



Memorandum

DATE: November 10, 2016
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Updated Agenda for the Executive Committee Meeting

There is an **ecomaine** Executive Committee Meeting scheduled for **November 17, 2016 @ 4:00 PM**. The agenda for this meeting is as follows:

1. Approval of the Minutes (**Attachment A**)
2. Audit Committee Report – Erik Street, Chair
3. Recycling Committee Report – Caleb Hemphill, Chair
4. Finance Committee Report – Mike Shaw, Chair
 - **Presentation: William (Chip) Weickert & Molly Reinfried, HM Payson Update on Investment Portfolio (Attachment B)**
5. Manager’s Report
 - Review of Financial Statements FY 17 (*Provided under separate cover*)
 - Financial Summary
 - Tonnage Graph
 - Statement of Revenue & Expenses
 - Statistical Data
 - Statement of Cash Balances
 - Analysis of All Tons by Community
 - Historical Electric Generation Summary
 - Legislative Update
6. Other

Future Meetings:

Executive Committee:	December 15, 2016 @ 4PM	Finance/Budget Workshop:	March 23, 2017 @ 4PM
Finance Committee:	January 19, 2017 @ 3PM	Audit Committee:	April 27, 2017 @ 3PM
Full Board of Directors:	January 19, 2017 @ 4PM	Full Board of Directors:	April 27, 2017 @ 4PM
Recycling Committee:	January 26, 2017 @ 4PM	Finance Committee:	May 18, 2017 @ 3PM
Executive Committee:	February 16, 2017 @ 4PM	Executive Committee:	May 18, 2017 @ 4PM
Full Board of Directors:	March 16, 2017 @ 4PM	Recycling Committee:	May 25, 2017 @ 4PM
Recycling Committee:	March 23, 2017 @ 3PM	Annual Meeting:	June 15, 2017 @ 11:30AM

The Executive Committee 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).)

11/10/2016

**Memorandum**

DATE: November 10, 2016
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Executive Committee Minutes – September 22, 2016

There was an Executive **Committee Meeting** held on the date noted above. The meeting was called to order by Troy Moon, Chairman @ 4:03pm.

Item #1: - Minutes

Linda Boudreau motioned to accept the minutes from May 19, 2016. The motion was seconded by Matthew Frank. All in favor

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

Erik Street reported that the Audit Committee met today and provided the following summary:

- RKO presented to the committee the draft audit report and provided a “clean opinion” for FY 16, with no adjusting entries required.
- RKO provided the management letter.

The committee recommends that the report be presented and accepted at the October Full Board Meeting.

The next Audit Committee Meeting is scheduled for October 20, 2016.

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

Caleb Hemphill gave a summary of the September 15, 2016 Outreach & Recycling Committee Meeting. The committee discussed the following:

- Food Waste & media coverage, website upgrades (present and planned), current FY 16 grants program and upcoming recycling open house.
- The committee discussed and is recommending discontinuing the inclusion of plastic bags in the Single Sort Recycling Program and recommending to the Full Board at the October 20, 2016 meeting.

The next Outreach & Recycling Committee meeting is November 10, 2016.

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

Mike Shaw provided a summary of the September 15, 2016 Finance Committee Meeting as follows:

- Discussed the Cash Disbursement Review and no issues were noted.
- Reviewed of the financial statements for year end June 30, 2016
- Reviewed and discussed the 5 year cash flow projections

The committee recommends the following:

1. No assessments, rebates or changes in tipping fees for FY 18 (currently \$70.50)
2. In keeping with the Cash Reserve Policy, transfer \$850,000 to the Discretionary Landfill reserve to fund the cost of closing and post close of the landfill.
3. Eliminating the \$500,000 Cost Sharing Reserve effective FY 18.
4. Recommend to the Executive Committee to consider a tip fee for recyclables during soft market to owner communities.

A lengthy discussion followed.

Chris Branch motioned to recommend no change in the current tipping fee of \$70.50 per ton, no assessment, and no rebate for FY 18. The motion was seconded by Bill Shane. All in favor.

Linda Boudreau motioned to recommend that we move an additional \$850,000 into the Discretionary Landfill reserve. The motion was seconded by Bill Shane. All in favor

Bill Shane motioned to eliminate the Recycling Reserve of \$500,000 in FY 18 (starting on July 1, 2017). The motion was seconded by Ed Suslovic. There was a lengthy discussion.

