

CITY OF BALTIMORE

BRANDON M. SCOTT, Mayor



OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director
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Baltimore, Maryland 21202
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HEARING NOTES

Legislative Oversight – LO23-0031

Baltimore City’s Analysis on the Sale or Control of Conduit System

Committee: Legislative Investigations
Chaired by: Councilman Eric T. Costello
Hearing Date: Thursday, February 23, 2023
Time (Beginning): 5:20 PM
Time (Ending): 8:50 PM
Location: Council Chambers
Total Attendance: Approximately 75 in-person
Approximately 25 virtually

Committee Members in Attendance:

Eric T. Costello Robert Stokes
Isaac “Yitzy” Schleifer Sharon Green Middleton
Danielle McCray

Table with 3 columns: Question, yes, no, n/a. Rows include Bill Synopsis in the file?, Attendance sheet in the file?, Agency reports read?, Video or audio-digitally recorded?, Certification of advertising/posting notices in the file?, Evidence of notification to property owners?, Final vote taken at this hearing?

Major Speakers

(This is not an attendance record.)

Public Testimony

- Rob Easter
Kobi Little, NAACP
Tonya Bana
Christina Flowers
Michael Scott
Sharyel Seltzer

Public Testimony – Conduit Users

- Kevin Brown, Small Business Owner
- Carmen Raja, Crown Castle
- Dawn Kiersten, Comcast
- Charles Washington, Baltimore Gas and Electric (BGE)

Ebony Thompson, Acting City Solicitor

Robert (Bob) Cennamo, Finance Department

Stephen Salisbury, Deputy City Solicitor

Corren Johnson, Department of Transportation

Major Issues Discussed

1. The chairman informed the attendees and public how the hearing would be conducted.
2. The Council President gave opening remarks. He talked about the importance of “oversight.” He also thanked the public, all the partners, companies and/or attendees for participating during the hearing.
3. Six (6) attendees testified. Some highlights from their testimonies were:
 - Talked about how BGE has changed over the years
 - Concern about some allegations such as:
 - Workplace violence
 - Race issues
 - The committee was asked to exam how the City is creating contracts, especially surrounding equity
 - Opposed the conduit agreement
 - Concern: lacking the use of minority contractors
 - Do not trust BGE
 - Talked about the importance of transparency and accountability
 - Thanked the Council for holding the hearing(s)
 - Transparency lacks when you don’t have adequate data!
 - Comments regarding Exelon
4. Four (4) Conduit Users testified. Some highlights from their testimonies were:
 - The current contract at hand omits pertinent information
 - There is unclear language in the existing contract
 - Conduit users met with the Mayor’s office staff yesterday
 - Would like to continue work in Baltimore city but may not!
 - The rights and interests of conduit users must be protected
 - Conduit costs in city is too excessive
 - Definitions were given for terminology associated with a “conduit system”
 - Crown Castle provides fiber to businesses, schools and to the community; does not know how the current contract will affect their business
 - Concern: BGE having sole discretion on projects
 - Concern: lack of transparency for capital improvements
 - Concern: having a fair and transparent conduit system
 - Concerns:
 - Capital improvement commitments
 - Outages caused by conduit workers (who should be held accountable)
 - Costs as a result of relocations

- Future capital improvement projects
 - Ensuring all providers are given fair treatment for the use of the conduit system
 - Per the Representative for BGE:
 - This agreement allows for:
 - Opportunity
 - More and better investments
 - Will work more closely with the City of Baltimore
 - BGE is not the “sole” decision-maker
 - BGE goes beyond and over giving contracts to other contractors; and outcomes of same have been documented over the years and reported to the PSC.
 - Also discussed: Investments, operations and liabilities
 - The existing contract updates the 2016 agreement
 - BGE denounces racism; it is not tolerated
 - Thinks this deal/contract is strong and a good opportunity for the City
5. The Acting City Solicitor talked about processes and/or things that occurred while creating and approving the contract with BGE. She stated, “This is a huge win for the City of Baltimore.”
6. The committee members stated concerns, made comments and asked questions. Some were:
- Assessing liabilities
 - Can you talk more about liabilities and/or about who will be accountable for same?
 - Contract with BGE
 - Did the Finance Department and/or an outside consultant assist with the contract?
 - Can Finance explain its role with the contract?
 - How many hours were spent on the contract? **Answer: Months were spent completing it**
 - **Per Finance Department:** No outside firms were used for figures and/or numbers given.
 - Is the City still responsible for maintenance? **Answer: Yes, but when more improvements are made, maintenance cost will go down.**
 - Have BGE talked with the city about purchasing the conduit system recently?
 - Did FMI consultant provide the administration with a figure to purchase the conduit system?
 - **Requested by Chairman Costello: Have BGE ever made an offer to purchase conduit system from the City? Is it an asset that BGE wants? Please research and provide findings.**
 - Meetings with Conduit Users
 - How many meetings were held with the other conduit users?
 - Did the Finance Department hold any outside meetings?
 - How often will meetings be held with other conduit users?
 - **Requested by Councilwoman McCray - Would like to know how often meetings will be held with the other conduit users (not BGE), she wants to make sure they have a seat at the table**
 - Conflict of Interest
 - The Acting City Solicitor was asked if she ever worked for Exelon. She replied, yes.
 - **Requested by Councilman Stokes: Would like an opinion from the Ethics Board to see if a possible “conflict of interest” exists.**

