



Memorandum

DATE: March 26th, 2015
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Agenda for the Finance Committee/Budget Workshop

There is an **ecomaine** Finance Committee Meeting scheduled for the Thursday, April 2nd, 2015 at 4PM. The agenda for this meeting is as follows:

1. Approval of Minutes (Attachment A)
2. Cash Disbursement Report
3. Review of Proposed Budget FY 16
4. Review of Financial Statements FY 15 (February 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:

- 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



Memorandum

(Attachment A)

DATE: March 26th, 2015
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Finance Committee Minutes – January 15th, 2015

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

Item #1: - Minutes:

Troy Moon motioned to accept the minutes as written. The motion was seconded by Michael Shaw and unanimously approved.

Item #2: - Cash Disbursement Review:

Cash disbursements documents reviewed with no significant issues to discuss. The Committee had a discussion regarding the value of these reviews. It was decided that future cash disbursement reviews will be conducted by the Finance Chair and Staff and the results will be reported to the committee. Rod Regier made a motion to approve the recommendation and seconded by Bill Shaw. All in favor.

Item #3: HM Payson Update:

HM Payson has begun investments in both fixed income and select equities it is the plan to continue investing as the market permits. Staff will meet with HM Payson monthly for the next several months and report out to the committee periodically.

Item # 4: - Financial Review of Bids for Electrical Sales

New Electrical Contract effective 2/1/2015. Contract reflects very soft marked and average \$46/MHW which is down from \$65/MW with the expiring contract.

Item #5: - Financial Statements – FY 15

Staff reviewed and discussed FY 15 financials with committee members.

Present:

Dennis Abbott, Matthew Frank, Jim Gailey, Troy Moon, Anthony Plante, Rod Regier, Will Shane, Mike Shaw
Len Van Gaasbeek

Absentee:

Michael Bobinsky, David Cole

Staff:

Arthur Birt, Kevin Roche

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Statement of Revenue & Expenses February, 2015 (FY15)

	\$000's						
	Actual - Prior Years YTD			Current Year To Date			FY15 to FY14
	2012	2013	2014	Actual	Budget	Variance	Variance
Operating revenues							
Municipal assessments & rebates	\$ 2,961	\$ 2,295	\$ 1,961	\$ (1,000)	\$ -	\$ (1,000)	\$ (2,961)
Owners tipping fees	2,872	2,804	2,314	2,291	2,302	(10)	(22)
Assoc tipping fees	606	580	605	625	613	12	20
Contract tipping fees	110	188	192	199	183	16	7
Commercial tipping fees	3,807	3,822	3,475	3,365	3,510	(144)	(110)
Spot market tipping fees	1,436	1,693	1,298	1,331	1,100	231	33
Electrical generating revenues	2,799	2,503	3,297	3,754	3,647	107	457
Sales of recycled goods	2,667	1,828	2,403	2,050	1,891	158	(354)
Recycling tipping fees	32	48	84	67	47	20	(17)
Gorham property assessments	78	117	110	-	-	-	(110)
Other operating income	57	58	59	64	63	1	4
Total operating revenues	17,427	15,936	15,799	12,746	13,355	(609)	(3,053)
Operating expenses							
Administrative expenses	1,614	1,572	1,658	1,787	1,757	(30)	(129)
Waste-to-energy operating expenses	5,067	5,284	5,388	5,485	5,815	330	(98)
Recycling operating expenses	1,068	1,016	1,365	1,382	1,397	15	(18)
Landfill/ashfill operating expenses	1,070	1,010	992	1,079	1,163	84	(87)
Contingency	-	-	-	-	133	133	-
Landfill closure & postclosure care costs	186	185	172	160	172	12	12
Post-retirement benefit- Health Care	-	-	64	35	63	29	29
Depreciation & amortization	2,733	2,762	2,788	2,460	2,600	140	328
Total operating expenses	11,739	11,828	12,426	12,388	13,101	713	38
Net operating income	5,688	4,108	3,373	358	254	104	(3,016)
Non-operating income (expense)							
Interest income	40	50	19	45	27	18	26
Investment income	-	-	-	(3)	-	(3)	(3)
Interest expense	(75)	(1)	0	2	-	2	1
Misc. Income / (Expenses)	3	47	3	(1)	(3)	2	(5)
Net non-operating	(32)	96	23	43	23	19	20
Total Revenue Less Expenses	\$5,656	\$4,203	\$3,396	\$400	\$277	\$123	(2,996)

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Statistical Data February, 2015 (FY15)

