



# **STRATEGIC PLAN**

**FY 2023 – FY 2027**



**ENVIRONMENTAL  
SOLUTIONS  
FOR A BETTER  
TOMORROW**

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# Message from the Chair of the **BOARD OF DIRECTORS**



I am pleased to present the Maryland Environmental Service Strategic Plan for FY 2023 – FY 2027. This plan was presented to the MES Board of Directors on April 26, 2022 and was approved by the Board on June 26, 2022. This is a direct result of one of the key recommendations that came out of the MES Reform Act and the Independent Assessment of the MES Board.

The Strategic Plan charts the course for MES and the MES Board for the next five years, through identification of a set of long-term strategic goals and objectives. This exciting and ambitious plan establishes three guiding principles that will pilot MES in carrying out its core mission to protect and enhance Maryland's environment for the benefit of the people of Maryland.

In this new strategic plan, not only do we provide the compass for our organization through three guiding principles – Safety, Level of Service, and Education and Training – but we establish a series of Key Performance Indicators (KPI) for each group. This is the best way for MES to measure whether we are meeting our goals.

For fifty-one years, MES has risen to every challenge. We have matured, taken on new responsibilities, overcome adversity, and together we have all helped make Maryland a better, cleaner, and healthier place to live.

**JUDGE FREDERIC SMALKIN, CHAIR**

“FOR FIFTY-ONE  
YEARS, MES HAS  
**RISEN TO EVERY  
CHALLENGE.**”





## Message from the **EXECUTIVE DIRECTOR**

Two years ago, I took over as the Acting Director of MES. It seemed like a perfect fit for me, a culmination of all my professional experiences in the academic, private, and public sector coming together at just the right time.

Even though I arrived three months into the COVID-19 pandemic, adapting to that challenge was not the only one that we faced. The unfortunate events that unfolded concerning the prior Director consumed MES for well over a year. That led to the Maryland legislature passing the MES Reform Act of 2021. One of the things that struck me in the many discussions with Maryland elected officials was how many times they acknowledged that the people at MES were not the problem. Of course, I knew this as I witnessed firsthand the resilience of our team as we navigated these challenges together.

“THIS IS THE TIME FOR  
US TO EMBARK ON A  
NEW FIVE-YEAR VISION  
FOR MES.”

Having implemented the Reform Act, and with a new Senior Management team in place, we now turn our attention to moving MES forward. This is the time for us to embark on a new five-year vision for MES. To build on all of the positive history from over 50 years of service, and the resilience that has been demonstrated by all of us.

This new strategic plan is designed to provide a blueprint for our organization moving forward. It is intended to be a living, breathing document serving as a compass for us all, while at the same time granting flexibility in a rapidly changing world. As its foundation, this plan is based on the three pillars I have discussed since the beginning of my tenure here: Safety, Level of Service, and Education and Training. We will create a system to measure our performance at all levels – we need to know where we are successful and where we need improvement. We have conducted a full Strength, Weakness, Opportunity, and Threat (SWOT) analysis, including input from team members and clients. This strategic plan will guide us as we all do our part to help solve critical environmental problems facing this State.

I am excited, and I hope you are too, for what the future holds for MES.

**DR. CHARLES GLASS**

# Executive **SUMMARY**

In today's rapidly changing environment, successful organizations must learn to adapt, they must be brave and ambitious, but humble at the same time. A Strategic Plan should help move an organization forward – through its vision and strategic goals – but also hold the organization accountable by identifying measurable outcomes. This plan should be fluid and dynamic and should challenge us all to be better as individuals and as an organization.

This FY 2023 – FY 2027 Strategic Plan does exactly that.

The MES Vision and Mission remain the same. MES' organizational structure remains the same. The Plan identifies three pillars on which the organization direction is built: Safety – Level of Service – Training and Education. We describe what each of these pillars means and how they impact our organization. After examining the SWOT analysis, establishing a set of four strategic goals, which will guide the organization over the next five years. Within those goals, we identify measurable key performance indicators that will act as a compass, helping us stay the course or, if necessary, course correct.

The net result is a comprehensive five-year strategic plan that will steer MES into the future.



Hart-Miller Island



# OUR BOARD OF DIRECTORS

The Board of Directors are an asset to the agency and its critical work enhancing Maryland's environment. MES' teammates and the many stakeholders served across the Mid-Atlantic Region benefit from their expertise and ability to deliver strong financial leadership.



**DR. CHARLES GLASS,**  
EXECUTIVE DIRECTOR



**JUDGE FREDERIC  
SMALKIN, CHAIR**



**ROBERT L. WITT, II**  
SECRETARY



**GOVERNOR LARRY HOGAN**



**ROBERT R. NEALL,**  
TREASURER



**DERECK E. DAVIS,**  
BOARD MEMBER



**MARIAN C. HWANG,**  
BOARD MEMBER,  
CHAIR HUMAN  
RESOURCES COMMITTEE



**LT. GOVERNOR BOYD K. RUTHERFORD**



**SHELLEY L. HELLER,**  
BOARD MEMBER  
CHAIR, AUDIT  
COMMITTEE



**HIRAM L. TANNER, JR., P.E.,**  
BOARD MEMBER

# MES – WHO WE ARE, OUR MISSION AND OUR VISION

MES was established by the General Assembly in 1970 to assist with the preservation, improvement, and management of the quality of air, land, water, and natural resources, and to promote the health and welfare of the citizens of the State. Back then, MES was a division within the Department of Natural Resources with an annual budget of about \$413,000 (a little over \$3.1 million in 2022 dollars) and twenty-one employees.

