

RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS

REGARDING ADOPTION OF THE FISCAL YEAR 2016 AUTHORITY BUDGET

WHEREAS, The Materials Innovation and Recycling Authority (MIRA) is contractually obligated to adopt Disposal Fees for its Connecticut Solid Waste System (CSWS) member towns on or before February 28, 2015; which fees will apply during MIRA's fiscal year 2016 which begins July 1, 2015 and ends June 30, 2016; and

WHEREAS, The Southeastern Connecticut Regional Resource Recovery Authority (SCRRRA) is contractually obligated to adopt Disposal Fees for the Southeast Project member towns on or before January 1, 2015; which fees will apply during MIRA's fiscal year 2016 which begins July 1, 2015 and ends June 30, 2016; and

WHEREAS, such Disposal Fees are to reflect the net cost of operation of the CSWS and Southeast Project as defined in the Municipal Service Agreements between CSWS member towns and MIRA, and between Southeast Project member towns and SCRRRA, respectively, each of which net cost of operation includes a properly allocable share of MIRA's general administrative expenses commonly known as the "Authority Budget"; and

WHEREAS, in order for MIRA and SCRRRA to progress timely with the evaluation and establishment of Disposal Fees for the CSWS and Southeast Project member towns it is necessary for MIRA to adopt the Authority Budget for fiscal year 2016 at this time including the budget for personnel and non-personnel services that comprise MIRA's general administrative expenses and the amounts thereof that are properly allocable to MIRA projects and divisions that will be active during fiscal year 2016 including:

1. Connecticut Solid Waste System (CSWS)
2. Southeast Project
3. Mid Connecticut Project
4. Property Division
5. Landfill Division

NOW THEREFORE, be it

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



	FY 2014 Actual	FY 2015 Budgets		FY 2016 Proposed	Increase or Decrease From			
		Original	Revised		FY 2014 Actual		FY 2015 Original	
					\$	%	\$	%
Personnel Services								
Charged Direct to Projects	\$ 2,856,334	\$ 3,358,217	\$ 3,358,217	\$ 2,018,578	\$ (837,756)	-29.3%	\$ (1,339,639)	-39.9%
Indirect via Authority Budget	\$ 2,646,175	\$ 2,138,000	\$ 2,028,638	\$ 3,225,269	\$ 579,094	21.9%	\$ 1,087,269	50.9%
Total	\$ 5,502,509	\$ 5,496,217	\$ 5,386,855	\$ 5,243,847	\$ (258,662)	-4.7%	\$ (252,370)	-4.6%
Authority Budget								
Indirect Personnel Services	\$ 2,646,175	\$ 2,138,000	\$ 2,028,638	\$ 3,225,269	\$ 579,094	21.9%	\$ 1,087,269	50.9%
Non Personnel Services	\$ 1,263,633	\$ 1,697,000	\$ 1,697,000	\$ 1,604,400	\$ 340,767	27.0%	\$ (92,600)	-5.5%
Total	\$ 3,909,808	\$ 3,835,000	\$ 3,725,638	\$ 4,829,669	\$ 919,861	23.5%	\$ 994,669	25.9%
Combined Personnel and Non Personnel Services	\$ 6,766,142	\$ 7,193,217	\$ 7,083,855	\$ 6,848,247	\$ 82,105	1.2%	\$ (344,970)	-4.8%

Personnel Services

The FY 2016 total proposed Personnel Services budget of \$5,243,847 reflects a 4.7% reduction from FY 2014 actual audited Personnel Services and a 4.6% reduction from the FY 2015 original adopted budget for Personnel Services. The reduction in Personnel Services was achieved primarily through position eliminations and consolidations. Total Personnel Services includes regular payroll and overtime, payroll taxes, employee benefits, the cost to administer employee benefits and a modest provision for market progression adjustments evaluated on case by case basis. See Exhibit 1 for the breakdown of Total Personnel Services and the longer term trend. Personnel Services are allocated among the various projects and divisions that comprise MIRA on a direct and indirect basis. Direct allocation is used when positions are dedicated solely to a specific project / function (CSWS scale operator positions being a good example). Indirect allocations are used when positions serve multiple projects and divisions (finance and accounting positions being a good example).

