

A question of greatness

Carroll's Dixon touts his own success as state treasurer

Family, good educators helped Dixon to overcome

By KEVIN MILLER
Times Staff Writer

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Richard N. Dixon credits his strong family bonds and devoted teachers with helping him and his siblings succeed despite segregation in Carroll County. At the time, all black students in the county attended Robert Moton School in Westminster, where old textbooks discarded by the white schools were the norm and grades one through 12 used the same school.

Despite the prejudice and hardships, the "tremendous" support of his parents, Thomas and Mamie, helped the Dixon children grow up with self-confidence and goals, he said.

"My parents created an environment where there was no doubt in my mind that I was going to college," Dixon said. He went, as did three of his brothers and sisters.

Dixon has never forgotten those lessons taught him by his parents and his teachers, at Robert Moton and elsewhere. At nearly every milestone in his political life, Dixon has incorporated some significant item from his past into the moment.

In 1978, he announced his first run for state office from the steps of Robert Moton.

Nearly 20 years later, Dixon stood in the auditorium of Morgan State University, his alma mater, to be sworn in as Maryland's first black treasurer. His former minister at Union Street United Methodist Church, the Rev. R.S. Abernethy, delivered the invocation and benediction at the ceremony. Dixon's hand rested on his late mother's Bible as he took the oath of office.

And he still pays homage to his past educators.

For nearly 20 years, Dixon has served as the president of the Former Students of Robert Moton, which awards annual scholarships so that black students can finance their college education. Morgan State University features a scholarship fund in Mamie Dixon's name.

On at least two occasions, Dixon has pointed out to editors at the *Carroll County Times* that beloved, former teachers at Robert Moton had died, prompting news stories beyond the traditional obituary.

"He is as honest a person as I have ever met," said Del. Donald B. Elliott, who knew Dixon years before he served beside him in the state Legislature for nearly 10 years. "I can't say enough good about the guy."

"Beneath all the hoopla that people say is present in him and the odd personality, he has a wonderful heart," said Del. Joanne C. Benson, a representative from Prince George's County who has brought minority students to Dixon for help finding scholarships or guidance. He always obliged, she said.

Dixon's background is also likely responsible for his financial know-how. Even as a child, Dixon would sometimes attempt to hide money from his brothers and sisters. Often, he would hide it so well that he could not find it later, his siblings have said.

After graduating from Morgan State in 1960, Dixon immediately joined the U.S. Army and quickly rose through the ranks.

"It was the only job offer I had," he said during a recent interview.

He served in Vietnam during the bloody Tet Offensive and throughout 1967 and 1968. He was awarded the Bronze Star for his service. But he also knew friends who didn't survive the war. And he becomes quiet — unusual for Dixon — when Vietnam is brought up.

"It was not a pleasant experience," Dixon said in summary.

By the time he left the service in 1968, Dixon was a captain. And the skills he learned as a soldier, he would apply to his future positions — including his job as state treasurer.

"I learned how to manage people and I learned how to compete with people," he said.

After a brief stint working as a health care administrator, Dixon went back to school for his master's degree in business administration — again, at Morgan State — and began working at Merrill Lynch, Pierce, Fenner & Smith Inc. in Baltimore.

Again, he sought out a job that demanded people prove themselves.

"I wanted to be in a competitive place where I was going to determine what salary I was going to be getting. And I determined that by how hard I worked," Dixon said.

Soon enough, he was investing people's money and would continue making investments for 26 years at the firm. As a part-time legislator, Dixon worked as a lawmaker all day and then as a broker at night. He negotiated transactions from the floor of the House at times.

"When you're dealing with people and their money, you can't go away for three months," he explained.

Since becoming treasurer in 1996, Dixon has not forgotten his roots in Carroll County. During nearly every Board of Public Works meeting, Dixon singles out Carroll County projects and announces his continued commitment to the people who first sent him to Annapolis.

