

Memorandum

DATE: September 16, 2019
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Agenda for the Finance & Audit Committee Meeting

There is an **ecomaine** Finance & Audit Committee meeting **scheduled for September 19, 2019 @ 3:00 PM**. The meeting will be held at the **MPX Facility located at 2301 Congress Street, Portland, ME 04102**. The agenda for this meeting is as follows:

1. Approval of Minutes (*Attachment A*)
2. **Presentation – Amy Chasse, Runyon, Kersteen & Ouellette – Draft Audit Report FY 19 – (*Handout*)**
3. Cash Disbursement Report – Erik Street, Chairman
4. RFP – FY 20 Auditor Solicitation & Schedule (*Handout*)
5. Review **FY 19** Financial Statements
 - o Statement of Revenues and Expenses (*Attachment B1*)
 - o Statistical Data (*Attachment B2*)
 - o Balance Sheet (*Attachment B3*)
 - o Statement of Cash Balances (*Attachment B4*)
 - o Capital Expenditures (*Attachment B5*)
 - o Status of Accounts Receivable (*Attachment B6*)
6. Five Year Financial Plan
 - o Review Five Year Plan (*Attachment C*)
 - o Review & Recommendation of FY 21 Rates for owner communities (*Attachment D*)
7. Review & Recommendation for continued Investments Services from HM Payson (*Attachment E*)
8. Review & Recommendation on Amendment to the Cash Reserve & Investment Policy (*Attachment F*)
9. Financial Statements **FY 20 (Year-to-Date)**
 - Statement of Revenues and Expenses (*Attachment G1*)
 - Statistical Data (*Attachment G2*)
 - Balance Sheet (*Attachment G3*)
 - Statement of Cash Balances (*Attachment G4*)
 - Capital Expenditures (*Attachment G5*)
 - Status of Accounts Receivable (*Attachment G6*)
10. Other:

Future Meetings:

Finance & Audit Committee	09-19-2019 @ 3pm	Outreach & Recycling Committee	02-13-2020 @ 3pm
Executive Committee	09-19-2019 @ 4pm	Executive Committee	02-13-2020 @ 4pm
Full Board of Directors	09-19-2019 @ 4pm	Outreach & Recycling Committee	03-19-2020 @ 3pm
Outreach & Recycling Committee	11-07-2019 @ 4pm	Full Board of Directors	03-19-2020 @ 4pm
Finance & Audit Committee	11-21-2019 @ 3pm	Finance & Full Board Budget Review	03-26-2020 @ 4pm
Executive Committee	11-21-2019 @ 4pm	Executive Committee	04-09-2020 @ 4pm
Executive Committee	12-19-2019 @ 4pm	Finance & Audit Committee	05-21-2020 @ 3pm
Finance & Audit Committee	01-16-2020 @ 3pm	Full Board of Directors	05-21-2020 @ 4pm
Full Board of Directors	01-16-2020 @ 4pm	Outreach & Recycling Committee	05-28-2020 @ 4pm
Outreach & Recycling Committee	01-23-2020 @ 4pm	Annual Board of Directors Meeting	06-18-2020 @ 11:30am

DATE: May 30, 2019
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Finance & Audit Committee Minutes – May 16, 2019

There was a **Finance & Audit Committee Meeting** held on the date noted above. The meeting was called to order by Erik Street, Chair.

Item #1: Approval of the Minutes

Matthew Frank motioned to accept the minutes as written. The motion was seconded by Bill Shane. All in favor.

Item #2: Cash Disbursements – Erik Street, Chair

Erik Street reported that he had reviewed a range of cash disbursement and found no issues or concerns to report.

Item # 3: Roger Lebreux, RKO – Review of the duties and responsibilities of RKO, Staff and the Finance Committee & Audit Schedule

Roger Lebreux briefed the committee on duties and responsibilities of all who will be involved in the upcoming audit process for FY 19. He discussed the objectives of this year's Audit and provided past audit history and the reason for the specific areas planned for FY 19 Audit.

The cost of this year's Audit services will be \$22,000. The Audit is planned to begin on July 22nd and the draft audit report will be submitted to the committee in September of 2019.

Item # 4: RFP – Timeline for FY 20 Audit

Don Hebert reviewed the proposed timeline for solicitation and selection of Auditors for FY 20. There was a discussion on the role of the Finance & Audit Committee and the level of engagement in the selection process. The committee recommend that at a minimum that board members Greg L'Heureux and Anne Bilodeau be closely involved in the review process.

Item # 5: Review Cash Reserve & Investment Policy

The committee reviewed the proposal by HM Payson for continued investment service. There was lengthy discussion on the benefits of continued services with HM Payson.

Rod Regier motioned that the committee recommend to the Executive Committee that the Full Board approve continuing with HM Payson for investment services. The motion was second by Greg L'Heureux. All in favor.

There was a lengthy discussion on the amending the language of the current Cash Reserve & Investment Policy.

Linda Boudreau motioned that the Finance Committee recommend the following language be Amended in the Cash Reserve and Investment Policy. The amended language would read "The Board, or designated committee at least every five years, will consider an RFP seeking Investment services". The motion was second by Bill Shane. All in favor.

Staff will provide a letter to the committee with an assessment of the services of HM Payson.

Item # 6: Discussion on Future Bonding as an Alternative to paying cash for long term projects

Kevin Roche noted that the committee requested the Bonding discussion be added to the agenda. After a lengthy discussion, it was recommended that staff continue discussions and that Bonding be discussed in conjunction with the annual discussions of the 5-year plan.

Item # 7: Review of Disaster Insurance Coverage

Don Hebert provided a handout on our current Disaster Insurance Policy. There was a brief discussion.

The committee requested continued research on Disaster Insurance Policies, specifically focusing on an evaluation of cost with higher deductibles.

Mike Shaw motioned to adjourn. The motion was seconded by Bill Shane. All in favor.

Present:

Jeff Amatrudo, Anne Bilodeau, Linda Boudreau, Christopher Branch, Matthew Frank, Don Hamill, Greg L'Heureux, Dave Morton, Rod Regier, Bill Shane, Mike Shaw & Erik Street

Guest:

Roger Lebreux, RKO

Staff:

Don Hebert, Denise Mungen, Kevin Roche & Kevin Trytek

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Statement of Revenue & Expenses June, 2019 (FY19)							
Attachment B1	Actual - Prior Years YTD			Current Year To Date			FY19 to FY18
	2016	2017	2018	Actual	Budget	Variance	Variance
Operating revenues							
Municipal assessments & rebates	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owners tipping fees	3,543,278	3,554,488	3,610,889	3,729,770	3,620,262	109,508	118,881
Assoc. tipping fees	978,906	982,194	1,024,419	1,055,445	1,024,008	31,437	31,025
Contract tipping fees	306,831	357,524	574,321	1,092,414	1,499,752	(407,338)	518,093
Commercial tipping fees	5,263,778	5,649,092	5,636,624	6,131,770	5,647,708	484,062	495,145
Spot market tipping fees	1,728,293	1,687,510	1,170,268	293,645	385,706	(92,060)	(876,622)
Electrical generating revenues	4,182,191	3,715,051	4,257,098	4,270,887	4,325,943	(55,056)	13,789
Sales of recycled goods	2,369,969	3,806,555	2,165,413	1,376,697	2,269,641	(892,944)	(788,716)
Recycling tipping fees	140,644	29,296	269,741	522,668	136,261	386,407	252,927
Other operating income	103,117	101,695	103,401	106,665	104,496	2,168	3,263
Total operating revenues	\$18,617,008	\$19,883,404	\$18,812,174	\$18,579,960	\$19,013,776	(\$433,816)	(\$232,214)
Operating expenses							
Administrative expenses	2,520,240	2,518,887	2,740,466	2,791,697	2,840,541	48,845	(51,231)
Waste-to-energy operating expenses	8,946,000	9,371,777	9,717,360	9,389,047	9,969,144	580,097	328,313
Recycling operating expenses	2,173,789	2,203,746	2,490,994	2,032,494	2,531,450	498,956	458,500
Landfill/ashfill operating expenses	1,641,948	1,931,544	1,794,473	1,950,085	1,809,123	(140,962)	(155,611)
Contingency	0	0	0	0	250,000	250,000	0
Landfill closure & post-closure care costs	295,483	(2,182,480)	254,884	263,379	275,000	11,621	(8,495)
Post-retirement benefit - health Care	70,458	60,244	55,575	47,094	85,000	37,906	8,481
Depreciation & amortization	4,201,984	4,177,307	4,316,892	3,859,420	4,103,425	244,005	457,471
Total operating expenses	\$19,849,903	\$18,081,024	\$21,370,644	\$20,333,216	\$21,863,683	\$1,530,467	\$1,037,429
Net operating income	(\$1,232,895)	\$1,802,380	(\$2,558,470)	(\$1,753,256)	(\$2,849,907)	\$1,096,651	\$805,214
Non-operating income (expense)							
Non Investment Interest	35,662	36,584	49,340	68,278	45,000	23,278	18,938
Investment Income Net of Expenses	141,924	1,164,205	1,205,691	1,485,070	0	1,485,070	279,379
Misc. Income / (Expenses)	(68,836)	65,532	51,649	23,151	0	23,151	(28,498)
Net non-operating	\$108,750	\$1,266,322	\$1,306,680	\$1,576,499	\$45,000	\$1,531,499	\$269,820
Total Revenue Less Expenses	(\$1,124,146)	\$3,068,702	(\$1,251,790)	(\$176,756)	(\$2,804,907)	\$2,628,150	\$1,075,034

