



Memorandum

DATE: October 6, 2017
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Executive Committee Minutes – September 21, 2017

There was an Executive Committee Meeting held on the date noted above. The meeting was called to order by Matthew Frank, Vice Chairman at 4:10pm.

A quorum was not present therefore, Matthew Frank, Vice Chair directed the committee to proceed with the Chair Reports.

Item #2: - Audit Report, Erik Street, Chair

Erik Street reported that the Audit Committee met today with RKO to review the draft FY 17 Audit Report. RKO provided a “clean Opinion” for FY 17, the Audit Committee will recommend acceptance of the FY 17 Audit to the Full Board without presentation by RKO unless requested by the Full Board.

RKO presented the Management Letter with the following comments:

- RKO provided recommendations on the fixed Asset Ledger and General Ledger were not communicating well causing inconsistencies between two ledgers. RKO recommended working with the software provider to develop better options for integration.
- RKO also noted that reconciliations of the general ledger accounts must be performed monthly to include an analytical review of transaction to eliminate misclassifications or errors.

Management agrees with all suggestions and taking steps to address these issues.

Staff reviewed with the committee the historical Audit Firm process and provided comments on this effort. It was noted that RKO has proposed holding fees flat for FY 18 audit work at \$21, 500. After committee discussion, it was agreed that RKO be retained for the FY 18 Audit.

The next Audit Committee meeting is April 26, 2018 to review the roles and responsibilities FY 18 Audit.

There was a brief discussion by the executive committee about merging the Audit Committee and the Finance Committee together as one. Staff will add this to a future meeting for discussion.

A quorum was formed at 4:23 pm. In an effort to conduct the business of the Executive Committee, Matthew Sturgis was appointed to the Executive Committee.

Item #1: Minutes

Mike Shaw motioned to accept the minutes. The motion was seconded by Christopher Branch. All in favor.

Item # 3: - Recycling & Outreach Committee Report, Caleb Hemphill, Chair

Caleb Hemphill reported that the Outreach & Recycling Committee last met on September 14, 2017 and provided the following summary:

- The Open House is scheduled for Saturday, September 30, 2017 from 8 – 11am. We have added more vendors this year and loads of fun activities for the kids.
- Food Waste and recycling Pilots have collected a total of 56,400 pounds of food waste.
- School Recycling Grants deadline is October 31, 2017.

The next Outreach & Recycling Committee meeting is November 9, 2017, at which time the committee will review all entries and is considering setting aside a specific fund to assist with bussing fees and bins for schools.

Item # 4: - Finance Committee Report, Mike Shaw, Chair

Mike Shaw reported that the Finance Committee met on September 14, 2017 and discussed the following:

- Cash Disbursements – no issues reported
- Financials for year end 06-30-2017.
- Five year cash flow recommendations and projections, noting that we continue to look positive
- Recommendation that the Recycle Revenue and Cost Sharing Reserve cash balance be transferred to the Discretionary landfill Reserve (approximately \$503,268.21 as of July 31, 2016).
- Recommend no assessment or rebates at this time and owner community tipping fees be unchanged at \$70.50 and reviewed again in the fall of 2018.
- The Full Board have discussions regarding the share of Fixed Income versus Equities in the Cash Reserve and Investment Policy.

Staff reviewed the Insurance Broker RFP process. After review of proposals, staff recommends we continue with USI as our provider.

Staff reviewed the concept of “Other Post-Employment Benefits” which was requested by the committee last spring and no further action was requested.

There was a lengthy discussion regarding the Cash Reserve and Investment Policy. Bill Shane recommended obtaining another legal opinion from our attorney outlying ecomaine’s authority to make amendments with regards to the Investments Policy.

Mike Shaw motioned that the recommendations of the Finance Committee be passed to the Board. The motion was seconded by Bill Shane. All in favor.

The next meeting of the committee will be November 16, 2017 @ 3pm. The draft agenda includes Cash Disbursement Review, October Financials and an update from HM Payson to include equity investment limits currently under the Cash Reserve and Investment Policy.

All are welcome and encouraged to attend.

Item # 5 – Review of Municipal Contracts with Non-Owner Communities

Kevin Roche provided a handout of our current tonnage from our non-owner communities as requested by the Full Board of Directors at our meeting last spring. He provided a summary to the board on the current status of contracts. There was a brief discussion that recognized that ecomaine contracts at different prices for both MSW tipping fees and Recyclables. This strategy keeps ecomaine competitive with other markets.

Item # 6 – Managers Report

Kevin Roche reviewed the year-end financial statements. There was a brief discussion on the current market for recyclables which had recently fallen to record lows.

Item # 7– Other

Kevin Roche briefed the board on the current needed building improvements that had not been projected in the Capital Budget. Kevin told the Executive Committee that \$250,000 was included in the 5 year plan for FY 19. However the repairs are much more involved than originally thought and the proper way to correct the water infiltration issues is likely to be \$2.5 - \$3 Million. He also is recommending that we remodel the second and third floors of the Admin Building at that same time. He outlined the importance of getting the project moved ahead without amending the budget. After a lengthy discussion the Executive Committee recommended that staff proceed with these projects and with the renovations and the remodeling of the top 2 floors of the Admin Building.

David Morton motioned that staff proceed with both projects and recommend that the full board to amend the Capital Budget to support the project to make the facility water tight, repair water damage and remodel the second and third floors of the Admin Building. The motion was seconded by Bill Shane. All in favor.

Mike Shaw moved to adjourn the meeting. The motion was second by Dennis Abbott. All in favor.

Present:

Dennis Abbott, Matthew Frank, Caleb Hemphill, David Morton, William Shane, Mike Shaw, Erik Street & Matthew Sturgis

Staff:

Arthur Birt, Denise Mungen, Kevin Roche & Kevin Trytek