He fought alongside the county's delegation to revive the Manchester bypass project that had been killed by Gov. Parris N. Glendening's administration. And he rallied for building the third and final section of a police training complex in Sykesville, as it had been planned for years.

When asked whether Dixon ever sees himself moving out of Carroll County, he replies with a quick, "Never."

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"I like coming home at night to the fresh Carroll County air," he said. "I can see the Blue Ridge Mountains right from my home."

Dixon's name is occasionally mentioned in Annapolis circles as a possible running mate for Lt. Gov. Kathleen Kennedy Townsend, who is considered one of the leading potential successors to Glendening.

Not interested, said Dixon.

"I like this job and have no desire to be anything in higher office," he said.

He said he'll likely run for a third term as treasurer in 2003. If he wins, he will likely call it quits at the end of his term in early 2008 — at the age of 69.

And plans for afterward, he is asked?

Buy a house in the Island of St. Thomas or in the U.S. Virgin Islands somewhere and enjoy the sunshine — but keep the house in Carroll County, of course, he said.

WHAT THE MARYLAND TREASURER DOES

The treasurer of the State of Maryland is charged with much more than simply being the custodian of the State Treasury.

With the help of the state comptroller, the treasurer handles the duties of the Treasury Department. In general, the treasurer is responsible for receiving, depositing, investing and distributing state money.

The treasurer also serves on the Board of Public Works, which is the body charged with supervising how the state's money is spent and approving most state contracts. The governor and comptroller are the other two members of the board. Below is a list of some of the responsibilities and functions of the state treasurer.

- Select the financial institutions into which state money is invested;
- Act as the custodian of the stocks, bonds and securities held by the state;
- Ensure the interest and principle payments on the state's debt are paid;
- Organizing to sell, settle and deliver general obligation bonds for the state;
- Invest surplus state money;
- Administer the State Insurance Program of pur-

chased insurance and self-insurance including coverage of the state's liability under the Maryland Tort Claims Act:

- Administer the Local Government Investment Pool;

- Approve all banking services contracts for the state;
 - Administer the master lease program;
 - Require banks to provide collateral to cover all state deposits;
 - Pay all bills of state agencies, once approved by the comptroller;
 - Serves as chairman of the Capital Debt Affordability Committee, which reviews the state's financial state and reports to the governor and General Assembly how much new debt in the form of bonds the state should prudently assume in the coming fiscal year;
 - Serves on the Board of Trustees of the Maryland State Retirement and Pension System, which handles investment money to cover all state employees' retirement and pension payments;
 - Serves as a trustee on the Maryland Teachers and State Employees Supplemental Retirement Board;
 - Serves as ex officio member of several other boards, including the Maryland Agricultural Land Preservation Foundation, the Maryland Health and Higher Educational Facilities Authority and the Small Business Development Financing Authority
- Source: The State Treasurer's Office

WHAT HE'S DONE

Following are some of the accomplishments Dixon claims for himself since becoming treasurer in 1996:

- Increased the value of the state's retirement pension fund from about \$20 billion in 1996 to \$30 billion last year. The system is expected to be fully funded this or next year, 20 years ahead of schedule.
- Increased earnings from interest on investments from \$119 million in 1998 to \$233 million last year;
- Increased the amount of money in the

state's Local Government Investment Pool, which is essentially a money market for local governments, from \$467 million in 1996 to \$797 million in 1999;

- Computerized and streamlined his office;
- Reduced the number of unresolved insurance claims from 4,000 to 1,000;
- Pushed through mandatory direct deposit system for all state employees, saving taxpayers thousands, by his own account.
- Upon first entering office in 1996, Dixon realized the state's books had not been reconciled in nearly a decade. He quickly ordered it done — and found \$4.7 million more money than had been accounted for.

hands waving and that enormous, toothy grin well known in Annapolis.

The House rocked with applause, hoots and hollers.

