



**MIDCOAST SOLID WASTE CORPORATION
BOARD OF DIRECTORS MEETING
February 8, 2023**

MEMBERS PRESENT: Bob Falciani (Chair) – Camden, Alison McKellar (Treasurer) – Camden, Michael Brown – Hope, Brian Powers, Jr – Hope, Josh Gerritsen– Lincolnville, Keryn Laite (Vice-Chair) – Lincolnville, James Annis – Rockport, Eric Boucher – Rockport

MEMBERS ABSENT:

REPRESENTATIVES PRESENT: David St. Laurent, MCSWC Interim Manager, David Kinney, Administrator, Town of Lincolnville

Robert Falciani, Chair, called the meeting to order at 6:32 pm.

1. **PUBLIC & DIRECTOR COMMENTS:** McKellar asked about committee assignments for the Finance Committee which requires a representative of all four towns in the By-Laws and a representative from Hope is still needed. Falciani will place the topic will be on a future agenda.
2. **REVIEW AND APPROVAL October 26, 2022 MEETING MINUTES:**
Chair Falciani entertained a motion to approve the minutes of October 26, 2022. Keryn Laite moved to approve the meeting minutes for the October 26, 2022 MCSWC Board of Directors meeting. Powers seconded. No Discussion (100% in favor and 0 opposed) Boucher abstained due to absence.
3. **FACILITY MANAGER REPORT:**
Chair Falciani asked if members had any questions on the content of the Manager's report. There were no questions. Falciani asked St. Laurent if he had any issues to go over with the Board regarding his notes on MCSWC. St. Laurent highlighted the case information on the requests made to the DEP for funding of the production well repairs and the DEP responses. The result was approval from the DEP for funding reimbursement of up to 90% of the cost of construction of a new production well. MCSWC is reimbursed in installments on an agreed timetable when project is completed. A brief discussion on budgeting for this project was held. Gerritsen opened discussion on current pumping abilities of the production well. St. Laurent is looking at long-term storm water diversion to assist reducing pumping of any storm water in the leachate system that travels to the treatment plant. The goal is to reduce annual costs for leachate services. Annis asked about locations on site that would be best for the water to dissipate. St. Laurent is developing plan options for moving storm water on

site to areas in addition to the current retention area. Falciani added the Capital & Strategic Planning Committee would include future storm water plans as an agenda item for the next meeting.

4. ROCKPORT CDD LANDFILL REMEDIATION ELIGIBILITY DETERMINATION LETTER:

The majority of the conversation on this topic took place when St. Laurent reviewed the Managers Report. Several important aspects of the information on final approval from the DEP, as put forth in the letters, was covered. St. Laurent will continue the planning work and communication with the DEP along with developing initial funding proposals. Falciani restated that the Capitol and Strategic Planning Committee would assist the project as well.

5. FINACE COMMITTEE REPORT:

McKellar introduced the Finance Committee members and reviewed a few highlights of the Finance Committee Report provided to the Board and introduced the Finance Committee members Eric Boucher, Rockport Rep. Alison McKellar, Chair, Camden Rep., Jon Duke, Manager, Town of Rockport, David Kinney, Administrator, Town of Lincolnville and Davis St. Laurent, Interim Manager MCSWC. McKellar stated the budget presented has no increase to the town's annual assessments after allocating funds from the undesignated fund balance. A review of all user fees was undertaken and current fee schedule reflects an increase in user fees voted on by the Board and other allowed fees adjusted by management. McKellar opened a discussion on Municipal Solid Waste (MSW) sheet in the meeting packet with the membership. St. Laurent went over the various scenarios for disposal of MSW presented. St. Laurent noted that when contract renewal is under consideration next year scenarios presented will allow MCSWC Board to make decisions that best fit the needs of the facility. The figures incorporated this into the 2023-2024 Fiscal Year budget will allow for cost increases from any cost changes to handling future MSW.

- a. Recommendation Budget for Fiscal Year 2023-2024:** McKellar opened the budget discussion informing the membership that the budget has been carefully calculated and each line was updated and reviewed by St. Laurent to ensure figures were current. McKellar reviewed the cost of leachate that has increased and briefly discussed the net cost of future leachate costs represented in the FY22 Audit this year. A discussion on the Equipment Replacement Reserve took place.

Chair Falciani asked to begin review the summary lines presented Draft FY24 Budget.

