

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FOUR HUNDRED AND EIGHTY TWO

APRIL 11, 2018

A regular meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Wednesday April 11, 2018 in the Board Room at 200 Corporate Place, Suite 202, Rocky Hill, CT 06067. Those present were:

Directors:

Chairman Don Stein
John Adams
Jim Hayden
Scott Shanley
Patricia Widlitz
Lizz Milardo
Bob Painter

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
Tom Gaffey, Director of Recycling and Enforcement
Jeffrey Duvall, Director of Budgets & Forecasting
Kanchan Arora, General Accountant/Board Administrator

Public Present:

Devin Sardilli, Sardilli Produce & Dairy Co.
James Otis, Zuvic, Carr & Assoc.
Ann Catino, Esq.,

Chairman Stein called the meeting officially to order at 9:35 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. Devin Sardilli, Vice President of Sardilli Produce & Dairy Company in Hartford CT addressed the Board. Mr. Sardilli said that his company has submitted a proposal through the CRDA for the property located at 100 Reserve Road. It has been difficult to find a piece of property that meets their needs of 20-25 acres and they feel that 100 Reserve Rd is very appealing to them. Sardilli currently employs 125 people overall of which 65% are Hartford residents. Unfortunately, due to the size constraints of their current facility, they are postponing business opportunities. With a new facility they will be able to purchase additional machinery needed to grow, expand their

business and thus create a larger personal property tax base and more jobs. Mr. Sardilli thanked the board for their time and hopes to work together in the future.

APPROVAL OF THE MARCH 14, 2018 BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the March 14, 2018, Board meeting. Director Widlitz made the motion which was seconded by Director Adams. Chairman Stein, Director Hayden, Director Adams, Director Painter, Director Widlitz, Director Milardo and Director Shanley voted yes.

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

REVIEW AND RECOMMEND RESOLUTION REGARDING THREE YEAR AGREEMENT FOR INDEPENDENT AUDITING SERVICES.

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

RESOLVED: That the President is hereby authorized to execute an agreement with **Mahoney Sabol & Company LLP** for Independent Auditing Services, the scope of work for which will include both the fixed fee Annual Independent Audit for fiscal years 2018, 2019, and 2020; and additional on-call auditing work, substantially as presented and discussed at this meeting.

Director Shanley said that the Three Year Agreement for Independent Auditing Services was discussed in the Finance Committee meeting. The committee felt the process was fair and reasonable. Mahoney Sabol & Co LLP was selected.

Mr. Daley said that MIRA has been through the RFP process for the next audit service agreement. The new agreement will cover the next three Independent Audits for Fiscal Year 2018, 2019, & 2020. During the process, MIRA received four solid proposals including one from our incumbent, Mahoney Sabol & Company LLP. The Finance Committee last month approved the evaluation committee which consisted of Cheryl Kaminsky, Jeff Duvall and Roger Guzowski. They have completed their evaluation and recommended renewing our agreement with Mahoney Sabol & Company LLP. Mahoney Sabol has done a thorough job for MIRA and

is also very reasonably priced. Mr. Daley said he is accepting the evaluation committee’s recommendation and would request the Board of Directors to do the same.

Director Stein asked who UHY LLP is.

Mr. Daley responded that he has seen their proposals before, they are an auditing firm.

Director Widlitz asked as there are two tiers to this process, consisting of two different scopes of services and whether this includes the additional on call auditing services, and whether we could need to hire additional auditors

Mr. Daley said yes, it is possible; if needed, it needs to be disclosed to Mahoney Sabol & Company LLP.

The motion was approved. Chairman Stein, Director Painter, Director Adams, Director Milardo, Director Widlitz, and Director Shanley, voted yes. Director Hayden abstained since East Granby uses Mahoney, Sabol & Company LLP as their auditors.

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

ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE REPORT:

Director Hayden said the Committee had a meeting today, April 11, 2018 and had nothing new to report.

CHAIRMAN’S AND PRESIDENT’S REPORTS

Mr. Kirk said all of MIRA’s facilities operated throughout the reporting period without environmental, public safety, or health impacts. In the past reporting period, we had needed to effect some diversions of fuel we couldn’t process in our plant. The typical process is to divert trucks from our transfer stations to an alternative disposal facility which is in Southbridge, MA. In this particular case some items, prohibited at the MA site were loaded from MIRA’s transfer station by our contractor onto a truck headed to Southbridge. This generated some administrative fines for which MIRA will be responsible.

Mr. Egan said there were about 17-20 loads, each of which had about 1 or 2 banned items for a total of 29 banned items at \$100 per banned item. Mr. Kirk said it is an unfortunate event and we are working with our contractor to minimize these occurrences. He said this is not an

environmental issue but rather an administrative one in effect at this particular disposal facility. He said our goal is to avoid diversions all together.

Reporting results through February 28, 2018, Mr. Kirk said our operating revenue was \$4.69 million, about 14% under budget. Year to date our revenue is 2% under budget. Mr. Kirk said the total operating expense was 6% unfavorable to the budget at \$4.09 million. He said MIRA's operating income year to date is \$2.83 million, which is \$120,000 unfavorable to the budget.

Our production challenges continue to revolve around pressure parts, air pollution control system restrictions and backend problems, which are all age-related issues. He said the total unscheduled boiler outages were 243 hours, that's 10 boiler days. Once again, boiler pressure part failures and reduced capacity were due to high pressure restrictions and air pollution control issues.

Mr. Kirk said power production was 11.3% below budget. The price for energy was \$0.04cents, about 27% below budget. Year to date energy price was 11% above budget.

Mr. Kirk said recycling revenues are significantly favorable to budget in February, 42% above budget due to surplus paid residue and surplus CSWS sourced single stream deliveries. Metal Sales revenue was 130% above budget due to strong pricing.

Mr. Kirk said he is in the process of addressing our four COGS- Councils of Government that include our municipal town customers -- and providing an update on the resource rediscovery process and reviewing the budget for fiscal 2019.

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 Shanley.

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

- Tom Kirk
- Mark Daley
- Peter Egan
- Laurie Hunt
- Ann Catino

The motion was approved. Chairman Stein, Director Hayden, Director Painter, Director Adams, Director Milardo, Director Widlitz, and Director Shanley, voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
John Adams	X		

Jim Hayden	X		
Lizz Milardo	X		
Bob Painter	X		
Pat Widlitz	X		
Scott Shanley	X		

The Executive Session began at 10:30 a.m. and concluded at 12:26 p.m. Chairman Stein noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:26 p.m. The door was opened, and the Board Secretary and all members of the public were invited back in for the continuation of the public session.

ADJOURNMENT

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

The motion was approved. Chairman Stein, Director Hayden, Director Painter, Director Adams, Director Milardo, Director Widlitz, and Director Shanley, voted yes.

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

There being no other business to discuss, the meeting adjourned at 12:27 p.m.

Respectfully Submitted,

Kanchan Arora
General Accountant/Board Administrator