

Finance Committee
Feb. 18, 2010, Regular Meeting

Draft Minutes

Members Present: Committee Chairperson Savitsky
Vice-Chairman O'Brien
Alan Desmarais
Mark Laretti (present beginning 10:15 a.m.)
Ted Martland (present by telephone)

CRRA Staff Present: Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Jeff Duvall, Manager of Budgets and Forecasting
Peter Egan, Director of Environmental Affairs
Bettina Ferguson, Director of Finance
Laurie Hunt, Director of Legal Services
Nhan Vo-Le, Director of Accounting Services
Tina Mateo, Senior Financial Analyst
Paul Nonnenmacher, Director of Public Affairs
Moira Kenney, Secretary to the Board/Paralegal

Also present: Jim Sandler, Esq., of Sandler & Mara

Committee Chairperson Savitsky called the meeting to order at 9:33 a.m. and noted that there was a quorum.

Committee Chairperson Savitsky requested that everyone stand for the Pledge of Allegiance whereupon the Pledge was recited. Noting that there were no members of the public present which cared to comment during public comment, Committee Chairperson Savitsky stated that the regular meeting would commence.

1. Approval of Minutes of the Jan. 21, 2010, Finance Committee Meeting

Committee Chairperson Savitsky requested a motion to accept the minutes of the Jan. 21, 2010, Finance Committee meeting. The motion was made by Vice-Chairman O'Brien and seconded by Director Desmarais.

The minutes were approved as amended by roll call.

2. Review and Recommend for Board Approval – FY 10 MDC Mid-Conn Operating Budget

Committee Chairperson Savitsky requested a motion regarding the above-captioned item. Vice-Chairman O'Brien made the following motion:

WHEREAS, The Metropolitan District Commission (MDC) failed to meet the contractual due date of February 1st for submitting the fiscal year 2011 annual operating budget for the Mid-Connecticut Project (the fiscal year 2011 Proposed Budget). The MDC submitted such operating budget to the Authority on February 3, 2010, two days beyond the contractual due date, which caused difficulty in the Authority's budget review process; and

WHEREAS, the budget prepared by the MDC demonstrated an increase of \$16,724,195 in expenditures or additional \$22.37 per ton as compared to their fiscal year 2009 actual expenses; and

WHEREAS, The Authority immediately reviewed and submitted questions to the MDC to assist in the evaluation of the Proposed Budget; and

WHEREAS, as of February 18, 2010 no response to the Authority's request for documentation or additional information has been forthcoming from MDC; and

WHEREAS, upon its review, the Authority determined that the fiscal year 2011 Proposed Budget for the Administration submitted by the MDC included \$12,440,500 for a line item entitled "MDC Contract Separation Costs". The Authority recommends the elimination of such contract expiration costs, and further recommends maintaining the existing managerial complement level and reducing the Administration regular pay budget by an estimated \$94,550 and reducing other personnel-related costs estimated at \$497,100 which collectively will result in a reduction in Indirect Cost by \$14,900; and

WHEREAS, upon its review, the Authority determined that the fiscal year 2011 Proposed Budget for Waste Processing Facility (WPF) submitted by the MDC included an increase in a line item entitled Pension Regular for pension contribution which appears to include contract expiration costs estimated at \$3,700,900. The budget also reflected an increase in personnel-related costs due to additional headcount estimated at \$165,000. In addition, the Authority recommends a number of other reductions as follows:

- Reduce Outside Services and Consulting Services by \$118,000 to a combined total of \$32,000 which is consistent with Fiscal Year 2009 actual expenditures.
- Reduce Pest Control Services by \$5,000 to \$5,000 which is consistent with Fiscal Year 2009 actual expenditures.
- Reduce Power Operated Equipment by \$127,800 to \$852,000 which is consistent with Fiscal Year 2010 projected expenditures.
- Reduce Indirect Costs by \$31,600 to \$2,067,200 which is the related reduction to the above-mentioned reductions in expenditures.

The Authority recommends a reduction in these amounts and deletion of additional headcount. The Authority also recommends a capital budget of \$200,000 for the upgrade of primary shredder.

NOW, THEREFORE, it is

RESOLVED: That the Board hereby adopts the fiscal year 2011 Mid-Connecticut Annual Operating Budget as submitted by the MDC and revised by the Authority in the form presented at this meeting.

The motion was seconded by Director Desmarais.

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

3. Review and Recommend for Board Approval – FY 10 Mid-Conn Budget

Committee Chairperson Savitsky requested a motion regarding the above-captioned item.