Troy Moon recommended that the motion be amended to not only eliminate Recycling Reserve of \$500,000, but also discontinue the Recycling Revenue and Cost Sharing program for owner communities all together. The motion was seconded by Bill Shane. All in favor.

Troy Moon asked for a motion on the amended motion in which Bill Shane motioned. The motion was seconded by Ed Suslovic. A vote was then taken on the motion as amended. All in favor.

The next meeting of the Finance Committee is November 17, 2016.

Item # 5 - Managers' Report, Kevin Roche, CEO:

Kevin Roche provided a review of the FY 16 financial summary, food waste program, prospecting of new towns and legislative update on HR.8.

Troy Moon requested that the Finance Committee and Audit Committee review our current insurance coverage and report back to the Executive Committee.

Linda Boudreau motioned to adjourn. The motion was second by Matthew Frank. All in favor.

Present:

Linda Boudreau, Christopher Branch, Alan Bradstreet, Matthew Frank, Caleb Hemphill, Mike McGovern, Troy Moon, Tony Plante, Bill Shane, Mike Shaw & Erik Street

Staff:

Arthur Birt, Denise Mungen, Kevin Roche, Kevin Trytek

HMPayson

November 2016

ecomaine
Portfolio Review

Daniel M. Lay, Esq.
Managing Director

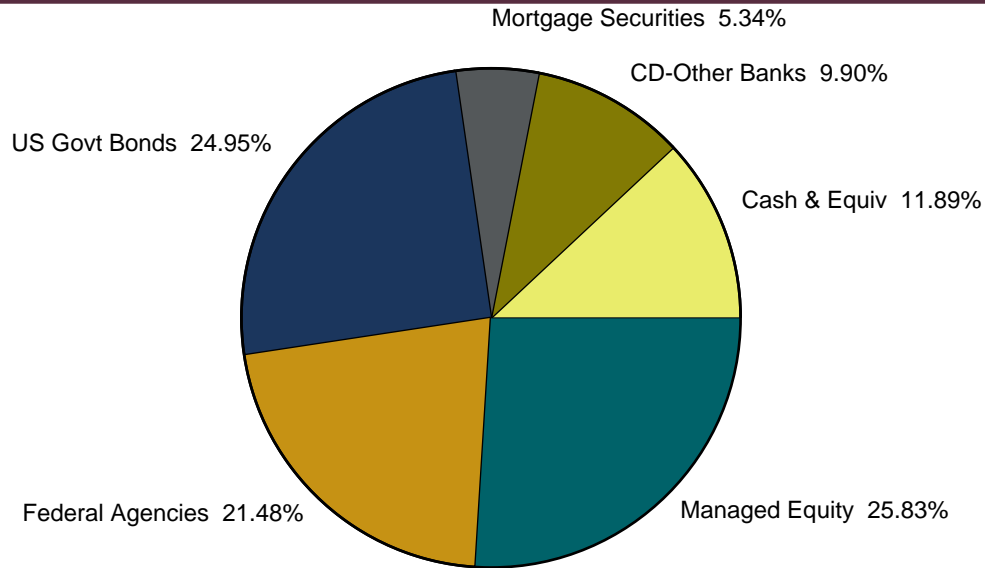
Molly C. Reinfried, CFP®
Relationship Manager

Jenny Lynd Robinson
Investment Assistant

H.M. Payson

Account #: **ECOMAINE**
 Report Period: **12/31/2014 - 09/30/2016**

Asset Allocation Detail



	Market Value	Percent of Total
Cash & Equiv	2,726,995	11.89
CD-Other Banks	2,268,689	9.90
Mortgage Securities	1,224,094	5.34
US Govt Bonds	5,719,064	24.95
Federal Agencies	4,923,377	21.48
Managed Equity	5,922,339	25.83
Foreign Equity Funds	141,495	0.62
Total Account	22,926,041	100.00

ecomaine Account Activity

Consolidated Accounts as of 9/30/2016

Beginning Market Value - 7/1/2016	\$22,623,065
Income	
Dividends	\$27,901
Interest	\$28,790
Other Income	\$0
Additions	\$0
Withdrawals	
Account Fees	-\$9,053
Taxes Paid <i>(on foreign equities)</i>	\$0
Other Disbursements	\$0
Change in Market Value	\$222,501
Ending Market Value - 9/30/2016	\$22,893,204
<i>Accrued Income</i>	\$32,837
Total Market Value - 9/30/2016	\$22,926,041