Today, MES is composed of four main operating groups and employs nearly 750 teammates while operating more than 1,000 environmental projects across Maryland and the Mid-Atlantic region. As a not-for-profit business unit of the State of Maryland, MES provides multi-disciplinary environmental management services to enhance and protect the environment through innovative solutions to the region's most complex environmental challenges.

**ENVIRONMENTAL DREDGING AND RESTORATION:** Environmental Dredging and Restoration (EDR) Group provides operational and technical services to protect and enhance the environment in the areas of dredged material management, habitat restoration, hazardous materials management, environmental management systems and compliance, outreach, permitting and mitigation services, and wetland delineation and forest conservation services.

EDR, on behalf of the Maryland Department of Transportation Maryland Port Administration (MDOT MPA) operates and maintains the Cox Creek, Masonville, and Hart-Miller Island Dredged Material Containment Facilities, and the Paul S. Sarbanes Ecosystem Restoration Project at Poplar Island, and also provides hazardous materials management and site operational support at the Dundalk Marine Terminal and the closed Hawkins Point Hazardous Waste Landfill. EDR also has managed dredging, remediation, construction and habitat development, and restoration projects for the MDOT MPA, the Maryland Department of Environment, and other federal, State, local, and private clients.

## MISSION:

To provide operational and technical services to protect and enhance the environment for the benefit of the people of Maryland.

## VISION:

Maryland Environmental Service is an innovative and leading-edge solver of environmental problems; a responsible and successful manager of environmental operations; and a great place to work.



Poplar Island

### TECHNICAL AND ENVIRONMENTAL SERVICES:

The MES Technical and Environmental Services Group supports our clients by providing multi-disciplinary environmental planning, environmental monitoring, environmental systems maintenance, geospatial and engineering, and renewable services throughout the Chesapeake Bay Watershed. Our project teams are involved in the full project life cycle, from planning to permitting, inspection and monitoring, reporting, through to operating and maintaining.

### ENVIRONMENTAL OPERATIONS:

The MES Environmental Operations Group serves counties, large municipalities, and rural communities which need creative solutions for solid waste challenges and recycling services. We strive to provide our partners and clients with cost-effective and environmentally responsible solutions such as award-winning landfills, including the MES- owned Midshore Landfills, winners of the 2013 SWANA Gold Excellence Award for landfill management; recycling centers that serve millions of Maryland citizens; and composting facilities that turn yard, leaf, and food waste into marketable products such as the widely popular Leafgro® and Leafgro GOLD®. Additionally, we provide solid waste engineering and monitoring services for clients across the State. We work with the Department of Public Safety and Correctional Services operating an electric cogeneration facility, supplying steam and electricity to one State prison and steam for heating, kitchen, and laundry at three other prisons. We assist the Maryland Department of the Environment with used oil and antifreeze collection and operate a mobile chlorofluorocarbon recovery unit and mobile grinding units to service clients. We also work with the Maryland Department of Aging to take what would be discarded durable medical equipment (i.e., would have ended up in a landfill) and refurbish, recycle, and commission it for reuse.

### WATER / WASTEWATER:

The MES Water and Wastewater Group operates and maintains municipal, county, and privately-owned facilities, as well as State-owned plants at correctional and health facilities, rest areas, and State parks. MES also provides services in areas that do not have access to public water and sewer.

Our engineering staff manage the design and construction of capital improvement projects and other public works projects. We help clients determine their water and wastewater needs, assist in selecting the right size facility, the right technology and equipment, prepare specifications, and oversee the construction of new plants.

The biosolids staff work to ensure environmentally acceptable, reliable, and cost-effective methods are used to manage the solid material generated by MES' numerous wastewater treatment plants.



Durable Medical Equipment Reuse Facility in Prince George's County.

# State of Maryland **CUSTOMER SERVICE PROMISE**



*The State of Maryland pledges to provide constituents, businesses, customers, and stakeholders with services in the following manner:*

## **FRIENDLY & COURTEOUS**

We will be helpful and supportive and have a positive attitude and passion for what we do.

## **TIMELY & RESPONSIVE**

We will be proactive, take initiative, and anticipate your needs.

## **ACCURATE & CONSISTENT**

We will always aim for 100% accuracy and be consistent in how we interpret and implement State policies and procedures.

## **ACCESSIBLE & CONVENIENT**

We will continue to simplify and improve access to information and resources.

## **TRUTHFUL & TRANSPARENT**

We will advance a culture of honesty, clarity, and trust.





Renewable Energy Solar Field

# Three Pillars OF SUCCESS



## MISSION STATEMENT

MES is an innovative and leading-edge solver of environmental problems; a responsible and successful manager of environmental operations; and a great place to work.

To provide operational and technical services to protect and enhance the environment for the benefit of the people of Maryland.

