

Approved 10/2/11

RHODE ISLAND RESOURCE RECOVERY CORPORATION
BUSINESS MEETING

Wednesday, September 21, 2011

9:00 A.M.

65 Shun Pike

Johnston, RI 02919

In Attendance

Douglas Jeffrey, Chair
Geri-Ann DiPaolo, Vice Chair
Sheila Dormody
Geoffrey Kirkman, Treasurer
Jared Rhodes
Michael Quinn
Michael Sabitoni

Absent

Charles Lombardi

Staff Present

Michael OConnell, Executive Director
Brian Card, Director of Operations and Engineering
Christine Jocelyn, Director of Human Resources
Nancy Minson, Human Resources Coordinator
Sarah Kite, Director of Recycling Services
Gary Maddocks, Chief of Security and Safety Coordinator
Patricia Cerbo, Purchasing Director
Marcel Lussier, MRF Business Manager (arrived at 9:28 a.m.)
Timothy McCormick, Chief Financial Officer

Others Present

Ron Ronzio, Allied Court Reports
Ray Choiniere, House Policy Office
Kelly Carpenter, Senate Fiscal Office
Joe Rodio, Sr. Rodio & Ursillo
Paul Stockman, K&L Gates

Call to Order

Chairman Jeffrey called the meeting to order at 9:07a.m. Pledge of Allegiance followed by Roll Call. Commissioners DiPaolo, Dormody, Kirkman, Rhodes, Quinn, and Sabitoni present.

Agenda Items

1. Approval of Meeting Minutes from 8/9/11

Motion to accept the minutes made by commission Sabitoni. Second by Commissioner Quinn. Passed 6-0.

2. Election of Board Officers

Nomination of Doug Jeffrey for Chair.

Motion made by Commissioner Quinn. Second by Commissioner Sabitoni Passed 6-0.

Nomination of Geri-Ann DiPaolo for Vice Chair.

Motion made by Commissioner Quinn. Second by Commissioner Sabitoni Passed 6-0.

Nomination of Geoffrey Kirkman for Treasurer.

Motion made by Chairman Jeffrey. Second by Commissioner Sabitoni Passed 6-0.

3. Executive Director's Update

1. DEM approved NBC's Facility Plan that include RIRRC flows:
 - a. No response from Cranston for a proposal after 18 months of effort.
 - b. Cranston required payment of their \$2.1M "fine" as pre-requisite. Attorney Jerry Petros maintains that the fines are baseless.
 - c. Given this approval by DEM along with the Board's prior approval of the MOU, RIRRC will move forward and transition from Cranston to NBC. We will work through an exit plan with DEM and Cranston because we will still be with them for 24 to 36 months.
 - d. The Corporation paid the first installment of the \$370,000 bill for surcharges, under protest.
2. RFP Updates:
 - a. Public Education and Awareness RFP due September 29. We had five companies at the pre-bid conference. There will be a Recycling Subcommittee meeting on October 11 to review, evaluate, and select the winning firm.
 - b. Pre-Treatment RFQ/RFI due November 1. There were about 25 vendors at the pre-bid conference.
 - c. Sewer Connection IFB to be issued in early October pending design approval from DEM.
3. Hurricane Irene yielded 3,000+ tons of green debris to date.
4. Wildlife Habitat Certification for RIRRC by the Wildlife Habitat Council. This effort was completed and will continue with employee volunteers.
5. An Open House is scheduled for October 15. We will drop leaflets in neighbors' mailboxes and do some local advertising. This will give us an opportunity to review our plans, address odor complaints, etc.

6. Ethics refresher training for all RIRRC employees completed with Jason Gramit of the Ethics Commission on August 25. Training for the Board can be held as part of a future meeting so that Commissioners can have training as well.
7. SMMs Recycling deposit of \$75,000 received.
8. Sub-committees meeting minutes attached as to your packages requested.
9. Administrative efficiency savings. We can email the electronic files to Commissioners, re-use binders, use paperclips/binder clips. Commissioner Sabitoni suggested we upload all meetings for the prior year onto CD's.

4. New Contracts:

- a. Machine Fluids. For this six months the request is for a split award to three vendors (it had been two vendors) to allow us to buy at the lowest cost possible.

Resolution: Be it resolved that the Board of Commissioners authorizes the Executive Director to enter into contractual agreements for the purchase and delivery of machine fluids and lubricants (IFB #933) between Rhode Island Resource Recovery Corporation and the following firms: G.H. Berlin of East Hartford, CT, Dennison Lubricants, Inc. of Lakeville, MA and Industrial Oil & Supply, Co. Inc. of Woonsocket, RI for a total aggregate amount not to exceed \$100,000.00, split between the vendors as necessary. These contracts will commence on or about September 21, 2011 and continue until March 31, 2012 with the Corporations option to renew, under the same terms and conditions, for five additional six month periods. Motion to accept made by Commissioner Quinn. Seconded by Commissioners Dormody and DiPaolo. Passed 6-0.

- b. Equipment Edges. The new procurement is an attempt to reduce our costs for edges on yellow iron. Over the last year we have spent \$52,000 on edges. We estimate that we can save 30% on steel edges and 25% on rubber edges, assuming the quality and useful life is the same. We will monitor to ensure that we get the same or lower cost per hour.