Authority Budget

The Authority Budget comprises the indirect portion of the Personnel Services budget described above and all Non Personnel Services not directly associated with a specific project or division. Non Personnel Services include such expenses as office rent, office supplies, postage and printing, customer service activities, temporary services, insurance, brokerage and consulting. The proposed Non Personnel Services budget of \$1,604,400 reflects a 27% increase in comparison to FY 2014 actual audited expenses and a 5% decrease in comparison to the FY 2015 budget. See Exhibit 2 for the breakdown of Non Personnel Services. The total proposed Authority Budget for FY 2016 is \$4,829,669 which represents a 24% increase from FY 2014 actual and a 30% increase from FY 2015 budget. However, as indicated above, this increase reflects a change in the amount of total Personnel Services that are charged indirectly through The Authority Budget in lieu of such expenses being charged directly to a specific project. Total spending actually remains flat in comparison to FY 2014 actual, and is reduced by 3% in comparison to the FY 2015 budget. The shift toward greater reliance on indirect charges reflects the reduction in the number of active projects and divisions that MIRA may allocate to, and MIRA's evolving role in such areas as statewide education.

Allocation / Revenue Requirements

Exhibit 3 depicts the benchmark ratios used to allocate the \$4,829,669 proposed Authority Budget for FY 2016 among the projects and divisions that will be active during FY 2016. Exhibit 4 depicts dollar amount of the Authority Budget allocated to each project and division on the basis of these benchmarks. Also shown is the allocation of Direct Personnel Services made on the basis of dedicated function.

EXHIBIT 1

**MATERIALS INNOVATION AND RECYCLING AUTHORITY
TOTAL PERSONNEL SERVICE BUDGET**

	FY15 Adopted	FY16 Proposed	Difference	% Inc/Dec
Labor Related Payroll				
Regular Payroll	\$ 3,869,000	\$ 3,625,895	\$ (243,105)	-6.28%
Merit / General Pool Increases	\$ -	\$ -	\$ -	100.00%
Proposed MPA Adjustments	\$ 70,000	\$ 60,000	\$ (10,000)	-14.29%
Overtime Payroll (Based upon prior year)	\$ 90,000	\$ 50,000	\$ (40,000)	-44.44%
	\$ 4,029,000	\$ 3,735,895	\$ (293,105)	-7.27%
Labor Related Payroll Taxes				
Medicare Tax	\$ 55,776	\$ 53,116	\$ (2,660)	-4.77%
Social Security	\$ 212,671	\$ 201,297	\$ (11,374)	-5.35%
CT Unemployment Compensation	\$ 20,700	\$ 19,800	\$ (900)	-4.35%
	\$ 289,147	\$ 274,213	\$ (14,934)	-5.16%
Subtotal Labor Costs	\$ 4,318,147	\$ 4,010,108	\$ (308,039)	-7.13%
Employee Benefits				
Medical & Dental	\$ 733,430	\$ 804,941	\$ 71,511	9.75%
Basic Life, STD, LTD, Sup Life	\$ 57,240	\$ 60,474	\$ 3,234	5.65%
Vision	\$ 9,289	\$ 10,158	\$ 869	9.35%
Medical Opt-out	\$ 20,000	\$ 17,000	\$ (3,000)	-15.00%
Total Health Benefits Costs	\$ 819,959	\$ 892,573	\$ 72,614	8.86%
Employee Medical & Dental Contributions	\$ (108,515)	\$ (120,741)	\$ (12,226)	11.27%
Net Health Benefits Costs	\$ 711,445	\$ 771,832	\$ 60,387	8.49%
401-K Contribution	\$ 386,900	\$ 368,307	\$ (18,593)	-4.81%
Subtotal Employee Benefits Costs	\$ 1,098,345	\$ 1,140,139	\$ 41,794	3.81%
Subtotal Other Benefits	\$ 21,725	\$ 33,600	\$ 11,875	54.66%
Other Benefit-Related Costs				
401k Administration	\$ 10,000	\$ 10,000	\$ -	0.00%
401(k) Consultant	\$ 18,000	\$ 20,000	\$ 2,000	11.11%
Benefits Administration/Brokerage	\$ 30,000	\$ 30,000	\$ -	0.00%
Subtotal Other Benefit-Related Costs	\$ 58,000	\$ 60,000	\$ 2,000	3.45%
TOTAL PERSONNEL SERVICES	\$ 5,496,217	\$ 5,243,847	\$ (252,370)	-4.59%
Authority Budget for Temps	\$ 75,000	\$ 16,000	\$ (59,000)	-78.67%
CSWS Budget for Temps	\$ 55,000	\$ -	\$ (55,000)	-100.00%
Total Personnel Services and Temps	\$ 5,626,217	\$ 5,259,847	\$ (366,370)	-6.51%