## VISION STATEMENT

**ENVIRONMENTAL SOLUTIONS FOR A BETTER TOMORROW**

## SAFETY

MES employees, as well as our contractors, clients, and the general public, should be protected from all work-related injuries and death at MES operated facilities. We strive for zero fatalities or work-related injuries throughout every level of the organization. There is nothing more important than ensuring that teammates return home safely to their families, friends, and loved ones. All protocols need to be followed and Safety and Compliance need to continue to monitor all aspects of operations. There is no reason to rush and skip steps in the delivery of services. Managers and teammates should be alert and focused on the tasks they are performing, think about what they are supposed to do, and make sure they have the proper equipment for the job. Everyone has the responsibility to provide adequate training and equipment (including vehicles) to enable them to work in areas that are hazard-free or if there are hazards (such as chemicals or heavy equipment operation) they have the proper training and protection, and know how to use it.



## LEVEL OF SERVICE

We aim to provide the highest level of service to our clients. This means providing our clients with our absolute best efforts. We will stay focused on the scope of work and our clients' needs. We will provide thoughtful, accurate, and cost-effective solutions. We will control costs by striving to stay on budget and on schedule. We will work with our clients in the most professional and respectful manner. We will remain current in our approach to technology, management, and innovation. As we continue to grow, we must maintain our high level of service and close relationships with client partners. The value we add will continue to grow and the relationships we nurture will reinforce in our clients' minds that MES is a valuable asset.



## EDUCATION AND TRAINING

In order to master Pillars I and II, the growth of knowledge through proper education and training must remain at the forefront of the organization's programmatic plan of action. Teammates must maintain all certifications and stay on top of all safety enhancements in their field. This is critical to ensuring there are no fatalities or work-related injuries, and it is a cornerstone of building our clients' trust and confidence. Our level of service will remain high if we continue to encourage our teammates to pursue a path of lifelong learning. Conference attendance and formal education support a workforce that is engaged in their professional communities and who stay on top of hot topics and solutions to emerging problems.



# Employee Engagement SURVEY

In February 2022, we conducted a fully anonymous, agency-wide, thirty-five-question survey. We received 190 responses.

The first twenty-six questions were multiple choice. We asked respondents to read a statement and select the answer they felt best represented their view (the answer choices were Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree).

## OVERALL RESULTS

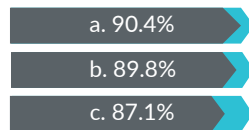
- Overall, 69.3% positive, 18.1% neutral, 12.6% negative
- Positives outperformed negative on every question
- Even if negatives are combined with neutrals, the positive responses still prevailed overwhelmingly 69.3% - 30.7%



The remaining nine questions asked respondents to write answers in, so each answer was unique to the person. Many themes emerged in the responses, and those themes are incorporated into this plan as part of the overall SWOT analysis. All the results of the Employee and Client Surveys can be found on the MES intranet or by clicking here.

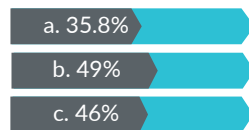
This employee survey will be conducted annually with an analysis performed each year to gauge progress towards addressing our employees' wishes and needs.

## THREE MOST POSITIVELY RESPONDED QUESTIONS



- I have a good working relationship with my colleagues (question #3) received 169 positive responses (90.4%) and only 1 negative response (less than 1%)
- Benefits (question #21) received 169 positive responses (89.8%) and only 5 negative responses (2.7%)
- I understand how my work contributes to MES' mission and objectives (question #7) received 163 positive responses (87.1%) and just 9 negative responses (4.8%)

## THREE MOST NEGATIVELY RESPONDED QUESTIONS



- Compensation to Employees (question #20) received 67 negative responses (35.8%), 24 neutral responses (12.8%), and 96 positive responses (51.3%). By far the highest quantity of negative responses of all 26 questions.
- I feel recognized for my hard work and success at work (question #10) garnered 49 negative responses, 38 neutral, and 100 positives. Even if you combine negative and neutral, the positives still prevailed.
- Employee wellness (question #25) received the lowest number of positive responses (86 total for 46%) of all 26 questions. This question still only received 15 negative responses (8%); however, the neutral responses matched the positives (46% each).

# Client SURVEY

*In 2022, as part of the planning process for its FY2023-FY2027 strategic plan, MES conducted a client survey. The survey invited feedback from our clients and partners on their experience and satisfaction with MES' services, responsiveness, employee knowledge, and expertise. A consolidated summary of all replies was made available to the MES Strategic Planning Committee. This input formed how MES determined priorities for its strategic plan.*

*In general, MES clients continue to be tremendously satisfied with the quality of MES' work, our unique ability to quickly solve complex environmental challenges, provide technical support, and help with challenging regulatory issues. Our commitment to excellence is demonstrated by a strong dedication to our environmental ethos and by delivering quality work, at or under budget, and by prescribed deadlines.*

*We are always touched by the positive client comments we get from surveys – many of which commend specific staff members. The 2022 Client survey summary report is available on the MES intranet. A selection from this survey:*

