



**MIDCOAST SOLID WASTE CORPORATION
BOARD OF DIRECTORS
MINUTES OF
DECEMBER 9, 2015
MEETING**

MEMBERS PRESENT: Art Durity (Chairman) -Lincolnville, Cindy Gerry -Lincolnville, John French (Camden Board of Selectmen) -Camden, Bill Chapman (Vice-Chairman) -Rockport, Tom Ford (Secretary) -Hope, Jim Annis - Hope

MEMBERS ABSENT: Tracy Lee Murphy –Rockport (excused), Jim Kierstead (Treasurer) -Camden (excused)

REPRESENTATIVES PRESENT: Jim Guerra-MCSWC Manager, Pat Finnigan-Camden Town Manager, Jon Duke-Hope Town Administrator, Richard C. Bates, Rockport Town Manager

REPRESENTATIVES ABSENT: David Kinney-Lincolnville Town Administrator

Public Guests: Maggie Christie, Alison McKellar, Michelle Hannan

Chairman Art Durity called meeting to order @ 7:02 p.m.

1. PUBLIC COMMENT ON NON-AGENDA ITEMS:

Guest, Alison McKellar discussed her attendance at a public DEP meeting two weeks ago regarding MRC/Fiberite plans for a facility. She suggested anyone interested in what other towns are thinking about the project or to find out more about the project should view the MRC website at mrcmaine.org where a televised portion may be available for viewing.

2. AGENDA ADJUSTMENTS:

Jim Guerra made note that an Executive Session might be added to the end of the meeting if needed to discuss labor negotiations with the Teamsters Union 340.

3. APPROVE MINUTES OF November 18, 2015 MEETING:

Art Durity entertained a motion to approve the minutes of the November 18 meeting. Bill Chapman made motion to approve the minutes as written. John French seconded the motion. Chairman, Art Durity called for a vote. No Discussion. Motion passed 5-0-0 (Tom Ford was not present)

4. MANAGERS UPDATE:

Job Posting for Part-Time Operator – Employments ads for help for January through March has been placed. We have several applications and will begin interviewing to fill the position.

Sheetrock Area: Rebuilt the sheetrock bin pad to help with seasonal issues like sinking and freezing into the ground.

Attending Committee Meetings: Jim has been working on the budget and attending meetings as needed and scheduled.

5. EQUIPMENT PURCHASE:

A proposal to purchase or lease a new skid steer was presented. Jim explained the need for a more updated piece of equipment that will improve the health and safety of the employees with less strenuous and repetitive motion to operate of the machine. Jim proposed that payment for the new equipment be taken from the reserve account this fiscal year. If approved tonight it will be delivered in a month. John French asked what the balance of the Equipment Replacement Reserve Account was currently. Jim Guerra stated the fund would have \$236,000.00 at the end of the year. The total cost for the machine is \$53,479.53 including trade in of \$12,000 and a municipal discount of \$ 15,558.70 purchase price will be \$25,920.83, there will be a 3yr/2000 HR warranty purchased and the current accessory buckets will work with the new machine. A superior safety feature is the back-up camera that will be helpful and all our brooms and buckets will work well with it. Discussion followed. **Bill Chapman moved that MCSWC spend \$25,920.83 to buy the S550 T4 Bobcat Skid-Steer Loader from this year's budget. John French seconded the motion. Chairman, Art Durity called for a vote. Clarification that the funds would come from the Equipment Replacement Reserve account was made. The motion passed 5-0-0. (Tom Ford was not present)**

6. FISCAL YEAR BUDGET 2017:

EXPENSES

Chairman, Art Durity asked for the Finance Committee recommendations on proposed budget. John French represented that the Finance Committee was satisfied with the review of the budget held during their meeting. John did ask about the variance between Finance Committee proposed number and Manager Number regarding wages. Jim responded the Administrative Wage figure included a 2% COLA. Wages were kept basically flat with only wage steps being reflected. Working Capital was addressed as well; a new line funded with \$150,000 to be dedicated to a Facility Improvement Fund was developed. Bill Chapman spoke to the COLA not being held to a 0% increase. Art asked what the % increase will be if/when a union agreement is negotiated. Jim said that currently labor is \$281,000 and if a union agreement is reached it could increase by as much as \$12,000 during the fiscal year. Discussion followed regarding longevity, cross training, merit raises vs. step raises and skill levels with regard to wages and maintaining incentive in a job well done.

NOTE: Chairman, Art Durity asked the Board if they wanted to vote line by line on the proposed budget or have one single vote at the end of the review to enact a new budget. It was decided to poll a general consensus on each line, but allow discussion openly as warranted by the membership; a final vote would be held at the end of the review. The consensus on this strategy was agreed.

