

**Finance Committee**  
**Oct. 22, 2009, Regular Meeting**

**Draft Minutes**

Members Present: Vice-Chairman O'Brien  
Alan Desmarais  
Mark Lauretti (present by telephone)  
Ted Martland

CRRA Staff Present: Tom Kirk, President  
Jim Bolduc, Chief Financial Officer  
Bettina Bronisz, Director of Finance  
Jeff Duvall, Manager of Budgets and Forecasting  
Moira Kenney, Secretary to the Board/Paralegal

Vice-Chairman O'Brien called the meeting to order at 9:00 a.m. and noted that there was a quorum.

**1. Approval of Minutes of the Sept. 17, 2009, Finance Committee Meeting**

Vice-Chairman O'Brien requested a motion to accept the minutes of the Sept. 17, 2009, Finance Committee meeting. The motion was made by Director Martland and seconded by Director Desmarais.

The minutes were approved unanimously by roll call. Director Desmarais abstained as he was not present at the last meeting.

**2. Review and Recommend for Board Approval Reserve Analysis**

Vice-Chairman O'Brien requested a motion regarding the above-captioned item. Director Desmarais made the following motion:

**WHEREAS**, Authority has fulfilled its consent obligation for DEP Consent Order SW-400 by obtaining DEP approval to exhaust the remaining funds reserved to promote mercury awareness; and

**WHEREAS**, the FY 09 Mid-Connecticut actual revenues exceed the actual expenses resulting in a surplus of \$7,291,252, which, as stated in the MSA, is to be used in the FY 11 budget to offset expenses; and

**WHEREAS:** The Authority has performed an analysis of its Mid-Connecticut Project Town of Ellington Transfer Station Trust Reserve and has determined that only the \$10,000 is required to fulfill the contractual obligations.

**RESOLVED:** That the Mercury Public Awareness Reserve be dissolved; and

**FURTHER RESOLVED:** That the Mid-Connecticut FY 09 surplus of \$7,291,252 be used to develop the FY 11 operating budget; and

**FURTHER RESOLVED:** That \$37,622 from the Town of Ellington Transfer Station Trust Reserve be used to develop the Mid-Connecticut Project FY 11 operating budget.

Director Martland seconded the motion.

Vice-Chairman O'Brien said that a revised copy of the resolution was distributed due to a typo. Director Martland said there was a typo on the third line down after the third bullet where "unsure" should read "assure". Vice-Chairman O'Brien said the first bullet should read "cited" instead of "sited". He asked that if the Connecticut Department of Environmental Protection (hereinafter referred to as the "CT DEP") signs off on the reserve, that information be included in the Board package.

Vice-Chairman O'Brien said that he would change the second bullet to say "in accordance with the MSA's". He asked that the amount of money that Ellington has used on litter removal over the years also be included. Mr. Duvall said that answer was zero and that the information would be included. Vice-Chairman O'Brien said that it was important to point out that the Ellington has not seen a need to use that fund.

Vice-Chairman O'Brien said that he assumed that all of the money has been spent. Mr. Duvall said that was correct. Vice-Chairman O'Brien asked where the interest from these accounts has gone. Mrs. Bronisz said that it was not an interest bearing account.

Director Desmarais suggested that it was established for use on compensating bank balances. Ms. Bronisz agreed.

Vice-Chairman O'Brien asked that a table showing the reserve accounts be provided for the Board. Mr. Bolduc said that it will be put together and sent to Vice-Chairman O'Brien.

Vice-Chairman O'Brien asked that the supporting documentation for the Shelton landfill account and others which state, "the minutes suggest that the Board approved the creation of this landfill reserve" be accompanied by specific resolutions which state "the Board acknowledges and approved the actions both implicit and explicit of prior Board's in creating the reserve fund". He said he would like the Board to follow the correct procedure concerning reserves.

Director Lauretti asked if the reserves had already been properly created and funded. Mr. Bolduc said this was correct.

Vice-Chairman O'Brien said that management could not find a resolution creating the reserve. He said that it was obviously created and funded over the years. Mr. Bolduc said that he would change the wording to avoid any ambiguity.

