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BOARD OF PUBLIC WORKS

*GOVERNOR'S RECEPTION ROOM, SECOND FLOOR, STATE HOUSE
ANNAPOLIS, MARYLAND*

April 17, 2024
10:04 a.m.

PRESENT

HONORABLE ARUNA MILLER

Lieutenant Governor

HONORABLE BROOKE E. LIERMAN

Comptroller

HONORABLE DERECK E. DAVIS

Treasurer

JOHN GONTRUM

Secretary, Board of Public Works

ATIF CHAUDHRY

Secretary, Department of General Services

THOMAS HICKEY

Director of Procurement and Real Property Initiatives,
University System of Maryland

VALERIE RADOMSKY

Chief Procurement Officer, Department of Transportation

EMILY WILSON

Director of Legislative and Constituent Services,
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PROCEEDINGS

LIEUTENANT GOVERNOR MILLER: Good morning, everyone. It's great to see you at the Board of Public Works meeting today. And before I begin, I just want to say, if you could continue to keep the fallen transportation workers, their families, the first responders, and the men and women who are working at Unified Command in your prayers and in your thoughts.

And I also wanted to provide a brief update on the State's economic response to the Key Bridge collapse, and the disruption of operations to the Port of Baltimore. As our colleagues at the federal, state, and local levels continue to move as quickly as possible with the salvage and recovery operations; we are doing something very similar to that, but from an economic response standpoint to provide relief to the impacted workers and businesses.

Last Tuesday, Governor Moore signed the PORT Act into law, which allows the Department of Labor and the Department of Commerce to establish temporary relief programs to support the thousands of workers and many businesses that are impacted. Last Friday, the Department of Labor's Worker Retention Program, which provides grants to help Port businesses to keep workers on the job. And we've already approved grant awards totaling more than \$1 million to help 300 workers to continue to stay on the job.

Tomorrow, we're launching the Worker Support Program with the Department of Labor, which provides financial assistance to workers not eligible for regular unemployment benefits and supplemental financial assistance. And on April 22nd, which is this coming Monday, the three remaining business assistance programs at the Department of Commerce and the Department of Housing and

Community Development will launch.

So I want to thank and acknowledge so many leaders in our State government, including Comptroller Lierman and Treasurer Davis, who have worked closely and collaboratively to stand these programs up so quickly and to ensure that these business's process are as efficient as possible. And so before I go any further, I'd like to recognize the Comptroller for some comments.

And I want to say, Madam Comptroller, I have a very cranky husband at home, who did submit taxes on time on April 15th. So I hope all of you did it as well. With that, love to hear your remarks.

COMPTROLLER LIERMAN: Thank you. If he's cranky, I guess that means he's not getting a refund.

(Laughter.)

GOVERNOR MILLER: He's not getting a refund.

TREASURER DAVIS: Yeah, I'm a little cranky myself.

(Laughter.)

COMPTROLLER LIERMAN: I do -- you know, people come up to me now and they say, oh, I just sent you a check. And I'm like, not me personally.

(Laughter.)

COMPTROLLER LIERMAN: It's not me. You're driving on roads and going to school. so. But thank you. Thank you so much. And really appreciate your acknowledgment of the work that continues at the Port and in the bridge. I had the chance to go out last week and see the work. It is truly phenomenal effort. And Unified Command is just doing an incredible job. And so it's just -- it's really wonderful to watch.

And I also want to give a shout out to, of course, the General

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Assembly for the PORT Act, the Governor for acting quickly, and our partners at the Department of Labor and Department of Commerce. Certainly, in the Office of the Comptroller, I'm sure in the Office of the Treasury as well, we are working hand in glove, really, all of these departments and agencies together to make sure that the application process goes smoothly. And then we're able to process those payments and get them out. And it really is, I think, government at its finest right now; working together to support small businesses and to support Maryland workers. So we are doing everything we can and we're doing it together, which makes it go that much faster and more smoothly.

And yes, April 15th was tax day. So we have had another successful tax season. We're now focused on processing tax returns that we've received in the last few days leading up to the filing deadline. I'll be going by our mail room today to say keep going, good job to the dozens of employees, State employees we have who are literally opening up thousands and thousands of envelopes over the next few weeks. To date, we have processed more than two and a half million tax returns -- just since tax season opened in early February. And we have dispersed more than 1.5 million tax refunds totaling \$1.94 billion.

