



## Memorandum

**DATE:** March 11, 2010

**TO:** Chairman and Members of the Board

**FROM:** Kevin H. Roche, General Manager

**SUBJECT:** Agenda for the Audit Committee Meeting

There is an ecomaine Audit Committee Meeting scheduled for Thursday, March 18, 2010 at 3:00 p.m., third Floor of the Waste-to-Energy Facility. The agenda for this meeting is as follows:

1. Approval of the February 18, 2010 Audit Committee Meeting Minutes (*Attachment A*)
2. Conflict of Interest Policy (*handout*)
3. Future Meetings:
  - Full Board Meeting: March 18<sup>th</sup> @ 4:00PM (*immediately following Audit Comm. Mtg.*)
  - Recycling Committee Meeting: April 7<sup>th</sup> @ 4:00PM.
  - Budget Workshop: Thursday, April 8<sup>th</sup> @ 3:00PM.
  - Audit Committee Meeting: April 15<sup>th</sup> @ 3:00PM (*immediately preceding Board Mtg.*)
  - Full Board Meeting: Thursday, April 15<sup>th</sup> @ 4:00PM.
  - Recycling Committee Meeting: May 5<sup>th</sup> @ 4:00PM
  - Executive Committee Meeting: May 20<sup>th</sup> @ 4:00PM.

The Board of Directors may wish to go into Executive Session for any of the above items under Section 405 of Title 1 of the Maine Revised Statutes ([per the following legislative website: http://janus.state.me.us/legis/statutes/1/title1ch13sec0.html](http://janus.state.me.us/legis/statutes/1/title1ch13sec0.html).)

**Owner Communities**

Bridgton  
Cape Elizabeth  
Casco  
Cumberland  
Falmouth  
Freeport  
Gorham  
Gray  
Harrison  
Hollis  
Limington  
Lyman  
North Yarmouth  
Ogunquit  
Portland  
Pownal  
Scarborough  
South Portland  
Waterboro  
Windham  
Yarmouth

**Associate Members**

Baldwin  
Hiram  
Naples  
Parsonsfield  
Porter  
Saco  
Standish

**Recycling Members**

Andover  
Cornish  
Monmouth  
Poland  
Sanford

DATE: February 19, 2010  
TO: Chair and Members of the Audit Committee  
FROM: Kevin H. Roche, General Manager  
SUBJECT: Minutes of 2/18/10 **ecomaine** Audit Committee Meeting

The Audit Committee of **ecomaine** met on Thursday, February 18, 2010, at the Waste-to-Energy facility. The meeting was called to order at 3:00PM.

There were five items on the Agenda:

1. Approval of the October 15, 2009 Audit Committee Meeting minutes
2. **ecomaine's** "Conflict of Interest Policy"
3. Review of FY '10 Audit Proposal from Runyon Kersteen & Ouellette
4. Other Items
5. Future Meetings

**Item #1 – Approval of the 10/15/09 Audit Committee Meeting Minutes**

Mr. Morton moved that "**The Audit Committee hereby approves the minutes of the October 15, 2009 Audit Committee meeting as presented**". The motion was seconded by Mr. Van Gaasbeek and passed with a unanimous vote of the Committee.

**Item #2 – ecomaine's "Conflict of Interest Policy"**

Mr. Roche noted that we had received input from both Runyon Kersteen Ouelette (RKO) and our legal counsel, Nick Nadzo, of Jensen Baird Gardner & Henry, regarding **ecomaine's** "Conflict of Interest and Disclosure" policy (*handed out at the meeting*) and that it had been revised to be more user friendly.

The Committee reviewed the handout and had the following concerns regarding the policy as is:

- a. What if an **ecomaine** Board (or Committee Member) has an interest in a company via an investment and may not be aware of it.
- b. Is there a conflict regarding a town's DPW contractor hiring and any voting on **ecomaine** contractors?
- c. Is there a conflict if a Director has an interest in a company that is up for contract at **ecomaine**?

- d. Can 2(A) of the policy be revised to say that a Board or Committee member, with “or without” a conflict of interest not attempt to exert his or her personal influence regarding decisions by staff on hiring and procurement?
- e. Can the verbiage in 2(C) of the policy that states that “In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair’s designee” be changed to read “shall disclose the circumstances to the Executive Committee.

The Committee next discussed 1(D) of the policy: Gifts (and value limits of same). The Audit Committee agreed that items such as hats, pens or food items shared amongst employees would not create a problem. **ecomaine** has a limit to these gifts of \$45 (per employee). The Committee would like to reset this limit and also clarify whether the policy excludes gifts given in appreciation (such as game tickets, even though they be as inexpensive as \$8.00 per ticket).

The Committee also feels that the word “nominal” in this section of the policy should be changed (from “acceptance of items of nominal or insignificant value”) to a fixed dollar amount.

It was felt that a passage that Mr. Roche read from the **ecomaine** Personnel Manual regarding gifts should be input directly into Section 1(D) of the policy.

Mr. Roche stated that he will discuss these concerns with Mr. Nadzo and invite him to attend the next Audit Committee Meeting. At that meeting, the Committee would like to review the policy further, make any necessary changes and be able to recommend approval of the policy in order for it to then be placed on the Board agenda for approval.

### **Item #3 – Review of FY ’10 Audit Proposal from RKO**

It was noted that last year RKO presented a proposal between \$25,000 and \$29,000 and it actually costs \$24,000 due to a reduced workload for RKO. This year they have presented a proposal in the amount of \$24,000.

There was discussion regarding when **ecomaine** should send out audit proposals for bid in the future (most likely every three or four years) and the parameters that would surround such a bid; for example, companies with municipality experience. Therefore, the Audit Committee felt that there should be a policy as to when **ecomaine** would send its’ Audit out for bid and that when it does, the bid should be for qualifications (excepting a dollar amount) and see what response is received.

Ms. McGinty then made a motion that **ecomaine** utilize Runyon Kersteen Ouellette for 2010 as **ecomaine’s** auditor. The motion was seconded by Mr. Van Gaasbeek and passed with a unanimous vote of the Committee.

The Audit Committee will next meet at 3:00PM on March 18<sup>th</sup> regarding the “Conflict of Interest” policy. They will also meet on April 15<sup>th</sup> @ 3:00PM regarding pre-audit and responsibilities by Board Members, which RKO will be invited to attend.

Mr. Van Gaasbeek then made a motion to adjourn the meeting. The motion was seconded by Ms. McGinty. By unanimous vote of the Committee, the meeting adjourned at 4:07PM.

**PRESENT:**

M. Bobinsky  
G. Foster  
S. McGinty  
D. Morton  
L. Van Gaasbeek  
R. Brobst

**ABSENT:**

J. Gray

**Staff:** E. Doane, K. Roche and L. Trufant.