



**MIDCOAST SOLID WASTE CORPORATION
BOARD OF DIRECTORS MEETING
January 23, 2019
MEETING**

MEMBERS PRESENT: Owen Casas (Chair) – Rockport, Debra Hall – Rockport, Alison McKellar (Treasurer) – Camden, Robert Falciani – Camden, Wendy Pelletier – Hope, Michael Brown (Vice-Chair) – Hope, David Barrows (Secretary) – Lincolnville, Keryn Laite – Lincolnville

MEMBERS ABSENT: None

REPRESENTATIVES PRESENT: David Kinney–Lincolnville, Town Administrator, Audra Caler-Bell, Camden Town Manager, Samantha Mank – Hope Town Administrator

REPRESENTATIVES ABSENT: Richard C. Bates–Rockport Town Manager

Guests: Josh Gerritsen, Chair Waste Watch Committee

Mike Brown, Vice Chair, called the meeting to order at 7:00 pm.

A. PUBLIC COMMENT: Mike Brown discussed housekeeping items needing follow-ups by the Board. Brown provided a breakdown of weighted vote percentages and discussed the use of this voting mechanism. Brown reminded the Board an update on the work being done on the DEP landfill fee by Pierce Atwood was needed. A brief discussion on gatehouse operations with regard to receipts and revenue reporting was held. Hall added that some discussion items while important to pursue, were better suited to placement on a future meeting agenda. The membership agreed unanimously to support that process. Barrows asked Brown to share his complete list with the membership by email. Brown agreed to forward that list by email.

Marnie Reeve and Shelley Fein, Representatives of the Northport Recycling Committee from Northport, ME were present to introduce themselves and open a discussion with the Board on the possibility of partnering and handling collected recyclables and possibly MSW. They are considering options to assist Northport and looking to area facilities that might be able to assist with their operation. Caler-Bell and Casas asked if they were looking to contract services, or join another facility and it was agreed all options are on the table for consideration. A discussion followed and Laite asked that the representatives provide contact information in order to get more details.

B. DIRECTOR COMMENTS AND UPDATES: Casas introduced that Lincolnville is drafting a letter addressing concerns with the facility to be sent to the four town Select Boards and the Board of Directors of Mid-Coast Solid Waste. Laite confirmed that the letter is moving forward and will be available by the next regularly scheduled meeting.

Hall asked if the four town Select Boards accomplished approving the MCSWC Fee Schedule. Camden, Rockport and Hope approved the fee schedule. Laite will remind the Lincolnville Select Board of the need to

complete this step. Hall added that each town select board also passed a special motion that allows the MCSWC Board of Directors to make minor changes to the fee schedule going forward. McKellar clarified the motion allowed the Landfill and MSW fees, which are considered significant revenue services, to continue being approved by the Select Boards; while the remainder of the fees, which are considered minor, may be set by the MCSWC Board.

McKellar and Falciani reported that Camden approved putting the funds returned from MRC partnership dissolution back into the MCSWC for investment purposes when the MCSWC Board defines policy and procedures for that money. McKellar and Falciani clarified that the Town of Camden, after receiving the payout without restrictions, reviewed the funds and confirmed Camden is prepared to return the funds to the corporation when criteria for an investment and risk policy is determined.

McKellar was invited to be a guest on the Maine Calling radio show along with ecomaine and Goodwill representatives to answer questions on recycling and MSW. McKellar reported that many towns are looking at options or have ended recycling programs due to the market. A brief discussion on single stream recycling pricing, which is currently costing municipalities \$120/ton paid to local handlers, was held.

Pelletier added that she would like to see the housekeeping notes discussed earlier by Brown addressed and that the Board receive an update on the costs to date on Pierce Atwood project. Casas will include that item on the next agenda.

C. AGENDA ADJUSTMENTS: None

D. APPROVE MINUTES OF DECEMBER 19, 2018 MEETING:

Falciani asked to confirm the new meeting time for future Board meetings. The Board agreed by unanimous consensus to change the start time of future meetings to 6:30 PM. Pelletier asked for clarification on her vote record listed on p. 5. Hall asked that spelling and grammar be corrected.

