

**Finance Committee
April 14, 2011 Regular Meeting
Draft Minutes**

Members Present: Committee Chairman Martland
 Louis J. Auletta, Jr. (present by telephone)
 Timothy Griswold (present by telephone until arriving in person at 9:50
 a.m.)

CRRA Staff Present: Tom Kirk, President
 Jim Bolduc, Chief Financial Officer
 Jeff Duvall, Director of Budgets and Forecasting
 Bettina Ferguson, Director of Finance
 Laurie Hunt, Director of Legal Services
 Nhan Vo-Le, Director of Accounting Services
 Moira Benacquista, Secretary to the Board/Paralegal

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

Chairman Martland called the meeting to order at 9:35 a.m. He said there were no members of the public who wished to comment and proceeded with the agenda.

1. Approval of Minutes of the March 10, Finance Committee Meeting

Chairman Martland requested a motion to accept the minutes of the March 10, 2011, Finance Committee meeting. The motion to approve the minutes was made by Director Auletta and seconded by Director Griswold.

The minutes were approved by unanimously by roll call.

2. Review and Recommend for Board Approval – Landfill Division Budget

Chairman Martland requested a motion regarding the above-captioned item. Director Griswold made the following motion which was seconded by Director Auletta:

RESOLVED: That the fiscal year 2012 Landfill Division Operating budget totaling \$1,863,000.00 be adopted as presented at this meeting.

FURTHER RESOLVED: That the President is hereby authorized to approve the use of funds from the following Landfill Division Reserves, as appropriate, to pay for costs and fees incurred during fiscal year 2012 in accordance with the operating budget adopted pursuant hereto, 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:

Shelton Landfill Post Closure Reserve
Waterbury Landfill Post Closure Reserve
Wallingford Landfill Post Closure Reserve

Mr. Bolduc said these expenditures were reflected as part of the old Projects as they concerned two landfills in the Bridgeport Project and one landfill from the Wallingford Project. He said although these projects have come to fruition management is still responsible for several ongoing obligations in the future. Mr. Bolduc said management created a landfill division for this purpose as it involves the expenditure of funds to continue the obligations required by the Connecticut Department of Environmental Protection (hereinafter referred to as the "CT DEP"). He said those funds have been consolidated into the landfill division which is for post-closure activities. Mr. Bolduc said once the Mid-Connecticut Project gets to the same stage, management will bring the Ellington Landfill and the Hartford Landfill in as well.

Mr. Bolduc said expenditures of dollars are required to maintain and monitor the landfills as required by the CT DEP. Mr. Bolduc said beginning July 1, 2011, management will begin spending money out of those landfill post-closure reserves under the guidelines of the policy and procurement policies. He said this budget is for the Shelton, Wallingford, and Waterbury post-closure activities.

Mr. Bolduc said these activities have already been approved and reviewed by the CT DEP as part of the overall closure of the landfills. He said reports are submitted to the CT DEP for the continued legacies concerning these landfills. Mr. Bolduc said the \$1.8 million to take care of the landfills comes out of the post-closure reserves and this resolution authorizes management to draw these funds out of the reserve.

Mr. Bolduc said the Ellington and Hartford landfill expenditures continue to be part of the Mid-Conn Project.

Director Griswold asked for detail concerning construction and labor costs. Mr. Kirk said there are a number of items concerning the closure monitoring. He said after the closure is done the bulk of the construction work is complete when the landfill is closed provided the CT DEP accepts and certifies the closure, which it has in fact done for all of these landfills. Mr. Kirk said the construction line item Director Griswold is referring to is typically for repairs and handling such issues such as seepage events. He said it is truly a monitoring and maintenance task. Mr. Kirk said there are routine event costs over the years which will be covered with these funds.

Chairman Martland said he was under the impression that it is possible that the CT DEP may change its regulations in the future. Mr. Kirk said this is certainly possible and noted that management had only reserved a modest contingency. He said the assumption in CRRA's financial plan is that any changes by the CT DEP or Environmental Protection Agency would grandfather in the existing plan at the existing location, or if not, would allow for some supplemental funding to pay for any changes to the regulations. Mr. Kirk said CRRA would not be able to afford that funding as the projects are complete and there is no way to supplement the funding.

Director Griswold asked for some detail concerning the \$82,000 for grounds maintenance. Mr. Kirk said a majority of those maintenance costs involve cutting the acres of grass at the landfill, a requirement of the CT DEP in order to prevent the growth of excessive vegetation which can affect the cap. He said that job is bid out and the quarterly grounds' maintenance involves vegetation cutting and trimming.

