

STATE OF MARYLAND

BOARD OF PUBLIC WORKS

GOVERNOR'S CONFERENCE ROOM

STATE HOUSE

ANNAPOLIS, MARYLAND

10:00 o'clock a.m.

July 16, 1975

Reported by:

Clifton J. Hunt

PRESENT

Governor Marvin Mandel, Presiding

Honorable Louis Goldstein, Comptroller

Honorable William S. James, Treasurer

George R. Lewis, Secretary, General Services

Louis N. Phipps, Deputy Secretary, Department of Natural  
Resources

R. Kenneth Barnes, Secretary, Department of Budget and  
Fiscal Planning

H. Louis Stettler, Assistant Secretary, Department of  
Budget and Fiscal Planning

Max Millstone, Deputy Secretary, General Services Department

Edward L. Middleton, Administrator, Board of Public Works

Andrew Heubeck, Jr., Secretary, Board of Public Works

Madeline C. Schuster, Deputy Secretary, Department of  
State Planning

Jerome W. Klammeier, Department of Fiscal Services,  
Division of Budget Review

Mrs. Betty Chaney, Administrative Assistant, Board of Public  
Works

PROCEEDINGS

GOVERNOR MANDEL: Can we get started, Andy?

Looks like we are having a busy morning.

MR. LEWIS: We should take up the public school construction program. It is on the General Services Agenda, Page 55, Item 1.

MR. GOLDSTEIN: Page 55?

MR. LEWIS: I'm sorry, 52. This is the item that we have on each month now to bring the Board up to date and get the Board's approval for the actions of the Interagency Committee with respect to fund contracts to get projects under construction. We have Skip Carey and Lee Ritter here to answer any questions with respect to these items.

GOVERNOR MANDEL: I went over most of them.

MR. GOLDSTEIN: My first question, Governor, was on Harford County, relocatable classrooms, return allocation, \$270,000, decrease \$23,270. Are these new ones?

MR. CAREY: No, sir. They were the buildings that they purchased, they had ordered when the program was created in '71 and they anticipated in that period between February and July 1st it would cost that much and it didn't

so we had a reversion back into the statewide contingency of \$23,000.

MR. GOLDSTEIN: In other words, these classrooms are already built?

MR. CAREY: They were built back in '71.

MR. GOLDSTEIN: This location?

MR. LEWIS: This is reverting excess funds that was in the appropriation back to the unencumbered contingency fund.

MR. GOLDSTEIN: Page 54, Harford County, FY, statewide transportable relocatable, returned allocation, \$106,400, adding \$12,000. Is that new ones?

MR. CAREY: No, that \$106,400 is an account we have set up to move state-owned buildings around the different areas of the state and that is the flexibility of them. This \$12,000 was added on to pay for moving buildings within Harford County. They were moved from --

MR. GOLDSTEIN: That is within Harford County?

MR. CAREY: Yes, sir, they were moved from a couple of elementary schools to the high schools where they were needed.

MR. JAMES: That is in that fund to relocate.

MR. GOLDSTEIN: How much money is in that fund to relocate relocatable classrooms?

MR. CAREY: We have raised it up to, in your file, you asked a question two months ago or last month about the \$150,000.

MR. GOLDSTEIN: Right.

MR. CAREY: Here is the total explanation of why the fund transfers were required. In relocating buildings around the state, it has cost \$106,395 to date.

MR. JAMES: What was that figure?

MR. CAREY: \$106,395. That is moving the state buildings.

GOVERNOR MANDEL: Is that since the program started?

MR. CAREY: No. That has been during this FY.

MR. GOLDSTEIN: FY '75?

MR. CAREY: Which ended last July, or this month, July 1st.

GOVERNOR MANDEL: In that, Skip, how many buildings were moved? Do you have any figures on that,

just roughly?

MR. CAREY: I would say there have been over a dozen buildings moved.

GOVERNOR MANDEL: So it costs about eight or nine thousand dollars?

MR. CAREY: It is costing around ten to twelve thousand dollars apiece.

GOVERNOR MANDEL: To move them?

MR. CAREY: Depending on how big they are, if they are small ones or large ones.

MR. GOLDSTEIN: My next question, then, is Anne Arundel County, on Page 54, Fiscal Year '75, Annapolis Junior, you took the money away from that school, \$5,755,000 and it looks like you transferred it down to unencumbered funds.

MR. CAREY: That's correct. The Annapolis Junior County High School, the county that is abandoned for this FY and the reason why the need didn't develop, because of all the moratoriums, and it was funded for construction, so we transferred \$463,199 from the statewide contingency to pay for the special education school, and

took all of the Annapolis money, except for the architect's fees and put it into the statewide contingency, which will be redistributed wherever it is necessary. They will be back in some future year for that construction money but they don't need it for this year and foreseeably next year.

MR. GOLDSTEIN: Thank you, sir.

GOVERNOR MANDEL: Any other questions on that?

(No response.)

GOVERNOR MANDEL: What do we have next?

MR. LEWIS: The next item is on the Secretary's Agenda, Item 15, Page 19, which is the proposed procedures for selection of A and E's fees.

GOVERNOR MANDEL: And do you have a list of people who want to be heard on that?

MR. HUEBECK: Yes, sir.

GOVERNOR MANDEL: Go ahead, Skip.

MR. CAREY: My name is Skip Carey, Executive Director of the Interagency Committee.

Back on May 7th the I. A. C. presented to the Board of Public Works a proposed plan for professional services selection for public school construction projects

for architects and engineers. At that time, the Board of Public Works reviewed it, and made some suggestions which the Interagency Committee took under advisement and made some modifications to our original proposals. In order to comply with the rules and regulations of the program, we had to circulate to the local boards of education and local governments these proposals and give them time to react. They were sent to them on May 27th and requested to reply to me by July 1st. The summation of their reactions to the proposed rules and regulations are in the enclosure that was mailed to you and you have in front of you. It is right thick. It is dated July 9, '75. We didn't receive replies from two county governments, one being Montgomery and the other St. Mary's and eight superintendents of schools. As I indicated the other 16 boards of education didn't reply and the other 22 governments didn't reply but I don't think this means that they are not interested. Dr. Willis is here today, I know, representing boards of education and he thought a personal appearance would be more worthwhile than a whole lot of correspondence and Joshua Wheeler is here,



who is the newly elected Chairman of the Superintendents' Committee.

I think at this point the biggest thing we could do would be to answer questions that you may have specifically about this. We have Mr. Ritter who has created this proposal and let you hear the responses from the people and their objections to our proposal.

GOVERNOR MANDEL: Skip, why don't we call on these people that want to be heard? Then if we have any questions we can call you back and direct them to you.

MR. CAREY: Fine.

GOVERNOR MANDEL: Mr. Wheeler?

MR. WHEELER: I am Josh Wheeler, Superintendent of Schools in Baltimore County and President of the Superintendents' group in the state.

I want to thank you for this opportunity to speak with you on this subject of great interest to all of us. At the outset I want to assure you gentlemen that we recognize the need for detailed procedures for the selection of architects and for the establishment of fees. Public opinion and public feeling certainly has dictated this. I

think we have a responsibility, however, to see that we do not overreact to this feeling as we hear it expressed and devise a plan which is not sound, just because it may look good to the average citizen who may not be knowledgeable about all of the problems.

There is an argument that unless rules and regulations are developed and legislation passed and that rules and regulations are more acceptable, and I agree with this to a point. However, if we are to have something in the form of rules and regulations which is not workable, then it seems to me it may be better to have something that is not workable that doesn't have our blessings attached to it.

I believe there are two separate issues here. One is the selection process and the other is the establishment of the fee. As far as I am concerned, and I think the majority of the superintendents, though it is not possible to get complete unanimity among all 24, I believe the general feeling is that the selection process which must be fair and honest and provide opportunities for broad participation, and the one which is recommended before you is generally

acceptable. It seems to me that each school system is or should be using a process similar to this to make certain that the selection is fair and honest and provides for broad participation. Certainly we have in Baltimore County, I was checking just yesterday and found that during the last 10 to 12 years we have used 54 architectural firms on school projects in Baltimore County.

The fee determination, however, is a different matter. I believe that the proposal which you have before you is asking the architect to establish a lump sum fee at a stage where it is not possible for him to do this, with the precision which is in the best interests of the taxpayers.

When we give to the architect our educational specifications, which outline generally --

MR. JAMES: Specifically are you talking about paragraph 5 on Page 5, fee negotiations?

MR. WHEELER: Yes, sir.

MR. JAMES: You are talking about that particular item?

MR. WHEELER: Yes, sir, the fee negotiation

portion. When we give to the architect the educational specifications which we prepare we outline for him the kinds of spaces we want and what their functions are to be. Immediately, he, in his professional responsibility, starts having some ideas as to how these spaces should be put together and when this is done, he brings them back to us and discusses his general schematic plan with us and it never happens any other way than for us to say to him, but we don't want it that way. That won't work. We have tried it that way. This doesn't work. We need to do some other things. We have built a lot of schools. I don't care whether it is a large school system with a big staff, with some architects and engineers on the staff or whether it is a small school system where he brings them back to the superintendent. The superintendent still says to him, well, there are certain things which we have found out about the arrangement of these bases which we feel we must insist upon so it is my feeling that it is not until he has put some of his ideas on paper and tests them out with the local officials, school officials, that he is then able to have a pretty good idea of what he is going to have to

put together. What does this mean? This means then in my judgment that you can't have three or four architects or two or three architects bidding on what that job is going to cost until we reach that stage, and that stage, of course, has amounted to the selection of the architect.

Now, before the State took over the responsibility for building the school facilities, this is exactly the procedure which Baltimore County used. We selected the architect. He developed some schematics, getting out input and then we sat down and determined what this was going to cost, and his fee was established, and nothing which he did in the future in the way of embellishing these plans had any effect whatsoever on his fee, and I really believe that this is the primary concern of most of the citizens, to make certain that a fee is established early in the process so that what the architect does not have a direct -- does not result in direct benefit to him, so we would recommend the selection process, generally, as you have it before you, but we would recommend that the negotiating fee process come after the selection is made.

Now, the obvious question is, well, how do you

then make sure you have the person who is going to give you the most, the best fee. Well, I have to acknowledge that in the long run, this is something which is determined as you work with architects over the years and they find out that unless they do come in with good fees they won't get repeated work from that school system. This system worked very well in Baltimore County for a number of years and we believe it is more sound than asking the architect to --

GOVERNOR MANDEL: Are you saying that you have always had a fixed fee basis?

MR. WHEELER: Not always, no, sir. I am saying prior to the State taking over, we appointed, we selected an architect for a project. He developed some general schematics.

GOVERNOR MANDEL: I am talking about the specific fee now. Did you have fixed fees or did you have a percentage fee?

MR. WHEELER: We had a fixed fee. We had a number of dollars which he would do that, for which he would do that job.

GOVERNOR MANDEL: That is what I am talking about.

MR. WHEELER: No matter what he did to the project after that he got paid that number of dollars.

MR. LEWIS: You can accomplish the same thing, Josh, if you have a good architectural program before you ask for a fee negotiation. This is, in essence, what you are doing. You are accomplishing a program through the use of a schematic, right?

MR. WHEELER: I think the danger with this, George, is that you are going to be developing this program which you hand to the architect to the point and to the degree why, you hardly need an architect.

MR. LEWIS: I wouldn't say that.

MR. WHEELER: You are going to be telling them all of the things specifically that you want, exactly how you want them without providing opportunity to bring some of his professional creativity into the process. We have found it was better to let him do this first and then for us to react to some of his proposals.

MR. LEWIS: Then you are fixed, after a minor contract, which is the schematic or a schematic program concept, you are fixed with the architect in negotiations.

You have that architect.

GOVERNOR MANDEL: How do you negotiate then?

MR. WHEELER: You don't negotiate from the standpoint of one architect against another, no question about that.

MR. LEWIS: That's right.

MR. WHEELER: In my proposal --

MR. LEWIS: You have already committed yourselves.

MR. WHEELER: We have already committed ourselves to an architect but I really think that the primary concern which all of us have is not so much pitting one architect against the other from the standpoint of negotiations but to devise a plan whereby the architect in the process of developing these plans cannot embellish them to the point that he personally benefits as a result of this. I see this as a much more serious concern of the average citizen than the matter of pitting one architect against the other to come up with a price before he is able to find out really what it is that you want and he has his own ideas as to how he will solve the problems, and he comes back to us early in the stage and we say we don't want this. We tried this



a long time ago. It doesn't work.

MR. JAMES: You almost have to break it down into two parts to have real competitive bidding to meet that, wouldn't you? You would have almost to retain an architect to really get plans pretty well lined up and then put it out on bid after you finalize it.

MR. WHEELER: Absolutely, if you really want to have competitive bidding you would have to spend the money to get an architect to develop the schematics, and iron out all these disagreements and then take competitive bidding and, in my judgment, this would end up costing more money than the present arrangement.

MR. LEWIS: You don't necessarily need an architect to do an architectural program, though. That is the difference. There is educational programmers, that the college system has used, to program state colleges, for instance, which gives this program a relationship to space and the amount of space required to do the functions as they want.

MR. GOLDSTEIN: Right.

MR. LEWIS: From that point, then, you have an

architect who puts the package together from the standpoint of the relation of space and space itself and then, of course, wraps it in the envelope that is involved with the study. It seems to me that you are mixing architectural programs with schematics, really, in this particular case.

MR. WHEELER: It may very well be but I would submit that the average school system in this state would not want to go that far in telling the architect precisely what it would like to have but rather to provide him with a greater opportunity to use his creative and professional knowledge in coming up with the proposal.

MR. LEWIS: Would it be possible to negotiate a schematic fee and a total fee at the initial stage and then, of course, if the changes are drafted in the program, then renegotiate the fee after that change?

MR. WHEELER: I think this sort of thing has some possibilities.

MR. LEWIS: At least you have a negotiated basis to start with.

MR. WHEELER: But as to the propriety of awarding a contract and then negotiating some changes in that contract--

MR. LEWIS: You could award the contract though on a program or schematic phase with the contract to be extended into the other phase on the basis of the previous negotiation. It could be done. It would still accomplish the purpose you have in mind.

MR. WHEELER: I would think something like that could be done.

GOVERNOR MANDEL: Let me get it straight in my own mind. Let's say the first time you talk to this architect, there is a sum of money allocated for that school, isn't there, to construct that school?

MR. WHEELER: Yes, sir.

GOVERNOR MANDEL: You know what it is going to cost?

MR. WHEELER: Yes, sir.

GOVERNOR MANDEL: You also know when you say you don't tell the architect you want him to bring you schematics but you know what you want in that building, don't you?

MR. WHEELER: Yes.

GOVERNOR MANDEL: You tell him what you want in that building?

MR. WHEELER: Yes.

GOVERNOR MANDEL: You tell him how much money you have to spend, so when he comes back with his schematic he is not bringing back to you a plan for the educational aspects of that building. He is just bringing you back a plan for what you want in that building?

MR. WHEELER: Yes.

GOVERNOR MANDEL: At that point, when you sit down and talk to him the first time, you are telling him everything except how he is going to make it look. Isn't that true?

MR. WHEELER: No. I would go on to say how he is going to make it work in addition to how he is going to make it look.

GOVERNOR MANDEL: Let's say how he is going to make it work. But the question of making it work depends on what you tell him you want to go in there so you have to tell him that from the very beginning.

MR. WHEELER: I don't think that is necessarily true, Governor. It seems to me that what we are saying here is that we would pretty soon come up with every school being

exactly alike, if we proceed to do that.

MR. LEWIS: I don't agree with you on that, Josh. I think the problem here that you are really concerned about is relating an architectural program to an educational program.

MR. WHEELER: I think I am being practical in saying that what the average school system gives to an architect and says, here is what we would like you to design for us, a building to do these things with these spaces in them, will require a number of meetings between the architect and the superintendent or members of the superintendent's staff or the board before it can be decided just exactly how these spaces can best be fitted together in order to function most effectively.

MR. LEWIS: You are in a very similar position to General Services was in prior to House Bill 640 in that the architect assisted us in putting together the architectural program from a program that was related either to a state college or to a hospital. Now, we are required to put together an architectural program prior to getting a fee negotiated or a fee basis so it requires

some additional work on our part from an architectural program standpoint in order to have a basis for competitive negotiation.

MR. JAMES: I think you have to have the capability, don't you?

MR. LEWIS: That's right. Now, Baltimore City is here. I am pretty certain they probably negotiate at the present time, they have a system very similar to this, I am sure, and they undoubtedly negotiate a total lump sum fee or total fee for the total project without going through this second step. I think it has been successful, hasn't it, Curtis?

A VOICE: We have just started. We really don't have a large basis to draw on.

GOVERNOR MANDEL: Louis, go ahead.

MR. GOLDSTEIN: Dr. Wheeler, in Baltimore County, when you say you have your staff and you sit down and draw up a program for a school, do you bring in the teachers or the people, the students, parents, to try to get a real functional school?

MR. WHEELER: Yes, sir. We have done this to

the point that it is getting more and more difficult to get schools built but nonetheless, we are doing it.

MR. GOLDSTEIN: Wait a minute now.

MR. WHEELER: I am very serious, Mr. Goldstein.

MR. LEWIS: He is saying it like it is.

MR. WHEELER: We are involving more and more people and all of this takes more time. We still think it is worth it.

MR. GOLDSTEIN: The school doesn't belong to you, the superintendent. It belongs to the taxpayers. You need a functional school to use after school hours and weekends to really serve the community. Do you believe that, sir?

MR. WHEELER: There is no question about that. However, I would hasten to add that I would hope there are people on our staff who have some knowledge about how a school building should be built, which the average citizen, even though he is the owner, wouldn't have, and we hope, we believe we have responsibilities to see that that goes into the planning.

MR. GOLDSTEIN: In other words, you now involve

the teachers, P. T. A., students and others?

MR. WHEELER: Yes, sir.

MR. GOLDSTEIN: You get a better school that way?

MR. WHEELER: Yes.

MR. GOLDSTEIN: Do you have any schools built in Baltimore County without windows and you have this hot spell in May and June and can't close them?

MR. WHEELER: No. If we cut out windows we put in air conditioning.

MR. GOLDSTEIN: The air conditioning works?

MR. WHEELER: Yes, sir.

MR. JAMES: Sometimes.

GOVERNOR MANDEL: Any more questions of Dr. Wheeler?

Thank you, Doctor.

Mrs. Bernstein?

MRS. BERNSTEIN: Good morning, gentlemen. On May 26th the I. A. C. approved the revised procedure for architects and engineers for the public school program on a competitive basis. While these procedures are an improvement over those formerly approved, we are still



concerned with the selection of architects and engineers. In July, '74 we detailed our opposition to proposed procedures for the selection of architects and engineers in order to comply with House Bill 640. We were informed by you, Governor, in August, '74 that the procedures for the selection of architects and engineers by local boards of education would not be changed. However, House Bill 925 submitted in March, '75 would have required local boards of education to competitively bid architectural and engineering appointments. It was defeated. For the third time in a year an attempt has been made to prescribe or direct a method by which local boards of education appoint architects and engineers. The procedure currently proposed will be time consuming and cumbersome, entailing additional costs to all local school systems and to the I. A. C. The additional time required for pre-qualification, public notice, qualification, competitive negotiations and the final selection will cause project delays. Currently the I. A. C., as you know, requires that design development documents be submitted by December 1st of each year before consideration is given to construction funding. Any delay

caused by awarding architectural and engineering contracts on a competitive basis could make it impossible for us to meet this schedule and thus cause a one year delay in each project resulting in inflationary costs becoming a big factor.

Another cost factor involves the staff's time required to implement the proposed selection procedures. These procedures could require local school systems to either hire additional staff or to use the I. A. C., the Department of General Services' services for a fee. It is interesting to note that at a meeting of the Potomac Valley Chapter of the American Institute of Architects on March 19, 1975, Mr. Kelly, the Chairman, said the Department of General Services had incurred about \$1,400,000 in administrative costs from July, '74 through March, '75 as a result of the state's competitive selection procedures.

We understand that the State Department of General Services, using the competitive selection procedure, was required to pre-qualify and qualify over 800 applicants representing 300 architectural firms for about 17 capital projects. Only recently, on July 8, '75, after one year

after the institution of the competitive selection process was the first contract awarded. We understand that some of the documents submitted by architects were more than 400 pages in length. These are the kinds of procedures that financially overburdened local school systems can do without. Local school systems or I. A. C. may be required under the proposed procedures to pay for additional services which we consider essential to the proper development of projects. Our citizens demand and get involvement directly in the planning of schools. The neighbors, the people that are going to have to look at the building, the teachers who work in the building are part of committees that work with architects and engineers and as Dr. Wheeler says, it takes more time but we think we get better buildings. Architects and engineers have provided for this involvement up until this time, but we are afraid under these procedures it could result in this involvement to be considered an additional service beyond the initial contract.

