



Larry Hogan GOVERNOR

Boyd K. Rutherford LT. GOVERNOR

Roy McGrath DIRECTOR/CEO

## **BOARD OF DIRECTORS MEETING MINUTES**

**MEETING 2-20**

**March 26, 2020**

**LOCATION:** **Conference/Video Call**

**TIME:** **11:00 a.m.**

**DIRECTORS PRESENT:** Roy McGrath, Chairman (video)  
Beth Wojton, Deputy Director (video)  
Michael C. Harris, Treasurer (video)  
Richard P. Streett, Jr., V.M.D., Secretary (video)  
Joseph Snee, Esq. (video)  
Leslie Jackson-Jenkins, Esq. (phone)  
J.P. Smith (video)

**DIRECTORS ABSENT:**

**OTHERS PRESENT:** Billy Addison (phone)  
Morgan Hall (video)  
Sean L. Coleman, Esq. (phone)  
Steve Tomczewski (phone)  
Tammy Banta (phone)  
Jason Gillespie (phone)  
Vishal Bhatia (phone)  
Steve Pennington (phone)  
Dan Faoro (phone)  
Matthew Sherring (phone)  
Hattie Crosby (phone)  
Pamela Fuller (phone)

### **CALL TO ORDER**

Mr. McGrath called the meeting to order at 11:00 a.m. Board members were visible to one another via video connection. Mr. McGrath conducted a roll call of staff members to establish who was on the line.

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**MINUTES**

Mr. McGrath requested discussion or a motion for the approval of the minutes of the meeting of February 27, 2020. Mr. Harris made a motion to approve the minutes, and Ms. Jenkins seconded. The minutes were unanimously approved.

**DIRECTOR'S REPORT**

Mr. McGrath thanked the members for their flexibility in changing the format and time of this month's Board meeting, given the COVID-19 situation and necessity to socially distance. Mr. McGrath shared that he is assisting the State as a member of the Governor's crisis response team and participating in daily calls. Mr. McGrath was requested by Governor Hogan to participate in part due to his state crisis management experiences, and his transferable skills. Maryland has seen 157 new COVID-19 cases in the last 24 hours, the largest increase to date. MES had already scheduled a remote teleworking exercise for Friday March 13<sup>th</sup>, prior to the State's mandatory teleworking order. Currently, about one-third of the MES team is working remotely. The headquarters building is virtually shut-down, with only a small number of team members permitted to be in the building. There have been no positive Coronavirus reports among teammates to date. There has been a rise in general illness callouts. MES has implemented various new policies for social distancing among field employees while continuing to provide services. Carpooling for work and on job sites has been halted.

Potentially significant economic impacts are likely. Only one facility, located in Montgomery County, has reduced its hours so far. Labor sales will go down as a consequence. The Finance team has been modeling potential impacts of future reductions and making contingencies if labor sales were to go down further.

MES has been working with the Maryland Department of Health (MDH) on hospital surge planning. MDH's goal is to add 6,000 new hospital beds. Jeopardy to MES and its teammates is less than in some other industries, but staff will continue to plan for potential impacts. The various government agencies have been communicating well and often. Internal communications have been going well.

The forecasted peak of the pandemic is not expected anytime soon, based on current trends and escalations. The State is doing everything it can. Increased sanitation at headquarters and field facilities began before the shut-down and will be repeated before staff returns. Mr. McGrath stated he would keep the Board informed of impacts to the agency, as appropriate.

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**AGENCY ACTIVITY REPORT**

Mr. McGrath presented the Agency Activity Report. Questions regarding work at the Brown Station Landfill and the Frederick County Single Stream proposal were addressed. Most of the MDOT MPA dredging facilities are also expanding, with dike raisings occurring at Cox Creek and Masonville and plans for berth deepening at Seagirt terminal.