Director Lauretti said that there is a long history of documentation which addresses the need for the reserves and there is no need for redundancy.

Vice-Chairman O'Brien said that he wants to be sure CRRA's reserves are properly created and untouchable.

Director Martland asked if Shelton is the oldest landfill. Vice-Chairman O'Brien said that was correct. Director Martland said that he is concerned that rationally created reserves will be subject to changes in rules going forward.

Mr. Bolduc explained that the Environmental Protection Agency's (hereinafter referred to as "EPA") request for an additional 15% of contingency funds due to a hazardous waste cell at the Shelton landfill was as a result of the resolution of decade-old request. He said that if and when such a situation arises CRRA will have to deal with it and can only address the information that it currently has. Mr. Bolduc said that for GASB 18 every year a calculation is done and filed with the CT DEP according to their rules.

Director Lauretti asked when the post-closure process is started. Mr. Bolduc replied that it varies by landfill. He said that Shelton is probably the furthest along the thirty year time horizon. Ellington has also been moving along for a while, and the others are all in various stages. Chairman O'Brien said that it is his understanding that the post-closure starts when the CT DEP certifies that the landfill has been closed to their specifications which then triggers the post-closure monitoring.

Director Lauretti said that all of the phases are closed in Shelton but he would like to know when the work for post-closure activities begin. Mr. Bolduc said that the post-closure costs are essentially the maintenance and monitoring of the landfill. Mr. Bolduc said that the Shelton landfill future use reserves concerns the steps Director Lauretti is referring to.

Director Martland asked at what point the future use plans can be undertaken. Mr. Kirk said that CT DEP has to first approve the future use plans, which it has not done yet for Shelton. Mr. Duvall said the ecological risk assessment Mr. Kirk is referring to takes several years and will most likely take place around 2015 at which point funds from that reserve will be used to put the plan into action.

Vice-Chairman O'Brien said that several of the reserves associated with the Bridgeport Project are stamped closed and the final statement is "fund was reduced to zero and is not closed" or some variation. He said because some of these reserves were created with a resolution he would like these reserves to also be closed with a resolution passed by the Board.

Ms. Bronisz said the Bridgeport reserves were established by bond indentures. She said management has a statement from the trustee saying the accounts were all closed in accordance to the indenture. Chairman O'Brien asked that such a statement be added to write-up. He said if there are any reserves which were not closed by bonds indenture, they should be done so with a Board resolution.

Director Desmarais asked that the benefit fund be closed. Mr. Bolduc said that it is being used in the FY'10 budget and can't be closed until FY'10 assuming the funds are used up. Director Desmarais said if that is the case after FY'10 then it should be closed.

Director Desmarais asked if there is a reason that the non GASB 18 and the GASB 18 reserves are separated out. Vice-Chairman O'Brien said that the monitoring of the post-closure reserve wouldn't recognize some of the administrative costs. He said he believes that was discussed and ultimately determined to not be possible.

After some discussion Mr. Bolduc said that he would investigate the mechanics of consolidating the reserves.

The motion previously made and seconded was approved unanimously.

**3. Review and Recommend for Board Approval Bridgeport Financial Distribution Summary**

Vice-Chairman O'Brien requested a motion regarding the above-captioned item. Director Martland made the following motion:

**WHEREAS**, the Bridgeport Project officially ended on December 31, 2008; and

**WHEREAS**, the Connecticut Resources Recovery Authority's (the "Authority") Board of Directors (the "Board") seeks to make a first distribution of Bridgeport Project-related funds to the towns that were member of the former Bridgeport Project; and

**WHEREAS**, on July 23, 2009, the Board reviewed and approved the consolidation of various activities and assets and accounts relating to the Bridgeport Project in order to set funds aside prior to a distribution of Bridgeport Project-related funds to the towns that were members of the former Bridgeport Project; and

**WHEREAS**, on September 24, 2009 the Board reviewed and approved the transfer of remaining assets and accounts that are necessary for the continuation of other activities of the former Bridgeport Project in order to avoid comingling with other Bridgeport Project funds and arrived at a dollar amount to be distributed; and

**WHEREAS**, the former President of the Bridgeport Solid Waste Advisory Board has approved the methodology of distribution of funds to the former Bridgeport Project towns, which will be the pro rata of each town's weighted average delivery and minimum commitment to the Bridgeport Project during the immediate past five years.

