

**Finance Committee
Feb. 11, 2016
Draft Minutes**

Members Present

Committee Chairman Shanley
Jim Hayden

MIRA Staff Present:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Jeffrey Duvall, Director of Budgets and Forecasting
Peter Egan, Director of Operations and Environmental Affairs
Roger Guzowski, contract and Procurements Manager
Laurie Hunt, Director of Legal Services
Tina, Mateo, Assistant Director of Budgets and Cash Management
Moira Kenney, Assistant HR Manager/Board Administrator

Others Present:

Ed Spinella, Esq.

PUBLIC COMMENT

Committee Chairman Shanley called the meeting to order at 9:00 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 Dec. 10, 2015, Regular Finance Committee Meeting

Committee Chairman Shanley requested a motion to accept the minutes of the Dec. 10, 2015, Finance Committee meeting. The motion to approve the minutes was made by Director Hayden and seconded by Committee Chairman Shanley.

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

2. Review and Recommend for Board Approval – Resolution Approving a Revised “Authority Budget” for Fiscal Year 2017

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

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 29, 2016; which fees will apply during MIRA’s fiscal year 2017 which begins July 1, 2016 and ends June 30, 2017; and

WHEREAS, such Disposal Fees are to reflect the net cost of operation of the CSWS as defined in the Municipal Service Agreements between CSWS member towns and MIRA, 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 to progress timely with the evaluation and establishment of Disposal Fees for the CSWS member towns it is necessary for MIRA to adopt the Authority Budget for fiscal year 2017 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 2017 including:

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

NOW THEREFORE, be it

RESOLVED: That the fiscal year 2017 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.

Mr. Daley said the Authority budget of just under \$6.3 million was adopted back in October of 2015. He explained the budget included an additional \$100,000 operational contingency for a number of items. Mr. Daley said a \$3.00 increase to the tip fee was also included, which was \$1.00 over the opt-out price. He explained management was asked to reduce expenses to reduce that increase down to \$2.00 and to not exceed the opt-out price, a total reduction of \$400,000. Mr. Daley said the recycling rebate was also eliminated.

Mr. Daley said the Authority budget was examined first for possible reductions with savings rolling into CSWS. He said \$287,000 in proposed reductions was made which translates into roughly \$250,000 on the CSWS budget. Mr. Daley said to accomplish this reduction a vacant operations engineer position was eliminated and deferred for the time being.

Director Shanley said that the Connecticut Conference of Municipalities is discussing a sustainability initiative to take advantage of State grants for recycling initiatives.

Mr. Daley said the package highlights the line items which changed after savings were identified. He reviewed the reductions in further detail with the Committee.

Mr. Daley said the CSWS budget was reduced by \$623,000 including the \$250,000 pass through from the Authority budget, another \$100,000 from legal services and then \$83,000 in smaller line items. He said the direct insurance paid by CSWS was increased by \$56,000 to accommodate a potential increase in property damage insurance as a result of the fire in the terminator. Mr. Daley said overall there is a \$2.00 increase to the tip fee, which is under the opt-out price and an elimination of the recycling rebate which results in a reduction to the tip fee stabilization fund to about \$5.2 million. Mr. Daley said there is a 10.5% reduction to non-disposal fee revenues. He reviewed the presentation with the Committee as well.

The Committee discussed how to best inform MIRA customers about the changes to the budget. Director Shanley suggested that management attend and address the CROG as one avenue of communication. Mr. Kirk said a letter announcing the tip fee would be sent out and management can visit directly or with the CROG's and give a presentation on that number. He said management typically tries to cover all of the CROG meetings. Mr. Kirk said management also communicates to its haulers' at the hauler meetings.

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

3. Review and Recommend for Board Approval Resolution Approving the Operating and Capital Budgets for the Connecticut Solid Waste System for Fiscal Year 2017

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

RESOLVED: That the Fiscal Year 2017 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.

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

6. Discussion – Informational

Mr. Daley said Mr. Kirk had received a request from the Comptroller's office for checkbook information. He said they are putting together a transparency website for all quasi-publics. He said the auditors of public accounts are also expected and will be reviewing FY12, FY13, and FY14. Mr. Daley said CSWS by 21% below budget in terms of revenue this past month (December) and year to date is 16% under budget. He said this is primarily due to low power prices.

Mr. Daley said production was about 7% off budget. He said unit twelve was down for about eleven days and turbine 5 was offline for three days. Mr. Daley said at the same time there was a full day of closure due to a conveyor issue and fuel shortage and in total there were 17 days that all three boilers and both turbines were running at the plant in December.

Mr. Daley said recycling continues well below budget. He said Property Division did well in December and year to date is 73% above budget. Mr. Daley said as far as cash flows goes the Property Division generated a cash surplus of \$423,000 which was sent to the tip fee stabilization fund. He said MIRA did not need to draw from the tip fee stabilization fund this month and partially made up some of the improvement fund contributions for previous months.

EXECUTIVE SESSION

Committee Chairman Shanley made a motion to go into Executive Session for pending litigation, pending RFP responses, trade secrets, personnel matters, security matters, and feasibility estimates and evaluations. The motion was seconded by Director Hayden. The motion was approved unanimously by

roll call. Committee Chairman Shanley requested that the following person remain for the Executive Session, in addition to the Committee members:

Tom Kirk
Mark Daley
Peter Egan
Laurie Hunt

The Executive Session commenced at 10:10 a.m. and concluded at 10:40 a.m.

The meeting was reconvened at 10:40 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 Chairman Shanley requested a motion to adjourn the meeting, which was made by Director Hayden and seconded by committee Chairman Shanley.

The meeting was adjourned at 10:40 a.m.

Respectfully submitted,

Moira Kenney
Assistant HR Manager /Board Administrator