We anticipate other services will become extras and it could substantially offset the cost savings from competitive bidding.

A related issue that may also affect the total architects' and engineering costs is the difficulty in writing educational programs of requirements to the degree of specificity that the architect needs to estimate the cost. We do not believe that the program can be written by local boards, staffs, in enough detail so that architects can prepare an accurate competitive bid. The result may be and has been widely varying bids, based on different conceptions of the work.

During the last 50 years, thousands of architects and engineers' contracts have been awarded by local boards throughout the state. To the best of our knowledge, no allegations of impropriety have ever been made. We see no reason for the Board of Public Works to force this time consuming and costly procedure on local systems when there appears to be little or no public benefit. It is our understanding that no other state in the Union has this competitive selection procedure.

We recommend that fees be negotiated after the architect and engineer has been selected.

It is our opinion that architects ought to be

selected for a particular project, based on past performance, experience, knowledge and potential, rather than based simply on the lowest fee. If the negotiation is unsuccessful, then the second qualified architect should be considered. We do not believe bidding A-E contracts will provide quality facilities and quality services from architects, and inevitably, we believe the low bid is the one that will be chosen. We foresee less quality design and less quality project supervision. Design and supervision are the reason that architects are employed.

In summary, we oppose the implementation of the suggested procedures as they stand now because our existing procedures have worked well over the years. We are unaware of any irregularities in the appointment of architects and engineers by local school systems. We see no identifiable public benefit to be served by project delays, increased project costs and additional staff required to implement these procedures, and finally, the low bid may not be the quality design and supervision expected from architects.

Thank you.

GOVERNOR MANDEL: Are there any questions?

MR. GOLDSTEIN: No.

MR. JAMES: No questions.

GOVERNOR MANDEL: Thank you very much.

Colonel Whiting?

COLONEL WHITING: I am Chester Whiting, Chairman of the Prince Georges County Board of Education, and I shall be brief.

Prince Georges County Board of Education, on January 30, 1975, by resolution, opposed any change in regulations that would require local boards of education to select architects in accordance with Chapter 732 of the laws of Maryland of '74. I am speaking in behalf of the Board of Education of the people of Prince Georges County. Under today's type budgetary restrictions, it seems incongruous that we should implement a program wherein additional personnel would have to be hired or consultants hired to carry out what appears to us to be an unnecessary administrative function. Our staff estimates the total cycle for selection of architects under the proposal would be at a minimum 20 weeks. With this constriction, no

project could be planned between July 1 of the fiscal year and the following December 1st when design development documents must be completed and approved to qualify for construction money in the ensuing fiscal year.

We would find ourselves in a position of hiring consultants to prepare plans for those who desire to bid on A & E contracts. This is another element of cost that cannot be justified. If this must be done, the cost should be borne by the Interagency Committee and not the local educational agency.

The inherent delay in this procedure will add at least a year's inflationary costs of every project. With a one percent per month inflation factor, we should avoid all delays, if at all possible.

Omissions and errors in architectural contracts, and there will be some, will be the subject of many arguments, negotiations and extra fees. In a large county, where 35 to 40 projects would be in some state of planning or construction, we will find ourselves spending much more time on the administration of these contracts, again involving more man-hours.

In summary, we see no justification for the increase in administrative overhead which will be generated by this procedure. The existing Prince Georges County Board of Education policy provides adequate safeguards to insure a trouble-free, easily managed system. If we do follow the proposed procedure, final approval by the I. A. C. would be a perfunctory act and would be absolutely unnecessary. Therefore, we feel it should be eliminated.

The practical effect of the whole process would be to increase administrative overhead, delay the planning process, and consequently the completion of much needed educational facilities. The implementation of this plan should not be considered at all until the State Department of General Services and the Department of Transportation have fully developed programs in use.

GOVERNOR MANDEL: Any questions?

MR. GOLDSTEIN: No.

COLONEL WHITING: Thank you.

GOVERNOR MANDEL: Colonel, I just want to say one thing. Everyone is using the term bidding, and I don't think there is anything in these regulations that requires



any bidding. At least, when I read it, it didn't. It just requires negotiation, but there is no bidding from architects on any of these jobs.

COLONEL WHITING: I thought I could get away without means. I mean the architect or builder. May I call my advisor to answer that question?

Mr. Parker, will you answer it, please?

MR. PARKER: I think we would be agreeable to changing bidding to another word, proposal. We would be getting proposals for the second phase, the second step in the operation.

MR. LEWIS: These regulations say nothing about bidding.

GOVERNOR MANDEL: Not at all.

MR. LEWIS: It is all negotiation.

MR. PARKER: You are receiving proposals from the architects.

GOVERNOR MANDEL: No, you don't.

MR. LEWIS: It is a fee negotiation concept.

GOVERNOR MANDEL: All you are doing is negotiating the fee.

MR. JAMES: It says each firm selected for negotiation shall prepare a complete proposal.

GOVERNOR MANDEL: It is a proposal on the job.

MR. PARKER: We will accept the word proposal.

GOVERNOR MANDEL: Thank you.

Mr. Opel?

MR. LANTZ: My name is Curtis Lantz and I am the Assistant Superintendent of Baltimore City Public Schools. Mr. Opel, who is the Executive of the Architectural Commission in Baltimore City is here with me.

What we have requested, Baltimore City Public Schools is requesting that we be permitted to use the City process of selecting architects which was newly developed as a modification to the past procedures. Dr. Wohlman chaired a committee that prepared this process. We believe it closely parallels the State process certainly, in intent. The only difference that we would see is possibly the very end in fixing the fee. We would be negotiating on a fixed fee basis with the architect who had been selected by the City Architectural Engineering Selection Committee as the most qualified for this particular job. Our negotiations

would be based on not just dollars and cents but the schedule that the architect was proposing, or that we wanted, is cost control procedures that we feel are very important. If this negotiation broke down we would then go to the architect who had been identified as No. 2 on the list and Mr. Opel can answer any detailed questions of the process and how it works but essentially what we are asking is that we be permitted to use this procedure, because a dual selection system in Baltimore City we believe would be almost unworkable.

MR. JAMES: At what point do you select the architect? How do you meet the problem that Mr. Wheeler propounded?

MR. LANTZ: We have a very extensive educational specification, and we would meet with the architect who had been identified as No. 1 from four or five. We would review those educational specifications with him, along with the schedule, his procedures, his staff, and arrive at a sum, fixed fee. He would be required to display how he arrived at that fixed fee.

MR. JAMES: I mean Mr. Wheeler suggested that his

basic problem was to have a preliminary review of the program with the architect to develop exactly what they want to put out for bid, so that do you select your architect and then require him to do that work as part of the total job?

MR. LANTZ: Yes, sir, but it would be in response to a very complete educational specification. Our educational specs are very thick.

MR. JAMES: You have in-house capabilities to do all that, do you?

MR. LANTZ: We believe he would, yes.

MR. JAMES: Okay.

GOVERNOR MANDEL: Any further questions?

MR. GOLDSTEIN: No.

GOVERNOR MANDEL: Thank you.

MR. OPEL: I just wanted to say, Governor, members of the Board, you have copies xeroxed, I brought copies of the Baltimore City brochure. I am sure you are aware of how long the Mayor and his committee spent working up a procedure and we tried to parallel the State's as closely as possible and we do parallel the State's procedure all the way down the line until the very last step, where we negotiate with

one architect with the other selectees remaining in the wings if we cannot arrive at a contract with this architect. We will go forward in competitive competition with the second, third, fourth, etcetera. We are not advocating that this not be adopted. We are advocating that our procedure is so well defined and in tune with the State's that we be allowed to continue with our current boards which are made up of full time professionals.

GOVERNOR MANDEL: Thank you. Any questions?

(No response.)

GOVERNOR MANDEL: Mr. Weller?

MR. WELLER: Governor Mandel, members of the Board, my name is James A. Weller. I am a practicing architect in Annapolis and President of the Maryland Society of Architects.

I would like to present some comments representing the viewpoint of our society regarding the proposed changes in the selection procedures for the I. A. C.

First, we did not believe it was necessary or in the public interest to make the extreme change in

the selection system for state work that was required by House Bill 640 and the present difficulties and delays tend to confirm our opinion.

Even so, we realize these procedures are now the way it is and we are committed to working with that program.

Yet, there have been serious problems in implementing the new procedures. It has taken over a year, I understand over two consultant selections have been made to date. Hopefully we can work out the D. G. S. system before we extend the procedures to another agency.

Others have mentioned the additional bureaucracy buildup and time and money required to establish the new system. Is there really any public benefit?

We would like you to include in your considerations how the present economic situation affects the construction industry, including design firms. The entire industry is suffering throughout the state, and the consequences of another delay would be very serious. Thank you.

GOVERNOR MANDEL: Any questions?

(No response.)

GOVERNOR MANDEL: Thank you very much.

Doctor Willis?

DR. WILLIS: I don't feel that I have anything to add.

GOVERNOR MANDEL: That is the first time, Doctor.

DR. WILLIS: Mark it on the record, will you, please. But, you have given us a lot of time and we had two board presidents and they summed up the situation for the Board very well.

MR. JAMES: I wanted to ask Dr. Willis a question.

GOVERNOR MANDEL: Senator James wants to ask you a question.

DR. WILLIS: Oh, my.

MR. JAMES: Paragraph 5, is there any reason why the free negotiation couldn't embrace both the preliminary planning, which worries Dr. Wheeler and the total job itself after the preliminary planning is complete? Could the fee be embraced, if the fee were negotiated, couldn't it embrace both of those aspects?

DR. WILLIS: If you had previously selected the person you were going to use, yes. That is what he is

saying but if you haven't, if you can't select him, and though he has a pretty good knowledge of what you want him to do, then you have to get somebody to prepare that initial plan.

MR. JAMES: You are saying you really can't have two people bidding until you finally decide what you are going to do?

DR. WILLIS: Exactly.

MR. JAMES: Okay.

GOVERNOR MANDEL: Thank you.

I think that is all the people that we had listed.

Delegate Blumenthal?

MR. BLUMENTHAL: Mr. Chairman, and members of the Board, I am here in a very unusual position of endorsing the Interagency Committee's proposals. Usually, I have been an opponent of some of their proposals but this one I certainly can endorse.

GOVERNOR MANDEL: We are going to have to look at them again.

MR. BLUMENTHAL: I suggest you do. There are



some interesting things in the proposal, but as one of the sponsors of the bill that is being talked about, House Bill 640, when we originally passed that bill, it was the overwhelming majority of the House Appropriations Committee that we move the bill. We believe that it did include all of the public school construction, because at that time Mr. Carey appeared and Mr. Lewis and they did point out that it would affect the public school construction in their testimony and this and that, but apparently an Attorney General's opinion said that in pass-through funds where the State doesn't actually give out the funds itself directly, then it did not apply, but in this case we are dealing with over a billion dollars in the public indebtedness of the State. This is the largest capital improvement program that this State of Maryland will have until we get into the mass transportation programs. So, we are dealing with a great deal of the State's money, and it is proper that we adopt the procedures.

When the Committee learned of the Attorney General's opinion, we drafted House Bill 925, which we

did not defeat when we heard that the Board of Public Works was moving in the same direction. We sent the bill to the Legislative Council and it is in the Senate Committee, it is in front of us now and if the Board of Public Works goes forward and adopts these procedures, I don't think it will be necessary to report out House Bill 925, because most of us believe that it is not necessary to legislate in an area where the administration is already acting favorably and in conjunction with the State Legislature.

Very briefly, this bill came about after the public was informed of the many indictments by a Federal Grand Jury in Baltimore, and they were indictments of engineers that had been accused of corrupting public officials and a few public officials have since been imprisoned, and a few engineers have been relieved of their profession, and the committee felt that one of the reasons that this was made possible is that they were competing on a negotiated basis, if you could call that competition. There was flat out negotiations and there wasn't any sign of competition other than their ability to, if you will, corrupt public officials, and if one was more successful at

it than the other, he was the most successful engineering contractor in our state, and it went on that way and the House Bill 640 was an attempt to do away with corruption and institute competitive bidding in its place, because we felt at public bid openings such as a contract for construction would be one that couldn't easily be denied and you couldn't easily go around and make deals that were illegal, or at the very least, immoral.

The committee recognized that, the House and Senate recognized that, the Governor of our state recognized that and the Bill became law and it is functioning with two agencies, and I am proud to say that the Department of Transportation is making it work. They have handed out very important contracts and it is working. It is only with one of the other departments, the Department of General Services, that it has been not working well, and you have a letter from Delegate Nichols, which explains in detail the circumstances of why it wasn't working well. Apparently one of the reasons it wasn't working well is the Secretary of that department has never been a champion of competitive bidding or House Bill 640, and he has a long record of

being opposed to it publicly.

MR. JAMES: That is not what the letter says.

MR. LEWIS: Let me correct you immediately, Charlie.

MR. BLUMENTHAL: I would be very happy to be corrected on that point.

MR. LEWIS: Because I have advocated since House Bill 640 passed free competitive bidding of pre-qualified architects.

MR. BLUMENTHAL: That is another point.

MR. LEWIS: You made a statement. I don't think you have the knowledge to make the statement.

MR. BLUMENTHAL: Let me tell you about pre-qualifying the contractors. When you pre-qualify a group of contractors that is the same as excluding or avoiding competitive bidding.

MR. LEWIS: In other words you want everybody that is a registered architect to be capable of bidding a job. You had a bill in the Legislature to that effect.

MR. BLUMENTHAL: Let me say this. I spent my entire adult life in the architectural-engineering

profession, also in the contracting business, not as an owner but as an employee at middle and top level positions. I can tell you this, Mr. Chairman, the engineering profession is very different from the legal profession or the medical profession inasmuch as 98 percent of all engineers are employees of other engineers. We may have 3,000 registered engineers out there in this state, but we may have as little as only 30 acting companies that are actually getting business throughout our state and the reason is the system that exists, the system that pre-qualifies young engineers or small businesses from getting large work or getting state work, or getting other work. This is the system that House Bill 640 is attempting to change and if we change it, we will free a great many members of the profession, encourage other members of the profession to get into it and to compete, to compete on their ability and on the cost of their work. We felt that if an individual is expert enough to do the job, he is also expert enough to determine what his fee should be, and I notice that you had questioned the regulations earlier, you felt there wasn't any bidding in there but if

cost is a basis, and apparently it is in these regulations, and by any other name there is competition, and the competition is based on cost and if the competition is based on cost, it must be in the form of some kind of a bid, whether you call it a proposal or letter of intent or by any other name, so I do think these regulations are a tremendous step forward, and if they are adopted, I don't think we have to proceed with House Bill 925.

GOVERNOR MANDEL: Are there any questions?

MR. GOLDSTEIN: No.

GOVERNOR MANDEL: I want to make a statement because I think what you said was not accurate at all as far as Mr. Lewis is concerned. House Bill 640, I think that is the number, was merely a clarification of procedures that had been approved by the State prior to this bill going into the hopper. Am I right?

MR. BLUMENTHAL: There is a matter of timing. House Bill 640 was pre-filed and I believe your executive order came out after that.

GOVERNOR MANDEL: But that had been a study that was headed by Dr. Wohlman for almost a year or longer

to come up with recommendations and then House Bill 640 is merely a reiteration, practically.

MR. BLUMENTHAL: With some notable exceptions.

GOVERNOR MANDEL: With some exceptions. What I am trying to tell you is, Mr. Lewis worked on that with Dr. Wohlman for a long period of time. If it wasn't for the help of Mr. Lewis, we would not have gotten as far as we did. So I think your statement that he didn't like it, he may not have liked it, I don't know because he never expressed that to me, but he did a maximum amount of work to make it possible and is trying to make it work. It is a new procedure. It doesn't necessarily mean that it is all right. There are problems with it. We are going to have problems and you are probably going to have legislation next session to try to straighten out some of these problems.

MR. BLUMENTHAL: I would hope so.

GOVERNOR MANDEL: That statement was unnecessary and it was wrong. I just want that in the record.

MR. BLUMENTHAL: Let me say this. If Mr. Lewis is indeed a friend to competitive bidding or competitive

negotiation --

GOVERNOR MANDEL: It is not a question of whether he is a friend or enemy. The fact is that it is the law and he is carrying it out and he helped, he helped prepare that law, and I think a statement like that as I am going to say it again is wrong, unnecessary, and I think it ought to be corrected and I am correcting it for the record.

MR. BLUMENTHAL: I would like it corrected too.

GOVERNOR MANDEL: I hope so.

MR. BLUMENTHAL: If indeed this implementation or lack of implementation of this law is an act of God and not an act of Secretary Lewis, I would be very happy to apologize to Secretary Lewis and say that I think that you can, with your diligence, implement this law and make it work with the same effect that the Secretary of Transportation is making it work.

GOVERNOR MANDEL: The two of them have worked together for your information, in trying to make the program work. The Secretary of Transportation and Mr. Lewis.

MR. LEWIS: Mr. Blumenthal has responded to a number of legislators who have been interested in House Bill



640 but I have yet to have a talk with you. I will be very glad to meet with you and go over the whole program.

MR. BLUMENTHAL: I have tried to come to some of your meetings and asked when they were available.

MR. GOLDSTEIN: I think we had better get on with the business at hand, Governor.

MR. LEWIS: They are all published in the Maryland Register as required by the Federal Register. They are all public meetings.

GOVERNOR MANDEL: Are there any other questions?

MR. GOLDSTEIN: Anybody else to be heard?

GOVERNOR MANDEL: No.

MR. GOLDSTEIN: Governor, that is the reason I think we are using the right procedure. Here we are doing something by administrative act. In case there are any modifications they can come back to the Board every month or twice a month and we meet the first and third Wednesdays and this doesn't go into effect until January 1, 1976. If any change is to be made we certainly can make them before January 1, '76. I believe the process should be used. I believe it will work, based on my

knowledge of the fine superintendents who have spoken here, members of the school boards and I move that we adopt the procedures as set forth.

MR. JAMES: Before you make that motion, I would like to ask Mr. Lewis a question. In the light of the testimony, would there be any reason to consider Paragraph 5, to clarify the fee negotiation procedures, in the light of Mr. Wheeler's testimony and in the light of the other testimony?

MR. GOLDSTEIN: I thought we could adopt it and offer amendments.

MR. JAMES: Let me ask this question.

MR. GOLDSTEIN: Go ahead.

MR. LEWIS: I think procedure could be worked out that would accomplish what Dr. Wheeler is involved with because it would mean negotiating anew for the total project in phases, and awarding the contract on the basis of one and continuing the process which we do in our projects because they are not funded.

MR. JAMES: Would it be best to amend this language to do that?

MR. LEWIS: I don't think so because the language is relatively loose if you read it. In fact, there is one thing that concerns me. It is loose enough to handle, the I. A. C. would have the right, apparently, under these regulations to accept Baltimore City's concept. Baltimore City's concept basically varies from Item 5, Paragraph 5 here in that it is negotiation. It is what we call in the profession competitive negotiation in which you negotiate with the first man on the list and if you fail to reach an agreement with the first, then you go to the second and I think this is loose enough -- it would give us the right to approve.

MR. JAMES: Of course, in the first part on Page 1, there is a full authority of the I. A. C. to approve the local selection procedure prior to implementation, so these are merely guidelines and not completely binding on the I. A. C. as I understand it.

MR. LEWIS: All right.

MR. JAMES: All right.

MR. GOLDSTEIN: With that discussion I move that we adopt the professional service selection procedure for

public school construction projects as set forth in the recommendations dated May 26, 1975.

MR. JAMES: Seconded.

GOVERNOR MANDEL: George, let me ask you one question. I wanted to get it clear in my mind. Under these regulations, the Board would have the authority as I read it to deviate or to allow an area to deviate from the exact rules of these that we are adopting. I am thinking in terms of, say, a small county.

MR. GOLDSTEIN: It is right on the first page, "Selection procedures shall be developed by the local board and approved by the Committee." You are putting it right back in the local school boards, local superintendents, like we said when we initiated the school program.

GOVERNOR MANDEL: I want to be sure that is clear for the record that, for example, if Somerset County, they may not be building another school for five or ten years. They could come to you with a plan for that county that you could approve that not necessarily would have to follow after this.

