

Materials Innovation Recycling Authority
Regular Board of Directors Meeting
Dec. 15, 2016
9:30 AM

I. Pledge of Allegiance

II. Public Portion

A ½ hour public portion will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for Approval of the Regular Nov. 17, 2016, Board Meeting Minutes (Attachment 1).

IV. Polices & Procurement Committee Report

V. Finance Committee Report

1. Discussion of Draft FY 2018 Trash to Energy Facility O&M Budget (Attachment 2).
2. Board Action will be sought for Approval of the Draft FY 2018 Property Division Budget (Attachment 3).
3. Board Action will be sought for the Resolution to Increase Funding and Expenditure Authority for the Property Division (Attachment 4).
4. Board Action will be sought for Approval of the Draft FY 2018 Landfill Division (Attachment 5).

VI. Chairman and President's Reports

VII. Organizational Synergy & Human Resources Report

5. Board Action will be sought for Resolution Regarding a Change to One of MIRA's Benefit Providers (Attachment 6).

VIII. Executive Session

An Executive Session will be held to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP's, pending RFP responses, real estate matters, and feasibility estimates and evaluations including Strategic Plan updates.

Materials Innovation and Recycling Authority

200 Corporate Plaza, Rocky Hill CT

Telephone (860)757-7700 - Fax (860)757-7743

MEMORANDUM

TO: MIRA Board of Directors

FROM: Moira Kenney, Assistant HR Manager/Board Administrator

DATE: Dec. 8, 2016

RE: Notice of Regular Board Meeting

There will be a Regular Meeting of the Materials Innovation and Recycling Authority Board of Directors on Thurs. Dec. 15, 2016, at 9:30 a.m. The meeting will be available to the public in the Board Room at 200 Corporate Place, Suite 202, Rocky Hill, CT 06067.

Please notify this office of your attendance at (860) 757-7787 at your earliest convenience.

TAB 1

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FOUR HUNDRED AND SEVENTY-SECOND

NOV. 17, 2016

A regular meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Thurs. Nov. 17, 2016, in the Board Room at 211 Murphy Rd. Hartford, CT 06103. Those present were:

Directors: Chairman Don Stein
Vice-Chairman Dick Barlow
John Adams
Marilynn Cruz-Aponte
Ralph Eno
Jim Hayden
Bob Painter
Patricia Widlitz

Present from MIRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Jeffrey Duvall, Director of Budgets and Forecasting
Thomas Gaffey, Director of Recycling and Enforcement
Laurie Hunt, Director of Legal Services
Roger Guzowski, Contract and Procurement Manager
Chris Shepard, Environmental Compliance Manager
Moira Kenney, Assistant HR Manager/Board Administrator

Others Present: Ann Catino, Esq., Halloran & Sage; Doug Cohen, Esq., Cohn & Birnbaum; Ed Spinella, Esq., USA Hauling.

Chairman Stein called the meeting to order at 9:34 a.m. and said a quorum was present.

PUBLIC PORTION

Chairman Stein said the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes. As there were no members of the public present who wished to address the Board the regular meeting commenced.

APPROVAL OF THE REGULAR OCT. 27, 2016 BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the Regular Oct. 27, 2016, Board Meeting as amended. Director Adams made the motion which was seconded by Director Widlitz.

The motion to approve the minutes was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Hayden, Director Eno, Director Painter, and Director Widlitz voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilyn Cruz-Aponte	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Patricia Widlitz	X		

RESOLUTION REGARDING APPROVAL OF THE DRAFT FY 2018 AUTHORITY BUDGET

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

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, 2017; which fees will apply during MIRA's fiscal year 2018 which begins July 1, 2017 and ends June 30, 2018; 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 2018 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 2018 including:

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

NOW THEREFORE, be it

RESOLVED: That the fiscal year 2018 Materials Innovation and Recycling Authority Operating Budget attached hereto as Exhibit A be adopted substantially in the form as presented and discussed at the meeting; and

FURTHER RESOLVED: That the Authority Budget is subject to revision prior to the adoption of the CSWS budget in February 2017.

Mr. Daley said the Authority budget is passed first to provide a basis for allocated MIRA expenses in the CSWS budget and the two remaining division budgets. He said last month management went through a re-evaluation of MIRA's strategic plan and set a bench mark target for 6% growth from fiscal 2016 actual spending to the fiscal 2018 budgeted CSWS cost of operations. Mr. Daley said that this was factored in when planning the Authority budget and MIRA is well within the target established.

Mr. Daley said management also met with the Organizational Synergy and Human Resources Committee and established policies regarding the salary freeze, filling of vacancies, and MIRA's health and welfare benefits, and that information was also factored into the budget development.

Mr. Daley said as a first step to develop the budget management looks at personnel services for MIRA. He said there are 36 funded positions in the budget, and from those 36 funded positions management determined which would be allocated directly to the project or indirectly using different ratios between the three divisions.

Mr. Daley said total personnel services for FY'18 came in at \$4.65 million, a 4.6% reduction from FY'16 and 2.1% less than the FY'17 budget. He said the direct positions total \$1.93 million, and make up 17 of the 36 positions and include 10 scale operators, 4 managers, 2 engineers, and 1 director.

Mr. Daley said the remaining 19 out of the 36 positions are allocated through the Authority budget and total \$2.72 million. He said they include 4 Executives, 10 employees in Finance, Accounting, Contracts and Procurement, 4 in the Legal area and the Executive Assistant. He explained the method to allocate those positions is shown on page 4, and has been used for 3-5 years. Mr. Daley said as the organization has consolidated there are fewer places to allocate to, so the CSWS is up to 77.5% of the indirect personnel, the Property Division is at 18.75% and a very small amount for the landfill division.

Mr. Daley said non-personnel services came in at roughly \$928,000 which is 6% growth from FY'16 actual spending and a 27% reduction from the FY'17 budget. He said the areas which were reduced include; customer service reduced by \$39,000 (based on actual FY'16 spending), IT consultant reduced by \$30,000 and legal services reduced by \$100,000 based on actual spending and Ms. Hunt's estimate for FY'17 needs. Ms. Hunt added that an assumption of minimal legislative assistance also contributed to the reduction. Mr. Daley said the contingency funded in last year's budget of \$100,000 was also eliminated. He said the total FY'17 adopted budget was \$1.263 and is now coming in at \$927,000.

Director Shanley said the Finance Committee reviewed the budget at length and discussed the impact of such significant reductions in the budget and the possible impact those reductions may have on the plant's performance in the future. He said the Committee was ultimately comfortable with this budget as they have the possibility to make adjustments pending relevant information from the other budgets. Chairman Stein asked that a simple table of all of the MIRA employees be provided to the member towns.

Mr. Daley said the combination of the indirect personnel services plus non-personnel services put the total Authority budget at \$3.64 million, 18% less than FY'16, and 12% less than FY'17. He noted that the Finance Committee had requested the Further Resolved which provides that the Authority Budget is subject to revision prior to the adoption of the CSWS budget in February 2017.

Director Adams asked what remains in the Landfill Division. Mr. Daley explained the expense side contains funding for the insurance program for all of the landfills. He said MIRA has to retain pollution liability insurance since title to MIRA landfills was not transferred to DEEP. He said in addition MIRA has maintenance costs for the solar panels on top of the Hartford landfill. Mr. Daley said the revenue side contains the revenue share MIRA has with the City of Hartford for the solar panels, the proceeds of which are used to support the insurance program. He said the landfill operating account is being used for completing the solar facility's interconnection with the Hartford Public Works' department. He said the account serves as a reserve for future use as MIRA retains ownership of three landfills.

Mr. Egan added that when management sees potential opportunities, it bids into solar development projects on the landfills. He said it is likely that the Wallingford Landfill will also take part in a solar redevelopment project which will hopefully result in additional revenue.

Mr. Daley said MIRA stopped charging the Southeast Project in the FY'17 budget. He said however that Project related costs have been incurred and thus far none of MIRA's internal expenses have been allocated. Mr. Kirk said further information on that spending and possible allocation will be developed by management.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Hayden, Director Eno, Director Painter, and Director Widlitz voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilyn Cruz-Aponte	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Patricia Widlitz	X		

PRESIDENT'S REPORT

Mr. Kirk said there were no environmental, public safety, or health impacts throughout the reporting period. He said for CSWS financials there was revenue of \$4.8 million which is 6% below budget, he said the October period included a planned cold iron outage which coincided with the annual planned outages and will impact the October numbers substantially.