HISTORICAL COMPARISON - BUDGET VERSUS ACTUAL

Fiscal Year	Budget		Actual		Difference Amount
	Adopted	Inc/Dec	Amount	Inc/Dec	
FY09	\$ 6,848,656		\$ 6,197,979		\$ (650,677)
FY10	\$ 6,491,220	-5.22%	\$ 6,021,240	-2.85%	\$ (469,980)
FY11	\$ 6,653,010	2.49%	\$ 5,902,315	-1.98%	\$ (750,695)
FY12	\$ 6,448,392	-3.08%	\$ 5,861,802	-0.69%	\$ (586,590)
FY13	\$ 6,709,074	4.04%	\$ 5,804,429	-0.98%	\$ (904,645)
FY14	\$ 5,906,786	-11.96%	\$ 5,502,509	-5.20%	\$ (404,277)
Total	\$ 39,057,138		\$ 35,290,274		\$ (3,766,864)

MIRA FY09 - FY16 Personnel Services Expenses

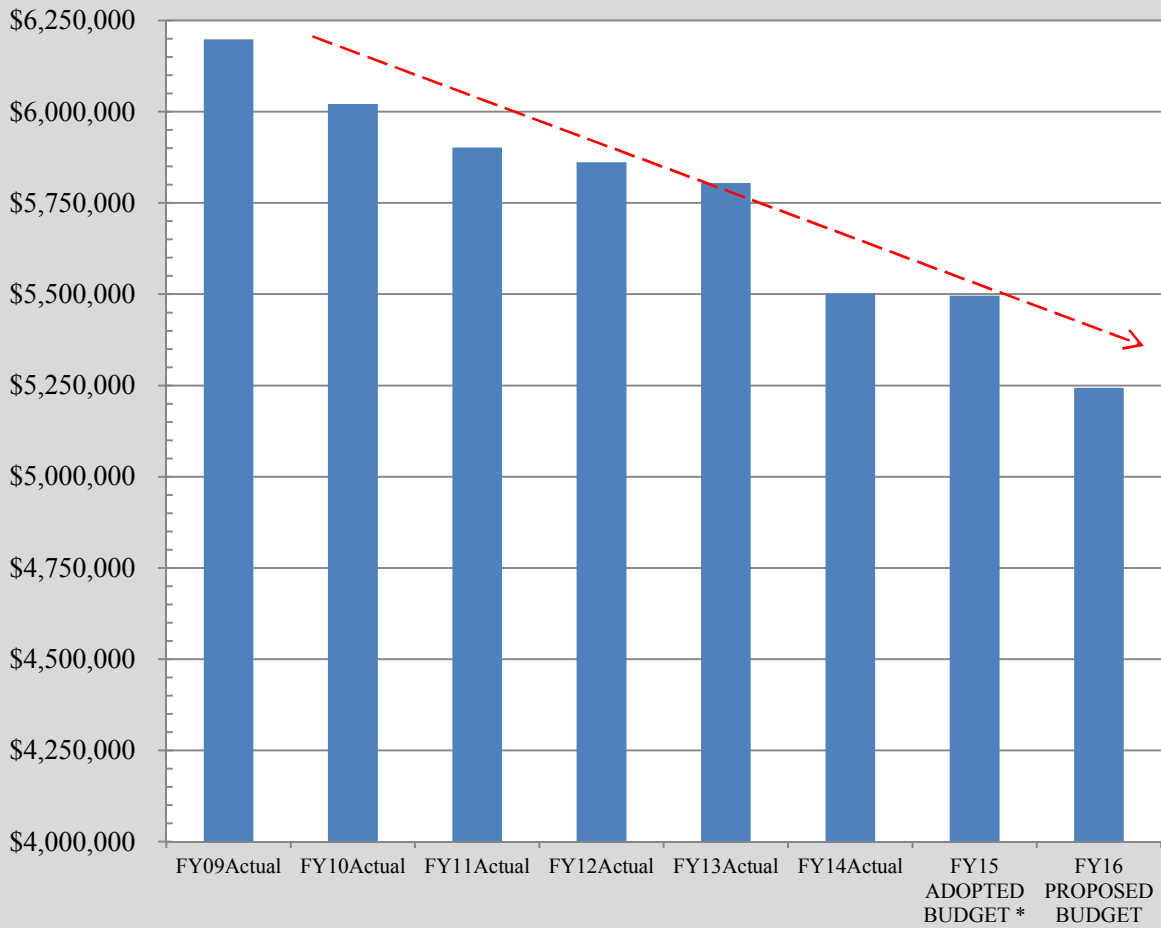


EXHIBIT 2
MATERIALS INNOVATION AND RECYCLING AUTHORITY
TOTAL NON PERSONNEL SERVICE BUDGET

Description	ACTUAL FY14	ADOPTED FY15	PROPOSED FY16	Increase or Decrease From			
				FY 2014 Actual		FY 2015 Revised	
				\$	%	\$	%
Postage and Delivery Fees	\$ 14,832	\$ 21,500	\$ 14,000	\$ (832)	-6%	\$ (7,500)	-35%
Telecommunications	\$ 51,658	\$ 72,000	\$ 67,000	\$ 15,342	30%	\$ (5,000)	-7%
Copier	\$ 9,427	\$ 12,000	\$ 12,000	\$ 2,573	27%	\$ -	0%
Printing Services	\$ 2,640	\$ 7,000	\$ 7,000	\$ 4,360	165%	\$ -	0%
Advertising - Legal Notices/Recruitment	\$ 4,269	\$ 16,000	\$ 13,000	\$ 8,731	205%	\$ (3,000)	-19%
Customer Service	\$ 2,758	\$ 45,000	\$ 45,000	\$ 42,242	1532%	\$ -	0%
Office Supplies	\$ 15,687	\$ 25,000	\$ 22,000	\$ 6,313	40%	\$ (3,000)	-12%
Protect Clothing/Safety Equipment	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