MR. LEWIS: No, as the Board mentioned at a

previous meeting and requested that we make these as guidelines only.

GOVERNOR MANDEL: Right. I just want to make that clear.

MR. LEWIS: To allow the I. A. C. to accept the condition or a procedure based upon the conditions that exist within that particular county.

GOVERNOR MANDEL: Right.

MR. JAMES: I would like to make a technical correction here, on Page 1, the State of Maryland, House Bill 640. I think you ought to make reference to the Code rather than to just -- this doesn't even give you the date when the House Bill was introduced.

MR. LEWIS: You should refer to the Code.

MR. GOLDSTEIN: What page is that, Bill?

MR. JAMES: Page 1.

MR. LEWIS: We will give you a new paragraph.

MR. JAMES: Under general requirements.

GOVERNOR MANDEL: Amend that to include the Code reference.

MR. JAMES: The first page.

MR. LEWIS: Under the general requirements section.

MR. GOLDSTEIN: Right. I've got it.

GOVERNOR MANDEL: Include the code reference.

MR. GOLDSTEIN: Do you want to take the vote?

GOVERNOR MANDEL: Motion was made to approve the regulations. All in favor say aye.

MR. GOLDSTEIN: Aye.

MR. JAMES: Aye.

GOVERNOR MANDEL: Opposed, no.

The ayes have it.

Thank you all very much.

What is the next item on the agenda? On the Maryland Historical Trust we have a number of people that want to be heard but the items that are on the agenda -- is there any objection from any of the members of the Board to those items?

MR. GOLDSTEIN: I had a call last night from a fellow representing the Y. W. C. A. and they said they agreed provided they could use the tobacco Price House until Historic Annapolis got ready to use it.

MS. WILLARD: Yes, we asked to be allowed to stay until Historic Annapolis has their exhibits open and ready to use the building.

MR. GOLDSTEIN: Do you see any objection, Senator?

MR. JAMES: No.

MR. GOLDSTEIN: Is anybody here from Historic Annapolis? Do you all agree with that?

MS. SYMONDS: Yes.

MR. GOLDSTEIN: They are all happy.

GOVERNOR MANDEL: There is no objection to that.

MS. WILLARD: Yes.

GOVERNOR MANDEL: What is your name, please?

MR. SYMONDS: Pringle Symonds.

GOVERNOR MANDEL: Do you want to give your name for the record and title for the record, please?

MRS. SYMONDS: I am Mrs. John Symonds. I am the Second Vice-President. Mrs. Edith Willard, President of the Y. W. C. A. for the historic City of Annapolis and Anne Arundel County.

GOVERNOR MANDEL: As long as there is no

objection and the two of you are in accord, I see no reason to hold all of you people here.

MR. GOLDSTEIN: Historical Trust, is that all right with you?

MS. SYMONDS: Yes.

MR. GOLDSTEIN: That is the way to get things done. I move we approve it.

GOVERNOR MANDEL: Item P-2, Item P-3, Item P-6, Item P-7, Item P-8, Item P-9 are all approved.

Thank you very much.

What do you have next on the agenda?

MR. BARNES: General Item 5, on Page 5, it relates to the Department of Health and Mental Hygiene, Office of the Secretary. Mr. Rosenbaum is here, Deputy Secretary, to make a presentation at this time.

GOVERNOR MANDEL: Go right ahead.

MR. ROSENBAUM: Governor Mandel, members of the Board, for the record may I identify myself as Herbert Rosenbaum, Deputy Secretary of Health and Mental Hygiene.

We are here today on a very narrow issue.

GOVERNOR MANDEL: Speak up a little bit, Herb.



Please, can we have some quiet? Go ahead.

MR. ROSENBAUM: Last month, this Board implemented a new physician salary schedule. It was approved by the Board on June 6, '75 and as a result of that action, four subordinate program chiefs are going to receive \$36,949 in July and it is going to go to \$39,166 with the January increment. The problem comes up in that we have these four subordinates -- are going to be receiving more money than Dr. Benjamin White, who is our Assistant Secretary in charge of all of our programs and he was, of course, an eminently qualified public health physician and he is a long time career employee of the department. Dr. White is responsible for the supervision and direction of all of the programs and treatment activities within the department.

Now, what we would like to do is to increase Dr. White from his present salary of \$36,800 to \$39,500 -- it is a rather narrow band of increase -- and I must report to you that the budget, Bureau of Budget and Fiscal Planning does not recommend this. On the other hand, the Secretary of Personnel has reviewed this request and does recommend it. We have put this in on the basis that an

emergency exists and this, of course, is the only basis on which we can get it through at this time, because of statutory provisions. The Budget Bureau apparently thinks and obviously thinks that adjustment of salaries of subordinates does not constitute an acute emergency. To us it does represent that type emergency and we are asking for relief. That is about it.

GOVERNOR MANDEL: Are there any questions?

MR. BARNES: Governor, the basis of the Budget Department's recommendation was that as this package developed for the physicians who do the work out in institutions, we worked we thought cooperatively with the Health Department, with the Personnel Department, developed, assisted in developing the package, in order that the system retain competent physicians in the hospital providing services. In my letter of April 2nd to Mr. Bosz, I put in that letter, it is this department's understanding the proposed salary package is applicable only to the classification of physicians and dentists, except for a maximum number of physicians that obviously are directly related to these classifications such as the Commission on

Mental Hygiene and Chief, Division of Mental Health.

Therefore, this department expects there will be no other repercussions as a result of this action with other classifications.

What we were saying to the Board at that time as they approved on June 6th, I believe, the salary increases for physicians, we didn't expect that it would have a result in the increase in higher level coordinating jobs. Part of our reason for suggesting or recommending to the Board that it not approve this as an emergency action is one, we don't know what the emergency is. Two, they could accomplish almost the same thing by paying Dr. White at the same classification of the hospital physician and paying him \$39,166, almost immediately through administrative action, which would put him at the top level of those physicians. In addition, we understand the Health Department is doing a complete restudy of itself in terms of reorganization. The Board, and the Budget Department ought to know where is this particular job going to exist in that framework of reorganization. The Board, for we have that information at the present time. In state

government, there are numerous examples of where supervisors get paid less than the people who do the jobs. A notable one is the Director of the department of Assessments and Taxation makes less than two of the county assessors so that we don't raise his salary, which would throw it out of line with other similar salaries throughout the state. Basically that is the basis of our not recommending. It is really an issue which the Board needs to make the decision one way or the other and either way, there is merits on either side of the situation.

MR. ROSENBAUM: One other bit of information I would like to pass out. We will not be coming back, that is in the Department of Personnel, with the personnel of the Department of Health and Mental Hygiene. Again, this is a unique situation and it pertains only to this one request, so that that may make a difference to you. We hope that it does.

MR. GOLDSTEIN: Governor, after listening to it I feel they can do it in-house. I move we defer this item until the whole study is made and they can take care of Dr. White by raising his salary to \$39,166. Otherwise,

put the salaries back to what Dr. White's is.

MRS. HEARN: I am Ann Hearn, I am here from the Department of Personnel. It is true that administratively we could immediately reclassify Dr. White, and he would have a slight differentiation above the program chiefs until January 1st. On January 1st, by the incremental system, the same four medical men who are in his area of supervision would catch up with him, so for a very short time span, six months, we could do that.

Our position on this is we thoroughly agree with Dr. Barnes. It is possible for a supervisor to be receiving less compensation than those supervised. However, it is unusual when this happens, when the supervisor has the same qualifications. The Department of Personnel pushed for hospital administrators being lay personnel at less than doctor-surgeons long before the Department of Health and Mental Hygiene went to a hospital administrator. In this situation, Dr. White has the same Board-certified medical qualifications as these program directors who are in his area of responsibility.

The example that Dr. Barnes cited with Taxation

is something that occurred because counties were brought into an existing system. We never established a salary system whereby the head of the department was making less than a county supervisor.

That came about because of the State take-over of a function, so we think that, you know, what we are asking for Dr. White is a very token, less than \$200 differentiation, to publicly verify. The department sees him as being the Director of the program, not just a co-equal with four other medical men on his staff.

GOVERNOR MANDEL: Senator James has a question.

MR. JAMES: What is the emergency? One of the things that worries me about this section 6427-A is the term emergency certainly is very lightly treated by the executive branch generally. What is the emergency?

MRS. HEARN: This is a term that we in Personnel have more recently defined what you would consider emergency. At one time we had a set of five criteria that we would use internally. One of those criteria, and one that I think is actually set out in the law is that the purpose of emergency action is to procure and retain

qualified professional and technical personnel. It seems to me that we are being a little bit inconsiderate at least if we in effect say to a man, if you quit, we would pay more to get your replacement but since you have been a long time State employee, we can't adjust your salary.

MR. JAMES: Don't you think that the Department of Personnel ought to state what the emergency is when you make these approvals? I frankly, sitting here, I take a dim view of the loose and careless use of this particular section of the law and I am not quarreling with you personally.

MRS. HEARN: Right.

MR. JAMES: I am making a general observation. I don't think the Legislature likes the loose use of this particular language.

MR. BARNES: Senator James, they spelled this out. This job is listed in Page 6 of the budget text, they spelled out these sections for the jobs listed, shall not be exceeded except in strict documented compliance with the acute emergency provisions of Section 8 of this article, and at this point in time, we don't have that spelled out.

that is the specific documentation of what the emergency is.

MR. JAMES: That is my concern purely. May I comment briefly?

MR. GOLDSTEIN: Just one minute. Mrs. Hearn, I lose good people every day. I have got them highly trained and you won't reclassify them. What do we do, retire new people until we train them? I have got people all over the state trained by me for the last 17 years. I wish them well and good. A lot of them want to come back after they get on the other side of the pasture.

MRS. HEARN: We do it too.

MR. GOLDSTEIN: You don't reclassify them. They are highly qualified technical people and I lost them.

MRS. HEARN: Right. It happens.

MR. GOLDSTEIN: You know that.

MRS. HEARN: Right.

MR. GOLDSTEIN: I never get answers to my letters written to Mr. Bosz. He hasn't answered me yet.

MR. JAMES: You are not in an emergency situation.

MR. GOLDSTEIN: I am overspent. They produce problems. They don't produce the money.



MR. MUIR: Joseph Muir, Director of Administration for Health and Mental Hygiene. I just wanted to respond briefly to Senator James' question. On physicians salaries, the State, through Budget and Fiscal Planning in the Department of Personnel and on this Board, recognized a critical emergency in that whole area and as a result approved a new physician salary plan. This is sort of Dr. Solomon. These single medical positions in our department are responsible for supervision of this whole group of medical and treatment activities in our department so the emergency spreads to this single physician. It is one of those few positions that Ken identified in his letter as a position related to that general physician package. The emergency is in the status, the problems given this man, subject to only Dr. Solomon's supervision and Mr. Rosenbaum's supervision and direction to direct our medical treatment program.

GOVERNOR MANDEL: I think it is unfortunate that this whole subject has come up in this light because I think Dr. White is a highly qualified, capable man.

MR. MUIR: Yes, sir.

GOVERNOR MANDEL: I think he is doing an excellent job but what you have just said I think pinpoints the problem. You said this is the only medical position. This is not a medical position. This is a position that happens to be occupied by a medical doctor. It could be occupied by any other person. The doctors are doing doctors' work that has to be done by a doctor, but this could be filled by any individual.

MR. BARNES: Dr. Taback, who had it previously --

GOVERNOR MANDEL: Was not a physician.

MR. BARNES: I agree, Governor.

GOVERNOR MANDEL: What I am saying, it is unfortunate that it has to come up in this light because he is a good man and doing a good job.

MR. MUIR: Yes, he is. Could I comment on that?

GOVERNOR MANDEL: It is not a position that requires a physician.

MR. MUIR: There is a physician. Mr. Rosenthal could testify to this. It is Dr. Solomon's full intention that the individual, whoever it is in that position, be a fully qualified person, trained in public health and be a

physician. Let me also go another step. There is no request before this Board now in terms of any emergency for example, in connection with Mr. Rosenbaum's salary, or other salaries of high positions in our department that could be related to the positions planned. Surely that will be reviewed by the department and put into the annual salary review. This is an emergency, however, because it is Dr. White and it is a physician and it is related to the medical personnel of our department.

MR. BARNES: Are you saying you didn't make an A. S. R. request?

MR. MUIR: I didn't say that. I said we didn't have an acute emergency in those cases. You will get it all in the A. S. R.

MR. GOLDSTEIN: Why didn't you put in this request when you had the request for the other four doctors? Why do it piecemeal?

MR. MUIR: And, do you know the technicalities of that? I don't.

MR. GOLDSTEIN: I had an idea when I voted for the other, I did it with my tongue in cheek that you would

come along and ask for more doctors. You don't do it completely. You do it piecemeal and try to put us on the spot. I don't like it. Is this man a temporary or permanent job?

MR. BARNES: Permanent career.

MRS. HEARN: Dr. White is a one-man classification and has a flat rate salary that was not identical to the flat rate salaries in the physician series so since he got the standard three percent adjustment that upper level state employees got, whereas physicians went into the new physician salary plan, actually, the four subordinate division chiefs under him are at this minute being paid more than he is, because their July 1st adjustment was more than their three percent adjustment and he didn't just go with the rest because he was in an isolated single class that was not identical to any of the rates in the physician pay schedule.

MR. BARNES: You could have and if you chose to put them in there.

MRS. HEARN: We could have reclassified them to physician and he could have gone at the same as these men,

but on the standard procedures, since he wasn't classified physician and as you said legally that title didn't require it had to be a doctor, we didn't think we could use that leverage to do it.

MR. GOLDSTEIN: Why can't you pay the \$39,166 now and make him happy?

MRS. HEARN: It would make him happy for six months but that is just postponing the problem.

MR. GOLDSTEIN: By that time you will have your study finished.

MR. BARNES: That can go in the '77 budget and let the Legislature decide.

MR. GOLDSTEIN: I move we reclassify him to \$39,166.

MR. JAMES: I can't vote for that.

MR. GOLDSTEIN: Okay.

GOVERNOR MANDEL: I think you ought to get together, Ken. Let's postpone this until the next meeting.

MR. GOLDSTEIN: Okay. I move we defer it to the next meeting.

GOVERNOR MANDEL: And work this problem out.

MR. BARNES: I am meeting with them tomorrow on another matter.

GOVERNOR MANDEL: See if you can get it worked out.

I don't think anybody objects to the salary. It is the method.

MR. LEWIS: The next item, Governor, is on my agenda, Item 10, Page 7.

GOVERNOR MANDEL: Dr. Cowley?

DR. COWLEY: My name is R. Adams Cowley. I am Director of the Division of Emergency Medical Services for the State of Maryland, Department of Health and Mental Hygiene.

We are responsible for the communication system which is being built for the State of Maryland for emergency health care delivery. We have already designed the system and we are now in the process of preparing for implementation and management of the system.

We have open bids and when one selects bids other than the lowest one must be sure we feel that two criteria must be met. The first is the bid requested to be

accepted must have certain features that more than justify the added expense, and second, it must be in the best interest of the taxpayer and user. This is our reason for selecting the bidder as we did, and I would like to present Mr. Charles Garrett, my associate and Deputy Director of the program, who was project manager and he will tell you exactly the reason why the selection was made.

Mr. Garrett?

MR. GARRETT: Ladies and gentlemen, the system that is under consideration for the contract is a large system. It encompasses 18 Maryland Counties, all but the six counties that are in the Metropolitan Baltimore District and have a communication system that was funded by a previous federal grant. The system involved radio based stations that are located on mountain tops, hospitals and other locations around the state. It involves mobile radios that will go in every first run emergency ambulance in the state. It involves control consoles that would be located in the central alarms in 15 of the 18 counties, and it involves control consoles

that go in every hospital emergency department.

Maryland has spent a year in the design of this system. We utilize to assist us technical experts, consulting engineering firms, which incidentally was selected in the competitive bidding process, and we wrote a very detailed series of specifications which followed the final design.

The bid, the system is large and complex. Six possible contractors purchased the specifications. However, only the two largest companies in the U. S. that can supply this type of equipment responded, General Electric and Motorola.

We went through a very detailed analysis of the bids from each vendor, approximately one manmonth of technical time was spent in reviewing and analyzing in great detail both bids, utilizing our technical engineering and consulting firm as well as the technical personnel within the department.

It was on that basis that we made our final decision.

In the evaluating process, we applied many



objective criteria, which I have here, and also we brought both bidders back after they had submitted the bid and spent a day, approximately eight or nine hours, with each of the two bidders to be sure that we thoroughly understood the details of their bid. The bids are significantly thick in technical content and we evaluated both of those.

I would be happy to answer any questions. I don't know how deeply you want to go into the technical aspects of the thing.

MR. GOLDSTEIN: May I ask one thing?

GOVERNOR MANDEL: Go ahead.

MR. GOLDSTEIN: Is this system you are proposing to buy, is that incompatible with the one in Baltimore?

MR. GARRETT: Absolutely.

MR. GOLDSTEIN: What kind of radios are you using in the Baltimore system?

MR. GARRETT: The Baltimore system is one -- if you want to know which vendor they are using?

MR. GOLDSTEIN: Yes, sir.

MR. GARRETT: They're portable radios. Radios in ambulances were provided by a company called Pioneer

Medical Products. It utilizes equipment both made by Pioneer and equipment made by General Electric. The radio base stations in the Baltimore system are G. E. base stations.

GOVERNOR MANDEL: Pioneer didn't bid on this, did they? Is this the same Pioneer Corporation?

MR. GARRETT: It is the same Pioneer -- Pioneer Corporation was one of the companies that purchased the bidding documents. They chose not to submit a bid.

MR. JAMES: Do you have in-house capability to analyze these technical matters or do you depend on Spectra Associates?

MR. GARRETT: I am a graduate engineer myself and I have a communications engineer on my staff. And, so I think yes, we have in-house capability as well as utilizing technical experts from the outside. In addition to that, as quality control on both of us, the National Aeronautics and Space Administration, Goddard Space Flight Center has provided us with a communications engineer who has followed the entire process from the initial selection of the design engineer through this design specification,

writing and bidding process just as an external check. That individual furnished at no charge to the State by NASA has been involved in all of the discussions and concurs in the resulting decision that was made by the Division.

MR. JAMES: That satisfies me.

GOVERNOR MANDEL: Any further questions?

MR. GOLDSTEIN: Yes, sir.

You say 18 counties will be using this system?

MR. GARRETT: This particular system --

GOVERNOR MANDEL: This covers the rest of the state?

MR. GARRETT: Rest of the state, that's right. It does not include the six jurisdictions, Baltimore City and five surrounding counties which recently put their communications in.

GOVERNOR MANDEL: You should make it clear. This will enable them to cover the whole state.

MR. GARRETT: That's right.

GOVERNOR MANDEL: The Baltimore area already has the system. This will tie in. The other 18 counties

will then be tied into the whole state system so you will have one system for the whole state, is that right?

MR. GARRETT: That is exactly right.

MR. GOLDSTEIN: What kind of guarantee do you have that after you put the system in from General Electric?

MR. GARRETT: There is an extensive requirement for warranty of the entire system, parts and labor for a period of one year. Both bidders, that was in the bidding specifications and both bidders responded and agreed to provide a one year warranty.

MR. GOLDSTEIN: And you feel the State is justified in taking the second bidder?

MR. GARRETT: I do, sir.

MR. GOLDSTEIN: In other words, G. E. bid \$2,215,000; Mollo, \$2,132,695.

MR. GARRETT: Yes, sir. We don't have that amount of money to spend. If we completed the entire system that would be the difference in cost between the two bids. We only have approximately \$2,000,000 to bid so we are not able to purchase all of the operations that

were in the bidding process.

MR. GOLDSTEIN: On that question because you won't be able to purchase other operations where will the deficiencies be?

MR. GARRETT: We will have to utilize other sources. We have federal grants to furnish the remaining ambulances. We do not have enough money in either bid to purchase equipment to install in every ambulance in the state at this time. All of the fixed equipment, hospital, central alarm equipment will be installed and most but not all of the ambulances will be mobile equipment.

MR. GOLDSTEIN: What part of Maryland will not have ambulances?

MR. GARRETT: Every part will have ambulance equipment. We will take the companies that operate three ambulances and ask that initially they only equip two of their ambulances with the radio.

MR. GOLDSTEIN: What you are saying in every rescue squad or fire department, they will have at least one ambulance equipped?

MR. GARRETT: Absolutely.

