

**MUNICIPAL REVIEW COMMITTEE, INC.**

**ANNUAL MEETING**

The Annual Meeting of the Members and Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, December 16, 2020 at 1:00 p.m. in an online format via Zoom. In addition to a number of members from the charter municipalities of the Municipal Review Committee (“MRC”), 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

**Staff:**

Michael Carroll, MRC Executive Director

**Consultants:**

George Aronson, CRMC  
Jon Pottle, Eaton Peabody

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

President Fussell welcomed the membership to the Annual Meeting and reviewed the MRC’s mission to provide affordable, environmentally sound, and long-term solutions for the disposal of municipal solid waste. She also expressed gratitude for the patience of the members in the past year.

**ELECTION RESULTS**

President Fussell summarized results of the election by welcoming Sophie Wilson of Orono and Kevin Howell of Carmel back to the Board and Melissa Doane of Bradley who will

begin her first term on January 1, 2021. President Fussell thanked the membership for their attendance and turned the presentation over to Mike Carroll, Executive Director of the MRC.

### **REVIEW OF 2020**

Michael Carroll presented a high level overview of 2020 and provided a timeline that included the following:

1. October 2019 – Coastal Resources Management (CRM) completes and passes the Performance Test with the following results:
  - a. 1,279 tons were processed over the three-day period surpassing the 1,200 ton goal;
  - b. 159 tons were processed over the three hour period, equivalent to 53 tons per hour, surpassing the goal of 135 tons over three hours, or 45 tons an hour; and
  - c. The diversion rate was 54.1%, surpassing the 50% goal; and
  - d. The back-end was found acceptable subject to conditions on achieving Integral Capabilities going forward. Additional capital was required to address the concerns which were identified in a Profit Improvement Plan (PIP).
2. February 2020 – CRM’s PIP was proposed to be implemented. MRC provides interim loan with the understanding that a bridge loan is forthcoming;
3. March 2020 – Onset of Covid-19 and consequent market reactions;
4. May 2020 – The proposal to provide bridge loan is withdrawn by the Bondholders. CRM suspends operations;
5. June 2020 – Bypass notices were issued and the MRC worked with Department of Environmental Protection (DEP) to secure permits;
6. July 2020 – An agreement with Waste Management and Penobscot Energy Recovery Company (PERC) allows three-quarters of bypassed member waste to be diverted from landfill. Seven letters of interest are received to purchase the CRM Facility;
7. September 2020 – Bondholders have the Facility placed in receivership and the appointed Receiver begins to manage the Facility and solicit potential buyers;
8. October 2020 – Three potential buyers remain interested and are asked to submit refined letters of interest; and
9. November 2020 – Receivership ends while negotiations with potential buyers continue. After interviews, one potential buyers is identified as a focus and a Letter of Interest is drafted. Winterization at the Facility begins.

Mr. Carroll noted that the MRC continues active discussions with Bondholders and a potential buyer for the CRM Facility. The MRC has received a Memorandum of Understanding (MOU) and has begun review to revise and/or accept the same. Mr. Carroll reports that the

critical aspects needing to be addressed are repayment of creditors, winterization of the Facility, permit requirements, and contract assignment and related obligations. Mr. Carroll closed his presentation with words of gratitude for MRC's members, PERC, Waste Management and the Town of Hampden for their assistance, patience and willingness to work with the MRC during this process.

### **PROPOSED 2021 BUDGET**

Michael Carroll presented the proposed 2021 budget, noting that the draft budget presented at this meeting is in substantially the form expected to be presented for approval at MRC's quarterly board meeting in January of 2021, and that members are encouraged to submit feedback before that time.

Mr. Carroll noted a 10% increase in income over 2020 due to the increase in dues, and also noted a revenue transfer in the amount of \$50,000 to secure the Facility during the suspension of operations. An increase in bookkeeping services has been factored in as the MRC continues to handle CRM's invoices, and an increase in contingency has been added to account for unknown vendors.