Powers opened a discussion on the Board setting a philosophy on closing the gap between expenses vs. revenue pointing to the FY22 Audit information. St. Laurent and McKellar agreed that the FY24 budget presented is more reflective of realistic revenue and expenses. The FY22 and current FY23 budget have some lasting reflections of COVID and now known overestimation of landfill fees from prior management. MCSWC had a major change in personnel and a resigned Collective Bargaining Agreement notably increased expenses for labor costs; in addition to substantial electricity, and leachate costs increases for the Corporation.

Administration

101-01 & 101-03 COLA figures and benefit cost changes were reviewed, and the current manager position was discussed. No changes suggested.

101-06 Annis asked about the figure allocated for swap shop, McKellar said the funds remain the same as last year noting they were not used, and were being maintained in the budget. Discussions are happening for changes to the swap shop area and building improvement. Powers added that residents should incur the cost to get rid of their items, not everyone in general, so enforcing minimum fees for swap diversion is important. A brief discussion of the Regeneration Program was held.

101-07 Chair Falciani noted the balance in the Administration line was off and a calculation for the move of \$20,000 out of line 101-07 to the newly suggested Waste Reduction Fund was made. Boucher explained the changes needed and a correction was made to the draft budget. A discussion on finding a new format for the budget spreadsheet next year was held.

Wages

105-02-105-04 Labor The COLA for the Collective Bargaining Agreement allowed for a 3% increase in wages.

105-04 St. Laurent reviewed the overtime figure needs.

Insurance

No suggested changes, it was confirmed that health insurance premium rose 4.5%

Facility

120-19 Welding Costs were discussed; St. Laurent explained that the majority of welding would go into this line to better track costs.

Operational – Municipal Solid Waste

125-10 A discussion on the cost associated with purchasing yellow bags was held. St. Laurent is researching other systems and processes to use on site to reduce or maybe eliminate the costs of working with the yellow bag system. A bag increase is proposed in FY24, small bags will increase from \$1.50 per bag to \$2.00 per/bag, and Large Bags will increase from \$2.50 to 3.00. This is a per ton rate fee of \$225.00.

125-16 Hauling costs for a long-term contract will be evaluated in the near term.

125-17 St. Laurent reminded the membership that the MSW Cost Projection Sheet provided reflects three scenarios that will be considered to dispose of 6000 tons/year when the contract ends in June of 2024. This sheet helps to evaluate and prepare for contract changes. Three disposal companies MRC (the Hampden Maine Facility (formally Fiberite), Waste Management w/out long-term contract, and Waste Management with a 10 year contract. The budget uses the figure for tipping at the 3-year mark to incorporate a figure for tipping into the current budget. The 3 year mark reflects a price of \$225/per ton and will last for a period of three years into the future so bag fees are not changing price every year.

Operational – Recycling

130-18 Gerritsen asked about the electricity line and if this included the recent changes made with delivery costs of electricity. St. Laurent confirmed the budget does include the increases reported by CMP and went over the 48% increase that CMP has been reporting.

Operational – CD&D

135-01 A lengthy discussion on the current and future costs of Leachate disposal services through the Camden Waste Water Treatment Plant was held. McKellar discussed the FY23 figure noting it will go over in the current budget as costs have changed significantly. The new figure for FY24 of \$188,500 is representative of current costs and the cost for next year.

135-19 The mattress diversion plan is working and diverting this bulky waste is a great assistance to the landfill with regard to equipment, fire issues and long lasting Polyfluoroalkyl Substances (PFAS). It will balance with the revenue side to cover costs.

Debt Service – Principal No discussion – No Entries

Debt Service – Interest No Discussion – No entries

Capital Expenditures

145-NEW Baler Rebuild: The cost to rebuild the baler has come down from the original estimate to reflect a cost of \$35,000 leaving some funds for reallocation.

145-new Production Well & Piezomoeter Replacement: \$150,000 is budgeted; the cost for planning and construction will need to be paid before the DEP will begin the reimbursement process. The Landfill closure fund finances currently show \$1.8 in the reserve. The Finance Committee recommends diverting bond funds that are maturing this spring for constructing the new production well. A financial plan to cover the costs will be designed and submitted to the DEP for consideration and approval.

