

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 26, 2023 at 10:00 a.m. in a hybrid format with the Board Members attending in person at the Orono Town Office and various attendees present via Zoom. In attendance were the following:

Directors:

Sophie Wilson, Town of Orono
Karen Fussell, City of Brewer
Aaron Huotari, City of Bangor
Melissa Doane, Town of Bradley
Steve Lewis, Town of Boothbay

Kevin Howell, Town of Carmel
Robert Butler, Town of Waldoboro
Tony Smith, Town of Mount Desert
Ella Bowman, Town of Oakland

Staff:

Michael Carroll, MRC Executive Director

Consultants:

George Aronson, CRMC (virtually)
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

The first order of business was approval of the agenda. The agenda was accepted with the removal of the first listed Executive Session, which was determined to be unnecessary.

CONSIDERATION OF MINUTES OF THE QUARTERLY MEETING ON APRIL 26, 2023; SPECIAL MEETINGS OF THE BOARD OF DIRECTORS ON MAY 22, JUNE 9, AND JUNE 15, 2023

The next order of business was approval of the minutes of the Quarterly Meeting on April 26, 2023; and Special Meetings of the Board of Directors on May 22, June 9, and June 15, 2023.

Upon motion duly made and seconded, it was unanimously:

VOTED: That the minutes of the Quarterly Meeting on April 26, 2023; and Special Meetings of the Board of Directors on May 22, June 9 and June 15, 2023 hereby are approved with one edit to correct the date on the April 26, 2023 minutes.

EXECUTIVE DIRECTOR AND COMMITTEE REPORTS

Mr. Carroll began by providing an overview of waste from members in the second quarter of 2023 which totaled 22,773 tons, a slight increase from the 22,432 tons in the second quarter of 2022. Mr. Carroll noted that quarter two saw a decrease of 300 tons compared to quarter one, but the year-to-date numbers break even. Although bypass notices continue monthly, they now say, “on behalf of Municipal Waste Solutions,” and the waste is no longer being bypassed to PERC. Mr. Carroll reported that very little waste has gone to PERC since November 2022, and MRC waste is now bypassed to Juniper Ridge (2/3) and Crossroads (1/3).

The Municipal Waste Solutions (MWS) closing was completed on June 30, 2023, and all liens, property taxes and sewer bills were paid in full. Mr. Carroll reported lease payments began on July 1, and MRC is receiving fees paid for management services, such as logistics of waste and handling of billing and invoices, intended to repay the \$6,000,000 paid by MRC during the shutdown. MRC has an office at the facility and has plans to add administrative staff to handle invoices and billing. Additionally, in a significant step toward reopening the facility,

DEP has approved testing of the MRF equipment with 30 tons of waste from 5 communities (Brewer, Bangor, Levant, Carmel and Hampden).

Mr. Carroll continued his report by noting the June 24th Town Hall was a success, with over 50 questions asked and answered, and an open and constructive dialogue between Innovative Resource Recovery, MRC and Members. He further reports MRC has been determined as eligible for the SWIFR Grant, as discussed in prior meetings, and has moved into merit review status with a decision expected in Fall 2023.

ASSET MANAGEMENT REPORT

George Aronson presented the Asset Management Report for the second quarter of 2023. He began the presentation by providing a high-level overview of the material changes in the statement of the financial position of MRC as of the date of closing when several key Agreements were amended and restated. As of July 1, 2023, the assets of MRC and MWS are included in the report. Mr. Aronson proposed two recommendations:

1. Consistent with the MRC Board decision from its public meeting on July 27, 2022, until the MRC cash position improves, to defer payments of \$92,137.58 to reimburse fees not collected in the quarter as a result of current arrangements; and
2. To consider a transfer from the Contingency Account to the Operating Account to fund MRC administrative expenses in the upcoming quarter consistent with the 2023 operating budget.

As of July 1, 2023, the Development and Distribution Account (formerly known as the Custody Account) contained a balance of \$101,210.04 held at First National Bank. As of the same date, the balance of the Tip Fee Stabilization Fund was \$950,340.69, and the balance of the Contingency Account (formerly the Operating Budget Stabilization Account) was \$716,280.49. The Cash Collateral Agency Account now holds a balance of \$314,948.33. Mr. Aronson pointed out that the liens previously shown as liabilities have been removed and all liabilities for disposal costs have been transferred to MWS and no longer show in the MRC financials.

Mr. Aronson reviewed the assets and receivables and noted that as of the end of the quarter, the MRC had a Net Position for the benefit of Joining Members of \$4,640,311.01.

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 defer payments of \$92,137.58 to reimburse fees not collected in the quarter as a result of current arrangements; and (ii) that no transfer from the Contingency Account to the Operating Account is required at this time.