MR. GOLDSTEIN: And every county?

MR. GARRETT: In the 18 counties we are talking about, yes, sir.

MR. GOLDSTEIN: So he can't come along and say Mr. X or Mr. Y did because they didn't have the equipment in our ambulance?

MR. GARRETT: No, sir. We are negotiating an agreement with every ambulance company right now to protect radio, agree to transfer it to another vehicle.

MR. GOLDSTEIN: That is the next question. How about the local fire department, local rescue squad, what responsibility will they have to maintain this equipment so it is functional and operational at all time?

MR. GARRETT: We are entering into a written agreement, a written agreement with every fire department, ambulance company, hospital, central alarm that will utilize this equipment and that written agreement specifies responsibility for maintenance. The State will have a maintenance contract to keep all of the equipment maintained. The site owner has a requirement to protect the equipment, to insure against its abuse and loss through

neglect or something like that and to certify that they will operate it and use it in accordance with all the rules and regulations.

MR. GOLDSTEIN: Title --

MR. GARRETT: Title remains with the State and the State will actually maintain the equipment to be sure it is all operating all the time.

MR. GOLDSTEIN: You say you have a maintenance contract. With who?

MR. GARRETT: For the first year it is under warranty. After that, we will negotiate under competitive bidding process with maintenance contractors, standard electronics firms around the state to provide maintenance on this etype equipment.

GOVERNOR MANDEL: Senator James?

MR. JAMES: Would you explain the alternate A that you have adopted, the advantage of the substitution?

MR. GARRETT: Yes, sir. Alternate A is an alternate that exists in Garrett County and in Garrett County the central alarm is located at Oakland. The base station, the best site for the radio stations are located

at the top of a high mountain in Deep Creek State Park and you must be able to control that mountain top site from Oakland. There are two choices that you have. One is telephone lines running up the mountain. The second is a microwave radio network from below the mountain to the top, and Alternate A is an alternate that provides for the microwave link from the Garrett County Central Alarm in Oakland to the mountain top site. It is for a two Gigahertz system, one which permits 24 communication channels between both points in lieu of 960 megahertz system which provides for only five communication channels between the point and in that particular site because of the fire companies, ambulances and whatnot involved we find we need more than five communication links.

MR. JAMES: You have three locations where you have done that?

MR. GARRETT: Only two locations where we have done that. It is needed in Garrett County, it is needed in Frederick County.

MR. JAMES: How about --

GOVERNOR MANDEL: Allegany.



MR. GARRETT: Alternate B was Allegany County. We don't believe we need more than five counties so we are not taking the alternate.

MR. JAMES: It says Alternate B, add in my version here.

MR. LEWIS: You have to look at the lack, acceptance of base bids, Alternates A and B.

GOVERNOR MANDEL: It says acceptance of A and C.

MR. GOLDSTEIN: You will spend \$1,820,396.

MR. GARRETT: Approximately that. In fact, we do expect a formal announcement of a federal grant of another \$200,000 which will enable us to do even more.

GOVERNOR MANDEL: Any other questions?

MR. GOLDSTEIN: I think we ought to hear from Spectrum

GOVERNOR MANDEL: Thank you very much.

Is Mr. Brower here?

MR. HODGES: My name is Hodges from Spectra.

GOVERNOR MANDEL: Is there anything that you have to add, Mr. Hodges?

MR. HODGES: Yes. I would like to say that all

of my experience of some 26 years in the professional world, I think this is probably the most objective, detailed and quantified bid selection that I have been involved with.

GOVERNOR MANDEL: That is why it takes so long.

MR. HODGES: That is why it took a while to accomplish it, but on the other hand, we recognized that --

MR. JAMES: You almost examined yourself out of the budget picture.

MR. HODGES: I don't think I need to comment on that. However, the activity that we engaged in involved calling and talking with personnel who had used the equipment of each vendor in similar circumstances and it involved the waiting, placing of waiting factors on all of the qualification and selection criteria and the development of a matrix, which Mr. Garrett has in his possession. You might, in fact, Mr. Lewis, like to see that at one point, some of the others of you too, because it enabled us to make a very difficult decision as far as the evaluation was concerned.

We found each of the vendors to be in some ways

non-responsive, because this is a new business. This system is built on the implementation of the Federal Communications Commission's new rules and regulations, and it is the first large system of this nature that has gone to bid since those rules were promulgated in this last July. We have designed a system to be capable of utilizing those rules to the fullest extent.

So we found each of the vendors to be somewhat non-responsive because they don't have equipment exactly so called off the shelf and so in our evaluation, we wanted to be certain that we chose the one that would provide the very best system for the State of Maryland.

MR. GOLDSTEIN: Let me ask you a question on that.

MR. HODGES: Yes, sir.

MR. GOLDSTEIN: Do you have a frequency that you can use that won't interfere with other frequencies?

MR. HODGES: The F. C. C.'s rules gave a block grant of eight medically related frequencies, and two that are used for common calling and coordination throughout the state. We have used all ten of those

frequencies in a very carefully designed frequency plan. That also involves the bulk of the metropolitan Baltimore. We have cooperated with them and also the metropolitan Washington area which includes certain Maryland counties, D. C. and the Northern Virginia counties that are a part of the metropolitan area, so we have developed a frequency plan for this whole area involving really three states.

MR. GOLDSTEIN: In other words, by doing that, you complied with all the F. C. C. regulations as of now?

MR. HODGES: Yes, we have.

MR. GOLDSTEIN: Is there any chance of their changing your frequency and putting you out of business?

MR. HODGES: I think there is no chance of their changing frequencies and putting us out of business. As a matter of fact, we have asked both vendors to look at a new rule making that is moving the two California frequencies. Both of the vendors indicate they could accommodate that. As a matter of fact, if the change is made, it would be beneficial for our system.

MR. GOLDSTEIN: In other words they change the frequency you can adapt to it?

MR. HODGES: That's right.

MR. GOLDSTEIN: The reason I ask, I know a little about that. I have been in communications in the Marine Corps. Frequency is so damned important. Washington may change administration and may change frequencies and put you out of business.

MR. HODGES: I don't think they will change the medical frequencies. If they change the call frequencies, we will be able to adopt the system with relatively no cost and if they change it quickly, it would not cost us anything at all to change the frequency orders or the crystals in the radios.

MR. GOLDSTEIN: In other words, what you are telling us is if they change the call or medical frequencies and with the crystals that you have or will get you will adapt to the situation?

MR. HODGES: Yes, if we have purchased the system before they change those call frequencies with a few dollars relatively, \$60, \$70 a crystal, he can change to

the new frequency.

MR. GOLDSTEIN: The crystal regulates the frequency, is that right?

MR. HODGES: Yes, sir.

MR. GOLDSTEIN: This is a very complicated business.

MR. HODGES: That is not a problem that will be troublesome.

MR. GOLDSTEIN: I just want to get it in the record so we know what we are doing.

MR. HODGES: Precisely.

MR. GOLDSTEIN: Thank you.

MR. HODGES: Any other questions?

MR. GOLDSTEIN: That is all I have. You answered my questions. Maybe.

MR. HODGES: Dr. Cowley?

DR. COWLEY: I would like Mr. Garrett to show you the model that was brought here, which was another reason for the selection of the bid. The man in the field, the ambulance and rescue squad personnel have ambulances and there is so much room in these vehicles and very

quickly they can show you another reason for the selection.

MR. GARRETT: As a part of the bid evaluation process we tried to look at the offerings of each from each bidder and we made some mock-ups so we knew exactly what we were talking about. This particular unit here is the General Electric proposal for the console that goes in the central alarm. There are 15 of these that go in central alarms in the state. It differs from the Motorola bid in that Motorola, this is a completely custom designed thing from the ground up with G. E. We can lay out the panel in a manner that is most desirable, from the operator's point of view, and many of the dispatchers in central alarms are people that have to operate this without a great deal of training, and so we can lay out the panel in a manner that will make it very simple for them to understand. The other bid, the Motorola bid, they bid a console they already have in existence. It is 15 inches longer than this, which gives us a problem in putting it into central alarms, Calvert County if you have been there, Mr. Goldstein.

MR. GOLDSTEIN: I have been there many times.

I take judicial notice of what goes on there.

MR. GARRETT: I think you know of the problem of inserting a new piece of equipment with a large size in it. The Motorola bid was one that was 15 inches longer than this. In addition, we don't have the flexibility in arranging it in an optimum manner for an individual to utilize because of the switches and all are already in place in the Motorola. That is an example. This is the largest that we would possibly envision. In fact, when we go to work with the vendor, we will be making this smaller and more compact than exists. Another thing we did, one of the things that are important are getting radios in ambulances around the state because we have a lot of different types of ambulances. This is the size of the mobile radio that will go in an ambulance that is proposed by General Electric. This is the unit that is proposed by Motorola. Motorola says they would be willing to break it apart in two sections and mount it in two different places in an ambulance with interconnecting cables. That creates installation and maintenance problems. As you can see, the General Electric proposal is a much



smaller device. In fact, we may have to take a spare tire out of an ambulance in order to put something of this size in. These are the type considerations that we understood as a part of the bid evaluation process, the value to the user, availability of space, etcetera.

GOVERNOR MANDEL: Are there any further questions on this item?

MR. GOLDSTEIN: No. I think they answered all the questions I had, about the frequencies and the crystals and the F. C. C. That is the most important thing, is to be sure they comply with that.

MR. JAMES: I move -- are you ready for the motion?

MR. GOLDSTEIN: Yes.

MR. JAMES: I move we approve it.

MR. GOLDSTEIN: I will second the motion based on the presentation made this morning by Dr. Cooley and members of his staff from Spectra. I think they have given it a very thorough study. We know it is one of the finest medical systems in the country. Its representatives have gone all over the U. S. to install the system like this in

other states. It is a real model for saving lives.

GOVERNOR MANDEL: I wanted to ask Mr. Hodges one question. I am going to vote for it but the Comptroller sent me an article the other day that I read very thoroughly. You said this is a brand new system. I just want to ask one question. Will it work?

MR. HODGES: Yes. I think there is no question that it will work and if it has any problems at all, the manufacturer has guaranteed it will work because we have a performance specification.

GOVERNOR MANDEL: That is all. You sent me that article on the part system that was also brand new.

MR. GOLDSTEIN: Right. While you were out of the room, that is one of the questions I asked him. It is guaranteed for a year. They will hire these maintenance people and the crystals and frequencies are so interchangeable, which is so important, because I used to be in communications when we had the Navy-Marine Corps system and then we became part of General Kruger's Sixth Army. Overnight we had to get rid of our equipment to get his C. R. E. equipment to go into operation in Japan. I know

something about this. I don't know how it work . I know it from a supply standpoint. You convinced me.

MR. HODGES: Could I make one point?

GOVERNOR MANDEL: I didn't want to prolong it. Quit while you are ahead.

MR. HODGES: I think you will find this selection switch that is shown here is similar to the one used in the New York Police Department. I called Lieutenant Musselman of the New York Police Department, who went to bat for the vendor that is supplying to General Electric that switch. He said this is undoubtedly the most reliable switch I have ever seen. He said we have not replaced one in two years. He said it took us only two seconds to replace the card, take the bad card back to the shop.

GOVERNOR MANDEL: Now that you have started, I want to ask you another question. Seriously, in case of emergency could this system be used in -- say we had emergencies around the state and needed instant communication around the state for non-medical emergency. Could this system be used?

MR. HODGES: I would say definitely yes. We have prepared it that way. We worked with Civil Defense, with the officials in Pikesville. You can tie it into the phone lines. In fact, it is being used in many of the O. E. C.'s in the counties of the state.

MR. GOLDSTEIN: I second the motion.

GOVERNOR MANDEL: Motion made to approve item 10. If there is no objection, the item is approved.

The next item?

MR. LEWIS: The next item, Governor, is on my agenda Item M-4 and M-5 on Pages 58 and 59 and we have Mr. Monaghan here.

GOVERNOR MANDEL: Mr. Monaghan?

MR. MONAGHAN: Mr. Chairman, members of the Board, I am John Monaghan, the Deputy Director with the Mental Retardation Administration in the Department of Health and Mental Hygiene.

You have before you two agenda items for the purpose of two group homes for the mentally retarded by the Montgomery County Association for Retarded Citizens. We are requesting that these two items be deferred until the

next Board meeting. The purpose of the request is to clarify the legal base for retroactive funding.

MR. GOLDSTEIN: Don't they have the same condition that we put in up in Carroll County?

MR. LEWIS: Well, that is one of the questions I think would have to be resolved. If you recall, these are funding after the fact. In other words, the property has been purchased and has been in use.

MR. JAMES: I have never seen anything like that before.

MR. GOLDSTEIN: It should have the same conditions.

MR. LEWIS: The conditions would have to be the same. The deeds are recorded.

MR. GOLDSTEIN: Do you understand that?

MR. MONAGHAN: I didn't hear the discussion.

MR. GOLDSTEIN: You asked we defer these two items. I asked the question of Mr. George Lewis if you will have the same condition in these two acquisitions: that we are now putting in all acquisitions, during the 15 year period if the property is sold and you all go out of business what

happens to the State's share of money.

MR. JAMES: That probably could be aided by written agreement and recorded.

MR. GOLDSTEIN: All of these speculators come along and get the State's money and after a couple of years they say we don't want to fool with the program any longer.

MR. MONAGHAN: You want that clarified at the next meeting?

GOVERNOR MANDEL: Did you see that copy of that agreement that is going to go into that other?

MR. GOLDSTEIN: Yes, sir.

GOVERNOR MANDEL: You read that?

MR. GOLDSTEIN: Yes, sir.

GOVERNOR MANDEL: I want to ask a question about that. It seemed just a little bit ambiguous to me in that last paragraph and I wasn't quite sure what it was saying. I don't know if you are familiar with it.

MR. JAMES: I think that is because the law is rather nebulous.

MR. GOLDSTEIN: I had a call from an attorney up

in Carroll County and wanted us to waive it. He was going to settlement. I said tell the bank the State is putting up half the money. They have a first mortgage on it. They went to settlement on it. I never heard more from them.

Did they call you?

MR. MILLSTONE: No.

MR. JAMES: I believe we discussed that when you weren't here one day. I believe you went to Washington. I think what you are faced with is the fact that the law itself is somewhat nebulous. It says, shall not be a lien. That is what the law says but then it goes on to say that the State can recapture the costs, but, of course, if you don't have a lien that poses a problem, how do you recapture the cost but that is the way the law is written.

MR. GOLDSTEIN: The fact that you put it on record and in the title company.

GOVERNOR MANDEL: The question again, Louie, is if you put it on record it doesn't become a lien.

MR. JAMES: The law says it is not.

GOVERNOR MANDEL: I don't want to hold you up on this. You are deferring these two items until the next

meeting.

MR. MONAGHAN: Yes, sir.

GOVERNOR MANDEL: If there is no objection, the items are deferred. Thank you very much.

That is all of the items we have?

MR. LEWIS: One more, Governor, you have University Maryland, Baltimore, Item P-1, Page 64 on my agenda. Dr. Kuhn is here to speak to this.

MR. JAMES: You ought to go on vacation again. You are creating a log jam here.

MR. GOLDSTEIN: Item P-1, Page 64.

MR. LEWIS: P-1, Page 64. This is the result of discussions that have been held between the University of Maryland and the Department of Planning and City of Baltimore. The City of Baltimore has indicated that they would utilize the urban renewal concept. Dr. Kuhn would have to correct me if I am wrong -- to purchase a block of property at Greene and Fayette and Pearl Streets for the relocation of the parking structure that would be now located in the site for the Veterans' Hospital. This, of course, involves a discussion that we have had previously



with respect to the State buying the Koester property. I would like to have Dr. Kuhn speak to both issues.

DR. KUHN: Albin Kuhn, Chancellor of the University of Maryland, Baltimore Campus.

The item that is on your agenda, Mr. Lewis, as mentioned, is for approximately one acre of land, actually one tenth of that is now owned by the State and the University and one tenth involves the closing of an alley. The acquisition would be for eight-tenths of an acre, and it is in the block that is bounded by Greene on the east, by Fayette Street on the south, by Pearl on the west and it stops one building depth short of going to Lexington Street.

GOVERNOR MANDEL: What is in that property now?

DR. KUHN: It is mostly old row houses and one older building that was used as a commercial outlet, but it is not an active, a really active area basically. Part of it is already open and used for surface parking, one tract of it, about a third of the total area.

MR. LEWIS: Does the novelty store still exist?

There is a big building on the corner of Fayette .

DR. KUHN: That is presented as a novelty store, I believe.

MR. LEWIS: Who owns that now?

DR. KUHN: I am not sure.

MR. LEWIS: That is a very going operation.

DR. KUHN: That is used.

MR. LEWIS: He used to be at Fallsview and the corner of Baltimore Street and they put him out of business when they expanded and he went down to Fayette and Greene. That man made political buttons for me when I first ran for office when they had the old building. He has a big business there. What will it cost to move him?

DR. KUHN: Total estimated costs involved in the project are for real estate acquisition, it would run about \$13 to \$14 a square foot, or a total of \$ 69,000, relocation expense is to be somewhere between \$ and \$8 a square foot and there are to be under the urban renewal --

MR. LEWIS: \$7 to \$8 a square foot for relocation

DR. KUHN: Relocation expense. That applies to all of the square footage of land.

MR. LEWIS: What does that total?

DR. KUHN: That is a total of \$263,000.

MR. LEWIS: That is more than half of the purchase price.

DR. KUHN: That is more than half the purchase price.

GOVERNOR MANDEL: That is what I told you.

DR. KUHN: Other costs that would be involved would be the appraisals and acquisition costs under the urban renewal plan, would be \$113,000, or a total of about \$3 a square foot.

GOVERNOR MANDEL: What confused me is, it says, owner, City of Baltimore. The City doesn't own it, do they?

DR. KUHN: The City does not now own it. The only ownership, two of the properties in the area are now owned by the University. The rest are owned by individual operators.

GOVERNOR MANDEL: Who is the State going to buy it from?

DR. KUHN: If you will remember, we expressed to you a first preference of going into the Koester property.

You also remember that we expected that that property could be obtained somewhere between \$5 and \$6 per square foot of land cost. In discussions with the City and in discussions with the State Planning Department, the City was particularly anxious to keep the area involved in the Keester property for possible future expansion of some of the activities that they are undertaking in the Orchard Biddle project.

From our earlier discussions, we went back to some further discussions on this, and it is the recommendation of the Planning Department and the City that we go for this property that is about an acre, the property that is in question before you today at a cost that would be around \$24 a square foot rather than go for the Keester property, where there is no relocation costs and where the total would be in the neighborhood of \$5 to \$6 a square foot. In all cases I am talking about a land area.

MR. JAMES: I have a question.

GOVERNOR MANDEL: Go right ahead.

MR. JAMES: After you get this property, I

understand it is 33,000 square feet.

DR. KUHN: Yes, sir.

MR. JAMES: About three-quarters of an acre.

Would that be adequate for your purposes?

DR. KUHN: It would be adequate for the parking garage, a single installation. That would use the complete site.

MR. JAMES: What about your access to it, talking about the flow into it and flow out. Would that be tied in conveniently?

DR. KUHN: Yes. We have had preliminary architectural review of that. It can be tied in conveniently.

MR. GOLDSTEIN: I can't get through my head, you want to pay \$24 a square foot. Are you telling me that Mrs. Schuster here recommended that?

MRS. SCHUSTER: Yes.

MR. GOLDSTEIN: Buying this tract and you have no relocation costs?

MRS. SCHUSTER: Let me go back.

MR. GOLDSTEIN: Doesn't make sense with me.

MRS. SCHUSTER: When we were in discussion with the City and Social Security has made commitment to put the downtown facility in the City and the City is looking for this because this will be a taxpaying, it would be paying taxes to the State and to the City, and --

MR. GOLDSTEIN: Right. How long will it take to get the money from the Federal Government to put that into action?

MRS. SCHUSTER: I believe they appropriated the money for this project. I think that was in the newspaper, is that correct, in the last week or so?

MR. GOLDSTEIN: It is my understanding they approved the project but the money has not yet been appropriated by Congress.

MRS. SCHUSTER: The project had been approved previously and the money has recently been appropriated for the two projects, for the Baltimore Campus and Baltimore City. Baltimore City sees this as providing 3,500 jobs and sees it as a tax base -- well, it will be a 92.4 million dollar building downtown and the tax to the City, real estate, present rate, will be two and a half

million dollars and to the State of Maryland would be \$96,000 per year, and we figured that this would amortize the difference in nine years and this is what we had written to Dr. Kuhn.