Mr. Kirk said availability for the boilers was fair to poor with five unscheduled outages, four of which were a result of pressure part failures, and all of which occurred in units 13 and 11. He said the waste throughput and steam production has improved versus prior years substantially. Mr. Kirk said the cold iron outage work included some significant exhaust duct repair. He said corrosion induced leakage of flue gas at ground level which was of concern due to employee safety and permit restrictions. Mr. Kirk said fortunately timing was such that the repairs were made before there were any issues.

Mr. Kirk said operating expenses for CSWS were \$4.3 million for the month or 5% favorable for the budget. He said year to date the CSWS was \$1.35 million unfavorable to budget or .6% unfavorable. He said the major issues on the expense side of the plant are tonnage related as the more tons burned the higher ash disposal costs. Mr. Kirk said prior to Sept. all of the power MIRA generated was in the day ahead market. He said however MIRA locked in the sale of a tranch of its power for 20 megawatts at 3.8 cents which is expected to be favorable as it is a seven month contract. Mr. Kirk said power prices continue to be low, and are 27% lower than the prior year. He said MIRA's capacity utilization is 11% higher than the prior year and management hopes that will improve with additional capital improvements.

Mr. Kirk said contract waste deliveries remain strong and recycling revenues for August were favorable. He said MIRA's competitors are not taking in as many recycling tons as they have not been found favorable and noted recycling rebates have decreased. Mr. Kirk said MIRA gets many of the tons as a result although the revenue share is lower than MIRA would like as commodities prices are low as a whole.

Mr. Kirk said MIRA continues to support the CT DEEP with the RFP Project. He said the Stratford Facility sale is on track.

MOTION TO ADD AN ITEM TO THE AGENDA CONCERNING RENEWAL OF THE HEALTH, DENTAL, VISIONS, LIFE AND DISABILITY INSURANCE PROGRAMS

Chairman Stein requested a motion to add an item to the agenda. Vice-Chairman Barlow made the motion which was seconded by Director Adams.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Hayden, Director Eno, Director Painter, and Director Widlitz voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilyn Cruz-Aponte	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Patricia Widlitz	X		

RESOLUTION REGRADING RENEWAL OF THE HEALTH, DENTAL, VISIONS, LIFE AND DISABILITY INSURANCE PROGRAMS

Chairman Stein requested a motion on the above referenced item. Director Adams made the motion which was seconded by Director Hayden.

RESOLVED: That the Board of Directors authorizes the renewal of MIRA's employee health insurance benefit plans with the incumbent providers – Connecticare (medical), Ameritas (vision), MetLife (dental) and Lincoln Financial (life and disability) – for the period January 1, 2017 through December 31, 2017; and

Further RESOLVED: That the Organizational Synergy and Human resources Committee discuss and finalize with management and MIRA's benefits broker the particulars of the said renewals with the name incumbent providers.

Director Hayden said the Organizational Synergy and Human Resources Committee doesn't have firm numbers concerning the health, dental, vision, life and disability insurance programs. He said this resolution is a contingency approval which will allow management to take action in the interim with the Human Resources Committee's advisement.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Hayden, Director Eno, Director Painter, and Director Widlitz voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilyn Cruz-Aponte	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Patricia Widlitz	X		

RESOLUTION REGARDING ADDITIONAL USE OF RESERVES AND PAYMENT OF PROJECTED LEGAL EXPENDITURES

Chairman Stein requested a motion on the resolution above. Director Eno made the motion which was seconded by Director Painter.

WHEREAS, MIRA has entered into Legal Service Agreements with various law firms to perform legal services; and

WHEREAS, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2017 projected legal fees; and

WHEREAS, MIRA expects to incur greater than authorized legal expenses related to Phase II of the MDC arbitration;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for payment of projected legal fees and costs to be incurred during fiscal year 2017:

<u>Firm:</u>	<u>Amount:</u>
Halloran & Sage	\$350,000
Kainen, Escalera & McHale	\$350,000

Further RESOLVED: That \$700,000 be transferred from the Mid-Connecticut Project Closure Reserve to the Mid-Connecticut Project Litigation Reserve; and

Further RESOLVED: That the President be authorized to expend up to an additional \$700,000 from the Mid-Connecticut Litigation Reserve for payment of Mid-Connecticut Project litigation-related legal fees and expenses incurred in fiscal year 2017.

Ms. Hunt explained these costs are for the continued MDC arbitration which was supposed to pick up this week however it was postponed at the request of both parties to allow for more time to prepare. She said the actuarial costs are included in the Kainen, Escalera & McHale cost, and have been for several months. She noted those costs are substantial.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Hayden, Director Eno, Director Painter, and Director Widlitz voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilyn Cruz-Aponte	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Patricia Widlitz	X		

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss real estate matters. The motion was made by Director Adams and seconded by Vice-Chairman Barlow and was approved unanimously.

Chairman Stein asked the following people to join the Directors in the Executive Session:

Tom Kirk
Mark Daley
Peter Egan
Chris Shepard
Laurie Hunt
Ann Catino, Esq.
Doug Cohen, Esq.

The Executive Session began at 10:18 a.m. and concluded at 11:30 a.m. Chairman Stein noted that no votes were taken in Executive Session.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Hayden, Director Eno, Director Painter, and Director Widlitz voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilyn Cruz-Aponte	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Patricia Widlitz	X		

The meeting was reconvened at 11:30 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.

ADJOURNMENT

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

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Hayden, Director Eno, Director Painter, and Director Widlitz voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilyn Cruz-Aponte	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Patricia Widlitz	X		

There being no other business to discuss, the meeting adjourned at 11:30 a.m.

Respectfully Submitted,



Moira Kenney
Assistant HR Manager/Board Administrator

TAB 2

Materials Innovation and Recycling Authority

Informational – Discussion of Draft FY 2018 O&M Budget for Trash to Energy Facility

Exhibit A - Summary Trash to Energy Facility Budgets

Exhibit A1 – MIRA Facilities Operating Expenses

Exhibit A2 – Waste Processing Facility:

- WPF Administration
- WPF Maintenance
- WPF Operating

Exhibit A3 – Power Block Facility:

- PBF Administration
- PBF Maintenance
- PBF Operating

Exhibit A4 – FY 2016 Actual Home Office Support

Exhibit A
Materials Innovation and Recycling Authority
FY 2018 Budget Development
CSWS Cost of Operation
Summary Trash to Energy Facility Budgets (December 8, 2016 Finance)

