

**Finance Committee
June 17, 2010 Meeting**

Draft Minutes

Members Present: Committee Chairperson Linda Savitsky

CRRA Management Present: Jim Bolduc, Chief Financial Officer

Also Present: Moirá Benacquista, Board Secretary/Paralegal

Committee Chairperson Savitsky called the meeting to order at 9:35 a.m. and noted that there was not a quorum present.

MEETING RECESSED

Committee Chairperson Savitsky noted there was not a quorum of the Finance Committee members present. She recessed the meeting until 12:00 p.m.

The meeting was recessed at 9:35 a.m.

JUNE 17, 2010

Committee Chairperson Savitsky reconvened the meeting on Thursday, June 17, 2010, at 12:00 p.m.

Members Present: Committee Chairperson, Linda Savitsky
Mark Lauretti, (present by telephone until 12:23 p.m.)
Theodore Martland

CRRA Management Present:
Jim Bolduc, Chief Financial Officer
Bettina Ferguson, Director of Finance
Jeff Duvall, Manager of Budgets and Forecasting
Nhan Vo-Le, Director of Accounting Services
Moirá Benacquista, Board Secretary/Paralegal

Also Present: Jerry Tyminski, SCRRRA
Rick McCarthy, Environmental Capital

Committee Chairperson Savitsky called the recessed meeting to order at 12:00 p.m. and noted that there was a quorum present.

1. Approval of Minutes of the May 20, 2010, Finance Committee Meeting

Chairperson Savitsky requested a motion to accept the minutes of the May 20, 2010, Finance Committee meeting. The motion was made by Director Martland and seconded by Committee Chairperson Savitsky.

The minutes were approved by roll call. Director Martland abstained.

2. Review and Recommend for Board Approval Resolution Regarding the Purchase of Workers Compensation/Employers Liability Insurance for the Period 7/1/10 – 7/1/11

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

RESOLVED: That CRRA purchase Workers Compensation/Employers Liability insurance with a statutory limit and \$1,000,000 limit for Employers Liability, for a premium of \$70,944 from Connecticut Interlocal Risk Management Agency (CIRMA) for the term 7/1/10 – 7/1/11, as discussed at this meeting.

The motion was seconded by Committee Chairperson Savitsky.

Committee Chairperson Savitsky said this is a very straight forward resolution with one bidder. She noted that the Committee is familiar with CIRMA. Mr. Bolduc said that Ms. Martin tried to interest other carriers in bidding; however CIRMA was the only response. He said there is about a 21% increase in price from the prior year which did not surprise management as there were some extensive compensation claims in the past year. Mr. Bolduc said that the premium is slightly below what was budgeted.

Mr. Bolduc said carriers are not interested in the market associated with the Solid Waste industry. Director Martland said his experience with insurance companies is that they are not comfortable entering areas they do not have experience in.

Committee Chairperson Savitsky said that CIRMA has the majority of the municipal market in Connecticut. She said it was a pool that came into existence in the 70's when private companies stopped writing municipality insurance.

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

3. Informational

Mr. Bolduc said the informational section contains a report which involves CRRA's hauler. He said there was an unusual transaction of a pre-payment of about \$10 million which management reported to the Attorney General's office. He said there was no mishandling of any assets. He said that management declined to file a 4-33A which outside legal counsel agreed with.

Mr. Bolduc said that a missing laptop and a 40 yard load-off were reported to the State in a 4-33A filing.

Mr. Bolduc said that the Accounting Department had been awarded the Certificate of Achievement for Excellence in Financial Reporting. Committee Chairperson Savitsky said that the plaque will be awarded at the Board meeting.

Committee Chairperson Savitsky explained that the interview process for the underwriter interviews will take place in Executive session.

Director Laretti asked why the interview process is part of the Finance Committee meeting. Committee Chairperson Savitsky said that historically the Finance Committee has interviewed the potential underwriters, as was done for the Wallingford financing. She said she believes this process falls under the Finance Committee duties.

Director Laretti said that he does not agree that the interviews should be part of a public meeting. Committee Chairperson Savitsky said the interviews will be held in Executive Session and conducted by management along with herself, Director Martland and Jerry Tyminski from SCARRA.

Mrs. Ferguson reported that management had put out an RFP for underwriters and the proposals were submitted to CRRA and its financial advisor Rick McCarthy on June 10, 2010. She said eighteen proposals were received and based on specific criteria three firms were selected for possible recommendation and interviews by Mr. Bolduc and Mr. McCarthy. The three firms which will be interviewed include; Citigroup Global Markets, inc., Roosevelt & Cross, Inc., and The Jefferies & Company.

Mr. McCarthy said he was looking for the best price, and in the bond world that means the lowest interest rates. He explained to distinguish among the 18 responses management looked for experience with the type of financing CRRA does along with solid waste experience. He said that the less risk investors perceive the lower the interest rate.

Mr. McCarthy said the second qualification looked for was sufficient capital to underwrite somewhere between thirty and forty million dollars worth of bonds. He explained by municipal bond standards that is not a huge figure. Mr. McCarthy said that management looked for a firm with enough capital to take those bonds into their own inventory before selling them if there was a change in the market. He explained the three firms which are interviewing possess substantial experience in resource recovery and solid waste and also sufficient capital to underwrite the bonds.

The Finance Committee undertook a substantial discussion on the methodology of interviewing the selected firms.

Committee Chairperson Savitsky said that the July 22, 2010, Finance meeting will most likely be held by phone due to a brief agenda.

4. Executive Session

Committee Chairperson Savitsky requested a motion to enter into Executive Session to discuss pending litigation, pending RFP's, and personnel and security matters with appropriate staff. The motion was made by Director Martland and seconded by Committee Chairperson Savitsky. The motion previously made and seconded was approved unanimously. Committee Chairperson Savitsky requested that the following people remain for the Executive Session, in addition to the Committee members:

Jim Bolduc
Bettina Ferguson
Jerry Tyminski
Rick McCarthy

The Executive Session commenced at 12:31 a.m. and concluded at 4:15 p.m.

The meeting was reconvened at 4:15 p.m. No votes were taken. The Committee agreed that their recommendation would be brought to the full Board for approval at the June meeting.

ADJOURNMENT

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

The meeting was adjourned at 4:15 p.m.

Respectfully submitted,

Moira Benacquista
Board Secretary/Paralegal