

**Finance Committee
May 3, 2023
Regular Meeting Minutes**

A Regular Telephonic Meeting of the Finance Committee of the Materials Innovation and Recycling Authority was held on May 3, 2023. Present via video or audio conferencing were:

Finance Committee Members Present:

Bert Hunter
Jim Hayden
Carl Fortuna
Susan Weisselberg

Other Members Present:

None

MIRA Staff Present:

Mark Daley, President and CFO
Cheryl Kaminsky, Comptroller
Tom Gaffey, Director of Recycling and Enforcement
Roger Guzowski, Supply Chain Manager
Dave Bodendorf, Manager of Engineering, Construction
and Power Assets

Others:

None

PUBLIC COMMENT

Committee Chairman Hunter called the meeting to order at 9:30 a.m. Committee Chairman Hunter determined that there were no members of the public who wished to comment and proceeded with the agenda.

1. Approval of the Minutes of the April 5, 2023 Finance Committee Meeting.

Committee Chairman Hunter requested a motion to accept the minutes of the April 5, 2023 Finance Committee meeting. The motion to approve the minutes was made by Director Hayden and seconded by Director Fortuna. The motion to accept the minutes was approved by Director Hunter, Hayden and Fortuna. Director Weisselberg abstained.

2. Review and Approve – Draft Resolution Regarding Award of Outside Counsel Services

Committee Chairman Hunter requested a motion on the foregoing resolution. The motion was made by Director Fortuna and seconded by Director Hayden.

Mr. Daley stated that last month we discussed the pending expiration of our contracts for outside legal services and the RFQ process that has been undertaken. It was noted that the Finance Committee needed to designate evaluators for the qualifications submitted since it took over contracting oversight from the P&P Committee. It was decided that Roger Guzowski and myself would review from management and we would distribute qualifications to the committee to provide an opportunity for director input. Mr. Daley added that Roger sent out the qualifications submitted immediately following last month's meeting and we have since reviewed and formulated management's recommendations which are included in this month's package.

Mr. Daley noted we received responses from 8 local and respected firms covering all categories of service requested. He said management is recommending contracting with all of the firms for the categories they submitted with one exception which is the general counsel. We historically have one general counsel and recommend that category be awarded only to Halloran and Sage our incumbent. Mr. Daley added that management otherwise did not see a reason to not award any particular firm its requested categories of service.

Mr. Daley stated that this is an RFQ for on call services so no work is guaranteed but it can reasonably be expected that requests for service will exceed \$50,000 so we have indicated this as a 2/3 vote requirement for the Board which is consistent with past practice.

Director Weisselberg inquired if the proposed contracts would bind a future board if pending legislation were signed into law. Mr. Daley noted that the contracts would automatically assign to a successor agency but they include MIRA's standard thirty day termination provision. Mr. Guzowski confirmed the termination clause. Director Weisselberg requested the termination provision be noted when this resolution is presented to the full board.

The aforementioned resolution was approved unanimously.

3. Review and Approve – Draft Resolution Regarding CSWS Commercial Hauler Agreement.

Committee Chairman Hunter requested a motion on the foregoing resolution. The motion was made by Director Weisselberg and seconded by Director Fortuna.

Mr. Daley stated that this is the annual commercial hauler agreement we put in place for haulers operating within the borders of our municipal customers. He said this is also a 2/3 vote

requirement at the Board due to the revenues expected. Mr. Daley summarized the agreement noting it is for the one year term beginning July 1, 2023 and ending 6/30/2024 and provides for payment of the adopted Tier 1 long term and short term tip fees. He said this also provides the administrative framework for control of our deliveries, and access to our facilities through our permitting, disposal and billing procedures document.

Following a brief discussion, the aforementioned resolution was approved unanimously.

4. Draft Resolution Regarding Funding Contractor Severance for Jet Turbine Facility.

Committee Chairman Hunter requested a motion on the aforementioned resolution. The motion was made by Director Hayden and seconded by Director Weisselberg.

