

**Finance Committee
May 23, 2013 Regular Meeting
Draft Minutes**

Members Present: Committee Chairman Joel Freedman
Scott Shanley

CRRA Staff Present: Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Jeffrey Duvall, Director of Budgets and Forecasting
Laurie Hunt, Director of Legal Services
Nhan Vo-Le, Director of Accounting
Moirra Kenney, HR Specialist/Board Administrator

Also Present: Brian Anderson & Gil Bironi of Council 4 AFSCME; John
Pizzimenti, USA Hauling; Jeff Roude and Paul Goetz of Bollam,
Sheedy & Torani; Jim Sandler, Esq. of Sandler & Mara.

PUBLIC COMMENT

Chairman Freedman called the meeting to order at 10:37 a.m. He said he had recently been appointed Chair of the Finance Committee by Chairman Stein who had also appointed Director Hayden as a new member.

Brian Anderson of Council 4 AFSCME addressed the Committee.

Gil Bironi of Local 184 also addressed the Committee.

1. Approval of the Minutes of the April 18, 2013, Finance Committee Meeting

Chairman Freedman requested a motion to accept the minutes of the April 18, 2013, Finance Committee meeting. The motion to approve the minutes was made by Director Shanley and seconded by Chairman Freedman.

The motion to approve the minutes was approved by roll call. Chairman Freedman abstained.

EXECUTIVE SESSION

Chairman Freedman requested a motion to enter into Executive Session to discuss personnel matters. The motion was made by Director Shanley and seconded by Chairman Freedman. The motion previously made and seconded was approved unanimously by roll call. Chairman Freedman requested that the following people remain for the Executive Session, in addition to the Committee members:

Paul L. Goetz

Jeff Roude

The Executive Session commenced at 10:45 a.m. and concluded at 11:25 a.m.

The meeting was reconvened at 11:25 a.m., the door was opened, and the Board secretary and all members of the public were invited back in for the continuation of public session.

2. Review and Recommend for Board Approval – Mid-CT Audit (Period Ending 11/15/12)

Chairman Freedman requested a motion regarding the above-captioned item. Director Shanley made the motion which was seconded by Chairman Freedman.

RESOLVED, That the Board hereby accepts the Mid-Connecticut Audit for the period ended November 15, 2012, substantially as discussed and presented at this meeting.

The motion previously made and seconded was approved by roll call.

3. Review and Recommend for Board Approval – Revisions to FY14 Property Division and CSWS Operating and Capital Budget Resolution

Chairman Freedman requested a motion regarding the above-captioned item. Director Shanley made the motion which was seconded by Chairman Freedman.

WHEREAS, This Board of Directors (the “Board”) adopted the CSWS Fiscal Year 14 budget on February 28, 2013, which budget anticipated that the State of Connecticut would purchase one-half of the Fiscal Year 14 electric output of the South Meadows Resource Recovery Facility (the “RRF”) at a rate of approximately \$0.065 per kilowatt hour, pursuant to a bilateral agreement which was subsequently determined by the State to require legislative approval, and that the remaining electric output would be sold in the real time market at approximately \$0.046 per kilowatt hour, and subsequently adopted the Property Division Fiscal Year 14 budget on April 29, 2013, using the same assumptions; and

WHEREAS, In the event that the State does not purchase one-half of the RRF electric output commencing July 1, 2013 at the budgeted rate in Fiscal Year 14, the Fiscal Year 14 CSWS budget will be out of equilibrium; and

WHEREAS, The Board has the ability to redirect spending of the Property Division and the CSWS budgets, taking into consideration potential additional revenues unknown at the time the budgets were adopted, as well as potential additional expenditures which may be necessary as a result of 2013 legislative mandates; and

WHEREAS, The Board now considers it prudent to review the budgets and to develop a contingency plan in the event that additional cash is required to balance the CSWS budget;

NOW THEREFORE, it is

RESOLVED: That the proposed Fiscal Year 2014 Property Division and CSWS budgets be revised in the form presented and discussed at this meeting; and

FURTHER RESOLVED: That relocation expenses of \$800,000 in the Property Division be eliminated and be transferred to the CSWS's operating account; and

FURTHER RESOLVED: That the President contribute CSWS excess revenues anticipated to be \$1,200,000 from the Fiscal Year 2013 CSWS operating funds into the CSWS Capital Expenditure Reserve and reduce the Fiscal Year 2014 contribution by \$2,200,000 reducing the reserve's ending balance; and

FURTHER RESOLVED: That the President is authorized to restore the contribution to the CSWS Capital Expenditure Reserve should the CSWS Fiscal Year 2014 actual revenues surpass the actual expenses; and

FURTHER RESOLVED: That the payment schedule for an annual Payment in Lieu of Taxes ("PILOT") to be negotiated with the City of Hartford by the President, as authorized by this Board at its February 28, 2013 meeting, shall anticipate quarterly installments of PILOT, payment of each installment to be contingent upon determination by the Board of the adequacy of CRRA's then-current cash position; no payment shall be made until the Board has approved a final agreement with the City.