MR. JAMES: If the State acquired the Koester property and utilized say an acre of that for the parking area, and made available, if necessary at a future date the balance of the three acres for whatever municipal purposes that Baltimore City would recommend, why wouldn't that achieve this?

MRS. SCHUSTER: Baltimore City conceives this, if you look at the layout of the University, this particular site is within the boundaries of what was used for the University boundaries. Koester Bakery is outside of those boundaries, as you can see from the schematic as they were drawn. That is where Baltimore City sees the expansion of Social Security.

MR. JAMES: We are not bound by Baltimore City's identification?

MRS. SCHUSTER: I know you are not bound by Baltimore City. It is providing a lot of jobs. They

will be taxable.

GOVERNOR MANDEL: I am for it, I think all of us are for it.

MR. GOLDSTEIN: I want to get all the jobs I can in Baltimore.

GOVERNOR MANDEL: Is the Koester building within the plans where Social Security is planning to build now?

DR. KUHN: Neither of these sites are within the area where they are planning.

GOVERNOR MANDEL: Then why should we buy, if it is going to sit there, why should we pay \$24 a square foot for property that we can get more property at, what did you say, \$6?

DR. KUHN: Between five and six dollars a square foot of land.

MR. GOLDSTEIN: And no relocation costs?

DR. KUHN: No relocation costs.

GOVERNOR MANDEL: What sense does it make?

MRS. SCHUSTER: Well, when we had the talks with Dr. Kuhn and Baltimore City, they felt that this was



expansion, this is where Social Security in other words intends their eventual expansion.

GOVERNOR MANDEL: If we buy the Koester Building and make agreement with the City if they ever need it to expand we will turn it over to them, this property is not going to go anyplace. It will be here.

MRS. SCHUSTER: This property is what the V. A. is going to build their parking garage, whatever property we acquire.

GOVERNOR MANDEL: I am saying --

MR. GOLDSTEIN: University of Maryland can build a parking garage in lieu of the one V. A. will take to expand. This will be the University of Maryland's parking lot.

GOVERNOR MANDEL: See if I make any sense at all. If we buy that other location at four or five dollars a square foot, then make an agreement with the City that if Social Security ever expands they can have it. We will sell it over to them. This property here that we are presently talking about here is still going to be there for a long number of years. We don't have to displace a

person if we buy the other property. Here we have got to displace all these people. We have got to pay \$263,000 for relocation costs.

MR. GOLDSTEIN: I looked at it Monday.

GOVERNOR MANDEL: You don't have a rickel on the other property.

MR. GOLDSTEIN: You have Kravitch's with a shop on the corner, then you have got Tuerke's. I reckon it is what you call one of these sleeping houses and then a tavern.

DR. KUHN: That's right.

MR. GOLDSTEIN: I looked at it Monday when I came out of Baltimore. I was in Baltimore Monday. I wanted to be acquainted with it. I didn't go to Tuerke's place, because I looked through the advertising. I imagine years ago when I was an old Marine, getting about \$60 a month --

GOVERNOR MANDEL: A young Marine.

MR. GOLDSTEIN: Young Marine I would have gone by there and spent one night. Now I can afford to go to hotels and sleep. It accommodates a lot of people, going

through Baltimore without too much money in their pockets.  
That won't change it, will it, Tuerke's?

DR. KUHN: They hope to continue their operation.

MR. GOLDSTEIN: There is another old house  
painted cream color, an individual living there I would say.

DR. KUHN: There are two houses in the Tuerke  
operation.

MR. GOLDSTEIN: Is that all part of that  
operation?

DR. KUHN: There are two houses used

MR. GOLDSTEIN: You are not getting the  
business places on Lexington Street?

DR. KUHN: No. It would stay back one full  
depth.

MRS. SCHUSTER: I understand what you mean.  
There were two points that at least I thought were clear,  
that the City wanted. One was a definition of the  
University boundaries so that it would look like more of  
a campus from an architectural point of view.

MR. GOLDSTEIN: Isn't that some kind of dispute  
between Mr. Emory and the University of Maryland people?

That has been going on quite a while, hasn't it?

MRS. SCHUSTER: Yes.

MR. GOLDSTEIN: There was some question there.

DR. KUHN: The biggest question on the boundaries of the University is the question of when it may need property. Having come to that campus some years ago and started to attempt to find a location to put a building and having to delay as much as seven or eight years to build the building, once the appropriations were made, very frankly, I take a very dim view of the campus being completely land-locked. Now, that is a difference of opinion.

MR. LEWIS: The master plan for the campus does include this block as future acquisition. It also includes the Koester property. Both properties are included in the master plan as being needed for the University in the future.

MR. GOLDSTEIN: I think the University ought to buy the Koester property. I told that to Dr. Kuhn last December, didn't I, sir, when you first mentioned it to me with the understanding if Baltimore City needs it

for Social Security expansion to bring all of those people there, I am in favor of it. You are going to use that building for your public works for the time being?

DR. KUHN: At the present time we would use it primarily to relieve some of the pressures for the business office and for the personnel office area where we are sort of sitting.

MR. JAMES: I move we defer this item and that two proposals be placed on the agenda of the Board of Public Works for the purposes of holding a hearing and having a final decision made.

MR. GOLDSTEIN: But in the meantime suppose the Koester property is sold to a speculator?

MR. JAMES: At the next meeting we can face that problem.

MR. GOLDSTEIN: Can you hold the people up until the next meeting?

DR. KUHN: I look to the fine services of General Services to acquire land. We do not, as you know, acquire land.

MR. LEWIS: I don't think there is any problem. It

appears right now from the information that we have obtained that there is no buyer for the Koester property at the moment.

MR. JAMES: There is no harm to obtaining an option. We still can make a decision at an early date.

MR. GOLDSTEIN: Could you get an option on that property?

MR. LEWIS: We, of course, haven't got appraisals which are required by law, although the City of Baltimore does have two appraisals, if they would allow us to use those appraisals. Their appraisals are what?

DR. KUHN: I didn't have the specific data.

GOVERNOR MANDEL: We had better get our own.

MR. LEWIS: We could go ahead immediately and get appraisals.

MR. JAMES: Something has to be done to bring the matter to a head so the Board can make a decision.

MR. GOLDSTEIN: I second the motion.

GOVERNOR MANDEL: The next meeting of the Board of Public Works let's put this and the Koester Building on, invite Al down, invite down Mr. Emory and whoever else wants

to come and let's get this thing thrashed out once and for all. Have them at the next meeting.

MR. LEWIS: In other words, in the meantime we will have proposals on getting appraisals on the property so we can go ahead.

GOVERNOR MANDEL: The next meeting.

MR. LEWIS: It is deferred to the next meeting. I think that is all that we have.

GOVERNOR MANDEL: Do you want to break for a little lunch?

MR. GOLDSTEIN: He said he had one more appearance.

MR. HEUBECK: On Dr. Barnes' agenda.

GOVERNOR MANDEL: Who is that? I thought we heard them all.

MR. BARNES: Mrs. Mary Beth Banks from the Board of Urban Coalition, General Emergency Fund, Item No. 3. The problem I see with this particular item, we would like to bring the Board's attention, page 11 of the Fiscal Digest of '76 carries language for the Board's appropriation which states that it can be used for any

contingency which might arise within state or other governmental agencies, as provided by law. This language actually was created two years ago and covered a committee report stating they felt money should not be dispensed directly for emergency purposes to non-governmental agencies. On that question we question whether the money can be dispensed directly to the Baltimore Coalition but in spite of that, I thought the Board ought to make the judgment and decision and we include the item at the request of the Urban Coalition.

GOVERNOR MANDEL: Did you want to be heard? Would you step up here, please? Give your name please.

MRS. BANKS: Mary Beth Banks, Director of the Baltimore Urban Coalition. We are an organization that is some seven years old and we had as our first chairman of the Board and president the former Governor McKeldin and Dr. Martin Jenkins of Morgan State College. Those positions are currently filled by Mr. Thomas D'Alesandro, II and the Reverend Marion C. Bascomb. Our mission is to furnish a vehicle of cooperation among a number of groups who have a vested interest in the upgrading of the City as



a desirable place to live and work. We have about 45 board members that represent the business community, laborers, organizations, religious and civil rights groups, besides the obvious division of races. We are involved in a number of kinds of projects that we hope will improve the climate, namely inequities in the revenue sharing system for the City. We are involved rather actively in the development of the Rapid Transit System in Baltimore and the requirements of desegregation in the public school system.

I would imagine that in addition to that our most important role would be a forum where the kinds of issues that arise in a democracy can be honestly debated by persons having opposing views and we intend to try to provide that for you. I guess I would like to try to react to any questions that you might have of me that I might not have touched on.

GOVERNOR MANDEL: Are there any questions?

MR. GOLDSTEIN: I have none.

MR. JAMES: We have the legal question, number one, and the overall question is just what we use the

emergency funds for. It would seem to me that this type of thing really ought to be a budgeted item that the Legislature can look at on an annual basis, rather than have this type of thing every year come up as an emergency item.

I really would have to move that it be deferred to get some legal advice on whether this is within the power of the Board and in the future, even if we approve it, it really ought to be --

GOVERNOR MANDEL: Budgeted.

MR. JAMES: A normal budgetary item if this is what the Legislature wants to do.

GOVERNOR MANDEL: Ken, can you check it out?

MR. BARNES: Yes.

GOVERNOR MANDEL: Get it back at the next meeting.

MR. BARNES: Yes.

MR. GOLDSTEIN: How many paid employees do you all have?

MRS. BANKS: Three.

MR. GOLDSTEIN: What is their total salary?

MRS. BANKS: It comes to approximately \$38,000.

MR. GOLDSTEIN: \$38,000. In other words, \$38,000 for three salaries. Most of the money then goes to salaries?

MRS. BANKS: It does.

MR. GOLDSTEIN: And if the State were to give twenty, Baltimore would give twenty, then you would raise fifteen. That makes up the budget of \$55,000?

MRS. BANKS: Yes.

MR. GOLDSTEIN: Thank you, ma'am.

MR. BARNES: We will come back in two weeks with the Attorney General's decision and contact Baltimore City.

GOVERNOR MANDEL: Thank you very much.

Do you want to take a little break and have a sandwich?

MR. GOLDSTEIN: Right.

MR. BARNES: There are several people here that didn't ask to be heard. I don't know if they expect to be heard on general item 7, which relates to the Youth Opportunity Centers.

Are there any questions on that item?

GOVERNOR MANDEL: I didn't have any questions.

MR. JAMES: I didn't have any questions.

MR. BARNES: That item is approved then?

GOVERNOR MANDEL: Louie, did you have any questions?

MR. GOLDSTEIN: I wanted to check to be sure. They are putting up their share of the money under the rule we had?

MR. BARNES: Yes.

MR. GOLDSTEIN: I don't see anything wrong with it. I move we approve it.

GOVERNOR MANDEL: The item is approved. We will take a recess for lunch.

(Thereupon, the luncheon recess was taken.)

AFTERNOON SESSION

GOVERNOR MANDEL: Let's go with the Secretary's agenda. We will take added agenda. And I on the first item, item 1, it is a simple little thing, another set of the Annotated Code but how many sets do we have to have? Do you mean to tell me the Attorney General doesn't have a copy?

MR. HEUBECK: Every time there is a new office, new clerk or something or other they come to us for a new set. I bet there is close to 400 out.

GOVERNOR MANDEL: That is what I am getting at. I don't want to raise any fuss about it. Everybody has to have a personal set of the Code.

MR. HEUBECK: I don't see why they can't buy their own.

GOVERNOR MANDEL: I don't know about that but I am sure the office up there must have more than one set in it. I bet if you check it they have got more than one set.

MR. HEUBECK: They might have 60 sets.

MR. GOLDSTEIN: My first question, Governor,

Item 2, Page 2. I think this new resolution ought to apply to all leases that should come through the General Services, Mr. Badger. I think -- where is Mr. Badger?

MR. LEWIS: Social Services.

GOVERNOR MANDEL: All of them do, except I think the only problem we had was this one.

MR. GOLDSTEIN: Is this the only problem we have, Social Services?

MR. BADGER: Yes, sir, it appears to be the only problem where general funds would be used to support the total cases. I talked to Lou Stettler yesterday about the local department, Health Department, since they do occasionally go out and lease commercial office space. I think he indicated the way the case load was working, State funds are involved in leasing efforts by local governments, so because our problem has been mainly identified with Social Services I think it is believed, and I think Lou shares this, this should solve the problem.

MR. GOLDSTEIN: Don't you think you ought to write Dr. Solomon and have him write his health people, that their leases are subject to review? They can go in the

same county, negotiate a lease for \$7 and somebody else may be paying five and a half. Do you see what I am saying, Lou?

MR. STETTLER: The county does pay for it. The case formula only matches the operating expenditures of the local health department. The county pays for their own space.

MR. GOLDSTEIN: Don't they get state money?

MR. STETTLER: They will get state money if there is a special grant from the state to local health departments to do a particular item but under the general matching formula of state-local in the Health Department, there is no reimbursement for space or capital. So we don't pay them, if they rent the space or we don't pay them for the use of their open office building, we don't pay them for the use of a privately owned clinic which they may have space in. They do get some money, both from the Federal Government and under a number of our grants, Mental Retardation Administration and on drug abuse. They may get money for space under one of these grants, a special grant though, for a special project.

MR. JAMES: What elements go into the case formula, just operational?

MR. STETTLER: Yes, just operations, salaries, wages, operating expenses.

MR. GOLDSTEIN: I move we approve item No. 2.

MR. JAMES: Seconded.

GOVERNOR MANDEL: Item No. 2 is approved.

Item No. 2 -- let me just say this, we were just talking about it -- but Item No. 2 is one of those things that we want to catalog. These kinds of items, we are adopting a policy that we can keep it current and know what the policy is. That fits into what we have been talking about.

MR. HEUBECK: We are working on it.

GOVERNOR MANDEL: What is the next question?

MR. GOLDSTEIN: The next one I had, Bill, was No. 15, Page 19.

MR. JAMES: That is the next one I have.

MR. LEWIS: That we took care of, Governor.

MR. GOLDSTEIN: They took care of that this morning.



MR. JAMES: Yes.

MR. GOLDSTEIN: Item 18, Page 22. Where is the man from the Health Department? Will this take care of the complete project, 18, Page 22, Frederick County Metropolitan Commission, balance of the sewage treatment system?

MR. GERTMAN: Yes, it is. My name is Gertman, Department of Health and Mental Hygiene.

MR. GOLDSTEIN: Okay. I wanted to be sure this was enough money there to complete the project.

My next one was No. 20, Page 24, the Town of Federalsburg. The State is putting up eighty-seven and a half percent of the eligible cost.

MR. GERTMAN: Yes, sir.

MR. GOLDSTEIN: Will that complete the project for Federalsburg?

MR. GERTMAN: Yes, that will complete the construction of the collector sewage pump station and force main which I think is all that is involved here.

MR. JAMES: If we put up the federal share. That is why the state share is so high.

GOVERNOR MANDEL: There is no federal money?

MR. GOLDSTEIN: My next one, Item 21, Page 25. I read that agreement. That is for the school we approved last winter to go into the '76 construction program, wasn't it?

MR. LEWIS: I don't have that.

GOVERNOR MANDEL: Neither do I.

MR. GOLDSTEIN: State Public School Construction No. 21, Page 25.

MR. LEWIS: Between Washington County --

MR. GOLDSTEIN: A joint program, mental health.

GOVERNOR MANDEL: That is what I was talking about earlier.

MR. GOLDSTEIN: In other words that complies with all the rules?

MRS. SCHUSTER: It complies with the rules. The Governor directed Secretary Wahbe to work with the Department of Health, Education and Washington County and this complies and meets all the requirements.

MR. GOLDSTEIN: Good. I move we approve it then.

MR. JAMES: Seconded.

GOVERNOR MANDEL: No objection, it is approved.

MR. GOLDSTEIN: The next one was item No. 22,

Page 26.

MR. LEWIS: Governor, here are these two items if you want to put them together.

MR. GOLDSTEIN: Each year we defer this payment on this \$50,000. They want to defer it again.

MR. JAMES: It seems to me -- I am on the Board, and when they met they decided to, just to defer it for another year without making any effort to pay and it seems to me they ought to establish some partial payment system. Even I can pay a little bit to Hutzler's every month so they ought to, it seems to me, pay \$10,000 a year or something like that to get it off.

MR. GOLDSTEIN: That is what I was thinking. We keep deferring it each year and there is no incentive for them to start paying it. I move we approve it with the understanding that we write a letter to them and they start paying next year.

GOVERNOR MANDEL: Let's work up a payment schedule.

MR. HEUBECK: Let's work up a new payment schedule.

MR. GOLDSTEIN: That is my motion.

MR. JAMES: Put it on a five year basis.

MR. GOLDSTEIN: We prepare a payment schedule and they pay so much each year.

MR. HEUBECK: Five years is reasonable.

GOVERNOR MANDEL: So much a year for five years, and tell them no more deferments.

MR. GOLDSTEIN: I move we approve it.

MR. JAMES: It is amazing to me how active that organization is. They are getting a lot of requests for hospital financing.

MR. GOLDSTEIN: Yes, but right now, you may have too many hospitals.

MR. JAMES: It is big money too. When Hopkins comes in they just don't want five or ten million. They want big money.

MR. GOLDSTEIN: That's right. You know what it costs to build them.

MR. JAMES: Yes.

MR. HEUBECK: \$85,000 a room -- bed, I'm sorry.  
\$85,000 a bed.

MR. GOLDSTEIN: That was all I had on that  
agenda.

GOVERNOR MANDEL: I don't have any more on that.  
Budget and Fiscal Planning?

MR. HEUBECK: Do you want to do open space  
first?

GOVERNOR MANDEL: I didn't have any on open  
space.

MR. GOLDSTEIN: We went over open space. It  
was all right. I didn't see anything wrong with it.  
Bill, do you have something on open space?

MR. JAMES: I did have something here. I was  
wondering about the evaluations on 4-A. It looks like  
pretty expensive property out there in Washington County.

MR. PHIPPS: Two acres.

MR. JAMES: Almost \$4,000 an acre for that 33  
acres of ground. Is this zoned, parcel zone was zoned  
agricultural. What is RS, residential?

MR. PHIPPS: Rural residential.

MR. JAMES: Rural residential?

MR. PHIPPS: I am not sure.

MR. JAMES: Was it serviced by sanitary facilities? That is a pretty good price for that kind of ground, about \$4,000 an acre.

MR. GOLDSTEIN: That was my same question, the price.

MR. JAMES: Do you all feel that is a reasonable price out in that country?

MR. PHIPPS: Yes, sir. I would be glad to -- do you want to defer it to the next meeting?

MR. GOLDSTEIN: Yes. It has sewer and water.

MR. LEWIS: They have sewer out there?

MR. GOLDSTEIN: Deferred to the next meeting.

MR. PHIPPS: It appears it does have.

MR. JAMES: My second question was the relocation agreement on 5-A.

MR. GOLDSTEIN: The same thing.

MR. JAMES: I am not very familiar with this type of arrangement. I was wondering if you couldn't give us a little explanation on that one.

MR. PHIPPS: George, that is the dam site down there, St. Marys County.

MR. LEWIS: Why is it necessary to have an agreement buster because if there is any federal participation we have to pay relocation costs.

MR. PHIPPS: Well, it is just that the soil conservation service requires us in on their projects. Remember, we had to come to get the Board's approval prior to awarding construction contracts. This was required. It is different from normal agencies but we are asking that, just approval to enter into the contract but each project will be brought back to the Board for individual approval. We don't have to award the relocation.

MR. LEWIS: This is the upper area from where we are doing the dam now?

MR. PHIPPS: Right.

MR. LEWIS: The first portion of it was purchased by St. Mary's County wasn't it and we paid them?

MR. PHIPPS: No. They used part of their local open space funds to start the project.

MR. GOLDSTEIN: Can you give us the details on

this?

MR. PHIPPS: Sir?

MR. GOLDSTEIN: Get the details on this for the next meeting?

MR. PHIPPS: Yes, sir.

MR. LEWIS: I would like to see a copy of it, Buster, too for land acquisition.

MR. GOLDSTEIN: I move we defer it to get the details for the next meeting.

MR. JAMES: Second.

GOVERNOR MANDEL: If there is no objection, it is deferred.

Budget and Fiscal Planning.

MR. GOLDSTEIN: My first one was on page 1.

