

**Finance Committee  
Jan. 23, 2014 Regular Meeting  
Draft Minutes**

Members Present:                      Committee Chairman Joel Freedman  
   Jim Hayden  
   Scott Shanley (present until 11:30 a.m.)  
   Andy Nunn (present by telephone)

CRRRA Staff Present:                      Tom Kirk, President  
   Mark Daley, Chief Financial Officer  
   Jeffrey Duvall, Director of Budgets and Forecasting  
   Peter Egan, Director of Operations and Environmental Affairs  
   Tina Mateo, Assistant Director of Budgets and Cash Management  
   Lynn Martin, Risk Manager  
   Moira Kenney, HR Specialist/Board Administrator

Also Present:                                      John Pizzimenti, USA Hauling

**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 Regular Dec. 12, 2013, Regular Finance Committee Meeting**

Chairman Freedman requested a motion to accept the minutes of the Dec. 12, 2013, Finance Committee meeting. The motion to approve the minutes was made by Director Shanley and seconded by Director Hayden.

The motion to approve the minutes as amended was approved unanimously by roll call.

**2.        Review and Recommend Recycling Rebate**

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

**WHEREAS**, the Authority has encouraged member municipalities to recycle to the maximum extent possible by not charging a tipping fee for the acceptance of recyclables at the Authority's regional recycling facilities since commencing operations; and

**WHEREAS**, the Board of Directors adopted the Fiscal Year 2013 Mid-Connecticut Project Budget anticipating that a \$10.00 per ton rebate provision for member municipalities based on the amount of acceptable recyclable tons projected to be delivered would be possible; and

**WHEREAS**, the Mid-Connecticut Project operations generated sufficient revenues in excess of expenses to rebate \$10.00 per ton delivered by the municipalities; and

**WHEREAS**, the Authority has accrued sufficient funds for a rebate and the Fiscal Year 2013 audit has been performed and the auditors have confirmed that the funds are accrued and available;

**NOW THEREFORE, be it**

**RESOLVED:** That the Board of Directors approve the use of approximately \$334,000.00 to provide a \$10.00 per ton rebate to the Mid-Connecticut Project municipalities based on their pro-rata share of acceptable recycling tonnage delivered to the Mid-Connecticut Regional Recycling Center system during the period of July 1, 2012 through November 15, 2012.

Mr. Kirk said the proposed recycling resolution is associated with the performance of the recycling division. He said CRRA has provided a recycling rebate to participating towns for the last five years. Mr. Kirk asked the Committee to consider the possibility of issuing a rebate for the remaining stub year of the Mid-Conn Project and the CSWS Recycling. He said in the past \$5 - \$10 rebates were considered and the \$10.00 amount was a Board decision which was accrued for in FY'13. Mr. Kirk said this resolution is for the Mid-Conn member towns.

Director Shanley said the expense will be from the Mid-Conn Project reserve. He asked if the Mid-Conn Project reserves are adequate for this expense. Mr. Daley replied yes. He said this was a FY'13 budgeted item and is an accrued expense on the books for FY'13 which were audited for FY'14.

Committee Chairman Freedman asked why the \$10.00 rebate was chosen. Mr. Kirk replied that the Board selected the figure when the FY'13 budget was approved based on the current commodities numbers (which were good at that time). He said those numbers have since changed dramatically with the loss of many towns from the present CSWS Project, Mr. Kirk explained those towns are no longer providing their recyclables to CRRA and in addition there was the loss of the tonnage from the Southwest towns.

Director Shanley suggested making the tonnage loss point clear in the letter of transmittal so that the expectation of the member towns' going forward is properly based on current information.

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

### **3. Discussion – Status of Property Division & CSWS Budget Development**

Mr. Daley reviewed the Property Division FY 2015 Budget Development presentation which was distributed at the Finance Committee meeting. He updated the Committee on the status of developing the FY 2015 CSWS Operating and Capital budget. The Committee requested a summary of the presentation for the full Board.

#### **4. Update on MOU**

Chairman Freedman said progress continues to be made on the memorandum of understanding (hereinafter referred to as “MOU”). He said it is likely that CRRA will retain the land and that the Connecticut Department of Energy and Environmental Protection (hereinafter referred to as the “CT DEEP”) will sign new permits creating certain contingent liabilities for CRRA. Chairman Freedman said the Committee has asked management to explore the insurance requirements for the proposed situation.

Mr. Kirk said CRRA is likely to retain two specific insurance products with ownership of the land, the pollution legal liability and general liability. He said historically CRRA has obtained the best price for insurance by bundling, however going forward this is expected to be a stand-alone policy. Mr. Kirk said historically the pollution legal liability has been the most expensive piece with an annual policy for \$20 million in coverage.

Mr. Kirk said in order to obtain better pricing CRRA has asked its insurance broker, AON Risk Services, to look into better ways to get this coverage. Mr. Kirk said Aon provided estimates on five and ten year policies however, ten year policies are not likely to generate any interest. He said the process is expected to take two to three months. After substantial discussion the Committee agreed that CRRA’s insurance broker would go out to bid to get prices on a \$20 million annual landfill only coverage with the current \$250,000 deductible.

#### **INFORMATIONAL**

There informational section was reviewed and no comments were made.

#### **EXECUTIVE SESSION**

Chairman Freedman requested a motion to enter into Executive Session to discuss updates on pending litigation. The motion was made by Director Hayden and seconded by Director Nunn. The motion previously made and seconded was approved unanimously by roll call. Chairman Freedman requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk  
Mark Daley  
Peter Egan  
Laurie Hunt

The Executive Session commenced at 10:58 a.m. and concluded at 12:33 p.m.

The meeting was reconvened at 12:33 p.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 Freedman requested a motion to adjourn the meeting. The motion was made by Director Hayden and seconded by Director Shanley.

The meeting was adjourned at 12:33 p.m.

Respectfully submitted,

Moira Kenney  
HR Specialist/Board Administrator