It was nothing new for Dixon, the bombastic overlord of the state's financial reserves and pension systems. Since his election in 1996 as treasurer, the former Carroll County legislator has guided Maryland through the recent economic boom and helped put the state in

perhaps its healthiest financial condition in decades — and has put himself on a pedestal of his own making.

"I believe I am the best treasurer this state has ever had — no question about that," Dixon said recently, his voice casual and cool as he leisurely leaned back in his office chair. "That's not being cocky — it's being confident and knowing your job well. No other treasurer in the country can talk about investment like I can."

And if people don't like Dixon claiming that prestigious title for himself?

"Tough," he said. That attitude — combined with his seemingly tireless sense of humor — has garnered Dixon legions of fans in Carroll County, Annapolis and throughout the state. Many state officials grin and chuckle at his self-ingrati-

By KEVIN MILLER
Times Staff Writer

It was the last day of the 2000 Maryland General Assembly session and Gov. Parris N. Glendening had taken his place as the guest of honor on the House of Delegates' floor after a hearty standing ovation.

But before the crowd of several hundred adrenalized lawmakers and invited guests settled into their seats for the traditional Sine Die keynote address, there would be one more standing ovation — and it would dwarf Glendening's.

With the gusto of a political candidate entering a rally, state Treasurer Richard N. Dixon marched in with

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ation, then remark they believe his self-appointed "best treasurer" title may be true.

But Dixon's outlandish personality and bullish working style does not always roll well with others.

His investment philosophy has been criticized as too market-heavy and, therefore, too risky. He admits to forcing out financial board members with whom he disagreed. Dixon and Glendening have clashed over several Carroll County projects. Legislative leaders have urged Dixon to be more cooperative in recent months. And as a lawmaker, he was the only black member to refuse to join the Legislative Black Caucus — much to his black colleagues' dissatisfaction. One former co-worker called him vindictive, and another likened him to a medieval warrior.

Carroll commuter

Every weekday, between 6:30 and 7 a.m., Dixon leaves his home, nestled in the hills outside New Windsor, to travel the hour-plus ride to the Louis L. Goldstein Treasury Building in Annapolis.

Several times a month, Dixon forgoes his chauffeured ride to Annapolis and, instead, leads the way in his 1994 Corvette, with his Maryland State Police bodyguard in tow.

Once inside his office, Dixon reads his *Wall Street Journal* and is briefed by staff members with that day's financial stats: how much money Maryland's reserve contains, how much was transferred from savings to spending accounts the night before, how much interest the state earned.

The figures can reach the billions.

"The numbers are mind-boggling, but I got used to them because I look at them as a commodity," Dixon said one day in late August while sifting through the papers on his desk.

Dixon's desk is cluttered but orderly. His walls are lined with plaques, degrees and pictures of him with dignitaries, and in the 101st Airborne jump suit he wore as a soldier. A wall chart — measuring at least three feet across — shows the skyward route of the stock market over the past decades. Nearby are the framed stock certificates of the Dow Jones Industrial Index's Blue Chip companies.

It's been four years since Dixon

first sat down in his office. That day, pausing for several minutes, he stared in awe at the new gold letters spelling "Richard N. Dixon" in the foyer of the treasurer's suite.

He had left a high-paying investment job at Merrill Lynch of Baltimore, where he had worked for 26 years. With an overwhelming vote from his peers in the General Assembly, Dixon became Maryland's 22nd treasurer and the first black person elected to that constitutional office.

And things haven't slowed down since, he said.

"I was looking forward to a nice, easy job — having off two days a week," Dixon said. "Boy, I've been working harder than ever before."

No modesty

In his usual anything-but-humble style, Dixon instantly began rattling off numbers and figures when asked of his accomplishments as treasurer. He helped increase by one-third the amount of money in the state retirement pension system's portfolio. Come this year, the system will be fully funded, two decades ahead of schedule. Interest earnings nearly doubled last year, and he's cut the number of unresolved insurance cases by three-fourths. The list could go on.