ecomaine Performance

Consolidated Accounts as of 9/30/2016

	Fiscal Year to Date	1 Year*	Since Inception 12/31/2014*
Total Account¹	1.14%	3.29%	1.39%
<i>Benchmark²</i>	<i>1.38%</i>	<i>4.70%</i>	<i>2.52%</i>
Fixed Income (Bonds)	0.05%	0.79%	1.07%
<i>BofAML Treas 1-3</i>	<i>-0.11%</i>	<i>0.88%</i>	<i>1.07%</i>
<i>Lipper Short US</i>	<i>0.20%</i>	<i>1.11%</i>	<i>1.02%</i>
Equity (Stocks)	4.92%	13.80%	2.65%
<i>Benchmark³</i>	<i>4.61%</i>	<i>13.88%</i>	<i>3.90%</i>

¹ Total Account net of fees

² 12/31/14 - 1/31/16 Benchmark is 80% Fixed Income, 11.25% S&P 500, 3.75% MSCI ACWIexUS and 5% Cash

1/31/16 - 9/30/16 Benchmark is 62% Fixed Income, 24.8% S&P 500, 8.2% MSCI ACWIexUS and 5% Cash

³ Benchmark is comprised of 75% S & P 500 and 25% MSCI ACWIexUS

* Annualized

ecomaine Asset Allocation as of 9/30/2016

Account Name	Account Number	Mkt Value	Policy Limits		Current Allocation			Fixed Income Duration Profile	Policy Goal
			< Risk>Liq Fixed Income	>Risk<Liq Equity	Cash	Fixed Income*	Equity		
ecomaine Operating Cash Reserve	6493232617	\$8,271,179	100%	0%	8%	92%	0%	<2 years	6 mo. operating expenses
ecomaine Recycle Revenue and Cost Share Reserve	6493232626	\$502,665	100%	0%	11%	89%	0%	< 2 years	\$500,000 reserve
ecomaine Short Term Capital Reserve	6493232635	\$3,305,139	100%	0%	10%	90%	0%	< 2 years	12 mo. ST capital spending
ecomaine Long Term Capital Reserve^	6493232608	\$4,179,116	25%	75%	11%	27%	62%	> 3years	= or > \$3MM or LT capital spending
ecomaine Discretionary Landfill Close Reserve^	6493232582	\$6,366,137	30%	70%	19%	27%	54%	> 3 years	reserve to fund liability in 2038
ecomaine Landfill Close Reserve	6493232591	\$301,805	100%	0%	14%	86%	0%	2 - 5 years	\$300,000 reserve
TOTAL		\$22,926,041	67%	33%	12%	62%	26%		

^ Policy limits the overall share of equities to 1/3 or less of all funds; Accounts with equities will be no less than 50% nor more than 80% of value

* Permissible Fixed income Investments include:

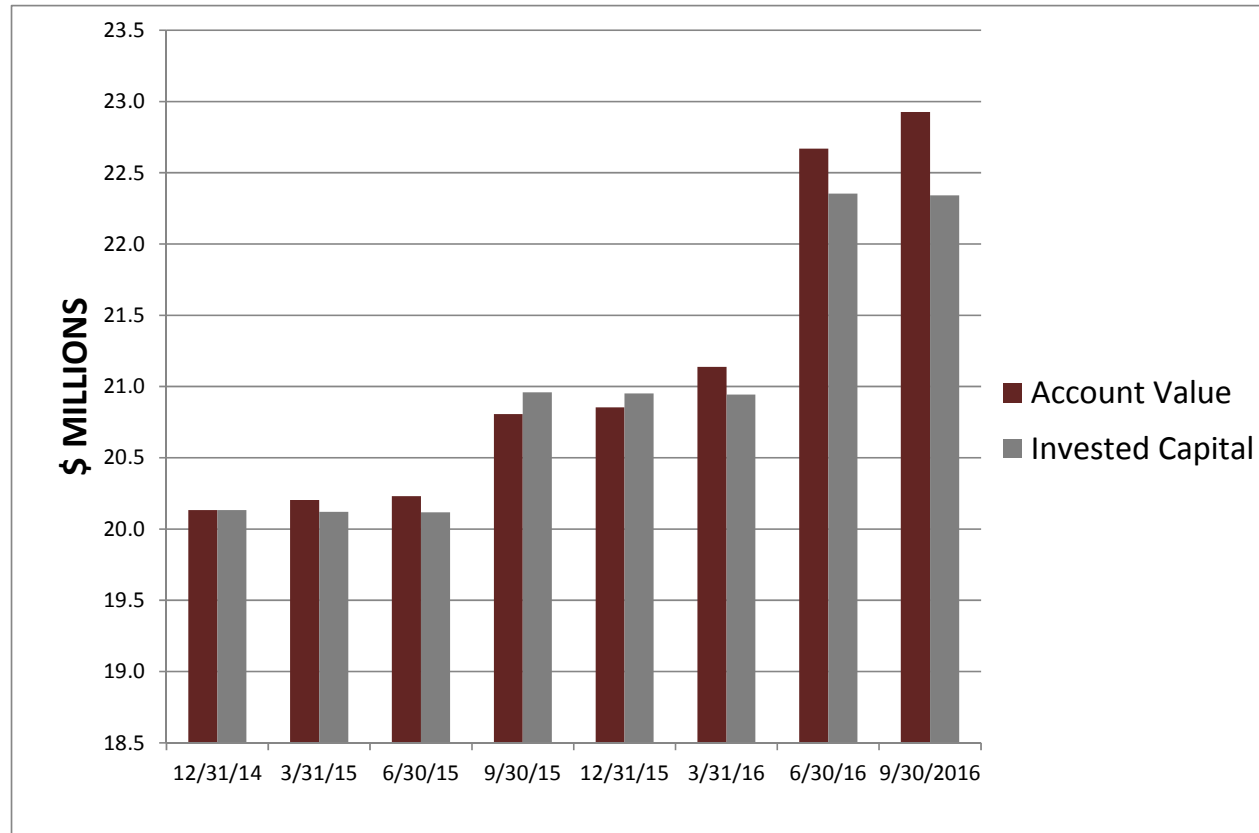
Certificates of Deposit & Demand Accounts (FDIC Ins.)

US Treasury Obligations

Federal Agency Debt not to exceed 3 yrs in maturity (FHLB, FFCC, FNMA, FHLMC, SLMA)

Money Market Mutual Funds (Gov't Funds)

ecomaine Market Value vs. Invested Capital as of 9/30/2016



Total Investment Gains	\$583,000
Net Contributions	\$2,209,000

Beginning Value 12/31/14	\$20,132,000
Ending Value 9/30/16	\$22,926,000

Account #: **ECOMAINE**
 Report Period: **12/31/2014 - 09/30/2016**

Equity Characteristics - 10 Largest Holdings

Company	% of Equity	Sector	Market Cap (\$ Millions)	P/E Latest 4 Qtrs	Dividend Yield	Dividend Growth: 5 Year Annualized	Earnings Growth: 5 Year Annualized	V-Ratio	S&P EPS & Dividend Rating
APPLE INC.	5.83	Information Technology	608,894	13.2	2.0	N/A	33.2	1.99	B+
ALPHABET INC. CLASS C	5.06	Information Technology	503,482	30.1	0.0	N/A	11.3	0.45	A-
QUALCOMM INCORPORATED	4.74	Information Technology	98,263	19.5	3.2	20.1	15.1	0.44	A-
PFIZER INC.	4.74	Health Care	204,534	29.8	3.6	9.2	-2.0	0.11	B+
MYLAN N.V.	4.51	Health Care	20,311	24.2	0.0	N/A	14.3	0.24	NR
TWENTY-FIRST CENTURY FOX, INC. CLASS B	3.80	Consumer Discretionary	46,326	17.7	1.4	14.9	5.6	0.43	B+
PHILLIPS 66	3.77	Energy	41,746	13.9	3.2	N/A	18.4	0.81	NR
GENERAL ELECTRIC COMPANY	3.61	Industrials	264,356	21.6	3.1	14.9	-32.3	0.15	B+
WELLS FARGO & COMPANY	3.59	Financials	220,743	10.7	3.5	49.1	10.2	0.62	A-
OCCIDENTAL PETROLEUM CORPORATION	3.52	Energy	55,499	N/A	4.2	15.1	-165.5	N/A	B-
Top 10 Largest Holdings*	43.17		229,328	20.4	2.3	20.0	-4.5	0.63	
Total Portfolio*			181,743	25.6	2.1	20.2	2.2	0.80	
S&P 500			144,704	20.4	2.1	12.1	2.7	0.28	

* Excludes cash and/or mutual funds and ETF holdings

* The V-Ratio is a H.M. Payson & Co. proprietary measure comparing a company's dividend yield plus reinvestment rate to its P/E ratio