Mr. Daley stated we are fast approaching the May 31st delist date for the Jets and the June 30th expiration of the NAES contract. He said we had previously entered into an amendment with NAES providing for a contractor severance program for 89 eligible NAES employees. We previously implemented the program for 71 employees following shut down of the resource recovery facility. At that time 11 employees transferred to the Jets to run the control room 24 / 7. Mr. Daley added that since then a number of those employees resigned and were replaced with employees no longer eligible for the program. This leaves 8 eligible employees at the Jets for which we requested and received the current estimated cost of the program for the Jets.

Mr. Daley noted the total estimate for these employees is \$243,859.09 and the resolution provides for \$250,000 in case there are any final corrections. He said the resolution also establishes the Property Division Operating Account as the fund from which these payments will be made which is in addition to the adopted budget for FY 2023. He said this will leave one employee eligible under the program for the resource recovery facility who has been on disability and that payment is funded in the previous resolution.

Following a brief discussion, the aforementioned resolution was approved unanimously.

5. Discussion of Information Reports

Committee Chairman Hunter requested Mr. Daley review the Informational Reports.

Mr. Daley stated we are reporting for the period ending 3/31/2023.

He said the property division generated \$868,000 in accrued revenue in March which was 27% above budget due to surplus reserve credits and interest income. Operating expenses were 52.5% below budget. Mr. Daley noted that MIRA's \$1.9 million operating contingency was allocated to the months of February through May so we will see that eliminate the deficit in Jets operating charges. He said year to date income in the Property Division stands at \$6.1 million which is \$2.3 million or 61% above budget.

Mr. Daley said the CSWS generated \$883,000 in accrued revenue in March which was 26% above budget due to surplus other energy market revenues and interest earnings. He noted that other energy market revenue included our last sale of RECs from the resource recovery facility as well as net capacity payments resulting from reconfiguration auctions. Operating expenses in March were \$1.37 million which was 10% above budget due to MIRA Facility Operating Expense. Mr. Daley added that year to date CSWS operating expenses are 13.2% below budget and the operating loss is now 3.4% (\$188,000) worse than budget. He said we received 4,271 tons of MSW in March which was 30% below budget. We began receiving spot waste in April which will mitigate our potential delivery fee with Covanta and we are actively pursuing a new approach to enforcement with Ann Catino.

Mr. Daley stated that, in terms of cash flow, the property division received sufficient receipts to transfer \$351,000 to the general fund and CSWS drew \$390,000 from tip fee stabilization to support its operations. He added that we have now established the south meadows transition contingency reserve as approved by the Board and that will soon be shown on the cash flow statement.

Mr. Daley noted that we have recently received a proposed amendment to our energy marketing contract with Nextera that will continue their services through the May 31, 2024 completion of our capacity supply obligation for the resource recovery facility. He said in addition to elimination of the \$10,750 monthly fee for the jets the amendment reduces the monthly fee for the resource recovery facility from \$10,750 to \$7,150. Mr. Daley stated we would like to take this direct to the Board.

Committee Chairman Hunter inquired if a formal resolution has been drafted that could be screen shared at this point. Mr. Daley stated there was and requested Mr. Bodendorf to share the draft resolution. Following review of the draft resolution, summary and term sheet Committee Chairman Hunter requested a motion to add a draft Resolution Regarding an Amendment to the Power Products Management Services Agreement with Nextera Energy Marketing, LLC to the agenda. The motion was made by Director Weisselberg and seconded by Director Hayden. The motion to add this item to the agenda was approved unanimously. Committee Chairman Hunter then requested a motion to approve the forgoing draft resolution. The motion was made by Director Fortuna and seconded by Director Weisselberg. The motion to approve the draft resolution was approved unanimously.

Mr. Daley stated the monthly contracting reports are included and Roger Guzowski can take you through them and / or answer any questions. He said one thing to highlight is that we have issued a request for information and expressions of interest for the sale of the jets. The primary objective here was to get this process rolling before our permit to operate the jets expires. Mr. Daley said this makes available a brief opportunity for test running the units in the event we had any interested purchasers that wanted to observe them in operation. We have a target audience of entities we have purchased the units from and which operate similar compliant facilities which we direct mailed the RFI to. Mr. Daley added that it has also been posted as required and we are reaching out to entities on the ISO list.

Mr. Daley added that the state audit for FY 21 & 22 is well underway and we will soon be getting started with the annual independent audit for FY 2023.

6. Adjournment

Committee Chairman Hunter adjourned the meeting at 10:00 a.m.