MR. JAMES: Where are you going now, to Budget and Fiscal Planning?

MR. LEWIS: Yes, sir.

MR. JAMES: Have we gone over yours?

MR. LEWIS: No.

MR. JAMES: I didn't think so.

MR. GOLDSTEIN: My question is on G. E. F. 1,



the circuit breaker bill, eight jobs. Don't they have enough people in their office to do this work without acquiring new people?

MR. BARNES: We use what they have. They really have no one to do what the State would like to do under the circuit breaker bill. This is really a cadre. Most of the current year, the local governments are doing a lot of the work and the year following, much of that is going to have to be taken over by the State so it will be spelled out in the '77 budget. This is the cadre staff they will need to administer, set up the necessary rules and regulations and what have you. I don't like it either but I don't know what the alternative is.

GOVERNOR MANDEL: They had asked for more, hadn't they?

MR. BARNES: Yes. They asked for 12. We went back at them and tried to get them in the agency. They just couldn't do the job.

MR. GOLDSTEIN: Okay.

My next one was No. 2, on Page 2, about the \$40,000. Has this been done before, we turned the money

over to an agency and let them do this.

GOVERNOR MANDEL: That is the same question I had.

MR. GOLDSTEIN: Why couldn't they submit a voucher for \$10,000 at a time based on what they have paid out, or we could advance them \$10,000.

MR. SEETTLER: The concern that was expressed to us by the Attorney General's office was that they felt it was important to keep confidential the spending of their money until such time as their findings had been made available. That is, they feel that by putting it in public record, the vouchers, what they are paying personnel for, where they went on night B, etcetera, that they might jeopardize their investigation so what they are requesting is that a lump sum be made available, that they will maintain this lump sum in a private bank account. At the completion of their investigation, I believe the target date is some time in September, with the ending of the Grand Jury, that all the records will be made available for audit. Any balance will be returned to the State Treasury.

MR. JAMES: Who is controlling the money?

MR. STETTLER: Mr. Ramsey and all authorizations are made on the basis of --

MR. JAMES: I don't have any feeling for Mr. Ramsey. He has a good accountant. Only the people you trust can cheat you. I don't know whether he ought to put up a bond or not. I never have seen this before in my life.

MR. GOLDSTEIN: This is the first time. I have been on the Board 17 years and I have never seen a request of this nature.

MR. STETTLER: It is very unusual.

They were thinking of waiting until they were complete and sending a bill, but the gentlemen in question are serving without remuneration and they are having to advance private funds.

MR. JAMES: Mr. Schamel just made a suggestion, maybe it could be made available to the Attorney General, who is a State official, or you could make it maybe --

MR. BARNES: Harry Lord is running tight control over this.

MR. JAMES: Maybe you could have it deposited

jointly to the credit of the Attorney General or his deputy, at least get them to sign the checks.

MR. GOLDSTEIN: The only thing I was thinking about, suppose something happened to Mr. Ramsey or something. Then you would have to go through a lot of rigamarole to get all kinds of reports. It is kind of sticky, isn't it?

MR. JAMES: Yes.

MR. STETTLER: The Attorney General is the one who suggested this arrangement, or Mr. Lord. Attorney General Burch didn't. Mr. Lord suggested this arrangement. He was concerned if it were to be in his account then the records would be public and he is concerned that these not become public until after the Grand Jury investigation is completed.

MR. GOLDSTEIN: I didn't want to see anything like C. I. A. in Maryland. That is the only thing going through my mind, and I have every confidence in Mr. Ramsey, I have every confidence in Mr. Lord. Maybe we could put the money in their two names.

MR. JAMES: Yes. Put Mr. Lord's name on it.

MR. GOLDSTEIN: Put Mr. Lord's name as attorney and Mr. Ramsey's name and have an attorney account which would keep it confidential and it wouldn't get mixed up in their personal estates if anything happened. It would be a trust account.

MR. STEFFLER: It was to be in the name of the inquiry panel, the account was.

MR. GOLDSTEIN: Mr. Lord runs it.

MR. STEFFLER: Have Mr. Lord's name.

MR. GOLDSTEIN: Mr. Lord and Mr. Ramsey as an attorney, special trust account, something of that nature.

MR. JAMES: That's right.

MR. GOLDSTEIN: I think that would be the better way of doing it.

MR. JAMES: Yes.

MR. GOLDSTEIN: Don't you think so, F 11?

MR. JAMES: Yes. I so move.

MR. GOLDSTEIN: Second.

GOVERNOR MANDEL: If there is no objection, so ordered.

MR. GOLDSTEIN: The next one I had was G. E. F. 3

Page 3. We already took care of that.

MR. BARNES: That is deferred.

MR. GOLDSTEIN: That is deferred. We took care of that. The next one I have is G. E. 5, Page 5. That was already taken care of too.

MR. JAMES: Yes.

MR. GOLDSTEIN: G. I. 7, Page 7. That has already been done.

GOVERNOR MANDEL: We have already approved that.

MR. BARNES: That is approved.

MR. GOLDSTEIN: Then the Department of Transportation items.

MR. JAMES: Before you get to that, Page 12. This is one of the more meaningless items as far as I am concerned. Maybe this is here just to create a record, but this is absolutely meaningless to me. Whenever approve it you are not getting any input. I am just wondering why the Board of Public Works has anything to do with it.

MR. BARNES: The law requires the Board to write off expenses to the State.

MR. STETTLER: Which item?

MR. JAMES: Disposal of property.

MR. STETTLER: The disposal section --

MR. JAMES: You trade in an automobile for \$500. Why clutter up the Board's agenda with this? This book is going to get so big I won't be able to carry it over here before long. I am just raising the question.

MR. STETTLER: At the December 18th meeting, last December 18th, the Board approved a new procedure in which most of the disposals will be handled on a quarterly basis, for the items, I don't remember the exact number, disposal of items less than 2,000 5,000, something like that would be handled only on a report basis. Other items of more value would be -- would still come to the Board's attention. However, the new procedure was not to be implemented immediately since General Services, it was part of a more general property management system that General Services is instituting and they are instituting on a department by department basis so this is still under the old system, but the

disposal of state property does require Board approval by law but the Board, as I say, has set up a procedure whereby in the future, they have conferred as if were, certain authority on the Secretary of General Services and Budget and Fiscal Planning.

MR. GOLDSTEIN: Bill, the only reason I think it is valuable let's take, for example, any one of these portraits. Suppose somebody came here and said I don't like that, that portrait, take it down to the junk shop and get rid of it. At least they have to put it on here. You would detect it. It is a record. I notice we recently haven't been having much stolen property. We have been raising hell about that.

GOVERNOR MANDEL: Do you want to go to Transportation?

MR. JAMES: All right.

In closing comment on that, I think that ought to be on the agenda of the Board of Public Works ought to have some meaning because you can put everything in the state government on the agenda of the Board of Public Works and sit here every day in the week.



GOVERNOR MANDEL: I think what Lou is saying, Bill, is that what they are trying to do is set up a process where there will be a report made to the Board of these items, say, I don't know what did we decide, once a month, I mean won't --

MR. STETTLER: I think quarterly.

GOVERNOR MANDEL: Once every quarter a report made of these items. If there is any problem we can question it.

MR. LEWIS: Pick it up at that time but it won't require your approval every month.

GOVERNOR MANDEL: We won't have to go in and approve it, so they are working on that now.

MR. JAMES: The only meaningful approval though is what you give it.

MR. STETTLER: Yes.

MR. JAMES: The Department of Budget and Fiscal Planning or what you give it, your department gives it and even though it may be a record here, what we get isn't presented in a form which we can really do anything about.

MR. LEWIS: That you can understand it?

MR. JAMES: That's right. You sell a car for \$500. You can't tell it from looking at this, whether that is a good price or not.

MR. GOLDSTEIN: We may have a policy.

MR. LEWIS: We have a policy on cars. There is no question about that. They are on an auction basis. Each one of them is reported to you.

MR. JAMES: What about an old file cabinet?

GOVERNOR MANDEL: Or beat up typewriter?

MR. GOLDSTEIN: Usually it goes as junk.

MR. LEWIS: There is one on mine for a typewriter for \$120 which is the sale of a typewriter.

MR. JAMES: I don't know.

MR. GOLDSTEIN: My question on the Transportation budget, L-T, I recommend, Governor, that the Lessee pay all the utilities because now we don't know how high Kilowatts are going to go and when a warehouse operation man can leave the doors open and the electric bill just goes on and on.

GOVERNOR MANDEL: Dave?

MR. GOLDSTEIN: I think you agreed, didn't you, Dave?

MR. FISHER: That's right, sir. I went back after we discussed this and talked to the Aviation Administrator and I talked to the proposed Lessee here, the tenant and he says that the \$8,000 is the maximum that he is prepared to pay and it was Mr. Aaronson's opinion that we have got an \$8,000 income in here or we can let the facility set idle until we do find another occupant for it. This was one of the reasons for keeping the term down to a year in lieu of the normal five year term that most of these agreements are written for. Normal rent for warehouse space being charged at the airport cargo facility is \$3.85 a square foot.

MR. GOLDSTEIN: That was fine when electricity was cheap. Now if Mr. Ford's program goes through electricity is going to go way up. You know that.

MR. FISHER: Right, so that this figure of \$8,000 works out to about \$3.95 or just ten cents a square foot in addition for utility costs, which does not really cover the actual utility costs but it is a question

of them taking the position that they are getting some money here for a short period of time until they can find a long term tenant.

MR. GOLDSTEIN: Can you have it as a policy that the tenant will pay for his own electrical bills?

MR. FISHER: Right.

MR. GOLDSTEIN: In the future?

MR. FISHER: The agreements that have been entered into do provide for the tenant to pay the utility bills, based on meter readings. In this case, they have got a maximum \$8,000, which this tenant is willing to pay, no more. Now, to write the utility cost in here means that you would then have to add just this in some way, that he wouldn't be paying more than \$8,000, including whatever utility costs he would have.

MR. GOLDSTEIN: The way this thing is written you encourage the man to waste utilities and electricity. You know that. If he pays his own bill he will be careful about it.

GOVERNOR MANDEL: Dave, is there any way of judging how much the utility would be here?

MR. FISHER: Utilities could probably run about one and a half, \$1.60 a square foot.

GOVERNOR MANDEL: That is what I was afraid of.

MR. GOLDSTEIN: That is it, see?

MR. FISHER: In the 2,000 square feet if here you could have utility costs of \$3,000 possibly, which would mean that the rental that you would be getting on this \$8,000 figure would be down in the order of \$5, 00, or about \$2.50 a square foot.

GOVERNOR MANDEL: To tell you the truth, I would rather enter into a rental agreement for 5,000 and he pay the utility. I would rather do that because God knows what those utilities can run.

MR. GOLDSTEIN: That is exactly right.

MR. FISHER: With oil costs, etcetera.

GOVERNOR MANDEL: Right. We don't know.

MR. FISHER: All kinds of taxes being imposed almost monthly, there is no way of telling.

MR. GOLDSTEIN: That is the reason why I brought it up.

GOVERNOR MANDEL: I would rather go back and

renegotiate it and say give him a \$5,000 rental and let him pay the utility. Maybe he can save some money, maybe we can save some money. I don't know but I think rather than following with those utilities up there. Of course, in those buildings that utility is going to run right high.

MR. JAMES: Can you read it separately?

MR. FISHER: Yes.

MR. GOLDSTEIN: Put a meter in there.

MR. FISHER: You can read it separately and, of course, with those large overhead doors, there is probably not too much of a problem in the summer time.

MR. BARNES: Two and a half a square foot comes up to \$5,000.

GOVERNOR MANDEL: Do you want to take a shot at doing that?

MR. GOLDSTEIN: I agree with that. Anything you can do to conserve the utilities.

MR. JAMES: Rather than make it a specific figure, ask him to see if he can't renegotiate at a lower rental with his assuming utilities to try to negotiate it

on that basis.

MR. FISHER: All right.

GOVERNOR MANDEL: Okay. That item is deferred.

2-T.

MR. FISHER: 2-T was bids which were received for installation of elevators in the Baltimore-Washington International Airport Terminal Building.

GOVERNOR MANDEL: A close bid?

MR. JAMES: Below the estimate.

MR. FISHER: These came in at a low bid of \$219,000 which was lower than the estimated \$480,000.

MR. GOLDSTEIN: \$323 was the computer. No problem on that.

GOVERNOR MANDEL: No.

4-T?

MR. GOLDSTEIN: On 4-T, I think Dr. Barnes had an observation on that, didn't you, Dr. Barnes? Did you want that deferred?

DR. BARNES: Yes.

GOVERNOR MANDEL: I would like to have this

deferred to get the public, rather the Regional Planning Council down and explain exactly what they are doing for this kind of money and secondly what they have done up to now.

MR. JAMES: And thirdly, what utilization the Department of Transportation gets out of what they do. I think that the Department of Transportation ought to be prepared to answer that, if any. I don't want to embarrass the Department of Transportation but you are spending a lot of money here and for this kind of money there really ought to be a worthy objective and if it is just being thrown down the drain, development reports just set aside for reading scholars, I think we really -- everybody ought to know about it.

DR. BARNES: What you are asking, since this has been in the works for a couple of years already, what they have done for the last couple of years and what use has been made of those funds?

MR. JAMES: That's right.

MR. FISHER: This shows funding they are provided and what they have spent in comparison to that.



MR. JAMES: This is outside the budgetary process. It is a big sum of money to be used outside of the budgetary process without knowing what the ultimate results are.

MRS. SCHUSTER: I would like to add one other thing if I could. We have been dealing with this for the last four years. They are using non-budgeted funds to pay for budgeted people. In other words, they have an attachment of personnel whose salaries are being paid in object 0-1 in their budget. Now they are saying that they are picking up with these non-budgeted funds 25 or 30 percent of Mr. X or Mrs. Y's salary and I have always asked the question how is this possible if they are supposed to get salaries to cover this in the budgeted part of their budget?

MR. GOLDSTEIN: They pay them additional salary.

MRS. SCHUSTER: Not additional salary. That is impossible but the pay is so structured, you see --

MR. GOLDSTEIN: As far as a person is getting \$20,000?

MRS. SCHUSTER: Except others getting any more than \$20,000. Our question is where is the other money going? Is it going to consultants? Are they moving money out of there?

MR. GOLDSTEIN: That is the reason I asked this whole thing be explained. I read it and didn't understand it. I asked the question yesterday, what is the objective. What are we accomplishing here?

MRS. SCHUSTER: Part of it is a federal requirement.

MR. GOLDSTEIN: It may be a federal requirement. Washington puts all kinds of requirements on everything.

MR. JAMES: If this is not achieving a substantial objective, our Congressmen ought to know about it.

MRS. SCHUSTER: I agree with you. I am in complete agreement.

MR. GOLDSTEIN: You have the Department of Transportation hiring experts. They have got experts up in Metro, experts in other fields. This is duplication of work. You have got experts in your Planning Commission.

MRS. SCHUSTER: In addition, part of the

assistant -- the project manager is in the Department of Transportation. His assistant under this new agreement will be employed by the Regional Planning Council, paid from the Regional Planning Council and work at the Regional Planning Council but he will be the assistant to the project manager at D. O. T. and really D. O. T.'s employee and it is another question that I don't know how to explain. It is totally illogical to me.

MR. GOLDSTEIN: Do they not have money in their budget for this kind of individual, D. O. T.?

MRS. SCHUSTER: This is D. O. T.'s money they are transferring. I really don't know D. O. T.'s budget.

DR. BARNES: Why don't you propose that the Regional Planning Council be put under the Department of State Planning so it is part of your agency?

GOVERNOR MANDEL: Do you want to start a local civil war?

MR. GOLDSTEIN: No, Governor, we have had problems with this Regional thing for a long time. They have always had an unusual budget, most unusual. You know what I mean.

GOVERNOR MANDEL: I know exactly what you mean.

MR. GOLDSTEIN: Every time I see it I question it because I believe in getting things done. I believe in paying for services rendered but I don't want to be fooled. I want the experts to come in and tell us how they are spending the money, how the programs are utilized after they are established, in writing instead of putting it up and laying it on a shelf and somebody getting a master's or Ph.D. because they wrote that article.

MRS. SCHUSTER: I agree with you.

MR. GOLDSTEIN: I am always glad to have a pretty girl agree with me.

MR. JAMES: How far do you go with that?

MR. GOLDSTEIN: We are talking about government business now. He is bringing extraneous matters here. Let's stick to the Board of Public Works, man.

GOVERNOR MANDEL: Isn't there something in the law that says agreement spells consent? Is there any other discussion on that?

MR. FISHER: I don't know whether you want to hear discussion on this --

GOVERNOR MANDEL: What is that?

MR. FISHER: I don't know whether you want to have some discussion on the handling of the consultant activities, which would be performed by R. P. C. The agreement provides that they will comply with all state law. Of course, R. P. C., I think, under current law or assignment here would refer back to General Services Administration, Transportation Selection Board.

MR. LEWIS: General Services still makes them up.

MR. FISHER: Which they would employ, so that you may want to hear some discussion on how that would be.

DR. BARNES: They haven't come through, have they?

MR. LEWIS: I would like to see the agreement. In essence, you are saying we would wind up in the General Selection Professional Board making appointments for D. O. T. projects through the Regional Planning Council.

GOVERNOR MANDEL: It says right in here, when I read this the other day, it says R. P. C. will negotiate directly for consultant services subject to consultant selections being made in accordance with Chapter 732.

MR. LEWIS: Chapter 732 also includes the Transportation Selection Board.

MR. JAMES: That is probably what it refers to.

MR. LEWIS: No, it doesn't. I think Dave called me and let me know. Under the law anything other than what is done by the five model administrations for D. O. T. comes through the General Professional Selection Board not the Transportation Board so if it is done by R. P. C. rather than D. O. T. then it comes through our Board and not D. O. T.'s Board. I object to that.

MR. GOLDSTEIN: I think the whole concept ought to be clarified so we understand what we are doing.

MR. LEWIS: Yes.

MR. JAMES: Yes.

MR. GOLDSTEIN: That is the reason I raised the question.

MR. LEWIS: Dave, I think when we discussed this before, you were going to send me a copy of the agreement. Will you send me a copy? I would like to see it.

MR. FISHER: All the agreement says, they will comply with the law but then when you go to interpret what the law says --

MR. LEWIS: I will get my assistant Attorney General to interpret it.

MR. GOLDSTEIN: I know it's complicated. Whenever you have planning agreements it is always hard to get an explanation. That has happened. Don't misunderstand me, Mrs. Schuster. I love planners, but when I hire somebody to do something I want to see a result, something I can touch, feel and see. That is how simple it is.

GOVERNOR MANDEL: That is what you were talking about before.

MR. GOLDSTEIN: Yes. I believe we had better get on with the next item. I am glad everybody has got a sense of humor.

DR. BARNES: Governor, there are two hand

carried items.

MR. GOLDSTEIN: We haven't finished yet.  
5-T, Governor. I would like to --

GOVERNOR MANDEL: 4-T is deferred until the  
next meeting and we will have the R. P. C. here

DR. BARNES: R. P. C. is one of the land  
carriers.

GOVERNOR MANDEL: We will have R. P. C. down.

MR. GOLDSTEIN: 5-T?

DR. BARNES: Yes, sir.

MR. GOLDSTEIN: It was given to me yesterday  
and Senator James. I called Col. Smith yesterday when  
I first saw this item and asked if he was acquainted  
with it. He called back and said he wasn't acquainted  
with it, initially, but he talked to the Sergeant down at  
Strawberry Point Hangar and they felt Bendix had done  
a reasonably good job there but in the storm last week  
part of the roof was taken off the hangar. He couldn't  
know the extent of the damage. I thought I had better  
bring that up, the first item. The second item, the lease  
to this man, who I understand has bought the equipment



from Bendix, who has a government contract and they are leaving the place but he wants us to give him free rent, furnish him heat and light and anything over \$30,500 he will pay us a commission. He will put up a bond for \$100,000 or insurance policy.

MR. JAMES: This is an emergency arrangement and I think we ought to go along with it, with the understanding that they report back to the Board of Public Works at the end of 30 days as to what the permanent arrangements are.

GOVERNOR MANDEL: This is for 90 days, isn't it?

MR. JAMES: I mean 90 days.

GOVERNOR MANDEL: It was a 30 day extension?

MR. JAMES: Ninety days.

GOVERNOR MANDEL: I would like to eliminate 30 days and just say make it for 90 days.

MR. FISHER: That would come back to the Board.

