



**MIDCOAST SOLID WASTE CORPORATION
BOARD OF DIRECTORS MEETING
January 29, 2020**

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

MEMBERS ABSENT: Owen Casas – Rockport

REPRESENTATIVES PRESENT: Audra Caler-Bell – Camden Town Manager, William Post – Town Manager Rockport, David Kinney-Town Administrator Lincolnville, T. Baridi Nkokheli, Manager MCSWC

REPRESENTATIVES ABSENT: Samantha Mank – Hope Town Administrator

A. PUBLIC COMMENT: None

B. AGENDA ADJUSTMENTS: McKellar proposed the FY21 Budget review be an early agenda item; suggesting Item J and Item G move for discussion following Item C. Chair Falciani approved the change.

C. APPROVE MINUTES OF DECEMBER 18, 2019 MEETING:

Chair Falciani entertained a motion to approve the minutes of December 18, 2019. Hall requested a correction to the officer titles in the attendance section. ***Laite moved to accept the minutes of December 18, 2019 as amended. Pelletier seconded. No further discussion. Motion passed 6-0-1. (63.36 favored, none opposed, 21.22 abstained due to absence (Falciani))***

G. FINANCE COMMITTEE UPDATE:

McKellar, Finance Chair referenced the three sets of minutes provided to the Board in the packet for recent meetings held by the committee. The committee supported McKellar working with the Nkokheli and Kwiatkowski to complete the Manager Figures lines of the FY21 Budget. The Committee finalized their recommendations after this work was completed. The minutes for the meeting of 1.22.20 assist with explaining differences between the committee approved figures for the proposed budget and the Manager's proposed figures. McKellar thanked the Finance Committee, Nkokheli and Kwiatkowski for the assistance provided to her in order to get the final draft copy completed for review by the Board.

H. APPROVE MCSWC FISCAL YEAR 2021 BUDGET:

Falciani requested the Facility Manager provide an overview of the budget to the Board for the funding needs of the facility. Additionally he requested Nkokheli provide background for the figures he presented to facilitate reviewing major funding differences.

McKellar asked that Revenues on p. 25 for town assessment figures be covered first noting the Manager's line was at 34.15% and the Finance Committee collective recommendation is 9.28%. McKellar discussed additional options to further reduce the 9.28% figure. Nkokheli stated he had no issues with further reducing the tax burden to towns down from the 9.28% if necessary.

120-05 – A lengthy discussion on station maintenance with regard to custodial services, rug service, roadway maintenance (including winter sanding) signage and security monitoring took place. Nkokheli noted the cleaning would be reduced to 1x per week for commercial grade service under the Finance Committee figures.

120-05– Water usage and possible landfill watering was included.

125-16 – Nkokheli noted the numbers for hauling were relevant adding a contract change is forthcoming in the FY22 budget. McKellar reviewed the figures on hauling with more detail, and noted the revenue line, with regard to tonnage, show estimations of tonnage that will likely show a downturn.

130-10 – Discussion on upgrading the air handling system in the Recycling Building was held to abate dust and buildup of grime on walls. McKellar stated that while there is a compelling case for the work to be done, the figures provided are conceptual and not supported with quotes or defined and clear definitions were available. Work on lighting also needs quoting for future work. Finance Committee reduced the figure by \$10,000 in FY21 noting additional information is needed. Laite questioned the need for an air handler vs. evacuation fans when the building doors are often left open. Nkokheli could not determine a final cost for the work and felt the funds he listed were a beginning figure stating his figures came from experience on projects he has done in the past. Falciani asked if \$10,000 was a down payment sum on a total cost of a \$30 -\$50,000 dollar project. Nkokheli will research that figure. Brief discussion on using reserve funding, or determining a capital improvement plan if the project moved forward was held.

Capital Expenditures:

Attendants Building / Commercial Trash Compactor Area:

Nkokheli recommended keeping the figures he presented which include \$13,000 for a turnkey building; \$25,000 is for the electrical work needed to deconstruct and demo the current building. He proposes a stand-alone building that has controls for actuating the compactors. A second stand-alone transformer box outside the building will hold the electrical plumbing conduit and controls for all four compactors. McKellar asked if an electrical quote was completed. Nkokheli stated there was no way to get a quote for the electrical portion at this time. Nkokheli confirmed there is no electrical work included in the \$13,000 building quote noting the project could be double the initial budget figures provided. McKellar reminded that if the project cannot be done for the \$25,000 then it would need to come back to the board for further review.

