

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A quarterly meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, April 24, 2019 at 1:00 p.m. at Brewer City Hall Council Chambers, 80 North Main Street, Brewer, Maine. In attendance were the following:

Directors:

Sophie Wilson, Town of Orono
Catherine Conlow, City of Bangor
Karen Fussell, City of Brewer
Tony Smith, Town of Mount Desert
Kevin Howell, Town of Carmel
Ralph Saucier, Town of Millinocket
Irene Belanger, Town of China
Dana Wrigley, Sr., Town of Oakland

Staff:

David Eric Johns, MRC Interim Executive Director

Consultants:

George Aronson, CRMC
Daniel G. McKay, Eaton Peabody
Jon Pottle, Eaton Peabody
Jessamine Pottle, CES, Inc.

Guests:

Shelby Wright, Fiberight
Jim Chandler, Hampden Town Manager
Rich Cromwell, Assistant City Manager, City of Bangor

Jennifer Baroletti kept the minutes of the meeting and Vice President Karen Fussell presided.

Vice President Karen Fussell convened the meeting at 10:03 a.m. and reported that President Chip Reeves regretfully has tendered his resignation as a Director and President of the

MRC. Ms. Fussell acknowledged President Reeves' leadership and service to the MRC. Mr. Reeves has served on the MRC Board since 2006 and has done a tremendous job leading the organization through the preparation and execution of the MRC's post 2018 planning effort.

APPROVAL OF AGENDA

Vice President Fussell noted an additional agenda item to discuss the vacancy left by President Reeves' departure, and that the sequencing in the agenda will be slightly altered to accommodate schedules. She asked for a motion to accept the agenda as published with that understanding. Upon motion duly made and seconded it was unanimously:

VOTED: That the agenda is hereby accepted as published.

DISCUSSION OF BOARD VACANCY

Vice President Fussell reported that Mr. Reeves' term was due to expire at the end of 2019, and that the Board can fill that vacancy if desired. A discussion ensued. Board Member Sophie Wilson noted the importance of considering the technical skills needs for the Board, and finding someone who has the capacity and time to dedicate to active board service.

Ms. Wilson stated that it is necessary to fill Mr. Reeves' officer position. She suggested that Vice President Karen Fussell be elected to succeed Mr. Reeves as President and that Board Member Tony Smith be elected to serve as Vice President to fill the vacancy created by Ms. Fussell's assumption of the presidency. There being no further discussion, upon motion made and duly seconded, it was unanimously:

VOTED: That Karen Fussell hereby is elected as President of the MRC, to serve in that capacity for the balance of Mr. Reeves' term and until her successor has been duly elected and qualified or until her earlier resignation or removal from office.

VOTED: That Tony Smith hereby is elected as Vice President of the MRC, to serve in that capacity for the balance of Ms. Fussell's term and until his successor

has been duly elected and qualified or until his earlier resignation or removal from office.

VOTED: That (i) the resignation of Chip Reeves as an officer and director of the MRC hereby is accepted with regret; (ii) all outstanding authority of Chip Reeves with respect to the deposit, withdrawal or transfer of funds of the MRC, and all authority to execute and deliver contracts or other documents on behalf of the MRC, hereby are terminated; (ii) Karen Fussell, in her capacity as President of the MRC, hereby is authorized to deposit, withdraw and transfer funds of the MRC, and to execute and deliver contracts or other documents on behalf of the MRC; and (iii) the existing signature authorities of the Treasurer with respect to the deposit, withdrawal or transfer of funds of the MRC hereby are reaffirmed.

VOTED: That, for the purpose of implementing the foregoing resolutions, the standard depository resolutions of each financial institution at which funds of the MRC are on deposit, hereby are adopted in full.

UPDATE ON EXECUTIVE DIRECTOR SEARCH

President Fussell introduced Rich Cromwell, Assistant City Manager of the City of Bangor, who provided an update on the Executive Director search. Mr. Cromwell reported that the job was posted on April 11th, and a number of applications have been received.. A general discussion ensued about the interview process, and it was agreed that Mr. Cromwell and his department will conduct pre-interviews to further narrow the applicant pool. After pre-interviews, an interview panel of the MRC officers will meet with the remaining candidates and recommend two candidates to be interviewed by the full board. Board member Kevin Howell noted the importance of board members conveying to Mr. Cromwell any past experiences with any candidates that could be helpful for the pre-interview process.

Mr. Cromwell left the meeting at 10:34 a.m.

**CONSIDERATION OF MINUTES OF MARCH 27, 2019 SPECIAL MEETING OF THE
MRC BOARD OF DIRECTORS**

The Board considered approval of the minutes of the March 27, 2019 special meeting of the Board of Directors. There being no changes to the draft minutes as presented, upon motion made and duly seconded, it was unanimously:

VOTED: That the minutes of the March 27, 2019 special meeting of the Board of Directors hereby are approved in the form presented to the meeting.

