

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT
AUTHORITY
BOARD MEETING #6**

DATE: July 28, 2005

LOCATION: Howes Cave Administrative Complex

Members Present

Charles Buck
Donald Lindberg
Meredith McNeil
Olga Podmajersky
James Powers
William Strevy
Edward Wesnofske

Members Absent

Raymond Halgas

Others Present

Gilbert Chichester
Melissa Morlang
Robin Loske
Marijeanne Broadwell
Chris Chale
Terry Bliss – Otsego Co.
Press
Public

1. Opening

Chairman Wesnofske opened the meeting at 9:48 a.m.

2. Adoption of Agenda

Charles Buck motioned, seconded by Donald Lindberg, to amend the Agenda to move the item “Update on T&D RFP” to the last item on the Agenda before closing. On voice call the Agenda was unanimously adopted as amended.

3. Privilege of Floor

Chairman Wesnofske offered privilege of the floor. No one came forth.

4. Minutes of Prior Meeting

Donald Lindberg motioned, seconded by Olga Podmajersky, to accept the minutes of the prior meeting of July 7, 2005 as written. On voice call the minutes were unanimously approved.

5. Reports

Chairman

Chairman Wesnofske reported that the Board is still reviewing the RFP's received for Transportation and Disposal.

Chairman Wesnofske distributed and reviewed a memorandum that he prepared for Board members relative to the "Public Authorities Accountability Act of 2005" as attached hereto. The new act will take effect on January 1, 2006 and will affect the Authority in multiple ways. Chairman Wesnofske requested that the Authority's counsel, Chris Chale, prepare a formal review of the new requirements and responsibilities of the Board and present it at the next Board meeting.

Executive Director

Mr. Chichester reported that he has spent time relating to the various Authority Committees, which will be reported during Committee reports and also landfill and safety issues along with items presented on the Agenda.

Financial Report

Ms. Morlang informed the Board that the four pieces of equipment that were sent to the Schoharie County auction were sold. The 1991 and 1992 Ford pickup trucks were originally purchased with bond funds, which means that the proceeds received from the sale of the two pickup trucks have to go back into the Bond Redemption and Improvement Fund.

Ms. Morlang reported on the June Financial Report as follows:

Page 3 – Bond Account Analysis: The \$101,000 CD that was due on July 1st was rolled over to August 1st. A little over \$25,000 of the CD will be held out to pay Golder and Associates for the Oneonta Transfer Station retrofit.

Page 4 – Reserve Account Activity: The reimbursement to the Counties for the 2004 GAT overage was actually made in February of 2005 using the Revenue Fund. In June funds were transferred from the Rate Stabilization Fund back into the Revenue Fund.

Page 5 – Transportation and Disposal: Year to date 36% of the waste was delivered to Chaffee Landfill and 64% of the waste was delivered to the Hyland and Ontario facilities combined.

Page 6 – Trailers Placed at Project Sites: The apartment building project in Amsterdam was completed in June.

Page 7-10 – Tons by Site by Type: Shows the inside waste tonnage comparison for 2004 versus 2005. The Authority received 1,800 tons more year to date through June 2005 than year to date through June 2004. This means that the inside waste flow is up.

Page 15 – GAT: Each County is projected to be over their GAT. The aggregate GAT overage is projected to be 9%.

Page 16 – Outside Waste Tonnage by Hauler: The Authority continues to see more outside waste. The Executive Director recently met with a new hauler who will be bringing in construction and demolition material from outside the Authority area.

Page 18 – Recycling Summary: During the month of June paper was sent to the Sierra facility in the port of Albany.

Page 19 – Budget vs. Actual Expenditures: An insurance payment was made in June for liability, equipment, auto and property coverage. The actual bill was \$13,000 under budget.

William Strevy asked if was typical to take monies out of the Rate Stabilization Fund for the GAT overage reimbursement to the Counties. Ms. Morlang responded that monies from the GAT overage were deposited into the Rate Stabilization Fund at the end of the year therefore it comes out of the same fund to reimburse the Counties.

Planning Committee

James Powers reported that the Planning Committee met on July 21st. Erin Crotty, President of the Crotty Group, attended the meeting. Ms. Crotty is a facilitator and helps groups through their problems. The committee members were very impressed by Ms. Crotty's qualifications and knowledge. She will be developing a plan for the Authority to consider.

Don Lindberg asked if she was going to help the Board with establishing the GAT. Mr. Powers responded that this is one problem that needs to be addressed.