Asked whether Dixon's accomplishments merit the "best treasurer ever" title, Glendening smiled and paused before he spoke. Minutes before, the governor had adjourned a Board of Public Works meeting. At previous meetings he and Dixon have butted heads, most notably concerning Carroll County projects. Dixon had been unusually quiet that day, earning him a blasting from Comptroller William Donald Schaefer, who prides himself on picking at Glendening's projects.

After reflecting, Glendening said the treasurer is doing a "spectacular" job, rating Dixon as invaluable for his knowledge of investment. And the treasurer's background in the House helps him educate his colleagues on the Board of Public Works about the legislative intent of items before the board. He deserves plenty of credit, the governor said.

"I don't know all of the previous treasurers, nor do I know all of the treasurers in the country," Glendening said. "But I am proud of

the work he does, and I think taxpayers should be proud as well."

A house in order

Analysts agree that Maryland is in good financial shape. The nation's three leading firms that rate states' economic health give Maryland a AAA bond rating — the highest available, and a mark awarded to just nine states.

"I've never met Richard Dixon personally. But in general, our viewpoint, as reflected in our rating, is that Maryland has very strong financial management," said Kenneth Gear, an analyst with Standard & Poor's, who handles Maryland.

With seven consecutive years of general fund surplus and \$1.9 billion in the state's General Fund, plus a "manageable" debt burden, Maryland is among the national leaders, Gear said. Maryland also has a significant financial cushion saved up if the economy turns downward, he said.

Dixon acknowledged that the current national economic boom has helped Maryland. But he said without his investment decisions, the state would have less money in

the bank.

And Dixon dismisses the doom-sayers who predict the stock market must inevitably crash — and soon.

"You hear people say that the market goes up and goes down — they're wrong," Dixon said. "The market always goes up ... when you invest for the long term. And when you're investing in retirement securities, you're investing long term."

Few critics

Few people in Annapolis or elsewhere in the state publicly criticize Dixon's financial decisions.

Once in 1998, Dixon begrudgingly accepted an invitation to speak to an Anne Arundel County Republican group after repeated requests. At the time of the event, the stock market had just taken a considerable hit, and club members predicted Dixon's market-heavy approach would plunge the state into economic turmoil.

Soon enough, the market was back up. And this time, Dixon contacted them.

"I wrote them a letter at the end of December 1998 telling them the market was back up and that they

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THE ROAD TO THE TREASURER'S OFFICE

Following is a time-line of state treasurer Richard N. Dixon's life:

- April 17, 1938** — Richard N. Dixon is born to parents Thomas and Mamie Dixon. He one of six children.
- 1956** — He graduates from Robert Moton High School, Carroll County's only secondary school for black students.
- 1956** — He enters Morgan State University, another historically black school.
- 1960** — Graduates from Morgan State University with a bachelor of science degree in business administration.
- 1960-68** — Enlists in the U.S. Army's Medical Service Corps. He also served in the 101st Airborne division. Serves in Vietnam and receives the Bronze Star. He is discharged with the rank of captain.
- 1968** — Worked as administrator at a hospital health center.
- 1969** — Begins working as a financial consultant at investment firm Merrill Lynch, Pierce, Fenner & Smith.
- 1970-78** — Was appointed to the Board of Education, including two years (1975-77) as board president.
- 1975** — Receives his master's of business administration (MBA) from Morgan State University.
- 1978** — Announces from the steps of Robert Moton that he is running for state delegate. He loses the race.
- November 1982** — Runs again for delegate and wins, becoming the first black resident elected to a state-level position in Carroll County history.
- January 1983** — Takes the oath of office to become a member of the House of Delegates. He is selected by *News-American* newspaper as one of five outstanding freshman delegates out of the 50 new faces that year.
- 1986-94** — Chairs the legislature's Joint Committee on Pensions.
- November 1986** — Wins a second term to the House of Delegates.
- 1987-94** — Chairs the legislature's Joint Budget and Audit Committee.
- November 1990** — Wins a third term to the House of Delegates.
- November 1994** — Wins a fourth term to the House of Delegates.
- 1995** — Chairs the legislature's powerful Capital Budget Subcommittee.
- Jan. 1995** — Tests the waters of the legislature and expresses interest in becoming the next state treasurer. He withdraws after realizing he is short the votes needed to win.
- Jan. 19, 1996** — Is selected on a 134-54 vote to replace Lucille Maurer, who was ill, as state treasurer.
- Jan. 31, 1996** — Resigns as assistant vice president of Merrill Lynch, Pierce, Fenner & Smith Inc.
- Feb. 1, 1996** — Becomes Maryland's first black treasurer. During the swearing-in ceremony, which is held at his alumni, Morgan State, Dixon takes the oath while placing his hand on his late mother's Bible.
- Jan. 22, 1999** — Wins a second term as state treasurer by capturing 174 of the 184 votes cast.