**NOW, THEREFORE**, it is

**RESOLVED:** that the amount of \$1,639,185 be distributed to the 18 former Bridgeport Project towns in the percentage values and dollar amounts as follows:

<u>Municipality:</u>	<u>Percentage:</u>	<u>Distribution:</u>
Bethany	0.37%	\$ 6,064.99
Bridgeport	17.21%	282,103.74
Darien	2.59%	42,454.89
East Haven	3.48%	57,043.64 *
Easton	0.73%	11,966.05

Fairfield	11.32%	185,555.74
Greenwich	13.15%	215,552.83
Milford	10.08%	165,229.85
Monroe	2.84%	46,552.85
Norwalk	11.77%	192,932.07
Orange	1.51%	24,751.69
Shelton	4.69%	76,877.78
Stratford	6.42%	105,235.68
Trumbull	4.84%	79,336.55
Weston	1.28%	20,981.57
Westport	4.66%	76,386.02
Wilton	2.22%	36,389.91
Woodbridge	0.84%	13,769.15
<b>Total</b>	<b>100.00%</b>	<b>\$ 1,639,185.00</b>

\* This amount will be netted against the outstanding receivable of \$175,106, as will any further distribution until such time as the amount has been reduced to zero outstanding.

Director Desmarais seconded the motion.

Vice-Chairman O'Brien asked that the distributions be rounded to the nearest dollar or hundred. Director Martland disagreed because the Towns may object. After discussion the Committee agreed that the numbers would stay as presented.

Director Desmarais said that in the document CRRA says it will offset the amount that East Haven owes the Authority. He said he does not think CRRA should distribute the \$57,043.64. He said if this is done then the amount that East Haven owes starts to look smaller and is more likely to be ignored. Director Desmarais suggested putting the \$57,043.64 elsewhere and inform East Haven they still owe the project.

Mr. Bolduc said that the \$175,000 East Haven's owes will only offset by \$57,043.64 and what will happen is either a write-off by the other towns or the towns will have to fight this issue in court with the town's funds.

Vice-Chairman O'Brien said that management can tell East Haven they need to pay the total outstanding before the \$57,043.64 is distributed.

Director Laretti said that he would distribute the \$57,043.64 at the risk of being unfair to the other towns. He said that there is a meeting on the 27<sup>th</sup> of October with the Mayors where the question should be broached.

Mr. Bolduc said that although CRRA is planning on holding the \$57,043.64 East Haven still owes \$175,000.00.

Mr. Kirk said that he would like to make it clear that East Haven's public works officers are pressuring CRRA for the funds.

Mr. Bolduc said that the amounts the other towns are getting is not going to change and they will not have wait over this outstanding receivable. He said that he wouldn't delay giving the money to the other towns while the East Haven question is resolved.

The Committee discussed resolving this issue. They agreed their recommendation to the Board is contingent on confirmation from the Mayor's at the October 27, 2009 meeting.

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

#### **4. Informational**

Vice-Chairman O'Brien noted that the Informational section of the package was thoroughly reviewed by the Committee.

Mr. Bolduc said that the management letter has been received from Bollam, Sheedy & Torani (hereinafter referred to as "BST"). He said that management's response will come to the Committee in November when BST will receive the response and meet with the Committee.

#### **5. Executive Session**

Vice-Chairman O'Brien requested a motion to enter into Executive Session to discuss pending litigation. The motion was made by Director Martland and seconded by Director Desmarais. The motion previously made and seconded was approved unanimously by roll call. Vice-Chairman O'Brien requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk  
Jim Bolduc

The Executive Session commenced at 10:18 a.m. and concluded at 10:40 a.m.

The meeting was reconvened at 10:40 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.

#### **ADJOURNMENT**

Vice-Chairman O'Brien requested a motion to adjourn the meeting. The motion made by Director Desmarais and seconded by Director Martland was passed unanimously.

The meeting was adjourned at 10:40 a.m.

Respectfully submitted,

Moira Kenney  
Secretary to the Board/Paralegal