

Finance Committee
April 7, 2021
Regular Telephonic Minutes

A Regular Meeting of the Finance Committee of the Materials Innovation and Recycling Authority was held on April 7, 2021. Present via video or audio conferencing were:

Members Present:

Scott Shanley
Jim Hayden
Susan Weisselberg
Bert Hunter

MIRA Staff Present:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Laurie Hunt, Director of Legal Services
John Clark, Director of Operations and Environmental Affairs
Cheryl Kaminsky, Manager of Accounting & Financial Reporting
Jeff Duvall, Director of Budgets and Forecasting
Thomas Gaffey, Director of Recycling & Enforcement
Roger Guzowski, Contract and Procurement Manager
Thomas Edstrom, Risk Manager
Peter Egan, Consultant

PUBLIC COMMENT

Committee Chairman Shanley called the meeting to order at 9:30 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 March 3, 2021 Finance Committee Meeting.

Committee Chairman Shanley requested a motion to accept the minutes of the March 3, 2021 Finance Committee meeting. The motion to approve the minutes was made by Director Hunter and seconded by Director Hayden.

The motion to accept the minutes was approved. Director Weisselberg abstained.

2. Resolution Approving Selection of the Authority's Independent Auditor

Committee Chairman Shanley requested a motion to approve the foregoing resolution. The motion was made by Director Weisselberg and seconded by Director Hunter.

RESOLVED: That the President is hereby authorized to execute an agreement with Whittlesey PC for Independent Auditing Services, the scope of work for which will included both the fixed fee Annual Independent Audit for fiscal years 2021, 2022, and 2023; and additional on-call auditing work if needed, substantially as presented and discussed at this meeting..

Mr. Daley said the evaluation team approved by the Finance Committee last month has completed its work and recommended we hire Whittlesey PC as our next Independent Auditor. This will cover audits for Fiscal Years 2021, 2022 and 2023. The solicitation effort is fully documented in the resolution and its attachments as is the Audit Service Agreement Terms. Whittlesey is both well qualified for these services and is the lowest fixed fee.

The motion previously made and seconded was approved.

3. Resolution Approving Emergency Procurement of Property Insurance

Committee Chairman Shanley requested a motion to approve the foregoing resolution. The motion was made by Director Hayden and seconded by Director Weisselberg.

RESOLVED: That the MIRA Board of Directors ratifies the Emergency Procurement as substantially presented and discussed at this meeting.

Mr. Daley informed the Board we had a last minute offer to provide Property Insurance coverage on our Transfer stations so we did proceed to bind it under Tom's Emergency Procurement Authority. The cost of the policy is \$92,962 from March 30, 2021 to July 1st, 2022. The marketing effort, coverage and deductibles secured for the four Transfer Stations, Headquarters office, Hartford Solar Panels, and Collins building are shown in the attachments to the resolution. Mr. Daley said locations not covered are also shown.

The motion previously made and seconded was approved.

4. Informational

The Authority Budget for personnel and Non Personnel services is presently 13.2% or \$280,000 under budget year to date. The Property Division generated \$690,000 in operating income in the month of February which was 7.9% above budget. Year to date Property Division income stands at \$5.7 million which is \$483,000 or 9.2% above budget.

The CSWS generated \$4.3 million in operating revenue in February 2021 which was 19.1% under budget. Year to date operating revenue is 16.3% under budget.

Operating expenses were 8.4% under budget in February and are 11.2% under budget year to date. After income distributions, the CSWS deficit funded by Tip Fee Stabilization is presently \$93,000 or 2% under budget. February is the first month's operations under the modified Recycling Agreement. Revenues are reduced due to elimination of the base share delivery fee and reduction to \$60 per ton of the paid residue fee.

Mr. Daley said Recycling expenses are increased due to introduction of the new \$110 per ton processing fee.

In terms of cash flow, Property Division generated sufficient receipts to transfer \$652,283 to CSWS Tip Fee Stabilization. CSWS drew \$1.66 million from Tip Fee Stabilization to complete its operating and major maintenance fund contributions. This draw included \$1,012,299 in Prepaid Tip Fees held in the Tip Fee Stabilization fund.

Mr. Daley added that the Cash flow forecast requested by Director Hunter is under development. He also added that Director Shanley's request to look at stimulus for CSWS major maintenance was undertaken. MIRA would need to work through

appropriations and Governors office but DEEP opposes the initiative so there is little likelihood of success. MIRA towns were supportive of the idea at the town meeting. Mr. Daley stated he is not aware of any further work being done in this regard if that were the Committee's desire.

5. Executive Session.

Committee Chairman Shanley requested a motion to go into Executive Session to discuss Pending RFPs and Feasibility Estimates and Evaluations relative to prospective public supply contracts, including MIRA RFP's and prospective contracts for Connecticut Solid Waste System transfer facilities, transportation and disposal of acceptable solid waste and acceptable recyclables at alternate disposal facilities, and the potential impact of same upon CSWS operating and capital budgets.

Committee Chairman Shanley asked Mr. Kirk, Mr. Daley, Mr. Clark, Mr. Gaffey, Mr. Egan and Ms. Hunt to participate in the discussion. The motion was made by Director Weisselberg, seconded by Director Hayden, and unanimously approved.

ADJOURNMENT

Executive Session began at 9:47, and ended at 11:05. Committee Chairman Shanley noted that no votes were taken in Executive Session and declared the meeting adjourned.