

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FOUR HUNDRED AND SEVENTY-FIVE

OCTOBER 19, 2017

A regular meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Thursday, October 19, 2017, in the Board Room at 200 Corporate Place, Suite 202, Rocky Hill, CT 06067. Those present were:

Directors:

Chairman Don Stein
Vice-Chairman Dick Barlow
John Adams
Jim Hayden
Bob Painter
Lizz Milardo
Scott Shanley
Patricia Widlitz (present by telephone)

Present from MIRA:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Laurie Hunt, Director of Legal Services
Peter Egan, Director of Operations and Environmental Affairs
Jeffrey Duvall, Director of Budgets & Forecasting
Thomas Edstrom, Risk Manager
Thomas Gaffey, Enforcement/Recycling Director
Kanchan Arora, General Accountant/Board Administrator

Public Present:

Ann Catino, Esq.,
John Pizzimenti, USA Hauling,

Chairman Stein called the meeting to order at 9:31 a.m. and said that 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 who wished to address the Board the meeting commenced.

APPROVAL OF THE SEPTEMBER 21, 2017 BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the September 21, 2017, Board meeting. Director Adams made the motion which was seconded by Director Hayden.

The motion to approve the minutes was approved. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Hayden, Director Painter, and Director Milardo voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Bob Painter	X		
Lizz Milardo	X		

APPROVAL OF THE SEPTEMBER 26, 2017 SPECIAL BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the Minutes of the September 26, 2017, Special Board meeting. Director Adams made the motion which was seconded by Director Hayden.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Bob Painter			X
Lizz Milardo	X		
Patricia Widlitz	X		

RESOLUTION REGARDING ALLOCATING FY18 PROPERTY DIVISION OPERATING BUDGET FUNDS TO OPERATION AND MAINTENANCE OF THE COLLINS BUILDING

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

WHEREAS: This Board of Directors adopted a Fiscal Year 2018 Property Division Budget on December 15, 2016 and adopted a revision to the budget on February 23, 2017; and

WHEREAS, The Property Division Budget assumed that the parcel of real property located at 171 Murphy Road would be sold prior to the beginning of the fiscal year and therefore expenses were not budgeted for this property; and

WHEREAS: This real property has not been sold and a budget for these expenses needs to be approved by the Board for this cost center; and

WHEREAS, A revised Property Division Budget has been developed to include expenses for the real property located at 171 Murphy Road by reallocating funds from jet fuel purchases and keep total expenditures and distributions identical to the previously approved budget as shown on Exhibit A attached hereto.

NOW THEREFORE, be it

RESOLVED: That the Fiscal Year 2018 Materials Innovation and Recycling Authority Revised Property Division Operating Budget attached hereto as Exhibit A be adopted substantially in the form as presented and discussed at this meeting.

Mr. Daley said when MIRA adopted the Property Division budget for FY 2018, the operations and maintenance for the Collins building was not included, anticipating that it would be sold. MIRA has so far spent under the \$5,000 cap for non-budgeted items that applies in these circumstances but will soon exceed it.

Mr. Daley said MIRA needs to adopt the budget providing basic utilities for the Collins building. MIRA will do so by reallocating funds from the Jets budget line item for fuel to the Collins building line item for O&M. As of today, MIRA hasn't spent any of the funds allocated for Jets fuel, which total \$772,800 for the year. There is no change to total recording, income or cash to the Tip Fee Stabilization budget.

The motion was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Hayden, Director Painter, Director Milardo, Director Shanley, and Director Widlitz voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		

Bob Painter	X		
Lizz Milardo	X		
Scott Shanley	X		
Patricia Widlitz	X		

RESOLUTION ACCEPTING AN ACCESS EASEMENT AGREEMENT WITH THE CITY OF HARTFORD ASSOCIATED WITH MIRA'S SOUTH MEADOWS PROPERTY.

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

RESOLVED: That the President is hereby authorized to execute an Access Easement Agreement with the City of Hartford (the "City"), granting to the City an access easement from Reserve Road, across a portion of the MIRA South Meadow Station site, to the Charter Oak Landing riverfront park, substantially as presented and discussed at this meeting.

Mr. Kirk said it has come to MIRA's attention that there is an unrecorded easement on MIRA's land for the access driveway that takes the public across MIRA's property down to the Charter Oak Landing. MIRA approached the City and asked the City to execute an access easement agreement with MIRA and subordinate that agreement to ELURs (Environmental Land Use Restrictions) that will be recorded on the land records. The City has agreed to do so and to integrate this item with the other agreement that MIRA has assembled regarding the other areas that the City will subordinate to ELURs on MIRA's South Meadows property. MIRA and the City have an understanding that they will not pay each other anything for this easement or its subordination. Mr. Kirk said MIRA would like Board approval so MIRA can provide a complete package to the DEEP so they can provide full certification of the site.

Mr. Egan added there is one more encumbrance on the property, which is used by Comcast. MIRA is working with Comcast to formalize an easement, which will also be subordinated to the ELURs. In that case MIRA is asking for some money from Comcast, so everything will be finalized in October.

Director Shanley said he was curious -- MIRA had a team working on this, so why we are just finding out about these easements at the last minute? Mr. Egan responded that they were never recorded on the land records.

Director Shanley asked how they were discovered. Mr. Shepard said it was through A-2 property surveys associated with establishing the ELURs.

