

Finance Committee
May 5, 2021
Regular Telephonic Minutes

A Regular Meeting of the Finance Committee of the Materials Innovation and Recycling Authority was held on May 5, 2021. Present via video or audio conferencing were:

Members Present:

Scott Shanley
Jim Hayden
Susan Weisselberg
Bert Hunter
Carl Fortuna

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
Peter Egan, Consultant

PUBLIC COMMENT

Committee Chairman Shanley called the meeting to order at 9:35 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 April 7, 2021 Finance Committee Meeting.

Committee Chairman Shanley requested a motion to accept the minutes of the April 7, 2021 Finance Committee meeting. The motion to approve the minutes was made by Director Fortuna and seconded by Director Weisselberg.

The motion to accept the minutes was approved.

2. Informational

Mr. Daley noted that the Authority Budget for Personnel and Non-personnel services is 13% or \$310,000 under budget year-to-date. The Property Division generated \$695,000 in operating income in the month of March 2021, which was 2.7% or \$19,000 under budget.

Mr. Daley noted that year-to-date the Property Division has generated \$6.4 million in Operating income which is 7.8 % or \$463,000 above budget. CSWS generated \$5.23 million in accrued revenue in the month of March 2021 which was 7.8 % below budget. This includes \$0.48 million in insurance reimbursement of legal fees. Year to date CSWS revenue is 15.4% below budget.

CSWS operating expenses were 15.9 % under budget in March 2021 and are 11.8% under budget year to date. Year to date the CSWS has generated \$4.54 million in Operating income which is 39% below budget. After distribution of CSWS income, the deficit funded by Tip Fee Stabilization is \$586,000 under budget.

In terms of cash flow, the Property Division generated sufficient receipts to transfer \$522,000 to the Tip Fee Stabilization Fund. The CSWS drew \$1.45 million from Tip Fee Stabilization to support distributions to its operating and major maintenance accounts.

Mr. Daley said that, of the \$1.45 million draw, \$929,000 represented application of prepaid tip fees to customer accounts that are held in Tip Fee Stabilization.

There are two additional reports included in the informational package this month. First is the Fiscal Year 2022 budget spread. This reflects the annual budget recently adopted, broken down by month into the budget-versus-actual format to be reported on next year. We included the monthly breakdown of the CSWS budget and its supporting schedules and the Property Division budget. There are several substantial changes to the CSWS supporting schedules reflecting changes to the recycling operation and metals processing contracts dealt with this year.

The Recycling operation now has three supporting schedules. There is a summary sheet used to report delivery of non-participating recycling and to summarize four main categories of expense which include: Transportation of recycling received at Essex, Torrington, and Watertown under the transfer station contracts, contract operating charges incurred under the new MRR contract to operate the recycling facility as a transfer operation, MIRA direct O&M expenses associated with the Recycling Facility and charges for the handling of recycling residue.

Furthermore, Mr. Daley added, there is a supporting schedule to break down deliveries and costs for transportation from each Recycling Facility.

The third schedule breaks down the MRR contract costs including Transportation from Hartford to Berlin, the base processing fee, commodity rate adjustment and management fee.

Mr. Daley said we also had substantial changes to our metals processing at the WTE facility, so in Fiscal Year 2022, transportation and disposal of pre-combustion ferrous becomes an expense that is included in the CSWS waste transportation budget, which means that the supporting schedule for Metal Sales only deals with post-combustion ferrous and maintenance metals. For each of these categories, the supporting schedule reports budget and actual tons, base price, price adjustment, net price and revenue under the terms of the new contract.

Mr. Daley said that the informational package also includes a proposed template for the cash flow forecast requested by the Committee. In this template we have listed each fund and account by division. Each division is summed and a grand total of all accounts is provided. The grand total does not include customer deposits, which are restricted but shown at the bottom of the template. For each account, we included a description of its Board-authorized use and balance as of March 31, 2021. We have an area to describe forecast changes to each fund and account. In addition, we have projected balances at June 30, 2021 and June 30, 2022 which can be updated as changes that need to be reflected in the forecast start to come into focus over the next several months.

3. 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, and the potential impact of same upon CSWS operating and capital budgets, and to discuss personnel employment matters regarding the cost of retention of critical skilled employees at the W-T-E Facility.

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

ADJOURNMENT

Executive Session began at 9:50, and ended at 10:58. Committee Chairman Shanley noted that no votes were taken in Executive Session and declared the meeting adjourned.