

**BOARD OF DIRECTORS
MEETING MINUTES
MEETING 5-20
May 28, 2020**

LOCATION: Conference/Video Call

TIME: 9:30 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. (phone)
Leslie Jackson-Jenkins, Esq. (phone)
J.P. Smith (phone)
William Addison (video)
Morgan Hall (video)

DIRECTORS ABSENT:

OTHERS PRESENT: 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 9:30 a.m. The video connection provided the ability for some board members to be visible to one another.

MINUTES

Mr. McGrath requested discussion or a motion for the approval of the minutes of the meeting of April 30, 2020. Mr. Addison made a motion to approve the minutes, and Mr. Smith seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT

Mr. McGrath provided a COVID-19 update. The agency is doing well and operating smoothly. Several teammates have tested positive, but have already recovered, or are doing better, and expected to be well again soon. Overall, most Maryland COVID-19 cases have been in the Washington Metropolitan area, also there have been hot spots elsewhere including on the Eastern Shore. Governor Hogan has been easing restrictions as the number of cases has been declining, and hospitalizations have been leveling out. Testing efforts have increased State-wide. Operations at MES are likely to return to normal in phases. Teleworking is expected to continue as possible.

The agency is on track for its best financial year ever, This is a remarkable accomplishment. The team remains cautious going forward, as many clients will be seeing a decrease in revenues. MES should continue focusing on expanding its business relationships.

Mr. McGrath announced that he has accepted the position of Chief of Staff for the State of Maryland in the Office of the Governor and will start his new role on Monday, June 1st. He wished to express his thanks to the leadership team for the great work they have done and will continue to do moving forward. The Governor will be appointing a new Director. Mr. Snee expressed the appreciation of the Board for Mr. McGrath's service.

AGENCY ACTIVITY REPORT

Mr. McGrath presented the Agency Activity Report. Questions regarding work at the Cox Creek Dredged Material Containment Facility, Seagirt Marine Terminal and Brown Station Landfill proposals were addressed. Ms. Banta indicated there may be budget reductions on MDOT MPA projects and MES is waiting to hear what the reductions will be. Some work may be postponed or eliminated. The Port of Baltimore is an economic engine for the state and dredging of the channels is necessary to maintain access for the ships to reach the Port. The dredged material needs to be placed somewhere while innovative reuse of dredged material takes hold. Therefore, the Masonville and Cox Creek Dredged Material Containment Facility dikes should be widened and raised to accommodate the material. Mr. Tomczewski indicated that the

work at the Brown Station Landfill is in a similar situation; the landfill capacity must be expanded to continue to accept new waste.

STRATEGIC PARTNERSHIP REPORT

Mr. Pennington's team has been building a municipality matrix based on size to help evaluate budget availability within different areas. This should be completed by mid-June. They are also looking at omnibus agreements in different areas, similar to the contract MES has with St. Mary's County. A meeting is scheduled with the City of Cumberland for next week to discuss staffing and operational issues.

Mr. Snee inquired into the status of the Garrett County operations. Mr. Gillespie advised all is going well. They came in under budget this year, and the County has asked for more services next year. Ms. Wojton indicated a letter is being drafted to the Commissioners listing the accomplishments made this year, and cost savings provided by MES.

FINANCIAL REPORT

Mr. Harris presented the April 2020 financial report. March closed with over \$145 million in total revenue, which is higher than FY 19 at the same point. Direct labor is at \$29.7 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 Equipment Fund is doing well, and will end the year with \$4 million in assets.

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. As of May 22nd, MDOT SHA had paid over \$800,000 and other payments are now in the pipeline.

FY21 will be challenging. Decisions will be made as State partners make decisions. At this point, DBM is not planning to cut any State Reimbursable projects as they are essential and critical services.

The Auditors will start preliminary field work in a few weeks. A share site has been setup for documents. This will be the first year conducting a full financial audit with the Workday platform.

Mr. Snee asked what could be done about the Town of Sudlersville outstanding invoices. It is very small town, with little likelihood their revenues will increase. Mr. Gillespie addressed a proposed BMX track and detention facility they are hoped will

increase tourism and revenue within the Town. Mr. Coleman was asked to review the contract between MES and the Town.

HUMAN RESOURCES REPORT

Ms. Wojton reported that the agency currently has 851 total positions. Hiring for open positions is ongoing, despite the closures. The vacancy rate is currently 4.23%, once all the new hires are brought on board it will be 3.59%.

PROCUREMENT ITEMS

Ms. Crosby introduced Item 1. The procurement is for upgrades to boiler 1 and 3 controls at MCI-Hagerstown by Limbach Co. Ms. Jenkins made the motion to approve the item, Mr. Harris seconded. The motion passed unanimously.