	Actual - YTD			Year to Date 2015				Year to Date Vs. Last Yr	
	2012	2013	2014	Actual	Budget	Var - Fav / (Unfav)		Var-Fav / (Unfav)	
						Units	%	Units	%
MSW - Tons									
Owner	32,950	32,177	32,945	32,910	32,771	139	0.4%	(35)	-0.1%
Associate	7,673	7,210	7,459	7,558	7,551	7	0.1%	99	1.3%
Contract	2,418	3,773	3,487	3,467	3,337	130	3.9%	(20)	-0.6%
Commercial	44,171	45,184	50,358	48,993	50,891	(1,898)	-3.7%	(1,365)	-2.7%
Spot	26,265	31,008	26,514	25,515	22,000	3,515	16.0%	(999)	-3.8%
Total MSW	113,477	119,352	120,763	118,443	116,551	1,892	1.6%	(2,320)	-1.9%
Recycle - Tons									
Inbound - MRF only	23,475	23,084	29,351	28,917	24,667	4,250	17.2%	(434)	-1.5%
Outbound - MRF only	21,594	20,950	26,280	25,440	21,281	4,159	19.5%	(840)	-3.2%
Outbound - Post Burn	1,284	2,896	3,241	2,327	3,067	(739)	-24.1%	(914)	-28.2%
Outbound - Landfill Metal Mining	2,318	6,128	10,723	6,288	10,000	(3,712)	-37.1%	(4,435)	-41.4%
Outbound Total	25,197	29,973	40,244	34,055	34,348	(293)	-0.9%	(6,189)	-15.4%
MSW - Revenue \$ /Ton									
Owner	\$87.17	\$87.13	\$70.22	\$69.63	\$70.23	-\$0.61	-0.9%	(0.60)	-0.9%
Associate	79.01	80.51	81.17	82.73	81.18	1.55	1.9%	1.57	1.9%
Contract	45.56	49.89	54.97	57.25	54.78	2.47	4.5%	2.28	4.1%
Commercial	86.19	84.58	69.00	68.68	68.96	(0.28)	-0.4%	(0.32)	-0.5%
Spot	54.66	54.61	48.96	52.16	50.00	2.16	4.3%	3.20	6.5%
Total MSW	\$77.83	\$76.14	\$65.28	\$65.95	\$66.13	(0.18)	-0.3%	0.67	1.0%
Recycle - Revenue \$									
\$/Ton Outbound (Includes glass/metals)	\$107.14	\$62.57	\$61.81	\$62.15	\$56.42	\$5.73	10.2%	\$0.34	0.5%
\$/Ton Inbound- Rev/Cost Sharing	\$114.03	\$74.69	\$70.20	\$62.88	\$63.13	-\$0.25	-0.4%	-\$7.32	-10.4%
Energy									
MWH's Sold	58,428	62,001	60,628	59,352	59,917	(565)	-0.9%	(1,276)	-2.1%
\$/MWH	\$47.91	\$40.38	\$54.39	\$63.26	\$60.87	\$2.39	3.9%	\$8.87	16.3%
Steam Plant Capacity Factor %	85.6%	91.1%	88.5%	85.5%					
Average Boiler Availability %	97.0%	98.0%	97.1%	95.4%					
Steam Plant Capacity Utilization %	88.2%	92.9%	91.1%	89.7%					
Power Capacity Factor %	83.3%	86.4%	85.3%	84.2%					
Power Sold - % of Capacity to Sell	82.5%	87.9%	85.9%	84.1%	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.

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Balance Sheet February, 2015 (FY15)
\$000's

(Attachment B3)

	Year End Actuals @ 6/30			FY 2015
	2012	2013	2014	February
Assets				
Current Assets				
Balance Operating Cash	\$ 11,801	\$ 19,182	\$ 23,060	\$ 11,864
Cash, Held By Trustee For Debt Payments	6,875	2,947	-	-
Accounts Receivable	2,274	1,983	1,884	1,480
Inventory	2,128	2,362	2,554	2,554
Prepaid Expenses	244	193	232	212
Total Current Assets	23,322	26,667	27,730	16,111
Property, Plant & Equipment	124,466	128,976	130,999	131,645
Less: Accumulated Depreciation	94,050	97,792	101,917	104,377
Net Property, Plant and Equipment	30,416	31,184	29,082	27,268
Debt Service Reserve	1,800	-	-	-
Cash Reserve Accounts	-	-	-	20,138
Gorham Property	1,500	1,500	1,500	1,500
Total Assets	57,039	59,350	58,313	65,017
Liabilities				
Current Liabilities				
Accounts Payable	894	130	598	346
Accrued Expenses	681	497	782	887
Accrued Compensated Absences	830	902	931	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	2,165
Other Liabilities				
Bonds - Long-Term Portion	-	-	-	-
Capital Leases - Long Term Portion	-	-	-	-
Accrued Landfill Close & Post Close costs	15,694	15,952	16,192	16,351
Accrued Post Retirement Benefit - Health Care	295	295	390	425
Total Liabilities	22,954	17,775	18,893	18,941
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	45,676
Revenues Less Expenses (Current Year)	6,710	4,969	3,169	400
Total Fund Balance (Retained Earnings)	35,738	42,507	45,676	46,076
Total Net Assets (Equity)	\$ 37,538	\$ 42,507	\$ 45,676	\$ 46,076

