



Town Manager's Report to the Town Council

Submitted by:
Michael W. Heavener
December 8, 2015

Town of Winslow - In the heart of Central Maine representing People, Pride and Progress.

JOHNNY'S SELECTED SEEDS LEASE

Last month I reported that I met with representatives from Johnny's Selected Seeds regarding their lease which will expire on June 30, 2016. They indicated they would like to renew the lease with the same terms and conditions of their existing lease. The proposed renewal term, therefore, for the new lease reads in-part as follows:

***Renewal Terms.** The initial term will be for six (6) years and the tenant shall have the right to renew this lease for four (4) consecutive terms of three (3) years each.*

As a result the lease could run 18 years or until 2034.

The lease payment in the current lease increased 2% every other year. Therefore, the proposed annual lease payments over the initial six year term of the proposed lease will be as follows:

Through 6/30/2017 = \$102,576

Through 6/30/2019= \$104,628

Through 6/30/2021 = \$106,720

Through 6/30/2022 = \$108,854

In addition, please note that in Section 17.5 of the lease our subordination amount has increased from 2 million to 4.5 million. Order No. 16-215, if approved, will authorize me to sign the proposed lease.

FY2017 BUDGET PREPARATION SCHEDULE

Attached to this report is a proposed FY2017 budget preparation schedule. Please review the schedule and let me know if any of the proposed dates will need to be changed.

MSW COMMITTEE UPDATE

Increasing our recycling rate from 5% to

25% could save us money. Therefore, our MSW Committee worked with Committee Member Wilma Lombardi and some Unity College Students to conduct a recycling survey at the Polls during the last election. The students will be sharing the results of the survey at the Council meeting on December 14th.

Councilor Kenneth Fletcher will also give a brief update on the MRC's timeline for waste disposal post 2018.

GENERAL PUBLIC COMMENT

Over the past few months we have periodically added "General Public Comment" to the Council agenda. If we intend to make this a permanent agenda item then we should amend our Rules and Procedures of Council Meetings, which was last amended in 2012.

Attached to this report are excerpts from our current rules and procedures. As you will see, the public can comment on matters before the Council provided permission is first obtained from the Council Chair.

If we add "General Public Comment" to the agenda permanently then I suggest the following be added to the section titled "Manner of Addressing Council: Time Limit":

- Speakers will not be permitted to address or question the Town Attorney or any town staff member directly.
- Profanity, personal attacks, derogatory remarks and lewd or other inappropriate language or gestures will not be permitted.
- The Town Council is a policy making body; therefore, they cannot take action or investigate employee issues. Employee matters are the sole responsibility of the Town Manager; therefore, if you have a complaint about town staff, please contact the Town Manager during normal business hours.

FY 2016 / 2017 Proposed Budget Preparation Schedule

| Tuesday March 15th at 7:00 pm | Wednesday March 16th at 7:00 pm | Monday March 21st at 7:00 pm | Wednesday March 23rd at 7:00 pm | Monday March 28th at 7:00 pm | Monday April 11th at 7:00 pm | Monday May 9th at 7:00 pm | Tuesday June 14th |
|--|--|--|---|------------------------------------|------------------------------------|---------------------------------|----------------------------------|
| Assessing 9 Emergency Mgt. 15 Codes 16 General Assistance 24 Fire 14 Education 23 | Public Works 19 Sewer Dept. 20 Sanitation 21 Recreation 22 Community Services 26 Library 11 | Police 13 Elections 10 Debt. Service 27 Info. Technology 12 Town Council 8 Capital Improvement 38 | Organization Support 18 Revenues 28-37 Other Town Util 17 Administration 7 Insurance & Pen 25 TIF Accts 39 | Finalize Budget | Council Meeting 1st Reading | Council Meeting 2nd Reading | School Budget Validation Vote |

Dated 12/08/2015

EXCERPTS FROM THE RULES AND PROCEDURES OF COUNCIL MEETINGS
Adopted in 1970 and last amended in 2012

ORDER OF BUSINESS:

3) All meetings of the Council shall be open to the public. Promptly at the hour set on the day of each regular meeting, the members of the Council, the Town Clerk, and Town Manager, shall take regular stations in the Council Chambers, and the business of the Council shall be taken up for consideration and disposition in the following order:

1. Roll Call
2. Pledge of allegiance
3. Approval of minutes of previous meeting.
4. Appointments.
5. Communications.
6. Report of Committees and Commission
7. Unfinished business
8. New business
9. Discussion Items
10. Adjournment

PROCEDURE FOR ADDRESSING THE COUNCIL:

12) Any person wishing to verbally address the Council on any matter before it may do so, provided permission is first obtained from the Council Chair. Any person wishing to address the Council in writing on any matter before it may do so by providing the Town Clerk with the writing or other document prior to the meeting. The Clerk will then make copies for all Councilors and will provide a copy to any member of the public requesting one. If the written submission is lengthy, the Clerk may require the submitting party to pay a reasonable copying fee.

