

MINUTES

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, January 24, 2024 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

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

Staff:

Michael Carroll, MRC Executive Director

Consultants:

George Aronson, CRMC (virtually)
Jon Pottle, Eaton Peabody
Donald Higgins, Haverlock, Estey & Curran (virtually)

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

President Fussell convened the meeting at 10:06 a.m.

APPROVAL OF AGENDA

The first order of business was approval of the agenda. The agenda was accepted as presented.

CONSIDERATION OF MINUTES OF THE QUARTERLY MEETING ON OCTOBER 11, 2023 AND ANNUAL MEETING ON DECEMBER 6, 2023

The next order of business was approval of the minutes of the Quarterly Meeting on October 11, 2023 and Annual Meeting on December 6, 2023. President Fussell requested edits to the minutes of the October 11, 2023 meeting to clarify, in regard to Michael Carroll’s contract, that “implementation of the retirement plan may need to be effective in 2024” and strike the term “matching” from the paragraph regarding contributions. Upon motion duly made and seconded, it was unanimously:

VOTED: That the minutes of the Quarterly Meeting on October 11, 2023 and Annual Meeting on December 6, 2023 hereby are approved with the two edits in the October 11, 2023 minutes.

CONSIDERATION OF RESIGNATIONS AND BOARD APPOINTMENTS

President Fussell advised the first resignation to consider is that of Ella Bowman. She reminded the Board that Ms. Bowman submitted her resignation in the fall when she left her position with the Town of Oakland. Upon motion duly made and seconded, it was unanimously:

VOTED: That the Board accepts the resignation of Ella Bowman.

Sophie Wilson nominated Paula Scott, Town Manager of Hampden, to fill the vacancy. Upon motion duly made and seconded, it was unanimously:

VOTED: That the Board appoint Paula Scott to fill Ella Bowman’s vacancy until the next Annual Meeting per MRC Bylaws.

President Fussell advised the second resignation to consider is that of Sophie Wilson. Ms. Wilson was recently re-elected to the Board for another three-year term, however, has relocated to Southern Maine which is outside the MRC purview. President Fussell recommended acceptance of the resignation, with regret, however, and suggested it take effect at

the end of the meeting to allow participation by Ms. Wilson in today's meeting. Upon motion duly made and seconded, it was unanimously:

VOTED: That the Board accept the resignation of Sophie Wilson effective as of the end of this meeting.

The appointment to fill Sophie Wilson's vacancy will be reviewed and considered at the next regularly scheduled Board meeting on April 24.

ELECTION OF OFFICERS

President Fussell requested nominations for officers to serve on behalf of the MRC for the ensuing year. Nominations for President, Vice President, Treasurer and Clerk were made, following which, upon a motion made and duly seconded to approve the slate of officers as nominated, it was unanimously:

VOTED: That the following individuals are elected to the offices set forth opposite their respective names, each to serve in that capacity until his/her successor has been duly elected and qualified or until his/her earlier resignation or removal from office:

President:	Aaron Huotari
Vice President:	Karen Fussell
Treasurer:	Kevin Howell
Clerk:	Michael Carroll

Newly elected President Huotari assumed the role as soon as the vote was complete.

BOARD COMMITTEE ASSIGNMENTS FOR COMMUNICATIONS, FINANCE AND WASTE FLOW

The Board next requested interested individuals to serve on the Finance, Communication, and Waste Flow Committees for the ensuing year. Following review of roles and responsibilities for each committee, Michael Carroll agreed to discuss assignments with each Board Member upon completion of the meeting, and committee appointments were later agreed upon and accepted as follows:

Finance Committee:	Karen Fussell Robert Butler Paula Scott	Tony Smith Aaron Huotari
Communication Committee:	Karen Fussell Steve Lewis	Melissa Doane Aaron Huotari
Waste Flow Committee:	Kevin Howell Robert Butler	Tony Smith Melissa Doane

Before moving on, President Huotari recognized Karen Fussell for her service as President for five years through very trying times, facilitating difficult discussions and making difficult decisions. The Board agreed that Ms. Fussell kept everyone moving forward and set MRC up for success despite the hurdles. Numerous Board Members spoke to her quiet, level-headed leadership, diplomatic approach and consistency. Ms. Fussell expressed her gratitude to President Huotari for taking the reigns and being willing to serve as President, and she thanked the Board for their continued efforts and dedication to the cause. Ms. Fussell will continue to serve in the role of Vice President.

