



Memorandum

DATE: January 9th, 2015
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Agenda for the Finance Committee Meeting

There is an **ecomaine Finance Committee Meeting** scheduled for the **Thursday, January 15th @ 2:30 PM** @ ecomaine. The agenda for this meeting is as follows:

1. Approval of Minutes (**Attachment A**)
2. Cash Disbursement Review
 - Current Review of Cash Disbursements (*sent under separate cover*)
3. Update HM Payson
4. Financial Review of Bids for Electrical Sales
5. Review of Financial Statements FY 15 (January YTD)
 - Statement of Revenues and Expenses (**Attachment B1**)
 - Statistical Data (**Attachment B2**)
 - Balance Sheet (**Attachment B3**)
 - Status of Accounts Receivable (**Attachment B4**)
 - Statement of Cash Balances (**Attachment B5**)
 - Capital Expenditures (**Attachment B6**)

Future Meetings:

- Finance Committee Meeting: January 15th, 2015 (Thursday) @ 2:30 PM
- Full Board Meeting: January 15th, 2015 (Thursday) @ 4:00 PM
- Recycling Committee Meeting: January 29th, 2015 (Thursday) @ 4:00 PM
- Executive Committee Meeting: February 10th, 2015 (Thursday) @ 4:00 PM
- Recycling Committee Meeting: February 26th, 2015 (Thursday) @ 4:00 PM
- Full Board Meeting: March 19th, 2015 (Thursday) @ 4:00 PM
- Finance Committee/Budget Workshop Meeting: April 2nd, 2014 (Thursday) @ 4:00 PM
- Audit Committee Meeting: April 16th, 2015 (Thursday) @ 3:00 PM
- Full Board Meeting: April 16th, 2015 (Thursday) @ 4:00 PM
- Recycling Committee Meeting: April 30th, 2015 (Thursday) @ 4:00 PM
- Finance Committee Meeting: May 21st, 2015 (Thursday) @ 3:00 PM
- Executive Committee Meeting: May 21st, 2015 (Thursday) @ 4:00 PM
- Full Board/Annual Meeting: June 18th, 2015 (Thursday) @ 11:30 AM

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))



Memorandum

DATE: January 8th, 2015
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Finance Committee Minutes – November 20, 2014

There was an **ecomaine Finance Committee Meeting** held on the date noted above @ **ecomaine**. The meeting was called to order by Matthew Frank, Chairman.

Item #1: - Minutes

David Cole motioned to accept the minutes as written. The motion was seconded by Len Van Gaasbeek and unanimously approved by the Finance Committee.

Item #2: - HM Payson - Represented by Daniel Way, William N Weickert Jr, & Molly Reinfried

Representatives from HM Payson provided the Committee with background on the services they will be providing to **ecomaine**.

Committee members agreed with Staff that summary data on investing activities should be provided to the Committee periodically with more details of the results provided on an annual basis.

Item #3: - Cash Disbursements

Cash disbursements documents reviewed with no significant issues noted.

Item #4: - Procurement Review Process

Staff provided an update on the effort under way with Berry Dunn and the review of **ecomaine's** Procurement Process. Staff noted that they have received the recommendations and agree with the Current Assessment & Recommendations Report provided by Berry Dunn. Recommendations in the report included a centralized more clearly defined purchasing function. Berry Dunn is now developing a draft implementation plan for review with Staff in December.

Item #5: - Financial Statements – Oct FY 15

Staff reviewed and discussed FY 15 financials with committee members.

Len Van Gaasbeek motioned adjournment and was seconded by Troy Moon, all were in favor and the meeting was adjourned.

