

**Policies & Procurement Committee**  
**Feb. 11, 2016**  
**Regular Telephonic Meeting Draft Minutes**

Members Present by phone:           Committee Chairman John Adams  
  Vice-Chairman Richard Barlow  
  Ralph Eno

MIRA Staff Present:                   Tom Kirk, President  
  Mark Daley, Chief Financial Officer  
  Roger Guzowski, Contract and Procurement Manager  
  Laurie Hunt, Esq., Director of Legal Services  
  Virginia Raymond, Operations Manager  
  Moira Kenney, Assistant HR Manager/Board Administrator

Members of the Public Present:     Ed Spinella, Esq.

Committee Chairman Adams called the meeting to order at 11:05 a.m. and noted that a quorum was present.

Committee Chairman Adams noted there were no members of the public present who wished to address the Committee and said the regular meeting would commence.

**1.     APPROVAL OF MINUTES OF THE JAN. 14, 2016, REGULAR MEETING**

Committee Chairman Adams requested a motion to accept the minutes of the Regular Jan. 14, 2016, Policies & Procurement Committee meeting. The motion to approve the minutes was made by Director Eno and seconded by Vice-Chairman Barlow.

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

**2.     DISCUSSION – REAL ESTATE BROKERAGE AGREEMENT FOR SALE OF MIRA’S PROPERTIES LOCATED IN STRATFORD, AND 171 MURPHY ROAD IN HARTFORD**

Mr. Kirk said management is interested in ensuring sufficient funds are available for FY2017. He said as part of that process management would like to investigate the possibility of the sale of real estate, in particular the former Collins Building at 171 Murphy Rd. in Hartford and the Stratford Recycling Facility.

Mr. Kirk said there are organizational procedures and statutory procedures which require appraisals prior to MIRA disposing of real estate. He said management is seeking to engage a broker to potentially market these properties in the future. Committee Chairman Adams asked if environmental site assessments had been done on these facilities. Mr. Egan replied no. Mr. Egan stated that, based on his knowledge, he did not believe that the site would be subject to the state’s Transfer

Act, but wasn't certain. MIRA management and the committee agreed that it would be prudent to undertake a Phase 1 environmental site assessment at each property.

Mr. Kirk said management is seeking the Committees' agreement before seeking a broker and no funds would be utilized at this point. Committee Chairman Adams asked if the municipalities in which these facilities reside have been contacted to see if they have interest in the properties. Mr. Kirk not yet, but that can certainly be done.

Mr. Egan said it is his understanding that the process is not far enough along to bring a resolution to the Board. He said engaging a broker would require Board approval as it would be likely that a commission of over \$50,000 would likely be generated. Mr. Daley said as there has been multiple expressions of interest in these properties management would like to engage a broker. He said management has passed on to a broker that MIRA would not pay commission for a sale to parties which have already indicated interest. Mr. Daley said if that was not acceptable to the brokerage firm MIRA would undertake its own public solicitation and attempt to execute a sale without a broker. He said management is currently waiting for feedback on the broker as to whether those exclusions would be acceptable.

Director Eno asked if one brokerage firm would be able to handle both properties. Mr. Guzowski said approximately a year ago the Board authorized MIRA to enter into agreements with commercial and industrial real estate providers for a range of services including appraisals and brokerage services. He said an RFS under those agreements would be executed and noted that management has already gone out and tested the market for brokers and MIRA would be proceeding with one of those agents. He said the Board would be approving this initial RFS under this agreement. He explained as the agent would be looking for a sole listing agreement that portion is being worked on and they are in agreement with the inclusions. Mr. Kirk noted that although there is an appraisal the depth of the market is unclear as there are only so many interested buyers out there and there is a long period of time from making a deal to depositing money in the bank.

The Committee agreed to the process.

### **3. DISCUSSION OF POWER SALES OPTIONS FOR FISCAL YEARS FY2017 AND BEYOND**

Mr. Kirk said MIRA Operations Manager Virginia Raymond is present for the power sales discussion. He explained MIRA's present partner in sales, Nextera, has proposed an alternative process concerning power sales. Mr. Kirk said they are proposing a more flexible approach to selling power on a firm basis as compared to the day ahead market. He explained the current day ahead market contract expires on June 30, 2016. He said the current information indicates going out to bid and to auction as in the past would not yield very high prices. Mr. Kirk said there are challenges associated with auctions and management is not convinced that an auction will result in the best pricing as it takes months of preparation before going out to bid.

Mr. Kirk said Nextera has proposed a more flexible approach which would allow MIRA to sell power without going to auction. He explained they would essentially market the power for MIRA and has requested that they have the first option to purchase the power, which management is not inclined to agree with. He said assuming that can be worked out this approach would allow MIRA to sell its

power in bundles of megawatts for longer periods of time and allow MIRA to sell power when it suits it needs with more confidence on pricing. He said it would eliminate the auction process and timing constraints. He said it would not remove MIRA from the day ahead market completely as only the first 20 or 30 megawatts produced in a day are reliable and the last 20-30 megawatts are less reliable due to possible boiler failures.

Mr. Kirk said there are some challenges to making this proposal fit due to MIRA's competitive bidding process requirements. He said those issues are fixable and the advantage to sell the power while avoiding risks and an onerous auction process makes it something we should pursue. Mr. Kirk said there is a cost associated with having Nextera market the power. He said ideally Nextera would like to purchase the power and have last look at the pricing however this is not a situation MIRA will enter into and management will put constraints as needed into the agreement to avoid those situations.

Ms. Raymond said management feels accommodating the flexible hedging process in under a year is unrealistic. She said the idea is to sell rolling tranches of megawatts to take advantage of dollar cost averaging. She said MIRA needs a multiple year contract in order to meet its budgetary needs for power pricing. Ms. Raymond said moving forward with Nextera exclusively will not meet MIRA's needs. She said management is looking to do an RFQP for a combination of hiring a new contact for energy management services.

Ms. Raymond explained management would build an energy hedging concept into the new procurement and ask for creative proposals from the market as to how to help MIRA implement the hedging program. She said MIRA does not want to exercise the one year extension with the current agreement and Nextera is amenable to extending on a month to month basis with their lead market position. Ms. Hunt said a short amendment will be drawn up to put this month to month agreement into place.

Mr. Daley said management budgeted roughly 4.3 cents on average for FY2017 and this flexible hedging allows for a more efficient way to enter into the market and securing hedges. He said management wants the mechanisms to go in and out of the market more quickly in the future.

#### **4. EXECUTIVE COMMITTEE**

Chairman Adams requested a motion to enter into Executive Session to discuss pending litigation and real estate. The motion made by Vice-Chairman Barlow and seconded by Director Eno was approved unanimously. Chairman Adams requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk  
Mark Daley  
Laurie Hunt, Esq.  
Peter Egan

The Executive Session commenced at 11:37 a.m.

The meeting was reconvened at 11:37 a.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. Chairman Adams noted that no votes were taken.

5. **ADJOURNMENT**

Chairman Adams requested a motion to adjourn the meeting. The motion made by Vice-Chairman Barlow and seconded by Director Eno was approved unanimously by roll call.

The meeting was adjourned at 11:48 a.m.

Respectfully submitted,

Moira Kenney  
Assistant HR Manager/Board Administrator