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Statistical Data June, 2019 (FY19)									
Attachment B2	Actual - YTD			Year to Date 2019				Year to Date Vs. Last Year	
	2016	2017	2018	Actual	Budget	Var - Fav / (Unfav)		Var-Fav / (Unfav)	
						Units	%	Units	%
MSW - Tons									
Owner	50,659	50,695	51,843	53,102	51,893	1,209	2.3%	1,260	2.4%
Associate	11,863	11,798	12,136	12,138	12,150	(12)	-0.1%	2	0.0%
Contract	5,351	6,173	9,862	18,145	22,674	(4,529)	-20.0%	8,284	84.0%
Commercial	76,072	81,024	81,449	86,540	82,356	4,184	5.1%	5,091	6.3%
Spot	32,416	30,249	20,609	4,165	5,471	(1,306)	-23.9%	(16,443)	-79.8%
Total MSW	176,361	179,939	175,898	174,091	174,544	(453)	-0.3%	(1,807)	-1.0%
Recycle - Tons									
Inbound - MRF only	41,011	38,638	38,861	34,932	38,951	(4,019)	-10.3%	(3,929)	-10.1%
Outbound- MRF only including glass	35,621	35,161	35,145	31,598	35,116	(3,518)	-10.0%	(3,547)	-10.1%
Outbound- Post Burn	4,603	4,828	3,766	4,333	4,700	(367)	-7.8%	567	15.0%
Outbound- Landfill Metal Mining	(24)	-	-	-	-	0		0	
Outbound Total	40,200	39,989	38,911	35,931	39,816	(3,885)	-9.8%	(2,980)	-7.7%
MSW - Revenue \$/Ton									
Owner	\$69.94	\$70.11	\$69.65	\$70.24	\$69.76	\$0.47	0.7%	\$0.59	0.8%
Associate	82.52	83.25	84.41	86.95	84.28	2.67	3.2%	2.54	3.0%
Contract	57.34	57.92	58.24	60.20	66.14	(5.94)	-9.0%	1.97	3.4%
Commercial	69.19	69.72	69.20	70.85	68.58	2.28	3.3%	1.65	2.4%
Spot	53.32	55.79	56.79	70.50	70.50	0.00	0.0%	13.71	24.2%
Total MSW	67.03	67.97	68.32	70.67	69.77	0.90	1.3%	2.35	3.4%
Recycle - Revenue \$/Ton									
\$/Ton Outbound (Includes glass/metals)	\$62.45	\$95.92	\$62.58	\$52.86	\$60.43	(\$7.56)	-12.5%	(\$9.72)	-15.5%
\$/Ton Inbound- Revenue	57.39	93.10	49.60	31.14	50.94	(19.80)	-38.9%	(18.46)	-37.2%
Energy									
MWH's Sold	92,744	86,573	84,544	81,616	87,436	(5,820)	-6.7%	(2,928)	-3.5%
\$/MWH	\$45.09	\$42.91	\$50.35	\$52.33	\$49.48	\$2.85	5.8%	\$1.98	3.9%
Steam Plant Capacity Factor %	92.5%	90.1%	92.5%	93.7%					
Average Boiler Availability %	93.7%	93.3%	92.0%	94.0%	91.3%				
Steam Plant Capacity Utilization %	99.0%	96.5%	100.6%	99.6%					
Power Capacity Factor %	87.0%	81.4%	79.4%	76.8%					
Power Sold - % of Capacity to Sell	87.5%	81.7%	79.8%	77.0%	82.5%				

Steam Plant Capacity Factor % - Steam 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 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

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June, 2019 (FY19)				
Attachment B3	Year End Actuals @ 6/30			FY 2019
	2016	2017	2018	June
Assets				
Current Assets				
Balance Operating Cash	\$5,914,305	\$6,223,377	\$3,641,942	\$4,172,513
Accounts Receivable	1,885,906	2,135,332	1,702,101	1,798,159
Inventory	2,641,991	2,808,335	2,801,314	2,858,725
Prepaid Expenses	405,802	197,485	241,659	264,870
Total Current Assets	<u>\$10,848,004</u>	<u>\$11,364,529</u>	<u>\$8,387,016</u>	<u>\$9,094,267</u>
Property, Plant & Equipment	138,831,131	141,863,509	145,827,536	65,958,247
Less: Accumulated Depreciation	109,792,071	113,825,748	118,008,753	35,003,897
Net Property, Plant and Equipment	<u>\$29,039,060</u>	<u>\$28,037,761</u>	<u>\$27,818,784</u>	<u>\$30,954,350</u>
Cash Reserve Accounts	22,623,738	24,637,943	26,693,634	23,178,704
Gorham Property	-	-	-	-
Total Assets	<u>\$62,510,802</u>	<u>\$64,040,233</u>	<u>\$62,899,434</u>	<u>\$63,227,321</u>
Liabilities				
Current Liabilities				
Accounts Payable	83,895	526,605	264,400	699,352
Accrued Expenses	751,829	800,081	839,193	627,643
Accrued Compensated Absences	901,118	993,122	1,016,748	987,517
Total Current Liabilities	<u>\$1,736,842</u>	<u>\$2,319,808</u>	<u>\$2,120,341</u>	<u>\$2,314,511</u>
Other Liabilities				
Bonds - Long-Term Portion				
Accrued Landfill Close & Post Close costs	16,746,994	14,564,514	14,819,398	15,082,777
Accrued Payroll & Compensated Absences	510,352	570,596	780,235	769,600
Total Liabilities	<u>\$18,994,189</u>	<u>\$17,454,918</u>	<u>\$17,726,461</u>	<u>\$18,231,105</u>
Deferred Inflow of Resources				
Deferred Inflows of Resources related to OPEB				\$64,216
Total Defered Inflow of Resources	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$64,216</u>
Fund Balance (Retained Earnings)	44,640,758	43,516,613	46,424,763	45,172,973
Revenues Less Expenses (Current Year)	(1,124,146)	3,068,702	(1,251,790)	(176,756)
Total Fund Balance (Retained Earnings)	<u>43,516,613</u>	<u>46,585,314</u>	<u>45,172,973</u>	<u>44,996,217</u>
Total Net Assets (Equity)	<u>\$43,516,613</u>	<u>\$46,585,314</u>	<u>\$45,172,973</u>	<u>\$44,996,217</u>

