

Finance Committee
April 16, 2009, Regular Teleconference Meeting

Draft Minutes

Members Present: Linda Savitsky, Committee Chairperson
Raymond O'Brien, Committee Vice-Chairman
Ted Martland
Alan Desmarais (present beginning 9:40 a.m.)
Mark Laretti

CRRA Staff Present: Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Bettina Bronsiz, Assistant Treasurer and Director of Finance
Moira Kenney, Secretary to the Board/Paralegal

Committee Chairperson Savitsky called the meeting to order at 9:35 a.m. and noted that there was a quorum.

Mr. Bolduc stated that there were no members of the public present.

1. Approval of Minutes of the March 19, 2009, Finance Committee Meeting

Committee Chairperson Savitsky requested a motion to accept the minutes of the March 19, 2009, Finance Committee meeting. The motion was made by Director O'Brien and seconded by Director Martland.

The minutes were approved unanimously by roll call.

2. Review and Recommend for Board Approval the Revised Draft of the Resolution Regarding Distribution of the Wallingford Project

Committee Chairperson Savitsky requested a motion regarding the above-captioned matter. Vice-Chairman O'Brien made the following motion:

WHEREAS, at its April 2005 meeting, this Board established the Wallingford Future Use/Planning Reserve (the "Future Use Reserve") for the purpose of funding termination costs associated with the Wallingford Project (the "Project"), extension costs associated with the Project, or costs associated with developing a new strategy for the Project's member towns upon termination of the Project on June 30, 2010; and

WHEREAS, the Project member towns, consisting of the towns of Cheshire, Hamden, Meriden, North Haven, and Wallingford, Connecticut (collectively, the "Towns") have all executed new agreements with Covanta for post-Project municipal solid waste

disposal services (the “New Agreements”) which agreements commence July 1, 2010; and

WHEREAS, at its meeting on January 29, 2009, this Board authorized the creation of a Project Closure Reserve to cover costs associated with the closure/termination of the Project and also authorized the transfer of \$820,000 from the Future Use Reserve to the Project Closure Reserve; and

WHEREAS, the Authority, in light of the New Agreements and in consultation with the Wallingford Project Policy Board (the “Policy Board”), has determined that the purposes for which the Future Use Reserve was established in 2005 have either been concluded or adequate provision has been made for such purpose through the Project Closure Reserve; and

WHEREAS, the current balance in the Future Use Reserve is \$10,894,005, reflecting the transfer of \$820,000 to the Project Closure Reserve; and

WHEREAS, the Authority, in consultation with the Policy Board, has determined that \$190,000 is sufficient to pay certain invoices outstanding as of January 31, 2009, which sums are properly payable from the Future Use Reserve.

NOW THEREFORE, it is

RESOLVED: That \$10,704,005 be transferred from the Future Use Reserve to the Wallingford Project Operating Account, leaving a balance of \$190,000 in the Future Use Reserve; and it is

FURTHER RESOLVED: That the funds remaining in the Future Use Reserve be used to pay certain outstanding invoices totaling \$190,000, as agreed by the Authority and the Policy Board; and it is

FURTHER RESOLVED: That should any funds remain in the Future Use Reserve following payment of such invoices, such funds shall be transferred to the Project Operating Account; and it is

FURTHER RESOLVED: That upon disbursement of all funds in the Future Use Reserve, the Future Use Reserve fund shall be dissolved.

And

WHEREAS, the balance as of January 31, 2009 in the Wallingford Project Operating Account (“Operating Account”) was \$18,470,574; and

WHEREAS, the Board of Directors, in consultation with and with the unanimous consent of the Wallingford Project Policy Board (the “Policy Board”), has authorized the transfer of \$10,704,005 from the Wallingford Project Future Use/Planning Reserve to the Operating Account, thereby bringing the balance in the Operating Account to \$29,174,579 (the “Undesignated Balance”); and

WHEREAS, Section 22a-267(6) of the Connecticut General Statutes authorizes the Board of Directors to segregate such Authority revenues as may at any time be adjudged by said directors to be surplus to the needs of the Authority to meet its contractual and other obligations and to provide for its operations or other business purposes, and to equitably redistribute such segregated surplus revenues to some or all of the users of the system in accordance with applicable provisions of the state solid waste management plan; and

WHEREAS, the Authority's Procedures For The Use of Surplus Funds (the "Procedures") authorize the Authority, with respect to unbudgeted surplus funds received from a particular project and subject to the requirements of Section 22a-267(6) of the Connecticut General Statutes, to use the surplus funds as follows:

1. to utilize such unbudgeted surplus funds in accordance with any contract or agreement for the use of such funds; or
2. to appropriate such unbudgeted surplus funds to future budgets for such project; or
3. upon approval of a majority of directors present, to utilize the funds in a way other than as so expressly specified in the Procedures; and

WHEREAS, the Board of Directors has adjudged that \$26,674,579 of the Undesignated Balance is surplus to the needs of the Authority to meet its contractual and other obligations and to provide for its operations or other business purposes (the "Surplus Revenues") relative to the Project and the Authority's independent auditor has certified that the amount of the Undesignated Balance identified as Surplus Revenues is represented by cash and/or investments; and

WHEREAS, the Policy Board has unanimously requested that the Surplus Revenues be equitably distributed to the Wallingford Project member towns, consisting of the towns of Cheshire, Hamden, Meriden, North Haven, and Wallingford, Connecticut (the "Towns");

NOW THEREFORE, IT IS HEREBY

RESOLVED: That \$26,674,579 of the Undesignated Balance in the Operating Account is adjudged by the Board of Directors to be surplus to the needs of the Authority to meet its contractual and other obligations and to provide for its operations or other business purposes relative to the Wallingford Project; and it is

FURTHER RESOLVED: That such \$26,674,579 shall be equitably distributed to the Towns based on the relative amounts of Acceptable Solid Waste delivered by each Town during the time period beginning July 1, 2003 and ending June 30, 2008, and distributed on a comparable dollar per ton basis for each municipality as follows:

Municipality

Amount

Cheshire	\$3,471,075.41
Hamden	\$6,010,093.69
Meriden	\$5,953,740.50
North Haven	\$4,036,327.71
Wallingford	\$7,203,341.69

and it is

FURTHER RESOLVED: That to the extent the foregoing resolutions constitute a use of surplus funds in a way other than as expressly specified in the Procedures, such alternative use is hereby approved, as permitted by Section 2 of the Procedures.

The motion was seconded by Director Martland.

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

9. Executive Session

Committee Chairperson Savitsky requested a motion to enter into Executive Session to discuss pending litigation. The motion was made by Vice-Chairman O'Brien and seconded by Director Martland. The motion previously made and seconded was approved unanimously by roll call. Committee Chairperson Savitsky requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk
Jim Bolduc

The Executive Session commenced at 11:14 a.m. and concluded at 11:52 a.m.

The meeting was reconvened at 11:53 a.m., the door was opened, and the Board secretary and all members of the public were invited back in for the continuation of public session.

ADJOURNMENT

Committee Chairperson Savitsky requested a motion to adjourn the meeting. The motion made by Vice-Chairman O'Brien and seconded by Director Desmarais was passed unanimously.

The meeting was adjourned at 11:54 a.m.

Respectfully submitted,

Moira Kenney
Secretary to the Board/Paralegal