Director Hayden asked the name of the company that that did the cleanup, and whether there was a timeframe under which this project was supposed to be accomplished? Mr. Kirk said TRC is our contractor; our hope is that TRC will be pleased

that our contract will be completed, that MIRA will fulfill all of its requirements under the agreement, and that the site can be fully certified.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Bob Painter	X		
Lizz Milardo	X		
Scott Shanley	X		
Patricia Widlitz	X		

RESOLUTION AUTHORIZING THE TRANSFER OF MID CONNECTICUT PROJECT RECYCLING EDUCATION FUNDS TO THE CITY OF HARTFORD.

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

WHEREAS: On June 5, 1991, the Materials Innovation and Recycling Authority (“MIRA”) formerly the Connecticut Resources Recovery Authority (“CRRA”) established a Recycling Education Fund as part of a Payment in Lieu of Taxes (“PILOT”) Agreement with the City of Hartford (the “City”) and agreed to contribute \$100,000 annually to provide funds to the City solely for the benefit of its recycling education programs; and

WHEREAS, On February 1, 2007, MIRA and the City increased the PILOT’S Recycling Education Fund contribution by \$50,000 a year to a total of \$150,000 annually; and

WHEREAS, This PILOT agreement ended in fiscal year 2013 with funds remaining in the Recycling Education Fund for the City’s recycling education programs use, which the City continued to withdraw for approved education programs for several years thereafter; and

WHEREAS, As of September 30, 2017 the City still has \$6,047.29 remaining in the Recycling Education Fund and has not requested reimbursement for allowed expenses within the last 12 months; and

WHEREAS, MIRA now wishes to distribute the remaining recycling education funds to the City and close the Recycling Education Fund reserve.

NOW THEREFORE, be it

RESOLVED: That the Recycling Education Fund bank account be closed and the account's funds in the amount of \$6,047.29 with applicable interest be distributed to the City of Hartford.

Director Shanley said this is residual money that was there so Hartford can do programming; MIRA is not requiring any document so the account can be cleared.

The motion previously made and seconded was approved unanimously. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Hayden, Director Painter, Director Milardo, and Director Shanley, voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Bob Painter	X		
Lizz Milardo	X		
Scott Shanley	X		

ORGANIZATIONAL SYNERGY AND HUMAN RESOURCES COMMITTEE REPORT

Director Hayden said the Committee had an organizational review meeting today, October 19, 2017. We started our initial review of payroll, positions and health insurance, and will report further details at our next meeting; no action was taken today.

PRESIDENT'S REPORT

Mr. Kirk said all of MIRA's facilities operated throughout the reporting period without environmental, public health, or safety incidents. He said he is reporting through August 31, 2017 and for that period MIRA's revenue is \$4.8 million (6% below budget). He said the deficits in electric sales are the reason we are below budget. The shortfall was substantially reduced by lower operating cost because MIRA is processing less.

Mr. Kirk said the operating expenses for the period were 4% favorable to the budget at \$4.3 million. He said August did feature some disappointing plant production versus prior

months; total boiler unscheduled outages were 454 hours for 13 days, and scheduled outages totaled 14.5 days. Mr. Kirk said production was influenced by age related issues that reduce capacity and availability. Boiler pressure part problems continue to be maintenance and operation challenges.

Mr. Kirk said power production is stable and very low level and the trend for future power prices is not encouraging. He said MIRA is price protected in this period for up to March of 2018. He said MIRA is averaging ahead of market price.

Mr. Kirk said there is sufficient fuel to operate the plant at full capacity, he said town and hauler waste deliveries continue to be strong, and there is not a demand for spot waste because of the capacity of the plant being a little bit below par. Mr. Kirk said our recycling revenue continues strong compares to the prior year. Revenue is highly favorable -- 71% above budget due to surplus paid residue deliveries. The residue separated from the commercial and contractor owned recycling deliveries is disposed at MIRA at our gate rate which generates an income relative to the recycling budget which is the basis for our improved performance. Mr. Kirk said there is also healthy recovery in some of the commodity prices with the exception of containers. Fiber and metal have rebounded quite a bit. In fact, MIRA metal sales shows 126% above budget for the month of August.

Mr. Kirk said the phase 2 component of the RFP with the CT DEEP will be concluding here. MIRA will be able to provide an insight in Executive Session. The RFP is proceeding on schedule and MIRA can expect DEEP to present its chosen contractor on January 1st with the expectation that MIRA will negotiate a redevelopment contract and we will have a 6 month period to complete it. Mr. Kirk informed the Board the MDC settlement is finalized.

Mr. Gaffey provided an update to the Board about the international market on recycling.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation, pending RFP'S, and feasibility estimates and evaluations. The motion was made by Director Adams and seconded by Director Barlow.

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

Tom Kirk
Mark Daley
Peter Egan
Laurie Hunt
Ann Catino, Esq.,

The motion was approved unanimously. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Hayden, Director Painter, Director Milardo, and Director Shanley, voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Bob Painter	X		
Lizz Milardo	X		
Scott Shanley	X		

The Executive Session began at 10:02 a.m. and concluded at 1:11 p.m. Chairman Stein noted that no votes were taken in Executive Session.

The meeting was reconvened at 1:12 p.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

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

The motion to adjourn was approved unanimously by Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Hayden, Director Painter, Director Milardo and Director Shanley.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Bob Painter	X		
Scott Shanley	X		
Lizz Milardo	X		

There being no other business to discuss, the meeting adjourned at 1:14 p.m.

Respectfully Submitted,

Kanchan Arora
General Accountant/Board Administrator