- Quality of Work – is of concern
 - Standards associated with the level of work and craftsmanship – is of concern
 - Compliance versus Non-Compliance – is of concern
 - The contract does not cover all of the expenses that will be needed to maintain the conduit system
 - Do you believe BGE can perform a better job than those who are currently performing the work? I have not heard that our DOT staff is not performing the duties/upkeep that are needed, so why change what is not broken?
 - Just because a permit is acceptable does not necessarily mean the work will be performed up to the City’s standards!
 - **Requested by Councilman Schleifer: Provide a list of the names for all Inspectors within the Department of Transportation who will be monitoring the conduit system**
- Question: Is BGE seeking to own the conduit system?
- Consultant Report – FMI Consultant
 - We are still waiting on the consultant’s report; therefore, we don’t know the value of the City’s conduit system!
 - Don’t know how a decision was made without that report!
 - Evaluations and comparisons should be done by the FMI consultant
 - Is frustrated; is a “rush” deal!
 - FMI have not been able to submit a good evaluation – what are we paying them for!
- Concerns:
 - Lack of notification pertaining to:
 - Planned work
 - Coordination with the DOT
 - No coordination with all the work that is going on
 - Not given proper notices
 - Is BGE finally going to start giving adequate notifications to residents/community?
 - Would like a letter stating your commitment (BGE) to giving the proper notification regarding things that will happen and/or occur
 - BGE representative responded and talked about coordination, notices and commitment. He also stated, “There is room for improvement and that he hears Councilwoman Ramos “loud and clear.”
 - Councilwoman Ramos stated she would like a commitment from BGE, that the company will submit “list of planned projects” in the future
 - Concern: having a floor to value the work excepted by BGE
 - Comment: Seems the City is setting itself up to lose millions of dollars!
 - Getting the best deals for our citizens today as well as in the future!
 - Have a lot of concerns with the contract
 - Issues around competition
 - Deal is flawed
- Data Requests and Concerns

- Minutes from monthly meetings
- A specific list of deliverables
- Supplier diversity at the subcontractor's level – is of concern
- Requested by Councilwoman Porter: “If both parties would agree with amending the contract; could it be done?” Please provide feedback in writing
- Accountability Measures
 - Permit and Other Violations
 - Want to make sure when or if there is a disagreement with the City or a breach of contract, it is handled correctly and timely. How do we handle same?
- Conduit System
 - What is the cost for maintenance? Answer: The operating budget is \$13.6 million
- Revenue received from Other Conduit Users
 - Revenue may not be enough!
 - Requested by Councilman Conway: Provide the maintenance cost and revenue received from the other users
- Questions Addressed to Other Conduit Users
 - Have you negotiated a contract?
 - Have the City approached you about a contract?
 - It is my understanding that the same deal/contract that applies to BGE, applies to you!
 - What is the strategy moving forward for the other users?
 - Why wasn't negotiation done in advance with the other users? Being pro-active!
 - How many of you (other conduit users) are currently in a conduit agreement?
 - Concern: Being in limbo (other conduit users) is problematic
- Savings
 - \$50 million in savings, how did you come up with this figure?
 - Would like to see some kind of documentation to verify the \$50 million in savings; to see exactly what the savings are!
 - What is the average rate increase to payers?
 - How long have BGE and/or the Administration known in would be \$50 million in savings?
 - Requested by Chairman Costello: To Mr. Washington, BGE – Provide the methodology for how the \$50 million in savings was established/calculated
- Other Topics
 - Some discussion regarding “as built” plans
 - Clarification regarding “sole discretion”
 - This language permits BGE to do so much!
 - Talked about the importance of reaching out to the other conduit users; (having collaborate conversations)
- Contract Approval – Board of Estimates
 - On February 15, 2023 the BOE approved the contract
 - On March 15, 2023 the Comptroller will placed the contract back on the BOE's agenda – how will you vote on it on this date?