So to give you a little bit where that stands, we process over the course of a year a little over 3.2 million tax returns. So we've done two and a half so far this year. Just to tell you how big these few months are in our agency. I'm extraordinarily proud of the level of commitment and the hard work shown by our team. We are home to one of the most efficient and effective revenue administration agencies in the nation.

And that is despite the fact that we have one of the oldest state tax processing systems in the nation. And we are working, as you all know, to update that. And we're very proud that we've moved our business taxes into a new online

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portal, Maryland Tax Connect, and a new system on the back end as well. And over the next few years, we'll be working to make sure that we move all of our taxes to a new online and secure system.

We also remain on high alert for potential cases of tax fraud and identity theft thanks to the diligent work of our nationally renowned Questionable Returns Detection Team, QRDT. So sometimes folks say, hey, I haven't gotten my refund in the three to five days. Well, it could be that we're just doing a quick double check because we need to make sure that we're protecting taxpayers and protecting our revenue.

And as the State's elected CFO, I understand that nobody likes paying taxes. I get it. But we also are committed to making it as convenient and simple as possible as we work to fulfill our statutory obligations to collect revenue that is owed to the State in order to fund important public priorities like education, transportation, environmental protection, housing, and public safety projects. In fact, everything that we're about to approve today -- many of the projects that we're about to approve today.

So thank you so much and excited to continue working. I want to just extend my sincerest appreciation to our Chief Deputy Comptroller Andy Schaufele, our Deputy -- our Chief of Staff Rianna Matthews-Brown, all of our directors in the Revenue Operations Department. And appreciate all of you filing online and on time. Thank you.

LIEUTENANT GOVERNOR MILLER: Thank you so much, Madam Comptroller. And we appreciate you and your team for doing such a diligent job with all of this.

So let's go ahead and get started with the business of the day. First up is Secretary's agenda.

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Secretary Guntram, good morning.

MR. GONTRUM: Good morning, Governor, and good morning to you Mr. Treasurer and Madam Comptroller. There are 19 items on the Secretary's agenda this morning. However, at their request of Morgan State University, I'm withdrawing Items 15 and 16. Leaving 17 items on the agenda for your consideration this morning. I'm happy to answer any questions.

LIEUTENANT GOVERNOR MILLER: Thank you, Mr. Secretary. Are there any questions or discussions on the Secretary's agenda?

COMPTROLLER LIERMAN: I just wanted to make one comment on 11 --

LIEUTENANT GOVERNOR MILLER: Sure.

COMPTROLLER LIERMAN: -- if that's okay. So April is Maryland Flood Awareness Month. And this is a -- this is an item from the Maryland Department of the Environment to grant \$2.6 million in comprehensive flood management grant funding to Howard County for the construction of the H4 Drive Flood Mitigation Pond in Ellicott City.

And of course, this is part of their Safe and Sound Flood Mitigation Plan that will temporarily detain flood water during storm events and release it downstream. So just since this is flood awareness month, wanted to commend Howard County for their continued work to make sure that we are thinking through long-term solutions to address climate change. And these types of resilience measures and climate adaptation initiatives are just, I think, essential. So thank you.

LIEUTENANT GOVERNOR MILLER: Thank you, Madam Comptroller. If there's no further discussions on the Secretary's agenda, may I have a motion to approve the agenda?

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COMPTROLLER LIERMAN: So moved.

LIEUTENANT GOVERNOR MILLER: Is there a second?

TREASURER DAVIS: Second.

LIEUTENANT GOVERNOR MILLER: Thank you. Let's proceed to the Department of Natural Resources agenda. Good morning, Ms. Wilson.

MS. WILSON: Good morning, Governor, Mr. Treasurer, Madam Comptroller. Emily Wilson with the Maryland Department of Natural Resources. I'd also like to highlight that it's State Parks Week. So I would encourage folks to go out and explore our wonderful State park system across the State. We have 10 items on our agenda today. For your consideration, I'm happy to try to answer any questions.

LIEUTENANT GOVERNOR MILLER: Thank you, Ms. Wilson. And thank you for reminding us it's State Park Week. Okay. So I hope that everyone takes a moment sometime this week to visit a State park. Thank you.

Is there any discussion on the DNR agenda? Okay. May I have a motion to approve the agenda?

COMPTROLLER LIERMAN: Motion to approve the DNR agenda.

LIEUTENANT GOVERNOR MILLER: Is there a second?

TREASURER DAVIS: Second.

LIEUTENANT GOVERNOR MILLER: Thank you.