	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Variance (FY 2017 to FY 2018)		Variance (FY 2016 to FY 2018)	
MIRA Facilities Operating Expenses	\$ 1,234,827	\$ 1,078,700	\$ 1,222,875.00	\$ 144,175	13.4%	\$ (11,952.00)	-1.0%
NAES WPF Contract Operating Charges							
Payroll (57 Positions)	\$ 3,399,725	\$ 3,469,329	\$ 3,521,369	\$ 52,040	1.5%	\$ 121,643.72	3.6%
Overtime	\$ 839,142	\$ 666,932	\$ 676,936	\$ 10,004	1.5%	\$ (162,206.00)	-19.3%
Benefits and Related	\$ 1,332,943	\$ 1,890,688	\$ 1,893,415	\$ 2,727	0.1%	\$ 560,471.80	42.0%
Sub-total: Labor	\$ 5,571,810	\$ 6,026,948	\$ 6,091,720	\$ 64,771	1.1%	\$ 519,909.51	9.3%
Administrative Expense	\$ 353,101	\$ 188,300	\$ 153,800	\$ (34,500)	-18.3%	\$ (199,301.14)	-56.4%
Maintenance Expense	\$ 3,635,387	\$ 3,421,400	\$ 3,567,300	\$ 145,900	4.3%	\$ (68,086.80)	-1.9%
Operating Expense	\$ 924,870	\$ 1,084,000	\$ 983,000	\$ (101,000)	-9.3%	\$ 58,130.50	6.3%
Sub-total: O&M	\$ 4,913,357	\$ 4,693,700	\$ 4,704,100	\$ 10,400	0.2%	\$ (209,257.44)	-4.3%
Sub-total: WPF	\$ 10,485,167	\$ 10,720,648	\$ 10,795,820	\$ 75,171	0.7%	\$ 310,652.07	3.0%
NAES PBF Contract Operating Charges							
Payroll (62 Positions)	\$ 4,367,746	\$ 4,493,876	\$ 4,561,425	\$ 67,549	1.5%	\$ 193,678.72	4.4%
Overtime	\$ 1,321,808	\$ 1,053,000	\$ 987,868	\$ (65,132)	-6.2%	\$ (333,939.80)	-25.3%
Benefits and Related	\$ 1,642,622	\$ 2,542,389	\$ 2,506,868	\$ (35,521)	-1.4%	\$ 864,245.12	52.6%
Sub-total: Labor	\$ 7,332,177	\$ 8,089,265	\$ 8,056,161	\$ (33,103)	-0.4%	\$ 723,984.03	9.9%
Administrative Expense	\$ 75,956	\$ 162,914	\$ 186,402	\$ 23,488	14.4%	\$ 110,446.21	145.4%
Maintenance Expense	\$ 6,164,920	\$ 7,867,164	\$ 7,574,890	\$ (292,274)	-3.7%	\$ 1,409,970.40	22.9%
Operating Expense	\$ 3,097,472	\$ 3,449,980	\$ 3,421,306	\$ (28,674)	-0.8%	\$ 323,834.22	10.5%
Sub-total: O&M	\$ 9,338,347	\$ 11,480,058	\$ 11,182,598	\$ (297,460)	-2.6%	\$ 1,844,250.83	19.7%
Sub-total: PBF	\$ 16,670,524	\$ 19,569,323	\$ 19,238,759	\$ (330,564)	-1.7%	\$ 2,568,234.86	15.4%
Total NAES Contract Operating Charges	\$ 27,155,692	\$ 30,289,971	\$ 30,034,579	\$ (255,393)	-0.8%	\$ 2,878,886.93	10.6%
NAES On-Site Incentive Compensation							
Maximum Opportunity:							
WPF (57 Positions)	N/A Actual	\$ 451,673	\$ 451,815	\$ 141	0.0%		
PBF (62 Positions)	N/A Actual	\$ 622,474	\$ 621,696	\$ (778)	-0.1%		
Sub-total: Max Opportunity Incentives	\$ -	\$ 1,074,147	\$ 1,073,510	\$ (637)	-0.1%	\$ 1,073,510.21	100.0%
85% Budgeted / Funded Opportunity:							
WPF (57 Positions)	\$ 345,953	\$ 383,922	\$ 384,042	\$ 120	0.0%	\$ 38,089.02	11.0%
PBF (62 Positions)	\$ 479,443	\$ 529,103	\$ 528,441	\$ (661)	-0.1%	\$ 48,998.53	10.2%
Sub-total: Budgeted Incentives	\$ 825,396	\$ 913,025	\$ 912,484	\$ (541)	-0.1%	\$ 87,087.55	10.6%
NAES Management Fees & Charges							
Management Fee	\$ 464,511	\$ 438,000	\$ 440,454	\$ 2,454	0.6%	\$ (24,057.12)	-5.2%
Incentive Compensation	\$ 356,896	\$ 372,000	\$ 374,890	\$ 2,890	0.8%	\$ 17,993.82	5.0%
Allocated GL	\$ 5,209	\$ 6,000	\$ 6,000	\$ -	0.0%	\$ 791.29	15.2%
Sub-total	\$ 826,616	\$ 816,000	\$ 821,344	\$ 5,344	0.7%	\$ (5,272.01)	-0.6%
Home Office Support	\$ 349,394	\$ 417,000	\$ 410,400	\$ (6,600)	-1.6%	\$ 61,006.45	17.5%
Allocated GL	\$ 1,852	\$ -	\$ -	\$ -	100.0%	\$ (1,852.45)	-100.0%
Sub-total	\$ 351,246	\$ 417,000	\$ 410,400	\$ (6,600)	-1.6%	\$ 59,154.00	16.8%
Sub-total: Management Fees & Charges	\$ 1,177,862	\$ 1,233,000	\$ 1,231,744	\$ (1,256)	-0.1%	\$ 53,881.99	4.6%
Total Trash to Energy Facility	\$ 30,393,777	\$ 33,514,696	\$ 33,401,681	\$ (113,015)	-0.3%	\$ 3,007,904.47	9.9%

FY16 Accrued Payment to NAES:

WPF Site Incentive Compensation	\$ 393,000
PBF Site Incentive Compensation	\$ 525,996
Management Incentive Compensation	\$ 395,003
	\$ 1,313,999

Exhibit A-1

Materials Innovation and Recycling Authority
FY 2018 Budget Development
CSWS Cost of Operation
Trash to Energy Facility

	FY 2017	FY 2018		
	<u>Adopted</u>	<u>Proposed</u>	<u>Variance</u>	<u>%</u>
<u>MIRA FACILITIES OPERATING EXPENSES</u>				
Telecommunications	\$ 1,625	\$ 1,900	\$ 275	16.9%
Building Operations	\$ 7,000	\$ 7,000	\$ -	0.0%
Electricity	\$ 100	\$ 100	\$ -	0.0%
Computer Hardware	\$ 300	\$ 300	\$ -	0.0%
Project Equipment Maintenance	\$ 3,500	\$ 1,500	\$ (2,000)	-57.1%
Fees/Licenses/Permits	\$ 5,875	\$ 5,875	\$ -	0.0%
Other Operating Charges	\$ 34,000	\$ 34,000	\$ -	0.0%
Engineering Consultants	\$ 49,100	\$ 40,700	\$ (8,400)	-17.1%
Environmental Testing	\$ 13,100	\$ 10,000	\$ (3,100)	-23.7%
Subtotal MIRA WPF Operating Expenses	\$ 114,600	\$ 101,375	\$ (13,225)	-11.5%
 Fees/Licenses/Permits	 \$ 335,750	 \$ 409,350	 \$ 73,600	 21.9%
Power Products Management Fee	\$ 75,800	\$ 120,000	\$ 44,200	58.3%
Engineering Consultants	\$ 27,100	\$ 22,700	\$ (4,400)	-16.2%
Environmental Testing	\$ 59,450	\$ 59,450	\$ -	0.0%
Electricity	\$ 176,000	\$ 220,000	\$ 44,000	25.0%
Other Utilities	\$ 290,000	\$ 290,000	\$ -	0.0%
Subtotal MIRA PBF Operating Expenses	\$ 964,100	\$ 1,121,500	\$ 157,400	16.3%
 Total MIRA Facilities Operating Expenses	 <u>\$ 1,078,700</u>	 <u>\$ 1,222,875</u>	 <u>\$ 144,175</u>	 <u>13.4%</u>

Exhibit A - 2 (Page 1 of 3)
Materials Innovation and Recycling Authority
FY 2018 Budget Development
CSWS Cost of Operation
Trash to Energy Facility

	FY 2017	FY 2018		
	<u>Adopted</u>	<u>Proposed</u>	<u>Variance</u>	<u>%</u>
<u>WPF Administrative</u>				
Postage & Delivery	\$ 1,500	\$ 1,500	\$ -	0.0%
Telephones, Cell Phones	\$ 18,000	\$ 18,000	\$ -	0.0%
Copier	\$ 300	\$ 300	\$ -	0.0%
Printing and Reproduction	\$ 1,500	\$ 1,500	\$ -	0.0%
Office Equipment	\$ 2,000	\$ 2,000	\$ -	0.0%
Office Supplies / Coffeeetc	\$ 8,000	\$ 8,000	\$ -	0.0%
Miscellanies expenses / services WPF	\$ 5,000	\$ 4,000	\$ (1,000)	-20.0%
Dues Professional Organizations	\$ 500	\$ -	\$ (500)	-100.0%
Travel & Meals	\$ 5,000	\$ 5,000	\$ -	0.0%
Training & Tuition Reimbursement	\$ 5,000	\$ 5,000	\$ -	0.0%
Mileage Reimbursement	\$ 500	\$ 500	\$ -	0.0%
Office Equipment Service	\$ 1,000	\$ 1,000	\$ -	0.0%
Freight & Shipping	\$ 50,000	\$ 55,000	\$ 5,000	10.0%
Information Technology Maintenance	\$ 40,000	\$ 40,000	\$ -	0.0%
Insurance	\$ 38,000	\$ -	\$ (38,000)	-100.0%
Computer Hardware	\$ 10,000	\$ 10,000	\$ -	0.0%
Computer Software	\$ 2,000	\$ 2,000	\$ -	0.0%
Total Office Overhead	<u>\$ 188,300</u>	<u>\$ 153,800</u>	<u>\$ (34,500)</u>	<u>-18.3%</u>