GOVERNOR MANDEL: Come back at the end of 90 days.

MR. GOLDSTEIN: How about the fact part of the roof is off the building? Did you know that

MR. FISHER: Yes, a couple of panels came off the roof. I understand they are trying to repair it. It is under repair now. The service in here, it is necessary to understand because the State Police depend upon getting their gasoline and their fuel from somebody here and if there is nobody, if Fullman isn't available, they can't get it and their higher echelon maintenance activities, they depend upon them. They have gone out and asked for proposals for a fixed base operator and bids are in. I don't know what they are right now.

MR. GOLDSTEIN: No. 2 --

MR. FISHER: This will be terminated upon the --

MR. GOLDSTEIN: I have no objection to 90 days. I feel you have got to operate this airport. I feel it is incumbent upon Mr. Aaronson or Senator Hughes to give us an overall program for this airport. Each meeting we get something piecemeal. I would like to make a motion, Governor, Mr. Aaronson or Senator Hughes present to the meeting of the Board next meeting an overall program for this airport.

MR. JAMES: Second.

GOVERNOR MANDEL: I think that is in order, Dave. We ought to know what we are going to do with it, some plan for the future.

MR. GOLDSTEIN: Otherwise we don't know what direction we are moving in.

GOVERNOR MANDEL: Will you get a letter to Mr. Aaronson asking him to give us a plan for that.

MR. GOLDSTEIN: The letter ought to go to Mr. Aaronson and also to Senator Hughes.

GOVERNOR MANDEL: To Senator Hughes.

MR. JAMES: Would that give them enough time, two weeks?

GOVERNOR MANDEL: It may not.

MR. GOLDSTEIN: Say the second meeting in August.

MR. FISHER: They might need a little more time. I have got a brief summary of some of the costs which isn't very definitive.

MR. GOLDSTEIN: Will a month be all right?

GOVERNOR MANDEL: Make it the second meeting in August.

MR. FISHER: I think that would be more realistic.

MR. GOLDSTEIN: I move we get a report for the planning and program of this airport by the second meeting in August from Mr. Aaronson and Senator Hughes, head of the Department of Transportation.

DR. BARNES: You can knock out the 30 day extension, but the wording is that after 60 days either party would have the right to terminate after 30 days notice. Do you want to leave that in?

GOVERNOR MANDEL: Leave that in. That doesn't create a problem. It will be a flat 90 day agreement. If there is no objection the item is approved.

DR. BARNES: We have two items, Governor, GI-10-A, request recommended by both the Civil Defense agency and the planning agency to donate 12 package hospitals, disaster hospitals to the Agency for International Development. These are long time hospitals for which there is no foreseen need by the State and they have been replaced in recent years by 36 newer, ones of newer designs so they really are surplus and could be used if

they are needed.

MR. GOLDSTEIN: Wouldn't it be a good idea to place these around the State in case of emergency, in the armories?

DR. BARNES: They are already spread around the state. I think Springfield has a couple up there. But the 36 they have are newer design. Apparently it is considered more than adequate for state needs.

MR. HEUBECK: I think they have some here, don't they?

GOVERNOR MANDEL: Yes.

MR. GOLDSTEIN: Does the State Police know where they are as well as the Maryland National Guard?

DR. BARNES: Yes, sir.

MR. GOLDSTEIN: They all know where they are?

DR. BARNES: That is part of civil defense.

GOVERNOR MANDEL: It is part of the disaster plan.

MR. GOLDSTEIN: I move we approve.

MR. JAMES: Second.

GOVERNOR MANDEL: So ordered.

DR. BARNES: The next item is hand carried, which starts on July 23rd, which would be prior to the next meeting.

MR. JAMES: 11-A.

DR. BARNES: General Item 11-A.

MR. JAMES: That is the

MR. GOLDSTEIN: Yes.

DR. BARNES: Training of the State Highway Administration personnel and condemnation court proceedings.

MR. GOLDSTEIN: I move we approve.

MR. JAMES: Second.

GOVERNOR MANDEL: No objection? The item is approved. That is about it? We will go to George Lewis' agenda.

MR. LEWIS: The first item I have is page 12, item 15, unless there is one prior to that.

MR. GOLDSTEIN: We took care of item 10, page 7. Item 14, page 12.

MR. JAMES: I had one before that. I believe I have a list of T items 11 and 12 on page 24 -- maybe you come before I do.

GOVERNOR MANDEL: Before that, pages 9 and 10, George, just so I understand these things, when I first looked at it it said recommended awards to Prestige Offices Baltimore \$759.00 and I tooked at the next one, \$51,000. I thought they were all the bidders.

MR. LEWIS: No.

GOVERNOR MANDEL: I know.

MR. GOLDSTEIN: Different items.

MR. LEWIS: All we list here is the awards. They give us a breakdown, and it is a massive thing, Governor, of all the items that are bid, and then go through and select the low bidder on each item. In the first one, these are both from Dundalk if I recall correctly.

GOVERNOR MANDEL: Yes.

MR. LEWIS: The first one is acceptance of all low bids and the second item is the acceptance of only bids received or those that meet specifications so they separated them this time in lieu of that.

GOVERNOR MANDEL: The only thing I wanted to say, George, if we ever get into a situation where they don't

take the low bid, I think we ought to know about it in this.

MR. LEWIS: That is what you have on the second, where they are accepting the bids, the only bid which meets specifications in several cases.

GOVERNOR MANDEL: But when they are accepting --

MR. LEWIS: These are documented through the Board of Trustees of the community colleges and then back to us.

GOVERNOR MANDEL: But just like here Let's say on page 10. Visual Information Systems, \$4,879.

MR. JAMES: No way of making an analysis.

GOVERNOR MANDEL: No. All right. They say it is the low bidder.

MR. LEWIS: It is the only one that met specifications.

GOVERNOR MANDEL: Okay. That is fine. I don't see any problem but what I am saying is that if for some reason if there is five or six bidders and they decide to accept the third bid, it may be a very valid reason, but we don't know it.

MR. LEWIS: That's right.



MR. LEWIS: That's right.

GOVERNOR MANDEL: And somebody is going to write us a letter one of these days and say I was the low bidder and you accepted the third low bid and we won't even know what they are talking about.

MR. LEWIS: On the way these are set up, Max.

GOVERNOR MANDEL: If they deviate from the low bid we should know about it.

MR. MILLSTONE: We usually indicate when they are not accepting the low bid.

MR. LEWIS: Which is what this is here. Either they accepted the only bid or the only bid that met the specs but what the Governor is saying, Visual Information System we should know what the other bidder was even though he didn't meet the specs.

GOVERNOR MANDEL: Right, just in case we get a letter. Somebody will write to Louie or I and say we were the low bid and you gave it to Visual Services. If there are this kind of cases there should be something on there to indicate it. No problem. As long as you take the low bid we don't have to go through that.

MR. LEWIS: The equipment items for community colleges have been a problem.

GOVERNOR MANDEL: Technical equipment, that sort of thing. I know.

MR. GOLDSTEIN: Item 14, Page 12, that generator down in St. Marys. Is there one satisfactory to take care of their needs?

MR. LEWIS: Definitely. This is to handle the problem with respect to your sanitary treatment, etcetera.

MR. GOLDSTEIN: The next item is item 15. That is also -- corresponds to item D-1 on page 75.

MR. LEWIS: That's right. I would like to withdraw item 15, page 12, item D-1, page 75. Both of them being items involving mine reclamation, with the Department of Natural Resources going to go back and review their priority system as well as review with the Legislative Council the intent of legislation involved here, because we obviously in this case, we are reclaiming land on private property at a relatively high expense. We feel it is necessary because of the low funds that we have

on this project, on this mine reclamation of only \$250,000, that it be reviewed more thoroughly before we go ahead with the contract. Those two items are withdrawn and the two bids will be rejected that we have and if it goes ahead in the future it will be rebid.

MR. JAMES: There are two problems. One, of course, is providing such funds to make the program meaningful, and, two, if you do that, how do you protect the State's position in not giving the money away. Are you going to have a lien on the property or are you going to have some kind of agreement with the property owner?

MR. GOLDSTEIN: Something like we have with the Chesapeake Bay properties, where we go in and build the bulkheads and provide the engineering and they get a 25 year term to pay it, right?

MR. PHIPPS: Yes.

MR. GOLDSTEIN: It goes on record as a lien. We are enhancing the value of the property, taking a resource.

MR. PHIPPS: The law will have to be changed.

MR. GOLDSTEIN: I think it should be changed. Why shouldn't you change it?

GOVERNOR MANDEL: You may have a real problem. That is why I think they ought to take it to Legislative Council and let them examine the whole thing. It may not be worth this man's while to take a lien on his property for \$2,500 an acre, which is approximately what this is. The property even after it is filled may not be worth that much, so what do we do? Do we let an empty hole sit there or do we fill it up and let him benefit? I don't know but I think there has got to be some method.

MR. PHIPPS: We don't plan to budget the State's share of the funds this year. We didn't budget it last year. It is a very small fund account. Each year the State shall match the Coal fund, and the last year, we didn't match it. We didn't have the funds to match it.

MR. JAMES: That is where the bonds are forfeited, for restoration.

MR. PHIPPS: Yes, sir.

MR. GOLDSTEIN: That is \$30 an acre.

MR. JAMES: They are supposed to match that.

MR. GOLDSTEIN: Right. That is peanuts. You can't even hire a good bulldozer for an hour for \$30 with an operator. How are you going to reclaim the lands?

GOVERNOR MANDEL: That is why I think some kind of program ought to be devised around this thing.

Those two items are deferred.

MR. LEWIS: Are withdrawn.

GOVERNOR MANDEL: Withdrawn, I'm sorry.

MR. GOLDSTEIN: My next item was item 22, page 17. My question was about this armory, I thought when we built the Easton Armory that would take care of Caroline and Talbott County.

MR. LEWIS: You transferred property from the Department of Natural Resources six months ago from Tuckahoe State Park for this one. Easton takes care of Cambridge, Dorchester, Talbot County, I think there is another county. This one takes care of Caroline Queen Anne's.

MR. JAMES: And part of Delaware.

MR. LEWIS: And a part of Delaware.

MR. GOLDSTEIN: I wanted to be sure. This is a regional armory.

MR. LEWIS: Their whole program is set up on the basis of regional armories. They are eliminating two. With Easton I think they are eliminating three old ones.

MR. JAMES: Will it take care of Queen Anne's?

MR. LEWIS: I would have to check that to be sure. This is on the property that we acquired for military from Tuckahoe.

One question I had on this one that was bid is the fact we had all these damned alternates, which are tough on a bid proposal but these are items that the State wanted to consider, the state military wanted to consider that the federal won't consider, so they requested theirs.

MR. GOLDSTEIN: \$419,000 is from the Federal Government.

MR. LEWIS: Federal funds.

MR. GOLDSTEIN: The rest is State. I wanted to be sure we won't build another armory in each county.

MR. LEWIS: In this case they made 75 percent

of the base bid.

MR. GOLDSTEIN: Right.

MR. LEWIS: The alternates that we accepted or the military accepted are state funds, state funding. But I have requested that we don't have another bid with that many alternates.

GOVERNOR MANDEL: I hope not.

MR. LEWIS: It creates some problems

GOVERNOR MANDEL: I almost went dizzy trying to figure out what they were.

MR. LEWIS: Doesn't make sense. Very bad.

MR. GOLDSTEIN: My next item was item 30, page 24.

MR. LEWIS: Do you have one before that, Louie?

MR. JAMES: The next one I have is page 24, Martin -- let me see. No, page 29.

MR. GOLDSTEIN: Page 24.

MR. LEWIS: Page 24 is this Boat Basin.

MR. GOLDSTEIN: Mr. Phipps, are you familiar with the project?

MR. PHIPPS: Do you want to look at it?

MR. GOLDSTEIN: Yes, sir.

MR. PHIPPS: Yes, sir.

MR. GOLDSTEIN: Are you meeting the requirements, wetland requirements down there, including breaking in the dam?

MR. PHIPPS: Yes.

MR. GOLDSTEIN: Put it in the record the State is complying with all of the wetland laws.

GOVERNOR MANDEL: Did you get a license? I don't remember signing it.

MR. PHIPPS: The license was issued about six months or a year ago.

MR. LEWIS: We are getting permits on all of these, Governor. We have just as much difficulty as the ordinary citizen.

GOVERNOR MANDEL: They are not building a marina there, are they?

MR. PHIPPS: No, sir.

GOVERNOR MANDEL: Every time I ride by there I get a little more suspicious.

MR. PHIPPS: No, sir, nowhere are we building any



marinas or overnight accommodations.

GOVERNOR MANDEL: We don't want to go in business.

MR. GOLDSTEIN: My next one was C-3, page 29, unless you have another one, Bill.

MR. JAMES: I have the same one, 23 and 24.

GOVERNOR MANDEL: Page 25 there is one item, they needed 48 animal cages for the professional schools. I wondered what that was for. It doesn't give any description. Go ahead.

MR. LEWIS: It was intentional.

GOVERNOR MANDEL: Go ahead.

MR. LEWIS: Page 29, item C-3.

MR. GOLDSTEIN: Yes, sir.

MR. LEWIS: This is the P. E. D. system No. 1 and No. 2 at the Health Building in Baltimore, the O'Connor Building. When we built this building or originally contracted for it we did not complete the P. E. D. 1, P. E. D. 2 part of the laboratory because it is not needed for laboratory use at the present time. When we were out looking for space for the State Roads

Administration for leasing space, we got them to agree to go into this area for, I think, a minimum of five year period, so we are finishing this space now basically with the same finish that we would have for the laboratory without equipment, etcetera, in it and we will lease it to the Special Fund Agency of the State Highway Administration in lieu of going out to commercial leasing. Originally I had wanted to, I attempted to give consideration to the competitive bid on this but we have got the problem. We have had this building now for about six months and we have got the problem of all the guarantees with mechanical equipment and electrical equipment involved, plus when we went into the project with respect to going to bid, we had to have new, a new concept or a new plan prepared from the set of plans that we had and a new set of specs and the quote on this from the architect was \$43,000, so we now have what is a not to exceed contract; unfortunately it is not on here. This should be indicated as a not to exceed contract.

MR. GOLDSTEIN: Mine has got it.

GOVERNOR MANDEL: Mine has it too.

MR. GOLDSTEIN: Mine has not to exceed.

MR. LEWIS: I'm sorry I don't have a corrected copy. It is a not to exceed contract. It has been reduced from \$594,000 originally. It will be used in the same contractor and the same contractor we had originally.

MR. JAMES: How does this fit into the O'Connor building?

MR. LEWIS: If you recall, what we call the PED level, the big lobby level, where we had the dedication, the seven story tower in that building is the laboratory for the Health Department. The five upper stories of that were finished in the original contract for the State Health Laboratory, and is being used as such. The two floors, the one at the lobby level and the one above that in that same tower were not completed. In other words, they were left completely unfinished. All of your mechanical connections were down into the area but not distributed throughout the room, no ceilings, no floors other than the concrete floor, no wall finishes and things of this nature. In essence, we are finishing that out now, and it will be as a basic concept for the

laboratory in the future, then putting the State Highway Administration in in the open space concept, in lieu of paying five and a half or six dollars a square foot for rent for them in the future for a five year period.

MR. JAMES: Five years.

MR. LEWIS: The Health Department claims within five years they will probably need this for laboratory space. At that time we won't have to make any changes in what we are doing today, we will add only the equipment and connections necessary for that equipment.

MR. JAMES: Is there lab in the same building now?

MR. LEWIS: Yes. It is five floors above this.

MR. JAMES: I understand.

MR. GOLDSTEIN: I move we approve.

MR. JAMES: Second.

GOVERNOR MANDEL: If there is no objection so approved.

MR. GOLDSTEIN: The next item was C-6, page 30, another big change order, Towson State College.

MR. LEWIS: This is the classroom at Towson

State being built between the science building and Lee Hall School. We ran into a bad rock condition that didn't show up on the borings. At first we thought we would run into the magnitude of a change order of around \$250,000 but with a lot of work that has been accomplished by the engineer on our staff with the drillings taken and time involved, we have got it down to a not to exceed \$85,000. \$30,000 of it has been completed. What we are doing here is coming in with a not to exceed change order in order to allow us to pay the contractor on a monthly basis.

MR. GOLDSTEIN: George, when you have these borings made, doesn't the engineer who makes the borings have some responsibility?

MR. LEWIS: The only thing they do is to give us the borings indicating what the rock strata is. The unfortunate thing, and this occurs not normally, if you run into a bad slope condition on the rock, and it is fragmented beyond what you find in the borings, we could take borings every 15 or 20 feet in the site and spend the money and possibly find out a little more about it but you

still have got this condition to face. We take a minimum of borings because they are expensive too and take an educated scientific guess as to what is there.

MR. GOLDSTEIN: Why couldn't you have your own specialist? You all do a lot of boring. Couldn't you get one of your own machines and do your own boring?

MR. LEWIS: I think we have ups and downs in this type of thing. If you had your own equipment you would probably need it in five different places at one time and two months later not need it at all.

MR. GOLDSTEIN: You can't rent this equipment?

MR. LEWIS: We could rent the equipment but you would still have to have the personnel to do it, to operate it.

MR. GOLDSTEIN: Okay.

MR. LEWIS: This is specialized equipment in rock borings. Once they went down to put the casings in, they opened it up and found the bad condition. We started drilling ten or fifteen feet down from the bottom of the caissons in order to determine whether that condition existed further down. We had to drop the caissons to a

more suitable strata of rock. It is a much smaller change order than I anticipated.

MR. GOLDSTEIN: C-9, page 32, change order of \$29,500, University of Maryland, Baltimore County campus.

MR. JAMES: I have got the same question on 9 and 10.

MR. GOLDSTEIN: I had 10 too.

MR. JAMES: It looks to me as though there are reinstatements. I can't understand that.

MR. LEWIS: 10 is reinstatement, No. 9, reinstatement of a number of items with escalation which was in the contract. In other words, we had pulled things out of the contract and not awarded them, this was 11 months ago in this particular case.

MR. JAMES: Why didn't you award them in the first instance?

MR. LEWIS: We didn't have the funds. This is university funds in this particular funds. They are the university student account and they indicated they didn't have the funds available to award the total contract so these things we were able not to award as alternates. In

the contract we requested the contractor to figure us the figure for reinstating them when funds were available.

MR. GOLDSTEIN: This was added on?

MR. LEWIS: One percent a month. The contract was awarded in August of last year.

MR. GOLDSTEIN: In other words, if you had let these auditors come in then you would have saved \$450?

MR. LEWIS: Right if we had the money to do it.

MR. GOLDSTEIN: How about C-10?

MR. LEWIS: C-10 is the physical education at Salisbury. I think these are without any escalation.

MR. JAMES: The same reason?

MR. LEWIS: Reinstatement of these alternatives because we didn't accept them. We got additional funds in the '75 General Assembly.

MR. JAMES: I can see where if you didn't have the money, but there must be some reason for putting that in the contract and then putting \$218,000 worth of alternates later.

MR. LEWIS: We have done this over a period of years.



MR. GOLDSTEIN: They wouldn't play basketball, they wouldn't have bleachers or the backstop.

MR. LEWIS: It is facility from an educational standpoint, usable facility. It wasn't from the point of view of spectator sports.

MR. JAMES: Why not do it later?

MR. LEWIS: Because the funds weren't available through the Legislature. In '75 we went back to the Legislature to get additional funds to reinstate these items.

MR. GOLDSTEIN: How about C-11, page 33, University of Maryland College Park. That is the office and classroom building.

MR. LEWIS: There again, reinstatement of items that were taken out of the contract. About a year ago this Board approved reinstatement of a number of items on this project, and in the contract, we had it in the contract that they had to be reinstated by May 15th. It turned out we were one day late with our approval. We have been working with the contractor over this last year, almost a year period, and have got these items reinstated now and

basically they are always the same price. The brick paver, for instance, is the identical price from the original. The painting, which was \$52,810 is the same as the original. The stone work has gone up about \$2,200. The air and water balancing had gone up about \$1,800, and the library stacks, which is equipment, has gone up \$6,000, so this is the best we can do on reinstating these items. It has been determined it is going to be cheaper for us to reinstate these on this basis than it is to -- to try to rebid.

MR. GOLDSTEIN: Don't you have a clause in the contract if you want to reinstate certain alternates --

MR. LEWIS: This one we had that. The date they were to be reinstated was May 15th. We approved it on May 16th last year I think it was. The contractor was notified on the 16th and he refused to accept it.