**TREASURER’S REPORT INCLUDING CONSIDERATION OF
FINANCIAL STATEMENTS, CURRENT BILLS PAYABLE, SECOND QUARTER
BUDGET RECONCILIATION**

Sophie Wilson reported the Finance Committee met this morning and has two recommendations for the Board’s consideration. First, MRC currently maintains two investment accounts, the Tip Fee Stabilization Account and the Cash Collateral Account (titled “Coastal”), in order to keep the “Coastal” funds separate. With the recent amendment and restatement of the Master Waste Supply Agreement, Ms. Wilson, after discussion with the Finance Committee, recommends consolidating the accounts and renaming them something more in line with their purpose, such as “MRC Invested Funds”. Second, Ms. Wilson recommended the Board and staff attend the Finance Committee next month during which financial advisors will be present to present different investment opportunities and how to increase return on investments now that MRC has a solid understanding of their financial position. Finally, Ms. Wilson presented bills payable totaling \$103,809.33 to the Board for consideration, noting that 80% of the Commonwealth Resource Management payable of \$16,800.00 and 80% of the Eaton Peabody payable of \$77,583.50 are allocated to the closing and this work has now been completed. It is anticipated that these payables will begin to come down moving forward. The Board engaged in discussion regarding the background and reasoning for maintaining two accounts as well as the recent changes that have led to the recommendation to consolidate them. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the MRC officers, acting singly, are authorized to take such necessary and appropriate actions to consolidate and rename accounts as presented, all in accordance with any applicable requirement of the financial institutions; and

VOTED: That the bills payable of \$103,809.33 as presented to the Board at this meeting hereby are approved for payment.

Mr. Carroll presented to the Board a high-level overview of the budget review from the Finance Committee meeting, pointing out as of the start of the 3rd quarter the financials will reflect an additional \$310,000 in cash flow consisting of \$76,800.00 in lease payments, \$82,400.00 in dues (some of which is reflected currently in the financials) and \$150,000.00 in management services fee.

Mr. Carroll reported that the budget is on track at this time, noting some items are showing over 50% as they have been paid ahead. The outlier being the line-item expense to secure the facility during the shutdown, which was higher than expected as the cost was carried much longer than expected. However, Mr. Carroll reported all costs have been tracked in the MWS ledger and will be reimbursed in full through the collection of the previously mentioned management services fees.

There being no further updates on the budget, President Fussell asked about progress on the audit and Mr. Carroll reported he has spoken with the Auditor and the previous years' audits are not yet complete. Mr. Carroll reports the financials for 2023 are well organized, and he has kept all required and relevant details in a spreadsheet to make the process more efficient.

In response to a question from President Fussell, Attorney Pottle confirmed the Integral Capabilities Letter has been overtaken by the Amended and Restated Master Waste Supply Agreement and Site Lease, as well as the Forbearance Agreement, and will no longer require extension.

President Fussell provided an update on the Extended Producer Responsibility Law, noting the series of stakeholder meetings are ongoing, and the Waste Flow Committee has been well represented by Tony Smith who has attended meetings as head of the Committee. Mr. Smith confirmed he has attended nearly all the meetings and reported there have been several good discussions held.

President Fussell reported the State of Maine is set to update the Solid Waste Management Plan. She asked that the Waste Flow Committee convene to review the prior plan from 2019 and discuss where MRC and MWS fit into the plan now and into the future. Written comments are being accepted for consideration until September 1st, and two final meetings are being held on July 26th and August 9th for in-person and virtual attendance. President Fussell expressed the importance of MRC having a voice in the process and asked that written comments be formulated by the Waste Flow Committee and presented on behalf of MRC and MWS to DEP at the August 9th meeting.

SCHEDULE OF UPCOMING MEETING DATES

President Fussell reported the next quarterly meeting of the Board will be held in person on October 25, 2023 at the Orono Town Hall at 10 a.m. The finance committee meeting will be held immediately preceding the board meeting each quarter.

PUBLIC COMMENT

No comments were presented or received.

EXECUTIVE SESSION

At 11:09 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 Executive Directors Annual Performance Review.

Whereupon it was unanimously:

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

At 12:50 p.m., the executive session ended. The regular meeting resumed at 12:50 p.m.

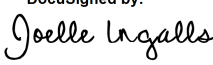
ACTION(S) AS A RESULT OF EXECUTIVE SESSION

President Fussell reviewed the discussion and resulting changes from the executive session, noting that Mr. Carroll's salary will increase to \$130,000.00 annually, and a travel stipend of \$1,200.00 per month will be added, retroactive to January 1, 2023. It was also discussed that adjustments to Mr. Carroll's retirement plan would be made upon review of specific options and details. President Fussell noted that Mr. Carroll has exhibited exemplary service to the MRC and the amendments to his benefits are a direct result of this. Many of the Board Members echoed this sentiment and thanked Mr. Carroll for his service. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: To adopt the adjustments and additions to Mr. Carroll's salary and benefits as presented.

There being no further business to come before the Board after coming out of executive session, the meeting adjourned at 12:53 p.m.

Respectively submitted,

DocuSigned by:

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Joelle A. Ingalls

Dated: October 11, 2023