Chair Casas entertained a motion. Brown motioned to approve the minutes of December 19th as amended. Laite seconded. No further discussion. Motion passed unanimously 8-0-0.

E. WASTE WATCH COMMITTEE REPORT:

Josh Gerritsen announced that after a winter break the Waste Watch Committee (WWC) meetings are being restarted. Focus will be on working with schools in an effort to increase education on recycling. The WWC is interested in doing a listening tour across the four towns when the Board returns to that work. Gerritsen requested feedback from the Board on items they would like WWC to work on. Casas recommended that Board members work over the next month to highlight issues they feel are a priority. Gerritsen will send along a listing by email to the Board of what the group has been thinking about to spur conversation. Casas added that the Waste Watch Committee (WWC) Report will stay on the agenda as a standing item moving forward. Laite asked for clarification of the origination of the WWC and asked where they get their work direction from. Casas felt this is an official committee of the Board that was initially under the direction of the MCSWC Manager who was the liaison. McKellar added that the committee was born from the ecomaine/Fiberight discussions to help continue education on important topics and to bring in a citizen component. Pelletier questioned if it was to also assist with public relation and assistance with getting information out with public relations on changes made by the Board. McKellar felt that can happen if the Board directs the committee to do so.

F. EXECUTIVE COMMITTEE REPORT:

- Operations Update: Casas reported that the facility and employees are managing well on the day to day operations. Kwiatkowski and Jim Annis are working with the Executive Committee which has been broken into point people to discuss personnel, operations and finance and it is going smoothly. Hauling ideas, budget setting and the management search are current topics under discussion.
- Falciani asked for a status on the draft FY19 audit. Caler-Bell noted that Kinney will speak to that during the financials.

G. PERSONNEL COMMITTEE UPDATE:

- Manager Search

The Personnel Committee will be meeting in the near future to get a process planned for the Manager search. Casas asked that the Board empower the Personnel Committee and Executive Committee to move the process forward which will allow advertising to begin. Barrows agreed that the process outlined was doable and supported the evaluation process continuing to move forward as it is a new undertaking. McKellar stated that she would like to be included in the process and requested to be placed on committee meeting email lists. A discussion on improving communications was held. McKellar offered to send out Finance Committee information to the membership; Casas noted that only committee members can vote recommendations.

Casas also stressed to the Board that due to better use of committees there will likely be more meetings per month going forward.

Laite discussed the need to identify a comprehensive job description for the Manager ahead of the search process to include wage and disciplinary procedures and other actions to be put in place. Casas referenced the existing draft language for the job description sent out by email which included information on eventual redefinition of the Administrative Assistant job description. Laite agreed the draft description is a work in progress and the Personnel Committee should consider those people already employed as well.

McKellar agreed adding that the response to the initial search might dictate more than one person is needed and descriptions will depend on the needs of the position, financial bookkeeping components and possible changes to current personnel. Barrows agreed job descriptions need to be reviewed and determined additionally by what needs to be accomplished at the facility. A lengthy discussion followed. Casas recommended an email, following the Personnel Committee meeting, be distributed to the membership and if no objections are heard back the Committee will continue the work and report back at the next meeting. Caler-Bell felt the job description was in place enough to advertise and possibly begin headhunting to start the process. Caler-Bell will send out a survey to the Board asking for direction to provide guidance on determining where respondents fit within the criteria.

Hall clarified the job description, survey and outline of the hiring process will be circulated to the board. Caler-Bell confirmed that would occur.

H. Strategic and Capital Planning Committee Update:

- Hauling

Casas presented that MCSWC is operating without a hauling contract and there are other options available. The Strategic and Capital Planning will meet to thoroughly evaluate different options on solving

the problem and provide feedback at the February meeting. Falciani asked that the committee elect a Chair for remainder of the year to assist with planning. Casas will set up the next meeting.