Present:

David Cole
Matthew Frank
Jim Gailey
Troy Moon
Michael Shaw
Rod Regier
Len Van Gaasbeek

Absent:

Dennis Abbott
Michael Bobinsky
Anthony Plante
William "Bill" Shane

Staff:

Arthur Birt & Kevin Roche

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1/9/2015

Statement of Revenue & Expenses December, 2014 (FY15)

	\$000's			Current Year To Date		FY15 to FY14 Variance
	2012	2013	2014	Actual	Budget	
Operating revenues						
Municipal assessments & rebates	\$ 2,221	\$ 1,721	\$ 1,471	\$ (1,000)	-	\$ (1,000)
Owners tipping fees	2,248	2,188	1,808	1,822	1,726	96
Assoc tipping fees	467	456	478	503	460	43
Contract tipping fees	92	157	151	159	137	22
Commercial tipping fees	2,995	3,011	2,735	2,720	2,632	88
Spot market tipping fees	1,117	1,368	1,047	1,106	825	281
Electrical generating revenues	2,185	1,799	2,053	2,567	2,512	55
Sales of recycled goods	2,129	1,351	1,877	1,682	1,418	263
Recycling tipping fees	18	42	67	50	35	15
Gorham property assessments	50	94	82	-	-	(82)
Other operating income	43	44	44	48	47	1
Total operating revenues	13,564	12,231	11,815	9,657	9,793	(136)
Operating expenses						
Administrative expenses	1,174	1,169	1,238	1,344	1,336	(8)
Waste-to-energy operating expenses	3,616	3,777	3,913	4,121	4,369	249
Recycling operating expenses	816	757	1,048	985	1,052	67
Landfill/ashfill operating expenses	782	741	699	801	880	80
Contingency	-	-	-	-	100	100
Landfill closure & postclosure care costs	139	139	129	120	129	9
Post-retirement benefit- Health Care			48	27	48	20
Depreciation & amortization	2,050	2,100	2,090	1,836	1,950	114
Total operating expenses	8,578	8,683	9,167	9,233	9,863	631
Net operating income	4,986	3,548	2,648	424	(70)	494
Non-operating income (expense)						
Interest income	22	35	15	30	20	10
Interest expense	(57)	(1)	0	0	-	0
Misc. Income / (Expenses)	1	4	2	(1)	(3)	1
Net non-operating	(33)	38	18	30	17	12
Total Revenue Less Expenses	\$4,953	\$3,587	\$2,666	\$453	-\$53	\$506
						(2,212)

(Attachment B2)

ecomaine
 Statistical Data December, 2014 (FY15)

	Actual - YTD		Year to Date 2015			Year to Date Vs. Last Yr	
	2012	2013	2014	Actual	Budget	Var - Fav / (Unfav)	%
MSW - Tons							
Owner	25,917	25,152	25,723	26,221	24,579	1,643	6.7%
Associate	6,096	5,672	5,893	6,083	5,664	420	7.4%
Contract	1,951	3,088	2,754	2,863	2,503	360	14.4%
Commercial	34,760	35,761	39,675	39,617	38,168	1,449	3.8%
Spot	19,865	23,878	20,999	20,887	16,500	4,387	26.6%
Total MSW	88,589	93,551	95,044	95,671	87,413	8,258	9.4%
						627	0.7%
Recycle - Tons							
Inbound - MRF only	18,298	18,101	23,316	22,956	18,500	4,456	24.1%
Outbound- MRF only	16,257	15,922	20,584	20,403	15,961	4,442	27.8%
Outbound- Post Burn	896	2,290	2,420	1,800	2,300	(500)	-21.7%
Outbound- Landfill Metal Mining	713	3,826	8,334	5,311	7,500	(2,189)	-29.2%
Outbound Total	17,866	22,038	31,339	27,514	25,761	1,753	6.8%
						(3,825)	-12.2%

MSW - Revenue \$ /Ton

Owner	\$86.74	\$87.00	\$70.30	\$69.48	\$70.23	-\$0.75	-1.2%
Associate	76.65	80.45	81.17	82.71	81.18	1.53	1.9%
Contract	46.97	50.81	54.79	55.67	54.78	0.88	1.6%
Commercial	86.16	84.19	68.94	68.66	68.96	(0.31)	-0.4%
Spot	56.21	57.29	49.85	52.93	50.00	2.93	5.9%
Total MSW	\$78.10	\$76.75	\$65.44	\$65.95	\$66.13	(0.17)	-0.3%