MS. WILSON: Thank you.

LIEUTENANT GOVERNOR MILLER: Thank you. Next up, University System Maryland. Good morning, Director Hickey.

MR. HICKEY: Good morning, Governor. Good morning, Mr.

Treasurer, Madam Comptroller. Tom Hickey representing University System of Maryland. We are presenting five items for your consideration. We are withdrawing item 6-S-MOD. We are also withdrawing under item 1-GM Sub-item 2, which is the Stanley Zupnik Project at College Park.

LIEUTENANT GOVERNOR MILLER: Is there any discussion on the USM agenda?

COMPTROLLER LIERMAN: No.

LIEUTENANT GOVERNOR MILLER: Director Hickey, I've been observing you for the past year and a half. And I noticed you never get questions asked. Okay?

(Laughter.)

LIEUTENANT GOVERNOR MILLER: So I've got a question for you. What's your favorite flavor of ice cream?

MR. HICKEY: Salted caramel.

LIEUTENANT GOVERNOR MILLER: Salted caramel, good one. I like that. Thank you so much. I appreciate that.

So let's proceed to the MDOT agenda now. Good morning, Director Radomsky.

MS. RADOMSKY: Good morning, Madam Governor.

COMPTROLLER LIERMAN: Got to approve the other one.

LIEUTENANT GOVERNOR MILLER: I'm sorry. Okay. May I have a motion to approve the agenda for USM?

COMPTROLLER LIERMAN: Move to approve.

LIEUTENANT GOVERNOR MILLER: Is there a second?

TREASURER DAVIS: Second.

LIEUTENANT GOVERNOR MILLER: Thank you, thank you.

Good morning.

MS. RADOMSKY: Good morning, Madam Governor, Madam Comptroller, Mr. Treasurer. For the record, my name is Valerie Radomsky, Chief Procurement Officer for the Maryland Department of Transportation. Today we are presenting 17 items for your consideration, withdrawing items 10-GM and 11-GM. And we have representatives available to answer any questions you may have.

LIEUTENANT GOVERNOR MILLER: All right. Thank you, Director Radomsky. Is there any discussion on the MDOT agenda?

Madam Comptroller?

COMPTROLLER LIERMAN: Yes, I had a question on 8-M-OPT. This is MTA. This is a request from the Maryland Transit Administration to exercise the final one-year renewal option on a contract with RailWorks Track Services to provide this 24-hour maintenance and emergency response services for tracks operated by Light Rail and MetroLink, the subway systems.

But the vendor is not currently achieving their established MBE goal and I wanted you to explain how we got here and what you're doing to make sure they can meet that MBE goal. I know it's briefly -- you talked about it briefly in the remarks but I wanted you to let us know for the record.

MS. RADOMSKY: Sure, absolutely. We actually have Director of Procurement at the MTA William Parham --

COMPTROLLER LIERMAN: Okay.

MS. RADOMSKY: -- joining us virtually --

COMPTROLLER LIERMAN: Great.

MS. RADOMSKY: -- ready to talk about the corrective action plan that we have in place.

(Pause.)

TREASURER DAVIS: Mr. Parham, can you hear us? No, we haven't agreed.

(Laughter.)

TREASURER DAVIS: We're batting a thousand with this time.

LIEUTENANT GOVERNOR MILLER: We need to fix these problems.

COMPTROLLER LIERMAN: Yeah.

(Pause.)

MR. PARHAM: Hello? Can you hear me?

COMPTROLLER LIERMAN: Yes.

MR. PARHAM: Sorry, I had to switch devices. My microphone wasn't getting off of mute on my other device. I'm sorry.

For the record, my name is William Parham. I'm the acting Director of Procurement at the Maryland Transit Administration. RailWorks, our vendor on this contract did -- this contract was actually awarded in February of '20. The MBE lost, due to death they lost their owner. A few months later, the vendor received some bad information, some bad guidance from MTA regarding the use, the continued use, of that vendor to meet the MBE requirement.

We did not realize that we had -- that that mistake had been made until we were attempting to come back about a year ago -- a little over a year ago, when we were coming for the first renewal option on this contract. That's when we discovered that the advice that had been given was incorrect that was telling them. And we actually did have emails and so forth to support the story that they were providing to us.