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Statement of Cash Balances June, 2019 (FY19)								
Attachment B4	12 Month Actuals @ 6/30				Bud FY 2019 @ 6/30/19	Act FY 19 @ 6/30/19	Reserves per policy	Reserve Target
	2015	2016	2017	2018				
Cash & Reserves - beginning of period	\$29,317,000	\$26,510,251	\$28,538,043	\$30,861,320	\$28,072,405	\$30,335,576		
Cash flows from operating activities:								
Net operating income	(\$1,238,109)	(\$1,232,895)	\$1,802,380	(\$2,623,561)	(\$2,835,205)	(\$1,753,256)		
Add back: depreciation	3,804,881	4,201,984	4,177,307	4,316,892	4,103,425	3,859,420		
Add back: landfill closure costs	259,936	295,483	(2,182,480)	224,814	275,000	263,379		
Add back: Post Retirement Benefit	49,730	70,458	60,244	70,458	85,000	(17,122)		
Other working capital changes	(41,673)	(859,134)	388,720	194,650		104,858		
Net cash provided by operating activities	\$2,834,765	\$2,475,896	\$4,246,170	\$2,183,253	\$1,628,220	\$2,457,280		
Cash flows from capital and related financing activities:								
Payment of interest	\$427	\$1,983	\$0	\$0	\$0	\$0		
Repayment of long-term debt	-	-	-	-	0	0		
Repayment of capital leases	-	-	-	-	0	0		
Net cash used in capital and related financing	\$427	\$1,983	\$0	\$0	\$0	\$0		
Cash flows from investing activities:								
Receipts of interest	\$48,352	\$35,662	\$36,584	\$49,340	\$45,000	\$68,278		
Investment income	71,167	141,924	1,164,205	1,205,691	0	1,485,070		
Capital expenditures	(5,761,460)	(2,147,288)	(3,123,683)	(3,964,027)	(8,660,950)	(6,994,987)		
Sale of Gorham Property		1,519,615						
Net cash used in investing activities	(\$5,641,941)	(\$450,087)	(\$1,922,894)	(\$2,708,996)	(\$8,615,950)	(\$5,441,639)		
Net increase (decrease) in cash	(2,806,749)	2,027,792	2,323,277	(525,744)	(6,987,730)	(2,984,359)		
Cash & Reserves - end of period	\$26,510,251	\$28,538,043	\$30,861,320	\$30,335,576	\$21,084,675	\$27,351,217		
Cash Reserve Detail								
Operating Cash Reserve	\$8,174,000	\$8,249,690	\$8,290,518	\$8,301,636	\$8,222,871	\$4,368,193	\$4,368,193	\$4,368,193
Landfill Closure Reserve	300,151	300,941	301,736	301,753	301,610	309,601	309,601	309,601
Discretionary Landfill Closure Reserve	3,922,780	6,214,445	7,712,419	9,789,027	9,560,194	10,546,784	10,546,784	22,217,000
Long Term Capital Reserve	4,049,713	4,057,653	4,520,183	4,984,354	0	5,356,350	5,356,350	5,356,350
Recycling Revenue & Cost Sharing	500,294	502,516	502,847	-	0	0	0	0
Short Term Capital Reserve	3,265,183	3,298,492	3,310,239	3,316,864	0	2,597,777	2,597,777	2,597,777
Bond Payment Reserves								
Debt Service Reserves								
Balance Operating Cash	6,298,130	5,914,305	6,223,377	3,641,942	3,000,000	4,172,513		
Total	\$26,510,251	\$28,538,043	\$30,861,320	\$30,335,576	\$21,084,675	\$27,351,217	\$23,178,704	\$34,848,920

June, 2019 (FY19)

Project		Fiscal Year 2019 Budget	Project Expend Fiscal Year-to- Date	Variance From Budget	In-service Date	Attachment B5 Comments
No	Title					
Waste-to-Energy						
1524-477-8	Boiler - Inconel Work - FY 19	350,000	365,889	(15,889)	Nov-18	Completed
1524-563-1	Boiler - Rapper System Replacement	150,000	-	150,000		Cancelled
1524-359-2	Boiler - Superheater Tube Replacements.	50,000	189,620	(139,620)	Nov-18	Completed
1524-440-2	Delta V DCS hardware and software upgrades	75,000	62,305	12,695	May-19	Completed
1524-029-2 x	Building Improvements - Leaks, Siding, Remodeling	2,500,000	1,617,714	882,286	Nov-19	In Progress
1524-533-2	ESP - Rebuild plates and electrodes (1,2,3 out of 5) & Casing Repa	1,000,000	1,054,194	(54,194)	Nov-18	Completed
1524-293-1	Facility Process Improvements - Engineering	250,000	-	250,000	Dec-19	Cancelled
1524-549-1	Equipment - UPS Replacement	65,000	63,057	1,943	Jun-19	Completed
1524-505-2 x	Fire Alarm Design and Installation	-	82,780	(82,780)	Sep-19	In Progress
1524-554-1	Boiler - Suspension system inspection and adjustment	150,000	-	150,000		Postponed to FY20
1524-375-2	Building - Tipping hall bay 7 modifications & structural repairs	150,000	163,381	(13,381)	May-19	Completed
1524-561-1	Equipment - Replacement grapple for refuse crane	80,000	-	80,000	Jul-19	Postponed to FY20
1524-481-2 x	480 volt switchgear	-	42,485	(42,485)	Jul-18	Completed
1524-547-1 x	Control Room - RTU for ISO NE Dispatchability Requirement	-	874	(874)		Completed - Prior Year Project
1524-412-3 x	Locker Room Renovations fy16	-	(834)	834		Completed - Prior Year Project
	Subtotal WTE	4,820,000	3,641,466	1,178,534		
Recycle						
1527-468-4 x	Equipment - Harris Baler Reline Plates & Hardware	-	-	-	Dec-19	Postponed to FY20
1527-381-3 x	Equipment - Upper ONP Deck	300,000	-	300,000	Dec-19	Under evaluation
1527-555-1	Building - Replace Lower Roof Top Heat/Ac Unit	30,000	-	30,000		Postponed to FY21
1527-556-1	Engineering Design - Rear Loading Ramp Replacement	15,000	-	15,000	Dec-19	Postponed to FY20
1527-463-4	Equipment - American Baler Reline	20,000	15,017	4,983	Oct-19	Parts delivered, in processing
1527-557-1	Equipment - Stairway to Maint Shop Messanine	25,000	-	25,000	Dec-19	Postponed to FY20
1527-492-3	Equipment - Roll off Container Replacements	32,000	-	32,000		Cancelled
1527-565-1	Fire Alarm - Prevention, Detection, Response	-	240,684	(240,684)	Jul-19	In Progress
	Subtotal Recycle	422,000	255,701	166,299		
Landfill						
1525-499-4	Landfill - Construction East Expansion	2,750,000	2,772,321	(22,321)	Jul-19	Completed
1525-499-5	Landfill - Construction Management East Expansion	300,000	279,352	20,648	Jul-19	Completed
1525-548-1	Landfill - GeoTech Monitoring Settlement Platforms	21,950	-	21,950	Dec-19	Postponed to FY20
1525-550-1	Landfill - Phase One Settlement Berm	16,000	-	16,000	Dec-19	Postponed to FY20
	Landfill - Geomembrane cover	20,000	-	20,000		Cancelled
1526-553-1	Vehicles - Ash Truck	190,000	-	190,000		Cancelled
1526-560-1	Vehicles - Snow Plow	-	16,753	(16,753)	Dec-18	Completed
1525-564-1	Landfill Gas Meter closed balefill	-	11,608	(11,608)	Apr-19	Completed
	Subtotal Landfill	3,297,950	3,080,034	217,916		
Administration						
1524-526-1 x	Building - Scale house Replacement	-	2,674	(2,674)		Completed - Prior Year Project
1524-526-2 x	Building - Scale House Sign	-	11,522	(11,522)	Apr-19	Completed
1524-558-1	Equipment - Signs for WTE & Recycle facilities	30,000	3,590	26,410	Dec-19	Postponed to FY20
1528-559-1	Systems - ADP Time Clock Migration	16,000	-	16,000	Dec-19	In Progress
1528-500-5	Systems - Software Upgrades & Fixed asset upgrades	75,000	-	75,000		Postponed to FY20
	Subtotal Administration	121,000	17,786	103,214		
Total All Areas		\$8,660,950	\$6,994,987	\$1,665,963		
x	Project carried over from prior year because they are not finished yet					
	* A project is complete when it goes in service and not when the money is necessarily spent.					

ecomaine 6/30/19						
Accounts Receivables			Attachment B6			
Date	Item	Current	31-60 Days	61-90 Days	91 & Over Days	Total
07/31/18	Balances	\$1,478,110	\$118,594	\$83,998	\$65,054	\$1,745,755
	%	84.7%	6.8%	4.8%	3.7%	100.0%
08/31/18	Balances	\$1,675,182	\$229,475	\$71,398	\$61,250	\$2,037,306
	%	82.2%	11.3%	3.5%	3.0%	100.0%
09/30/18	Balances	\$1,407,324	\$273,405	\$57,807	\$39,289	\$1,777,824
	%	79.2%	15.4%	3.3%	2.2%	100.0%
10/31/18	Balances	\$1,455,267	\$196,924	\$86,674	\$55,855	\$1,794,720
	%	81.1%	11.0%	4.8%	3.1%	100.0%
11/30/18	Balances	\$1,422,118	\$173,399	\$37,476	\$37,042	\$1,670,036
	%	85.2%	10.4%	2.2%	2.2%	100.0%
12/31/18	Balances	\$1,505,592	\$134,840	\$17,397	\$72,335	\$1,730,163
	%	87.0%	7.8%	1.0%	4.2%	100.0%
01/31/19	Balances	\$1,723,764	\$110,748	\$19,641	\$58,551	\$1,912,705
	%	90.1%	5.8%	1.0%	3.1%	100.0%
02/28/19	Balances	\$1,430,890	\$235,174	\$33,445	-\$10,504	\$1,689,006
	%	84.7%	13.9%	2.0%		100.0%
03/31/19	Balances	\$1,382,938	\$139,754	\$99,242	\$12,411	\$1,634,344
	%	84.6%	8.6%	6.1%	0.8%	100.0%
04/30/19	Balances	\$1,370,483	\$252,970	\$58,297	\$92,064	\$1,773,814
	%	77.3%	14.3%	3.3%	5.2%	100.0%
05/31/19	Balances	\$1,504,312	\$143,846	\$38,243	\$64,526	\$1,750,927
	%	85.9%	8.2%	2.2%	3.7%	100.0%
06/30/19	Balances	\$1,396,190	\$257,828	\$41,619	\$78,801	\$1,774,439
	%	78.7%	14.5%	2.3%	4.4%	100.0%

Note: The Allowance for Doubtful Accounts & 1217 IRS are not included in the above.