Exhibit A - 2 (Page 2 of 3)
Materials Innovation and Recycling Authority
FY 2018 Budget Development
CSWS Cost of Operation
Trash to Energy Facility

	FY 2017	FY 2018		
<u>WPF Maintenance</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Variance</u>	<u>%</u>
OTHER VEHICLE REPAIR & MAINTENANCE	\$ 250,000	\$ 300,000	\$ 50,000	20.0%
BUILDINGS	\$ 150,000	\$ 157,000	\$ 7,000	4.7%
100A/200A* CONVEYORS	\$ 23,000	\$ 46,000	\$ 23,000	100.0%
100B*/200B* CONVEYORS	\$ 59,500	\$ 59,500	\$ -	0.0%
101/201 CONVEYORS	\$ 12,000	\$ 27,000	\$ 15,000	125.0%
102/202 CONVEYORS	\$ 10,000	\$ 15,000	\$ 5,000	50.0%
103/203 CONVEYORS	\$ 44,700	\$ 88,800	\$ 44,100	98.7%
104/204 SHREDDERS	\$ 291,500	\$ 291,500	\$ -	0.0%
105/205 CONVEYORS	\$ 48,000	\$ 38,500	\$ (9,500)	-19.8%
107/207 BAGHOUSE	\$ 7,000	\$ 7,000	\$ -	0.0%
MAGNETS	\$ 20,000	\$ 20,000	\$ -	0.0%
111/211 CONVEYORS	\$ 20,000	\$ 24,000	\$ 4,000	20.0%
401 CONVEYOR	\$ 29,700	\$ 29,700	\$ -	0.0%
402 CONVEYOR	\$ 5,000	\$ 5,000	\$ -	0.0%
115/215 CONVEYORS	\$ 22,000	\$ 28,000	\$ 6,000	27.3%
117/217 CONVEYORS	\$ 15,500	\$ 21,500	\$ 6,000	38.7%
118/218 CONVEYORS	\$ 22,500	\$ 28,500	\$ 6,000	26.7%
119/120, 219/220 & 127/227 TROMMELS	\$ 50,000	\$ 50,500	\$ 500	1.0%
123/223 CONVEYORS	\$ 4,000	\$ 2,000	\$ (2,000)	-50.0%
124/224 & 125/225 CONVEYORS	\$ 18,400	\$ 18,400	\$ -	0.0%
126/226 CONVEYORS	\$ 4,000	\$ 28,000	\$ 24,000	600.0%
128/228 CONVEYORS	\$ 5,000	\$ 17,000	\$ 12,000	240.0%
130/230 CONVEYORS	\$ 24,000	\$ 40,000	\$ 16,000	66.7%
131/231 SECONDARY SHREDDERS	\$ 469,000	\$ 502,500	\$ 33,500	7.1%
132/232 LUBE UNIT	\$ 5,000	\$ 5,000	\$ -	0.0%
133/233 CONVEYORS	\$ 15,000	\$ 15,000	\$ -	0.0%
138/238 CONVEYORS	\$ 21,000	\$ 43,500	\$ 22,500	107.1%
135/235 AIR LOCK/CYCLONE	\$ 1,200	\$ 1,200	\$ -	0.0%
137/237 AIR LOCK	\$ 5,000	\$ 5,000	\$ -	0.0%
139/239 CONVEYORS	\$ 28,000	\$ 21,800	\$ (6,200)	-22.1%
140/240 PACKERS	\$ 4,500	\$ 10,800	\$ 6,300	140.0%
136/236 BAGHOUSE	\$ 15,400	\$ 15,400	\$ -	0.0%
134/234 FAN	\$ 8,000	\$ 8,000	\$ -	0.0%
11G/21G/145 PICKING STATION	\$ 36,600	\$ 29,100	\$ (7,500)	-20.5%
301/302 CONVEYORS	\$ 4,100	\$ 4,100	\$ -	0.0%
407/409/411/413/410/412/414/415 CONVEYORS	\$ 8,800	\$ 3,000	\$ (5,800)	-65.9%
500 CONVEYORS	\$ 32,000	\$ 34,000	\$ 2,000	6.2%
RDF PUSH WALL REPAIRS (DISCHARGE OF PACKER)	\$ 5,000	\$ 5,000	\$ -	0.0%
SWITCH GEAR	\$ -	\$ 40,000	\$ 40,000	100.0%
GROUNDS MAINTENANCE	\$ 50,000	\$ 50,000	\$ -	0.0%
LOADER REPAIR & MAINTENANCE	\$ 1,295,000	\$ 1,220,000	\$ (75,000)	-5.8%
LUBRICANTS	\$ 45,000	\$ 45,000	\$ -	0.0%
CONSUMABLES WELDING	\$ 32,000	\$ 30,000	\$ (2,000)	-6.3%
CONSUMABLES ELECTRICAL	\$ 10,000	\$ 6,000	\$ (4,000)	-40.0%
CONSUMABLES MECHANICAL	\$ 185,000	\$ 125,000	\$ (60,000)	-32.4%
PLANT SUPPLIES OTHER (TOOLS)	\$ 10,000	\$ 5,000	\$ (5,000)	-50.0%
Total Maintenance Expenses	\$ 3,421,400	\$ 3,567,300	\$ 145,900	4.3%

Exhibit A - 2 (Page 3 of 3)
Materials Innovation and Recycling Authority
FY 2018 Budget Development
CSWS Cost of Operation
Trash to Energy Facility

	FY 2017	FY 2018		
<u>WPF Operating Costs</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Variance</u>	<u>%</u>
Protective Clothing & Uniforms	\$ 75,000	\$ 75,000	\$ -	0.0%
Janitorial Supplies & Contracting	\$ 10,000	\$ 12,000	\$ 2,000	20.0%
Safety & Medical	\$ 25,000	\$ 19,500	\$ (5,500)	-22.0%
Fees / Licenses / Permits	\$ 2,000	\$ 2,000	\$ -	0.0%
Equipment Rental & Lease	\$ 5,000	\$ 2,500	\$ (2,500)	-50.0%
Fuel (Vehicles & Equipment)	\$ 400,000	\$ 320,000	\$ (80,000)	-20.0%
Contract Services (Other)	\$ 445,000	\$ 432,000	\$ (13,000)	-2.9%
Engineering Services	\$ 2,000	\$ -	\$ (2,000)	-100.0%
Technical & Professional Services	\$ 5,000	\$ 5,000	\$ -	0.0%
Environmental Testing & Consulting	\$ 10,000	\$ 20,000	\$ 10,000	100.0%
Natural Gas	\$ 80,000	\$ 70,000	\$ (10,000)	-12.5%
Other Utilities Water & Sewer	\$ 25,000	\$ 25,000	\$ -	0.0%
TOTAL OPERATING COSTS	<u>\$ 1,084,000</u>	<u>\$ 983,000</u>	<u>\$ (101,000)</u>	<u>-9.3%</u>

Exhibit A - 3 (Page 1 of 3)
Materials Innovation and Recycling Authority
FY 2018 Budget Development
CSWS Cost of Operation
Trash to Energy Facility

	FY 2017 <u>Adopted</u>	FY 2018 <u>Proposed</u>	<u>Variance</u>	<u>%</u>
<u>PBF Administrative</u>				
Postage & Delivery	\$ 916	\$ 672	\$ (244)	-26.7%
Telephones, Cell Phones, Internet Access	\$ 37,726	\$ 21,000	\$ (16,726)	-44.3%
Copier Lease	\$ 7,182	\$ 8,808	\$ 1,626	22.6%
Printing and Reproduction	\$ 451	\$ -	\$ (451)	-100.0%
Office Equipment	\$ 4,079	\$ 1,560	\$ (2,519)	-61.8%
Office Supplies / Coffee / Water	\$ 28,130	\$ 18,000	\$ (10,130)	-36.0%
Educational Supplies	\$ 902	\$ -	\$ (902)	-100.0%
Subscriptions / Publications / Reference Material	\$ 114	\$ -	\$ (114)	-100.0%
Dues Professional Organizations	\$ 423	\$ 720	\$ 297	70.2%
Travel & Meals / Employee Morale	\$ 6,264	\$ 14,880	\$ 8,616	137.5%
Training & Tuition Reimbursement	\$ 12,612	\$ 2,040	\$ (10,572)	-83.8%
Records Retention	\$ 148	\$ -	\$ (148)	-100.0%
Mileage Reimbursement	\$ 1,388	\$ 1,500	\$ 112	8.1%
Office Equipment Service	\$ 2,080	\$ 2,208	\$ 128	6.2%
Freight & Shipping	\$ 48,000	\$ 97,200	\$ 49,200	102.5%
Office Temporaries	\$ 12,000	\$ -	\$ (12,000)	-100.0%
Information Technology Maintenance	\$ 500	\$ 17,814	\$ 17,314	3462.8%
Total Office Overhead	<u>\$ 162,914</u>	<u>\$ 186,402</u>	<u>\$ 23,488</u>	<u>14.4%</u>

