

**MUNICIPAL REVIEW COMMITTEE, INC.**

**BOARD OF DIRECTORS**

A meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, January 22, 2020 at 10:00 a.m. at First National Bank, 145 Exchange Street, Bangor, Maine. In attendance were the following:

**Directors:**

Sophie Wilson, Town of Orono  
Karen Fussell, City of Brewer  
Kevin Howell, Town of Carmel  
Irene Belanger, Town of China

Dana Wrigley, Sr., Town of Oakland  
Robert Butler, Town of Waldoboro  
Catherine Conlow, City of Bangor  
Ralph Saucier, Town of Millinocket

**Staff:**

Michael Carroll, MRC Executive Director

**Consultants:**

Jon Pottle, Eaton Peabody  
Jessamine Pottle, CES, Inc.

**Guests:**

Shelby Wright, Fiberight  
Craig Stuart-Paul, Fiberight  
Emily Bockian Landsburg, Ultra Capital  
Lizzie Guynn, Ultra Capital  
Nazrin Dixon, First National Wealth Management  
Peter Nicholson, First National Wealth Management

Joelle Ingalls kept the minutes of the meeting and President Fussell presided.

President Fussell convened the meeting at 10:05 a.m.

**APPROVAL OF AGENDA**

Michael Carroll proposed that the agenda be amended to include approval of the minutes of the December 11, 2019 Annual Meeting of the Members and Board of Directors in addition to the December 27, 2019 special meeting of the Board of Directors, and then asked for a motion to

accept the agenda with this minor amendment. Upon motion duly made and seconded, it was unanimously:

**VOTED:** That the agenda hereby is approved as amended.

**CONSIDERATION OF MINUTES OF DECEMBER 11, 2019 ANNUAL MEETING OF THE MEMBERS AND BOARD OF DIRECTORS AND DECEMBER 27, 2019 SPECIAL MEETING OF THE BOARD OF DIRECTORS**

The first order of business to come before the Board was approval of the minutes of the December 11, 2019 annual meeting of the Members and Board of Directors, and the December 27, 2019 special meeting of the Board of Directors. There being no changes to the draft minutes as presented, upon motion duly made and seconded, it was unanimously:

**VOTED:** That the minutes of the December 11, 2019 annual meeting of the Members and Board of Directors and the December 27, 2019 special meeting of the Board of Directors hereby are approved in the form presented to the meeting.

**ELECTION OF OFFICERS**

The Board then reviewed the proposed slate of officers to serve on behalf of the MRC for the ensuing year. Nominations for President, Vice President, Treasurer and Clerk were made, following which, upon a motion made and duly seconded to approve the slate of officers nominated, it was unanimously:

**VOTED:** That the following individuals are elected to the offices set forth opposite their respective names, each to serve in that capacity until his/her successor has been duly elected and qualified or until his/her earlier resignation or removal from office:

President:	Karen Fussell
Vice President:	Tony Smith
Treasurer:	Sophie Wilson
Clerk:	Michael Carroll

## COMMITTEE MEMBER APPOINTMENTS

The Board next nominated individuals to serve on the Finance & Insurance, Communications, and Waste Flow Management Committees, for the ensuing year. Following nominations, a motion was made and duly seconded to accept the nominees as presented whereupon it was unanimously:

**VOTED:** That the 2020 MRC committee members hereby are appointed as follows:

Finance & Insurance  
Committee:

Karen Fussell  
Robert Butler  
Sophie Wilson

Tony Smith  
Catherine Conlow

Communications  
Committee:

Karen Fussell  
Irene Belanger  
Dana Wrigley, Sr.

Ralph Saucier  
Catherine Conlow

Waste Flow Management  
Committee:

Kevin Howell  
Tony Smith  
Dana Wrigley, Sr.

Ralph Saucier  
Robert Butler

## ASSET MANAGEMENT REPORT

Michael Carroll reviewed the Asset Management Report prepared by Mr. Aronson. In December 2019, the MRC selected First National Bank as its investment manager and began the process of moving all accounts from the previously used institutions. It is anticipated that the process of transferring all MRC accounts to First National Bank will be completed by the end of the first quarter of 2020.

Mr. Carroll noted the following four recommendations in Mr. Aronson's letter:

1. To distribute \$112,533.99 to Joining Members to reduce their effective net disposal costs;

2. To transfer \$125,000.00 from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Custody Account to fund the distribution referenced in Item 1 above;
3. To transfer \$50,000.00 from the Cash Collateral Account to the Operating Account which would implement the recommendation voted and approved at prior MRC Board Meeting; and
4. To transfer \$54,765.44 from the Tip Fee Stabilization Fund to the Operating Account in order to cover the ending shortfall in the 2019 operating budget, which, along with the transfer referenced in Item 2 above, would implement the recommendation voted and approved at prior MRC Board Meeting.