Other Financing Sources:

The Draft Audit for FY19 was used to determine the Fund Balance, Equipment Replacement Fund and Use of Bag Stabilization Fund figures. The Finance Committee has set the required 12% of the expense budget for the coming fiscal year is set aside. McKellar stated any portion of funds above the 12% should go back to the towns.

1-71 Use of Bag Fee Stabilization Fund. McKellar and Kinney provided history on how fees have been differed in the past when MSW bag pricing changes are made. Finance Committee recommends that costs with the next contract change will be rising; the recommendation was to disburse funds back to towns now because funds will need to come from the newly priced bag fees based on figures determined through MSW contracts. Falciani confirmed that the \$40,617 depletes the fund in full.

1-68 Equipment Reserve Fund will pay the final bulldozer loan payment and to replace t the Compactor Area Attendant Shack.

Accrued benefits Liability:

148-05 – Finance Committee recommends that the liability exposure to the company is less than noted previously in the FY19 Draft Audit so some portion of the funds could be moved. Caler-Bell supported that this area of funding could have an adjustment with little effect.

Chair Falciani opened a discussion to reduce the Accrued Benefit Liability Reserve line 145-05 by \$20,000 and asked where it would be placed.

Revenues – Other Financing Sources

McKellar pointed out that the Reserve Fund titled Station Maintenance Reserve with a negative balance and the landfill development reserve with a balance of \$ 44, 000 are no longer necessary.

A discussion on comingling the reserves balances and creating the Facility Improvement Reserve with a balance \$26,953.00 was held.

Chair Falciani entertained a motion. Keryn Laite moved to merge Unrestricted under Facility Improvement Reserve listed as two accounts titled Station Maintenance and Landfill Development and any amounts in those accounts be merged to a new account to be named Facility Reserve. Mike Brown seconded. Pelletier confirmed that the combination of the negative funds in Station Maintenance would draw down the amount in Landfill Development to leave approximately \$27,000 in the new fund Facility Reserve. The motion passed unanimously 7-0-0.

A discussion to define the title for line 1-72 was held. It was determined that the title going forward would be Use of Facility Reserve (Improvement was removed) to clarify the funds better. Chair Falciani discussed the need of a motion and it was determined that the \$12,000 figure under discussion would be placed in Line 1-72 and approved via the final budget vote.

Falciani asked if there were any further changes to revenue or expenses or is the budget set to the liking of all the Directors.

Accrued Benefits:

Chair Falciani asked where the accrued benefit overage funds be directed. Discussion followed.

Hall offered that the Finance Committee recommends that the accrued benefit be reduced by \$27,000 in order to reduce the overall assessment to the four towns. Nkokheli agreed this would be a good change. McKellar will place the funds in a new line for tracking to be approved via the final budget vote.

McKellar provided the new figure of \$564,958.00 for total assessments. This figure represents a 2.02% increase in the FY21 Assessments.

Expenditure Summary Figure will remain the same at \$ 2,237,700.00

Revenue Summary Figure will remain the same at \$ 2,237,700.00

Total other Finance Sources will change to \$182,617.00 (rounded)

Chair Falciani entertained a motion to approve the FY21 Budget with two amendment changes to the Facility Reserve Account and Accrued Benefits accounts. Keryn moved to approve the FY21 budget with the two amendments as discussed. Mike Brown seconded. No Discussion. Motion passed unanimously 7-0-0.

F. WASTE WATCH COMMITTEE REPORT:

McKellar reported information provided by Chair Marci Casas that a regular meeting of Waste Watch be held in the French Conference Room on January 30 at 12:30 pm. The February meeting will be held at the Blue Metal building at the facility to talk about the Swap Shop change over. McKellar asked that other town representatives could pass along that the Swap Shop is looking for volunteers. The Swap Shop plans to be open in April depending on weather.

Education and outreach was undertaken at the Camden-Rockport Elementary School where Katrina from ecomaine was present to speak to three large groups of students about recycling. The program went very well. Katrina was also a guest speaker at the Camden Rotary Club Meeting and was very well received. Legislation discussion will be undertaken during the meeting as well.

G. MANAGER REPORT:

Nkokheli reported that the security cameras have been installed and were fully functioning. Additionally, the new front-end loader is expected to be delivered in February. Keryn Laite asked questions about the delay and asked that in future RFP's and contacts dates of acceptance/deliver of equipment be included in all contracting agreements.

