



Memorandum

DATE: January 9, 2025
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Agenda for the Finance & Audit Committee

There is an **ecomaine** Finance & Audit Committee Meeting scheduled for **Thursday, January 16, 2025 @ 3PM**. The meeting will be held at **ecomaine** and the agenda for the meeting is as follows:

1. Approval of Minutes (*Attachment A*)
2. Cash Disbursements Report – Michael Foley, Chair
3. **Presentation:** Bonding Update & Debt Overview (*Attachment B*)
4. Financial Statements FY 25 – (Year-to-Date): (*Provided under separate cover*)
 - Statement of Revenue
 - Statistical Data
 - Balance Sheet
 - Statement of Cash Balances
 - Capital Expenditures
 - Status of Accounts Receivable
5. Other:

Future Meetings:

Full Board of Directors	01-16-2025 @ 4pm
Outreach & Recycling Committee	02-13-2025 @ 3pm
Executive Committee	02-13-2025 @ 4pm
Full Board of Directors	03-20-2025 @ 4pm
Finance & Audit Budget Review	03-27-2024 @ 4pm
Outreach & Recycling Committee	04-10-2025 @ 4pm
Full Board of Directors	04-17-2025 @ 4pm
Finance & Audit Committee	05-15-2025 @ 3pm
Executive Committee	05-15-2025 @ 4pm
Outreach & Recycling Committee	05-22-2025 @ 4pm
Annual Board of Directors Meeting	06-18-2025 @ 11:00am – (Change in Date from 06-19-2025)



Memorandum

DATE: October 1, 2024
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Finance & Audit Committee Minutes – September 19, 2024

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

Item #1: Approval of the Minutes:

Troy Moon motioned to approve the minutes of May 16, 2024, as written. The motion was second by Linda Boudreau. All in Favor.

Item #3: Jennifer Conners, RKO – Presentation – Audit FY 24:

Jennifer Conners provided a summary of the FY 24 Audit to the committee. She stated that the Audit went very well, RKO provided an unmodified opinion. She reviewed the timing of the audit, testing of internal controls and accounts payable disbursements. Other areas of review were Cash Investments, Reserves, an estimate was provided on future liability of closure/post closure Landfill Liability and Landfill Reserve. In addition, she reviewed other long-term liabilities, our cash net position, revenues and expenditures. There was a brief question period.

In final, RKO recommended that ecomaine follow Uniform Guidance on grants, as well as developing policies and procedures on cash management of grants.

Item #4: Update – Bond Financing:

Greg L'Heureux (Staff) reported on the RFP for short term BAN's. Feedback from the banks has been limited. BIDs are due next week September 25. He reviewed the timeline of long-term bonding planned for April 2025. He also noted that the landfill expansion has begun. Greg L'Heureux (Staff) also discussed the TEFFRA requirements and the disclosure requirements to select communities. There was a brief discussion.

Item #5: Insurance Policies Review:

Greg L'Heureux (Staff) & Kevin Roche (Staff) provided a brief update on our current insurances. Staff advised the committee that Starr Technology had evaluated our facility and believe this will help with future insurance cost for our industries. The only item disclosed in the evaluation from Staff Technology was that the panels on the

building were not fire rated. Kevin Roche noted that we are currently partially self-insured and looking into the direction for next year insurance options.

Item #6/7: **Financials Statements FY 24/FY 25:**

Financial Statements will be reviewed during the presentation of the 5 Year Plan at the Executive Committee meeting directly following this meeting.

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

Present: Anne Bilodeau, Linda Boudreau, Dave Durrell, Mike Foley, Matthew Frank, Caleb Hemphill, Steve Kelly, Troy Moon, Rod Regier & Erik Street

Guest: Jennifer Connors, RKO

Staff: Greg L'Heureux, Wei Huang, Denise Mungen & Kevin Roche

DRAFT



Ecomaine Bonding Update and Debt Overview

A look at current and future debt service

Update:

- Bond Council Selected – Michael Botelho of Updike Kelly –December 2023
 - With Local Counsel -Alyssa Tibbetts of Jensen Baird
- Bond Municipal Advisor –Joe Cuetara of Moors & Cabot-December 2023
- Board Formally Approved –\$35.5 million -January 2024
- TEFRA Process Approvals- September/October 2024
- BAN's Issued through TD Bank-\$20 million –October 2024 (Due April 2025)
- Underwriter RFP for Negotiated Sale -In Process (End of January 2025)
- Official Statement Drafting –Starting process in January 2025
- Updating 5 Year Plan with more current data –February/March 2025
- FY2026 Budget being Developed -For board presentation in March 2025
- Bond Rating Process -March 2025
- Sale and Close of Bonds April 2025