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

3. Review and Recommend for Board Approval – Bridgeport Financial Distribution Update

Chairman Martland requested a motion regarding the above-captioned item. Director Griswold made the following motion which was seconded by Director Auletta:

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

WHEREAS, on July 23, 2009, the Connecticut Resources Recovery Authority’s (the “Authority”) Board of Directors (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 for final project expenses prior to a distribution of Bridgeport Project-related funds to the towns that were members of the former Bridgeport Project (the “Towns”); 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 approved the methodology of distribution of funds to the Towns, which is the pro rata of each town’s weighted average delivery and minimum commitment to the Bridgeport Project during the five and one-half year period July 1, 2003 to December 31, 2008; and

WHEREAS, on October 29, 2009, the Board approved the first distribution of \$1,639,185 to the Towns; and

WHEREAS, on December 16, 2010, the Board approved a second distribution of \$967,529 to the Towns and also authorized the transfer of \$5,000 from the Bridgeport Post Project Reserve to the Waterbury Landfill Post Closure Reserve to facilitate the installation of the groundwater well; and

WHEREAS, the amount of \$354,253 is identified surplus and can be distributed to the Towns.

NOW, THEREFORE, it is

RESOLVED: that \$1,575.00 be transferred from the STIF Operating account to the Bridgeport Post Project Reserve for distribution to the Towns; and

FURTHER RESOLVED: that \$200,142.00 plus any residual interest be transferred from the STIF Waterbury Landfill Closure to the Bridgeport Post Project Reserve for distribution to the Towns and that account be closed; and

FURTHER RESOLVED: that the amount of \$354,253 be distributed to the Towns in the percentage values and dollar amounts as follows:

<u>Municipality:</u>	<u>Percentage:</u>	<u>Distribution:</u>
Bethany	0.37%	\$ 1,310.74
Bridgeport	17.21%	\$ 60,966.94
Darien	2.59%	\$ 9,175.15
East Haven	3.48%	\$ 12,328.00
Easton	0.73%	\$ 2,586.05
Fairfield	11.32%	\$ 40,101.44
Greenwich	13.15%	\$ 46,584.27
Milford	10.08%	\$ 35,708.70
Monroe	2.84%	\$ 10,060.78
Norwalk	11.77%	\$ 41,695.58
Orange	1.51%	\$ 5,349.22
Shelton	4.69%	\$ 16,614.47
Stratford	6.42%	\$ 22,743.04
Trumbull	4.84%	\$ 17,145.85
Weston	1.28%	\$ 4,534.43
Westport	4.66%	\$ 16,508.19
Wilton	2.22%	\$ 7,864.42
Woodbridge	0.84%	\$ 2,975.73
Total	100.00 %	\$354,253.00

Mr. Bolduc said the month prior the Board had approved a similar resolution for the Wallingford Project. He said the last page of the write-up details a list of the post-project reserve activities. Mr. Bolduc said a reserve was funded according to those activities. He said the description details what it takes to resolve each item, the status of each item, and what payments have been made, and if any funds can be distributed back to the towns.

Mr. Bolduc said management had identified the need for about \$325,000 as there are still some activities such as the Waterbury land sale, legacy land costs, as well as some outstanding legal items for the remainder of the project. He said the third page summarizes the original \$4.4 million, what has been expended as a previous distribution to the towns, and what needs to be retained for the remaining items, leaving a little over \$354,253 to go back to the towns in this proposed distribution. Mr. Bolduc said the funds are distributed to the towns using a percentage formula agreed to by the Bridgeport project towns in 2008.

Mr. Bolduc said the resolution details managements' recommendation to disburse the \$354,253 from three sources: the post project reserve, the operating account and the Waterbury landfill closure which has been certified and completed.

Director Griswold asked how the \$478,000 figures into the numbers. Ms. Ferguson said the \$487,000 is the current balance of the post project reserve. She said management identified that it needs to hold \$325,594 and can distribute the \$152,000 from that \$478,000.

Director Griswold asked when management expects this to be completely resolved. Mr. Bolduc explained there are two big activities which are going to take more time to resolve. He said the Waterbury landfill sale will be a function of the market. Mr. Bolduc said the footnote at the bottom of the page indicates a \$700,000 capital reserve which is involved in what the SWEROC project owes the recycling side in July, which is also dependent on market conditions. He said the remainder will clean up on the legal side and insurance legacy costs will continue to be paid.

Mr. Kirk said the capital reserve is also being used as a back-up for the recyclables transport from Stratford up to the Mid-Conn facility. He said the Stratford recycling capital reserve is there to ensure that the towns do in fact receive a zero tip fee in the unlikely event of a deficit.

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

EXECUTIVE SESSION

Chairman Martland requested a motion to enter into Executive Session to discuss personnel matters, pending litigation, security matters, and pending RFP responses. The motion was made by Director Griswold and seconded by Director Auletta. The motion previously made and seconded was approved unanimously by roll call. Chairman Martland requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk
Jim Bolduc
Jeff Duvall
Laurie Hunt

The Executive Session commenced at 10:00 a.m. and concluded at 10:30 a.m.

The meeting was reconvened at 10:30 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

Chairman Martland requested a motion to adjourn the meeting. The motion was made by Director Griswold and seconded by Director Auletta.

The meeting was adjourned at 10:30 a.m.

Respectfully submitted,

Moira Benacquista
Secretary to the Board/Paralegal