RESOLVED: That the proposed fiscal year 2011 Mid-Connecticut Project operating budget be adopted substantially in the form presented and discussed at this meeting;

FURTHER RESOLVED: That the following tip fees be adopted for fiscal year 2011 operating budget;

WASTE STREAM	TIP FEES
Member and Commercial Solid Waste Tip Fee (per ton)	\$70.00
Spot Solid Waste Tip Fee (per ton)	Market Rate
Municipal Bulky Waste (per ton)	\$90.00
Ferrous Residue (per ton)	Market Rate
DEP Certified Soils/Cover Material (per ton)	Market Rate
Mattress fee (per unit)	\$45.00
Recycling Tip Fee (per ton)	\$0.00

FURTHER RESOLVED: That the President is hereby authorized to approve the use of funds from the following Mid-Connecticut Project reserves, as appropriate, to pay for costs and fees incurred during fiscal year 2011 in accordance with the capital budget adopted pursuant hereto, substantial as presented and discussed at this meeting, provided that all purchases of goods and services shall comply with the requirements of the Authority's Procurement Policy:

Hartford Landfill Closure Reserve
Landfill Development Fund
Jets/EGF Reserve
Facility Modification Reserve
Rolling Stock Reserve
Risk Fund

The motion was made by Vice-Chairman O'Brien and seconded by Director Desmarais.

Committee Chairperson Savitsky said that the vote will be deferred in order to address the remaining agenda items.

4. Review and Recommend for Board Approval Resolution Regarding Mid-Connecticut Assets Write-Off

Committee Chairperson Savitsky said that this item would be deferred until the March 18, 2010, Finance Committee meeting.

WHEREAS, the Authority conducted an equipments audit in 205 and an equipment write-off occurred in 2005; and

WHEREAS, the Authority conducted an equipment audit in 2007; and

WHEREAS, the Authority conducted an equipment audit between November 2009 and January 2010.

NOW THEREFORE it is RESOLVED; That the Board hereby authorizes a write-off in the amount of \$12,000 as net book value for Mid-Connecticut equipment reflected on the attached list.

5. Review and Recommend for Board Approval Resolution Authorizing Contract for Economic Advisory Services

Committee Chairperson Savitsky requested a motion on the above referenced item. Vice-Chairman O'Brien made the motion.

RESOLVED: That the President be authorized to enter into a contract for economic advisory services with Environmental Capital, LLC to assist management with work on a variety of projects including, but not limited to, financial and economic evaluation with regard to the strategic plans of the Authority, market information on other comparable solid waste authorities and innovations within the solid waste field; financial feasibility analyses; and analysis of state and federal laws and regulations relative to solid waste management and municipal bonds. This contract will be for a three-year period, from March 1, 2010 to February 28, 2013.

The motion was seconded by Director Desmarais.

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

EXECUTIVE SESSION

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

Tom Kirk
Jim Bolduc

Jeffrey Duvall
Laurie Hunt

The Executive Session commenced at 11:15 a.m. and concluded at 12:09 p.m.

The meeting was reconvened at 12:09 p.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.

6. Review and Recommend for Board Approval – FY 10 Mid-Conn Budget

Committee Chairperson Savitsky requested a motion regarding the above-captioned item.

RESOLVED: That the proposed fiscal year 2011 Mid-Connecticut Project operating budget be adopted substantially in the form presented and discussed at this meeting;

FURTHER RESOLVED: That the following tip fees be adopted for fiscal year 2011 operating budget;

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FURTHER RESOLVED: That the President is hereby authorized to approve the use of funds from the following Mid-Connecticut Project reserves, as appropriate, to pay for costs and fees incurred during fiscal year 2011 in accordance with the capital budget adopted pursuant hereto, substantial as presented and discussed at this meeting, provided that all purchases of goods and services shall comply with the requirements of the Authority's Procurement Policy:

Hartford Landfill Closure Reserve
Landfill Development Fund
Jets/EGF Reserve
Facility Modification Reserve
Rolling Stock Reserve
Risk Fund

The motion was made by Vice-Chairman O'Brien and seconded by Director Desmarais.

The motion previously made and seconded was passed by roll call as presented with three potential amendments to address the issues that have been raised.

INFORMATIONAL SECTION

Committee Chairperson Savitsky noted that the Informational section of the package was thoroughly reviewed by the Committee.

ADJOURNMENT

Committee Chairperson Savitsky requested a motion to adjourn the meeting. The motion made by Vice-Chairman O'Brien and seconded by Director Lauretti was passed unanimously.

The meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Moira Kenney
Secretary to the Board/Paralegal