7. Chairman Costello stated, “the committee received a large package of information from the Administration today; one response was over 495 pages; time wise we have not had time to read the information. We will review the information received and come back to discuss same.
 8. Hearing recessed.
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Further Study

Was further study requested?

Yes No

If yes, describe.

1. See “red and yellow” highlights in the Mayor Issues Discussed section above.
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Marguerite M. Currin

Marguerite M. Currin, Committee Staff

cc: Bill File

OCS Electronic File

Date: February 24, 2023



Baltimore City Council Committee Hearing Attendance Record

Subject: Legislative Oversight – Baltimore City’s Analysis on the Sale or Control of Conduit System	LO #23-0031
Committee: Legislative Investigations	Chair: Eric T. Costello
Date: Thursday, February 23, 2023	Time: 5:00 PM
Location: Council Chambers	

PLEASE PRINT CLEARLY

CHECK HERE TO TESTIFY



First Name	Last Name	Address / Organization / Email	Testify	What is your position on this bill?		Lobbyist: Are you registered in the City?*	
				For	Against	Yes	No
John	Doe	400 N. Holliday St. Johndoenbmore@yahoo.com	✓	✓	✓	✓	✓
Trenton	Priesthoff						
Rod	Easter	Kobi Little	✓	✓			
Charles	Washington		✓	✓			
Tanya	Baia		✓		✓		
Kevin	Brown BROWN		✓				
Karmen Kenan	Rajamani		✓				
Dawn	Kirstaetter		✓				

Christina Flowers

✓

*NOTE: IF YOU ARE COMPENSATED OR INCUR EXPENSES IN CONNECTION WITH THIS BILL, YOU MAY BE REQUIRED BY LAW TO REGISTER WITH THE CITY ETHICS BOARD AS A LOBBYIST. REGISTRATION CAN BE DONE ONLINE AND IS A SIMPLE PROCESS. FOR INFORMATION VISIT: [HTTPS://ETHICS.BALTIMORECITY.GOV](https://ethics.baltimorecity.gov) OR CALL: 410-396-4730

Michael Scott

Kobi Little

Page No. 1



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John	Doe	400 N. Holliday St. Johndoenbmore@yahoo.com	✓	✓	✓	✓	✓
Rev Kobi	Little	8 W 26 th St. Baltimore 21218	✓				
Sharvel Seltzer	Seltzer	2306 Trossen Parkway Bolto 21215	✓				

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City of Baltimore

City Council
City Hall, Room 408
100 North Holliday Street
Baltimore, Maryland 21202

Meeting Minutes - Final

Legislative Investigations

Thursday, February 23, 2023

5:00 PM Du Burns Council Chamber, 4th floor, City Hall: Phone:
+1-408-418-9388, Access Code: 2345 232 0241, Password:
Public, Link: [https://bmore.webex.com/bmore/j.php?](https://bmore.webex.com/bmore/j.php?MTID=m1992b6698a772eeb1cb302c65edb82ec)
MTID=m1992b6698a772eeb1cb302c65edb82ec

Legislative Oversight: LO23-0031

Reconvened from 2-9-23

CALL TO ORDER

INTRODUCTIONS

ATTENDANCE

Present 5 - Eric T. Costello, Sharon Green Middleton, Isaac "Yitzy" Schleifer, Robert Stokes Sr., and Danielle N. McCray

ITEM SCHEDULED FOR PUBLIC HEARING

LO23-0031

Baltimore City's Analysis on the Sale or Control of Conduit System

For the purpose of discussing the deal with Baltimore Gas and Electric regarding the city's conduit system and to obtain information from the executive administration about the City's plans for the maintenance, capital improvements, or any other terms of the duties or rights under the franchise agreements related to the underground conduit system.

Hearing called to recess.

ADJOURNMENT