-hour drive from Baltimore City?

MR. GOOD: They have assured me that they can.

MR. GOLDSTEIN: They don't have a drug store there now, do they?

MR. GOOD: I believe they will before too much longer. I think --

MR. GOLDSTEIN: But, right now, they're in Baltimore.

MR. GOOD: Right.

MR. GOLDSTEIN: And I just want to be sure that they can adequately serve the needs. We've had experience, you know, with some other companies that haven't done that.

MR. GOOD: Well, I've asked them the very same question.

MR. GOLDSTEIN: See, and they may have bid to get it, because their bid is 66, and the next bid is 100. The next one is 104. The next one is 156; and Peninsula General Hospital, which is right down there, bid 187. They're right there practically within several blocks of them. Follow me?

MR. GOOD: I understand perfectly.

MR. GOLDSTEIN: So I want to be sure that, if

these people may have bid to get the contract, and then their services will be very inadequate -- you know, people have got to make a profit. They can't stay in business for the love of it.

MR. GOOD: Well, we've used them locally in the Baltimore Metropolitan Area.

MR. GOLDSTEIN: I understand that.

MR. GOOD: I asked them the same question, and I've been assured that they will give good service.

MR. GOLDSTEIN: Will you give your name for the record and your title, please, sir?

MR. GOOD: Henry Good, Chief, Division of Contracts, Department of Health and Mental Hygiene.

MR. GOLDSTEIN: Well, now, we're going to hold you responsible if something will go wrong now. You've got your name in the record here, and you've assured us.

MR. GOOD: All right.

MR. GOLDSTEIN: Okay. Thank you, sir.

MR. GOOD: Right.

MR. GOLDSTEIN: Just want to be sure. Let's see here.

MR. STETTLER: Also, for the record, I ought to defer 21, because that's pertaining to Earl's on the Library for the Blind.

MR. GOLDSTEIN: 21 is deferred, right. All right. I think that takes care of all the items here. Do I hear a motion?

MS. MAURER: So move except for the ones which have been noted under prior discussion.

MR. GOLDSTEIN: All right.

MR. MCGINTY: We have the University of Maryland.

MR. GOLDSTEIN: Wait now, let's just finish this. All in favor, signify by saying "aye."

BOARD MEMBERS: Aye.

MR. GOLDSTEIN: Opposed, "no."

BOARD MEMBERS: (No response.)

MR. GOLDSTEIN: University of Maryland. I only had one item on there. That was Item A-1-EX. That was that used building.

MR. MYERS: Yes, sir. Don Myers, Vice-President for General Administration.

MR. GOLDSTEIN: Yes, sir. My question was

what kind of condition is that used building in?

MR. MYERS: It's in very good condition. We've actually gone out and looked at it. It will be delivered and assembled on the campus property, and we have had a similar building put there with very good success from the same company.

MR. GOLDSTEIN: I see. You recommend it?

MR. MYERS: Yes, sir.

MR. GOLDSTEIN: Okay. Do I hear a motion?

MS. MAURER: Yes.

MR. GOLDSTEIN: All in favor of approving the University of Maryland Agenda, signify by saying "aye."

BOARD MEMBERS: Aye.

MR. GOLDSTEIN: Opposed, "no."

BOARD MEMBERS: (No response.)

MR. GOLDSTEIN: We thank you.

MR. MYERS: Thank you, sir.

(Whereupon, at 11:30 a.m., the proceedings in the above-entitled matter were adjourned.)