

MINUTES

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, July 28, 2021 at 10:00 a.m. in an online format via Zoom. In attendance were the following:

Directors:

Sophie Wilson, Town of Orono
Karen Fussell, City of Brewer
Kevin Howell, Town of Carmel
Tony Smith, Town of Mount Desert

Dana Wrigley, Sr., Town of Oakland
Robert Butler, Town of Waldoboro
Catherine Conlow, City of Bangor
Melissa Doane, Town of Bradley

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 convened the meeting at 10:00 a.m.

APPROVAL OF AGENDA

After President Fussell introduced the Board, the first order of business was approval of the agenda. The agenda was accepted as presented with no changes.

CONSIDERATION OF MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS ON APRIL 21, 2021 AND THE QUARTERLY MEETING APRIL 28, 2021

The next order of business to come before the Board was approval of the minutes of the Special Meeting on April 21, 2021 and the Quarterly Meeting on April 28, 2021. Tony Smith requested the word “Minutes” be added to the top of the document moving forward. With these changes requested and upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That the minutes of the Special Meeting on April 21, 2021 and the Quarterly Meeting on April 28, 2021, hereby are approved with the noted changes.

EXECUTIVE DIRECTOR AND COMMITTEE REPORTS

Michael Carroll provided an update on the status of the Coastal Resources of Maine (CRM) plant and progress toward reopening. He reported letters were sent to over 100 vendors to address monies owed and plans to reconcile and noted some of these vendors have visited the plant with proposals to return equipment. Mr. Carroll further reported DTE is discussing financing with potential funding sources but have not yet presented a term sheet to MRC for review. Rob Van Naardan of DTE has advised meetings are scheduled for this week to speak with their preferred financing source and a positive outcome is expected. Once financing is secured, the Court will appoint a Receiver to facilitate the sale of the CRM facility.

Mr. Carroll reported that a Fundamental Matters Notice was sent to Members, as required regarding the three fundamental matters discussed in the April 21, 2021 Board Meeting, and only one member requested a special meeting. No special meeting was called as representatives of the MRC attending the Town Council Meeting and answered questions for this Member Municipality.

Mr. Carroll reported Secondary Bypass Notices were sent to Members as Penobscot Energy Recovery Company (PERC) was closed for a scheduled shut down from April 5th through April 25th by Versant. In an effort to limit closure days, PERC elected to perform maintenance during that scheduled shut down, and, as a result of necessary improvements uncovered during this maintenance, PERC was unable to resume acceptance of waste on April 25th as expected. Due to a Covid induced shortage of parts and inventory, PERC has remained closed for an extended period of time, but they expect to resume acceptance of waste on August 2nd.

Mr. Carroll further reported that second quarter waste processing totaled 28,608 tons which included 5,875 tons of commercial waste. This represents an increase of 2,819 tons over second quarter last year.

It was noted that George Aronson attended the Waste Expo on June 20th and spoke as a panelist in the “What’s New with Mixed Waste” presentation which is available on the MRC website.

In conclusion, Mr. Carroll reviewed the current legislative actions and noted July 1st will begin the plastic bag ban in Maine which will also include foam disposal take out containers and single use plastic containers. The Extended Producer Responsibility Law (LD 1541) is also expected to be passed in the current Legislative session.

ASSET MANAGEMENT REPORT - CUSTODY ACCOUNT, TIP FEE & OPERATING BUDGET STABILIZATION FUNDS, CASH COLLATERAL ACCOUNT, RESERVE FUND UPDATE, FIRST QUARTER JOINING MEMBER CASH DISTRIBUTIONS

George Aronson presented the Asset Management Report and proposed four recommendations:

1. To distribute \$151,651.68 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 Development and Distribution Account (formerly known as the Custody Account) to fund the distribution referenced in Item 1 above;
3. Transfer \$150,000.00 from the Tip Fee Stabilization Fund to the Contingency Account (formerly known as the Operating Budget Stabilization Fund) to be prepared to meet cash flow needs in the upcoming quarter; and
4. Transfer \$125,000.00 from the Tip Fee Stabilization Fund to the Operating Fund to support administrative costs.