**“WSSC AND MES HAVE A LONG-STANDING HISTORY OF WORKING WELL TOGETHER. THAT SHOULD BE MAINTAINED AND NURTURED.”**

**“VERY PLEASED WITH LEVEL OF SERVICE RECEIVED OVER THE PAST THREE YEARS.”**

**“THE MES TEAM ARE PROFESSIONAL, KNOWLEDGEABLE & RESPONSIVE TO THE NEEDS OF BOTH GARRETT COUNTY AND THE MDNR.”**

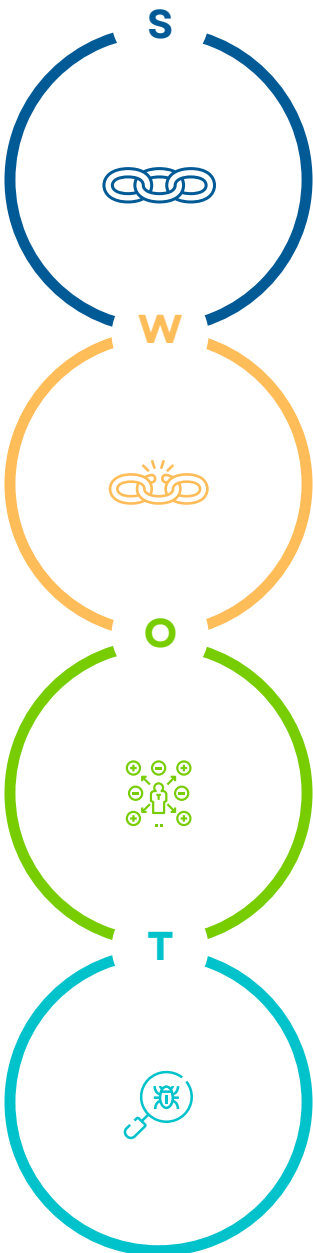
Dorsey Road Advanced WWTP



# SWOT ANALYSIS

## STRENGTHS · WEAKNESSES · OPPORTUNITIES · THREATS

This SWOT analysis serves as a baseline that we will use to evaluate ourselves and our role in the marketplace. This analysis is a core function of any strategic planning effort. In this analysis, we have assessed internal and external factors, as well as current and future potential. We aim to identify what we do well, where we can improve, what is potentially in MES' future, and what might keep us from growing and reaching our collective full potential. This is designed specifically to facilitate a realistic, fact-based, data-driven look at our strengths and weaknesses now and into the future.



### STRENGTHS

- Cost-Effective Services
- Long-standing Relationships with Clients
- Strong Track Record of Environmental Compliance
- Excellent Reputation
- Ability to Respond Quickly and Effectively
- Unique Procurement Authority
- Solves Complex Challenges
- Experienced and Dedicated Workforce

### WEAKNESSES

- Employee Compensation
- Staff Retention
- Lack of Clearly Documented Processes and Standard Operating Procedures
- Cannot Competitively Compete for Projects
- Fairness / Responsiveness / Relationship - Human Resources
- Lack of Communication from Upper Management
- Communication Barriers Between Departments

### OPPORTUNITIES

- Emerging Industries and Technologies Focused on Climate Change and Sustainability (AD, Biochar, SAF, Solar ...)
- Management Development
- Workforce Education and Training
- Standardizing and Communication of Policies
- Utilizing Skills in Different Ways (Cross-training)
- Improving Employee Relations / Team Morale
- Recruiting, Developing, and Retaining Talented Staff
- Identify New Technology to Better Serve Our Clients
- Increased Environmental Regulations and Standards

### THREATS

- Changing Leadership (Both Internal and External) can Mean Shifting Priorities
- Shortage of Skilled Workforce
- Changing Law
- Loss of MES' Independent Personnel System
- External Processes that Impact Delivery of Service
- Strong Competitors May Attract Employees and Business Away from Us



Sunset on the Chesapeake Bay

# Strategic GOALS

*Based on the results of the SWOT analysis and other considerations, there are four areas of focus over the next five years:*

## I. SAFETY FIRST

Workplace safety is the foundation of any organization. The ripple effect from failures in this area means we do not operate our facilities, we lose our clients' trust, and we become an unattractive employer. Our goal is simple: zero work-related injuries or deaths.

People sometimes overlook this important item. Maybe they want to get the job done quicker, perhaps someone may cut a corner. Safety is a 24/7/365 effort. Safety is paying attention to details. Safety is critical to our success.

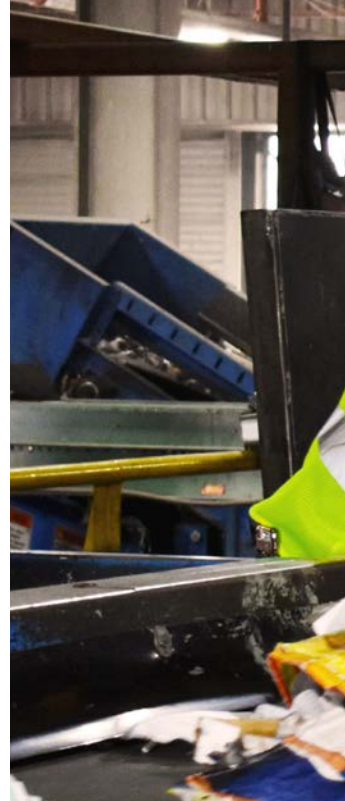
According to the U.S. Bureau of Labor Statistics (BLS), in 2020 (the most recent information that is available), there were 2,654,700 total recordable nonfatal injury and illness cases in private industry, which led to a total of 1,176,300 combined lost workdays. There were 4,764 fatal work-related injuries in 2020. We must make workplace safety a top priority. We want our teammates to thrive professionally, but most importantly, our teammates have families too.