Chairman, Art Durity recognized Alison McKellar who asked about special project or if additional job initiative would be able to be recognized and incentivized in some way to allow for continued striving for the diversion of items and products and the marketing of same effectively. Jim Guerra responded that we have an employee that has been hired full time to do exactly that; and the work is reflected in her job description. Cindy Gerry asked if in effect, a merit system would be more useful. Discussion followed.

Bill Chapman moved that the Board adopt the Manager proposal for a 2% increase for wages.

Discussion followed that the adoption was for wages that included a 2% Cola for the lines reflected in 101 (Administration) & 105 (Labor); the vote was postponed to the final vote at the end. Chairman, Art Durity asked if there was a consensus for this adoption. Hand count showed consensus.

NOTE: John French mentioned that David Kinney had asked that the line 101-21 Payment in Lieu of Taxes on P. 3 be made compliant to reflect the current mill rate.

Line 110 (Benefits & Health Insurance) – 2% Cola will be reflected in changes to FICA. Chairman, Art Durity asked if there was a consensus for this adoption. Hand count showed consensus.

NOTE: Art Durity asked if the change on line 148 was correct at \$332,638. Jim Guerra stated that that is where the 150,000 in facility improvement reserves is reflected.

Line 115 – (Property & Casualty) Chairman, Art Durity asked if there was a consensus for this line. A count showed consensus.

Line 120 – **NEW** (Facility) The Steel & Fabrication line was added to this area due to the increased need in repair and maintenance to our steel machinery and recycling/MSW cans. A count showed consensus.

Line 125 – (Operational MSW) Universal Household Waste generates revenues and has an occasional expense associated with vendor who removes waste from the facility. A count showed consensus.

Line 130 – (Operational – Recycling) Market prices reflected in this line. A count showed consensus.

Line 135 – (Operational – CD&D) A discussion on leachate and the substantial increased costs was held. A count showed consensus.

Line 140 – (Debt Service – Principal) & Line 142 - (Debt Service – Interest) Adjustments to show purchasing Skid Steer without financing will be reflected here in final approved budget distributed.

Line 145 – (Capital Expenditures) – The new bulldozer purchase reflected in this line.

Line 148 – **NEW** (Capital Reserves) – Finance Committee recommended taking 150,000 out of the 173,000 undesignated fund balance – (see page 23 for calculations) supported by RKO letter dated October 10, 2015. These funds are now distributed to a new facility improvement reserve line. Jon Duke highlighted that the undesignated fund has been depleted and more precise planning will be needed as the bulk of the funds is now for facility improvements. A hand count showed consensus.

REVENUES

Jim stated that the revenues were reviewed and listed as aggressively as Jim felt he could go on the reflected changes from the prior year.

7-02 Bag sales are based on approx. \$125/ton to move the trash today.

REVENUES CONTINUED

8-01- Use of Equipment Replacement fund is the first payment on the bulldozer financing.

8-07- Carry forwards from Publicity & Advertising and Landfill Development is reflected here.

8-**NEW** – The Skid Steer will be removed (\$8,921) this was the figure for the payment.

NOTE: Chairman, Art Durity called a recess to determine the revised figures to be reflected in the Board of Directors approved budget for FY 2017 with suggested amendments made during review. Jim Guerra reported the total budget expenditures are now at \$2,462,014.00 and operating revenue will be listed as \$1,504,265.00. The assessment for the towns is refigured to be \$ 498,510.00 distributed by percentage. These figures will be listed as the final figures for the Board of Directors suggested budget.

Chairman, Art Durity motioned for a vote on expenditures. Bill Chapman moved that the Board approve an expenditure of \$2,462,014.00 for Fiscal Year Budget 2017. John French seconded the motion. Discussion followed with clarification of new numbers. Assessment total for towns is \$498,510.00. Revenue remained unchanged. Chairman, Art Durity called for a vote. The motion passed 6-0-0.

Chairman, Art Durity called for a vote on Revenue. Jim Guerra sited the final total non-tax revenue as \$1,963,504.00. Bill Chapman moved that the Board approve raising a total of non-tax revenue of \$1,963,504.00 in Fiscal Year Budget 2017. John French seconded the motion. No Discussion followed. The motion passed 6-0-0.

NOTE: Tom Ford asked about clarification of the budget title with regard to the year/months it pertains to. Jim has named the current budget for MCSWC as FYE (Fiscal Year Ending) Budget 2017 and feels that covers the term.

