

**Finance Committee**  
**Feb. 11, 2015**  
**Draft Minutes**

Members Present: Chairman Joel Freedman  
Jim Hayden  
Scott Shanley

MIRA Staff Present: Tom Kirk, President  
Mark Daley, Chief Financial Officer  
Peter Egan, Director of Operations and Environmental Affairs  
Jeffrey Duvall, Director of Budgets and Forecasting  
Laurie Hunt, Director of Legal Services  
Deepa Krishna, Manager of Accounting and Financial Budgeting  
Tina Mateo, Assistant Director of Budgets and Cash Management  
Eileen Kearney, Temporary Board Administrator  
Marianne Carcio, Executive Assistant

Others Present: Ed Spinella, Esq., USA Hauling

**PUBLIC COMMENT**

Chairman Freedman called the meeting to order at 10:32 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 Jan. 15, 2015, Regular Finance Committee Meeting**

Chairman Freedman requested a motion to accept the minutes of the Jan. 15, 2015, Finance Committee meeting. The motion to approve the minutes was made by Director Hayden and seconded by Director Shanley.

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

**2. Review and Recommend for Board Approval – FY 2016 CSWS Division Operating and Capital Budget**

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

**RESOLVED:** That the Fiscal Year 2016 Materials Innovation and Recycling Authority Operating and Capital Budget attached hereto as Exhibit A be adopted substantially in the form as presented in Exhibit B attached hereto and discussed at this meeting.

Mr. Daley presented details of the current drafts of the CSWS Operating and Capital budgets. Mr. Daley stated the current drafts are responsive to the Board's direction not to increase tip fees above

current levels and this was achieved primarily by providing for a draw from the CSWS's Tip Fee Stabilization Fund. Mr. Daley also presented a sensitivity analysis previously requested by the Committee outlining the impact of potential changes in wholesale energy prices to the proposed budget which analysis concludes a one cent change in price represents a \$2.0 million change in revenue which is approximately half the volatility CSWS faced before its recent contracting of a portion of its energy output at a fixed price. Mr. Daley and President Kirk addressed questions from the Committee.

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

### **3. Review and Recommend for Board Approval – Amendment to FY 2015 CSWS Division Operating and Capital Budget**

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

Whereas, on February 20, 2014 the Connecticut Resources Recovery Authority adopted operating and capital budgets for the Connecticut Solid Waste System (CSWS) for its fiscal year ending June 30, 2015;

WHEREAS, such operating and capital budgets contemplated the transfer of \$7,425,000 in budgeted operating income to the CSWS Improvement Fund;

Whereas, as of December 31, 2014 actual CSWS operating income is \$2.3 million below budget due to deficits in CSWS energy production, wholesale energy prices and CSWS Power Block operating expenses that exceed budget;

Whereas, management is undertaking steps within its control to ensure CSWS operating expenses remain at or below budget;

Whereas, management has identified major maintenance activities intended to be funded from the CSWS Improvement Fund that may be deferred at this time subject to Board approval as a means of partially mitigating the shortfall in operating income.

**NOW THEREFORE, be it**

**RESOLVED:** That the fiscal year 2015 CSWS operating and capital budgets are amended by reducing approved transfers to the CSWS Improvement Fund by \$820,000 from \$7,425,000 to \$6,605,000;

Mr. Daley provided a presentation on the amendment of the FY 2015 CSWS Division Operating and Capital Budget. He discussed the current shortfall in energy sales revenue for the first half of FY 2015 being caused by wholesale energy prices and plant production both being under budget. He also outlined a forecast of energy sales revenue through year end, stating that the fixed price energy contract becoming effective for the second half of the year presents the opportunity to reduce the current deficit by \$1.3 million. He stated that while the budget amendment and energy contract provide relief for the current shortfall in revenue, and the budget status is manageable with the steps that have been taken, the

Committee should expect to end the year with a deficit in budget versus actual CSWS income before reserves.

Following discussion and questions from Directors, the motion previously made and seconded was approved unanimously by roll call.