H. STRATEGIC and CAPITAL PLANNING COMMITTEE:

Bill Post stated that the committee met a couple weeks ago and discussed the upcoming task of reviewing CD&D topics. The manager is gathering information for the group and the goal is set to have a recommendation for the Board in April.

I. GOVERNANCE COMMITTEE:

Debra Hall provided a handout for review that included several policy recommendations. Hall noted that due to McKellar's absence, there is a minority view to include her input as well. Hall reviewed p. 3 and discussed Governance Committee recommend deleting the requirements that people without voting ability not be required at meetings.

Falciani welcomed discussion, seeing none, a motion was entertained. Hall moved that the MCSWC By-Laws be amended effective today t that would delete the requirement that the Facility Manager and at least 2 Ex-Officio board members be present in order to constitute a quorum. McKellar seconded. No Discussion. Motion passed unanimously. (7-0-0)

The Governance Committee recommend that the Governance Committee be a standing committee of the MCSWC Board of Directors.

Falciani entertained a motion. Keryn Laite moves that MCSWC Board amend the MCSWC By-Laws to add the Governance Committee to the MCSWC By--Laws as a standing committee. McKellar seconded. No Discussion. Motion passed unanimously. (7-0-0)

Hall presented that the Governance Committee recommends that the MCSWC Board should delete the requirement that the Facility manager be Chair of the Capital & Strategic planning Committee allowing the membership to decide on a chairperson from within the group. Additionally, Hall suggested that the Committee Chairmanship for the Personnel Committee and Governance Committee also be allowed to choose their own Chair.

Falciani moved to allow the membership of the standing Governance Committee, Personnel Committee and the Capital & Strategic Planning Committee to choose their own committee Chair. Keryn Laite seconded. No discussion. Motion passed unanimously (7-0-0)

Debra Hall provided an overview to page 1 of the handout, which outlined what Directors need to be present to meet the requirements of a quorum. Hall pointed out the minority view was available regarding McKellar's absence for review. A lengthy discussion on several scenarios of how to set the criteria for who needed to be at the meetings with respect to the business of the agenda. A second discussion on appointing alternate directors if a representative expects an absence. Hall provided information on how this would work and provided feedback from the Committee discussions on the subject.

Laite, Pelletier and McKellar shared some of their discussion points to assist with clarification of the recommendation. Discussion on the working relationship of the four towns and the interactive commitment to the board was held. Pelletier and Barrows referenced the topic of the weighted vote and how it is an ongoing discussion matter. Hall briefly reviewed the way changes can be made to the Interlocal Agreement vs. the By-Laws and the timelines needed to incorporate changes to the documents. Chair Falciani asked that the goal remain to simplify the corporate documents with any changes that are brought forth. Additionally several members noted that the Board and it's representatives work well with each other and the trust and respect remains a solid base of all the decisions made for the best of the Corporation. Hall recommended accepting that the Majority of 5 directors could still be worked so that a meeting can be held. A final discussion and many examples on how an appointed representative would work within the change recommended. Barrows suggested that the weighted vote is still a concern and without a full Board, this meeting is not a good night to discuss this change.

Chair Falciani entertained a motion. Hall moved that the quorum language in Article VI, Section 6 (3) of the MCSWC By-Laws be changed to state the quorum for any meeting shall consist of at least a majority of the directors. McKellar seconded. Discussion by McKellar asked the minutes reflect this is an effort to clarify the interpretation that this board is adopting and that outside counsel will be reviewing language content. Motion did not pass as a 2/3 unweighted vote is required. (4-3-0) (Barrows, Hall, McKellar, Falciani (Approved) Laite, Pelletier and Brown (Opposed)

Chair Falciani agreed to table further discussion on the topic to a future meeting.

I. FINANCIALS:

K. ADJOURN:

A. Chair Falciani entertained a motion to adjourn the meeting. Deb Hall moved to adjourn the meeting and enter into Executive Session under 1 M.R.S.A. § 405 (6) (A) personnel matters at 8:55 pm. McKellar seconded. No Discussion. Motion passes unanimously 7-0-0.

Respectfully Submitted,

Beth Kwiatkowski
Recording Secretary

SCHEDULED MEETINGS:

Board of Directors Meetings:

February 26, 2020 Meeting, 6:30 pm at the French Conference Room in Camden, ME

Executive Committee Meeting TBD

Committee Meetings:

Finance: TBD

Governance: Camden Conference Room – 5:00 PM – February 26, 2020

Personnel: TBD

Strategic & Capitol Planning: TBD