Exhibit A - 3 (Page 2 of 3)
Materials Innovation and Recycling Authority
FY 2018 Budget Development
CSWS Cost of Operation
Trash to Energy Facility

	FY 2016	FY 2017		
<u>PBF Maintenance</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Variance</u>	<u>%</u>
VEHICLE REPAIR/MAINTENANCE	\$ 22,283	\$ 55,120	\$ 32,837	147.4%
BUILDING OPERATIONS	\$ 125,032	\$ 175,032	\$ 50,000	40.0%
PROJECT EQUIPMENT MAINTENANCE	\$ 7,066,633	\$ 6,742,217	\$ (324,416)	-4.6%
GROUNDS MAINTENANCE	\$ 46,995	\$ 46,896	\$ (99)	-0.2%
MOBILE EQUIPMENT SUPPLIES	\$ 84,508	\$ 98,210	\$ 13,702	16.2%
LUBRICANTS	\$ 29,704	\$ 62,137	\$ 32,433	109.2%
PAINTING SUPPLIES	\$ 6,121	\$ 5,121	\$ (1,000)	-16.3%
WELDING SUPPLIES	\$ 78,435	\$ 66,000	\$ (12,435)	-15.9%
ELECTRICAL SUPPLIES	\$ 40,259	\$ 59,259	\$ 19,000	47.2%
MECHANICAL SUPPLIES	\$ 100,810	\$ 68,810	\$ (32,000)	-31.7%
PLANT SUPPLIES - OTHER	\$ 138,922	\$ 56,136	\$ (82,786)	-59.6%
MCAPS O & M	\$ 72,609	\$ 46,000	\$ (26,609)	-36.6%
CONTINUOUS EMISSION MONITORING	\$ 54,852	\$ 93,952	\$ 39,100	71.3%
 Total Maintenance Expenses	 <u>\$ 7,867,164</u>	 <u>\$ 7,574,890</u>	 <u>\$ (292,274)</u>	 <u>-3.7%</u>

Exhibit A - 3 (Page 3 of 3)
Materials Innovation and Recycling Authority
FY 2018 Budget Development
CSWS Cost of Operation
Trash to Energy Facility

	FY 2017	FY 2018		
<u>PBF Operating Costs</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Variance</u>	<u>%</u>
Protective Clothing & Uniforms	\$ 70,297	\$ 60,297	\$ (10,000)	-14.2%
Security (Gate Guard)	\$ 90,659	\$ 96,659	\$ 6,000	6.6%
Calibration Gases (CEMS)	\$ 25,686	\$ 25,686	\$ (0)	0.0%
Hydrogen Gas	\$ 11,500	\$ 14,032	\$ 2,532	22.0%
Janitorial Supplies & Contracting	\$ 68,116	\$ 58,116	\$ (10,000)	-14.7%
Safety & Medical	\$ 218,698	\$ 136,540	\$ (82,158)	-37.6%
Laboratory Supplies	\$ 1,237	\$ 2,137	\$ 900	72.8%
Fees / Licenses / Permits	\$ 6,920	\$ 20,920	\$ 14,000	202.3%
Equipment Rental & Lease	\$ 111,030	\$ 71,030	\$ (40,000)	-36.0%
Fuel (Vehicles & Equipment)	\$ 62,514	\$ 62,514	\$ -	0.0%
Lime	\$ 1,462,890	\$ 1,442,000	\$ (20,890)	-1.4%
Urea	\$ 212,199	\$ 212,199	\$ -	0.0%
Other Ops Charges (Water Treat)	\$ 195,000	\$ 203,000	\$ 8,000	4.1%
Contract Services (Other)	\$ 554,961	\$ 657,902	\$ 102,941	18.5%
Engineering Services	\$ 13,114	\$ 13,114	\$ 0	0.0%
Environmental Testing & Consulting	\$ 151,612	\$ 151,612	\$ -	0.0%
Natural Gas	\$ 193,548	\$ 193,548	\$ 0	0.0%
			\$ -	
TOTAL OPERATING COSTS	<u>\$ 3,449,980</u>	<u>\$ 3,421,306</u>	<u>\$ (28,674)</u>	<u>-0.8%</u>

Exhibit A-4
Materials Innovation and Recycling Authority
FY 2018 Budget Development
CSWS Cost of Operation
Trash to Energy Facility

NEAS Home Office Support

	<u>FY 2016 Actual Home Office Support</u>		
<u>Managerial / Administrative</u>	<u>Total Cost</u>	<u>Total Hours</u>	<u>Average Rate</u>
Division Directors	\$ 18,448.89	108.00	\$ 170.82
Project Managers	\$ 129,038.65	1,079.00	\$ 119.59
Senior Accountant	\$ 258.06	2.75	\$ 93.84
Accounting Specialist	\$ 5,588.93	69.75	\$ 80.13
Staff Accountant	\$ 4,454.54	55.25	\$ 80.63
HR Specialist	\$ 1,781.06	23.50	\$ 75.79
HR Representative	\$ 649.51	10.00	\$ 64.95
HR Administrator	\$ 1,634.67	23.50	\$ 69.56
Administrative Assistant	\$ 222.43	3.30	\$ 67.40
IS Support I	\$ 111.55	1.25	\$ 89.24
Subtotal Managerial / Administrative	\$ 162,188.29	\$ 1,376.30	\$ 117.84
<u>Environmental / Engineering Support</u>			
Environmental	\$ 24,336.86	203.28	\$ 119.72
Engineering	\$ 26,260.71	218.00	\$ 120.46
Technical/NERC	\$ 1,143.91	9.75	\$ 117.32
Subtotal Engineering / Environmental	\$ 51,741.48	\$ 431.03	\$ 120.04
Total Home Office Personnel	\$ 213,929.77	\$ 1,807.33	\$ 118.37
Reimbursable Expenses	\$ 135,105.55		
Liability Insurance	\$ 2,210.84		
Total Home Office Support	\$ 351,246.16		

TAB 3

RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS

REGARDING ADOPTION OF THE FISCAL YEAR 2018 PROPERTY DIVISION OPERATING AND CAPITAL BUDGETS

WHEREAS, The Authority has previously established a tip fee stabilization fund within its Property Division intended to be drawn upon by the Connecticut Solid Waste System (CSWS) during periods of relatively low wholesale energy prices and refunded to the Property Division during periods of relatively high energy prices as a means to mitigate inflationary pressures on CSWS solid waste disposal fees; and

WHEREAS, Effective with the disbursement of receipts for the period ending September 30, 2015 and continuing through and including the disbursement of receipts for the period ending June 30, 2016, the Authority authorized all Property Division receipts remaining within the Property Division Clearing Account after disbursement to the Property Division Operating STIF to be transferred directly to the CSWS Tip Fee Stabilization Fund in lieu of the Property Division general fund, and further increased the maximum tip fee stabilization fund value by the amount of such transfers, in recognition of CSWS budgetary pressures associated with declining energy output and low wholesale energy prices; and

WHEREAS, Effective with the disbursement of receipts for the period ending July 31, 2016 and continuing through and including the disbursement of receipts for the period ending June 30, 2017, the Board of Directors authorized all Property Division receipts remaining within the Property Division Clearing Account after disbursement to the Property Division Operating STIF and Improvement Fund to be transferred directly to the CSWS Tip Fee Stabilization Fund in lieu of the Property Division General Fund, and further increased the maximum tip fee stabilization fund value by the amount of such transfers provided that management report monthly to the Board on the status of such transfers to the tip fee stabilization fund which are not exceed three million dollars during this period without further Board authorization; and

WHEREAS, The Authority anticipates that declining non disposal fee revenue from energy sales, non-participating town tip fees and recycling activities will continue to put added pressure on CSWS tip fees in connection with the development of its fiscal year 2018 operating and capital budget.