Five Year Cash Flow Projections - September 19, 2019

Attachment C	12 Month Actuals @ 6/30						FY 20 Bud	Projections				
	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19		FY 20 Proj	FY 21 Proj	FY 22 Proj	FY 23 Proj	FY 24 Proj
Cash & Reserves - beginning of period	\$23,060,082	\$29,317,000	\$26,510,251	\$28,538,043	\$30,861,317	\$30,335,576	30,415,852	\$27,351,218	\$24,394,094	\$22,396,975	\$21,052,331	\$18,934,628
Cash flows from operating activities:												
Net operating income	\$3,071,490	(\$1,238,109)	(\$1,232,895)	\$1,802,380	(\$2,558,470)	(\$1,732,156)	(\$3,093,679)	(\$2,940,380)	(\$2,822,396)	(\$2,251,253)	(\$1,929,641)	(\$2,092,017)
Add back: depreciation	4,194,858	3,804,881	4,201,984	4,177,307	4,316,892	3,859,420	4,361,892	4,316,892	4,005,969	4,061,336	4,167,136	4,282,905
Add back: landfill closure costs	239,704	259,936	295,483	(2,182,480)	254,884	263,379	275,000	275,000	275,000	275,000	275,000	275,000
Add back: Post Retirement Benefit	95,461	49,730	70,458	60,244	55,575	84,996	85,000	85,000	85,000	85,000	85,000	85,000
Other working capital changes	670,507	(41,673)	(859,134)	388,720	114,374	(18,358)	-	80,276	-	-	-	-
Net cash provided by operating activities	\$8,272,020	\$2,834,765	\$2,475,896	\$4,246,171	\$2,183,255	\$2,457,281	\$1,628,213	\$1,816,788	\$1,543,573	\$2,170,083	\$2,597,495	\$2,550,888
Cash flows from capital and related financing activities:												
Payment of interest	\$683	\$427	\$1,983	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repayment of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of capital leases	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used in capital and related financing	\$683	\$427	\$1,983	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash flows from investing activities:												
Receipts of interest	\$42,693	\$48,352	\$35,662	\$36,584	\$49,340	\$68,278	\$50,447	\$50,447	\$50,447	\$50,447	\$50,447	\$50,447
Investment income	-	71,167	141,924	1,164,205	1,205,691	1,485,070	500,000	896,927	745,361	719,326	619,855	511,425
Capital expenditures	(2,058,478)	(5,761,460)	(2,147,288)	(3,123,686)	(3,964,027)	(6,994,987)	(7,192,000)	(5,721,286)	(4,336,500)	(4,284,500)	(5,385,500)	(4,150,500)
Sale of Gorham Property	-	-	1,519,615	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	(\$2,015,785)	(\$5,641,941)	(\$450,087)	(\$1,922,897)	(\$2,708,996)	(\$5,441,639)	(\$6,641,553)	(\$4,773,912)	(\$3,540,692)	(\$3,514,727)	(\$4,715,198)	(\$3,588,628)
Net increase (decrease) in cash	\$6,256,918	(\$2,806,749)	\$2,027,792	\$2,323,274	(\$525,741)	(\$2,984,358)	(\$5,013,340)	(\$2,957,124)	(\$1,997,119)	(\$1,344,644)	(\$2,117,703)	(\$1,037,740)
Cash & Reserves - end of period	\$29,317,000	\$26,510,251	\$28,538,043	\$30,861,317	\$30,335,576	\$27,351,218	\$25,402,512	\$24,394,094	\$22,396,975	\$21,052,331	\$18,934,628	\$17,896,887

Cash Reserve Detail

	12 Month Actuals @ 6/30						FY 20 Bud	Projections				
	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19		FY 20 Proj	FY 21 Proj	FY 22 Proj	FY 23 Proj	FY 24 Proj
Operating Cash Reserve	\$8,160,000	\$8,174,000	\$8,249,690	\$8,290,518	\$8,301,636	\$4,368,193	340,487	2,701,209	756,090	(1,689,554)	(2,572,257)	(6,564,498)
Landfill Closure Reserve	-	300,151	300,941	301,736	301,753	309,601	309,601	309,601	309,601	309,601	309,601	309,601
Discretionary Landfill Closure Reserve	3,255,000	3,922,780	6,214,445	7,712,419	9,789,027	10,546,784	10,546,784	10,546,784	10,546,784	10,546,784	10,546,784	10,546,784
Long Term Capital Reserve	4,006,000	4,049,713	4,057,653	4,520,183	4,984,354	5,356,350	4,984,354	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Recycling Revenue & Cost Sharing	-	500,294	502,516	502,847	-	-	-	-	-	-	-	-
Short Term Capital Reserve	3,052,000	3,265,183	3,298,492	3,310,239	3,316,864	2,597,777	5,721,286	4,336,500	4,284,500	5,385,500	4,150,500	7,105,000
Bond Payment Reserves												
Debt Service Reserves												
Operating Cash Account	10,844,000	6,298,130	5,914,306	6,223,375	3,641,942	4,172,513	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total	\$29,317,000	\$26,510,251	\$28,538,043	\$30,861,317	\$30,335,576	\$27,351,218	\$25,402,512	\$24,394,094	\$22,396,975	\$21,052,331	\$18,934,628	\$17,896,887

a) Operating Cash Reserve is used for significant decrease in operating revenues or increase in operating expenses. These funds can be used to fund operations until necessary adjustments have been made.

b) Landfill Closure Reserve funds the Landfill Closure / Post Closure Reserve and should maintain a minimum \$300,000 balance.

c) Long Term Capital Reserve is used to provide funds for new capital projects not provided for in the annual capital plan. Reserve should carry a \$3 million balance.

d) Discretionary Landfill Closure Reserve will be used for the landfill closure and post closure costs. The liability is expected to be \$22.4 million in 2044.

e) Short Term Capital Reserve should equal the 12 months of short term capital spending and can be used to fund capital projects in the event of unanticipated circumstances.

f) Operating Cash Account maintains the inflow and outflow of cash from operations and is estimated to have an average of \$3.5 to \$4.0 million.

Memorandum

DATE: September 13, 2019
TO: Members of the Finance Committee
FROM: Kevin H. Roche, CEO
RE: Rates for FY 21

Each September, we review our 5-year financial plan with the Board and recommend rates for the following year. After a careful review of the cash flow projections for the next 5 years, staff is making the following recommendations on tipping fees:

- **Municipal Solid Waste (MSW):** The 5-year financial projections are showing a decrease in our cash position that will not meet our goals in our Cash Reserve Policy. In our review with the board last year, we discussed the need to keep annual rate increases for MSW at a reasonable level. Consistent with this expectation, staff is recommending that we increase the MSW tipping fees 2.7% (from \$73 to \$75 per ton) beginning July 1st, 2020. We will review the 5-year plan at the Committee meeting next week.
- Over the last 12 months, the recycling markets have continued to deteriorate to unprecedented levels. Owner communities have been covering the increased recycling costs with our cash reserves. On July 1, 2019, owner communities started to contribute \$35 per ton to offset part of the drain on cash reserves. Based on current forecast, the five-year plan considers that this contribution will continue to take place until the demand for recyclables improve.



