

**Policy & Procurement Committee
September 9, 2004 Telephonic Meeting**

Minutes

Members Present: Benson Cohn, Chairman
Theodore Martland, Committee Vice-Chairman
Mark Cooper (arrived at 12:10 p.m.)
Raymond O'Brien

CRRA Staff Present: Tom Kirk, President
Peter Egan, Director of Environmental Services
Laurie Hunt, Managing Director of Legal Services
Jim Ruel, Purchasing Manager
Kristen Greig, Legal Temp

Chairman Cohn called the meeting to order at 12:02 p.m. and noted that a quorum was present.

1. Approval of the Minutes of the September 2, 2004 Policies and Procurement Committee Meeting.

Chairman Cohn requested the matter be tabled until later in the meeting.

2. Discuss Legal Expense Summary Report

Mr. Constable distributed an updated version of the Legal Expense Summary Report and explained that the Policies and Procurement Committee recommended to the Board that certain dollar amounts be paid for legal expenses. Mr. Constable noted that CRRA had three-year Legal Service Agreements and RFSs were issued according to the work being requested. Any individual RFS over \$50,000.00 required Board approval.

Mr. Constable stated that the table showed expenditures paid in July 2004 for each of the firms and what the projected costs were for FY05. Mr. Constable stated that he was requesting that the Policies and Procurement Committee approve and recommend the report to the Board of Directors for authorization.

Mr. Constable further explained that the firms provided some of the projected costs and other costs were estimated by CRRA. Chairman Cohn stated that a summary of the work to be performed should be supplied for Board approval. Mr. Kirk suggested that Attorney General work be stricken from the McCarter & English column because CRRA's General Counsel now handled that work. Mr. Constable responded that

McCarter & English was still being contacted regarding those issues and still had files on the matters. The expenses covered costs for copying and administrative functions.

Chairman Cohn asked if this report would go to the Finance Committee. Mr. Constable responded that the report would go to the Finance Committee for review, but the Policies and Procurement Committee normally made the recommendation to the Board. Director O'Brien requested that the report include a column showing actual expenditures in FY04 when it was presented to the Finance Committee. Mr. Constable stated that would be included and when the report was presented to the full Board, it would include the projected activities by firm and the projected dollar amounts.

Chairman Cohn asked if the matter needed to be approved this month. Mr. Constable responded that there was the potential that CRRA would not be able to pay its legal counsel if the RFS exceeded \$50,000.00 and required Board authorization. Chairman Cohn stated that he would rather not have the Committee approve the report without the descriptions of the work to be performed. Mr. Constable stated that the activities were essentially what was currently listed on the report. For example, bond counsel would be performing work regarding the State loan. Mr. Constable added that there were very few defined activities so general activities would be reported until more specific RFSs were issued.

Regarding Pullman & Comley, Director O'Brien asked if the \$37,000 paid in July put the \$100,000 annual projection in question. Mr. Constable stated that CRRA was trying to distinguish if the amounts paid in July reflected work performed in FY04 rather than FY05. If that was the case, those amounts should be allotted to the FY04 authorizations even though they were paid in FY05. Director O'Brien stated with that clarification, there was only one firm in risk of exceeding \$50,000.00 and requiring Board authorization. Mr. Constable confirmed that firm would likely exceed \$50,000 and there was the potential that another firm might also exceed that amount.

Mr. Constable stated that he would be happy to resubmit the information to the Committee prior to the Board meeting. Chairman Cohn suggested that the Committee defer the matter to the Finance Committee since 75% of the Policies and Procurement Committee members were also on the Finance Committee. The Committee agreed that the Report would be recommended to the Board if the Finance Committee approved the Report with the descriptions of the work to be performed and the proper breakdown of which charges belong to FY04 versus FY05.

Mr. Kirk stated that in the future management would try to have the information available prior to the end of the fiscal year in the future so none of the firms would be in danger of not being paid.