As of June 30, 2021, the Development and Distribution Account (formerly known as the Custody Account) contained a balance of \$25,977.36 held at First National Bank. As of the same date, the balance of the Tip Fee Stabilization Fund was \$5,168,247.10, and the balance of the Contingency Account (formerly the Operating Budget Stabilization Account) balance was \$335,570.69. The Cash Collateral Agency Account now holds a balance of \$1,527,654.75.

Mr. Aronson noted as of the end of the quarter the MRC had a Net Position for the benefit of Joining Members of \$14,464,309.87. He also noted that the MRC sustained additional costs with the shut down and delays, however, MRC remains in a position to provide services despite the negative cash flow. President Fussell reminded those in attendance that the additional bypass and administrative costs are expected to be repaid to the MRC at closing.

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

VOTED BY ROLL CALL: That (i) the MRC hereby is authorized and directed to distribute the amount of \$151,651.68 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 Development and Distribution Account (formerly known as the Custody Account) to fund the distribution in the first recommendation; transfer \$150,000.00 from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Development and Distribution Account (formerly known as the Custody Account) to meet cash flow needs in the upcoming quarter related to payment of disposal fees for bypassed waste from Joining Members in advance of collection of the corresponding tip fee payments; transfer \$125,000.00 from the Tip Fee

Stabilization Fund to the Operating Fund to support administrative costs; 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.

**TREASURER'S REPORT INCLUDING CONSIDERATION OF
THE FINANCIAL STATEMENTS AND CURRENT BILLS PAYABLE**

Sophie Wilson presented bills payable totaling \$21,078.10 to the Board for consideration. Ms. Wilson reported there are no concerns at this time, but did note that the budget will be negatively impacted if the delays continue and the facility doesn't reopen soon. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That bills payable of \$21,078.10 as presented to the Board at this meeting hereby are approved for payment.

**REVIEW OF EXTENSION LETTER RE: INTEGRAL CAPABILITIES FOR
PERFORMANCE TEST PROTOCOL**

Attorney Pottle reminded those in attendance that the performance test for the CRM facility included conditions regarding the integral capabilities for the performance test protocol that were initially required to be addressed by December 31, 2019. This deadline has been extended multiple times and, due to the current bypass scenario, a further extension is recommended. Attorney Pottle proposed an extension to October 29, 2021, with the understanding the MRC may choose to terminate the extension with notice consistent with the most recent extension. Attorney Pottle noted conditions regarding the integral capabilities of the performance test protocol related to key agreements with the CRM facility that, if triggered, can result in termination of agreements if not fulfilled.

Upon motion duly made and seconded, the Board engaged in discussion regarding concerns conveyed by perpetually extending the deadline. With the expressed concerns noted, it was unanimously:

VOTED BY ROLL CALL: That the Executive Director is hereby authorized to execute and deliver an additional extension letter regarding integral capabilities for the Performance Test Protocol, to be further extended to October 29, 2021 with provisions for MRC to terminate the extension with ten business days' notice.

CONSIDERATION OF A REMOTE MEETING POLICY FOR MRC BOARD MEETINGS

Attorney Pottle reported per State Law, as of August 1st, any entity subject to the Freedom of Access Act (FOAA) will need a policy in place to hold any remote meetings. With the pandemic emergency provisions and proclamation lifted, more recent legislation has allowed for continued remote meetings where a policy exists for such, however, absent a policy the entity must hold in-person meetings only. Attorney Pottle further reports that the MRC's membership, being comprised of municipalities, makes them subject to the FOAA and presented the proposed Policy for MRC to adopt regarding remote meetings. The Board engaged in discussion regarding the policy and its conformity to the Maine state law as well as the MRC Bylaws. Discussion continued to include such topics as inclement weather, possible hybrid models allowing both in person and remote access, the opportunity to adopt and then amend a policy and what instances would trigger the policy to be in effect.