Ms. Crosby introduced Item 2. The procurement is for a new landfill compactor for the Midshore II Landfill. Dr. Streett made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 3. The procurement is for sewer improvements provided by Insituform Technologies at the Rocky Gap State Park. Ms. Jenkins made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 4. The procurement is for Continuity of Operations, bicycle routes, local data annual submissions and TMDL GIS support services for MDOT SHA provided by Whitney, Bailey, Cox and Magnani. Mr. Addison made the motion to approve the item, Ms. Wojton seconded. The motion passed unanimously.

Ms. Crosby introduced Item 5. The procurement is for 2019/2020 analysis, extraction, publication, local data capture and conflation and associated Highway Performance Monitoring support services for MDOT SHA provided by Whitney, Bailey, Cox and Magnani. Mr. Harris made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 6. The procurement is for Cox Creek Expanded, Task 5 Tronox Facility environmental remediation evaluation conducted by Anchor QEA. 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 spillway modifications at the Masonville Dredged Material Containment Facility. Dr. Streett made the motion to approve the item, Mr. Addison seconded. The motion passed unanimously.

Ms. Crosby introduced Item 8. The procurement is for a complete engine repower of the Poplar Island crew boat Terrapin. The Terrapin will be used in conjunction with the new crew boat currently being built. Mr. Snee made the motion to approve the item, Dr. Streett seconded. The motion passed unanimously.

Ms. Crosby introduced Item 9. The procurement is for the supply and barge delivery of stone aggregate to Poplar Island by FTC Aggregates. Mr. Harris made the motion to approve the item, Ms. Jenkins seconded. The motion passed unanimously.

The Board Notifications were reviewed.

LEGAL REPORT

Mr. Coleman advised that the Midshore I closure cap case that had been scheduled for trial in July has been postponed. A new pre-trial conference has been scheduled for August, with a new trial date expected for late Fall or Winter.

Assistant Attorney General William J. Selle will be retiring the end of July. His position has been advertised, and Mr. Coleman hopes to bring a replacement on board before Mr. Selle leaves. The Board expressed their appreciation for Mr. Selle's service.

OLD/NEW BUSINESS

The next meeting is scheduled for June 25, 2020 at 9:30 a.m.

CLOSED SESSION

At 10:36 a.m., in accordance with MD. Code Ann., Gen. Prov. §3-305(b)(1), Mr. McGrath stated that the Board intended to enter closed session to discuss the compensation of a specific employee of the Maryland Environmental Service, and to approve the minutes of a prior closed meeting session. Mr. McGrath asked if anyone objected to the Board entering closed session, and no objections were heard. Mr. Snee then made a motion that the Board enter closed session for the reasons stated above. Dr. Streett seconded the motion, all members voted in favor of closing the meeting. Mr. McGrath announced that the meeting of the Board of Directors would immediately adjourn following the closed session. The public meeting then ended at 10:38 a.m. The Board members and Mr. Coleman then called into a secure conference phone line.

Present at the start of the closed session of the Board were Board members McGrath, Wojton, Harris, Streett, Snee, Jackson-Jenkins, Smith, Addison, Hall, and Assistant Attorney General Coleman. At the start of the closed session Mr. McGrath requested a motion for the approval of the minutes of the closed session from the

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meeting of October 31, 2019. Dr. Streett made the motion to approve the minutes and Mr. Smith seconded. The minutes were unanimously approved.

At 10:48 a.m. Director McGrath left the closed session and did not participate in the remainder of the Board meeting.

Mr. Snee, as Chair of the Human Resources Committee of the Board initiated a discussion regarding the compensation of the Director of the Maryland Environmental Service, who would be leaving his position as Director on May 31 to take another position in State government. Following the discussion, the Board members then present, unanimously approved a motion to (i) pay the Director a severance equal to one year's salary, (ii) reimburse the Director \$5,250 for tuition expenses, (iii) permit the Director to retain the use of the laptop computer and cell phone he had been issued by the agency.

At 11:12 a.m. Ms. Wojton left the closed session and did not participate in the remainder of the Board Meeting.

Mr. Snee, as Chair of the Human Resources Committee, initiated a discussion regarding the compensation of the Deputy Director of the Maryland Environmental Service. Following the discussion, the Board members then present, unanimously approved a motion to establish the Deputy Director's salary to be the same amount as the Director's salary, effective June 1, 2020. The motion further provided that the Deputy Director shall be paid this salary during the period the position of Director of Maryland Environmental Service is vacant. Upon the appointment of a new Director, the Deputy Director's salary would then revert to the salary in effect on May 31, 2020.

The closed session then ended, and the Board meeting adjourned, at 11:21 a.m.

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

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

Charles Glass

CHARLES GLASS, Ph.D.
CHAIRMAN/DIRECTOR