3. Interviews of Firms Chosen to Short List for Solid Waste Industry Specialist Legal Services Request for Qualifications

Director O'Brien stated that he had questions for Halloran & Sage who had opted not to participate in the interview process. Mr. Kirk explained that CRRA management, with the agreement of Chairman Cohn, asked Halloran & Sage not to interview since they were currently serving as General Counsel and CRRA had the ability to contact them regarding any matter for which they were qualified. Chairman Cohn asked Director O'Brien what his question was for Halloran & Sage. Director O'Brien responded that the firm did not appear to have much relevant experience and stated that he was hoping they could explain that. Chairman Cohn said that the General Counsel's limited experience in this area was one of the reasons CRRA was looking to establish an on-call list for this specialty. Director O'Brien stated that if the Committee did not approve Halloran & Sage as part of the panel for the type of work that the RFQ was issued for, then the firm should not be utilized as General Counsel for such matters. Chairman Cohn said that was consistent with CRRA's policy to utilize General Counsel as a first resource, unless the matter required a specialty that the General Counsel did not have. Mr. Kirk agreed that Halloran & Sage had not established themselves as a strong contender to be a commercial representative on CRRA's panel, but General Counsel was usually called first. At that point, if the General Counsel could represent to management that they were qualified to handle the matter, CRRA had the flexibility of using the firm. Mr. Kirk stated that if there was ever a question as to which firm should handle a matter, the General Counsel was contacted first.

Director Martland asked if Solid Waste Industry Specialist was a specialty that required specific insurance. Mr. Egan stated that the three-year services agreement provided insurance requirements and that there were no requirements for specific specialties. Mr. Kirk stated that CRRA requested certain coverage amounts and indemnities, but if difference practices had different underwriting requirements, that would be between the firms and the insurance carriers. Director Martland stated that the Committee should be careful to ensure that firms were not practicing beyond their insurance coverage. Mr. Kirk suggested that it would be prudent to ask if the interviewing firms anticipated having to assign work to another firm because they did not have insurance covering specialty areas.

The Committee and management discussed questions to be asked of the firms interviewing for the panel of Solid Waste Industry Specialist Legal Services and gave an overview of what specific qualifications they were looking for.

The Committee and management interviewed representatives from the following firms: McCarter and English, Byrne & Storm, and Dechert. Each interview lasted 45 minutes in which the firms were given the opportunity to present their qualifications and respond to questions from the Committee and management.

Chairman Cohn made a motion to create a new panel and recommend firms to be added to that panel pending Board authorization.

The motion was seconded by Director O'Brien.

Chairman Cohn noted that CRRA was required to do general RFPs every three years and this category was out of sync with that time frame. Chairman Cohn stated that he was considering ways to get in sync with the other categories without making this a shorter term agreement, but stated that it might be appropriate for this to be a shorter term.

The motion previously made and seconded was approved unanimously.

4. Approval of the Minutes of the September 2, 2004 Policies and Procurement Committee Meeting.

Chairman Cohn requested a motion on the above referenced matter. The motion was made by Director O'Brien and seconded by Director Martland.

Director Martland requested that the minutes reflect that he unsuccessfully attempted to rejoin the telephone conference after the call was interrupted due to technical difficulties.

The minutes as amended were approved unanimously.

5. Other Business

Chairman Cohn requested a motion to add an item to the agenda. The motion made by Director Martland and seconded by Director O'Brien was approved unanimously.

Director Martland stated the Board needed to consider how it was going to address the municipalities' questions regarding how CRRA was going to use the monies recovered from the sale of the Enron bankruptcy claim to maintain tip fees. Director Martland expressed his concern that the towns receive assurance that the money would actually be used to benefit the municipalities. Chairman Cohn suggested that the matter be put on the agenda to be discussed at the Finance Committee meeting with the key being what can safely be said regarding how the money will benefit the municipalities. Mr. Kirk assured Chairman Cohn that the discussion would be introduced at the Finance Committee meeting.

The Committee discussed whether the current meeting was categorized as a Special Meeting or Regular Meeting and decided that the current discussion would be introduced at the Finance Committee Meeting to allow sufficient and proper public notice. Chairman Cohn noted that no action was taken.

6. Adjournment

Chairman Cohn requested a motion to adjourn the meeting. The motion made by Director O'Brien and seconded by Director Cooper was approved unanimously.

The meeting was adjourned at 4:00 p.m.

Respectfully submitted,

Kristen B. Greig