Upon motion duly made and seconded it was unanimously:

VOTED BY ROLL CALL: That the policy is hereby adopted as presented for use by the MRC Board of Directors.

BOARD MEMBER RESIGNATION AND VACANCY APPOINTMENT

President Fussell advised the Board that Catherine Conlow has submitted her letter of resignation from the Board of Directors effective as of 5 p.m. on July 28, 2021. Ms. Conlow will

be moving on from her role as City Manager of Bangor to the position of Executive Director of the Maine Municipal Association.

Upon motion duly made and seconded, the Board offered their accolades, thanks and well wishes to Ms. Conlow who provided her parting remarks, and then it was unanimously:

VOTED BY ROLL CALL: That the Board accept Ms. Conlow's resignation.

Further discussion amongst the Board occurred regarding the Bylaws and the Board's process for filling the vacancy. Sophie Wilson noted that she would like the nominee to be an individual who understands the waste industry, will be effective and passionate, and she formally nominated Aaron Houtari, Public Works Director, City of Bangor. Mr. Carroll advised Mr. Houtari has been in attendance at many of the Zoom Board Meetings, following the MRC for an extended period of time, and was in attendance at the current meeting.

Upon motion duly made and seconded it was unanimously:

VOTED BY ROLL CALL: That the Board accept the appointment of Aaron Houtari, Public Works Director, City of Bangor, for the vacant position on the MRC Board of Directors until such time that the annual elections are held and the position is formally elected.

After the vote, Mr. Houtari joined the meeting as a participant and accepted the appointment.

PUBLIC COMMENT

President Fussell responded to comments and questions received and echoed, on behalf of the MRC Board, the frustration from Members regarding extended delays in the transaction to sell the CRM facility. Questions were received regarding DTE's operations and funding for the

purchase, and President Fussell encouraged attendance at the Town Hall on August 5th when it is expected Rob Van Naarden will be present to answer questions. The steps of the sale were reviewed as requested, noting that a Receiver will not be court appointed until financing is secured.

SCHEDULE OF UPCOMING MEETING DATES

A Town Hall meeting will be held on Thursday, August 5, 2021 at 11 a.m. in an online format via Zoom.

The next quarterly Board Meeting is scheduled for October 27, 2021 at 10 a.m. with the location to be determined. It is expected this meeting will be held in person.

FIRST EXECUTIVE SESSION

At 11:26 a.m., a motion was made and duly seconded to go into executive session pursuant to 1 M.R.S. §405(6)(E) for the purpose of consultation with MRC's legal counsel.

Whereupon, it was unanimously:

VOTED BY ROLL CALL: That the meeting is adjourned to executive session.

At 1:27 p.m., the executive session ended. The regular meeting resumed at 1:32 p.m. Catherine Conlow and Tony Smith exited the meeting upon completion of the first executive session.

SECOND EXECUTIVE SESSION

At 1:34 p.m., a motion was made and duly seconded to go into executive session pursuant to 1 M.R.S. §405(6)(A) for the purpose of annual performance review of the Executive Director.

Whereupon, it was unanimously:

VOTED BY ROLL CALL: That the meeting is adjourned to executive session.

At 1:58 p.m., the executive session ended. The regular meeting resumed at 1:59 p.m.

ACTION(S) AS A RESULT OF EXECUTIVE SESSIONS

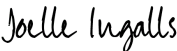
President Fussell reviewed the discussion and resulting changes from the second executive session, noting that Mr. Carroll has exhibited exemplary service to the MRC and the increase in his salary is a direct result of this. Many of the Board Members echoed this sentiment and thanked Mr. Carroll for his service.

Upon motion duly made and seconded it was unanimously:

VOTED BY ROLL CALL: That the Board will adjust Executive Director Michael Carroll’s annual salary to \$110,000.00, to be effective as of July 1, 2021 and payment of this salary will be made using funds from the Contingency Account.

There being no further business to come before the Board after coming out of executive session, the meeting adjourned at 2:04 p.m.

Respectively submitted,

DocuSigned by:

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Joelle A. Ingalls

Dated: 10/27/2021