

## 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 27, 2022 at 10:00 a.m. in a hybrid format with the majority of Board Members attending in person at the Orono Town Office and others via Zoom. In attendance were the following:

#### **Directors:**

Sophie Wilson, Town of Orono  
Karen Fussell, City of Brewer  
Aaron Houtari, City of Bangor  
Melissa Doane, Town of Bradley  
Tony Smith, Town of Mount Desert

Kevin Howell, Town of Carmel  
Robert Butler, Town of Waldoboro  
Steve Lewis, Town of Boothbay  
Dana Wrigley, Town of Oakland

#### **Staff:**

Michael Carroll, MRC Executive Director

#### **Consultants:**

George Aronson, CRMC (virtually)  
Jon Pottle, Eaton Peabody

#### **Guests:**

Nigel Ekern, Chief Operating Officer, Revere Capital Advisors  
Patrick Daly, Senior Managing Director, Revere Capital Advisors

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. Two suggested edits were considered, and it was subsequently agreed upon to move

the Executive Director Report to occur just prior to Public Comments and to remove the Executive Session per 1 M.R.S. § 405(6)(E) to consult with MRC's legal counsel regarding MRC's contractual rights and duties from the agenda. Upon motion duly made and seconded, it was unanimously:

**VOTED:** That the agenda is accepted as edited.

**CONSIDERATION OF MINUTES OF SPECIAL MEETINGS OF THE BOARD OF DIRECTORS ON MAY 18, 20, 25 AND 26, 2022; JUNE 1, 8, 14, 24 AND 29, 2022; JULY 21, 2022; AND THE QUARTERLY MEETING APRIL 27, 2022**

The next order of business to come before the Board was approval of the minutes of Special Meetings held on May 18, 20, 25 and 26, 2022; June 1, 8, 14, 24 and 29, 2022; July 21, 2022; and the Quarterly Meeting on April 27, 2022. Two edits were noted for the April 27, 2022 minutes: the location of the meeting to be added and a typo correction. Upon motion duly made and seconded, it was unanimously:

**VOTED:** That the minutes of Special Meetings held on May 18, 20, 25 and 26, 2022; June 1, 8, 14, 24 and 29, 2022; July 21, 2022 are hereby approved as presented; and the minutes of the Quarterly Meeting on April 27, 2022 hereby are approved as amended.

**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 noted the financials presented are as of July 1, 2022. Mr. Aronson reports the total assets of the MRC are down \$5.55 million including \$1 million in cash and receivables and the valuation of the Hampden plant which was previously included. Mr. Aronson proposed five recommendations:

1. To distribute \$147,212.92 to Joining Members to reduce their effective net disposal costs;
2. To transfer \$150,000.00 from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Development and Distribution Account to fund the distribution referenced in Item 1 above;

3. Transfer \$200,000.00 from the Tip Fee Stabilization Fund to the Contingency Account to be prepared to meet cash flow needs in the upcoming quarter;
4. Transfer \$50,000 to the Operating Account to fund administrative expenses in the next quarter as anticipated in the 2022 MRC Operating Budget; and
5. If not already paid, pay funds estimated at \$1,020,000 from the Cash Collateral Account to complete the purchase of the Facility and other Coastal Assets early in the third quarter of 2022.

As of July 1, 2022, the Development and Distribution Account (formerly known as the Custody Account) contained a balance of \$27,210.99 held at First National Bank. As of the same date, the balance of the Tip Fee Stabilization Fund was \$1,769,575.47, and the balance of the Contingency Account (formerly the Operating Budget Stabilization Account) balance was \$646,592.23. The Cash Collateral Agency Account now holds a balance of \$1,345,561.45, which is below the minimum balance required.

Mr. Aronson noted that as of the end of the quarter the MRC had a Net Position for the benefit of Joining Members of \$4,804,235.08.

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 \$147,212.92 ratably to Joining Members to reduce their effective net disposal costs; transfer \$150,000.00 from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Development and Distribution Account to fund the distribution in the first recommendation; transfer \$200,000.00 from the Tip Fee Stabilization Fund to the Contingency 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 \$50,000 to the Operating Account to fund administrative expenses in the next quarter as anticipated in the 2022 MRC Operating Budget; if not already paid, pay funds estimated at \$1,020,000 from the Cash Collateral Account to complete the purchase of the Facility and other Coastal Assets early in the third quarter of 2022; 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  
FINANCIAL STATEMENTS, CURRENT BILLS PAYABLE & FIRST QUARTER  
BUDGET RECONCILIATION**

Sophie Wilson provided an overview of the Finance Committee Meeting that occurred this morning reporting a review of the current Investment Strategy. She then presented bills payable totaling \$64,136.85 to the Board for consideration. Ms. Wilson notes a number of one-time costs, such as increases in worker’s comp. and health insurance premiums and continued expenses to secure the plant, causing the expenditure, year-to-date, to be slightly over budget. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

**VOTED:** That bills payable of \$64,136.85 as presented to the Board at this meeting hereby are approved for payment.

**SCHEDULE OF UPCOMING MEETING DATES**

The next quarterly Board Meeting is scheduled for October 26, 2022.