**4. Review and Recommend for Board Approval – Final Distribution of Funds for Southwestern Connecticut Regional Recycling Operating Committee**

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

WHEREAS, on June 30, 2013 the contractual relationship for recycling disposal between the Materials Innovation and Recycling Authority (the “Authority”) formerly the Connecticut Resources Recovery Authority (“CRRA”) and the Southwest Connecticut Regional Recycling Operating Committee (“SWEROC”) expired; and

WHEREAS, the Authority established the Recycling Division which accounts for SWEROC activities and maintains an operating account, the Stratford Recycling Capital Reserve, and the Commodity Revenue Share Reserve; and

WHEREAS, on October 25, 2012 the Authority Board of Directors (the “Board”) passed a resolution to distribute the funds in the Stratford Recycling Capital Reserve to SWEROC upon removal of all of SWEROC’s property from MIRA’s real property located at 1410 Honeyspot Road in Stratford Connecticut at SWEROC’s expenses; and

WHEREAS, on December 5, 2012 SWEROC members accepted the Board’s October 25, 2012 resolution; and

WHEREAS, SWEROC property remains at the Authority’s Stratford facility which the Authority has determined will cost \$25,000 to remove and discard including facility repairs; and

WHEREAS, on December 2, 2014 SWEROC members requested the distribution of the Recycling Division funds and agreed to pay the Authority an all-in price of \$25,000 in order to satisfy the Board’s October 25, 2012 resolution; and

WHEREAS, all Authority transactions, except for those transactions listed in this resolution, related to SWEROC have been completed; and

WHEREAS, on December 31, 2014 the Recycling Division’s operating account, Stratford Recycling Capital Reserve, and Commodity Revenue Share Reserve have a combined total of \$575,531.08; and

WHEREAS, SWEROC has requested that remaining Recycling Division funds be equitably distributed to the SWEROC member towns based on the tons delivered to the Stratford facility in Fiscal Year 2013.

**NOW THEREFORE, be it**

**RESOLVED:** That the amount of \$25,000 be transferred from the Recycling Division operating account to the Property Division General Fund account; and

**FURTHER RESOLVED:** That the Recycling Division’s operating account, Stratford Recycling Capital Reserve, and Commodity Revenue Share Reserve be closed and the combined total amount of \$550,531.08 together with applicable interest be distributed to the Towns in the percentage values and dollar amounts as follows based upon the tonnage formula previously agreed to by SWEROC members;

Town	Total Tons Delivered Fiscal Year 2013:	Percentage of Tonnage:	Distribution Amount:
Bridgeport	5,338.13	20.56%	\$ 113,171.09
East Haven	1,054.54	4.06%	\$ 22,356.79
Easton	755.47	2.91%	\$ 16,016.35
Fairfield	4,942.28	19.03%	\$ 104,778.87
Milford	4,275.82	16.47%	\$ 90,649.57
Monroe	1,151.94	4.44%	\$ 24,421.72
Orange	931.68	3.59%	\$ 19,752.09
Stratford	3,126.41	12.04%	\$ 66,281.49
Westport	3,648.39	14.05%	\$ 77,347.74
Woodbridge	743.16	2.86%	\$ 15,755.37
Total	25,967.82	100.00%	\$ 550,531.08

Mr. Daley began by saying that this resolution related to the remaining funds in Southwest Connecticut Regional Recycling Operating Committee (“SWEROC”) operating account. He said that both parties had agreed to a \$25,000 estimate for expenses to clear the recycling facility of abandoned property and he would like a Board resolution to pay approximately \$550,000 to the SWEROC towns. Chairman Freedman asked for clarification - is this related to an increase in reserves. Mr. Daley responded that \$25,000 would be retained in the existing Property Division general fund and the work would be done at a future date.

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

**5. Informational**

A brief review of the Informational Package was performed by Mr. Daley and President Kirk.

## **EXECUTIVE SESSION**

Chairman Freedman requested a motion to enter into Executive Session. The motion was made by Director Hayden and seconded by Director Shanley. 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  
Laurie Hunt  
Peter Egan

The Executive Session commenced at 11:45 a.m. and concluded at 12:17 p.m.

The meeting was reconvened at 12:19 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 12:20 p.m.

Respectfully submitted,

Eileen Kearney  
Temporary Board Administrator