NOW THEREFORE, be it

RESOLVED: That the Fiscal Year 2018 Materials Innovation and Recycling Authority Operating and Capital Budgets for the Property Division attached hereto as Exhibit A be adopted substantially in the form as presented in Exhibit B attached hereto and discussed at this meeting; and

FURTHER RESOLVED: that a Jets Major Maintenance Reserve be established within the State Treasurer's Short Term Investment Fund, which fund shall, subject to further Board approval, be used to provide an additional source of funding for Jets major maintenance and capital improvements not identified in the Operating and Capital Budgets; and

FURTHER RESOLVED: that the sum of seven hundred three thousand dollars (\$703,000) be transferred to the Jets Major Maintenance Reserve as part of the disbursement of July and August 2017 Property Division receipts; and

FURTHER RESOLVED: That effective with the disbursement of receipts for the period ending July 31, 2017 and continuing through and including the disbursement of receipts for the period ending June 30, 2018, the Board of Directors authorizes Property Division receipts remaining within the Property Division Clearing Account after disbursement to the Property Division Operating STIF, Improvement Fund and Jets Major Maintenance Reserve to be transferred directly to the CSWS Tip Fee Stabilization Fund in lieu of the Property Division General Fund, and the maximum Tip Fee Stabilization Fund value is hereby increased by the amount of such transfers. Management is directed to report monthly to the Board on the status of such transfers to the Tip Fee Stabilization Fund which shall not exceed five million dollars during this period without further Board authorization.

Exhibit A - Page 1
Materials Innovation and Recycling Authority
FY 2018 Proposed Draft Operating Budget

Property Division

	FY 2016		Variance	FY 2017	FY 2018	Better (Worse) Than FY 2017	
	Budget	Actual	Better (Worse)	Adopted	Proposed	\$	%
REVENUES							
Jets Electric:							
Capacity Payments	\$ 5,541,026	\$ 6,292,904	\$ 751,878	\$ 5,754,336	\$ 12,897,568	\$ 7,143,232	124.1%
Blackstart	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
VARs Payments	\$ 42,400	\$ 59,135	\$ 16,735	\$ 48,164	\$ 50,400	\$ 2,236	4.6%
Reserve Credits	\$ 600,000	\$ 869,421	\$ 269,421	\$ 600,000	\$ 600,000	\$ -	0.0%
Real Time Energy	\$ 150,000	\$ 676,811	\$ 526,811	\$ 239,000	\$ 154,000	\$ (85,000)	-35.6%
Total Jets Electric	\$ 6,333,426	\$ 7,898,271	\$ 1,564,845	\$ 6,641,500	\$ 13,701,968	\$ 7,060,468	106.3%
Lease Income:							
CSWS Murphy Road	\$ 127,300	\$ 88,286	\$ (39,014)	\$ 127,300	\$ -	\$ (127,300)	-100.0%
Golf Center	\$ 18,150	\$ 16,638	\$ (1,512)	\$ 18,150	\$ 18,452	\$ 302	1.7%
Wheelabrator Lease	\$ 431,500	\$ 396,915	\$ (34,585)	\$ 431,348	\$ 431,348	\$ -	0.0%
Jets Billboard	\$ 42,350	\$ 42,350	\$ -	\$ 45,350	\$ 45,350	\$ -	0.0%
Total Lease Income	\$ 619,300	\$ 544,189	\$ (75,111)	\$ 622,148	\$ 495,150	\$ (126,998)	-20.4%
South Central Facility Capacity	\$ 65,000	\$ -	\$ (65,000)	\$ 61,000	\$ -	\$ (61,000)	-100.0%
Education & Trash Museum (1)	\$ -	\$ 40,399	\$ 40,399	\$ -	\$ -	\$ -	n/a
Interest Income	\$ 10,000	\$ 25,937	\$ 15,937	\$ 10,000	\$ 10,000	\$ -	0.0%
TOTAL ACCRUED REVENUES	\$ 7,027,726	\$ 8,508,796	\$ 1,481,070	\$ 7,334,648	\$ 14,207,118	\$ 6,872,470	93.7%
EXPENDITURES							
MIRA Direct Non-Personnel Services	\$ 266,000	\$ 149,267	\$ 116,733	\$ 245,724	\$ 230,600	\$ 15,124	6.2%
MIRA Allocated Costs	\$ 814,192	\$ 750,023	\$ 64,169	\$ 781,156	\$ 810,350	\$ (29,194)	-3.7%
Railroad Maintenance	\$ 10,500	\$ 9,450	\$ 1,050	\$ 10,000	\$ 10,000	\$ -	0.0%
211 Murphy Road Ops. Center	\$ 196,000	\$ 135,930	\$ 60,070	\$ 196,000	\$ -	\$ 196,000	100.0%
1410 Honey Spot Road	\$ 90,000	\$ 53,969	\$ 36,031	\$ 87,000	\$ -	\$ 87,000	100.0%
171 Murphy Road	\$ 41,000	\$ 18,589	\$ 22,411	\$ 34,950	\$ -	\$ 34,950	100.0%
Education & Trash Museum	\$ 5,000	\$ 1,035	\$ 3,965	\$ -	\$ -	\$ -	n/a
South Central Facility Operating Charges	\$ 65,000	\$ -	\$ 65,000	\$ 61,000	\$ -	\$ 61,000	100.0%
Jets Operating Charges	\$ 1,991,775	\$ 1,476,583	\$ 515,192	\$ 2,196,200	\$ 1,871,903	\$ 324,297	14.8%
TOTAL ACCRUED EXPENDITURES	\$ 3,479,467	\$ 2,594,846	\$ 884,621	\$ 3,612,030	\$ 2,922,853	\$ 689,177	19.1%
OPERATING INCOME							
(Before Reserves / Transfers)	\$ 3,548,259	\$ 5,913,950	\$ 2,365,691	\$ 3,722,618	\$ 11,284,265	\$ 7,561,647	203.1%
DISTRIBUTION OF PD OPERATING INCOME*							
Facilities Capital Refurbishment	\$ -		\$ -	\$ -		\$ -	n/a
Solid Waste Future Development	\$ -		\$ -	\$ -		\$ -	n/a
MIRA Severance			\$ -	\$ -		\$ -	n/a
Transfer to CSWS	\$ -		\$ -	\$ -	\$ -	\$ -	n/a
Jets Major Maintenance Reserve	\$ -	\$ -	\$ -	\$ -	\$ 703,000	\$ 703,000	n/a
PD Improvement Fund	\$ 787,000	\$ 787,000	\$ -	\$ 950,000	\$ 612,000	\$ (338,000)	-35.6%
Tip Fee Stabilization Fund	\$ 720,000	\$ 3,973,127	\$ 3,253,127	\$ 2,772,618	\$ 9,969,265	\$ 7,196,647	259.6%
General Fund (Net)	\$ 2,041,259	\$ 411,221	\$ (1,630,038)	\$ -	\$ -	\$ -	n/a
TOTAL DISTRIBUTIONS	\$ 3,548,259	\$ 5,171,348	\$ 1,623,089	\$ 3,722,618	\$ 11,284,265	\$ 7,561,647	203.1%
SURPLUS / (DEFICIT) *	\$ -	\$ 742,602	\$ 742,602	\$ -	\$ -	\$ -	n/a

* Actual distribution of income shown for FY 2016 reflects execution of the flow of funds procedure undertaken to fund each months budget in advance. The actual surplus / deficit shown for FY 2016 represents both i) the difference between accrual based income and monthly advance cash distributions, and ii) the accumulation of funds within the Property Division operating account due to budget versus actual expenditure variance. Note that \$603,092 of this surplus was subsequently distributed to Tip Fee Stabilization in the funding of August 2016 budgets as part of the annual adjustment of the operating account to reflect 180 days cash on hand. Excludes funds received from settlement activity.