As of January 1, 2020, there was \$30,646.87 in the Custody Account, \$8,034,604.83 in the Tip Fee Stabilization Fund, and \$5,539.56 in the Operating Budget Stabilization Account. The Cash Collateral Agency Account now holds a balance of \$3,075,178.30. Withdrawals from the Cash Collateral Agency Account are controlled by an Agreement between MRC, Coastal and Fiberight and will require signature by Coastal in order to transfer the recommended funds in Item 3 above. Mr. Carroll noted that payments to the Cities of Bangor and Brewer and Towns of Hampden and Orono to reimburse budgeted fees not collected as a consequence of the interim transportation arrangement for the period after the Commercial Operations Date are being further discussed by the Board and Finance Committee as is the \$3 or \$5 per ton distribution to the Town of Oakland.

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 \$112,533.99 ratably to Joining Members to reduce their effective net disposal costs; transfer \$125,000.00 from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Custody Account to fund the distribution in the first recommendation; to transfer \$50,000.00 from the Cash Collateral Account to the Operating Account which would implement the recommendation voted and approved at prior MRC Board Meeting; and to transfer \$54,765.44 from the Tip Fee Stabilization Fund to the Operating Account in order to cover the ending shortfall in the 2019 operating budget, which, along

with the transfer referenced in the second recommendation, would implement the recommendation voted and approved at prior MRC Board Meeting; and (ii) the Executive Director and Treasurer hereby are authorized to take such action, or cause such action to be taken, as may be necessary or appropriate to effectuate such transfers and payments.

### **PROPOSED CHANGE IN MRC INVESTMENT STRATEGY**

President Fussell introduced Nazrin Dixon, Vice President, Business Development Officer and Peter Nicholson, Vice President, Senior Portfolio Manager, both of First National Wealth Management. Ms. Dixon and Mr. Nicholson presented an investment approach utilized by numerous municipalities through the state known as the “Lincolnvile Program.” This approach has shown a positive performance over 12 plus years employing a 25% investment in growth stocks and a 75% investment in fixed assets for stability. Mr. Nicholson noted the 25% investment in Stocks allows opportunities in three areas for growth: Inflation, Growth and Risk Versus Return. In response to a question a general discussion ensued around negative interest rates and foreign investments.

Sophie Wilson reported the Finance Committee has met with First National Wealth advisors and is in favor of the approach as it is being presented. The current MRC Investment and Reserve Account Policy was provided with proposed changes for review. After discussion, and upon motion duly made and seconded, it was unanimously:

**VOTED:** That the recommendations of the Finance Committee are hereby accepted with respect to proposed changes to the MRC Investment and Reserve Account Policy; and further that the Finance Committee is authorized to implement these authorized changes regarding the MRC Investment and Reserve Account Policy in a final written form as approved by the Finance Committee.

### **TREASURER’S REPORT INCLUDING CONSIDERATION OF THE FINANCIAL STATEMENTS AND BILLS PAYABLE**

Sophie Wilson presented bills payable totaling \$40,693.50 to the Board for consideration. Ms. Wilson reports all vendor bills are up to date at this time, pump station fees will continue at the Hampden Facility until the road is officially done and accepted by the town, and it is anticipated that the fees paid to Commonwealth will reduce in 2020 for George Aronson's consultation fees. Ms. Wilson also noted that the Finance Committee will discuss reimbursement of mileage for board members at the next meeting. After discussion, and upon motion duly made and seconded, it was unanimously:

**VOTED:** That bills payable of \$40,693.50 as presented to the Board at this meeting hereby are approved for payment.

### **EXECUTIVE DIRECTOR REPORT**

Mr. Carroll began his report with an overview of the recent incident at Coastal involving a small propane cylinder in the baler which caused an explosion and fire at the plant. He highlighted the communications from Coastal and the immediate action to notify the MRC. Towns were notified and a 7-Day Bypass Notice was issued, however, the plant was out of operation only 4.5 days. A Constant Contact has gone out reminding members to be aware of hazardous materials.

Mr. Carroll reported that an optional bypass is still in effect for members using trailers because of the extended waiting times. Coastal is tracking windows of time with less traffic to propose scheduling opportunities for the eight member towns using trailers. Mr. Carroll also noted that the proposed second shift at Coastal is nearly operational and will provide some additional relief. Sophie Wilson clarified that MRC still gets credit for those bypassed tons from the eight communities regardless of the bypass.