Miscellaneous Services	\$ 5,734	\$ 13,000	\$ 10,000	\$ 4,266	74%	\$ (3,000)	-23%
Subscript/Publ/Ref. Material	\$ 18,914	\$ 23,000	\$ 19,500	\$ 586	3%	\$ (3,500)	-15%
Dues-Professional Organizations	\$ 8,838	\$ 6,000	\$ 9,200	\$ 362	4%	\$ 3,200	53%
Business Meetings and Travel	\$ 5,721	\$ 10,000	\$ 6,500	\$ 779	14%	\$ (3,500)	-35%
Training	\$ 1,577	\$ 13,000	\$ 8,000	\$ 6,423	407%	\$ (5,000)	-38%
Payroll Software Services	\$ 12,480	\$ 15,000	\$ 14,000	\$ 1,520	12%	\$ (1,000)	-7%
Record Retention Services	\$ 11,954	\$ 15,000	\$ 13,000	\$ 1,046	9%	\$ (2,000)	-13%
Mileage Reimbursement	\$ 4,067	\$ 5,500	\$ 7,500	\$ 3,433	84%	\$ 2,000	36%
Vehicle Repair/Maintenance	\$ 1,238	\$ 4,500	\$ 4,500	\$ 3,262	263%	\$ -	0%
Office Equipment Service	\$ 1,703	\$ 3,000	\$ 2,000	\$ 297	17%	\$ (1,000)	-33%
Building Operations	\$ 7,222	\$ 58,000	\$ 60,500	\$ 53,278	738%	\$ 2,500	4%
Insurance Claims/Losses	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	100%	\$ -	0%
Bad Debt Expense	\$ 11,021	\$ -	\$ -	\$ (11,021)	-100%	\$ -	100%
Constitution Plaza Rent	\$ 328,065	\$ 402,500	\$ 300,000	\$ (28,065)	-9%	\$ (102,500)	-25%
Fuel for Vehicles	\$ 7,763	\$ 9,000	\$ 8,000	\$ 237	3%	\$ (1,000)	-11%
Temporary Agency Services	\$ 230,411	\$ 75,000	\$ 16,000	\$ (214,411)	-93%	\$ (59,000)	-79%
Insurance Premiums	\$ 76,835	\$ 85,000	\$ 186,000	\$ 109,165	142%	\$ 101,000	119%