**FINANCE COMMITTEE REPORT INCLUDING: CONSIDERATION OF FINANCIAL
STATEMENTS AND BILLS PAYABLE**

Sophie Wilson reported on the Finance Committee's consideration of bills, cash balances, and the audit. She presented two sets of bills payable – operating budget payables in the amount of \$33,582.05 and transportation reimbursement payments in the amount of \$38,443.24, for an aggregate amount of \$71,025.29. After a brief discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the operating budget bills payable of \$38,443.24, as presented to the Board at this meeting, hereby are approved for payment.

A motion was duly made and seconded to approve the transportation reimbursement payments. Ms. Wilson clarified that these payments will be reimbursed from the transportation reserve. There being no further discussion, it was unanimously:

VOTED: That the transportation reimbursement payments of \$38,443.24, as presented to the Board at this meeting, hereby are approved for payment.

TECHNICAL ADVISOR REPORT INCLUDING: CHARTER MUNICIPALITY ASSET MANAGEMENT REPORT – CUSTODY ACCOUNT, TIP FEE & OPERATING BUDGET STABILATION FUNDS, CASH COLLATERAL AND SWEEP ACCOUNTS, BRIDGE TRANSPORTATION COSTS UPDATE, FIRST QUARTER JOINING MEMBER CASH DISTRIBUTION REBATE; REPORT ON FIRST MONTH OF MSW DELIVERIES

George Aronson reviewed the Charter Municipality Asset Management Report, noting three recommendations:

1. To distribute \$78,754.07 to Joining Members to reduce their effective net disposal costs;
2. To make payments from the Custody Account of \$45,377.70 directly to affected Joining Members to reimburse budgeted fee collections lost as a result of interim transportation arrangements; and
3. To transfer \$11,073.36 from the Custody Account to the MRC Operating Account at Key Bank to reimburse payments to haulers of \$11,653.66 made from the Operating Account, net of a prior overpayment of \$580.30.

Mr. Aronson reviewed the MRC Distributions to Joining Members in Tables 2 and 3 of the report, and payments and balances of the Bridge Waste Reserve Fund in Table 4, reporting a balance of approximately \$420,000 after making proposed disbursements. This should be more than sufficient to get the MRC through the next quarter, with a margin for any unanticipated delays in achieving full plant operations. Mr. Aronson reviewed the unrestricted cash balance in Table 5, noting approximately \$2.9 million as the uncommitted balance. He reported that the process to transfer funds from the Cash Collateral Account to a new agency account is moving forward and should be completed shortly. The MRC continues to track tonnage for MSW deliveries of Joining Members. To date, there is a decline of approximately 35,000 tons, however if adjustments are made to account for commercial waste being delivered under separate accounts and a few other adjustments, it appears that Joining Members have delivered

over the last twelve months approximately 4,000 tons or 4% more than the Minimum Delivery Requirement set forth in the Master Waste Disposal Agreement.

Mr. Aronson reported that Pine Tree and Waste Management have been working well together under the SWAP Agreement to coordinate and share data, and that it has been a successful venture.

There being no further discussion, upon motion made and duly seconded, it was unanimously:

VOTED: That (i) the MRC hereby is authorized and directed to distribute the amount of \$78,754.07 ratably to Joining Members to reduce their effective net disposal costs; make payments from the Custody Account in the total amount of \$45,377.70 directly to affected Joining Members to reimburse budgeted fee collections lost as a result of interim transportation arrangements; and to transfer \$11,073.36 from the Custody Account to the MRC Operating Account at Key Bank to reimburse payments to haulers of \$11,653.66 made from the Operating Account, net of a prior overpayment of \$580.30; and (ii) the President hereby is authorized to take such action, or cause such action to be taken, as may be necessary or appropriate to effectuate such transfers and payments.

DISCUSSION OF CHANGE IN AUDIT PERIOD AND MRC FISCAL YEAR

President Fussell reported that the Finance Committee has discussed changing the MRC's audit year. George Aronson explained that the previous audit covered a longer period in order to coincide with the timeline of distributions to departing member communities. The auditor suggested extending the current audit period to cover the expected transition period through June 30th. A discussion ensued. Mr. Aronson noted that the MRC could release unaudited financials for December, 31, 2018 to municipalities the extent it would be helpful. There being no further discussion, it was unanimously:

VOTED: That the MRC's current audit period hereby is extended from December 31, 2018 through June 30, 2019.

