

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 23, 2024 at 10:00 a.m. in a hybrid format with the Board Members attending in person at the Hampden Town Office and various attendees present via Zoom. In attendance were the following:

Directors:

Aaron Huotari, City of Bangor
Karen Fussell, City of Brewer
Paula Scott, Town of Hampden

Tony Smith, Town of Mount Desert
Steve Lewis, Town of Boothbay
Belle Ryder, City of Orono

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 Huotari presided.

President Huotari convened the meeting at 10:03 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 JULY 24, 2024 QUARTERLY BOARD MEETING AND SEPTEMBER 30, 2024 SPECIAL BOARD MEETING

The next order of business was approval of the minutes of the Quarterly Board Meeting on July 24, 2024 and Special Board Meeting on September 30, 2024. Upon motion duly made and seconded, it was unanimously:

VOTED: That the minutes of the Quarterly Board Meeting on July 24, 2024 and Special Board Meeting on September 30, 2024 hereby are approved as presented.

APPROVAL OF SLATE FOR 2024 MRC BOARD OF DIRECTORS ELECTION

President Huotari reported that seven nominations were received for the six open seats on the Board. Those seven nominations, all of whom meet the criteria, were:

- Karen Fussell – Finance Director, City of Brewer
- Rebecca J. Hapgood - Town Manager, Town of China
- Aaron Huotari – Director of Public Works, City of Bangor
- Steve Lewis – Selectman, Town of Boothbay
- Belle Ryder – Resident, Town of Orono
- Laura Sanborn – Resident, Town of Alton, and service on JRL Citizens’ Advisory Committee
- Paula Scott – Town Manager, Town of Hampden

Executive Director Michael Carroll noted the positions available are as follows: three slots for a regular 3-year term, two slots for 2-year terms and one slot for a 1-year term. Mr. Carroll noted the 2-year and 1-year terms are positions where a Board Member left and their position is being filled until the end of their elected term. In response to a question from Steve Lewis, Mr. Carroll advised the positions will be filled by the highest number of votes in succession and Board Members will not be specifying on their vote if they wish to see someone specific in each position. Mr. Carroll further

reported this election is a unique situation in which there are multiple term lengths and he has spoken with MRC legal counsel regarding how to proceed for this election. With no further discussion, and upon a motion duly made and seconded, it was unanimously:

VOTED: That the slate for the 2024 MRC Board of Directors election is hereby accepted.

2023 AUDIT UPDATE

George Aronson reported the 2023 audit is near completion, but not ready for presentation. He further reported the complete audit is expected for presentation and approval at the December meeting. Mr. Carroll noted he expects to present an RFP for Auditors to conduct the 2024 audit in the January 2025 meeting.

ASSET MANAGEMENT REPORT

George Aronson presented the Asset Management Report, noting the joint venture had total assets of \$8,779,080.40 as of October 1, 2024 being held in three cash accounts at First National Bank (an ICS Sweep Account, the Development & Distribution Account and the Contingency Account), two investment accounts managed by First National Wealth Management (the Tip Fee Stabilization Account and the Cash Collateral Account), and bank CDs and an accompanying checking account at Androscoggin Bank. Mr. Aronson reported MRC will have reduced financial responsibility moving forward as Innovative Resource Recovery, LLC (Innovative) takes control on operations and MRC assumes an administrative management role. He further reports the funds held in the Cash Collateral Account, in the name of Coastal Resources of Maine, LLC until October 2024, have been transferred to the MRC Operating Account. Mr. Aronson advised other assets include (1) the Hampden site, valued by the auditor at \$5,000,000, which represents the net present value of site lease payments over the term of the Site Lease as extended to 40 years from the commercial operation date; (2) a contingency payment due to the MRC upon resumption of commercial operations; and (3) a 10% ownership position in Municipal Waste Solutions, LLC (MWS).

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

As the next order of business, Belle Ryder presented bills payable totaling \$42,212.93 to the Board for consideration. Ms. Ryder noted several expenses from September as well as a change to quarterly billing for Eaton Peabody reflected on the November bills payable. There being no discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the bills payable of \$42,212.93 as presented to the Board at this meeting hereby are approved for payment.

Ms. Ryder next reviewed the budget reconciliation spreadsheet, noting the annual adjustments that are made in November to reflect a more accurate budget for the year. Significant income adjustments included reimbursement from MWS for utility payments while the passthrough arrangement remains in effect, a 50% reimbursement from MWS for the lobbyist added mid-fiscal year, and a much stronger return on interest in the operating account, all of which contributed to an increase of \$83,270 in revenue. Several line item expenses were significantly decreased including staffing expenses, marketing costs, and legal fees, due to over budgeting and timing of services, while consulting services and audit costs were increased, resulting in a proposed decrease in the budget by \$85,645 which the Finance Committee recommends be balanced with an additional payment to the Wealth Management Account. There being no discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the proposed changes to the budget are approved and accepted as presented.