GOVERNOR MANDEL: Who is the contractor?

MR. LEWIS: Equitable Construction Company. We have been able to get him back in basically within the same figure, most of them at the same price but we have had problems, serious problems on this. It has taken a year to

work it out.

MR. GOLDSTEIN: Is the building on time?

MR. LEWIS: I wouldn't be sure.

MR. GOLDSTEIN: I would make a motion if this guy is behind you make him pay the penalty for every day he is behind.

MR. LEWIS: Obviously there is a penalty clause in the contract.

MR. GOLDSTEIN: I want it complied with. Any man treats you this way one day I make a motion if he is behind one day he pays the penalty.

MR. LEWIS: It is unusual for this type condition to exist.

MR. GOLDSTEIN: Do as others do unto you.

GOVERNOR MANDEL: Never get mad, get even.

MR. GOLDSTEIN: I am not mad. Anyone who wouldn't give you a day's grace and would do that I move if he is behind one day go ahead and be sure you assess him the penalty and send him a copy of the letter.

MR. LEWIS: He has been low on contracts since that. He has been awarded the contract.

MR. GOLDSTEIN: I am not arguing that. If he is that sticky and picayune you treat him the same way.

MR. LEWIS: That is the first I heard of that being done.

MR. GOLDSTEIN: That's right, the first I have heard of that being done. We took care of item 11. Item C-13, on page 34, University of Maryland, Baltimore.

MR. LEWIS: This is a water problem that occurred in Howard Hall addition during the underpinning of the old Howard Hall addition, and we have been working on this with the contractor for some time. We have got it down to a figure of \$27,985. I think it is a suitable figure now to settle on. It was done basically on a time and material basis but it was difficult to analyze. We are assured now we are on good ground, but it is a water condition that we hit.

MR. GOLDSTEIN: The next item was C-16, page 35. Hair dryers. Do we purchase hair dryers for people?

MR. LEWIS: We are furnishing a connection. The college buys the dryers in the future, that's right, for women and men.

MR. GOLDSTEIN: That is something unusual. I thought men were supposed to furnish their own hair dryers as well as women.

MR. JAMES: The Baltimore Orioles furnish their players with hair dryers now.

MR. GOLDSTEIN: I am not acquainted with that kind of business.

MR. LEWIS: I think you should look at most of the buildings when you go on the campus.

MR. GOLDSTEIN: I swim every day and take a towel to dry my hair. These people have to use hair dryers.

MR. LEWIS: Yours is not quite that long.

MR. GOLDSTEIN: It is not long. I take a towel and dry it and come up to work.

MR. LEWIS: I knew that would bother you. You will find it in all of your P. E. buildings now.

MR. GOLDSTEIN: I am catching up with the times.

MR. LEWIS: Buster doesn't need it.

MR. PHIPPS: I am a polisher.

GOVERNOR MANDEL: The thing that confuses me, when you have to provide them for the official too.

MR. GOLDSTEIN: I read that statement twice. I said am I reading this thing twice? That will make a good story, members of the press.

MR. LEWIS: You read it right.

MR. GOLDSTEIN: In other words, we furnish hair dryers to the University of Maryland?

MR. LEWIS: We furnish the connection now.

MR. GOLDSTEIN: When the basketball referees come around with the long hair we furnish a hair dryer?

MR. JAMES: That is the plug-in.

MR. GOLDSTEIN: They have a minimum of one dryer.

GOVERNOR MANDEL: I guess the conference will send out a notice to all officials to bring their own hair dryer. We have got the connection, bring your own dryer.

MR. LEWIS: The college will be buying the dryers, I can assure you.

MR. GOLDSTEIN: Are they the kinds they can take out of the school with them?

MR. LEWIS: No. I think they are generally

commercial dryers.

MR. GOLDSTEIN: All right. C-17, page 36.

I don't mean to be picayune, but there are so many new things.

MR. LEWIS: I had that one checked. I knew you would bring it up, Louis. 17 is the reinstatement of parking road paving and parking lighting at Towson, physical education building and this actually, when we complete the reinstatement on this thing, I think this is the last of it. It is slightly less than what we had in the original deduction. If you recall this job it came in at ten million dollars and we awarded an eight million dollar contract.

MR. GOLDSTEIN: Right.

MR. LEWIS: We made a lot of changes in the building in working with the contractor to reduce the cost and we deferred some items and this is the deferred items in there, actually going back in slightly less than what we had deferred them for, and in this particular case, here is a case where a contractor has been working with the State to reduce the cost of the building from the

beginning of construction. We will be able to accomplish a lot by doing that.

MR. GOLDSTEIN: It is a nice building. I was out in it the other night to the soccer game. The Baltimore Comets played the Miami team.

MR. LEWIS: Where he can see an item that he can save the State money by a slight change in design or in material, the State has the opportunity then to determine --

MR. GOLDSTEIN: He does a good job. He did our income tax building. He does a good job. I just wanted to find out about it.

My next item was C-24, page 40, community mental health and retardation center, Baltimore.

MR. LEWIS: This is a complete sound system, a paging system within that building. Initially the paging system was programmed out of the building. This was back when it was awarded back two and a half years ago. That about finishes that building by the way.

MR. GOLDSTEIN: A paging system?

MR. LEWIS: A paging system.



MR. GOLDSTEIN: All right.

My next item was item C-30 page 42.

MR. LEWIS: This is revisions up at the Edgewood Arsenal to conform to the federal requirement in the fuel loading area, basically.

MR. JAMES: What are we doing spending money on a federal reservation?

MR. LEWIS: We are building an entire hangar on federal property. I think they paid most of it.

GOVERNOR MANDEL: That is the National Guard.

MR. LEWIS: For the helicopters. The Federal Government has paid for most of the project. I think we are picking up a very small part of it.

MR. GOLDSTEIN: \$1,715,000, now it is costing thirty more thousand to modify it and meet the specifications.

MR. LEWIS: This is the fuel loading area that we had to change to meet their specs, that's right. There is a lightning protection item too on the antenna mount. That was a small figure.

MR. GOLDSTEIN: Okay.

GOVERNOR MANDEL: What else?

**MR. GOLDSTEIN:** My next item was M-1, page 52. I think we took care of that this morning.

**GOVERNOR MANDEL:** Yes.

**MR. GOLDSTEIN:** We took care of that item this morning.

**GOVERNOR MANDEL:** That's right. That is all done.

**MR. LEWIS:** I want to withdraw item M-2, on page 56.

**MR. GOLDSTEIN:** M-2, page 56?

**MR. LEWIS:** That is Tacoma Park campus for construction of pavillion No. 12, and apparently Montgomery County Planning has some problem with that so they have requested it be withdrawn.

**MR. GOLDSTEIN:** Page 56?

**MR. LEWIS:** Page 56, M-2.

**MR. GOLDSTEIN:** M-2, right, withdrawn.

**MR. LEWIS:** This happens to be on the site of a house that was in that block 69 if you recall.

**MR. GOLDSTEIN:** Oh, yes, indeed. I know that very well.

MR. LEWIS: That is withdrawn.

MR. GOLDSTEIN: How about item M-3, on page 57?  
That is the one, Governor, that has --

GOVERNOR MANDEL: That is the one I was talking about. When I went through it I read it and I didn't quite understand what they were saying.

MR. LEWIS: That has the language in it.

GOVERNOR MANDEL: The Transferee, an amount bearing the same ratio to the then value as determined by agreement of the parties for action bought in court of competent jurisdiction of so much of the institution as constitutes an approved project as the amount of the State participation bore of the cost of acquisition of this property. Wouldn't it be as simple to say if we sell it to somebody, we get our money back?

MR. LEWIS: This is a percentage thereof.

MR. MILLSTONE: This is from the Legislature, just put right into it.

MR. JAMES: I read that law.

MR. GOLDSTEIN: Governor, I spoke to the attorney by the name of Schlepner, with the firm of Bill Dulany

and they represented the Bank of Carroll County who were giving the mortgage on this project. Bill Dulany spoke to me about it. They wanted to withdraw this language from the mortgage. I gave him the background and he said they would make settlement. They represent the Bank as well as the purchaser, so there wasn't too much of a problem but I feel this constitutes a lien when you put it in the mortgage. Nobody will buy the property with that language in it.

MR. MILLSTONE: It is distinguishable.

GOVERNOR MANDEL: I see no problem with it. It is complicated, that is all.

MR. JAMES: I can't see why they say there is no lien. Is that so they can mortgage?

MR. MILLSTONE: I think it is a waiver of first lien. It is subordinated to a mortgage.

MR. JAMES: Mostly the mechanics of getting the State to join in. The mortgage might be rather clumsy. The Board of Public Works might be rather hesitant to waive a first lien.

MR. GOLDSTEIN: M-4 and M-5 are withdrawn.

MR. LEWIS: Withdrawn.

MR. GOLDSTEIN: No problem on that. My next item was item M-7, page 61.

MR. LEWIS: That is reversions.

MR. GOLDSTEIN: Item 23, design Shore Road protection measures and other protective devices required to stabilize cars, abandoned. Why was that abandoned?

MR. PHIPPS: There wasn't enough money to go through with the design of the project and at the time we were building close to the cliffs, now we believe it is better to let the cliffs erode and put our development back far enough so it will last some time.

MR. GOLDSTEIN: You will not put the building on the edge of the cliff?

MR. PHIPPS: Yes.

MR. GOLDSTEIN: You will go back like they did in the old times and build back farther to overlook Chesapeake Bay.

MR. PHIPPS: Yes, sir.

MR. GOLDSTEIN: That makes good sense. I am glad you came to that conclusion. I wondered why you thought

of putting the building on the edge of the cliff. It has rained seven inches last Thursday, remember.

MR. PHIPPS: The cost is astronomical to try to stop the cliffs from eroding.

MR. GOLDSTEIN: How well I know it.

MR. LEWIS: Originally this was in the general construction loan.

MR. PHIPPS: It is four years old.

MR. GOLDSTEIN: You couldn't stabilize those cliffs if you spent a million dollars and you did it right.

MR. PHIPPS: That is why we --

MR. GOLDSTEIN: Put in the proper bulkhead and slope them and then, if you had all of these torrential rains like we had, you wouldn't have it. I wanted that, in case somebody asks me. I will be able to answer it. Thank you. I wonder if you will write me a note to that effect so I can put it in the record so in case somebody starts writing me, I can tell them why.

MR. PHIPPS: We will send you our recommendations.

MR. GOLDSTEIN: Okay.

GOVERNOR MANDEL: I ma glad we got that \$5 back.

MR. LEWIS: We have to do that.

GOVERNOR MANDEL: I am glad we got that \$5 back.

MR. LEWIS: It is unfortunate. You have seen items on my agenda for three cents.

GOVERNOR MANDEL: I know.

MR. LEWIS: It has to be done.

MR. GOLDSTEIN: My next item was item P-1  
page 64.

MR. LEWIS: We took care of that.

GOVERNOR MANDEL: We deferred that.

MR. LEWIS: We deferred it to the next agenda.

MR. GOLDSTEIN: Item P-3 --

GOVERNOR MANDEL: p-2?

MR. GOLDSTEIN: P-2. That is ten acres in the historic Dr. Mudd's home. He treated Mr. Booth on his way to Virginia. It is a very historic home. Everybody is satisfied with this now the way it is.

MR. LEWIS: We had \$150,000 in the appropriation for this.

MR. JAMES: Has it been restored?

MR. LEWIS: It has not been restored.

MR. JAMES: It is in pretty good shape right now.

MR. GOLDSTEIN: The owner is still there.

MR. MILLSTONE: People are living there?

MR. GOLDSTEIN: Let me show you a picture. It won't take but a minute to show you the pictures of it.

GOVERNOR MANDEL: I saw it not so long ago. I went by there.

MR. GOLDSTEIN: Right here, sir. I have a real good picture. That is a very prominent southern Maryland name, Dr. Samuel Mudd. Here is a picture of it that will give you a pretty good idea. It is colored. You can see them pretty good. It is part of a two hundred some acre farm.

MR. JAMES: Original house?

MR. GOLDSTEIN: Yes, sir, built 1850 something.

MR. JAMES: Yes.

MR. GOLDSTEIN: Here it is in black and white. At one time they were demanding \$150,000.

MR. LEWIS: They were sure. That is what was in the appropriation.



GOVERNOR MANDEL: \$150,000 was appropriated, wasn't it?

MR. MILLSTONE: Yes, sir. We were told to pay them.

MR. GOLDSTEIN: Everybody is satisfied now.

MR. MILLSTONE: Yes, sir.

MR. GOLDSTEIN: Thank you, sir. That takes care of that.

P-6, page 69. They were all taken care of today.

MR. LEWIS: P-6, 7 and 8 and 9.

MR. GOLDSTEIN: 6, 7, 8 and 9.

GOVERNOR MANDEL: We took care of all of those this morning.

MR. GOLDSTEIN: I am glad everybody is happy here today.

MR. LEWIS: P-10 is the settlement on the Kunlo property.

GOVERNOR MANDEL: What was this verdict again, George, do you remember offhand?

MR. LEWIS: No, I don't, Governor. I don't think it is in here. Max, do you recall the court verdict on the

Kunlow property?

MR. MILLSTONE: I don't have it with me.

MR. LEWIS: It was rather high.

GOVERNOR MANDEL: I remember, it was real high,

MR. LEWIS: The indication the court costs in abandonment could be approximately \$50,000. Remember the arguments that we had before the Board.

GOVERNOR MANDEL: Right.

MR. LEWIS: This is the settlement, abandonment cost, \$16,019.

MR. GOLDSTEIN: I move approval.

GOVERNOR MANDEL: Okay.

MR. GOLDSTEIN: The next item was 74, P-11.

MR. LEWIS: That is a recommendation of the attorneys on condemnation cases to settle for \$68,500.

MR. GOLDSTEIN: That is within the appraisal.

MR. JAMES: Move we approve it.

MR. GOLDSTEIN: Second.

MR. LEWIS: Had one mass been withdrawn?

MR. GOLDSTEIN: Let's see the leases here.

Do you want to bring up about the Queen Anne's

County? Do you want to bring it up today about Queen Anne's County?

GOVERNOR MANDEL: Do you have any questions on these leases?

MR. GOLDSTEIN: No, sir.

MR. BADGER: The agreement will be prepared to be presented to the Board.

MR. GOLDSTEIN: Carroll and Frederick County.

MR. BADGER: We would like to have Carroll, Queen Anne's and Frederick.

MR. GOLDSTEIN: I would like to have them placed on agenda for the next meeting.

GOVERNOR MANDEL: If you can get them all at that time we would like to do it.

MR. GOLDSTEIN: That is with reference to the combination of state and county office facilities, Calvert County, Queen Anne's and Frederick?

MR. BADGER: Yes.

GOVERNOR MANDEL: Did you get a copy of this letter from John Oster?

MR. GOLDSTEIN: With reference to what?

MR. AJAMES: I have got that in my file.

GOVERNOR MANDEL: About the Provident Hospital?

MR. GOLDSTEIN: Yes, sir. I have got that right here.

GOVERNOR MANDEL: Don't you think we ought to --

MR. JAMES: I think we ought to do something.

GOVERNOR MANDEL: Don't you think we ought to put an item on the next agenda and get some of these people down to find out what this is all about before we have a disaster?

MR. JAMES: Do you think we ought to have an independent review? Are you familiar with this?

MR. STETTLER: No, I am not.

GOVERNOR MANDEL: This is about Jerry Ashe, who was the receiver of Provident Hospital.

MR. JAMES: He expressed some grave apprehension about the future of Provident Hospital. He feels as though it is falling back into the same fiscal irresponsibility that caused the original crisis and he is just giving us an early warning. Who had responsibility of making the analysis of their problems before, Governor?

Was that Secretary Barnes?

MR. STETTLER: Our department did.

MR. JAMES: I think you had better give them a letter and ask them to make a preliminary analysis and when they are ready to put it on the agenda --

GOVERNOR MANDEL: Ask Grace to make you a copy of this and take it with you and ask Ken to send somebody in there and take a look at it and let them talk to Jerry Ashe.

MR. JAMES: I have a couple of things.

MR. GOLDSTEIN: I have Oster's letter right here. You said put that on the next meeting.

GOVERNOR MANDEL: No, Ken Barnes is going to make an analysis of it and when he is ready we will get it on. George, here is a copy of that letter.

MR. LEWIS: This is the original. Do you want me to make a copy?

GOVERNOR MANDEL: Make a copy but I want you to get up an answer for me, will you?

MR. LEWIS: Okay. The letter you received from the I. A. C. on the Ewell property, we will have that for

you at the next meeting.

MR. JAMES: Governor, at the last meeting of the Board of Regents over at College Park -- Louis, you weren't able to make that meeting.

MR. GOLDSTEIN: No. I was out of town.

MR. JAMES: The question of the bank branch came up and my recollection is the Board of Regents recommended that the branch be granted to Chevy Chase.

MR. GOLDSTEIN: Chevy Chase.

MR. JAMES: I think subject to the approval of the Board of Public Works but I thought it was coming over here but I haven't seen it.

GOVERNOR MANDEL: I haven't heard about it.

MR. JAMES: I think we ought to try to run that down, because that thing is going to be held in limbo with a lot of suspicion surrounding it and I think we ought to find out from Dr. Elkins where it is from their standpoint.

GOVERNOR MANDEL: Louie, can you inquire over there and find out where it is or do we have to approve it?

MR. GOLDSTEIN: Yes, sir. In other words, to bring you up real quick, last year when we had the item on

the agenda we approved the lease arrangement that they had with the Chevy Chase Bank. Then it was subject to the approval of the bank commissioner of Maryland. Well, for reasons I can't discuss them here, because under the Bank Act certain things about banks can't be discussed, the Bank Commissioner refused to issue the license for a branch bank and sent it back. It is now before the Banking Commissioner again. I spoke to Mr. Williston on Monday. He said he is reviewing it now and he will have a special meeting of the State Banking Board very shortly, so it can be done like you say prior to September when the college opens.

MR. JAMES: Yes.

MR. GOLDSTEIN: I think it ought to be on the Board of Public Works' agenda for the next meeting with reference to getting that approved.

MR. JAMES: Yes.

GOVERNOR MANDEL: There is nothing we can do until the Banking Commissioner makes a decision.

MR. GOLDSTEIN: Last time we approved the lease agreement, prior to the Banking Commissioner acting on it.

MR. BADGER: We just returned this lease to the University of Maryland, Mr. Goldstein, and indicated to them that it would be deferred, presenting it to the Board of Public Works until the Bank Commissioner acted on it. I talked with John Jewell's office. These are in the process of reviewing it now. The only thing that concerned us, we felt you should be the final reviewing authority of the leased document. As presented last year, it wasn't. They had a lease which was not acted upon which really made the Board of Public Works approve an agreement that had not been really approved by the Banking Commissioner.

MR. GOLDSTEIN: The way I understand it, we approved the lease with the University of Maryland subject to the Banking Commissioner's approving the license to operate a branch bank, a full service branch bank. That is what we did.

MR. BADGER: That's right. You can do the same thing again.

MR. GOLDSTEIN: I move we do the same thing again.

MR. LEWIS: I have it placed on the next agenda.

MR. GOLDSTEIN: Place it on the agenda and we can



approve it subject to getting a license of the Banking Commissioner, operating a full service bank the same as one over in Chevy Chase on Connecticut Avenue. I think that should be done.

MR. JAMES: Okay.

GOVERNOR MANDEL: Anything else?

MR. GOLDSTEIN: Governor, on the submerged lands and the wetlands, we adopted a policy some time ago where these different companies and individuals have power lines and other facilities under wetlands that they pay a certain compensation. For some reason the wetlands people didn't get word of that. Anyway, the surveys have been approved without getting compensation. I hope they will be placed on the next agenda so we can so notify the licensees.

MR. MIDDLETON: Larry will take care of that.

MR. GOLDSTEIN: I would like that placed on the next agenda so the licensees will receive the compensation that the other people are paid. I think that is very important.

MR. JAMES: Did he talk to you about that memorandum of agreement that he is going to present?

MR. GOLDSTEIN: Which was that?

MR. JAMES: Larry Goldstein has been over to see you?

MR. GOLDSTEIN: No.

MR. SWANN: He talked with me. He is coming back with Senator James' comments to you next week so you will have it next week.

MR. GOLDSTEIN: All right. Thank you. That is all the items I had.

GOVERNOR MANDEL: I have nothing else. It has been a long day.

(Thereupon, the meeting was adjourned at 2:45 p.m.)

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