**Goal: Zero injuries or fatalities across all groups**

Performance Indicators:

- RIR (Recordable Incident Rate, measured as a percentage per 100 workers)
- LTIR (lost time incident rate measured as a percentage of lost time incidents per 100 workers)
- Number of vehicle accidents and incidents, evaluated in tiers – small, medium, and major based on vehicle damage. May also consider fault/no fault (preventable) as a part of the metric to better focus on areas of prevention.
- Safety training exercises and drills – identify best practices for cadence on fire drills, active shooter, first aid, man overboard, etc... Baseline originated on policies and other ordinances

- Lost time due to injuries (IWIF)
- Safety Audits: monitor the number of safety audits performed and ensure good housekeeping
- Training Classes: monitor the number of safety classes offered and attendance. Objective is to maintain the best safety performance and follow best practices for each industry standard





WORKPLACE SAFETY IS THE FOUNDATION OF ANY ORGANIZATION. OUR GOAL IS SIMPLE: **ZERO WORK-RELATED INJURIES OR DEATHS.**



Prince George's County Materials Recycling Facility



James Island



OUR STATUTORY CHARGE AND OUR MISSION ARE TO PROVIDE OPERATIONAL AND TECHNICAL SERVICES THAT **PROTECT AND ENHANCE THE ENVIRONMENT FOR THE BENEFIT OF THE PEOPLE OF MARYLAND.**

## II. IMPROVING EMPLOYEE MORALE

During the Employee Satisfaction Survey, many employees voiced concerns about compensation, wellness, recognition, and intra-agency communication.

Some common themes emerged in the Employee Engagement Survey as it relates to employee satisfaction at MES.

Compensation, wellness programs, employee recognition, and communication issues were cited numerous times as areas of improvement for MES.

### i. Employee compensation

During the Employee Engagement Survey, employees mentioned compensation negatively one hundred and twelve (112) times.

**Goal: Work towards more competitive compensation that will attract talent to MES and retain talented teammates who are already at MES.**

Some of the comments are listed below:

*What do you think is MES' greatest challenge and why?*

"Salary and compensation are not competitive. MES does have good benefits but as the job market grows more competitive, I don't think the good benefits make up for the decreased salary compared to other similar positions."

"I believe we are having a hard time with retention of employees because of pay rates. A lot of companies are paying higher than we do for the same type of jobs."

"Ability to compensate employees compared to private sector & ability to get timely pay bumps for deserving employees."

### ii. Employee Recognition

During the Employee Engagement Survey, MES employees mentioned employee recognition in a negative light twenty (20) times.

**Goal: Increase opportunities to and methods by which we recognize our employees.**

*What would you like to see MES do to become a better or more effective organization?*

"I would like to see staff at field sites receive more recognition for their hard work. I believe that field staff are the main component in the MES organization, yet many feel underappreciated."

"I would just like to see more recognition and [acknowledgement] for offices outside of HQ. While I understand keeping everyone equal with how things are done in the company, other field offices do not function like HQ and should not always be treated like they are. Upper management needs to put in more time to understand how other facilities operate, so they can be properly managed rather than just assuming what they need is similar to what HQ needs."

### iii. Communication

Respondents to the Employee Engagement Survey mentioned numerous times problems with communications on various levels. Respondents collectively mentioned communication as an issue fifty-three (53) times. Some of the comments are included below.

**Goals: Internal customers are just as important as external customers and clients. We should strive towards better internal organizational communication and team response. Create systems and processes for top-down and bottom-up communication, as well as resolution of problems. Foster a culture of responsiveness to issues raised.**

*What do you think is MES' greatest challenge and why?*

"Communication within the company. We have so many different field offices and divisions that work together at times, but information in and out of these groups (specifically field offices) don't always get heard or communicated to the right people."



*What would you like to see MES do to become a better or more effective organization?*

“Communicate. No one from top to bottom has a clue what is going on in the organization. There are silos with every group with no access to information; do some cross-training.”

“Better communications between groups and field offices and supporting field offices like they are [truly] part of MES and not an afterthought.”

“Communication with Human Resources ... they often “forget” to get back to you on your concerns/problems...”

**iv. Education and Training**

A properly educated and trained workforce is essential to MES’ collective success. Employees are encouraged to look for educational opportunities that support their unique advancement, whether that is in the form of training classes, seminars, conference participation, or the pursuit of a diploma or degree. Managers should encourage employees to pursue educational and training opportunities. In addition, MES provides an internal training program for rising management and supervisory team members, and a robust mentorship program for entry-level water and wastewater operators (Operator in Training Program). MES values investment in education at every level because each of our individual successes will translate to organizational success.

