

MINUTES

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, October 27, 2021 at 10:00 a.m. in person and 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
Melissa Doane, Town of Bradley

Dana Wrigley, Sr., Town of Oakland
Robert Butler, Town of Waldoboro
Aaron Houtari, City of Bangor
Tony Smith, Town of Mount Desert

Staff:

Michael Carroll, MRC Executive Director

Consultants:

George Aronson, CRMC
Jon Pottle, Eaton Peabody
Shawn Doil, 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. President Fussell proposed that two changes be made to the Agenda. The first change is to include a second Executive Session, after Item 11, for the purpose of discussing a

personnel matter and second, the addition of an item for Consideration of Items as a Result of Executive Session. Upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: The agenda is accepted as amended.

**CONSIDERATION OF MINUTES OF THE QUARTERLY MEETING JULY 28, 2021
AND SPECIAL MEETINGS OF THE BOARD OF DIRECTORS ON AUGUST 4,
AUGUST 10, AUGUST 16, SEPTEMBER 15 AND SEPTEMBER 21, 2021**

The next order of business to come before the Board was approval of the minutes of the Quarterly Meeting July 28, 2021 and Special Meetings of the Board of Directors on August 4, August 10, August 16, September 15 and September 21, 2021. Upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That the minutes of the Quarterly Meeting July 28, 2021 and Special Meetings of the Board of Directors on August 4, August 10, August 16, September 15 and September 21, 2021, hereby are approved.

EXECUTIVE DIRECTOR AND COMMITTEE REPORTS

Mr. Carroll began with an overview of the third quarter tonnage reports noting this year showed a slight increase over last year in the third quarter. Several Bypass Notices have been sent regarding Bypass from PERC to Juniper Ridge. One more week of bypass is expected.

Mr. Carroll provided an overview of the progress on the sale of the facility. Despite the MRC's willingness to extend the MOU weekly to allow time for Delta Thermo Energy (DTE) to secure financing, due to the failure to meet several deadlines, pay facility costs, and provide proof of adequate financing, Delta Thermo Energy was advised that their exclusivity was no longer being extended.

Several new proposals were submitted, and the bidders scheduled a time to tour the plant. Two potential buyers were identified and have met with the MRC Board, consultants and legal

counsel. While the Bondholders' Trustee is reviewing the new proposals, DTE has also submitted a new lender term sheet and has shown advancement toward securing financing. A nonrefundable, significant deposit was requested by the Bondholders in order for DTE to continue being considered as a viable purchaser. As of late yesterday no deposit has been received.

A Fundamental Matters Notice was sent to members on September 16th regarding the potential for MRC to terminate the Lease Agreement or put them on notice of a potential termination.

As a Committee update, Mr. Carroll notes all efforts are being made to keep members up to date on the happenings of the MRC, including fifteen constant contacts to members, five special meetings of the Board of Directors and a Town Hall in the third quarter. MRC representatives attended Town Meetings in Hampden, Blue Hill, and Garland in the third quarter.

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

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

1. To distribute \$167,311.84 to Joining Members to reduce their effective net disposal costs;
2. To transfer \$170,000.00 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 \$50,000.00 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 \$230,612.00 from the Tip Fee Stabilization Fund to the Operating Fund to reconcile deposits and withdrawals and support administrative costs.

As of October 1, 2021, the Development and Distribution Account (formerly known as the Custody Account) contained a balance of \$21,394.94 held at First National Bank. As of the same date, the balance of the Tip Fee Stabilization Fund was \$4,425,641.85, and the balance of the Contingency Account (formerly the Operating Budget Stabilization Account) balance was \$239,770.80. The Cash Collateral Agency Account now holds a balance of \$1,531,007.84.

Mr. Aronson noted as of the end of the third quarter the MRC had a Net Position for the benefit of Joining Members of \$14,889,912.24. He also noted that the MRC runs the risk of falling below the required \$4,000,000 balance in the Tip Fee Stabilization Account by July or August 2022 if the facility does not reopen and MRC continues to pay the additional bypass and administrative costs. Mr. Aronson reports signatures are being sought from all parties to release the restricted funds in the Cash Collateral Account of approximately \$1,500,000.00 to the MRC.