EXECUTIVE DIRECTOR AND COMMITTEE REPORTS

Mr. Carroll reported waste from members in 2023 totaled 108,201 tons (including the commercial waste estimation of 18,000 tons), a slight decrease of 2,954 tons from the 111,155 tons in 2022 (which also includes the commercial waste estimation). He further reported that secondary bypass remains in effect with approximately two thirds of member waste going to Juniper Ridge that in turn is “swapped” with waste that goes to Crossroads landfill. Mr. Carroll addressed a misconception that the closure of the Hampden facility has caused an increase in municipal solid waste to be landfilled. He explained per the Waste Swap Agreement with

Juniper Ridge and Casella, for every ton of MRC waste sent to Juniper Ridge, Juniper Ridge in turn diverts the same amount of non-MRC waste from Southern Maine to Crossroads. Mr. Carroll went on to report the Penobscot Energy Recovery Company (PERC) land and assets sold at auction in November 2023 for \$1,200,000 to the highest bidder, however, the business entity, which holds the waste, contracts and processing permits, was not a part of the sale. As of last week, no applications for processing permits or transfers of existing permits had been filed with DEP. Mr. Carroll noted the Annual Meeting was successful and well attended, and he thanked Cathy Conlow of Maine Municipal Association (MMA) and James Condella of Innovative Resource Recovery (Innovative) for their attendance and presentations at the meeting. Moving forward, Mr. Carroll advised Innovative will be attending the regular quarterly board meetings to provide updates to the Members.

As expected, beginning on January 1, 2024, the new Consumer Price Index (CPI) went into effect, and the new rate is \$85.28 per ton representing a 3.18% adjustment to the tip rate.

Mr. Carroll reported the Board voted last year and approved an amendment to the Bylaws allowing new Associate Members to be accepted and reminded those in attendance that Associate Members will not hold ownership, not be entitled to profit sharing or rebates, and they have no voting rights, however, will have the following benefits: reduced tipping fee; MRC representation in legislative and regulatory activities; a disposal contract without commitment to an annual minimum delivery guarantee or risk of shortfall penalties; access to regional and cooperative services that the MRC will be developing over time; annual tracking and reporting of all MSW and recycling data; and community outreach and educational materials. Mr. Carroll reports MRC is currently in communication with several communities about becoming Associate Members. Additionally, an advertisement has been placed in the MMA Maine Town & City

Magazine to inform municipalities of the Associate Membership opportunity, and MRC will attend the Maine Resource Recovery Association conference in April to spread the word.

Mr. Carroll next provided an update on the Municipal Waste Solutions (MWS) facility noting formal DEP approval was received last month to commence test runs at the plant. These tests are expected to run over the next 6-8 weeks and delivery of approximately 1,500 to 2,000 pounds of waste are expected at the plant weekly. Currently waste from Bangor, Brewer and Carmel is being processed through the plant, and the addition of Holden, Eddington and Clifton's waste is anticipated in the next several weeks. The University of Maine Process Development Center (PDC) has been integral with three individuals on-site testing and processing the samples to assess the volume and quantity of gas that can be produced using anaerobic digestion. Innovative is also working on-site to retrofit the plant for renewable natural gas production and has continued their correspondence with local gas utilities to ensure the MWS system can safely and reliably inject refined natural gas (RNG) into the local distribution grid.

Mr. Carroll moved on to committee reports and advised that MRC remains significantly engaged in the Extended Producer Responsibility (EPR) legislation and met last month with four members of the DEP EPR Committee in Augusta to review and confirm where the MRC and MWS facility will stand in the programs. Mr. Carroll further reports MRC submitted testimony to DEP's Maine Materials Management Plan, the five-year Solid Waste and Recycling Plan, which went into effect January 1, 2024, joined the Maine Climate Council's Materials Management Task Force (MMTF), and attended two workshops held by the ENR on January 4th regarding current bills in the legislature.

General discussion then ensued regarding current testing protocols, PERC, waste collection and advancement toward commercial operations.

ASSET MANAGEMENT REPORT

George Aronson presented the Asset Management Report for the fourth quarter of 2023, noting that Innovative is now paying maintenance and bypass costs, and most of the payables and receivables have been passed on to MWS.

Mr. Aronson reported the joint venture had total assets of \$5,107,013.72, and there are no account receivables (tip fees), or payables (bypass) shown for the last quarter as they are now on the books of MWS. He further noted the investment in the Hampden site and facility is still shown at cost on the books until an appraisal is performed, however the value of investment in MWS has been restated to show the purchase price of \$1,500,000 and related assets of \$91,245.11.

Mr. Aronson had two recommendations: (1) evaluate consolidation of the cash accounts to simplify accounting and reduce banking fees, and (2) complete consolidation of the investment accounts, which was approved by the MRC Board at a prior meeting. He reported that MRC holds three cash accounts at First National Bank (an ICS Sweep Account, the Development & Distribution Account and the Contingency Account) and two investment accounts managed by First National Wealth Management (the Tip Fee Stabilization Account and the Cash Collateral Account), each with different purposes under varying historical agreements.

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 consolidate the cash accounts to one single account (ii) the MRC officers are hereby authorized, acting singly, to execute and deliver any and all documents that may be required to effectuate the consolidations authorized above.