Recycle - Revenue \$

\$/Ton Outbound (Includes glass/metals)	\$120.20	\$63.21	\$62.05	\$62.95	\$56.42	\$6.54	11.6%
\$/Ton Inbound- Rev/Cost Sharing	\$117.34	\$72.34	\$69.39	\$64.78	\$63.13	\$1.65	2.6%

Energy

MWH's Sold	45,497	47,909	46,555	47,063	46,160	903	2.0%
\$/MWH	\$48.01	\$37.55	\$44.09	\$54.54	\$54.43	\$0.12	0.2%
Steam Plant Capacity Factor %	88.0%	92.9%	89.8%	89.7%	89.7%		
Average Boiler Availability %	97.2%	98.0%	96.4%	95.9%	95.9%		
Steam Plant Capacity Utilization %	90.5%	94.8%	93.1%	93.5%	93.5%		
Power Capacity Factor %	85.6%	87.8%	86.3%	87.6%	87.6%		
Power Sold - % of Capacity to Sell	85.1%	89.7%	87.1%	88.1%	88.7%		

Steam Plant Capacity Factor % - Steam to the turbine from the two boilers as a % of the total unadjusted capacity (144,000 lbs/hour for time in period with no down time)
Average Boiler Availability % - Percent of hours that boilers are available to burn MSW during period - reflects time out of service for boilers due to equipment problems
Steam Plant Capacity Utilization % - Steam to the turbine from the two boilers as a % of the adjusted capacity (144,000 lbs/hour for time in period less time not on MSW)
Power Capacity Factor % - Actual power produced (MWH's) by the turbine as a % of the rated capacity (14.1 MW's) for all hours in the period
Power Sold - % of Capacity to Sell - Power sold (MWH's) on grid as a % of the power available to sell (generation net of internal load -- 12.1 MW's) for the given time period
Revenue Share 'break even' is between \$80-85 -- when average revenue per ton falls below \$80, a payment is required by owners to ecomaine & when average revenue per ton exceeds \$85 a payment is paid by ecomaine to owners.

ecomaine
Balance Sheet December, 2014 (FY15)
\$000's

	Year End Actuals @ 6/30		FY 2015
	2012	2013	December
Assets			
Current Assets			
Balance Operating Cash	\$ 11,801	\$ 19,182	\$ 23,060
Cash, Held By Trustee For Debt Payments	6,875	2,947	-
Accounts Receivable	2,274	1,983	1,884
Inventory	2,128	2,362	2,554
Prepaid Expenses	244	193	232
Total Current Assets	23,322	26,667	27,730
Property, Plant & Equipment	124,466	128,976	130,999
Less: Accumulated Depreciation	94,050	97,792	101,917
Net Property, Plant and Equipment	30,416	31,184	29,082
Debt Service Reserve	1,800	-	-
Cash Reserve Accounts			20,141
Gorham Property	1,500	1,500	1,500
Total Assets	57,039	59,350	58,313
			64,891
Liabilities			
Current Liabilities			
Accounts Payable	894	130	598
Accrued Expenses	681	497	782
Accrued Compensated Absences	830	902	931
Current Portion of Long Term Debt	4,560	-	-
Current Portion of Capital Leases	-	-	-
TD Bank Term Loan	-	-	-
Total Current Liabilities	6,965	1,529	2,311
			2,033
Other Liabilities			
Bonds - Long-Term Portion	-	-	-
Capital Leases - Long Term Portion	-	-	-
Accrued Landfill Close & Post Close costs	15,694	15,952	16,192
Accrued Post Retirement Benefit - Health Care	295	295	390
Total Liabilities	22,954	17,775	18,893
			18,761
Net Assets (Equity)			
Restricted - Debt Service Reserve	1,800	-	-
Total Restricted Reserves	1,800	-	-
Capital Reserves	-	-	-
Total Designated Reserves	-	-	-
Fund Balance (Retained Earnings)	29,028	37,538	42,507
Revenues Less Expenses (Current Year)	6,710	4,969	3,169
Total Fund Balance (Retained Earnings)	35,738	42,507	45,676
Total Net Assets (Equity)	\$ 37,538	\$ 42,507	\$ 45,676
			\$ 46,129
			\$ 46,129

