

**Finance Committee
June 20, 2013, Regular Meeting
Draft Minutes**

Members Present: Committee Chairman Joel Freedman
 Jim Hayden
 Andrew Nunn, present by telephone

CRRA Staff Present: Tom Kirk, President
 Dave Bodendorf, Senior Environmental Engineer
 Jeffrey Duvall, Director of Budgets and Forecasting
 Laurie Hunt, Director of Legal Services
 Moira Kenney, HR Specialist/Board Administrator

Also Present: John Pizzimenti, USA Hauling; Jim Sandler, Esq. of Sandler & Mara.

PUBLIC COMMENT

Chairman Freedman called the meeting to order at 10:30 a.m. He said there were no members of the public who wished to comment and proceeded with the agenda.

1. Approval of the Minutes of the May 9, 2013, Special Finance Committee Meeting

Chairman Freedman requested a motion to accept the minutes of the April 18, 2013, Finance Committee meeting. The motion to approve the minutes was made by Director Nunn and seconded by Chairman Freedman.

The motion to approve the minutes was approved by roll call. Director Hayden abstained.

2. Approval of the Minutes of the May 23, 2013, Finance Committee Meeting

Chairman Freedman requested a motion to accept the minutes of the April 18, 2013, Finance Committee meeting. The motion to approve the minutes was made by Director Nunn and seconded by Chairman Freedman.

The motion to approve the minutes was approved by roll call. Director Hayden abstained.

3. Review and Recommend for Board Approval – Workman’s Compensation Insurance

Chairman Freedman requested a motion on the above referenced item. The motion to approve was made by Director Nunn and seconded by Director Hayden.

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 \$63,167 from Connecticut Interlocal Risk Management Agency (CIRMA) for the term 7/1/13 – 7/1/14, as discussed at this meeting.

Mr. Duvall said management goes out every year at this time to market the industry for workman's compensation insurance. He said CRRA's insurance broker, AON, approached eleven firms, all of which declined or did not respond. Mr. Duvall said CRRA's current policy holder, CIRMA, responded with a proposed 5% increase over last year's premium. He said that increase however is due to the reclassification of some CRRA employees. Mr. Duvall explained had there not been a reclass of employees, CRRA's premiums would have decreased as CRRA's experience level has improved. Mr. Duvall said that CRRA achieved a .89 this year in experience modification which is an improvement from 1.25 the prior year. He explained had CRRA had the exact same quantity of employees in the exact same positions there would have been a decrease.

Chairman Freedman asked if there was a million dollar limit the year prior as well. Mr. Duvall replied yes. Mr. Kirk said he did not think there were any coverage changes. Chairman Freedman asked if AON, CRRA's broker, believes the \$1 million is sufficient for coverage. He asked if more coverage could be provided by CIRMA. Mr. Kirk replied that he would look into that possibility. Chairman Freedman asked management to determine for the Board meeting if AON would recommend higher coverage.

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

4. Review and Recommend for Board Approval – Landfill Division Budgets

Chairman Freedman requested a motion regarding the above-captioned item. Director Nunn made the motion which was seconded by Director Hayden.

RESOLVED: That the fiscal year 2014 Landfill Division Operating budget totaling \$2,617,000 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 2014 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
Hartford Landfill Post Closure Reserve
Ellington Landfill Post Closure Reserve

Mr. Duvall said management approaches the Board for approval of the budgets annually. He said the landfill budget is unusual because it is entirely funded from reserves. Mr. Duvall said the resolution is for a budget for a full year and management is not sure when and if the transfer of liabilities to the Connecticut Department of Environmental Protection (hereinafter referred to as "CT DEEP") will take

place. He explained because this funding is from reserves it doesn't impact the tip fee or any other kind of contribution. Mr. Duvall said that significant landfill expenses typically occur twice a year and if the transfer of the funds to the State occurred in November any savings would stay in the reserve.

Mr. Duvall said Senior Environmental Engineer Dave Bodendorf put the budget together after a review of the expenses, categories and determination of routine and non-routine items which are expected to be completed this year. Director Hayden asked if the funding for the landfill division budget comes out of the \$35 million which CRRA is required to transfer to the CT DEEP. He asked if that figure will be affected by this action. Mr. Kirk said yes. He said the snapshot balance in that reserve was roughly \$35 million and did not include an anticipated sum for invoices which at that point had not been received for work which had already been done by contractors.

Mr. Kirk said reduction of the expected \$35 million may be an issue. Mr. Egan explained activities and contractor expenses through June will reduce the \$35 million figure. Mr. Kirk said the \$35 million was used as a budget number and after funds are moved management will reassess that total. Director Freedman said he is assuming up to \$35 million was the maximum expected transfer amount, and may actually be less depending on negotiations.

Chairman Freedman asked if these expenditures are constant, or if some are front loaded so when CRRA approaches Oct. 1, 2013, a good number of those expenditures may be exhausted. Mr. Bodendorf explained the expenditures are weighted towards the summer month. He said for example mowing is done in July and August and billed afterwards. He said in the winter plowing costs are incurred and noted when the weather is bad there are more non-routine services and emergency call outs. Mr. Bodendorf said summer and winter are probably the heaviest expenditures with fall and early spring coming in much lighter.

Mr. Egan said there are a couple of one-time maintenance items as well. He said the Ellington Landfill Project requires a new landfill gas flare. He said the prior year adopted budget was for \$8,000 versus the \$133,000 required the year in order to purchase the gas flare.

Director Hayden asked why there is a \$500,000 jump in FY'13 budgets and projected. Mr. Duvall replied that the Ellington and Hartford Landfills were 100% in Mid-Conn in 2012 and through Nov. 15, 2013. He said Hartford is a large budget, almost \$1 million in FY'14 which is comparable to the \$508,000 in FY'14 because a portion of those expenses were in Mid-Conn the prior fiscal year.

Director Nunn asked what in the Hartford landfill post-closure for other operating costs caused a \$50,000 jump. Mr. Egan replied that is due to the management of the leachate collection system. He said there are two leachate areas, one where ash leachate is collected under the lined ash areas and discharged to the MDC stored system, and a second where leachate mixed with groundwater from the larger area is also discharged to the MDC sewer system. Mr. Egan explained there is a substantial sewer charge paid to the MDC. He said through Nov. 15, 2013, that payment was taken out of Mid-Conn Project and in FY'13 there is not a full fiscal year amount.

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

INFORMATIONAL SECTION

Chairman Freedman said he had asked management for a discussion on further options for reducing CRRA's budget as a result of recently passed Legislation. He said the newly passed reform Legislation requires that CRRA pay up to \$500,000 for an internal financial audit. Director Freedman said the Board had recently discussed the need to identify \$750,000 worth of reductions in the budget. Mr. Kirk said the proposed savings would be obtained equally from all CRRA departments. A discussion on possibilities for savings was undertaken.

Mr. Kirk said management is still in the midst of a State audit which has been extremely thorough and detailed and requires large amounts of time from staff. He said the auditors were very complimentary regarding CRRA's cooperation and efforts.

Mr. Duvall said in addition to the state audit, staff is undergoing preparation for the year-end audit and the final review for the Mid-Conn Project.

ADJOURNMENT

Chairman Freedman requested a motion to adjourn the meeting. The motion was made by Director Nunn and seconded by Director Hayden.

The meeting was adjourned at 11:12 a.m.

Respectfully submitted,

Moira Kenney
HR Specialist/Board Administrator