Before moving on to the Treasurer's Report, Sophie Wilson noted George Aronson is the only individual who was involved with MRC when she began 18 years ago that still remains.

Ms. Wilson praised his incredible skill set and thorough reporting and expressed her gratitude for his guidance over the years.

**TREASURER’S REPORT INCLUDING CONSIDERATION OF
FINANCIAL STATEMENTS, CURRENT BILLS PAYABLE, FOURTH QUARTER
BUDGET RECONCILIATION & FY 2024 BUDGET APPROVAL**

As the next order of business, Ms. Wilson presented the FY24 budget for consideration and adoption by the Board. Ms. Wilson provided a high level overview of the \$770,681 budget noting the \$81,641 increase over 2023, however, also noting the revenue of \$80,000 for MWS Utilities & Misc. Reimbursement is also shown as an expense, there is no Use of Fund Balance reflected, and the Payment to Wealth Management Account has increased over last year. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the 2024 MRC Operating Budget as presented to the Board at this meeting hereby is adopted.

Ms. Wilson next presented bills payable totaling \$80,973.99 to the Board for consideration, noting the \$50,000 transfer to the to reserve account for payback of funds used to secure the Facility. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the bills payable of \$80,973.99 as presented to the Board at this meeting hereby are approved for payment.

Ms. Wilson recommended that MRC open new account(s) at Androscoggin Bank to track replenishment of MRC funds previously expended for and in relation to the Hampden Facility. A brief discussion ensued regarding choice of bank and reasons for the recommendation. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the Board authorize the Executive Director, President, Vice President, and Treasurer, acting singly, to establish a new account or accounts with Androscoggin Bank for the primary purpose of tracking replenishment of

MRC funds previously expended for or in relation to the Hampden Facility, and to take such other necessary and appropriate actions to implement this vote.

Ms. Wilson further recommended that certain MRC Officers be authorized to sign checks or other financial documents. There being no discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the President, Vice President, and Treasurer, acting singly, are authorized to execute any checks or other financial documents consistent with MRC guidelines and those of applicable financial institutions, and further to take any such other necessary and appropriate actions to implement this vote.

2021 AUDIT PRESENTATION

Donald Higgins, CPA of Haverlock, Estey & Curran presented the independent auditor's report and financial statements for 2021. The audit includes a clean and unqualified opinion and, in the opinion of the auditor, the financial statements are fairly stated in accordance with generally accepted accounting principles. Mr. Higgins noted the following misstatements were detected and corrected: (1) in the MRC general fund, amounts recorded as liabilities and expensed in the prior period were deducted in the current year; and (2) in the Joint Venture fund, amounts recorded as transferred to the General Fund did not agree with the transfer recorded by the General Fund, property taxes for the Town of Hampden were not accrued, and tipping fees for deliveries in December 2021 were not recorded in 2021. The corrections result in an increase in the net position of both the Joint Venture and the General Fund. Mr. Higgins next reviewed the report regarding internal controls, noting the MRC general practices are done well and the only recommendations are to focus on accurate recording of expenses and revenue in the correct time period and careful review of transfers between funds.

Mr. Carroll advised the findings on the 2021 audit are likely to be reflected in the 2022 audit as well, given the continued handling of bypass and numerous transfers of funds during the

sale transactions of that time period. Mr. Aronson agreed these items do need to be corrected in the audits, however, the deficiencies should start to correct themselves as the underlying cause of several no longer apply. Ms. Fussell noted a common practice is to provide a written acknowledgement in response to the audit findings so there is a record for future Boards to refer back to, and the Board agreed this would be prudent. Mr. Higgins agreed to add a response letter as part of the audit package. A brief discussion ensued regarding the payment of management service fees and how they will be recorded moving forward. The board thanked Mr. Higgins and upon motion duly made and seconded, it was unanimously:

VOTED: That the auditor’s report prepared by Haverlock, Estey & Curran hereby is accepted subject to receipt of a response by the MRC.

SCHEDULE OF UPCOMING MEETING DATES

President Huotari reported the next quarterly meeting will be held on April 24, 2024 at the Orono Town Hall at 10 a.m. The finance committee meeting will be held immediately preceding the board meeting.


PUBLIC COMMENT

No comments were presented or received.

At the conclusion of the meeting, President Huotari provided an opportunity for the Board to express their appreciation for Sophie Wilson and her 18 years of service to MRC. Board Members recalled scenarios where Ms. Wilson was instrumental in times of transition and took control on behalf of the Membership. She was praised for her role as “Protector of the Bank of MRC,” and was recognized for her leadership, guidance and coaching of new Board Members. The Board agreed Ms. Wilson has shown persistent commitment and dedication to the organization and will be sadly missed.

There being no further business to come before the Board after coming out of executive session, the meeting was adjourned at 11:45 a.m.

Respectively submitted,

DocuSigned by:

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Joelle A. Ingalls

Dated: 02/26/2024