Note: The Board paused to confer and update the figures for the Draft FY24 budget to adjust the \$20,000 movement of funds from 101-07 Waste Reduction Education to 149-NEW Waste Reduction Reserve and adjust the budget totals. Clarifying the budget for expenses and reserves total \$2,734,274.00 respectively prior to revenue discussions.

Capital Reserve

148-01 – Jacobs Quarry Closure Reserve: This figure is acceptable for an annual payment

148-07 – Equipment Replacement Reserve: A lengthy discussion on the \$30,500 figure for Equipment Replacement not being substantial enough was held. Chair Falciani questioned if the Equipment Replacement Reserve was funded with enough money suggesting that a change to the assessments to the towns was possibly warranted. St. Laurent felt it was low, but there was borrowing power and there is additional funds in the account now. McKellar clarified that the Equipment Replacement Reserve was used for the several large purchases vs. borrowing and the fund had been spent down in this manner. Kinney noted that there is about \$25,000 left in the reserve and the new total, with the \$31,500 addition would reflect a higher balance. Discussion on changing expenses or revenues to allow a larger figure to be placed in the reserve. McKellar added that the fees should carry the costs vs. raising the assessments. Laite agreed with a small increase if needed to the assessment. Kinney suggested moving to revenues and then determining if any changes to the budget lines would be warranted before raising the assessment.

REVENUES – Operational Incomes

1-14 HHW Day – Unit Fees Discussion on holding a second collection day was held. Powers suggested holding the first collection as subsidized; then have a second day at full price. A lengthy discussion on adding the second day with subsidized expenses and the additional income it would create was held.

1-09 Bulky Metal Sales St. Laurent felt that we MCSWC could develop a program and staff it to retain non-ferrous metals from our Freon collections and other metal sources to add income to the metal recycling line with little cost. He estimated possibly adding \$10,000 to the revenue with the program.

Chair Falciani moved that the Board, in order to keep the assessments flat, allocate the increase in revenue income of \$21,470 plus the proposed \$10,000 in additional revenue from metal sales for a total of \$31,470 to the Equipment Replacement Reserve. Laite seconded). McKellar asked the Board keep the goal of a second Household Hazardous Waste Day in mind in the future and looking at grants that might be available. Laite supported the additional planning. Falciani called the motion. Motion passed (100% in favor and 0 opposed).

Budget Vote:

Chair Falciani entertained a motion to approve the FY24 budget as presented in the meeting packet of February 8, 2023 with two revisions: 1) The assessment to the towns will be made flat as presented at \$554,164.00. 2) Money will be applied to the Equipment Reserve Fund in the amount of \$31,470.00. The final budget will equal the \$2,765,744.00 figure discussed.

Keryn Laite moved to approve the FY24 Budget for MCSWC as outlined by Chair Falciani. James Annis seconded. No Discussion. Motion passed (100% in favor and 0 opposed).

b. Motion to establish and or transfer reserve account funds as needed based on Board budget votes:

McKellar reviewed the basis for the fund. Line 101-07 Waste Reduction Education from the Operating Administration Budget will be moved to establish a reserve fund titled Waste Reduction Reserve. The fund will be available for community projects and MCSWC goals to increase waste diversion. The original budgeted figure was to replace programming lost when we parted ways with ecomaine, which offered grants and a strong education program. McKellar noted a fund policy and approval criteria policies for disbursement of funds needs to be accomplished. The fund will be used for accomplishing general waste reduction needs when the policies are set.

Chair Falciani entertained a motioned to establish the Waste Reduction Reserve fund. Josh Gerritsen moved that the Board create a Waste Reduction Reserve and fund it with \$20,000 in the FY 2024 budget. McKellar seconded. Discussion on process to establish the fund was held. Chair Falciani called the motion to vote. Motion passed (100% in favor and 0 opposed).

6. FINANCIALS:

Financials are available in the packet for review.

7. ADJOURN:

Chair Falciani entertained a motion to adjourn the meeting at 8:59 p.m. James Annis moved to adjourn the meeting. Powers seconded. Motion passed (100% in favor and 0 opposed).

Respectfully Submitted,
Beth Kwiatkowski
Recording Secretary

If there are any questions regarding the decisions made at the meeting please refer to the meeting video found at www.youtube.com/TownofCamdenMaine

SCHEDULED MEETINGS:

Board of Directors Meetings:

March 22, 2023 at 6:30 p.m., John French Jr. Conference Room – Camden Town Office