Memorandum

Attachment E

DATE: September 19, 2019

TO: Chairman & Members of the Finance & Audit Committee

FROM: Kevin H. Roche, CEO/General Manager &
Don Hebert, Director of Finance & Administration

SUBJECT: Recommendation for Continued Investment Services with HM Payson

We have completed a review of the history and services of HM Payson. Our records reflect that we obtained the services of HM Payson through an RFP process in 2014. The selection process consisted of a committee and after a thorough vetting process, the Full Board of Directors approved HM Payson as our Investment Advisors at the October 30, 2014 board meeting. We entered a five-year agreement with HM Payson for Investment Services and developed a Cash Reserve & Investment Policy as guidance in the management of our Reserves.

We have been extremely pleased with the level of support and communication from HM Payson. HM Payson provides us with quarterly reviews to include (upon request) presentations to our Finance Committee and Full Board of Directors. The dissemination of information on our investments is always timely and accurate. Management has worked closely with HM Payson to ensure funding allocations meet our objectives and are consistent with our policies.

It is our recommendation that we continue our relationship with HM Payson as our Investment Advisor.

CASH RESERVE & INVESTMENT POLICY

RESERVES

As part of strengthening **ecomaine's** financial position, we will establish and fund the reserves outlined below with the knowledge that general economic conditions and other **ecomaine** needs may impact on the timing of the funding of these reserves. There may also be conditions that arise requiring the **ecomaine** board to authorize the use of a reserve in a manner not originally intended for unanticipated financial issues. Therefore, with Board approval, funds from a reserve (with the exception of the Required Landfill Closure / Post Closure Reserve) could be used to cover other areas.

FAVORABLE CASH FLOW

Objective: To provide financial relief to owner communities when the financial position of **ecomaine** permits it.

OPERATING CASH RESERVE

Objective: To provide routine operating cash and financial security for extraordinary events that could cause a significant decrease in operating revenues or increase in operating expenses. These would be used to fund operations until any necessary adjustments can be made to provide sufficient cash flow to maintain operations.

Goal: We will build and maintain a balance of six months of cash operating expenses.

SHORT TERM CAPITAL RESERVE

Objective: To reserve funds for routine capital projects in the event of unanticipated circumstances.

Goal: We will establish a reserve equal to approximately 12 months of short term capital spending.

LONG TERM CAPITAL RESERVE

Objective: To reserve funds for new capital projects which have not been provided for in the annual capital plan. New capital projects are large projects in which the necessity and timing is not known at the present time. These could be projects to upgrade the current facilities or add additional capacity or functionality. It is our intent to fund these projects with internal cash flow to the extent possible but economic conditions and necessity may dictate that we issue some long term debt.

Goal: We will establish a reserve equal to the greater of \$3 million or the next year's long term capital spending.

DISCRETIONARY LANDFILL CLOSURE / POST CLOSURE RESERVE

Objective: To fund from internal cash flow a discretionary amount periodically for the landfill closure and post closure care costs during the remaining useful life of the landfill. Regulation, technology and other factors will impact the cost and life but as of June 30, 2015, this liability is estimated to be \$22.4 million in today's dollars and it is expected that the landfill will need to be closed in steps with final closing in 2044 and continued maintenance for 30 years thereafter.

Goal: We will establish a reserve that will fully fund this liability by the time the landfill is closed.

REQUIRED LANDFILL CLOSURE / POST CLOSURE RESERVE

Objective: To provide funding for a Landfill Closure / Post Closure Reserve account as required by section 8 of the Interlocal Solid Waste Agreement dated December 1, 2005.

Goal: We will immediately establish a reserve for \$300,000 to meet the terms of this agreement.

INCOME EARNED

Income earned on reserve accounts shall accrue to the respective reserve account.

RECORD KEEPING

These funded reserves may be maintained in separate accounts at financial institutions or may simply be reported separately in the **ecomaine** financial statements whatever is most efficient for **ecomaine**.

PERIODIC REVIEW

Five year cash flow projections and reserve funding requirements will be reviewed annually with the **ecomaine** board.

INVESTMENTS

SCOPE

This policy shall apply to the investment management of all **ecomaine** cash accounts including demand deposits and any reserve funds that are established under this policy. At all times, investments will be managed in accordance with Title 30-A, Sections 5706 through 5719 of the Maine Revised Statutes (see attached) and any revisions to these Statutes will become part of this policy immediately upon being enacted. Board responsibilities as identified in this policy may be delegated to the appropriate committee or staff member.

OBJECTIVES

The principal investment objectives for **ecomaine** are:

- **Safety** – to avoid unreasonable risk while preserving both the capital and the purchasing power of that capital. It is understood that no investment is totally free of risk, and occasional measured losses are inevitable in a diversified portfolio. Risk may include the quality of the investment, the qualifications of the institutions and advisors we deal with, the diversification of the portfolio, the movement of interest rates, inflation and the general state of the economy.
- **Liquidity** – to maintain sufficient liquidity to meet all operating requirements as may reasonably be anticipated by structuring the portfolio with investments that mature as the need for cash occurs.
- **Returns** – to generate a long-term rate of return in the portfolios that is commensurate with the appropriate blended benchmark returns that coincide with the asset allocation for each portfolio over an economic cycle, taking into account risk and liquidity needs.

Each of these factors will be weighted depending on the objective and goal for each reserve account.

PRUDENCE & RESPONSIBILITIES

The standard of prudence to be used for managing our investments shall be Title 30-A, Section 5718 of the Maine Revised Statutes which, in general, states that investments shall be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment, considering safety, income and maintenance of liquidity.

Authorized **ecomaine** employees acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion.

ETHICS AND CONFLICTS OF INTEREST

ecomaine personnel involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair or create the appearance of an impairment of their ability to make impartial investment decisions. These individuals shall disclose to **ecomaine** any material financial interests they have in financial institutions that conduct business with **ecomaine** and they shall subordinate their personal investment transactions to those of **ecomaine**.

DELEGATION OF AUTHORITY & INTERNAL CONTROLS

Under the Maine Revised Statutes and the **ecomaine** bylaws, responsibility for the investment of **ecomaine** funds covered by this Policy resides with **ecomaine**. Staff will assist the Board in developing policies and procedures and will implement these policies and procedures after approval by the **ecomaine** board. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

Staff will develop written procedures designed to prevent losses of **ecomaine** funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by **ecomaine** employees. Proper documentation for all investment transactions shall be prepared and maintained for an appropriate amount of time.

Staff may engage the support services of outside professionals in regard to its investment program, so long as it can be demonstrated that these services are advantageous or that they provide necessary financial protection of **ecomaine's** financial resources.

SELECTION OF ADVISORS

~~At least every five years, the Board, or a designated committee Management will, at least every five years, will consider issue-issuing~~ an RFP seeking investment services for **ecomaine** pursuant to 30-A M.R.S.A. § 5706(4). Services are to consist of advice, the safekeeping of the funds, collection of interest and dividends, and any other fiscal service that is normally covered in an advisory agreement. Other than Demand Deposit amounts (see below) all **ecomaine** investment activities as addressed in this Policy are to be provided by the selected firm. The Board will approve this selected firm.

All Advisors who desire to become qualified for **ecomaine** investment management must meet all requirements set forth in Section 5706(4) and supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of FINRA (Financial Industry Regulatory Authority) certification (not applicable to certificate of deposit counterparties)
- Proof of registration to buy and sell securities in the State of Maine
- Certification of having read understood and agreed to comply with **ecomaine's** Cash Reserve and Investment Policy.
- Evidence of adequate insurance coverage (FDIC, SIPC, or other appropriate collateral)

When selecting Advisors, consideration will be given to local or regional firms as long as they meet the standards set forth in this policy. The selection of Advisors will be on the basis of their expertise in institutional cash management and their ability to provide services for **ecomaine** along with their fee structure.

Once selected the firm shall be required to resubmit the above on an annual basis and **ecomaine** may review the financial condition and registration annually for the selected firm.

AUTHORIZED SECURITIES AND TRANSACTIONS FOR ALL INVESTMENTS FAVORING LOWER RISK AND HIGHER LIQUIDITY

Monies to be invested under this investment philosophy (of lower risk and higher liquidity) include any cash in excess of the reserves as defined above, 100% of the Operating Reserve, 100% of the Short Term Capital Reserve, 100% of the Required Landfill Closure / Post Closure Reserve, and any Fixed Income Investments associated with the remaining reserves (see below).