Information Technology Consultant	\$ 40,040	\$ 55,000	\$ 60,000	\$ 19,960	50%	\$ 5,000	9%
Information Technology Maintenance	\$ 43,487	\$ 71,000	\$ 75,000	\$ 31,513	72%	\$ 4,000	6%
Legal Fees	\$ 210,378	\$ 400,000	\$ 375,000	\$ 164,622	78%	\$ (25,000)	-6%
Auditor	\$ 87,475	\$ 73,500	\$ 80,000	\$ (7,475)	-9%	\$ 6,500	9%
Insurance Consulting/Brokerage	\$ 8,672	\$ 8,000	\$ 9,700	\$ 1,028	12%	\$ 1,700	21%
Engineering, Technology & Consulting	\$ 1,700	\$ 35,000	\$ 73,000	\$ 71,300	4194%	\$ 38,000	109%
Vehicles	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
Office Furniture	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
Computer Hardware	\$ 8,811	\$ 55,000	\$ 22,000	\$ 13,189	150%	\$ (33,000)	-60%
Computer Software	\$ 6,642	\$ 10,000	\$ 22,000	\$ 15,358	231%	\$ 12,000	120%
Debt Service - Principal (F)	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
Other Equipment	\$ -	\$ 30,000	\$ 20,000	\$ 20,000	100%	\$ (10,000)	-33%
Trustee / Bank Fees	\$ 21,615	\$ 20,000	\$ 20,000	\$ (1,615)	-7%	\$ -	0%
Debt Service - Interest (F)	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
Operational Contingency	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
Subtotal Non-Personnel Services	\$ 1,263,633	\$ 1,696,500	\$ 1,604,400	\$ 340,767	27%	\$ (92,100)	-5%

EXHIBIT 3

MATERIALS INNOVATION AND RECYCLING AUTHORITY

MIRA PRIMARY INDIRECT EXPENSE ALLOCATION METHODOLOGY BY PROJECT / DIVISION

FY2016 BUDGET
(000 omitted on \$ Amounts)