7. PROPOSED MANAGERS CONTRACT:

Jon Duke reviewed the outcome of an Executive Committee meeting on determining a standard employment contract to be used with any Manager the facility employs. The highlights of this living document template sections include:

Section 1 Duties – the Manager’s job description as previously approved by the Board of Directors several years ago are included in full with the exception of item T which was added regarding regional work.

Section 2 Term – The Executive Committee will determine a term length.

Section 4 Termination – Legal review by Clare Payne and Paul Gibbons as labor and corporate attorney’s have given input to the content of this section and the document as a whole.

Section 8 Performance Evaluation – Needs some consideration by the Board; the Executive Committee is asked to have a larger role with the Corporation in determining if the criteria of the annual goals, set by the Board of Directors, is being met by the Manager. This contract will also provide a process to review the criteria used regarding hiring, firing and evaluating the Manager more directly. Meetings will be held quarterly between the Executive Committee and the Manager to ensure the progress on the goals and the steps to attain them as outlined by the manager is satisfactory during the year. The Executive Committee will then provide updates to the Board of Directors and comment on the status so that a basis can be formed for the performance evaluation of the Manager for the year. Goals will be set in July, the reports will occur during the year (quarterly) and then by the following June, the feedback from the Board of Directors will be given to the Manager so that the reflection of the goals and accomplishment status can be outlined and in this manner help move the corporation forward. This way the 8 members of the Board of Directors and the Town Managers will have a singular focus for the 12 months of the year to create a process in which to gauge a performance evaluation for the Manager annually.

Section 11 Health Insurance – These are based on the current Personnel Policy – *Discussion on outlining details with percentages and default language etc., more clearly was held.*

The Executive Committee presented this starting vehicle to the Board; the feedback they are looking for is if this template is agreeable to move forward with? Discussion Followed. Art Durity asked about changing the wording to make the information clear in Section 11 as follows: He suggested changing the current wording to be “Employer shall provide to Employee health insurance in the same manner as provided to other full-time employees in the Mid-Coast Solid Waste Corporation personnel policy”.

Consensus was this wording was acceptable.

NOTE: Alison McKellar asked about the status of the Goals? Art Durity asserted that the goals were set at a prior meeting and Jim gave a handout further detailing the criteria at the last meeting. Jim will provide further information on achieving the goals as he has outlined at a future meeting because there wasn’t time to review in full. This discussion was tabled.

Chairman, Art Durity entertained a motion to vote on the moving forward with adopting this template, as amended in Section 11, to complete a contract for consideration by the Board of Directors at the January 20, 2016 meeting. John French so moved. Jim Annis seconded. No Discussion. Motion passed 6-0-0.

Chairman, Art Durity entertained a motion to charge the Executive Committee and the Personnel Committee to negotiate with the current Manger with the approved template to form a contract for consideration by the Board of Directors at a future date. John French so moved. Jim Annis seconded. No Discussion. Motion passed 6-0-0

NOTE: Chairman, Art Durity recognized Alison McKellar who asked about the status of single stream. Jim Guerra will be discussing the post 2018 options at the January 20th 2016 meeting. Tom Ford asked for a summary/schematic on what the vision is for the facility moving forward. Discussion followed.

7. FINANCIALS:

Revenues: Exceed expenditures.

Expenses: Bill Chapman asked about Line 120-05 Station Maintenance: 81% already, the estimate was blown due to the sheetrock bin pad, and the welding bills.

Demolition wood and the process to ship was discussed, there is a new market in Canada, but this time of year is not the best for these chips, green chips take precedence with space. Our markets are chip board manufacturers and bio-mass fuel.

Leachate at 69% was also discussed as the Town of Camden has increased the cost considerably. Jim is currently working with the pumping scenario and has reduced pumping by half. He will perform some tests once the levels between the North side and South Side reach equilibrium to get a sense of how much of water in the South Quarry is coming from within the South Quarry and what rate water is moving through from the North Quarry. We are below the level of concern at 110 feet, we are currently at 91 feet and measurements are taken weekly. This rate increase keeps finding a solution for the Gut on the table.

A/R Aging Summary: Several delinquent accounts were reviewed and it was noted additional payments not reflected in the figures had been made.

DEP NEWS: Jim announced that Bill Butler our DEP representative is retiring. Our facility will be now under the direction of two DEP project managers, one for the landfill and one for the MSW transfer area.

Chairman, Art Durity entertained for a motion to adjourn. **Bill Chapman moved to adjourn the meeting. Tom Ford seconded. Motion passed 6-0-0.**

The meeting was adjourned at 8:52 p.m.

Respectfully Submitted

Beth Kwiatkowski, Recording Secretary

SCHEDULED MEETINGS:

The Board scheduled the following meetings:

January 20, 2016 Rockport Town Hall 7:00 pm

Committee Meetings

TBA