

**Finance Committee**  
**April 22, 2010, Regular Meeting**

**Draft Minutes**

Members Present: Chairman Michael Pace  
Committee Chairperson Linda Savitsky  
Timothy Griswold (present by phone)  
Mark Lauretti (present by phone)  
Ted Martland (present by phone)

CRRA Staff Present: Jim Bolduc, Chief Financial Officer  
Bettina Ferguson, Director of Finance  
Peter Egan, Director of Environmental Services  
Nhan Vo-Le, Director of Accounting Services  
Moirra Kenney, Secretary to the Board/Paralegal

Committee Chairperson Savitsky called the meeting to order at 9:40 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, Committee Chairperson Savitsky stated that the regular meeting would commence.

**1. Approval of Minutes of the March 18, 2010, Finance Committee Meeting**

Committee Chairperson Savitsky requested a motion to accept the minutes of the March 18, 2010, Finance Committee meeting. The motion was made by Director Martland.

**2. Withdrawal of the Motion to Approve the Minutes of the March 18, 2010, Finance Committee Meeting**

Director Martland withdrew his motion to approve the minutes of the March 18, 2010, Finance Committee Meeting.

**3. Approval of Minutes of the March 18, 2010, Finance Committee Meeting**

Committee Chairperson Savitsky requested a motion to accept the minutes of the March 18, 2010, Finance Committee meeting. The motion was made by Director Martland and seconded by Director Lauretti.

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

**4. Review and Recommend for Board Approval – Bridgeport Financial Summary and Reserve Contribution**

Committee Chairperson Savitsky requested a motion regarding the above-captioned item. Director Lauretti made the following motion:

**WHEREAS:** the Connecticut Resources Recovery Authority (the “Authority”) has determined that \$195,148.90 currently in the Bridgeport Post Reserve should be held pending resolution of litigation arising from an incident at the Milford Transfer Station in 2007.

**NOW, THEREFORE:** it is

**RESOLVED:** that the amount of \$195,148.90 be transferred from the Bridgeport Post Project Reserve to the Bridgeport Risk Reserve.

The motion was seconded by Director Martland.

Mr. Bolduc said that when the Bridgeport Project expired there were some residual items remaining to be paid. He said two reserves, the post-project reserve and the risk project reserve were set up to pay for these items.

Mr. Bolduc said the post-project reserve was intended for closure items and the risk project reserve was created for items concerning litigation and the potential resolution of insurance claims. He said the post-project reserve contained very definitive items which were detailed as they were completed in a report to the Finance Committee, President of the SWAB Committee Steve Edwards, and the SWAB member towns.

Mr. Bolduc said that in this quarterly review management identified about \$195,000 that would have been available for distribution back to the SWAB member towns. He said however, as a result of a past incident at the Milford transfer station based on that claim and advice from counsel, management recommends the money be moved from the Bridgeport post-project reserve into the Bridgeport risk-reserve. He said if the issue is resolved the funds will be available for distribution.

Director Lauretti asked why the funds do not remain where they are. Mr. Bolduc replied that both reserves are related to the Bridgeport Project and for the purposes of the SWAB committee members the post-project items need to be completed. He said the goal is to take everything off of the post-project reserve and ultimately only have the risk reserve left because it may be a number of years before those items are resolved. Mr. Bolduc said that management hopes to have all items resolved and paid from the post-project reserve by next year. He said these steps are a cleaner accounting action which will make it easier for the SWAB Committee to chart progress. Mr. Bolduc said that the items in the risk reserve are more legal and insurance company related issues.

Director Lauretti said that he believes the action will send a signal that there is some liability and CRRRA may call attention to the item by setting a specific dollar amount aside. Mr. Bolduc said providing information that \$195,000 is in the fund may result in pressure from the member towns to refund that money which is currently not possible. Mr. Bolduc said that Mr. Edwards is okay with this process.

Committee Chairperson Savitsky asked why the two reserves can't be merged into one to avoid an individual transfer amount. She said that a message could be sent that until the reserve is ready to be shut down there will be no more distributions.

Director Griswold said that the financial summary lists the balance of the post-project reserve as \$752,000 in March. He said that a page later the available balance is listed as \$195,000 after planned expenditures.

Ms. Ferguson explained that the balance was taken from the STIF account March 31, 2010, and subsequent to that there was an approximate \$24,000 payment to AON risk services which is reflected in the \$195,000. She said that the math does not quite work because she was using two different time periods. Ms. Ferguson said that will be corrected for the Board meeting.

Mr. Bolduc said management originally set up a \$625,000 reserve which was overstated by the receivable amount because that was actually money coming in that should have been netted out. He said management has received money on the City Carting and East Haven fines and outstanding receivables so one could make the case that there is an additional \$130,000 in that account that could be distributed to the towns.

Committee Chairperson Savitsky suggested that the Committee adopt a strong policy statement. She said that she is concerned that the Towns are expecting more funds as CRRA has released prior funds. Committee Chairperson Savitsky said that she believes no further funds will be released until the outstanding issues are truly resolved. She said that her intention is to set a policy basis on a go forward basis as to how CRRA will handle subsequent project closures. Committee Chairperson Savitsky said that she would pull the resolution as it stands and come back to the Finance Committee in May with a formal resolution. She said that she recommends this policy be brought to the Policies & Procurement Committee for approval although it is actually a financial policy.

Chairman Pace suggested the recommendation be developed with the Committee and then brought to the full Board at which point the Board and all Policies & Procurement Committee members can also be made aware of the policy and weigh in with comments.

Vice-Chairman Martland agreed as a member of the Policies & Procurement Committee. He said he thinks this action is prudent.

Director Griswold said that the \$195,000 has a reasonable chance of being spent and it should be stated that if not needed it will be returned to the towns to avoid the perception of unnecessary hoarding.