**Goals: (1) Conduct an agency wide needs assessment of employees who are required to have a license in their field. (2) Those who lack proper licensure, provide information on an individual basis and encourage completion. (3) Work individually with MES employees to continue professional growth, including it as a part of the performance appraisal process.**



Geographic Information Systems Staff Member Inspecting Drainage Repairs



MES VALUES INVESTMENT IN EDUCATION AT EVERY LEVEL BECAUSE **EACH OF OUR INDIVIDUAL SUCCESSES WILL TRANSLATE TO ORGANIZATIONAL SUCCESS.**

Performance Indicators:

- Number of training opportunities in which MES employees participate, including OIT and Management and Supervisory Training Programs
- Number of MES employees who take advantage of tuition reimbursement program
- Number of MES employees who hold certificates and who have met their continuing education credits
- Number of MES employees who have attended professional meetings (CWEA, SWANA, PE Societies, Seminars, ASCE, etc.)
- Number of MES employees who have attended conferences (State and National)
- Workday and other software use training participation by MES employees
- Each site should develop a training needs analysis per job classification and continuing education
- Every employee should know the path to advancement as everyone should be informed of required skills through performance review



### III. EMPLOYMENT CHALLENGES: EMPLOYEE RETENTION / SUCCESSION PLANNING / RECRUITMENT

Over the last fiscal year, MES has experienced a significant increase in the rate of staff attrition. This is not an issue MES is dealing with alone, but there are a few factors that are contributing to this that are worth exploring to stem the tide.

#### “The Great Resignation”

According to a newly released Pew Research study on the labor market, “low pay” (63%), “a lack of opportunities for advancement” (63%), and “feeling disrespected at work” (57%) were the top three reasons cited by Americans as to why they quit their jobs in 2021, in part catalyzed by COVID-19. Interestingly, most respondents did not cite COVID-19 alone as the reason for leaving their job. The survey further found that those who resigned from their former job say that their current job has better pay, more opportunities for advancement, and more work-life balance and flexibility. These are all themes that emerged during MES’ Employee Engagement Survey and are validated by Pew’s national study.

MES must put a renewed focus on and increased investments into making the Agency a more attractive employer to those seeking employment, as well as those already employed by MES. With a current vacancy rate of just around 8%, it is imperative as an operator of 24/7/365 facilities that we bring this rate down to our historical 4% average as quickly as possible and keep the vacancy rate as low as possible moving forward.

**Goal: Reduce vacancy rate by 50%, back down to historic levels of 4% agency wide.**

Performance Indicators:

- Number of new positions
- Staff utilization rate as measured by the average of all operating groups
- Time to fill vacancies
- Programs/events to attract, hire, and maintain a diverse workforce

#### Baby Boomers Retiring – succession planning

In a recent Forbes article, Senior Contributor Jack Kelly dubbed this the “Silver Tsunami”. In the third quarter of 2020 alone, nearly 30 million Baby Boomers (defined as those born between 1946 – 1964) indicated they would leave the workforce and retire, a trend that accelerated in 2021. As these individuals age, the trends will only accelerate, exasperating the need for proper succession planning and recruitment of new talent into MES’ unique fields of work.

As noted above, reducing the vacancy rate is imperative for an organization like MES. Not only does that mean hiring new talent, but also retaining current employees. We should focus on attracting more wastewater treatment plant operators into the OIT program and continue our review of agency-wide career ladder opportunities ensuring that internal promotions are attractive to current staff and support career growth and retention. Good employees stay where they feel valued, supported, and well compensated.

**Goal: Establish a succession planning system to ensure continuity in each of the groups.**

## IV. BUSINESS GOALS AND GROWTH OBJECTIVES

### i. Revenue Growth

#### Background

As a non-budgeted instrumentality of the State, MES is solely reliant on revenues generated based on a fee-for-service business model. MES is prohibited by law from participating in any RFPs issued by any entity, private or public. MES also does not market its services like a private business. MES will receive a request, usually from a State or local government entity, to provide a proposal for a specified scope of work. If that proposal is accepted, the work is performed contractually. Thus, MES relies on past performance and relationships with state and local governments to sustain a level of business sufficient to cover operating costs.

#### Revenue Picture

While MES regularly makes its services known to potential clients, due to a variety of factors, MES has historically had difficulty growing its client base, and hence its revenues, on a predictable basis. Approximately 80% of total MES revenues come from capital projects completed on behalf of State or local government clients. These projects can significantly fluctuate year-to-year and can have a significant impact on revenues generated. Moreover, the vast majority of revenue from capital projects passes through to private sector entities where payments are made to suppliers for goods and services utilized in the project(s). Those expenses or costs are, in turn, billed to MES' clients. Thus, capital project revenues tend not to be a reliable indicator of MES business growth. Over the last ten years, the percentage change in total revenues has varied from -11.3% to +28%.