As noted above the investment philosophy for these funds favors lower risk and higher liquidity. The need for the funds will be "near term" and the asset allocation in the portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the anticipated cash flow needs. Income received from these funds is to be re-invested in these reserves. The investment of these funds will be in the types of securities and transactions listed below and all are to be guaranteed by the Federal Government or one of its agencies backed by

the Federal Government.

1. Demand Accounts & Time Certificates of Deposit: To be provided by institutions insured by the Federal Deposit Insurance Corporation (FDIC), The National Credit Union Share Insurance Fund (NCUSIF), or the successors to these federal agencies. If the amount deposited exceeds the insurable levels the excess must be collateralized by securities authorized by the Federal Home Loan Bank (FHLB). Time Certificates of Deposit will have maturities not exceeding three years.
2. U.S. Treasury Obligations: Treasury Bills, Treasury Notes and Treasury Bonds with maturities not exceeding three years from the date of trade settlement.
3. Federal Instrumentality Securities: Debentures, discount notes and callable securities, with maturities not exceeding three years from the date of trade settlement, issued by the following only: Federal Home Loan Banks (FHLB), Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Mortgage Corporation (FHLMC) and Student Loan Marketing Association (SLMA).
4. Money Market Mutual Funds: registered under the Investment Company Act of 1940 which (1) are “no-load” (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of \$1.00; (3) limit assets of the fund to U.S. Treasury Obligations, Federal Instrumentality or Agency Securities or repurchase agreements collateralized by such securities; and (4) have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 2a-7.

It is the intent of the **ecomaine** board that the foregoing list of authorized securities be strictly interpreted. Any deviation from this list must be preapproved by the Board.

ecomaine investment performance will be reviewed periodically by management with the Board. Fixed income investments will be compared to the appropriate bond index (e.g. Barclays Aggregate, Barclays U.S. Treasury, etc.) based upon bond maturity length. The goal of the fund will be to maintain over a normal market cycle (5 years) an annual rate of return on a comparable aforementioned index portfolio.

AUTHORIZED SECURITIES AND TRANSACTIONS FOR INVESTMENTS FAVORING REDUCED LIQUIDITY, AND GREATER RETURNS.

As detailed in this policy, **ecomaine** maintains reserves for Long Term Capital needs and for the funding of the Discretionary Landfill Closure / Post Closure Reserve. A portion of these “longer term funds”, due to their nature, are invested under a longer-term investment perspective to include a conservative and balanced portfolio of equity and fixed income investments. There is less interest in liquidity and more interest in returns with safety as the primary focus. Income received from these funds is to be re-invested in these reserves.

The Long Term Capital Reserve and the Discretionary Landfill Closure / Post Closure Reserves are to hold no less than 50% nor more than 80% of each accounts value in equities without consent of the **ecomaine** board. Such consent shall not be given until it has been read on two separate days by the **ecomaine** Board prior to voting. To the extent the Reserve Funds listed in this paragraph are managed by a financial institution or investment advisor pursuant to Section 5706(4), “Equities” shall include, but not be limited to, individual equities, equity mutual funds, bond mutual funds, or other investments that 1) may risk loss of principal, and 2) are subject to

Maine law and the Prudent Investor Rule. No single fixed income security will comprise more than 10% of the total value of each of the reserves, unless fully backed by the federal government or its agencies and instrumentalities.

The balance of each of these reserves (non equity portion) will be in investments as described under **AUTHORIZED SECURITIES AND TRANSACTIONS FOR ALL INVESTMENTS FAVORING LOWER RISK AND HIGHER LIQUIDITY.**

All reserve funds must be invested in accordance with 30-A M.R.S.A. §§ 5706-5719 or managed by a qualified financial institution or investment advisor pursuant to Section 5706(4).

ecomaine investment performance will be reviewed periodically by management with the Board. Equity investments are to be measured against the asset class bench mark (e.g. S&P 500 Index, Russell Midcap Index, MSCI Emerging Markets Index, etc.). The goal of the fund will be to maintain over a normal market cycle (5 years) an annual rate of return on a comparable aforementioned index portfolio.

POLICY REVISIONS

This policy shall be reviewed periodically by the Board and may be amended as conditions warrant.

Attachment G1

ecomaine							
Statement of Revenue & Expenses							
as of August 31, 2019 of FY2020							
Category	Year End Actuals on June 30			Current Year To Date			FY20 & FY19
	2017	2018	2019	Actual	Budget	Variance	Variance
Operating Revenues							
Owner Member Tipping Fees	\$653,991	\$666,126	\$703,698	\$736,204	\$735,402	\$802	\$32,506
Associate Member Tipping Fees	185,778	194,928	197,255	205,413	198,132	7,280	8,158
Contract Member Tipping Fees	67,409	70,521	227,418	229,034	248,989	(19,954)	1,616
Commercial Tipping Fees	942,192	973,629	1,110,716	1,218,432	1,125,027	93,406	107,717
Spot Market Tipping Fees	332,128	336,870	77,652	45,839	80,924	(35,085)	(31,813)
Electrical Power Revenues	671,959	686,378	665,061	598,598	629,686	(31,088)	(66,463)
Sales of Recycled Goods	607,773	799,264	266,045	161,409	283,907	(122,498)	(104,636)
Recycling Tipping Fees	8,778	1,471	67,055	193,531	187,322	6,210	126,476
Other Operating Income	16,824	17,158	17,529	18,527	17,792	736	999
Total Operating Revenues	\$3,486,833	\$3,746,345	\$3,332,429	\$3,406,989	\$3,507,180	(\$100,191)	\$74,559
Operating expenses							
Administrative expenses	422,471	386,838	410,777	472,172	489,939	17,767	(61,395)
Waste-to-energy operating expenses	1,248,813	3	1,243,768	1,273,584	1,391,994	118,411	(29,816)
Recycling operating expenses	327,811	363,652	402,987	323,534	450,102	126,567	79,452
Landfill/ashfill operating expenses	233,888	223,061	250,414	243,709	307,493	63,783	6,705
Contingency	0	0	0	0	41,666	41,666	0
Landfill closure & post-closure care costs	49,247	44,236	42,481	43,897	45,834	1,938	(1,416)
Post-retirement benefit - health Care	11,743	11,743	14,166	14,166	14,167	1	0
Depreciation & amortization	702,029	704,110	695,387	568,762	726,982	158,220	126,626
Total operating expenses	\$2,996,003	\$2,904,341	\$3,059,979	\$2,939,823	\$3,468,176	\$528,353	\$120,156
Net operating income	\$490,830	\$842,004	\$272,450	\$467,165	\$39,004	\$428,162	\$194,715
Non-operating income (expense)							
Non Investment Interest	6,656	5,677	8,186	14,328	8,408	5,920	6,141
Investment Income Net of Expenses	249,995	272,511	735,788	(114,686)	83,334	(198,020)	(850,474)
Misc. Income / (Expenses)	(1,269)	330	(41,053)	(1,669)	(4,166)	2,497	39,384
Net non-operating	\$255,382	\$278,518	\$702,922	(\$102,027)	\$87,576	(\$189,603)	(\$804,949)
Total Revenue Less Expenses	\$746,212	\$1,120,522	\$975,372	\$365,138	\$126,580	\$238,558	(\$610,234)