Director Shanley made a motion to approve the resolution with the second whereas amended to say "previously approved budget" and to amend the last resolve regarding the City of Hartford PILOT payment to say "semi-annual with a review in December of CRRA's fiscal condition". Chairman Freedman asked that the word equilibrium be replaced in the second whereas with the word "balanced".

4. Amendment to - Revisions to FY14 Property Division and CSWS Operating and Capital Budget Resolution

Director Shanley made a motion to approve the revisions to the resolution below as amended and discussed. Chairman Freedman seconded the motion.

WHEREAS, This Board of Directors (the "Board") adopted the CSWS Fiscal Year 2014 budget on February 28, 2013, which budget anticipated that the State of Connecticut would purchase one-half of the Fiscal Year 14 electric output of the South Meadows Resource Recovery Facility (the "RRF") at a rate of approximately \$0.065 per kilowatt hour, pursuant to a bilateral agreement which was subsequently determined by the State to require legislative approval, and that the remaining electric output would be sold in the real time market at approximately \$0.046 per kilowatt hour, and subsequently adopted the Property Division Fiscal Year 14 budget on April 29, 2013, using the same assumptions; and

WHEREAS, In the event that the State does not purchase one-half of the RRF electric output commencing July 1, 2013 at the budgeted rate in Fiscal Year 14, the previously approved Fiscal Year 2014 CSWS budget will be out of balance; and

WHEREAS, The Board has the ability to redirect spending of the Property Division and the CSWS budgets, taking into consideration potential additional revenues unknown at the time the budgets were adopted, as well as potential additional expenditures which may be necessary as a result of 2013 legislative mandates; and

WHEREAS, The Board now considers it prudent to review the budgets and to develop a contingency plan in the event that additional cash is required to balance the CSWS budget;

NOW THEREFORE, it is

RESOLVED: That the proposed Fiscal Year 2014 Property Division and CSWS budgets be revised in the form presented and discussed at this meeting; and

FURTHER RESOLVED: That relocation expenses of \$800,000 in the Property Division be eliminated and be transferred to the CSWS's operating account; and

FURTHER RESOLVED: That the President contribute CSWS excess revenues anticipated to be \$1,200,000 from the Fiscal Year 2013 CSWS operating funds into the CSWS Capital Expenditure Reserve and reduce the Fiscal Year 2014 contribution by \$2,200,000 reducing the reserve's ending balance; and

FURTHER RESOLVED: That the President is authorized to restore the contribution to the CSWS Capital Expenditure Reserve should the CSWS Fiscal Year 2014 actual revenues surpass the actual expenses; and

FURTHER RESOLVED: That the payment schedule for an annual Payment in Lieu of Taxes ("PILOT") to be negotiated with the City of Hartford by the President, as authorized by this Board at its February 28, 2013 meeting, shall anticipate semi-annual installments of PILOT, payment of the first installment to be in July and payment of the second installment to be after December contingent upon determination by the Board of the adequacy of CRRA's then-current cash position; no payment shall be made until the Board has approved a final agreement with the City.

The motion previously made and seconded was approved as amended and discussed by roll call.

EXECUTIVE SESSION

Chairman Freedman requested a motion to enter into Executive Session to discuss updates on pending litigation. The motion was made by Director Shanley and seconded by Chairman Freedman. The motion previously made and seconded was approved unanimously by roll call. Chairman Freedman requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk
Jim Bolduc
Jeff Duvall
Laurie Hunt
Nhan Vo-Le

The Executive Session commenced at 12:52 a.m. and concluded at 1:18 p.m.

The meeting was reconvened at 1:18 p.m., the door was opened, and the Board secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

ADJOURNMENT

Chairman Freedman requested a motion to adjourn the meeting. The motion was made by Director Shanley and seconded by Chairman Freedman.

The meeting was adjourned at 12:35 p.m.

Respectfully submitted,

Moira Kenney
HR Specialist/Board Administrator