FIBERIGHT/COASTAL FACILITY CONSTRUCTION PROGRESS AND COMMISSIONING REPORT

Shelby Wright of Fiberight reported that the facility accepted its first delivery on Monday, which was Earth Day, from the Town of Hampden. Deliveries from eight other communities were received yesterday, and the first load of single stream recycling will be accepted tomorrow. George Aronson reviewed the timeline set out in the commissioning report, explaining dry runs are done initially, then MSW is introduced. Operator training will begin next week. The front end test parameters will occur in May, at which time the facility is expected to be accepting materials on a start and stop basis. The back end testing will begin at the end of May and run through early June. The acceptance test is scheduled to be completed by June 22nd. Mr. Aronson reviewed the timeline and different phases of testing, and reported that the project has remained on schedule for several months. The MRC will continue to monitor progress. In response to a question, Shelby Wright reported that an occupancy permit still needs to be approved by the Town of Hampden Planning Board. Jim Chandler, Town Manager of Hampden, reported that the occupancy permit is on the agenda for the May Planning Board meeting, which may need to be rescheduled to June, but that the temporary permit is good for a year.

REPORT FROM INTERIM EXECUTIVE DIRECTOR

Interim Executive Director Eric Johns reported that the MRC's Ellsworth office was officially closed at the beginning of April. Mr. Johns reviewed his research on record retention and reported that he will present a proposed record retention policy to the Board at its May meeting. Mr. Johns reported that he continues to coordinate with Shelby Wright on the onboarding process, and is working with CES and the Town of Hampden on drainage issues in preparation for road acceptance. President Fussell requested that Tony Smith be included in that

effort. Mr. Johns reported on the Waste Flow Committee's discussions concerning requests from haulers for reimbursement of additional costs alleged to be related to deliveries to landfills. He will communicate to haulers this week that the MRC will not be reimbursing those expenses. President Fussell noted that the board agreed at a previous meeting to recommend that haulers take these concerns directly to towns with whom the hauler has contracted. Officer changes have been reported to the banking institutions, and President Fussell reported that correspondence to Fiberight memorializing the agreement to share legislative advocacy costs has been finalized.

STATUS OF PLEASANT RIVER SOLID WASTE DISPOSAL DISTRICT

Eric Johns reported that one of MRC's members, Pleasant River Solid Waste Disposal District ("PRSWDD"), was addressing internal matters that may affect MRC. There, followed a general discussion by the Board, including potential consequences if PRSWDD did not meet its obligations under the Joinder Agreement.

LEGISLATIVE SESSION UPDATE

Cathy Conlow reported that she continues to monitor the session. There are a number of bills on product stewardship and Ms. Conlow suggested that the Communication Committee consider further research on these bills.

COMMUNICATIONS COMMITTEE UPDATE

President Fussell reviewed the website analytics, noting that the quarterly review of the website has been performed with CES and information has been updated. Due to several spam/automated inquiries, the Communications Committee has decided to engage Sutherland Weston to add a captcha function to the 'Contact Us' page, which is expected to cost less than \$150. The Maine Resource Recovery Association ("MRRA") conference is next week, and Shelby Wright and Eric Johns will be available at the Coastal/MRC booth.

President Fussell reported that she and Shelby Wright have met with the organizers of the American Folk Festival and that Coastal is considering providing recycling/disposal services for the event. Ms. Wright reported that she is working on the proposal and is hopeful that it will be approved by Coastal soon.

The Maine Municipal Association (“MMA”) Conference in early October takes place in Bangor this year, and MRC hopes to get MMA to publish an article in the September issue of The Townsman highlighting the Coastal facility. The MRC received an inquiry recently from WABI regarding doing a piece on the plant. The Op-Ed with the Town of Hampden will be finalized over the next few weeks.

WASTE FLOW COMMITTEE UPDATE

Tony Smith reported no new business, other than the update relating to PRSWDD which was previously discussed.

EXECUTIVE SESSION

A motion was made, and duly seconded, at 11:42 a.m. to adjourn the meeting to executive session pursuant to 1 M.R.S.A. §405(6)(A) and (E) for the purpose of discussing with legal counsel regarding legal rights and duties. Whereupon, it was unanimously:

VOTED: That the meeting is adjourned to executive session.

At 12:12 p.m., the executive session ended and the regular meeting reconvened.

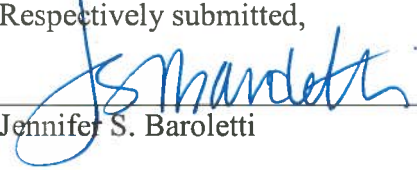
OTHER BUSINESS

A brief discussion ensued regarding the process of filling the board vacancy for the remainder of Mr. Reeves' term. It was agreed that President Fussell would work with Jessie Pottle at CES to send out a communication to members with notification of the board vacancy and an update on the officer positions.

There being no further business to come before the Board, the meeting adjourned at 2:35

p.m.

Respectively submitted,



Jennifer S. Baroletti

Dated: May 22, 2019