MANNER OF ADDRESSING COUNCIL: TIME LIMIT:

13) Each person addressing the Council shall stand and give the person's name and address in an audible tone of voice for the record and shall limit remarks to the time allotted by the Council Chair. All remarks shall be addressed to the Council as a body and not to any member thereof. No person, other than the Council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a Councilor, without the permission of the Council Chair. No question shall be asked a Councilor except through the Council Chair.



Timeline

2015

October

Draft contracts mailed to member communities for review

October - November

MRC works with member communities to review and receive feedback on contract key provisions and terms

December

MRC Annual Meeting; presentation on its post-2018 solution

Board finalizes Site Lease, Master Waste Supply and municipal Joinder Agreements and sends to members

Upcoming Meetings:

October 28 MRC Board Meeting, 10 AM, Lincoln Event Center, 8 Prince St., Lincoln

November 5 Update for Members, 6 PM, Orono Town Office, 58 Main St., Orono

December 16 MRC Annual Meeting, 3 PM, Cross Insurance Center, 515 Main St., Bangor

2016

January - May

Communities hold formal votes. MRC will work with member communities to place to the agreements before the local legislative body (town/city council meetings and annual town meetings) for approval

May

Achieve financial close of the transaction – 150,000 ton minimum reached

June

\$5M Construction Funds released for site road and infrastructure, construction complete sufficient to accommodate site development and facility construction

October-November

Fiberight commences sitework and facility construction

Fiberight will:



Recyclables
+/- 20%



Energy
+/- 60%



Residuals
+/- 20%

As a leading edge technology company Fiberight focuses on transforming MSW into next generation biofuels.

2017 - 2018

Facility constructed/equipment installed

Performance Test conducted to confirm facility is ready for commercial operation

April 1, 2018

Facility begins accepting MSW from the Joining Municipalities

Send Questions and Comments to:

Greg Louder, Executive Director

395 State Street

Ellsworth, Maine 04605

Phone: (207) 664-1700

Email: glouder@mrcmaine.org

WHY FIBERIGHT?

After extensive analysis, in 2014 the MRC Board resolved to work with Fiberight on an exclusive basis to implement a facility in Maine using their proprietary process. The MRC's decision considered the following:

- ✓ Fiberight's process offers an approach that increases the capture of recyclables
- ✓ Fiberight's process offers a much higher rate of conversion of organic materials to high-value and readily-marketable products than either anaerobic digestion or large-scale composting
- ✓ Fiberight operates economically at a scale that fits the MRC region and does not rely on out-of-state waste to run
- ✓ Fiberight will build, finance, own and operate the facility, which reduces the financial risks to the MRC and the member communities

Three legal documents will govern the arrangement:

Joinder Agreements Between the MRC and each community that opts to participate. This agreement references the legal agreements MRC will have with Fiberight.

MRC is seeking local legislative approval of members between January—May 2016

Master Waste Supply Agreement and Site Lease Between MRC and Fiberight. MRC to provide a minimum of 150,000 tons of MSW annually and govern Fiberight's right to build on and use MRC owned land.

MRC Members will receive the draft documents in October 2015 and the final documents in late December 2015 for approval between January 2016—May 2016.

KEY PROVISIONS: WHAT YOU NEED TO KNOW

Term 15 years, with extension opportunities

Construction MRC will own the land and will build the access road and providing water supply and sewer service. Fiberight will finance, construct and own the processing facility.

Disposal Contingencies MRC has a long-term contract with Waste Management to accept residuals from the Fiberight facility as well as to dispose of MSW from Joining Members under a variety of circumstances.

- If PERC closes early or Fiberight is delayed past April 1, 2018 in accepting waste through no fault of its own, communities will arrange for delivery of their MSW to the Crossroads Landfill and pay a tip fee of \$62 per ton.
- If Fiberight is delayed as a result of its own actions, Joining Members will pay the tip fee specified in the Joinder Agreement and Fiberight will arrange and pay for transportation to Crossroads Landfill.

Acceptable Waste Same as the definition in the PERC Waste Disposal Agreement.

Tip Fee and Rebate Formula The tip fee will start at \$70 per ton and escalate annually with CPI. Rebates are anticipated, however, the revenue sharing language has not yet been finalized.

Waste Obligation The obligation to provide MSW to Fiberight is on MRC, in cooperation with individual Joining Members per the Municipal Joinder Agreement.

Recycling and Organics There are no set requirements regarding recycling, thus providing Joining Members local flexibility. The Fiberight process capitalizes on the organic content of MSW to produce valuable products for market.

- Joining Members can keep their existing programs unchanged. Or, Members can continue their recycling programs and have the recyclables delivered to the Fiberight facility for a yet to be determined tip fee that will be lower than the MSW tip fee rate.
- Fiberight will process MSW and capture recyclables missed at local level.
- The Fiberight process utilizes the organic matter in MSW to generate bio gas for sale in the local gas distribution system. Other organic residuals will be used to create biomass to fuel the facility. While the contract does not limit a Member's ability to start or enhance local yard waste or composting programs, it does prohibit establishment of new commercial grade facilities.

Did you know that the MRC is available to answer your questions and help you with the review and action process through general public presentations and through responses to individual inquiries?

Contact Greg Louder by phone: (207) 664-1700 or e-mail: glounder@mrcmaine.org for help!