	CSWS	Landfill Division	Southeast	Mid-Con Project	Property Division	Total
MSW Tons FY14 Actual	695,443	-	133,864	-	3,698	833,005
Percentage	83.5%	0.0%	16.1%	0.0%	0.4%	100.0%
Weighting	10.0%	10.0%	10.0%	10.0%	10.0%	
Adjusted Weighting	8.3%	0.0%	1.6%	0.0%	0.0%	10.0%
Recycling Tons FY14 Actual	62,985	-	-	-	-	62,985
Percentage	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Weighting	10.0%	10.0%	10.0%	10.0%	10.0%	
Adjusted Weighting	10.0%	0.0%	0.0%	0.0%	0.0%	10.0%
Total Operating Revenues FY14	\$ 70,075	\$ 115	\$ 14,167	\$ 1,096	\$ 9,677	\$ 95,130
Percentage	73.7%	0.1%	14.9%	1.2%	10.2%	100.0%
Weighting	15.0%	15.0%	15.0%	15.0%	15.0%	
Adjusted Weighting	11.0%	0.0%	2.2%	0.2%	1.5%	15.0%
Total Current Assets FY14	\$ 28,085	\$ 2,185	\$ 12,151	\$ 23,995	\$ 15,182	\$ 81,598
Percentage	34.4%	2.7%	14.9%	29.4%	18.6%	100.0%
Weighting	15.0%	15.0%	15.0%	15.0%	15.0%	
Adjusted Weighting	5.2%	0.4%	2.2%	4.4%	2.8%	15.0%
Transactions	2,620	120	586	1,058	2,511	6,895
Percentage	38.0%	1.7%	8.5%	15.3%	36.4%	100.0%
Weighting	25.0%	25.0%	25.0%	25.0%	25.0%	
Adjusted Weighting	9.5%	0.4%	2.1%	3.8%	9.1%	25.0%
Full Time Equivalents	18	-	-	-	1	19
Percentage	94.7%	0.0%	0.0%	0.0%	5.3%	100.0%
Weighting	25.0%	25.0%	25.0%	25.0%	25.0%	
Adjusted Weighting	23.7%	0.0%	0.0%	0.0%	1.3%	25.0%
Cumulative Weighting	100.00%	100.00%	100.00%	100.00%	100.00%	
Total Adjusted Weighting	67.74%	0.85%	8.20%	8.42%	14.78%	100.00%

(A) The Southeast Project tons reflect only the tons delivered by the Southeast Project's municipalities. The facility processed 262,762 in Fiscal Year 2014.

(B) The Southeast Project revenues were adjusted to reflect normal market conditions related to energy sales. Actual revenues were \$29,195,000 for iscal Year 2014.

(C) Transactions for the Landfill Division were adjusted to recognize the changes in the Division's business model due to the transfer of post-closure liabilities to the State.

(D) Full Time Equivalents exclude MIRA personnel of 23 FTEs incorporated in the Authority Budget.

EXHIBIT 4
MATERIALS INNOVATION AND RECYCLING AUTHORITY
ALLOCATION OF AUTHORITY BUDGET & DIRECT PERSONNEL SERVICES

Total Authority Budget \$ 4,829,669

Project / Division	Indirect Allocation Benchmarked Percent	Authority Budget Allocation
Mid-Connecticut	8.42%	\$ 406,658
Southeast Project	8.20%	\$ 396,033
Landfill Division	0.85%	\$ 41,052
Property Division	14.79%	\$ 714,308
CSWS	67.74%	\$ 3,271,618
Total Authority Budget	100.00%	\$ 4,829,669

Total Direct Personnel Services \$ 2,018,578

Project / Division	Direct Personnel Service Allocation	
	Function	FY 2016 Budget
Mid-Connecticut	South Meadows	\$ 8,016
Southeast Project		\$ -
Landfill Division		\$ -
Property Division	Operations Staff - Jets	\$ 99,884
CSWS	Operations Staff - CSWS	\$ 1,910,678
Total Direct Personnel Services		\$ 2,018,578

Combined Authority Budget and Direct Personnel Services \$ 6,848,247

Project / Division	Overall Allocation Percent	Total Allocated Cost
Mid-Connecticut	6.06%	\$ 414,674
Southeast Project	5.78%	\$ 396,033
Landfill Division	0.60%	\$ 41,052
Property Division	11.89%	\$ 814,192
CSWS	75.67%	\$ 5,182,296
Total Direct Personnel Services	100.00%	\$ 6,848,247