Attachment G2

ecomaine									
Statistical Data									
as of August 31, 2019 of FY2020									
Category	Actual Year-to-Date			Year-to-Date FY2020				YTD vs Last YTD	
	2017	2018	2019	Actual	Budget	Variance Fav/(Unfav)		Variance Fav/(Unfav)	
						Units	%	Units	%
MSW - Tons									
Owner	9,351	9,569	10,075	10,025	10,074	(49)	(0%)	(50)	(0%)
Associate	2,222	2,326	2,267	2,343	2,268	75	3%	75	3%
Contract	1,165	1,203	3,764	3,715	3,764	(49)	(1%)	(49)	(1%)
Commercial	13,528	14,189	16,081	16,624	16,081	543	3%	543	3%
Spot	5,694	5,966	1,101	628	1,101	(473)	(43%)	(474)	(43%)
Total MSW	31,961	33,253	33,289	33,335	33,288	47	0%	46	0%
Recycle - Tons									
Inbound - MRF only	6,970	6,970	6,230	5,951	6,230	(279)	(4%)	(279)	(4%)
Outbound- MRF only including glass	6,162	6,263	5,623	5,234	5,569	(335)	(6%)	(388)	(7%)
Outbound- Post Burn	780	736	842	736	841	(105)	(13%)	(106)	(13%)
Outbound- Landfill Metal Mining	0	0	0	0	0	0	0%	0	0%
Outbound Total	6,942	6,999	6,464	5,970	6,410	(440)	(7%)	(494)	(8%)
MSW - Revenue \$/Ton									
Owner	\$69.94	\$69.62	\$69.85	\$73.44	\$73.00	\$0.44	1%	\$3.59	5%
Associate	83.62	83.79	87.00	87.69	87.36	0.33	0%	0.69	1%
Contract	57.84	58.62	60.42	61.65	66.15	(4.50)	(7%)	1.23	2%
Commercial	69.65	68.62	69.07	73.29	69.96	3.33	5%	4.22	6%
Spot	58.33	56.46	70.50	73.00	73.50	(0.50)	(1%)	2.50	4%
Total MSW	\$68.26	\$67.42	\$69.60	\$73.04	\$71.75	\$1.29	2%	\$3.45	5%
Recycle - Revenue \$/Ton									
\$/Ton Outbound (Includes glass/metals)	\$88.82	\$114.40	\$51.53	\$59.45	\$73.51	(\$14.06)	(19%)	\$7.92	15%
\$/Ton Inbound Revenue	85.18	108.30	29.10	43.02	58.59	(15.57)	(27%)	13.92	48%
Energy									
MWH's Sold	16,297	15,525	15,322	13,999	15,524	(1,525)	(10%)	(1,323)	(9%)
\$/MWH	\$41.23	\$44.21	\$43.40	\$42.76	\$40.56	\$2.20	5%	(\$0.64)	(1%)
Steam Plant Capacity Factor %	97%	94%	99%	90%					
Average Boiler Availability %	100%	100%	98%	100%	97%				
Steam Plant Capacity Utilization %	100%	98%	104%	91%					
Power Capacity Factor %	92%	89%	85%	81%					
Power Sold - % of Capacity to Sell	93%	89%	85%	80%	85%				

Steam Plant Capacity Factor % - Steam 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 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

Attachment G3

ecomaine				
Balance Sheet				
as of August 31, 2019 of FY2020				
Category	Year End Actuals @ 6/30			August 2019
	2017	2018	2019	
ASSETS				
Current Assets				
Cash, Operating	\$6,223,377	\$3,641,942	\$4,172,513	\$3,768,363
Accounts Receivable	2,135,332	1,702,101	1,798,159	2,050,267
Inventory	2,808,335	2,801,314	2,858,725	2,889,136
Prepaid Expenses	197,485	241,659	264,870	395,873
Total Current Assets	\$11,364,529	\$8,387,016	\$9,094,267	\$9,103,639
Property, Plant & Equipment	141,863,509	145,827,536	65,958,247	66,691,977
Less: Accumulated Depreciation	113,825,748	118,008,753	35,003,897	35,572,659
Net Property, Plant and Equipment	\$28,037,761	\$27,818,784	\$30,954,350	\$31,119,318
Cash Reserve Accounts	24,637,943	26,693,634	23,178,704	23,064,018
Gorham Property	0	0	0	0
Total Assets	\$64,040,233	\$62,899,434	\$63,227,321	\$63,286,974
LIABILITIES				
Current Liabilities				
Accounts Payable	526,605	264,400	699,352	232,161
Accrued Expenses	800,081	839,193	627,643	670,270
Accrued Compensated Absences	993,122	1,016,748	987,517	1,048,533
Total Current Liabilities	\$2,319,808	\$2,120,341	\$2,314,511	\$1,950,964
Other Liabilities				
Bonds - Long-Term Portion				
Accrued Landfill Close & Post Close costs	14,564,514	14,819,398	15,082,777	15,126,674
Accrued Post Retirement Benefit	570,596	780,235	769,600	783,766
Total Liabilities	\$17,454,918	\$17,726,461	\$18,231,105	\$17,925,620
Deferred Outflow of Resources				
Deferred Outflows of Resources related to OPE	0	6,487	64,216	64,216
Total Deferred Inflow of Resources	\$0	\$6,487	\$64,216	\$64,216
Fund Balance (Retained Earnings)	43,516,613	46,424,763	45,172,973	44,996,217
Revenues Less Expenses (Current Year)	3,068,702	(1,251,790)	(176,756)	365,138
Total Fund Balance (Retained Earnings)	\$46,585,314	\$45,172,973	\$44,996,217	\$45,361,355
Total Net Assets (Equity)	\$46,585,314	\$45,172,973	\$44,996,217	\$45,361,355

Attachment G4

ecomaine								
Statement of Cash Balances								
as of August 31, 2019 of FY2020								
Category	12 Month Actuals @ 6/30				Budget FY2020 @ 6/30/20	Actual FY2020 @ 8/31/19	Reserves per policy	Reserve Target
	2016	2017	2018	2019				
Cash & Reserves - beginning of period	\$26,510,251	\$28,538,043	\$30,861,320	\$30,335,576	\$26,423,615	\$27,351,217		
Cash flows from operating activities:								
Net operating income	(1,232,895)	1,802,380	(2,623,561)	(1,791,158)	(3,093,680)	467,165		
Add back: depreciation	4,201,984	4,177,307	4,316,892	3,859,420	4,361,892	568,762		
Add back: landfill closure costs	295,483	(2,182,480)	224,814	263,379	275,000	43,897		
Add back: Post Retirement Benefit	70,458	60,244	70,458	78,509	85,000	(50,050)		
Other working capital changes	(859,134)	388,720	194,650	47,129	0	(714,522)		
Net cash provided by operating activities	\$2,475,896	\$4,246,170	\$2,183,253	\$2,457,280	\$1,628,212	\$315,251		
Cash flows from capital and related financing activities:								
Payment of interest	1,983	0	0	0	0	0		
Repayment of long-term debt	0	0	0	0	0	0		
Repayment of capital leases	0	0	0	0	0	0		
Net cash used in capital and related financing	\$1,983	\$0	\$0	\$0	\$0	\$0		
Cash flows from investing activities:								
Receipts of Non Investment Interest	35,662	36,584	49,340	68,278	50,447	14,328		
Investment Income Net of Expenses	141,924	1,164,205	1,205,691	1,485,070	500,000	(114,686)		
Capital expenditures	(2,147,288)	(3,123,683)	(3,964,027)	(6,994,987)	(7,192,000)	(733,729)		
Sale of Gorham Property	1,519,615							
Net cash used in investing activities	(\$450,087)	(\$1,922,894)	(\$2,708,996)	(\$5,441,639)	(\$6,641,553)	(\$834,088)		
Net increase (decrease) in cash	2,027,792	2,323,277	(525,744)	(2,984,359)	(5,013,341)	(518,836)		
Cash & Reserves - end of period	\$28,538,043	\$30,861,320	\$30,335,576	\$27,351,217	\$21,410,275	\$26,832,381		

Statement of Cash Balances								
Operating Cash Reserve	\$8,249,690	\$8,290,518	\$8,301,636	\$4,368,193	\$3,502,080	\$4,395,920	\$4,395,920	\$4,395,920
Landfill Closure Reserve	300,941	301,736	301,753	309,601	300,223	310,284	310,284	310,284
Discretionary Landfill Closure Reserve	6,214,445	7,712,419	9,789,027	10,546,784	8,138,790	10,438,530	10,438,530	22,217,000
Long Term Capital Reserve	4,057,653	4,520,183	4,984,354	5,356,350	3,178,678	5,309,662	5,309,662	5,309,662
Recycling Revenue & Cost Sharing	502,516	502,847	0	0	0	0	0	0
Short Term Capital Reserve	3,298,492	3,310,239	3,316,864	2,597,777	3,290,504	2,609,623	2,609,623	2,609,623
Bond Payment Reserves	0	0	0	0	0	0	0	0
Debt Service Reserves	0	0	0	0	0	0	0	0
Balance Operating Cash	5,914,305	6,223,377	3,641,942	4,172,513	3,000,000	3,768,363		
Total	\$28,538,043	\$30,861,320	\$30,335,576	\$27,351,217	\$21,410,275	\$26,832,381	\$23,064,018	\$34,842,488