Current Capital Lease Debt 12/31/24

	<u>Rate</u>	Borrowed	<u>Current O/S</u>
2021	1.75%/2.15%	\$2,500,000	\$1,492,213
2022	3.050%	\$2,000,000	\$1,037,819
2023	3.895%	\$2,000,000	\$1,440,416
2024	4.610%	<u>\$2,000,000</u>	<u>\$1,920,157</u>
Total		\$8,500,000	\$5,890,605

Current Capital Lease Debt Service (includes Interest)

FY25	\$1,509,053
FY26	\$1,509,053
FY27	\$1,298,580
FY28	\$ 864,269
FY30	\$ 420,043
FY31	\$ 420,043
FY32	\$ 251,886
FY33	\$ 251,886
FY34	\$ 251,886

\$7,196,742

Bond Anticipation Note

\$20,000,000

(Six Month Term)

Interest Due

FY25 \$433,000 (monthly \$72,167)

Revenue Bond Interest

(Anticipate April 2025 Closing)

Borrowing	\$35,500,000		
Interest Due		FY25	FY26
Monthly (2 months)		\$236,667*	
Monthly (12 months)			\$1,420,000*

* Estimated at 4% but could be more or less

Debt Service Budget FY25

	<u>Budget</u>	<u>Actual/Forecast</u>
Lease Principal	\$1,379,326	\$1,293,762
Lease Interest	\$217,031	\$215,291
BAN Interest	\$275,000	\$433,000
Bond Interest	<u>\$739,600</u>	<u>\$236,667</u> *
Total	\$2,610,957	\$2,178,720
		Positive Variance \$432,237

* Estimated at 4% but could be more or less

2025 Bond Issue Components

	<u>Amount</u>	<u>Financing Term/Notes</u>
Landfill East 2B	\$4,200,000	7 Years (cell life-accepting Ash)
Landfill East 2B	\$1,010,000	20 Years (long term infrastructure)
Landfill Remote Pump Station	\$2,040,000	20 Years (partial subsidy from KC)
WTE Projects	\$1,186,000	15 Years
MRF Recycling Project	<u>\$27,064,000</u>	20 Years (Interest only first 18 months)
Total	\$35,500,000	

2025 Bond Issue -Principal Only (Pro-forma Only)

<u>Due</u>	<u>Principal Only</u>				<u>Totals</u>
	Landfill	WTE	Landfill	MRF	
	<u>7 yrs</u>	<u>15 yrs</u>	<u>20 yrs</u>	<u>20 yrs</u>	
4/15/2026	530,000	56,000	105,000	-0-	691,000
4/15/2027	555,000	60,000	105,000	979,000	1,699,000
4/15/2028	575,000	65,000	110,000	1,015,000	1,765,000
4/15/2029	600,000	65,000	115,000	1,060,000	1,840,000
4/15/2030	620,000	70,000	120,000	1,100,000	1,910,000
4/15/2031	645,000	70,000	125,000	1,145,000	1,985,000
4/15/2032	675,000	75,000	130,000	1,190,000	2,070,000
4/15/2033		80,000	135,000	1,240,000	1,455,000

This continues until 2045

2025 Bond Issue -Principal & Interest (Pro-forma Only)

Annual Debt Service (Principal and Interest)

<u>Due</u>	<u>Landfill</u> <u>7 yrs</u>	<u>WTE</u> <u>15 yrs</u>	<u>Landfill</u> <u>20 yrs</u>	<u>MRF</u> <u>20 yrs</u>	<u>Totals</u>
4/15/2026	698,000	103,440	227,000	1,082,560	2,111,000
4/15/2027	701,800	105,200	222,800	2,061,560	3,091,360
4/15/2028	699,600	107,800	223,600	2,058,400	3,089,400
4/15/2029	701,600	105,200	224,200	2,062,800	3,093,800
4/15/2030	697,600	107,600	224,600	2,060,400	3,090,200
4/15/2031	697,800	104,800	224,800	2,061,400	3,088,800
4/15/2032	702,000	107,000	224,800	2,060,600	3,094,400
4/15/2033		109,000	224,600	2,063,000	2,396,600

This continues until 2045

Debt Service Budget FY26

	Budget
Lease Principal	\$1,335,368
Lease Interest	\$173,685
Bond Principal	\$691,000
Bond Interest	<u>\$1,420,000</u> *
Total FY26	\$3,620,053
Total FY25	\$2,610,957
Increase	\$1,009,096

* Estimated at 4% but could be more or less

Debt Service Budget FY27

Based on currently approved Financing

	Budget
Lease Principal	\$1,167,953
Lease Interest	\$130,627
Bond Principal	\$1,699,000
Bond Interest	<u>\$1,392,360</u> *
Total FY27	\$4,389,940
Total FY26	\$3,620,053
Increase	\$769,887

* Estimated at 4% but could be more or less



Questions