

Finance Committee
March 7, 2018
Regular Draft Minutes

Members Present:

Committee Chairman Shanley (on the phone 9:44am)
Bob Painter (on the Telephone 9:45am)
Jim Hayden (In person)
Lizz Milardo (on the Telephone)
Don Stein (on the Telephone)

MIRA Staff Present:

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

Public Present:

John Pizzimenti, USA Hauling

PUBLIC COMMENT

Director Hayden called the meeting to order at 9:33 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 February 7, 2018, Finance Committee Meeting.

Director Hayden requested a motion to accept the minutes of the February 7, 2018 Finance Committee meeting. The motion to approve the minutes was made by Director Milardo and seconded by Director Hayden.

The motion to accept the minutes was approved.

2. Review and Approve Draft Resolution Identifying Persons to Review Proposals for Auditing Services.

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

WHEREAS: Section 5.3 of MIRA's Procurement Policies and Procedures specifies that MIRA shall solicit proposals at least once every three (3) years for auditing services; and

WHEREAS: MIRA's existing contracts for Independent Auditing Services expire on March 31, 2018; and

WHEREAS: MIRA issued an RFP For Independent Auditing Services on December 15, 2017 and proposals in response to that RFP have been received by MIRA; and

WHEREAS: None of the proposals received in response to this Request For Proposals for Auditing Services conflicts with Section 1-127 of the Connecticut General Statutes which states that “no quasi-public agency, as defined in section 1-120, shall contract with the same person, firm or corporation to conduct financial audits of such agency for more than six consecutive fiscal years of the agency”; and

WHEREAS: Whereas Section 4.5.2 of MIRA’s Procurement Policies and Procedures specifies that a Board committee of cognizance shall identify person(s) to evaluate the proposals submitted in response to requests for proposals concerning the selection of auditors;

NOW THEREFORE, be it

RESOLVED: That the Finance Committee, as the Board of Directors committee of cognizance, upon Management recommendation, identifies Jeff Duvall, Director of Budgets and Forecasting; and Cheryl Kaminsky, Senior Financial Accountant; to be assisted as needed by Roger Guzowski, Contract and Procurement Manager; as the persons to evaluate the proposals submitted in response to MIRA’s Request For Proposals for Independent Auditing Services.

Mr. Daley said that MIRA’s current contract with Mahoney Sabol for auditing services covered three Fiscal years ending June 30, 2017, and the contract term expires March 31, 2018. MIRA is in the process of soliciting proposals for another contract to cover the auditing services for the next three years. MIRA’S internal procedures require the Finance Committee to identify the selection committee. The Finance Committee is recommending Jeff Duval, Cheryl Kaminsky and Roger Guzowski to this task; they will bring their recommendation for a new auditor to the Committee at the April meeting.

Director Hayden asked what is the maximum number of years that MIRA can use the same auditor.

Mr. Daley responded that it’s six years.

The motion previously made and seconded was approved.

7. Discussion-Informational

Mr. Daley reviewed the informational reports through January 31, 2018 with the Committee. Mr. Daley said MIRA’s total personnel services are currently 11% (\$293,000) under budget year to date. The Authority Budget is 16% (\$327,000) under budget year to date.

Mr. Daley said that Property Division revenue was 7.4% above budget for the month of January, while operating expenses were 1.3% above budget. Year to date income is \$7.5million in operating or 16% above budget.

Mr. Daley said CSWS operating revenues were 4% under budget in the month of January, while operating expenses were 4% above budget for the month of January. CSWS year to date income is \$2.2 million or 19 % above budget.

Mr. Daley said that CSWS energy prices are continuing to look good relative to budget. Year to date price is 21% above budget and there have been no months under budget.

Director Stein noted that electricity sales were \$500 under budget for the current month, and asked whether that is due to processing issues.

Mr. Daley said it's related the amount of energy produced thru the plant. MIRA was above budget in terms of waste deliveries but the production was below budget due to diversions.

Mr. Daley added that eEnergy production was not so good in the month of January, 9.7 kwh (34%) under budget and 20% under budget for year to date. Overall boiler availability was 64%, with all boilers performing poorly due to tube leaks, air flow and pluggage issues. Turbine availability was 82% due to lack of boiler availability.

Furthermore, waste deliveries were 3.9% above budget (2,040 tons) primarily due to excess Non-participating town deliveries under the Hauler Contracts. Unfortunately, MIRA had to divert tons in the month of January; 3,140 tons were diverted at an average disposal price of \$77.43 per ton (\$243,000) for January and over \$1 million in diversion costs for year to date. There is no mechanism to charge additional fees to the non-participating towns under the circumstances that we diverted. Also in January, MIRA took in 3,414 tons of spot at an average price of less than \$39 per ton.

Recycling facility revenues were 32% above budget in the month of January, but expect to see a decline in new several months due to the new China policy. Metal sales were again very strong, 75% above budget in the month of January and 81% above budget year to date.

In terms of cash flow, Property Division generated sufficient receipts to transfer \$788,000 to the General Fund as tip fee cap was reached. Those transfers resume next month under the increased cap. CSWS received \$8.2 million in prepaid pip fees, which reimbursed the Tip Fee Stabilization Fund for prior draws.

MIRA received the last settlement in the matter of CRRA V. Lay e. al and is awaiting final determination of the net amount we will be able to retain, following which, we will transfer the appropriate amount to MIDCT.

ADJOURNMENT

Directory Hayden requested a motion to adjourn the meeting, which was made by Director Shanley and seconded by Director Painter.

The meeting was adjourned at 9:46 a.m.

Respectfully submitted,

Kanchan Arora
Board Administrator/General Accountant