



Memorandum

DATE: March 26, 2021

TO: Chairman and Members of the Board

FROM: Kevin H. Roche, CEO/General Manager

SUBJECT: Finance & Audit Committee Minutes – March 25, 2021

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

Committee Present: Dennis Abbott, Dave Durrell, Matthew Frank, Greg L'Heureux, Troy Moon, Rod Regier, Bill Shane & Mike Shaw

Other Board Members Present: Bob Burns, Caleb Hemphill & Glen (Bear) Zaidman

Approval of the Minutes:

Troy Moon motioned to approve the minutes. The motion was second by Matthew Frank. All in Favor. Bob Burns & Glen (Bear) Zaidman abstained.

Cash Disbursements:

Bill Shane reported that on March 17, 2021 he reviewed cash disbursements with staff for the period of December 29, 2020 through February 26, 2021 and found them to be in accordance with the purchasing procedures.

Review of Proposed FY 22 Budget

Kevin Roche summarized the Proposed FY 22 Budget presented to the Full Board of Directors on March 18, 2021. He reflected on the following:

- The review of current FY 21 Recycling Revenues
- Noted favorable investment returns
- Discussed FY 22 net income
- Reviewed FY 22 Capital expenditures carried over from FY 21
- Reiterated the growth of our financial position (Cash & Reserves combined)
- Reflected on our continued growth in recycling

Kevin Roche reviewed the lease financing proposals with the committee and provided a list of approved projects. He discussed the major changes in the capital improvement projects and the additional costs associated with the Wash Bay and our inability to include the electric trucks in the leasing proposal due to state and federal restrictions. There was a lengthy discussion.

Don Hebert reviewed FY 21 projections and proposed FY 22 budget. Discussion followed.

Matthew Frank motioned to recommend amending the \$2 million lease financing that was

approved by the board of directors in January 2021 by increasing it to \$2.5 million due to the additional costs associated with the Wash Bay building and our inability to obtain lease financing on the Electric Trucks due state and federal restrictions. Motion was second by Mike Shaw. Motion passed with one abstention.

Mike Shaw motioned to recommend to the Full Board the approval of the FY 22 budget as presented. Motion seconded by Matthew Frank. Discussion. Motion passed with one abstention.

Bill Shane requested staff update the leasing proposal data previously presented to include updated information on changes for the next Full Board Meeting.

Bill Shane motioned to recommend the \$2.5 million of lease financing for new projects eligible in the fiscal year 22 budget to the Full Board of Directors. Motion second by Mike Shaw. Rod Regier shared concerns with the current recommendations on lease financing. There was a lengthy discussion.

Bill Shane solicited input from all board members present. Glenn (Bear) Zaidman asked if there was an early payout on leasing. Staff responded that there was no early payout penalty however, the full interest amount for the length of the lease would still need to be paid. Then a vote was taken. 4 Approved, 1 Opposed and 1 Abstained. Passed.

Financial Statements

Bill Shane recommended to the committee that we review Financial Statement during the Full Board Meeting scheduled in April.

Dave Durrell made a motion to adjourn. The motion was second by Matthew Frank. All in favor.

Staff Present: Matt Grondin, Don Hebert, Wei Huang, Denise Mungen, Kevin Roche & Kevin Trytek