EXHIBIT B - MATERIALS INNOVATION AND RECYCLING AUTHORITY



Implementing sustainable materials management and renewable energy processes

**FISCAL YEAR 2018
OPERATING
& CAPITAL
BUDGET DEVELOPMENT**

**Property Division
December 15, 2016
Board of Directors**

- ▲ Summary Draft Budget
- ▲ Highlights
- ▲ Total Operating Revenue
- ▲ Total Operating Expense
- ▲ Capital Improvements / Major Maintenance
- ▲ Property Division Income Comparisons
- ▲ Status of Jets Sustainability

HIGHLIGHTS

- ▶ **Operating Revenues increase by 93.7% from FY 2017 to FY 2018 budget:**
 - ▶ Jets capacity payments increase significantly to \$7,025 per kilowatt per month effective June 1, 2017 with FCA 8;
 - ▶ Lease income excludes revenue from CSWS allocated cost of 211 Murphy Road operations; and
 - ▶ No budgeted revenue from South Central Facility or Education and Trash Museum.
- ▶ **Operating Expenses decrease by 19.1% from FY 2017 to FY 2018 budget:**
 - ▶ \$317,950 in facility operating expenses for 211 Murphy Road, 171 Murphy Road and 1410 Honeyspot Road are eliminated. This is nearly half the reduction in operating expenses.
 - ▶ Jets operating charges are reduced by \$324,297 (14.8%) reflecting:
 - ▶ Jet fuel price reduced from \$2.70 to \$2.30 per gallon;
 - ▶ NAES contract operating charges reduced 24%; and
 - ▶ DERC acquisition budget increased by 50%
- ▶ **\$11.3 million in Operating Income represents a 203.1% increase from FY 2017:**
 - ▶ Jets major maintenance reserve created and funded;
 - ▶ Property Division Improvement Fund fully funded; and
 - ▶ Budgeted transfer to Tip Fee Stabilization is sufficient for updated 10 Year Financial Plan estimate.

TOTAL OPERATING REVENUE

▲ Electric Generation from Jets-		\$13,701,968
▲ Forward Capacity Market -	\$12,897,568	
▲ Reserve Time -	\$ 600,000	
▲ Real Time -	\$ 154,000	
▲ Real Time NCPC -	\$ 0	
▲ VAR Payments -	\$ 50,400	
▲ Total -	\$13,701,968	
▲ Other Property -		\$ 495,150
▲ Wheelabrator (Bridgeport) Lease -	\$ 431,348	
▲ Jets Billboard -	\$ 45,350	
▲ Golf Center -	\$ 18,452	
▲ Total -	\$ 495,150	
▲ Interest Income -		\$ <u>10,000</u>
▲ Total Operating Revenue -		\$14,207,118

TOTAL OPERATING EXPENSE

<ul style="list-style-type: none"> ▲ MIRA Allocated Costs - <ul style="list-style-type: none"> ▲ Authority Budget - Personnel Services - \$509,742 ▲ Authority Budget - Non Personnel Services - \$174,045 ▲ Direct Personnel Services - \$126,563 ▲ Total Allocated Costs - \$810,350 	\$810,350
<ul style="list-style-type: none"> ▲ MIRA Direct Non Personnel Services - <ul style="list-style-type: none"> ▲ Insurance - \$154,070 ▲ Legal - \$ 60,000 ▲ Other - \$ 16,530 ▲ Total Direct Non Personnel - \$230,600 	\$230,600
<ul style="list-style-type: none"> ▲ Other Property O&M - <ul style="list-style-type: none"> ▲ 211 Murphy Road - \$ 0 ▲ 171 Murphy Road - \$ 0 ▲ Railroad Maintenance - \$ 10,000 ▲ 1410 Honey Spot Road - \$ 0 ▲ South Central Facility Capacity - \$ 0 ▲ Total Other Property- \$ 10,000 	\$ 10,000

TOTAL OPERATING EXPENSE

► JETS O&M -

\$1,871,903

Operating Expense	NAES Contract	MIRA Related	Total
Fuel for Twin Packs	\$ 0	\$ 772,800	\$ 772,800
Management Fee and Incentive	\$ 109,600	\$ 0	\$ 109,600
Home Office Support	\$ 59,845	\$ 0	\$ 59,845
Direct Labor & Overhead	\$ 136,458	\$ 0	\$ 136,458
Employee Incentive Bonus	\$ 7,943	\$ 0	\$ 7,943
Operations & Maintenance	\$ 447,757	\$ 337,500	\$ 785,257
Total Operating Expense	\$ 761,603	\$ 1,110,300	\$ 1,871,903

► Total Operating Expense

\$2,922,853

CAPITAL IMPROVEMENTS / MAJOR MAINTENANCE

- ▶ All proposed projects are dedicated to preserving the capacity of the Jets.
- ▶ No projects are proposed / scheduled for other assets assigned to MIRA's Property Division.

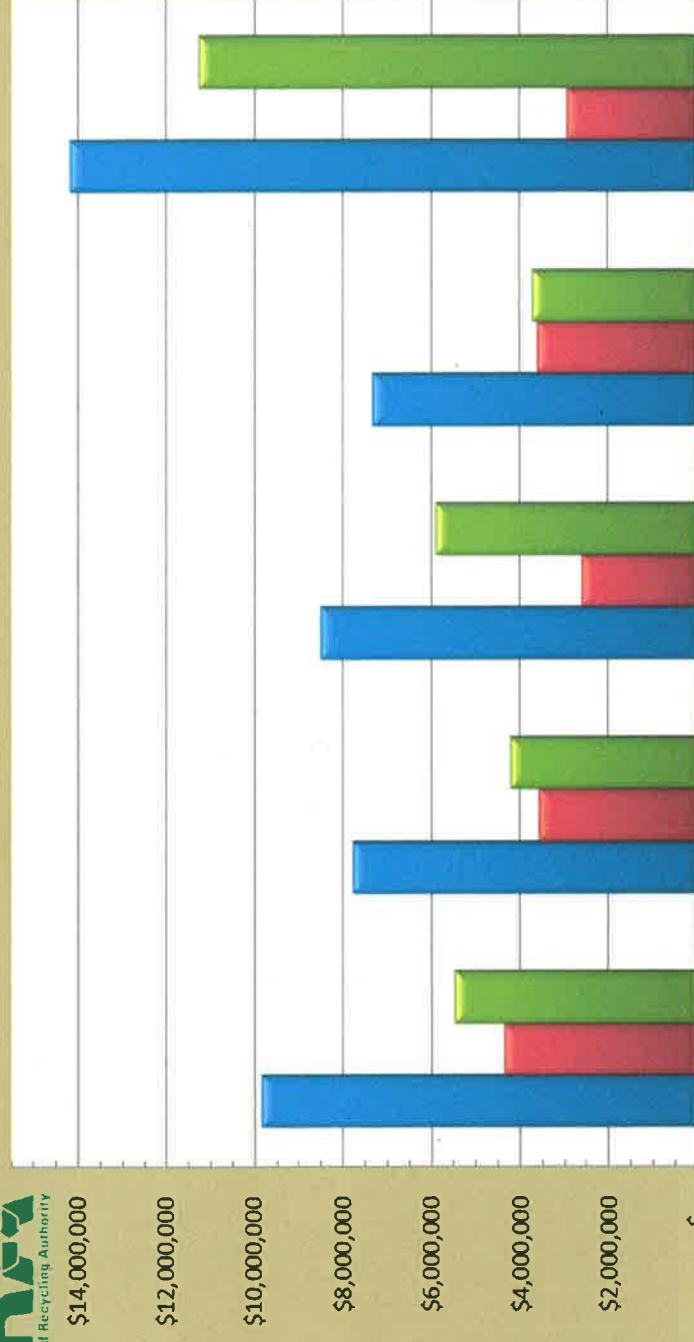
▶ Refund Property Division General Fund* -	\$ 422,000
▶ Upgrade Unit 11 Controls -	\$ 160,000
▶ Replace Unit 12 Batteries -	\$ 30,000
▶ Property Division Improvement Fund Subtotal -	\$ 612,000
▶ Jets Major Maintenance Reserve -	\$ 703,000
▶ Total -	\$1,315,000

- ▶ Note that the FY 2017 Improvement Fund budget of \$950,000 primarily consisted of refurbishing MIRA's spare jet engine. Additional funds were available for repair of guide vanes and combustion cans. However, these projects had to be delayed in order to undertake major unexpected Unit 14 stator and generator field repairs discovered as necessary during testing and cleaning of this unit.
- ▶ The total estimated cost of the Unit 14 repair work is \$1,122,000

CAPITAL IMPROVEMENTS / MAJOR MAINTENANCE

- ▶ MIRA has identified an efficient alternative to refurbishing the spare jet engine as part of the FY 2018 budget. This alternative is to acquire an already refurbished jet engine which may only be available on the market for a short period.
- ▶ The net cost of this acquisition including trade in value for MIRA's existing spare is \$250,000. This approach has been confirmed through DEEP and the AG office as not triggering a new source review.
- ▶ Additional funding needed in FY 2017 to accomplish this work (Unit 14 and acquiring a new spare) is \$422,000 to be transferred from the Property Division General Fund and returned as part of the FY 2018 Property Division budget.
- ▶ The planned initial \$750,000 contribution to the Jets Major Maintenance Reserve in FY 2018 had to be reduced to accommodate this change.
- ▶ The FY 2018 transfer to Property Division Improvement Fund will be net of any carry forward from Fiscal Year 2017 approved project spending.

