

**Finance Committee  
May 24, 2012 Regular Telephonic Meeting  
Draft Minutes**

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

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

Committee Chairman Martland called the meeting to order at 9:27 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 19, 2012, Finance Committee Meeting**

Committee Chairman Martland requested a motion to accept the minutes of the April 19, 2012, Finance Committee meeting. The motion to approve the minutes was made by Director Slifka and seconded by Director Auletta.

The motion to approve the minutes was approved unanimously by roll call.

**2.      Review and Recommend for Board Approval – Workers Compensation Renewal**

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

**RESOLVED:** That CRRA purchase Workers Compensation/Employers Liability insurance with a statutory limit for Employers Liability, for a premium of \$60,169 from Connecticut Interlocal Risk Management Agency (CIRMA) for the term 7/1/12-7/1/13, as discussed at this meeting.

Mr. Bolduc said CRRA’s current premium with CIRMA is for \$74,491. He said that CRRA went out to bid for Worker’s Compensation/Employers Liability insurance and out of seven carriers only the incumbent, CIRMA, was interested in CRRA’s business. Mr. Bolduc said CIRMA submitted a bid for \$60,169 which is almost 20% lower than the current premium. He said as a result of the prior year’s premium of roughly \$78,000, management had budgeted for an increase. Mr. Bolduc explained CRRA was able to reduce the current premium by almost \$15,000 resulting in almost \$18,000 in overall savings.

Mr. Bolduc said the reduction is a result of CRRA’s excellent experience with CIRMA over the years and a reduction in the number of CRRA employees. He said the declinations from other carriers are mostly due to the fact that CRRA is not large enough to generate interest. Mr. Bolduc said it is fortunate that CIRMA continues to work with CRRA and provided a good bid. Mr. Bolduc said management is recommending going with CIRMA for an additional year for a premium of a little over \$60,000.

Director Griswold noted that the equity distribution offered by CIRMA is a new program which was started the year prior. He explained it rewards the entities which use CIRMA with loyalty. Director Griswold said there is roughly a 5% reduction on the old premium. He said many municipalities were also rewarded for longevity with CIRMA.

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

## **INFORMATIONAL SECTION**

Director Griswold asked for clarification on the lock box revenue. Mr. Bolduc explained the large swing in the end of the year is as a result of a pre-payment of roughly \$8 million from one of the haulers. He explained for a number of years this particular hauler has pre-paid CRRA, in January the payment exceeded \$8 million. Mr. Bolduc said CRRA does not pay interest on those funds and records the funds as a pre-payment and then uses the cash over the next five to six months until the credit is used up.

Mr. Bolduc said concerning the energy payment the big change from February to March has two components. He said CRRA had a contract with Constellation Energy in the past which was at a rate of approximately seven cents a kilowatt for the first 250,000 gigawatts hours of production. He said once CRRA reached 250,000 gigawatts hours it switches over to CL&P at 3.3 cents and as a result the payments drop. Mr. Bolduc said in addition there are scheduled outages during that period which creates further reductions.

Director Griswold said the Jet income in FY'12 was about \$6.5 million and the expense is about \$9.7 million. He said the numbers are slightly higher than the numbers which appear in section 2. Director Griswold asked if the Jets lost \$3 million as well. Mr. Bolduc said the revenue side is only the revenue from the Jets whereas the expenditure side is the Jets and the EGF expenditure. He said the revenue from the EGF's, or the electricity, is on the line for electricity. Director Griswold asked if he was correct in stating that the Jets are cash positive. Mr. Bolduc replied yes. Director Griswold asked if the capital is contained in the capital budget. Mr. Bolduc replied yes.

## **ADJOURNMENT**

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

The meeting was adjourned at 9:40 a.m.

Respectfully submitted,

Moira Benacquista  
Secretary to the Board/Paralegal