



Larry Hogan GOVERNOR

Boyd K. Rutherford LT. GOVERNOR

Roy McGrath DIRECTOR/CEO

**BOARD OF DIRECTORS
MEETING MINUTES
MEETING 4-20
April 30, 2020**

LOCATION: Conference/Video Call

TIME: 2:00 p.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. (phone)
Leslie Jackson-Jenkins, Esq. (phone)
J.P. Smith (phone)
William Addison (video)

DIRECTORS ABSENT:

OTHERS PRESENT: 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 2:09 p.m. Most 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 March 26, 2020. Dr. Streett made a motion to approve the minutes, and Mr. Smith 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. MES continues to monitor and follow the State's guidance on benchmarks for re-opening. Many MES teammates are teleworking, but hundreds are still on-site doing essential work. While Mr. Harris will discuss the financial details in his report, overall MES is doing very well, and we anticipate closing out the fiscal year with record financial results again. The Maryland Department of Budget and Management (DBM) has indicated there will be a decrease in State spending to come. Local governments are also adjusting to funding gaps. The effects of this are likely to make their way to MES in time, and leadership is modeling and preparing for this potential consequence. There may, however, also come some opportunities. An agreement was signed yesterday with the Maryland Department of Aging (MDoA) for MES to operate their durable medical equipment refurbishment program.

MES is looking forward preparing for returning to a normal routine, including the eventual re-opening of the headquarters building, in an organized and process-oriented way. MES will follow the State's lead.

An interview with Mr. McGrath, conducted by Center Maryland, was published today.

AGENCY ACTIVITY REPORT

Mr. McGrath presented the Agency Activity Report. Questions regarding work at the Masonville Dredged Material Containment Facility and Seagirt Marine Terminal proposals were addressed.

STRATEGIC PARTNERSHIP REPORT

Mr. Pennington advised that teammates continue to reach out with regular calls, as well as video conference calls to current and potential stakeholders. Internally, they have been working with the Communications team to increase Grant visibility on the MES website. An active review of project budgets across the board is being conducted.

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Questions were addressed regarding disposal of chicken carcasses on the Eastern Shore. MES is not involved at this point.

FINANCIAL REPORT

Mr. Harris presented the March 2020 financial report. March closed with over \$132 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 higher than it was at this point in FY19, despite the FY20 overhead rate being lower. There have been no snow events this year, which has positively impacted fringe recovery. The lower overhead rates have allowed MES to pass cost savings on to the customers. 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 have limited access to hard copy records and facilities due to the Covid-19 pandemic.

Mr. Harris indicated there would be a future ask of the Board to transfer funds from un-restricted designated to non-designated to pay for a number of infrastructure upgrades including Workday expenses. FY21 will require a lot of flexibility from everyone. The capital project related to the Headquarters expansion is moving forward. Actual construction is not scheduled to begin for another two years.

HUMAN RESOURCES REPORT

Ms. Wojton reported that the agency currently has 844 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 4.76%; once all the new hires are brought on board it will be 3.60%. New hire orientation is being done remotely two days a week. The agency is looking at reducing overhead vacancies, and may decrease the number of internships.

RESOLUTION 2020-04-1R

The Human Resources Committee, consisting of Joe Snee, Richard Streett, and William Addison, along with Beth Wojton and Roy McGrath met earlier today to discuss several matters.

The Committee recommended passage of Resolution 2020-04-1R which would temporarily increase the amount of Sick and Family & Medical Leave (FMLA) available to team members, in alignment with Federal standards during the COVID-19 crisis. The resolution would allow for up to 80 hours of paid sick leave for COVID related absence, and up to 12 weeks of FMLA for the care of a child or family member. To date, 2

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employees have tested positive for COVID-19, both have recovered and are ready to come back to work this week. So far, no one has requested leave time for child care issues. Mr. Snee made the motion to approve Resolution 2020-04-1R, Mr. Smith seconded. The Resolution passed unanimously.

BEST UPDATE & RESOLUTION 2020-04-02R

Ms. Wojton presented a brief history of the BEST program and the 2020 progress update. The agency is on par to achieve all goals. Payouts are usually made in the Fall, after closeout of the fiscal year. In light of the current crisis and to assist MES employees, the HR Committee of the Board of Directors is recommending making the payout to staff now. If there are additional funds available after the end of the fiscal year, an additional payout may be made in the Fall. The BEST payout is made equally to every eligible MES employee, except for Executive staff. The Committee is recommending using 62% of the available BEST pool. Each employee would receive approximately \$3,250. The committee recommends paying \$3,000 immediately, with the balance paid in the Fall.

Mr. Snee made the motion to approve Resolution 2020-04-2R, Mr. Harris seconded. The Resolution passed unanimously.

PROCUREMENT ITEMS

Ms. Crosby introduced Item 1. The procurement is for the purchase of a long reach excavator for Poplar Island. Mr. Addison made the motion to approve the item, Ms. Jenkins seconded. The motion passed unanimously.

Ms. Crosby introduced Item 2. The procurement is for lawn maintenance provided by JD Lawn Service at the Harford County Solid Waste and Composting facilities. Dr. Streett 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. Remote oral arguments were held before the Court of Special Appeals in the Gupta case. The Appellate Court subsequently ruled that the Circuit Court Judge made a mistake, and the case has been remanded back to the Circuit Court. MES will now prepare an Answer and Discovery.

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OLD/NEW BUSINESS

Mr. Snee expressed his compliments to everyone at the agency for their good work in difficult times.

Mr. Sherring advised the Board that the due date to file State Ethics forms has been extended to June 5th.

The next meeting is scheduled for May 28, 2020 at 9:30 a.m. It will most likely be conducted through teleconference and video again.

ADJOURNMENT

Mr. McGrath adjourned the meeting at 3:00 p.m.

DocuSigned by:

Richard P. Streett, Jr., V.M.D

RICHARD P. STREETT, JR., V.M.D
SECRETARY

DocuSigned by:

Roy McGrath

ROY MCGRATH
CHAIRMAN