#### Billable Labor

MES charges a fixed percentage for costs related to billable labor. Revenues from billable labor covers MES' expenses and generates net earnings. Therefore, billable labor is a much more accurate measure of MES' business growth. Over the last ten years, revenue from billable labor has fluctuated between -3.1% to +11.4%. Below is a table that measures MES' overall revenues and billable labor against the Consumer Price Index and U.S. Inflation Rate.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 est
BILLABLE LABOR	\$26,239	\$27,275	\$26,418	\$28,322	\$29,738	\$33,124	\$35,480	\$34,433	\$36,144	\$37,420	\$37,606	\$35,631
TOTAL REVENUE	\$108,762	\$105,904	\$93,923	\$110,317	\$141,173	\$159,505	\$165,784	\$155,299	\$161,121	\$182,221	\$186,529	\$149,332
BILLABLE LABOR CHARGE		3.9%	-3.1%	7.2%	5.0%	11.4%	7.1%	-3.0%	5.0%	3.5%	0.5%	-5.3%
REVENUE CHANGE		-2.6%	-11.3%	17.5%	28.0%	13.0%	3.9%	-6.3%	3.7%	13.1%	2.4%	-19.9%
CHANGE IN CPI		1.7%	1.8%	2.1%	0.1%	1.0%	1.6%	2.9%	1.6%	0.6%	5.4%	
US INFLATION RATE		1.70%	1.50%	0.80%	0.70%	2.10%	2.10%	1.90%	2.30%	1.40%	7.00%	8.30%

The chart below shows MES' billable labor broken down by the five groups within MES:

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22 est
General & Administrative	1,016	1,065	1,052	1,077	1,143	1,097	1,294	1,418	1,491	1,315	1,714	1,617
Water/Wastewater	7,427	7,522	7,511	7,408	6,955	7,225	7,594	8,131	8,211	8,701	8,424	7,756
Environmental Dredging & Restoration	5,140	5,586	5,343	5,763	6,464	6,485	6,906	7,358	7,842	7,743	7,688	7,115
Environmental Operations	7,890	8,017	8,456	9,249	9,817	12,482	13,707	11,253	12,096	12,385	12,917	12,794
Technical & Environmental Services	4,767	5,066	4,014	4,773	5,356	5,835	5,979	6,272	6,504	7,277	6,864	6,349
	26,239	27,255	26,375	28,271	29,735	33,124	35,480	34,433	36,144	37,420	37,606	35,631

**Goal: Based on historical performance, and factoring in today's macroeconomic challenges, we challenge MES with a 4% rate of growth in billable labor, which is slightly more than the 3.75% rate of increase over the prior ten-year period. The table below shows estimated growth projections over the next five fiscal years under this assumption.**

FISCAL YEAR	FY23	FY24	FY25	FY26	FY27
BILLABLE LABOR	\$36,775	\$37,056	\$38,538	\$40,080	\$41,683

## ii. Client Satisfaction and Retention

As was evident in the Client Survey, MES' clients have a high level of satisfaction with MES' level of service. However, we should not and cannot become complacent. In keeping with the Governor's Customer Service Pledge, and consistent with our values as an organization, we need to continually strive to be better. There are four measures outlined below that can guide MES towards a higher level of service with our clients.

**Goal: Continue to provide exceptional service to clients.**

### Key Performance Indicators

- Timeliness of all required report submissions (DMR and others) for clients.
- Request for proposal cycle time
- Invoice payments within 30 days
- Percentage of capital dollars obligated for State Projects

## iii. Emerging Industries and Opportunities

Climate change is an existential threat to us all. Our statutory charge and our mission are to provide operational and technical services that protect and enhance the environment for the benefit of the people of Maryland. We support our State, county, and municipal partners with projects that mitigate greenhouse gases or sequester carbon, improve the quality of the Chesapeake Bay and its ecosystem, and positively impact the quality of life in Maryland. Over the last decade and going forward, the State has moved swiftly and deliberately on efforts to mitigate the effects of climate change.

The State's current Greenhouse Gas Reduction Act Plan lays out the State's approach to reduce greenhouse gases by at least 50% over 2006 levels by 2030 and by 90% by 2050. The Climate Solutions Now Act of 2022, which takes effect on July 1, 2022, sets the bar much higher – a 60% reduction over 2006 levels by 2031 and net-zero by 2045.

This is a race to reduce GHG emissions as quickly and as cost effectively as possible. MES is well-positioned to make significant contributions to these efforts by leveraging and deploying new technologies and strategies. We need to be ready to respond to new challenges while at the same time staying true to existing clients.

**Biochar:** Biochar shows promise in mitigating climate change and improving soil quality, as well as reducing waste and producing energy as a byproduct. This charcoal-like substance is produced by burning organic material from agricultural and forestry wastes (also known as biomass) in a controlled process called pyrolysis, which reduces contamination and safely stores carbon. During pyrolysis, organic materials such as wood chips, leaf litter, biosolids, or dead plants, are burned in a container with very little oxygen. If done correctly, it releases no contaminating fumes. During the pyrolysis process, the organic material is converted into biochar, a stable form of carbon that is stored and is not released into the atmosphere. The energy or heat created during pyrolysis can be captured and used as a form of clean energy.

Although this is reemerging as a carbon sequestration technique as it relates to climate change, the practice has been around for thousands of years.

**Sustainable Aviation Fuel:** Research is ongoing into the development and deployment of a low-carbon sustainable aviation fuel (SAF). SAF made from renewable biomass and waste resources have the potential to deliver the performance of petroleum-based jet fuel but with a fraction of its carbon footprint, giving airlines solid footing for decoupling greenhouse gas emissions from flight.

Since 2014, the U.S. Department of Transportation has invested \$13 million into researching and building sustainable aviation fuel supply chains across the U.S. In September 2021, the President announced actions that, by 2030, are aimed at producing three billion gallons of SAF and reducing aviation emissions by 20%.