I. Finance Committee Update:

FY20 Budget: McKellar opened with a brief discussion on the written Finance Committee budget narrative provided in the Board packet. McKellar asked the membership to make a decision on the assessment and revenue projections along with spending from the undesignated fund balance as needed. McKellar opted to review the revenue figures first. A discussion on the projected landfill revenues took place.

Line 1-17 – 4 town Demo Tip Fee was discussed and the amount changed to 253,000

Line 1-18 – Regional Demo Tip Fee was discussed and the past budgets used a 25% calculation from line 1-17 to calculate this figure. The Committee suggested the figure for this line be reduced to \$85,000 to be more reflective of past actual amounts.

Line 1-06 – After discussion, sheetrock was set to be more closely matched to the expense figure for sheetrock. McKellar suggested an increase to \$30,000 for the FY20 budget to meet those criteria.

Casas discussed that the four town managers worked to get the figures in place for the Board to be able to vote on the bidet. Kinney responded that the actual figures for past FY budgets were used to determine the best projected figures for revenue; revenue figures are valid and represent a status quo budget that did not impact the assessment to the towns. Other facility closure dates coming in the region were taken into consideration in projecting landfill figures. Falciani commented that the MCSWC Board of Directors is responsible to MCSWC Board to set the necessary budget. Discussion on revenue figures continued and the revenue summary was reviewed.

Chair Casas entertained a motion. McKellar moved to accept the total revised Total Operation Income figure of \$1,468,700. Falciani seconded. No discussion. Motion passed unanimously 8-0-0.

NOTE: Revenues – Other Financing Sources

Line 8-08 was discussed and Casas added that this is an important line for the Strategic and Capital Planning Committee.

Line 8-03 The Fund Balance figure was not set as it will alter with decisions on the budget.

Total Other Financing Sources final figure will be voted on following all discussion.

FY20 EXPENDITURES

McKellar opened discussion on expenditures for the corporation noting that the Finance Committee agreed with the majority of recommendations from the Executive Committee on the proposed budget figures. A discussion on leachate collection and disposal expenses was held. A second topic highlighted was a request to re-examine the bag fee stabilization fund.

Operational CD& D

Line 135-01 – McKellar explained the suggestion from the Finance Committee to reduce this figure by \$18,324 to better reflect the advantages of the wall installation which appears to be working. Casas reminded the Board that maintenance on the ditching at the facility is needed in the landfill areas.

Line 135-07 – Engineering consultation on operation was reviewed and the recommended figure was not changed. Pelletier clarified if these were set with contracted services. Casas presented that engineering assists with annual reports and surveying as well as on site determinations for the landfill. Casas suggested that a portion of the engineering be separated into operational budget if determined necessary in future budgets.

Following a brief discussion, the Engineering expense line remained as proposed at \$17,000.

Line 135-12 – discussion on increasing the sheetrock expense figure to meet revenue projections was held and the figure was changed to \$30,000.

NOTE: Brown was excused from the meeting at 9:30 pm.

Chair Casas entertained a motion. Hall moved to accept the revised Total Department figure for Operational CD&D of \$250,508. Falciani seconded. Discussion followed on the accuracy of the figure moved. Falciani amended the original motion figure for Operational CD&D expenditures to \$258,633. McKellar seconded. No further discussion. Casas called the vote. Motion passed unanimously 7-0-0.

Revenues – Other Financing Sources:

Line 8-01 - Interest Income was clarified by McKellar who explained this figure is generated by the General Checking Fund only, not all other investment/reserve funds on hand. The Finance Committee recommends a reduction in interest earned from the General Checking fund only and requests a figure of \$5000.