Sophie Wilson further clarified that the \$50,000 expense is a direct offset, and advised a vote of the Board is required in order for any contingency to be spent.

### **OVERVIEW OF ACCOUNT BALANCES**

Mr. Aronson provided an overview of the MRC accounts as of November 30, 2020, specifically noting the current phase of transition makes the numbers in the accounts look different from previous years. Currently the MRC has four Joint Venture Accounts and one Operating Account. Overall these accounts reflect approximately \$7,500,000 in assets.

In review, Mr. Aronson noted the Tip Fee Stabilization Account (TFSA) requires a \$4,000,000 minimum balance and held \$5,606,330.96 as of November 30, 2020. The TFSA is funded from 2018 carryover and earnings and is used for contingencies and cash shortfalls.

The Operating Budget Stabilization Account had a balance of \$126,394.18 as of November 30, 2020. This account is funded by Joining Member tip fee payments and is used to pay disposal costs for bypassed Joining Member waste.

The Custody Account is funded from a quarterly transfer in the amount of \$125,000 from the TFSA and is used to pay distributions. As of November 30, 2020, the Custody Account held \$241,047.36.

Mr. Aronson advised the Cash Collateral Account is funded from 2017 carryover and interest earned in this account can be transferred to the Operating Account. This account is security for MRC's delivery obligations and was used to provide the Interim Loan of \$1,500,000 to CRM.

And, finally, the Operating Account is funded by dues, TFSA earnings, and interest from the Cash Collateral Account. Administrative expenses are paid from the Operating Account, and, as of November 30, 2020, this account had a balance of \$348,423.66.

### **2021 MRC GOALS**

Mr. Carroll reviewed the MRC's goals for 2021 and spoke briefly about each one:

1. Reopen the Facility;
2. Receive payment in full of the interim loan provided in February 2020;
3. Work closely with a new buyer;
4. Circulate the Membership survey;
5. Determine a long-term solution for bulky waste and undesirables; and

6. Ensure payment to vendors.

**UPCOMING 2021 MEETING DATES**

- January 27, 2021 @ 10am – Zoom format
- April 28, 2021 @ 10am – Location TBD
- July 28, 2021 @ 10am – Location TBD
- October 27, 2021 @ 10am – Location TBD

Each meeting is immediately preceded by the Finance Committee Meeting beginning at 9am.

**PUBLIC COMMENT AND QUESTIONS**

Many questions were submitted by members and the public attending the Zoom session. Attorney Jon Pottle explained that due to ongoing negotiations the Board is not, at this time, able to disclose the name of the potential buyer, any details regarding their current operations outside the State of Maine or who may have been an interested party previously in addition to the current interested parties that may be in addition to the potential buyer.

George Aronson and Michael Carroll responded to the remaining questions.

**CLOSING REMARKS**

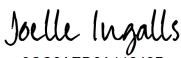
Sophie Wilson thanked staff and consultants who have served the MRC this year and President Fussell for her leadership. Ms. Wilson noted, while a shutdown is not ideal, it has allowed the MRC to look at its needs, as well as needs of members, partners and vendors. Moving forward the MRC will continue its work toward a solid and sustainable plan for waste disposal.

President Fussell closed the program by reminding everyone in attendance that we are stronger together. She also thanked staff and consultants and expressed gratitude for PERC, Waste Management, and the Town of Hamden for their willingness to work with and alongside the MRC through this time of transition.

President Fussell advised a special Board of Directors Meeting will follow the Annual Meeting today, however, no items are scheduled to be considered post executive session. The first quarterly meeting of 2021 will be on Wednesday, January 27<sup>th</sup> and will potentially include a presentation from the new buyer if the MOU gets finalized.

There being no further business to come before the Annual Meeting, it was recessed at 1:53 p.m.

Respectively submitted,

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Joelle A. Ingalls

Dated: 1/27/2021  
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