Mr. Bolduc said that the resolution to the Board could consolidate the two reserves into one and also establish that until these matters are substantially completed at such time action will be taken to return the funds to the towns and eliminate the quarterly reporting into a consolidated final position. He said this intent will need to be communicated to Mr. Edwards and the SWAB Committee.

Director Laretti said that he believes the funds should be placed into one account for legitimate required spending.

**5. Withdrawal of the Motion to Approve the Bridgeport Financial Summary and Reserve Contribution**

Director Lauretti withdrew his motion to approve the Bridgeport financial summary and reserve contribution.

Director Martland withdrew his second to the motion.

Committee Chairperson Savitsky said that management is going to consolidate the two reserves into a single reserve and that a policy statement will be formerly drafted to speak to the ongoing and final distribution. Mr. Bolduc said that instead of a policy, management will describe the distributions within the resolution.

Committee Chairperson Savitsky agreed. She said in the future however she would like to see a policy developed in a timely manner to address all of the issues necessary.

Director Martland said that the third bullet in the write-up states that CRRA received \$12,500 and in the fourth bullet there is an additional \$175,076 which does not make sense. Ms. Ferguson said that there has been some payments in addition to that initial deposit of the \$675,000. Ms. Ferguson said that within the \$625,000 was \$130,000 worth of receivables.

Ms. Ferguson said on top of that there were some additional payments from East Haven. Committee Chairperson Savitsky asked that a bullet be added which explained the \$625,000 figure was an accrued number which was reduced and increased by certain numbers.

**6. Motion to Consolidate the Bridgeport Reserves**

Chairperson Savitsky requested a motion to consolidate the Bridgeport post-project reserve and the Bridgeport risk-reserve.

The motion to consolidate the Bridgeport Reserves was made by Director Martland and seconded by Director Griswold.

Chairperson Savitsky said that there will be a motion to consolidate the two reserves into a single reserve and secondly that a policy statement will be formerly drafted to address the ongoing motioning and final distribution. Mr. Bolduc said that within the resolution management will describe those steps.

The motion was approved unanimously by roll call.

**7. Review and Recommend for Board Approval – Establishment of Trash Museum Bank Account Reserve**

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

**WHEREAS:** The Board of Directors of the Connecticut Resources Recovery Authority (the “Authority”) adopted its Mid-Connecticut Project Budget for Fiscal Year 2011 (“Mid-Conn FY2011 Budget”) on February 25, 2010; and

**WHEREAS:** the Mid-Conn FY2011 Budget includes funding for certain expenses of the Trash Museum located in Hartford, Connecticut, for the educational benefit and enjoyment of the Mid-Connecticut Project member towns; and

**WHEREAS:** Management recommends instituting the charging of a fee for groups who visit and utilize the educational resources of the Trash Museum from non-Mid-Connecticut Project towns commencing January 1, 2011; and

**WHEREAS:** Management will establish a bank account at Bank of America for the Trash Museum separate and apart from other bank accounts already established for the Authority at Bank of America; and

**WHEREAS:** this separate Trash Museum bank account at Bank of America will receive deposits from sources not included in the adopted Mid-Conn FY2011 budget including fees charged to groups from non-Mid-Connecticut Project towns;

**NOW, THEREFORE,** it is

**RESOLVED:** That Management establishes a separate bank account for the Trash Museum and that funds deposited into this account be from revenue sources other than those budgeted therefore in the adopted Mid-Conn FY2011 Budget for use in Trash Museum activities.

The motion was made by Chairman Pace and seconded by Director Martland.

Mr. Bolduc said funding the Garbage museum in Stratford will be parallel to the funding process for the Trash museum in Hartford when the Mid-Connecticut Project comes to its expiration. He said the Board will be back to the question of whether to fund the museum or have it in the tip fee that represents costs associated with MSW. He said in preparation of this management has discussed seeking grants and other activities to bolster cash receipt to be utilized in the operation of the facilities as it is part of the Solid Waste Management Plan to provide education.

Mr. Bolduc said Mr. Nonnenmacher and his team are working on this and these potential revenue streams should be placed in a separate trash museum reserve for those activities to be available for operations of the Trash Museum. He said that those towns which utilize the Trash museum which are not part of the 70 Mid-Connecticut member towns would be charged a fee which would be accumulated in the reserve account. Mr. Bolduc said dollars that may come from grants and from other organizations may flow into this reserve. He said depending on the wording of the grant a different reserve may be required. He explained this particular reserve is an unrestricted Board designated reserve and a grant from a foundation with very specific terms may require CRRA to honor the terms of the grantor and as a result management may need to create a restricted reserve.

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

### **INFORMATIONAL SECTION**

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

Chairman Pace asked management to consider rebranding the Trash and Garbage museums to a title which encompasses recycling in the future.

Director Martland asked what is happening in Essex. He said there is \$794,000 budgeted in operation and only \$370,000 was spent. Mr. Bolduc explained historical arbitration concerning red circle claims (which was settled) has money accrued which involved the MDC employees at that time. He said the accrual was reversed and impacted the Essex and Ellington transfer stations.

### **EXECUTIVE SESSION**

Committee Chairperson Savitsky requested a motion to enter into Executive Session to discuss pending litigation. The motion was made by Chairman Pace 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

The Executive Session commenced at 10:15 a.m. and concluded at 10:45 a.m.

The meeting was reconvened at 10:45 a.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**

Committee Chairperson Savitsky requested a motion to adjourn the meeting. The motion made by Director Lauretti and seconded by Director Martland was passed unanimously.

The meeting was adjourned at 10:45 a.m.

Respectfully submitted,

Moira Kenney  
Secretary to the Board/Paralegal