Line 8-11 - Bag Fee Stabilization Fund – McKellar explained the reasoning behind this fund was to help stabilize fee changes over a longer period of time. The formula for calculating yellow bag fees includes expenses that are connected to the costs of doing business. Kinney added that this was explained to the four town Select Boards when the fund was reestablished last year when a price was set that anticipated pricing increases over a limited amount of time. The Finance Committee recommends returning the funds back to the Towns by not funding additional money to this fund in FY20. Laite and Kinney supported adding the \$11,000 to the fund and continuing to fund until FY2021 based on the original reason the fund was structured into the budget. Casas and Falciani agreed that the cost of MSW should be passed to the user through the yellow bags. Discussion on the stabilization fund and how it reflects for the corporation in the short term before a long term solution is determined was held. Laite suggested leaving the funding for the fund at \$11,000 as budgeted by the Executive Committee.

Capitol Reserve Approval:

Bob Falciani motioned to approve the Capital Reserve figure of \$111,000 recommended by the Manager. Laite seconded. Pelletier asked to clarify the reserve figure. Kinney noted the figure is located on p. 18. Casas called the motion. No further discussion. Motion passed unanimously 7-0-0.

In Lieu of Taxes:

Casas opened a discussion on the amount budgeted for the Payment in Lieu of Taxes which is gifted to Rockport annually by the Corporation. Kinney stated that Rick Bates, Rockport Town Manager asked him to present that the amount budgeted be increased to the prior figure of \$6000. The request was made because the payment covers the facility for annual winter plowing & sanding, and other town services which they MCSWC may be charged for if not covered. Casas added that the payment of the in lieu of taxes assists the Town of Rockport and the Rockport Public Works (RPW) with operation of a large non-profit corporation in town. The equipment used by RPW assists the facility and has allowed for a consistently good relationship. Kwiatkowski reminded the Board that the Rockport Fire Department is also an important service to the facility. Laite and Casas agreed that this can be revisited when the facility changes with future development.

Chair Casas entertained a motion. Hall moved to increase line 101-21 back to \$6000. Barrows seconded. No discussion. Motion failed 3-4-0. (47.63 favored and 52.36 opposed; Falciani, McKellar, Pelletier /Brown opposed the motion and Laite, Casas, Hall and Barrows approved the motion).

Falciani spoke to the membership about an existing conflict of interest in having the Executive Committee, made up of the Town Managers, making decisions on the budget. The Interlocal Agreement is the outline that should be followed. Casas responded that the current makeup of management holistically it makes sense and that it is important to have a strong relationship with the municipality that you serve. A brief discussion was held.

Administration Expenses:

Casas asked for a vote on this section individually following the prior vote on the In Lieu of Taxes motion.

Chair Casas entertained a motion. Falciani motioned to approve the budget for the Administration Expense Summary in the amount of \$192,268. McKellar seconded. No discussion. Motion passed 4-3-0. (55.945 favored and 40.49 opposed; Laite, Falciani, Pelletier/Brown, McKellar approved the motion and Barrows, Hall, Casas opposed the motion).

FY20 Budget Vote:

Caler-Bell calculated the final figures in the working budget document. Caler-Bell provided the final figure for the amended Total Assessment Revenue for F20 which is \$555,358 and reflects an 8.23% increase from the prior budget. Casas noted this figure included a drawdown of the undesignated fund balance to meet the 12% policy that is required. Kinney commented on the increase to town assessments and asked the Board to consider using additional unassigned fund balances to reduce the assessments to the towns. A lengthy discussion on the unassigned balance was held. A discussion on best practice on maintaining a minimum of two months of operating expenses was held. McKellar, Falciani and Caler-Bell recommended not reducing the fund balance further due to uncertainty of landfill closure obligations and pending management search. Casas polled the membership if the figure was an acceptable figure or would they like to discuss drawing down the fund further.

Chair Casas entertained a motion to approve the FY20 Budget. Barrows motioned to accept the FY20 budget as amended with Revenues totaling \$1,647,700 and Expenditures totaling \$2,201,058; the town assessment figure is set at \$555,358 for the year. Falciani seconded. No discussion. Motion passed unanimously 7-0-0.

- **Financials**

Casas asked if a subcommittee could review the financials and present them monthly at the board meeting. McKellar will design a treasurer's report to be presented by the Finance Committee and Treasurer to point out exceptions. A unanimous consensus of the Board was made to begin this process.