Mr. Carroll reported that there have been further delays in the Department of Environmental Protection ("DEP") permitting process caused by lab results that were not

permissible, despite being processed by a DEP lab, and Coastal is working with the DEP to resolve this issue. The permitting processes is expected to be complete in March, 2020.

Mr. Carroll then provided an overview of 2019 MSW by Joining Members and the status of compliance with the 2019 Delivery Commitment.

In response to an audience question regarding pulp and DEP permitting, Craig Stuart-Paul from Fiberight spoke to the current operations at Coastal. He noted they are working with a large international paper company to sell pulp and other related products. Mr. Stuart-Paul also noted that the holiday season greatly impacted the wait time for trailers as double and triple deliveries were being received at the plant. The optional bypass for the eight communities is expected to be lifted on January 27. Mr. Stuart-Paul confirmed that the hiring process has begun for a second shift and, once operational, this expansion is expected to significantly increase current processing capacity. The expectation is that Casella will begin delivering their waste and then additional towns will be brought on board. Michael Carroll clarified that Casella hauls commercial waste currently for the MRC members under flow control ordinances and is considered MRC deliverable.

**ADOPTION OF 2020 MRC OPERATING BUDGET AND PROPOSED DUES  
INCREASE**

Sophie Wilson presented the 2020 MRC Operating Budget and proposed dues increase of \$0.25/ton effective July 1, 2020. Ms. Wilson noted Michael Carroll for his diligent work on the budget and then asked for member comment. There being no further discussion, upon motion duly made and seconded, it was unanimously:

**VOTED:** That the 2020 MRC Operating Budget as presented to the Board at this meeting hereby is adopted.

**LEGISLATIVE REPORT**

Mr. Carroll provided an update on progress of LD 1431. In early January the DEP presented to the Legislature and requested an extension until December 2020. The Environmental and Natural Resources Committee declined this extension and requested that this legislation be prepared and voted on prior to the end of the legislative session in April. Public hearings will be held and Shelby Wright, the MRC and Dan Walker are preparing language to be presented. Ms. Wright noted that all board members should be present at these public hearings.

Mr. Carroll also gave a brief overview of LD 401 which will limit the out of state waste processed in Maine and the ways in which this waste may be processed. The MRC is working with Dan Walker on this legislation.

Sophie Wilson requested a bill tracking list be created for the Board.

President Fussell requested follow up with Dan Walker regarding legislators who have not yet toured the Coastal facility.

### **COMMUNICATIONS COMMITTEE REPORT**

Mr. Carroll briefly reported on plans for the MRC's attendance at the upcoming Maine Resource Recovery Association's 27th Annual Maine Recycling and Solid Waste Conference & Trade Show on April 27-28, 2020. The Communication Committee has budgeted for special projects in 2020 to include an educational video on recycling, as well as a survey of all members regarding unacceptable waste that Coastal cannot process and a request for suggestions of ways the MRC can help.

### **WASTE FLOW COMMITTEE REPORT**

Mr. Carroll reported the Waste Flow Committee plans to discuss the reimbursement regarding the Town of Oakland for an upcoming meeting, and a general discussion ensued by the Board regarding the Waste Flow Committee's involvement in this issue.



## **SCHEDULE OF UPCOMING MEETING DATES**

The next regular Board meeting is scheduled for April 22<sup>nd</sup> at 10:00 a.m. at a location to be determined. The Finance Committee meeting will be held at 9:00 a.m. prior to the board meeting.

## **PUBLIC COMMENT**

President Fussell asked for comments from the public. There was one comment from an audience member who wished it to be known that he felt the increase in fees to begin July 1<sup>st</sup> could have been timed better in correspondence to Coastal's increase in tipping fees to begin at the same time.

Tony Smith then reported on the access road and progress toward acceptance by the Town of Hampden. Mr. Smith anticipates the road to be accepted in the Spring by the Town and is working on a punch list of tasks required for the Completion Certificate to be issued.

## **EXECUTIVE SESSION**


At 11:40 a.m., a motion was made and duly seconded to adjourn the meeting to executive session pursuant to 1 M.R.S.A. §405(6)(E) for the purpose of consultation with MRC's legal counsel.

Whereupon, it was unanimously:

**VOTED:** That the meeting is adjourned to executive session.

There being no further business to come before the Board after coming out of executive session, the meeting adjourned at 2:15 p.m.

Respectively submitted,

  
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Joelle A. Ingalls

Dated: 3/5, 2020