(Attachment B4)

ecomaine 12/31/14

Item	Accounts Receivables				Total
	Current	31-60 Days	61-90 Days	91 & Over Days	
05/31/14	Balances \$ 1,532,621	\$ 143,641	\$ 22,083	\$ 29,435	\$ 1,727,781
%	88.7%	8.3%	1.3%	1.7%	100.0%
06/30/14	Balances \$ 1,645,544	\$ 202,460	\$ 34,892	\$ 31,841	\$ 1,914,738
%	85.9%	10.6%	1.8%	1.7%	100.0%
07/31/14	Balances \$ 1,788,865	\$ 179,480	\$ 55,342	\$ 46,377	\$ 2,070,065
%	86.4%	8.7%	2.7%	2.2%	100.0%
08/31/14	Balances \$ 1,693,322	\$ 171,626	\$ 61,268	\$ 87,551	\$ 2,013,766
%	84.1%	8.5%	3.0%	4.3%	100.0%
09/30/14	Balances \$ 1,309,276	\$ 194,703	\$ 91,600	\$ 37,285	\$ 1,632,863
%	80.2%	11.9%	5.6%	2.3%	100.0%
10/31/14	Balances \$ 1,526,340	\$ 136,487	\$ 51,778	\$ 70,253	\$ 1,784,858
%	85.5%	7.6%	2.9%	3.9%	100.0%
11/30/14	Balances \$ 1,548,053	\$ 223,477	\$ 66,508	\$ 74,330	\$ 1,912,369
%	80.9%	11.7%	3.5%	3.9%	100.0%
12/31/14	Balances \$ 1,929,457	\$ 111,733	\$ 41,764	\$ 60,426	\$ 2,143,381
%	90.0%	5.2%	1.9%	2.8%	100.0%

Note: The Allowance for Doubtful Accounts is not included in the above.

(Attachment B5)

ecomaine

Statement of Cash Balances December, 2014 (FY15)

\$000's

	12 Month Actuals @ 6/30		Bud FY 2015 @ 6/30/15	Act FY 15 @ 12/31/14
	2012	2013	2014	
Cash, beginning of period	\$ 21,968	\$ 23,928	\$ 23,060	\$ 29,317

Cash flows from operating activities:

Net operating income	6,761	4,811	3,071	424
Add back: depreciation	3,808	4,015	4,195	1,836
Add back: landfill closure costs	277	258	240	120
Add back: Post Retirement Benefit	-	-	95	27
Other working capital changes	385	(711)	669	(481)
Net cash provided by operating activities	11,231	8,373	8,270	1,926

Cash flows from capital and related financing activities:

Bank loan	-	-	-	-
Payment of interest	(113)	-	1	0
Repayment of long-term debt	(6,630)	(4,560)	-	-
Repayment of capital leases	-	-	-	-
Net cash used in capital and related financing	(6,743)	(4,560)	1	0

Cash flows from investing activities:

Receipts of interest	59	71	43	30
Capital expenditures	(2,587)	(4,752)	(2,058)	(434)
Net cash used in investing activities	(2,528)	(4,681)	(2,015)	(404)