		ecomaine 2/28/15				
	Item	Accounts Receivables				
		Current	31-60 Days	61-90 Days	91 & Over Days	Total
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%
01/31/15	Balances	\$ 1,841,840	\$ 238,864	\$ 67,856	\$ 61,664	\$ 2,210,224
	%	83.3%	10.8%	3.1%	2.8%	100.0%
02/28/15	Balances	\$ 1,216,785	\$ 174,382	\$ 26,386	\$ 109,163	\$ 1,526,716
	%	79.7%	11.4%	1.7%	7.2%	100.0%

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

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Statement of Cash Balances February, 2015 (FY15)
\$000's

	12 Month Actuals @ 6/30			Bud FY 2015 @ 6/30/15	Act FY 15 @ 2/28/15
	2012	2013	2014		
Cash, beginning of period	\$ 21,968	\$ 23,928	\$ 23,060	27,609	\$ 29,317
Cash flows from operating activities:					
Net operating income	6,761	4,811	3,071	(1,621)	358
Add back: depreciation	3,808	4,015	4,195	3,900	2,460
Add back: landfill closure costs	277	258	240	258	160
Add back: Post Retirement Benefit	-	-	95	95	35
Other working capital changes	385	(711)	669		275
Net cash provided by operating activities	11,231	8,373	8,270	2,632	3,287
Cash flows from capital and related financing activities:					
Bank loan	-	-	-	-	-
Payment of interest	(113)	-	1	-	2
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	-	2
Cash flows from investing activities:					
Receipts of interest	59	71	43	0	45
Capital expenditures	(2,587)	(4,752)	(2,058)	(4,461)	(646)
Net cash used in investing activities	(2,528)	(4,681)	(2,015)	(4,461)	(601)
Net increase (decrease) in cash	1,960	(868)	6,256	(1,829)	2,688
Cash, end of period	23,928	23,060	29,317	25,780	32,005

Cash Reserve Detail

Detail					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					500	500	500
Bond Payment Reserves	6,875	2,947	-				
Debt Service Reserves							
Balance Operating Cash	1,451	3,655	10,844	6,463	11,864		
Total	\$ 23,928	\$ 23,060	\$ 29,317	\$ 25,780	\$ 32,005	\$ 20,141	\$ 38,427

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Capital Expenditures							
February, 2015 (FY15)							
Project		FY 2015 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	20,000	\$ 200,000	\$ 400,980	\$ 208,717	In Progress
1524-387-4	Boiler Feedwater Pump Overhaul	50,000	6,835	52,000	(2,000)	52,000	In Progress
1524-477-4	Boiler Inconel Work	500,000	-	500,000	-	500,000	In Progress
1524-517-1 *	Camera System Replacement		16,166	16,166	(16,166)	37,870	Complete
1524-255-4	CEMS Data Acquisition System Upgrade		38,898	38,898	(38,898)	38,898	Complete
1524-310-2	Cooling Tower VFD & Honeycomb Replacement	40,000	42,999	165,000	(125,000)	165,000	In Progress
1524-447-3	ESP Hopper Replacements	500,000	3,099	500,000	-	500,000	In Progress
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	In Progress
1524-325-2	Refractory Replacement	500,000		400,000	100,000	400,000	In Progress
1524-373-2	Refuse Crane Rebuild	250,000		100,000	150,000	100,000	In Progress
1524-392-2	Steam Turbine Generator Overhaul	1,300,000	173,764	1,308,000	(8,000)	1,308,000	In Progress
1707-523-1	80 Blueberry Road		118,346	118,346	(118,346)	118,346	Complete
	Subtotal WTE	3,760,980	425,395	3,423,698	337,282	3,479,704	
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	22,441	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		18,575	18,575	(18,575)		Complete
1708-524-1	land		32,500	340,000	(340,000)		In Progress
	Subtotal Landfill	100,000	241,195	548,695	(448,695)	191,000	
Administration							
1528-500-3 *	Computer/Server Replacements Server Replacement/Software Upgrades	25,000	16,553	17,000	(17,000)	110,001	In Progress
	Subtotal Administration	25,000	16,553	117,000	(92,000)	110,001	
Total All Areas		\$ 4,460,980	645,583	\$ 4,264,834	\$ 196,146	\$ 3,996,131	

* 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.