**Anaerobic Digestion:** During the 2021 legislative session, the Maryland General Assembly passed, and Governor Hogan subsequently signed House Bill 264 (titled “Solid Waste Management – Organics Recycling and Waste Diversion – Food Residuals”). This bill requires generators of large quantities of “food residuals” to separate the food residuals from other solid waste and ensure that the food residuals are diverted from final disposal in a refuse disposal system. Beginning January 1, 2023, any entity that produces over two tons of food residuals per week and is located within a 30-mile radius of an organics recycling facility will be required to separate and divert all food residuals to an organics recycling facility. Beginning January 1, 2024, any entity that generates at least one ton of food residuals each week must meet the diversion requirements.

**Goals: Identify emerging industries and ensure MES is in position to contribute.**

Performance indicators:

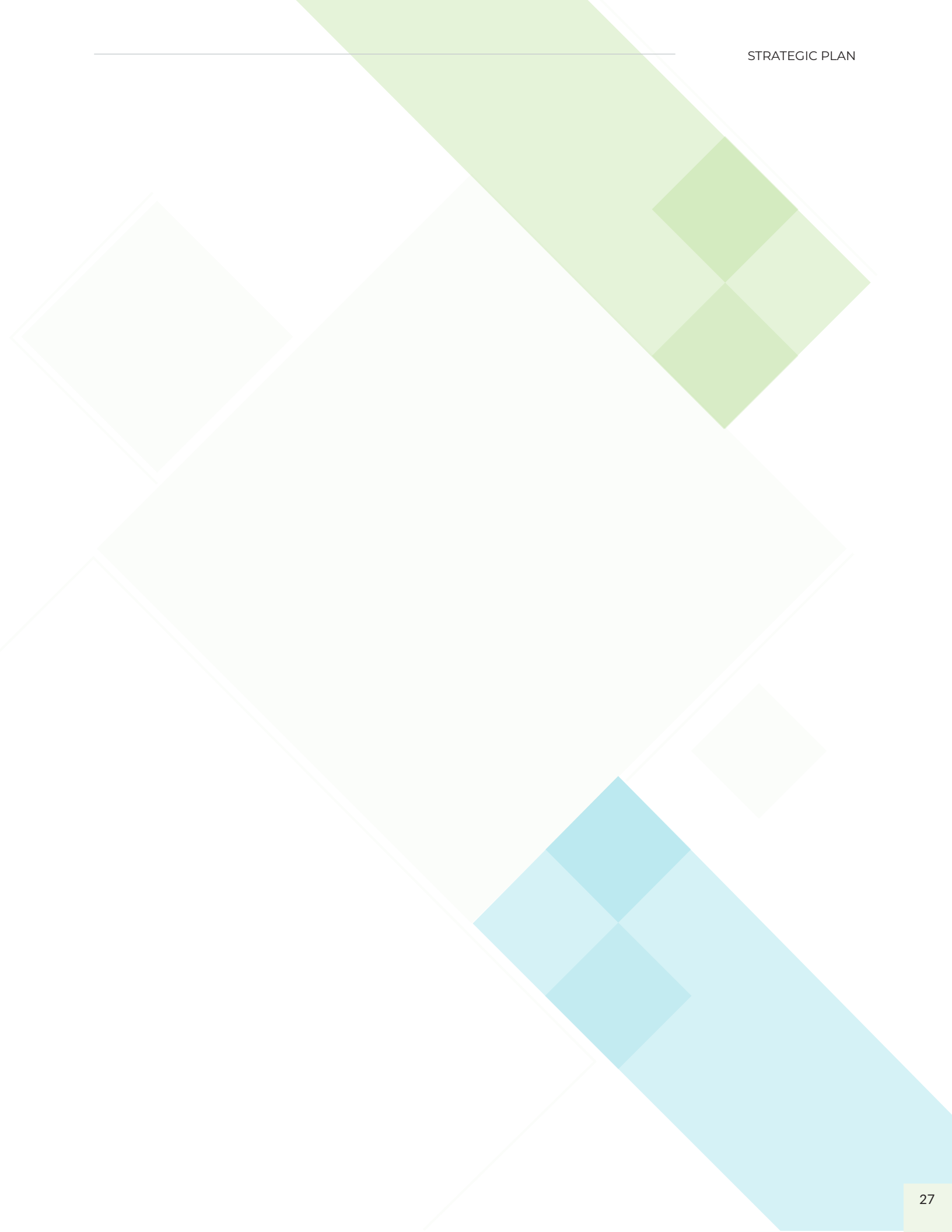
- MES' contribution to State's GHG reduction plan
- Reductions of GHG emissions or impacts from MES operations
- Recycled or reused materials because of operations
- Amount of recycled materials purchased and/or used by MES operations
- Energy consumed per employee, capital investments in environmental protection

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## FROM VISION TO ACTION

# PRIORITIES GOING FORWARD

This FY 2023 – 2027 MES Strategic Plan is bold and ambitious, much like our efforts to protect and enhance Maryland's environment for the benefit of the people of Maryland. It reflects our commitment to continual improvement. The predominant goal is simple: keep improving so we can attract the most talented, dedicated teammates possible; keep improving so that our clients' needs are met; keep improving so our teammates want to stay to complete our mission. Help move Maryland forward, so we keep Maryland a great place to live, work, and play.





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