Mr. Aronson further notes, on the books, the MRC has been carrying the value of the Hampden site and improvements at cost, which is now \$6,200,000.00. The audit is currently in process, and the Auditor has noted that the Road, the sewer pipe and the pump station have all been turned over to the Town of Hampden. With this transfer, the auditor has recommended the MRC Balance Sheet be amended to reflect this change.

Bob Butler raised the issue of winterization and associated costs and Attorney Pottle responded that this would be discussed further in Executive Session.

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 \$167,311.84 ratably to Joining Members to reduce their effective net disposal costs; transfer \$170,000.00 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 \$50,000.00 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 \$230,612.00 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 reports the Finance Committee met and discussion was held regarding outcomes from a meeting Ms. Wilson and Mr. Carroll had with the MRC investment advisors, including the need to diversify the MRC portfolio as well as inflation and projected rates. As of October 22, 2021, there is \$4,400,000 invested in the Tip Fee Asset Allocation Fund and \$1,500,000 invested in the Coastal Asset Allocation Fund. The 2021 budget was discussed, and Ms. Wilson reports the Finance Committee unanimously recommends payment of the bills payable totaling \$32,336.51. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That bills payable of \$32,336.51 as presented to the Board at this meeting hereby are approved for payment.

APPROVAL OF SLATE FOR 2021 MRC BOARD OF DIRECTORS ELECTION

President Fussell reported that four nominations were received for the nine seats. Those four were:

- Karen Fussell – Finance Director City of Brewer and Current MRC Board President
- Aaron Huotari – City of Bangor Public Works Director and Current MRC Board Member
- Steve Lewis – Boothbay Region Refuse Manager and Town of Boothbay Selectman

- James Vallette – Southwest Harbor Vice-Chair for the Warrant Committee

A motion was made and seconded and discussion followed where Sophie Wilson clarified that the Board is only verifying that each nominee meets the requirements to serve according to the Bylaws at this time. President Fussell reviewed the requirements, including one of the following: each nominee must be a resident of an MRC member, an employee of an MRC member or an Officer of an MRC member. All current nominees meet the criteria. With no further discussion, it was unanimously:

VOTED BY ROLL CALL: That the slate for the 2021 MRC Board of Directors election is hereby accepted.

SCHEDULE OF UPCOMING MEETING DATES

A Town Hall meeting is expected to be held in mid-November, prior to Thanksgiving. The Annual MRC Meeting is scheduled for December 15, 2021 at 3 p.m. in the Orono Council Chamber. There will also be a remote option for the Annual Meeting.

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 January 31, 2022, 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, 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 January 31, 2022 with provisions for MRC to terminate the extension with ten business days' notice.

PUBLIC COMMENT

Attorney Pottle responded to a question received regarding what member liabilities would exist if the MRC was to go into default and noted that he provides legal counsel to the MRC and not to the members so there is no direct answer that can be provided to this question as posed.

EXECUTIVE SESSION

At 10:37 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 12:04 p.m. the executive session ended. The regular meeting resumed at 12:07 p.m.

SECOND EXECUTIVE SESSION

At 12:09 p.m., a motion was made and duly seconded to go into the second executive session pursuant to 1 M.R.S. §405(6)(A) for the purpose of discussing a personnel matter.

Whereupon, it was unanimously:

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

At 12:16 p.m., the executive session ended. The regular meeting resumed at 12:19 p.m.

CONSIDERATION OF ITEMS AS A RESULT OF EXECUTIVE SESSIONS

President Fussell reports that Michael Carroll’s contract has a June 2022 expiration date, and the Board discussed extension of his contract through June of 2025.

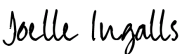
Upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That Michael Carroll’s contract be extended for three years, through June 2025, with a clause including any potential emergency regarding employment be addressed, as it has been previously approved, to include a year’s compensation. In addition, included is a requirement of 60-day notice if Mr. Carroll intends to pursue other employment.

President Fussell provided accolades for Mr. Carroll’s efforts and work ethic and Tony Smith seconded the praise.

There being no further business to come before the Board after coming out of executive session, the meeting adjourned at 12:23 p.m.

Respectively submitted,

DocuSigned by:

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Joelle A. Ingalls

Dated: 1/26/2022