— Times Staff

were wrong," Dixon said. "And I haven't heard back from them for a long time."

But some people, like Howard P. Colhoun, a former member of the state retirement pension system board, believe Dixon uses fear tactics to intimidate those who might criticize him. And they question how much credit Dixon deserves for the state's financial health.

Colhoun and Dixon clashed when the treasurer took over the chairmanship of the state retirement pension system board in 1998. Earlier this year, Dixon enlisted Comptroller William Donald Schaefer to block Colhoun, the 18-year board veteran, from being reappointed by the Board of Public Works. A public fray ensued, and Colhoun accused Dixon of running the board like a dictatorship.

With a third of the votes on the three-member Board of Public Works, Dixon holds an enormous amount of power in deciding which state projects are approved or rejected. Because Glending and Schaefer don't always get along, Dixon has additional power, as he can more easily convince the comptroller to vote no on a project for someone whom Dixon does not like, Colhoun said.

"What I'm telling you is [dissatisfaction with Dixon] is pretty widespread, even though people are reluctant to speak out," Colhoun said. "Most people want something from the state, and they know how vindictive Dixon can be and how powerful the Board of Public Works is. So they would rather lie in the grass. Me, I don't want anything."

Colhoun accused Dixon of playing politics with investments.

Dixon denied ever threatening anyone, adding, "That's Mr. Colhoun's viewpoint, and he no longer serves with me."

Former pension board member Frank Capiello had similar complaints about Dixon's leadership style, especially his treatment of other employees. After serving nearly 20 years on the board, Capiello decided not to seek reappointment shortly after Dixon joined the board.

"I'm glad I got the hell out of there," said Capiello, president of McCullough, Andrews & Capiello in Towson. "Things were getting pretty tense on the board. And Dixon's management style was like Attila the Hun's."

Capiello described Dixon's style

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as unsmooth and too aggressive, whereas the other board members preferred to sit down, discuss issues with experts and take more time before making a decision. He criticized Dixon as placing too much trust in equities, and he said Dixon contributed to the state's economic health, but in no way can claim credit for it. Credit for that lies with decades of prudent financial planning, Cappiello said.

"He thinks he is better than he is, and that's a very dangerous thing," he said.

Dixon had no kind words for Cappiello either.

"I'm glad he opted off because I would have to have had him kicked off, because he was worthless," Dixon said. He refused to explain why he described Cappiello as "worthless."

"Yes, I'm a forceful leader, but you wouldn't want to be on a team with a weak leader," Dixon said.

Lawmakers and state leaders also say Dixon's self-confident and sometimes bullish style can rub some people the wrong way.

"It has never bothered me at all," said Del. Donald B. Elliott, a Carroll/Frederick Republican who served with Dixon from 1987 through 1996. "Whenever I hear him, I smile ... but I do know that it does agitate some people.