J. Communications

- **Schedule of Compliance update letter – Lou Pizzuti (DEP)**

Casas informed the Board that Lou Pizzuti, Licensing & Compliance Specialist for the Bureau of Remediation & Waste Management, has contacted MCSWC in writing for an update on the Schedule of Compliance Agreement (SOC) conversation. Casas will get back in touch with Pizutti and get assistance with the SOC questions and how to be more competitive for reimbursements from the State.

McKellar and Pelletier asked that the Pierce Atwood update be on the agenda for next month.

Casas is looking to receive communication from the board on proposed agenda items and will send out a reminder email a few days ahead of setting the agenda.

- Ecomaine Tour Jan 29th (morning) or Feb 7th (afternoon)

Casas inquired if Board members are getting informational emails from ecomaine. Kwiatkowski stated the office was not receiving them. There is an upcoming seminar to be held at ecomaine. Barrows said he would be attending on January 29th and Casas expects to attend on the 7th if able. Casas asked that anyone going please RSVP to ecomaine and work on carpooling if able.

- Committee Assignment Review

The Committee Assignment list was reviewed.

Falciani, Casas and Brown will work on getting a Strategic & Capital Planning Committee meeting scheduled to work further on hauling options.

The current Committee make up is as follows:

Strategic and Capital Planning: Keryn Laite, Bob Falciani, Mike Brown, Richard Bates

Personnel Committee: Dave Barrows – Committee Chair, Owen Casas, Samantha Mank and Audra Caler-Bell

Finance Committee: Alison McKellar –Committee Chair, Debra Hall, Wendy Pelletier, David Kinney

Falciani added that Brown started a conversation on concerns for follow up earlier in the meeting. Falciani offered to assist Brown and review the list he offered to assist with moving information forward to the Board.

Governance Committee Formation:

Debra Hall suggested that the Board form a Governance Committee to allow constructive discussion on concerns of the Board. Hall cited follow-up comments provided by Brown earlier in the meeting as concerns that would be relevant to such a committee, along with reviewing documents for the Corporation. Falciani and Pelletier agreed with Hall this step is important to allow a productive review of the Interlocal Agreement, By-Laws and existing and possible future Consent Agreements with DEP. Falciani added that the Directors are the appropriate people to do the work to avoid a conflict of interest. Hall volunteered to draft a mission statement and Pelletier and McKellar agreed to assist. Hall suggested that following the Boards acceptance of the mission statement the Board can vote on whether to form a Governance Committee. Casas proposed the Executive Committee review language for designating a new committee and draft a recommendation to the Board on the next agenda.

FY19 Audit:

Falciani asked that an update on the schedule for receipt of a final audit be included in the next agenda. Kinney has indicated that the draft audit may contain some concerns raised in the review of the audit. A discussion followed regarding the practice of using working capital in the past, closure cost estimates and concerns of the bookkeeper on reserve accounts held by the corporation.

Caler-Bell and McKellar will contact Ron Smith to determine RHR Smith's availability to finalize and present a final audit. The Finance Committee will review the closure cost estimates and recommendations on purging the use of working capital and setting a policy on how reserve funds are invested and spent.

The Finance Committee Chair will work on possible issues with figures concerning the leachate calculations and will contact Sevee and Mahar, if warranted by the auditors, for further information.

K. ADJOURN:

Casas entertained a motion to adjourn. A motioned to adjourn was made by Laite. Hall seconded. Motion passed unanimously 7-0-0. The meeting ended at 10:10 pm.

Respectfully Submitted,

Beth Kwiatkowski
Recording Secretary

SCHEDULED MEETINGS:

Board of Directors Meetings:

February 27, 2019, Meeting, 6:30 pm at the French Conference Room in Camden, ME

Executive Committee Meeting: TBD – Camden Town Office

Committee Meetings: TBD

Finance Committee:

Strategic & Capitol Planning:

Personnel: