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Maryland Stadium Authority
Letter of Information

HB 0020 - Maryland Stadium Authority – Membership

FINANCE COMMITTEE

The Honorable, Senator Delores G. Kelley, Chair
The Honorable, Senator Brian J. Feldman, Vice Chair

Written Testimony, Letter of Information

Thomas Kelso, Chairman, Maryland Stadium Authority
Michael J. Frenz, Executive Director, Maryland Stadium Authority

Good afternoon, Chairs Kelley and Feldman and honorable members of the Finance Committee, I am Thomas Kelso, the Chairman with Michael J. Frenz, the Executive Director of the Maryland Stadium Authority (MSA) and we appreciate the opportunity to provide this written Letter of Information for HB 0020 - Maryland Stadium Authority – Membership

We at the MSA are not expressing opposition to this bill, nevertheless, there are several issues to take into account when considering this bill. Since our performance has been strong over the recent past, we are wary of any changes that may have unforeseen consequences.

First, because the business of MSA has become more complex and financially sophisticated with the addition of school construction programs, Maryland Department of Housing and Community Development (DHCD) demolition programs, racetrack renovations and construction, and various other projects, it is imperative that individuals chosen for the Board have significant expertise in at least one field of endeavor that includes construction, finance, procurement, and general management. With four separate persons appointing board members it could be possible that certain required expertise could be inadvertently overlooked. In the past, successive Governors and Mayors have understood this in making appointments, so we urge legislative leaders to do the same.

Second, individuals selected to serve on the MSA Board must recognize that their decisions must be made to advance the mission of MSA, not the interests of the person that appointed them, whether the Governor, the Mayor, or legislative leaders. Their fiduciary responsibility is to the MSA on whose board they sit. Board members are fiduciaries and not elected policy makers.

Finally, as MSA's business has become more complex, the number of Board meetings necessary to support the free flow of that business has increased from twelve regularly-scheduled monthly meetings to include a number of ad hoc meetings. With the current

Board composition, it has proved to sometimes be a challenge in assembling four members to constitute a quorum. This is particularly challenging for ad hoc meetings, which by their nature are unplanned, and also normally contain items where approval is time sensitive. Adding additional members would make this challenge somewhat greater, since a quorum would require five members. Obviously, if we are unable to assemble a quorum, we are unable to move important business forward.

We are available at any time for any questions the Committee may have.