

**Finance Committee  
Meeting Minutes  
Tuesday, June 2, 2009  
Council Chambers**

**Attendees:** Chairman Mavodones, Councilor Anton, Councilor Waxman, Ellen Sanborn, Suzanne Knight, Mike Bobinsky, Troy Moon, Mary Costigan, members of the public.

Chairman Mavodones called the meeting to order addressing the two items.

**Item 1: Review of CPRC Management amendment.**

A copy of the Amendment to the agreement with CPRC had been provided to committee members. Ellen provided a copy of the agenda and amendment and said that Mary Costigan from Corporation Counsel prepared this and staff from Public Services is also available to answer any questions.

Councilor Anton explained that he sent an email after he reviewed the amendment with questions. He wanted more information about the bond provision and holding of monthly payments which was explained by Ellen. He also would like to get a comparison on the formula of the royalty from the previous year. Ellen provided a summary of contractual royalty payments. His third question was about how the tonnage fee was derived.

Ellen explained that under the current agreement, CPRC must either provide a bond for \$500,000 or the City would withhold payments for the cleanup of the site which we are paying over five years. In order to meet the amount of the bond, as of May we have been holding payments and reserving the money, which will be paid to CPRC when they present the bond. Staff believes this is sufficient to be able to take over the gate operations in the event that the CPRC contract is cancelled. She said the City's risk is less under the new amendment, as we currently pay for disposal as tonnage leaves the site, but will now be at a fixed annual rate that is based on our incoming tonnage. Discussion was held on history of rates.

Mike Bobinsky said that he has met with Kevin Roche from EcoMaine and that he shared the contract amendment with him for a cursory review. Kevin provided a general analysis of key elements and felt that there were no fatal flaws with regard to format. Mike said Kevin had a couple of technical things for consideration and felt the rate negotiated was sensible and workable.

Ellen explained that the approach to royalty had consideration for when the market returns and volumes increase. Should the commercial market grow the City will be able to have some economic benefit. She said they wanted to make sure that the ability to get value on increased business activity was preserved. Chairman Mavodones is comfortable with what has been put forward and appreciates the fact that we have had Kevin Roche look at this. Chairman Mavodones opened this up to the public for comments.

Public comment was taken.

Ellen reminded the committee that CPRC had made a significant capital investment on the property. There has been discussion on risk of accumulation of too much material on site, and how to avoid the situation we were left in during the last transition of operators. CPRC and the DPS agreed that a maximum of 20,000 tons on site would trigger an explanation from CPRC on the need, and given the cyclical nature of material disposal it seemed like a fair solution. She said this amendment states that if they get to that volume they are required to inform the City as to why they are at that point, and the City can terminate the contract if not satisfied with the explanation. Ellen said the expectation is the site is good shape and Public Services will manage the contract to keep it that way.

Mike said that the volume of inert has declined and his department is working on recycling these for park improvements, like the Bayside trail. They will continue to screen inert materials for reuse. He said that his department will be managing the 20,000 tons very closely. The Committee gave consensus on the amendment.

### **Item 2: Calendar Planning**

Ellen provided a handout of previous councilor's requests to be taken up by the Finance Committee. Councilor Anton would like to have a procurement ordinance review. Councilor Waxman would like another meeting regarding community centers.

Discussion was held on fuel charges, reductions and alternative fuel. Mike said the fleet users committee reports this information to the Sustainability Committee. Ellen said there has been interest in alternative fuel vehicles and she will continue to look for opportunities to purchase them for certain applications.

Ellen needs to bring the CSO program to committee for housekeeping. She said that between receiving stimulus money and enjoying a favorable bidding climate, the amounts approved for projects in the first phase are about \$4 million lower. Council approval is required to adjust amounts borrowed per project, similar to the CIP, and to facilitate managing the CSO program and the revolving loan process through the State, it would be better to put a cap on total borrowing for the five year plan. She also is working on bringing financial advisors to the finance committee regarding pension bond refinancing.

Councilor Anton is interested in financial piece of the ESCO contract. Ellen said that she and Troy had met with the grant consultant working with Ameresco. Councilor Anton would like a range of what needs to be borrowed. Ellen said a list of projects and estimated costs will be provided as part of the Ameresco report. She will also be in contact with rating agencies to see how they view borrowing for this type of purpose, and how it may impact our \$10 million borrowing cap policy.

It was agreed that the committee will meet twice a month for shorter meetings, no longer than two hours, and begin at 4:00 p.m.