Attachment G5

ecomaine									
Capital Improvements Projects									
as of August 31, 2019 of FY2020									
Number	Dept.	Title	Fiscal Year 2020 Budget	Fiscal Year-to-Date Expenditure	Fiscal Year 2020 Forecast	Fiscal Year 2020 Budget vs Forecast	Total Forecasted Cost of Project	In-service Date	Comments
Waste-to-Energy									
1524-029-2	c	Building Improvements - Leaks, Siding, Remodeling	\$2,950,000	\$619,467	\$1,974,000	\$976,000	\$3,500,000	Nov 2019	In Progress
1524-505-2	c	Equipment - Fire Alarm Design & Installation	0	4,000	161,321	(161,321)	244,496	Sep 2019	In Progress
1524-561-1	c	Equipment - Replacement Grapple for Refuse Crane	0	55,865	65,000	(65,000)	65,000	Jul 2019	Completed
1524-440-2	c	Equipment - Delta V DCS hardware and software upgrades	0	(2,405)	0	0	62,305	May 2019	Completed
1524-***.*		Equipment - 480 Volt Switch-gear	250,000	0	250,000	0	250,000	Apr 2020	
1524-***.*		Equipment - Ash Handling - Mixer Conditioner Controls Replacement	50,000	0	50,000	0	50,000	Dec 2019	
1524-567-1		Boiler - Feedwater Pump Soft-Start	75,000	0	75,000	0	75,000	Nov 2019	
1524-***.*		Boiler - Refractory Replacement	500,000	0	500,000	0	500,000	Apr 2020	
1524-***.*		Boiler - Secondary Air Nozzles Upgrade	500,000	0	500,000	0	500,000	Apr 2020	
1524-***.*		Boiler - Superheaters A & B	1,050,000	0	1,050,000	0	1,050,000	Apr 2020	
1524-568-1		Boiler - Suspension System Repair & Adjustment	150,000	0	150,000	0	150,000	Jan 2020	
1524-***.*		Boiler - Upgrade Nox Controls	130,000	0	130,000	0	130,000	Jan 2020	
1524-***.*		Building - Tipping Hall Resurface (Phase 2)	100,000	0	100,000	0	100,000	Mar 2020	
1524-***.*		Building - Sidewalks	150,000	0	150,000	0	150,000	Apr 2020	
1524-***.*		Equipment - CEMS Analyzer Equipment Replacement	125,000	0	125,000	0	125,000	Mar 2020	
1524-***.*		Equipment - Repair Cooling Tower Structure/Valves & Joints	150,000	0	150,000	0	150,000	Apr 2020	
1524-***.*		Equipment - Air Compressor	65,000	0	65,000	0	65,000	Oct 2019	
1524-***.*		Equipment - Replacement Water Treatment Analyzer	25,000	0	25,000	0	25,000	Oct 2019	
1526-***.*		Vehicles - Forklift	50,000	0	50,000	0	50,000	Oct 2020	
Subtotal WTE			\$6,320,000	\$676,926	\$5,570,321	\$749,679	\$7,241,801		
Recycle									
1527-468-2	c	Equipment - Harris Baler Reline & Upgrades	0	0	0	0	165,710		Postponed to FY21
1527-556-1	c	Equipment - Engineering Design - Rear Loading Ramp Replacement	0	0	0	0	0	Jun 2020	
1527-463-4	c	Equipment - American Baler Reline	0	(637)	15,017	(15,017)	30,034	Oct 2019	Postponed to FY20
1527-557-1	c	Equipment - Stairway to Maint Shop Messanine	0	0	0	0	0		Postponed to FY21
1527-565-1	c	Equipment - Fire Alarm - Prevention, Detection, Response	0	0	161,748	(161,748)	402,432	Sep 2019	In Progress
1527-***.*		Equipment - Upgrade Electronics in Harris bailer	70,000	0	0	70,000	0	May 2020	
1527-***.*		Equipment - Glass Breaker Shaft Replacement	15,000	0	0	15,000	0	Apr 2020	
1527-***.*		Equipment - Sorting Equipment Upgrades	300,000	0	0	300,000	0		Postponed to FY23
1527-492-4		Equipment - Roll off Container Replacements (FY20)	24,000	0	0	24,000	0	Jun 2020	
Subtotal Recycle			\$409,000	(\$637)	\$176,765	\$232,235	\$598,176		
Landfill									
1525-548-1	c	Landfill - GeoTech Monitoring Settlement Platforms	40,000	6,440	0	40,000	0	Jun 2020	In Progress
1525-550-1	c	Landfill - Phase One Settlement Berm	16,000	0	0	16,000	0		Postponed to FY21
1525-***.*		Landfill - Geomembrane Operations	100,000	0	100,000	0	100,000		Postponed to FY21
1526-***.*		Vehicles- Electric Trucks	85,000	0	240,000	(155,000)	240,000	Dec 2019	
1526-566-1		Vehicles- Sweeper	20,000	20,000	20,000	0	20,000	Aug 2019	Completed
1526-***.*		Vehicles- Utility Vehicle	12,000	0	12,000	0	12,000		Postponed to FY21
1525-***.*		Building - Wash Bay	100,000	0	100,000	0	100,000	Jun 2020	In Progress
Subtotal Landfill			\$373,000	\$26,440	\$472,000	(\$99,000)	\$472,000		
Administration									
1524-558-1	c	Equipment - Signs for WTE & Recycle facilities	0	0	30,000	(30,000)	33,590	Dec 2019	Postponed to FY20
1528-559-1	c	Systems - ADP Time Clock Migration	0	0	16,000	(16,000)	16,000	Dec 2019	In Progress
1526-569-1		Vehicles - Electric Car	30,000	31,000	30,000	0	30,000	Aug 2019	Completed
1528-***.*		Systems - Hardware Upgrades	60,000	0	60,000	0	60,000	Feb 2020	
Subtotal Administration			\$90,000	\$31,000	\$136,000	(\$46,000)	\$139,590		
Total All Areas			\$7,192,000	\$733,729	\$6,355,086	\$836,914	\$8,451,566		

c Project carried over from prior year because they are not finished yet
 * A project is complete when it goes in service and not when the money is necessarily spent.

ecomaine						
Accounts Receivable Aging						
as of August 31, 2019						
Date	Item	Current	31-60 Days	61-90 Days	91 & Over Days	Total
6/30/2018	Balances	\$1,350,831	\$213,044	\$41,534	\$93,286	\$1,698,696
	%	79.50%	12.50%	2.40%	5.50%	100.00%
7/31/2018	Balances	\$1,478,110	\$118,594	\$83,998	\$65,054	\$1,745,755
	%	84.70%	6.80%	4.80%	3.70%	100.00%
8/31/2018	Balances	\$1,675,182	\$229,475	\$71,398	\$61,250	\$2,037,306
	%	82.20%	11.30%	3.50%	3.00%	100.00%
9/30/2018	Balances	\$1,407,324	\$273,405	\$57,807	\$39,289	\$1,777,824
	%	79.20%	15.40%	3.30%	2.20%	100.00%
10/31/2018	Balances	\$1,455,267	\$196,924	\$86,674	\$55,855	\$1,794,720
	%	81.10%	11.00%	4.80%	3.10%	100.00%
11/30/2018	Balances	\$1,422,118	\$173,399	\$37,476	\$37,042	\$1,670,036
	%	85.20%	10.40%	2.20%	2.20%	100.00%
12/31/2018	Balances	\$1,505,592	\$134,840	\$17,397	\$72,335	\$1,730,163
	%	87.00%	7.80%	1.00%	4.20%	100.00%
1/31/2019	Balances	\$1,723,764	\$110,748	\$19,641	\$58,551	\$1,912,705
	%	90.10%	5.80%	1.00%	3.10%	100.00%
2/28/2019	Balances	\$1,430,890	\$235,174	\$33,445	(\$10,504)	\$1,689,006
	%	84.70%	13.90%	2.00%		100.00%
3/31/2019	Balances	\$1,382,938	\$139,754	\$99,242	\$12,411	\$1,634,344
	%	84.60%	8.60%	6.10%	0.80%	100.00%
4/30/2019	Balances	\$1,370,483	\$252,970	\$58,297	\$92,064	\$1,773,814
	%	77.30%	14.30%	3.30%	5.20%	100.00%
5/31/2019	Balances	\$1,504,312	\$143,846	\$38,243	\$64,526	\$1,750,927
	%	85.90%	8.20%	2.20%	3.70%	100.00%
6/30/2019	Balances	\$1,396,190	\$257,828	\$41,619	\$78,801	\$1,774,439
	%	78.70%	14.50%	2.30%	4.40%	100.00%
7/31/2019	Balances	\$1,661,975	\$185,120	\$68,566	\$120,460	\$2,036,121
	%	81.62%	9.09%	3.37%	5.92%	100.00%
8/31/2019	Balances	\$1,623,481	\$257,159	\$52,259	\$101,722	\$2,034,621
	%	79.73%	12.63%	2.57%	5.00%	100.00%

Note: The Allowance for Doubtful Accounts & 1217 IRS are not included in the totals above.