Ms. Ryder reported that MRC has begun invoicing members through QuickBooks.

EXECUTIVE DIRECTOR AND COMMITTEE REPORTS

Mr. Carroll reported waste from members in the third quarter (Q3) of 2024 totaled 27,201 tons (including the commercial waste estimation), a slight increase of approximately 809 tons over the 26,392 tons in Q3 2023 (which also includes the commercial waste estimation). Mr. Carroll next

provided an update on the focus groups being facilitated by Designlab and reported three ninety-minute focus group sessions were held in late August with seven participants in each, including MRC Board members, representatives from the public and municipal government officials. Mr. Carroll advised these sessions each included central themes regarding the effectiveness of the MRC name, challenges in municipal waste management, and the need to reset focus and reintroduce MRC to its Members, stakeholders and the public. Continuing his update, Mr. Carroll reported back office operations for MRC have been significantly modernized and most of the financials have been successfully transitioned to in-house management. MWS has also implemented new accounting software, and these upgrades, coupled with the MRC upgrades, have allowed electronic billing to become the invoicing method for many Members and will lead to further efficiency and accuracy.

MRC had a strong presence at the Maine Municipal Association (MMA) convention this year, and with the exhibit area sold out and approximately 800 attendees, MRC was able to update Members, educate non-Members, and provide details on the benefits of joining MRC to a wide audience. MRC continues to gain visibility in the media as the Press Release in September was picked up by Waste Advantage and Maine Biz who each featured a story on MRC. In a financial update, Mr. Carroll reported as of October 2, 2024, MRC successfully closed the Wealth Management account that was previously held in Coastal's name, and the funds were transferred to the MRC Contingency Fund. Mr. Carroll noted National Truck Driver Appreciation Week occurred September 16-22, 2024, and MRC took the opportunity to recognize the crucial role these individuals play in the successful operation of MRC's mission by providing gift cards, snacks/drinks and heartfelt thanks to the drivers.

In a brief facility update, Mr. Carroll reported Q3 has been a period of significant growth and development at MWS with the hiring of a Chief Operations Officer, Construction Manager and Sr. Processing Engineer. He further reported Phase 1 Funding for the Materials Recovery Facility (MRF)

has been approved and finalized for \$20 Million Dollars, and Innovative has put down deposits for new equipment.

In legislative news, Mr. Carroll touched on MRC's public comment in support of the Department of Environmental Protection's (DEP) Extended Producer Responsibility (EPR) rule which highlighted the benefits of the rule for MRC's Members and emphasized the importance of recognizing anaerobic digestion in the rules and the value of utilizing large facilities to enhance recycling efforts statewide. Mr. Carroll also noted the Maine Climate Council released its draft recommendations and is currently accepting public comments. He noted two key strategies relevant to MRC, including: E7 – Reduce and capture methane emissions from Maine's waste sector, and F10 – Increase capacity of and access to waste prevention and diversion services.

INNOVATIVE THIRD QUARTER 2024 MWS FACILITY UPDTE

Innovative's CFO, Kevin Hogan, and recently hired COO, Gary Hartman, provided an update and overview of the Q3 efforts at the MWS facility. CEO James Condela joined the meeting remotely via Zoom. Mr. Hartman was introduced and provided a brief background of his experience before presenting to the Board. He reported engineering efforts and permitting for the Anaerobic Digestion system are underway, and Innovative is progressing toward waste acceptance in 2025. Mr. Hartman further reported requirements have been completed for the permits to operate as a transfer facility. In addition, several upgrades and recertifications have been made to infrastructure that has remained offline during the shutdown, such as recertifying scales, moving licenses to the MWS name, upgrading the fire protection system to include fire prevention aspects, and a phone number for MWS that will be posted so people can call with comments or concerns.

In response to questions regarding timing of waste acceptance and removal of items that cannot be processed, Mr. Hogan reported by 3rd quarter of 2025 they hope to be accepting waste and

working on steady diversion. Details were provided regarding the efforts to streamline waste being accepted and filter out the items that cannot be processed before they make it into the system.

Mr. Condela reported on the status of DEP permitting for solid waste, land, and air permits, as well as the work being done with the Army Corps of Engineers on wetlands. One common Public Information Meeting will be held to address the permits required.

SCHEDULE OF UPCOMING MEETING DATES


President Huotari reported the Annual Meeting will be held on December 11, 2024, time and location to be determined.

PUBLIC COMMENT

No comments were presented or received.

There being no further business to come before the Board after coming out of executive session, the meeting was adjourned at 10:58 a.m.

Respectively submitted,

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Joelle A. Ingalls

Dated: December 11, 2024