Net increase (decrease) in cash

	1,960	(868)	6,256	1,523
Cash, end of period	23,928	23,060	29,317	30,839

Cash Reserve Detail

Detail	2012	2013	2014	Bud FY 2015 @ 6/30/15	Act FY 15 @ 12/31/14	Reserves as per policy	Target
Operating Cash Reserve	7,500	7,500	8,160	8,160	8,160	\$ 8,160	\$ 8,160
Short Term Capital Reserve	3,251	3,253	3,255	3,253	3,261	3,261	3,250
Long Term Capital Reserve	4,001	4,004	4,006	4,004	4,013	4,013	4,000
Landfill Closure Reserve	850	1,701	3,052	3,900	3,907	3,907	22,217
Discretionary Landfill Closure Reserve					300	300	300
Recycling Revenue & Cost Sharing	6,875	2,947	-		500	500	500
Bond Payment Reserves							
Debt Service Reserves							
Balance Operating Cash	1,451	3,655	10,844	6,463	10,698	-	-
Total	\$ 23,928	\$ 23,060	\$ 29,317	\$ 25,780	\$ 30,839	\$ 20,141	\$ 38,427

(Attachment B6)

ecomaine Capital Expenditures December, 2014 (FY15)							
Project		FY 15 Budget	Project Expend YTD	FY 15 Forecast	Var from Budget	Total Expected Cost @ 06/30/2015	Project Status
No	Title						
1524-149-2	Boiler Air Preheater Coil Upgrade	\$ 600,980	15,000	\$ 600,980	\$ -	\$ 609,697	In Progress
1524-387-4	Boiler Feedwater Pump Overhaul	50,000	6,835	96,000	(46,000)	96,000	In Progress
1524-477-4	Boiler Inconel Work	500,000	-	500,000	-	500,000	
1524-517-1 *	Camera System Replacement		14,053	18,000	(18,000)	39,704	In Progress
1524-255-4	CEMS Data Acquisition System Upgrade		38,898	41,000	(41,000)	41,000	In Progress
1524-310-2	Cooling Tower VFD Replacement	40,000	33,562	40,000	-	40,000	In Progress
1524-447-3	ESP Hopper Replacements	500,000		500,000	-	500,000	
1524-506-3 *	HVAC Roof Top Chiller Replace 12 ton		5,288	5,288	(5,288)	30,873	Complete
1524-498-3	Increase Warehouse Storage	20,000		20,000	-	20,000	
1524-325-2	Refractory Replacement	500,000		500,000	-	500,000	
1524-373-2	Refuse Crane Rebuild	250,000		250,000	-	250,000	
1524-392-2	Steam Turbine Generator Overhaul	1,300,000	151,363	1,300,000	-	1,300,000	In Progress
	Subtotal WTE	3,760,980	264,999	3,871,268	(110,288)	3,927,274	
Recycle							
1527-463-2	American Baler Reline	25,000		7,000	18,000	\$22,893	In Progress
1527-468-2	Harris Baler Reline	50,000	(37,559)	27,441	22,559	27,441	In Progress
1527-316-2	Tipping Floor Expansion	450,000		125,000	325,000	125,000	In Progress
1527-346-2	Drum Feeder Blast Relief Hatch & Catwalk	50,000		16,000	34,000	40,092	In Progress
	Subtotal Recycle	575,000	(37,559)	175,441	399,559	215,426	
Landfill							
1526-514-1	Ash Truck	100,000		-	100,000	-	Cancelled
1526-521-1	Used Bull Dozer		169,000	169,000	(169,000)	169,000	Complete
1526-520-1 *	New Ash Truck Body		21,120	21,120	(21,120)	22,000	Complete
1525-522-1	Litter Fence		18,000	18,000	(18,000)		In Progress
	Subtotal Landfill	100,000	190,120	208,120	(108,120)	191,000	
Administration							
1528-500-3 *	Computer/Server Replacements		16,553	17,000	(17,000)	110,001	In Progress
	Server Replacement/Software Upgrades	25,000		100,000	(75,000)		
	Subtotal Administration	25,000	16,553	117,000	(92,000)	110,001	
Total All Areas		\$ 4,460,980	434,112	\$ 4,371,829	\$ 89,151	\$ 4,443,701	

* FY14 Project still in progress (not budgeted in FY15)

* A project is complete when it goes in service and not when the money is necessarily spent.