We've been working with them to increase MBE opportunities

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since then. I would also like to note that they -- even with this mistake, they are surpassing the original MBE goal that we had placed on the contract through our PRG process. That was 11 percent. And they are meeting -- they will be meeting that. Unfortunately, they had -- due to their associations with some MBEs, they had actually proposed that they could meet a higher goal. And of course, that became the set goal. So that's where we are.

They are making -- we believe they are making a very good faith effort. They have a corrective action plan in place to do the best they can. They are working with us to identify additional opportunities, including purchasing of materials. So we're doing everything we can to maximize the use of MBE on that contract.

COMPTROLLER LIERMAN: Thank you.

LIEUTENANT GOVERNOR MILLER: All right.

TREASURER DAVIS: Can I just -- just for clarification --

LIEUTENANT GOVERNOR MILLER: Yes.

TREASURER DAVIS: --on that point, the gentleman said that the goal that the Agency had established that the vendor was exceeding it or --

COMPTROLLER LIERMAN: It sounds like originally they, in the RFP, had put an 11 percent goal but then the vendor came back and said no, we can do 18.3 percent. And so that's what -- the Board, whenever it was approved, adopted the 18.3 percent is my understanding of what he said.

Is that correct?

MS. RADOMSKY: Exactly.

COMPTROLLER LIERMAN: So they are obligated -- I mean, they have to meet that 18.3 percent, even though originally MTA had put it at 11 percent.

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TREASURER DAVIS: And I guess --

COMPTROLLER LIERMAN: Begs the question, yes.

TREASURER DAVIS: -- I raised that point --.

COMPTROLLER LIERMAN: Yes.

TREASURER DAVIS: -- (indiscernible).

COMPTROLLER LIERMAN: Take it away. Take it away, Mr.
Treasurer.

TREASURER DAVIS: We're consistently coming in with goals,-
and I'm not saying necessarily for MDOT, but just generally, we hear we're
setting goals that apparently are too low. We're starting to hear more and more
where vendors are actually saying we can do better and they're coming in above.
And so while I tip my hat to them for coming above, it's starting to become a bit
of a pet peeve for me that they are asking more or demanding more of themselves
than we are in these contracts. And so if they can do more, where's the disconnect
between what we're asking of them where what they're saying, no, we can do
more than that. And sometimes it's substantially, in this case, it's 33 percent
more.

And like I said, I'm not singling out MDOT. Maybe I'm just on a
rant now, but I've seen that in other contracts as well where the agencies aren't
asking as much of the vendors in the contracts that the vendors themselves are
committing to doing. And I'll just leave it there.

COMPTROLLER LIERMAN: Yep.

MS. RADOMSKY: Absolutely, noted. We have been working
very hard to improve our Procurement Review Group. There's been a lot of
training going on across MDOT. And we've been looking very closely, spending
a lot of time looking, finding all the areas of opportunity for sub-contractable

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work and spending a lot of time looking at all of the contractors that are certified in the appropriate codes that can do that work. And having a lot of conversations there. And sometimes the initial goal that's recommended ends up higher. Sometimes it ends up lower, if there aren't enough firms or there aren't enough firms in that area. So we've been tightening that up and spending a lot of time trying to get it right.

COMPTROLLER LIERMAN: Thanks.

LIEUTENANT GOVERNOR MILLER: Thank you, Mr. Treasurer. And thank you, Madam Comptroller. And thank you, Director Radomsky.

May I have a motion to approve the agenda?

COMPTROLLER LIERMAN: So moved.

LIEUTENANT GOVERNOR MILLER: Is there a second?

TREASURER DAVIS: Second.

LIEUTENANT GOVERNOR MILLER: Thank you. Now, let's go ahead and conclude with the DGS agenda. Good morning, Secretary Chaudhry.

MR. CHAUDHRY: Good morning, Madam Governor, Madam Comptroller, Mr. Treasurer. For the record, I'm Atif Chaudhry, Secretary of the Maryland Department of General Services. Today, we have a bit of a light agenda for you today, only 23 items. The last agenda -- we hit triple digits at a hundred items last agenda. We are withdrawing only one item today. That is Item 10-S.

Our agenda does feature \$9 million in capital grants and loans, and I just wanted to highlight one of those and that is Item 5-CGL which provides \$400,000 in State support to Pascal Crisis Services to expand crisis stabilization

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services at a residential home in Anne Arundel County. This grant will support an expansion of behavioral health and substance use disorder services for veterans and underserved citizens that are in crisis across the State.

As we continue to keep an eye on minority business participation, we do include two contract awards and modifications to certified minority businesses totaling over \$1 million. And we have Agency representatives here to answer any questions you may have.