PROPERTY DIVISION INCOME COMPARISONS



Operating Revenue	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Proposed
Operating Expense					
Income Before Reserves					

STATUS OF JETS SUSTAINABILITY

- ▶ Retrofit On Hold
- ▶ Trading Order Expires May 31, 2017
- ▶ Capacity Supply Obligations Incurred:
 - ▶ Forward Capacity Auction (FCA) #8 for 6/1/2017 – 5/31/2018 Capacity Supply Obligation (CSO). Capacity payments increase from effective payment rate of \$2.883 to \$7.025.
 - ▶ FCA #9 for 6/1/2018 – 5/31/2019 CSO. Capacity payments increase to effective payment rate of \$9.550.
 - ▶ FCA #10 for 6/1/2019 – 5/31/2020 CSO. Capacity payments decline to effective payment rate of \$7.030.
- ▶ Capacity Supply Obligations Pending:
 - ▶ 6/6/2016 – ISO delist deadline for FCA #11 (MIRA opted not to delist).
 - ▶ 2/6/2017 – ISO to conduct FCA #11 for 6/1/2020 – 5/31/2021 CSO.

DEEP Developing Phased Compliance Program:

- ▶ Approved by AG Office Twice (8/10/2016 and 10/31/2016);
- ▶ Rejected by LRRC Twice for Technical Corrections (10/26/2016 and 11/22/2016);
- ▶ Next LRRC Meeting 12/20/2016 with Decision Date of 1/10/2017;
- ▶ Determined not to require approval of US EPA
- ▶ Understood not to impact issuance of one year trade order for gap period (6/1/2017 – 5/31/2018).
- ▶ DERC Acquisition Program Proceeding

TAB 4

**INCREASED FUNDING AND EXPENDITURE AUTHORITY FOR THE PROPERTY DIVISION FISCAL YEAR 2017
CAPITAL PROGRAM**

WHEREAS, at its November 19, 2015 meeting, the Materials Innovation and Recycling Authority (MIRA) Board of Directors approved the fiscal year 2017 Property Division Improvement Fund contributions and expenditures of \$950,000 for capital expenditures related to Property Division assets; and

WHEREAS, budgeted projects were delayed to address issues with generator #14 of the Jets Facility and due to emergent work related to generator #14, the fiscal year 2017 Property Division capital expenditures funding is now \$172,000 insufficient to complete the remaining generator work; and

WHEREAS, MIRA has a short term opportunity to purchase a refurbished spare jet engine for the net sum of \$250,000 after the trade in of MIRA's existing spare jet engine in need of refurbishment; and

WHEREAS, MIRA estimates that refurbishment of its existing spare jet engine would cost \$750,000 in fiscal year 2018; and.

WHEREAS, MIRA has sufficient funds in the Property Division's General Fund to transfer the \$422,000 required to complete the generator #14 repairs and purchase the refurbished spare jet engine in fiscal year 2017.

NOW THEREFORE, be it

RESOLVED: That \$422,000 be transferred from the Property Division General Fund to the Property Division Improvement Fund for the expressed purpose of purchasing one refurbished spare jet engine and completing necessary work on generator #14, and

FURTHER RESOLVED: That the Property Division fiscal year 2018 budget reflect contributions of \$422,000 to the Property Division General Fund from operating revenues for repayment of the funds being transferred for the completion of generator #14 work and the purchase of one refurbished spare jet engine.

TAB 5

ADOPTION OF THE FISCAL YEAR 2018 LANDFILL DIVISION OPERATING BUDGET

RESOLVED: That the Fiscal Year 2018 Landfill Division Operating Budget attached hereto as Exhibit A be adopted substantially in the form as presented and discussed at this meeting.

MIRA - LANDFILL DIVISION**REVENUES**

ACCOUNT	DESCRIPTION	ACTUAL FY16	ADOPTED FY17	PROPOSED FY18
51-001-000-43101	Electricity Sales to the City of Hartford (a)	\$ -	\$ 69,186	\$ 68,837
51-001-000-43106	ZREC/Energy Payments from Eversource (b)	\$ 316,266	\$ 169,122	\$ 168,268
51-001-000-45101	Lease Income	\$ 23,480	\$ -	\$ 6,000
51-001-000-46101	Interest Income	\$ -	\$ 4,200	\$ -
51-001-000-48401	Use of Operating Funds (c)	\$ 132,052	\$ 12,322	\$ 159,835
Total Revenues		\$ 471,798	\$ 254,830	\$ 402,939

EXPENDITURE DETAILS

ACCOUNT	DESCRIPTION	ACTUAL FY16	ADOPTED FY17	PROPOSED FY18
51-001-501-xxxxx	MIRA Operating Expenses	\$ 5,421	\$ 1,200	\$ 8,170
51-001-501-52856	Legal	\$ 35,372	\$ -	\$ -
51-001-501-52611	ZREC Income Share with City of Hartford	\$ 67,417	\$ 58,939	\$ 57,291
51-001-501-52640	Insurance Premium (d)	\$ 111,553	\$ 15,000	\$ 154,500
51-001-501-52701	Contract Operating Charges	\$ 20,119	\$ 9,500	\$ 9,500
51-001-501-52875	Insurance Consulting & Brokerage	\$ 4,712	\$ 6,009	\$ 6,252
51-001-501-54491	Reserve for Replacement	\$ 36,000	\$ 24,000	\$ 32,000
51-001-501-56605	Construction	\$ 159,694	\$ -	\$ -
51-001-501-57871	Authority Budget Allocation BOD	\$ 31,510	\$ 140,182	\$ 135,226
Total Expenditures		\$ 471,798	\$ 254,829.85	\$ 402,939
NET INCOME/(LOSS)		\$ -	\$ -	\$ -

(a) The agreement with the City of Hartford is expected to begin in FY17.

(b) FY16 reflects both energy and ZREC payments from Eversource; Future energy payment will come from the City of Hartford.
The FY16 actual payments includes \$81,400 in unaccrued revenues earned in FY15.

(c) The Landfill Division operating account funds operating losses and incorporates operating income.

(d) PPL insurance is expected to be purchased as a three year plan with an initial payment of 50% of the purchase price due at the beginning of the coverage period (FY18). This price equates to \$138,000 for the Landfill Division in FY18. For cash flow purposes, the amount represented in the FY18 budget is the PPL cash payment anticipated in FY18 of \$138,000 plus \$16,500 for annual property and liability coverage. The amount booked in FY18 will be allocated based on the length of the coverage period and will differ from the cash payment in FY18 (See chart below).

Anticipated PLL Insurance Expense for the Landfill Division		FY16	FY17	FY18
Coverage Payment	\$	138,000	\$ 138,000	\$ -
Booked Expense	\$	92,000	\$ 92,000	\$ 92,000

TAB 6

RESOLUTION REGARDING A CHANGE TO ONE OF MIRA'S BENEFIT PROVIDERS

WHEREAS, at its November 17, 2016 meeting, this Board authorized the renewal of MIRA's employee insurance benefit plans with the incumbent providers, and commissioned the Organizational Synergy and Human Resources Committee to discuss and finalize with management and MIRA's benefits broker the particulars of such renewals; and

WHEREAS, in its review of the proposed benefit plan renewals with management and MIRA's benefits broker at its November 30, 2016 meeting, the OS and HR Committee determined to replace Lincoln Financial as MIRA's life and disability insurance provider;

Now, therefore, it is hereby

RESOLVED: That the Board of Directors authorizes the renewal of MIRA's life and disability insurance with Met Life instead of with Lincoln Financial.