

**Finance Committee
June 7, 2023
Regular Meeting Minutes**

A Regular Telephonic Meeting of the Finance Committee of the Materials Innovation and Recycling Authority was held on June 7, 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 May 3, 2023 Finance Committee Meeting.

Committee Chairman Hunter requested a motion to accept the minutes of the May 3, 2023 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 by approved unanimously.

2. Review and Approve – Draft Resolution Regarding Renewal of Employee Benefit Program for FY 2024

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

Mr. Daley stated our current employee health care insurance policies expire June 30, 2023. This includes medical, dental, vision, life, long term and short disability. He said that Jennifer Roberts and Christine Wasil from Assured Partners have been working on the renewals with Cheryl and myself and prepared the package of options and recommendations distributed to the Committee. Mr. Daley added that management is recommending continuance of our current medical plan with Anthem (Partnership 2.0) but moving to Principal for all other coverage to take advantage of savings available that have little effect on current coverages. That includes dental, vision, life and the ADD. He said the FY 2024 Authority Budget includes \$327,314 gross expense for these coverages. The total cost of the recommended policies is \$325,452 so we are essentially at budget. He also said we are not recommending any change to employee contributions at this time.

Jennifer Roberts and Christine Wasil from Assured Partners reviewed the presentation of options considered and answered questions from the Committee.

The aforementioned resolution was approved unanimously.

3. Review and Approve – Draft Resolution Regarding Renewal of Property, Casualty, Public Officials and Pollution Insurance Policies for FY 2024.

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 all of our property and casualty insurance policies also expire July 1st so Brown and Brown has been working hard on securing renewal quotes. At this point it looks like we will be renewing all of our policies with our current carries including Great American for property, Liberty Mutual for liability, Travelers for crime and fiduciary, PGU and Nexxus for the Public Officials and RSUI and Evanston for excess liability. Mr. Daley added that we also have pollution coverage renewing and are recommending Chubb who is also the incumbent along with AWAC for an excess portion. He said as far as premiums and budgets are concerned, the FY 2024 adopted budgets for the Authority, CSWS, PD and LF include a total of \$711,000 for this coverage. Excluding the excess liability still to be quoted, we have \$577,000 in premiums versus the budget for the quoted lines of \$608, so we are running 5% under budget with the one outstanding item.

Mary Leighton and the team from Brown and Brown reviewed the renewal proposals with the Committee including the marketing and coverages secured and answered questions.

Chris Bates from Brown and Brown then reviewed the pollution coverage renewal proposal with the Committee and answered questions.

Committee Chairman Hunter requested Director Hayden continue to chair the meeting while he needed to move to another location. Following additional discussion among the Committee, the aforementioned resolution was approved unanimously.

4. Draft Resolution Regarding Amendment of Omnibus Amendment Agreement with Murphy Road Recycling.

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

Mr. Daley stated we had a follow up request from Murphy Road Recycling to reduce the bond requirement included in the recycling transfer agreement as part of the Omnibus Amendment recently entered into. This was not brought up as part of those original discussions but management considers it a reasonable request given the reduction of tons processed and vacating of 211 Murphy Road. Mr. Daley added that Tom Gaffey, myself and Roger Guzowski met with MRR and agreed to request reduction of the bond to \$100,000 which is roughly 1 months expense considering both the long payment history MIRA has with MRR and the changes in operations. He said we did this with the condition that the bond could be increased if the processing volume increased or MRR once again needed to use MIRA facilities or equipment for the operation. The agreed language is included as an attachment to the resolution..

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

5. Draft Resolution Approving Market Driven Sale of Surplus Jet Fuel

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

Mr. Daley stated he would provide a brief background on this item but that he would then ask the item be tabled for an Executive Session. He said that MIRA has approximately 165,000 gallons of jet fuel remaining in the tanks now that the jets are delisted. We undertook a market driven sale of the fuel in the weeks leading up to the delist in an effort to avoid having to burn it off. He said management also wanted to generate equal or greater revenue than running the jets would have, and we prefer to have the fuel off site as early as possible in FY 2024 because it can degrade and we will not have NAES on site with their eyes on that facility. He said we initially received two proposals which are referenced in the resolution so we are in a good position to achieve these objectives. Mr. Daley added that, having said this, I would like to table the resolution and discuss it further in Executive Session before going to the Board next week.