**FINANCIAL REPORT**

Mr. Harris presented the February financial report. February closed with over \$117 million in total revenue, which is about 20% higher than FY 19 at the same point. Direct labor is at \$23.8 million, about 10% higher than FY19. The change in net assets is \$2.1 million over this point in FY19, and the overhead rate is lower. The balance sheet shows the health of the agency. The month closed out with \$28 million in cash. The list of accounts past 90 days is longer than usual, but finance staff and project managers are in constant contact with customers. Many of the accounts were paid after the end of the month. Late payments are expected as customers assess how to make payments, and organize their records.

The Legislative audit was released in January. Overall, MES is satisfied with the report. There were six findings, with two repeated from the previous audit. One finding asked MES to execute contracts with the 68 facilities currently covered by the Executive Order. Other findings would be remedied through the transition to Workday and have already been addressed.

**HUMAN RESOURCES REPORT**

Ms. Wojton reported that the agency currently has 853 total positions. Hiring for open positions is ongoing, despite the closures. Team members have been finding creative ways to conduct interviews including conference and video calls. The vacancy rate is currently 4.10%, once all the new hires are brought on board it will be 3.08%. New hire orientation is being done remotely.

Dr. Streett inquired about the IT security at the agency. Mr. Bhatia advised that the Information Technology group has been understandably busy. Many of the systems were already available and offered multiple layers of security. Multi-factor authentication has also been recently implemented. Extra systems and processing power have been added.

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**PROCUREMENT ITEMS**

Ms. Crosby introduced Item 1. The procurement is for emergency control systems improvements provided by Philips Brothers Electrical Contractors at ECI Co-Gen. Mr. Snee made the motion to approve the item, Dr. Streett seconded. The motion passed unanimously.

Ms. Crosby introduced Item 2. The procurement is for general labor services provided by Colossal Contractors Inc. at the Montgomery County Material Recycling Facility. Ms. Jenkins made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 3. The procurement is for dike raising and construction at the Cox Creek Dredged Material Containment Facility. Mr. Harris made the motion to approve the item, Dr. Streett seconded. The motion passed unanimously.

Ms. Crosby introduced Item 4. The procurement is for high-strength geotextile for the Masonville Dredged Material Containment Facility base dike widening. Mr. Snee made the motion to approve the item, Dr. Streett seconded. The motion passed unanimously.

Ms. Crosby introduced Item 5. The procurement is for the stakeholder engagement and community outreach services for the Dredged Material Management Program. Mr. Harris made the motion to approve the item. Ms. Wojton seconded. The motion passed unanimously.

Ms. Crosby introduced Item 6. The procurement is for equipment rental and services related to hazardous waste management at Dundalk Marine Terminal Hawkins Point Landfill provided by Mobile Dredging & Video Pipe Service. Mr. Snee made the motion to approve the item. Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 7. The procurement is for security camera installation at Cox Creek MDOT/MPA Dredged Material Containment Facility. Mr. Smith made the motion to approve the item. Mr. Harris seconded. The motion passed unanimously.

The Board Notifications were reviewed.

**LEGAL REPORT**

Mr. Coleman advised that the legal staff have been busy reviewing the Governor's Executive Orders, Department of Budget and Management materials and the Governor's Office of Legal Counsel's advice memos. A major trial in the Circuit Court for Anne

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Arundel County and oral arguments before the Court of Special Appeals are still scheduled for April and June. Neither have been postponed, yet.

A new lawsuit was filed against an employee stemming from an auto accident. The Treasurer's office sent the initial claim to MDE instead of MES. The office is in the process of having the employee dismissed from the suit.

Mr. Coleman reminded the Board that ethics disclosure statements are still due by the end of April, the deadline has not changed.

**OLD/NEW BUSINESS**

The next meeting is scheduled for April 30, 2020 at 9:30 a.m. It will most likely be conducted through teleconference and Web-ex again.

**ADJOURNMENT**

Mr. McGrath adjourned the meeting at 12:10 p.m.

DocuSigned by:

*Richard P. Streett, Jr V M D*

**RICHARD P. STRETT, JR., V.M.D  
SECRETARY**

DocuSigned by:

*Roy McGrath*

**ROY MCGRATH  
CHAIRMAN**