LIEUTENANT GOVERNOR MILLER: Thank you, Mr. Secretary.

Now, I'd like to call up Item 3-CGL, which is a \$750,000 capital grant to support the Baltimore Community Lending's Business Development and Resource Center project. When it opens, this center, located in downtown Baltimore, will serve as a one-stop business center. Providing a wide range of support and space for small businesses including legal, accounting, marketing, insurance, construction services, as well as classroom and one-on-one training and mentorship spaces.

I want to thank Baltimore Community Lending. Particularly, their visionary President and CEO Watchen Harris Bruce, for her steadfast commitment to building a climate and a ecosystem for small businesses to grow and thrive in Baltimore City and in our State. We're pleased to be joined by Clarence Snuggs, who is the COO of Baltimore Community Lending.

Mr. Snuggs, welcome and please proceed with your remarks.

MR. SNUGGS: Good morning, and thank you very much for the opportunity to be here, Madam Governor, Madam Comptroller, and Mr. Davis, Treasurer. My name is Clarence Snuggs. As you mentioned, I'm the Chief Operating Officer, or COO, for Baltimore Community Lending, and we're very

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excited about the Business Development and Resource Center.

It's going to be a tremendous resource for the small business ecosystem in the Baltimore region. We expect, as you mentioned, to provide significant technical resources to support small businesses. We are a mission-based community development financing institution, or CDFI. Been around since 1989, so we've been out there for a little while.

There are about 1,500 CDFIs across the Country, 15 in Maryland. And we are providing primarily loans to small businesses that are outside of the financial mainstream, which means they can't get a bank loan as well as real estate developers of affordable housing, our primary product, so loan funds. So we're adding to that coming out of the strategic plan that our CEO did back in 2020, this Business Development Resource Center, to coordinate resources across the region.

There are a lot of different agencies and organizations that are providing sort of bits and pieces. We want to make it a one-stop shop for small businesses. The place that they can come to get information. They can get training, all types of resources to support their businesses.

It's one thing to launch a business. It's another thing for it to survive. We know that 75 percent of new businesses fail within the first 15 years. So it's important to us in helping to transform communities that we have businesses that not only can launch, but can be successful, can hire and create new jobs, create profitability, and most importantly, wealth within disinvested communities.

So I'm happy to answer any questions you might have.

LIEUTENANT GOVERNOR MILLER: Thank you so much, Mr. Snuggs. We're proud of this investment and to support your incredible

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organization. And thank you for being here today.

MR. SNUGGS: Thank you.

LIEUTENANT GOVERNOR MILLER: With that, if there are any further discussions on the DGS agenda? Are there any?

COMPTROLLER LIERMAN: Sure.

LIEUTENANT GOVERNOR MILLER: Yes.

COMPTROLLER LIERMAN: I just wanted to -- I'll just thank Mr. Snuggs and watch in for their amazing work. BCL, I've had the opportunity to work with BCL for years, and we need more CDFIs in the State. But you know they are really doing yeoman's work and I think especially since the pandemic hit. Before the pandemic, about 29 percent of new businesses were started by women. Since the pandemic, half of new businesses in the country are being started by women.

And we know that women traditionally have a harder time accessing capital, especially black women. And so if we are going to create a stronger and more diverse economy in the state of Maryland, CDFIs like Baltimore Community Lending are going to -- they are essential to that. To making sure that women and others who have been sort of kept out of some of the capital availability space, have access to that capital so that they can move their businesses from sort of a side to a business that's growing, employing people, and really thriving.

So thank you to Senator Ferguson and Delegate Lewis for bringing this -- sponsoring this initiative. And thank you so much for the whole team. I'm excited about the work that you're doing and to see you revitalize this building as well. So thank you.

MR. SNUGGS: Thank you.

LIEUTENANT GOVERNOR MILLER: Thank you, Madam Comptroller. If there's no further discussions on the DGS agenda, may I have a motion to approve the agenda?

COMPTROLLER LIERMAN: So moved.

LIEUTENANT GOVERNOR MILLER: Is there a second?

TREASURER DAVIS: Second.

LIEUTENANT GOVERNOR MILLER: Thank you.

So this concludes today's meeting for the Board of Public Works. Our next meeting is Wednesday, May 1st. Thank you all for being here. We are adjourned.

(Whereupon, at 10:30 a.m., the meeting was concluded.)