Resolution: Be it resolved that the Board of Commissioners authorizes the Executive Director to enter into contractual agreements for the purchase and delivery of machine fluids and lubricants (IFB #926) between Rhode Island Resource Recovery Corporation and the following firms: Tradon of RI, located in Cranston, RI for Item 1 – Steel Edges and F&B Rubberized, Inc. located in New Bedford MA for Item 2 – Rubber Edges, for a total aggregate amount not to exceed \$50,000.00, split between the vendors as necessary. These contracts will commence on or about September 21, 2011 and continue until September 30, 2012 with the Corporations option to renew, under the same terms and conditions, for five additional six month periods. Motion to accept made by Commissioner Quinn. Seconded by Commissioner DiPaolo. Passed 6-0.

5. Contract Renewals:

- a. Leased Labor MRF. This is the last year of the contract. It will be rebid next year. The Finance Subcommittee discussed at length the need to maintain the current labor force.

Resolution: Be it resolved that the Board of Commissioners authorizes the Executive Director to renew the contractual agreement with Enviro Temps, Inc. Providence, RI to provide, manage and administer a work force to assist in the operation and maintenance of the Materials Recycling Facility for an amount not to exceed \$2,800,000. The contract will commence on November 1, 2011 and expire on October 31, 2012 for the final renewal of two one-year renewal periods. Motion to

accept made by Commissioner Quinn. Seconded by Commissioner Dormody. Passed 5-0. Commissioner Sabitoni recused.

b. Temporary Labor. Extension was granted for one year. However, this will be reviewed again in six months to assess market pay rates as suggested by Commissioner Sabitoni before the next renewal takes place.

Resolution: Be it resolved that the Board of Commissioners authorizes the Executive Director to enter into a renewal agreement for the supply of temporary labor (IFB #891) between Rhode Island Resource Recovery Corporation and Employment 2000, Inc. of Providence, RI for an amount not to exceed \$238,680.00. The renewal term shall begin October 1, 2011 and continue until September 30, 2012.

Motion to accept made by Commissioner Quinn. Seconded by Commissioner Dormody. Passed 5-0. Commissioner Sabitoni recused.

6. Contract Increases

None.

7. Other Business

a. Landfill Trust RFP's

Joe Rodio, Sr. gave an update on the Landfill Trust RFP. We have \$82 million in the trust fund for remediation and post closure with \$41 million with Washington Trust as trustee and \$41 million with Rockland Trust as trustee. There was a 1996 consent decree to establish trusts. The EPA must approve how the money for post closure is invested.

RIRRC investigated getting more economic benefit from this money. CDARS are gaining little or no benefit due to low interest. We're suggesting that the trust be split to two RFP's for custodian/trustee and have an investment policy approved by the Board. We can't have a precipitous drop in the principle. Whoever bids must have no TARP money, no conflicts, no incestuous relationships with the board or the agency, and must be at arm's length. Fees must be fixed, hard dollars with no soft dollar costs or fees. The RFP would eliminate or minimize anyone doing anything improper. A money manager/custodian might keep fees at ½ point but the money would be earning 2-3 points.

It would be nice to get a Rhode Island company to do this. We can give preference to a Rhode Island domiciled company but they will have to have QPAM's, have \$50 million in liability insurance. It might be difficult for a Rhode Island firm to qualify. We must be concerned about the preservation of the principle, and whatever we do must be approved by DEM and EPA.

Commissioner DiPaolo asked why we would want to move the money if we put it in CDARS to preserve the capital. Attorney Rodio explained that the Board expressed

an interest in maximizing the return on the investment. We were making 3% in the CDAR's and it's dropped to almost zero. We could restrict to AAA securities, treasuries, and have no equity at all. The Board would determine the strategy, not the specific investments. The investment manager would determine where the investments would go. We will take the next steps, refine it. The end point is July 1, 2012 to be operational.

b. **Authorization to Negotiate Employment Contract with Executive Director**

An assessment of the Executive Director's performance was completed and reviewed in the Finance subcommittee along with compensation and contract. Motion for authorization for Chairman Jeffrey to negotiate with the Executive Director, based on information gathered from outside resources such as the Governor's office and Attorney Rodio, and present to the Board.

Motion to accept made by Commissioner Quinn. Seconded by Commissioner Dormody. Passed 5-1. Commissioner DiPaolo dissented.

Motion for a 5 minute recess at 10:35 A.M. and proceed into Executive Session made by Commissioner Sabitoni. Seconded by Commissioner Quinn. Passed 6-0.

8. Executive Session

Pursuant to RIGL 42-46-5 motion to move to Executive Session to discuss litigation made by Commissioner DiPaolo, seconded by Commissioner Quinn. Passed 6-0.

Motion to approve Executive Session meeting minutes from August 9, 2011 and remain sealed made by Commissioner DiPaolo and seconded by Commissioner Dormody. Passed 6-0.

Motion to return to general session made by Commissioner Sabitoni and seconded by Commissioner DiPaolo. Passed 6-0.

9. Next Meeting Date

Wednesday, October 19, 2011 at 9:00 A.M.

Motion to adjourn made by Commissioner Sabitoni and seconded by Commissioner Quinn. Passed 6-0.

Adjourned at 11:41a.m.