After a procedural discussion, motions were made and agreed to withdraw the prior motion concerning Approving Market Driven Sale of Surplus Jet Fuel. Director Fortuna made a motion, seconded by Director Weisselberg, to add an Executive Session to the agenda to discuss Pending RFPs and Feasibility Estimates and Evaluations relative to prospective public supply contracts,

including MIRA's RFP and prospective contracts for Purchase and Removal of Jet Fuel. Director Fortuna made a motion, seconded by Director Weisselberg, to enter into said Executive Session. Mr. Daley added that in addition to the directors and himself, Roger Guzowski and Dave Bodendorf would be needed in the Executive Session. The Executive Session commenced at 10:30 AM and ended at 10:50. Committee Chairman Hunter was no longer in attendance.

Director Hayden noted no votes were taken and the Committee decided the forgoing resolution would remain tabled at this time while additional information was considered and the resolution brought direct to the Board. Director Weisselberg moved to table the resolution, seconded by Director Fortuna, and approved unanimously.

6. Discussion of Information Reports

Director Hayden requested Mr. Daley review the Informational Reports.

Mr. Daley stated he would like to start off with a quick update on the items from last month's Finance Committee that did not get to the May Board since it was cancelled. He said that after the Committee approved award of outside counsel agreements that need to be in place for July 1st we did proceed to develop and distribute those agreements for signature by the law firms pending the necessary Board action. Mr. Daley further noted that the Committee also approved the FY 2024 hauler agreements so we took a similar approach to develop and distribute them for second party signature pending necessary Board action. He added that we have been working closely with NAES on the shutdown of the jets which are now disabled and final securing of the site. The permits are being surrendered and the contractor layoffs are well underway. Employment counsel reviewed the updated separation agreement and we have received completed separation packages and funding requests for the first 4 employees. He stated that it is very important we have a full board next week to wrap these up along with the additional items from this month.

Mr. Daley stated with regard to the informational reports, we are reporting for the period ending April 30, 2023. The Property Division generated \$913,000 in operating revenue in April which was 34% above budget due to surplus reserve credits, interest income and jets billboard receipts. Operating expenses were 75% below budget. Our \$1.9 million operating contingency was allocated to the months of February through May so the plan has been for that to eliminate the deficit in Jets operating charges. Mr. Daley stated that it looks like we may be cutting the operating expense budget close so some additional action may be necessary which Roger is evaluating. Regardless of that, year to date income in the Property Division stands at \$6.88 million which is \$3.07 million or 80% above budget.

Mr. Daley said the CSWS generated \$725,000 in accrued revenue in April which was 3.6% above budget due to surplus other energy market revenues, spot waste and interest earnings. Operating expenses in April were \$1.4 million which was 11.7% above budget due to MIRA Facility Operating Expense and contract operating expense. Year to date CSWS operating expenses are 11.4% below budget and the operating loss is now 5.0% (\$309,000) worse than budget.

Mr. Daley added we received 4,885 tons of MSW in April which was 20% below budget. Spot waste deliveries totaled 901 tons in April which will mitigate our potential delivery fee with Covanta and we are actively pursuing a new approach to enforcement with Ann Catino.

In terms of cash flow, Mr. Daley said the property division received sufficient receipts to transfer \$629,000 to the PD general fund and CSWS drew \$679,000 from tip fee stabilization to support its operations. CSWS draws from the Tip Fee Stabilization fund reached their authorized cap of \$3,811,000 with the April flow of funds.

7. Adjournment

Committee Chairman Hayden adjourned the meeting at 10:57 a.m.