"When you really know Richard as a person, you understand it," said Elliott.

In late 1998, Dixon complained that a \$2,000 plaque on the new Ravens stadium was too small for passersby to see his and the other Board of Public Works' members names. The Maryland Stadium Authority eventually agreed to put up a bigger — and more costly — sign to appease the treasurer.

While serving in the legislature, Dixon was criticized by some Democrats — especially within the black community — for voting against certain traditional Democratic issues. His refusal to join the powerful Legislative Black Caucus further angered some members.

In 1996, the caucus hedged on endorsing Dixon for treasurer, despite the fact that Dixon would become the first black treasurer in Maryland history. Dixon received 19 votes in the caucus; his white, female opponent received 14.

Dixon has also proven stubborn in his role as treasurer, perhaps

most notably on the Board of Public Works.

With Comptroller Schaefer on his side, Dixon successfully forced Glendening administration officials to reinstate plans for a bypass around Manchester after the project was deleted as inconsistent with Smart Growth. The bypass is still stalled, however, because Glendening controls whether the project is funded. Dixon and Schaefer also refused to approve money for a police training facility built anywhere other than Sykesville. Within a year, Glendening had a change of heart and slated the project for Sykesville again, though in a slightly different location.

And the Dixon-Schaefer team regularly grills Glendening department heads during board meetings.

"Occasionally we disagree, but that's his job," said Glendening.

Sticking up for Carroll

Unapologetic to the last, Dixon asserts that as a legislator, he voted the way his conservative Carroll County constituents wanted him to. He still vows constantly to continue to fight for his native county.

And as treasurer, he makes the decisions he said he knows are right, adding, "When you put the power in my hands, I know how to use it."

He didn't join the black caucus because he comes from a district where more than 95 percent of the voters are white, he said.

"Are the delegates from Baltimore concerned about farmland preservation? Are the delegates concerned about water supply?" he asked rhetorically. "They had different issues and agendas ... And one of the most important things about being elected to office, especially statewide office, is not to forget who put you there *because* they put you there."

Del. Joanne C. Benson, the caucus chairwoman in 1996, said there was concern among the black lawmakers that Dixon's background as a conservative legislator from a conservative county could lead him to be less supportive of minority firms. Dixon was the only black delegate to vote

against expanding the state's goal for minority participation in state contracts in 1995.

Benson said Thursday Dixon proved those fears unfounded and is a role model for minority young people. She used the words "brilliance in investing" and "outstanding" to describe Dixon's job as treasurer.

"The invested money to minority banks and the story of what he has done for minorities and women in Maryland is incredible," said Benson.

Don't take offense

As for Dixon's personality, Benson said she sees nothing wrong with "tooting one's own horn" when a person is talented. And she generally agreed that Dixon could be the best treasurer in the state's history.

"I don't think people should be offended because ... what he has done for the office of treasurer has elevated the office to such a level of high respect, not only in the State of Maryland but also in the nation," Benson said.

Senate President Thomas V. "Mike" Miller Jr. said Dixon is constantly light-hearted and most people take his comments as humor, although he acknowledged some are put off by Dixon's ego. Dixon has a high opinion of himself, but some of that is likely well-deserved, Miller said.

"Sometimes you laugh with him, sometimes you laugh at him, but you always leave knowing he was there," Miller said.

Glendening simply laughed when the subject of Dixon's personality was brought up.

"His personality is interesting, it really is," the governor said with a hearty laugh.

The fact that Dixon is a black Democrat from predominately white and Republican Carroll County automatically suggests he is unique, Glendening said. And everyone expresses feelings of accomplishment in different ways; Dixon's just happens to be very outspoken, he said with a shrug and a grin.

"Life is more interesting with Richard Dixon around," he said.

Reach Kevin Miller at 410-857-7865 or kmiller@cniofmd.com.