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

Attorney Pottle reminded the Board 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 28, 2022, with the understanding that the MRC may choose to terminate the extension with notice consistent with the most recent extension. Attorney Pottle noted that 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:** 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 28, 2022 with provisions for MRC to terminate the extension with ten business days' notice.

**EXECUTIVE DIRECTOR AND COMMITTEE REPORTS**

Mr. Carroll began his report with an overview of second quarter waste processing which totaled 22,733 tons compared to 22,435 tons over second quarter last year. Mr. Carroll reports MRC has continued overseeing the plant, and he meets with the Department of Environmental Protection (DEP) regularly. Bypass Notices continue monthly with only two instances this quarter where P.E.R.C. was unable to process member waste: once due to a mechanical issue and one due to a fire.

Mr. Carroll provided an update on Coastal Resource Management and the final sale process. After thorough review, the Receiver and MRC found no qualified bidders and no auction will be held. MRC, as the stalking horse bidder, will purchase the facility for \$1.5 million, less expenses, but not less than \$1 million. Final resolution of one lien remains outstanding before the closing can officially take place, but the MRC has begun soliciting partners to share ownership and operation of the plant. Five potential partners were reviewed and two were found to have the technical capabilities, proposed capital and operating plan sought by MRC in a partner to provide affordable, environmentally sound conversion of waste. One of the potential partners to be vetted is Revere Capital Advisors LLC and Mr. Carroll noted two of their officers were in attendance at the meeting and would be taking questions.

Patrick Daly, Senior Managing Director of Revere Capital Advisors ("Revere") introduced himself and provided a short overview of Revere, noting the Company's desire to invest in interesting scenarios and situations such as healthcare, defense, healthcare technology and energy. Mr. Daly reports Revere focuses on sustainability and renewability. Nigel Ekern,

Chief Operating Officer of Revere was also present and reports MRC and Revere have made a successful first step toward a partnership.

George Aronson reports he attended a tour of the Plant with Mr. Carroll and the Revere representatives yesterday and engaged in a long review of the updates and upgrades that will be necessary once the Plant reopens. Mr. Aronson noted MRC will continue in the role as Landlord, and will continue to have a voice through the LLC being formed for the purpose of owning the Plant (the "LLC"). Mr. Aronson also noted MRC will continue to represent its Members and be a party to the major agreements in effect.

### **PUBLIC COMMENT**

Questions and comments were received, from both in-person participants and those attending virtually, regarding long-term strategic plans Revere may have to address PFAS, composting and hard-to-manage waste, such as bio solids and tires. In response to these questions, Mr. Daly and Mr. Ekern reported their first priority will be to restart the plant with existing technology and make the plant profitable. Moving forward, and looking to the future, Revere will consult directly with the MRC on the key issues raised, and it was noted both recyclables and residuals will be addressed.

In response to a question regarding ownership of the technology, Mr. Ekern reports Revere will have a right to the license but not ownership. The LLC will assume the Intellectual Property Agreement and rights to the technology.

Attorney Pottle responded to President Fussell's question regarding timing of closing, noting there is only one lien holder claim outstanding, with an expectation for resolution by the weekend, and then closing can be expected to occur within 7-10 days of the Judge's ruling on the sale of the Plant.

**EXECUTIVE SESSION PER 1 M.R.S. § 405(6)(A) TO CONDUCT EXECUTIVE  
DIRECTOR ANNUAL PERFORMANCE REVIEW**

At 10:50 a.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 conducting the annual performance review of the Executive Director.

Whereupon, it was unanimously:

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

**ACTION(S) AS A RESULT OF EXECUTIVE SESSIONS**

At 11:53 a.m., the executive session ended. The regular meeting resumed at 11:54 a.m. President Fussell reviewed the discussion and resulting changes from the 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:** That the Board will adjust Executive Director Michael Carroll's annual salary by \$10,000.00, to be effective as of July 1, 2022.

There being no further business, at 12:00 p.m. a motion was made, duly seconded, and approved to adjourn the meeting.

Respectively submitted,

*Joelle Ingalls*

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Joelle A. Ingalls

Dated: October 26, 2022