

**Finance Committee
April 19, 2012 Regular Telephonic Meeting
Draft Minutes**

Members Present: Committee Chairman Martland
 Lou Auletta
 Timothy Griswold
 Scott Slifka

CRRA Staff Present: Tom Kirk, President
 Jim Bolduc, Chief Financial Officer
 Nhan Vo-Le, Director of Accounting Services
 Moirra Benacquista, Secretary to the Board/Paralegal

Committee Chairman Martland 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 March 15, 2012, Finance Committee Meeting

Committee Chairman Martland requested a motion to accept the minutes of the March 15, 2012, Finance Committee meeting. The motion to approve the minutes was made by Director Griswold and seconded by Director Auletta.

Mr. Bolduc noted the revised minutes being approved were sent out by email that morning. He explained the copy within the package contained a typo where one of the resolutions had been inadvertently switched with the other. Mr. Bolduc said there were no other changes or corrections.

The most recent distribution of the minutes was approved unanimously by roll call.

2. Review and Recommend for Board Approval – 3 Year Audit Contract

Committee Chairman Martland requested a motion regarding the above-captioned item. Director Auletta made the following motion which was seconded by Director Slifka.

RESOLVED: That the President of the Authority, and herby is, authorized to enter into a contract with the auditing firm of Bollam, Sheedy, Torani & Co., LLP, CPAs as substantiality presented at this meeting. This contract will commence on May 1, 2012, and expire on March 31, 2015.

Mr. Bolduc said CRRA is required to put out an RFP for an independent auditor every three years. He explained if the same auditor is used for six years CRRA is required to use a new auditor all together. Mr. Bolduc said three years ago CRRA put the RFP out to bid after using the firm CCR (now Grant Thornton) for six years. He said the three year term for the current auditors, Bollam, Sheedy & Torani (hereinafter referred to as “BST”) has expired. Mr. Bolduc said management put out a three year RFP for new audit services.

Mr. Bolduc said the six responses to the RFP which were received are summarized in the document behind Tab B in the Finance package. He said the low bidder was not selected for several reasons including lack of experience in the Solid Waste Industry. Mr. Bolduc said part of the value an auditor can provide is through an understanding of the industry. He said CRRA is going through a tumultuous time and issues may arise which are unique to the Solid Waste Industry.

Mr. Bolduc said in the analysis management converted the price into a calculated overall hourly audit fee. He said in addition to the total fee management requested the auditors provide an estimate of the amount of time they expect to spend performing their duties. Mr. Bolduc said the companies which have more experience in the Solid Waste Industry provided an estimate of somewhere in the high 400's hours and the companies with the lower rates are coming in around 380-400 hours. He said the opportunity for a more in depth audit comes from the number of hours which are spent and from a greater understanding of the business and the company.

Mr. Bolduc said when a new auditing company is brought on board there is a ramping up period before the firm can dive into more in depth versus the more routine. Mr. Bolduc said management recommended staying with BST because some of the companies which bid had no experience in the Solid Waste Industry and some of them have only limited experience. He said BST also has experience in auditing other Solid Waste Authorities similar to CRRA.

Mr. Bolduc said if CRRA switches to a different auditing firm more work and effort is required from the internal staff to bring the new firm up to date. He said the audit itself is extremely time consuming and noted that the department is already at its peak with the accounting positions which were not replaced.

Ms. Vo-Le said she has worked very closely with BST in the past, including the partners and managers and staff. She said she is very pleased with the service BST has provided to CRRA and noted they have extensive knowledge and experience in the Solid Waste Industry and are very responsive. Ms. Vo-Le said she would prefer to select BST for the next three years.

Director Auletta thanked management for the analysis. He said the recommendation makes sense to him. Director Slifka agreed.

Director Griswold asked for an explanation as to how the hourly rate shown by management was reached. Mr. Bolduc explained management requests the annual fee and the number of expected hours to complete the audit and uses an average of the three numbers. Ms. Vo-Le said the rate is derived using the average of the three years over \$350 up to \$480.

Committee Chairman Martland asked why the responders' first year rates' are higher. Mr. Bolduc said CRRA is coming to an end with the Mid-Conn Project and the project culmination would add time. Ms. Vo-Le added that in the first year an auditing company designs a program for the next three years. Director Griswold asked if the auditors will have to perform two audits because of the stub years. Mr. Bolduc said that was correct. He said the stub audit is included in the scope of services.

The motion previously made and seconded was approved unanimously by roll call.

INFORMATIONAL SECTION

Committee Chairman Martland said the Informational Section had been thoroughly reviewed. Director Griswold said in the Informational Section under the sources and uses of cash funds under energy payments CRRA goes from 7.2 cents to 3.3 cents and up to 7.28 cents for the stub period. He asked if CRRA was locked in at 3.3 cents for a year. Mr. Bolduc said that was an error which would be corrected. Mr. Kirk said the correct price is 3.5 cents as of the new contract date.

ADJOURNMENT

Committee Chairman Martland requested a motion to adjourn the meeting. The motion was made by Director Slifka and seconded by Director Auletta.

The meeting was adjourned at 9:55 a.m.

Respectfully submitted,

Moira Benacquista
Secretary to the Board/Paralegal