Ms. Chale stated that Ms. Crotty's style is to act as a facilitator. She will talk to each group to try and understand what their concerns are. She will try to find some commonality and help the groups to work together.

Mr. Strevy stated that he understood that this technique had been tried in the past. Mr. Chichester responded that there was a relationship in the past with the Consensus Building Institute (CBI). At the time it was a much broader thrust involving the three Counties.

Donald Lindberg stated that all government boards are basically the same. There are three representatives from Otsego County, three from Montgomery County and two from Schoharie County on the MOSA Board. These members need to represent their

respective county as well as MOSA. He indicated that no matter who was brought in it would not change anyone's mind.

Mr. Strevy stated that he equates it to a Town Supervisor sitting on a County Board. You try to do the best for both. He indicated that it is perceived that the MOSA Board cannot get along together, which he does not necessarily agree with.

Mr. Chichester pointed out that when Montgomery County put forth their proposal for the Counties to buy MOSA's assets it was in the spirit of open communications toward a common cause. Mr. Chichester indicated that he had met with Mr. Strevy at that time relative to how best to foster ongoing communications no matter what the decision was relative to the "buy out". The purpose of engaging Ms. Crotty as a facilitator would be the development of this open line of communications for which representatives from all three counties have expressed interest.

Ms. Podmajersky stated that when she was a member of the Planning Committee, the year before, the Committee recommended that a presentation be prepared to give to the three Counties. She stated that there was a decision made outside the Planning Committee not to do it. She indicated that situations like this are part of the problem. Mr. Chichester suggested that it should have been brought back to the Committee.

Mr. Powers felt that if a facilitator were hired it should be Ms. Crotty. She was the former Commissioner of DEC, she has had experience as a representative of the governor's office in developing an agreement with the New York City watershed, she was involved in the Freshkill Landfill and the Adirondack Park Agency controversies. Mr. Powers recommended that the Authority move forward in this direction and felt that it was the only real option open to the Board.

Ms. Podmajersky recommended that the Board continue with the CBI report. Mr. Powers stated he did not even know what the CBI report was. Ms. Podmajersky stated that it was available and she could provide him with a copy. Ms. Podmajersky felt it was a good report and pointed out that the Institute contacted a lot of people during the process. She felt that Ms. Crotty would have to go beyond just the Board to understand the problems and get a consensus.

Mr. Strevy stated it might be a good idea but the biggest issue is the long term planning of the Authority and until the Board meets that goal head on, the problems will not be resolved. He indicated that there are three different Counties with three different goals.

Mr. Buck stated that he agreed with long term planning. When talking about long term planning for the Authority each of the members need to forget what County they are from. After the Service Agreement has expired the Authority will go on. Therefore, plans have to be made for the Authority and not for Montgomery, Otsego or Schoharie Counties. You cannot plan adequately for MOSA to continue operations after the Service Agreement if the members continue to take the Counties in consideration.

Mr. Buck stated that the Schoharie County Board did not have anything to say when Mr. McNeil announced that the Schoharie County GAT was going to up 5.2%. Mr. Buck stated that Ms. Morlang's figures showed that Schoharie County's GAT should go up 5.2% and he voted in favor of it because he is here to operate MOSA.

Mr. Strevy stated that after the Service Agreement expires the Authority might not consist of all three Counties. Mr. Wesnofske stated that it would continue to be the three Counties because the Counties will be part of the Board whether the Authority is handling their garbage or not.

Mr. Powers interjected that the current conversation is a prime example as to why a facilitator should be hired and recommended that it be done so the Authority could move on.

Mr. Wesnofske recalled that in 2000 the CBI report had a projected expense budget for its services of at least \$20,000. Today it would cost much more.

Mr. Wesnofske stated that relative to long term planning for the Authority it basically has been decided that the Authority will continue to export the waste. There has been little investigation into price for a landfill, a burn plant or anything else like it. Nobody is talking about long term planning for long term export. No one even knows what the disposal capacity is in New York State for the next five years or the landfill capacity that is available for the next ten years. But the Authority is talking about exporting its waste for the next ten years. Mr. Wesnofske indicated that Mr. Chichester is looking at things in a business sense. Businesses like Waste Management and Casella do long term planning. They are looking at their landfill capacity ten or fifteen years down the road in terms of where they are going to make their profits. The Authority, in terms of a business organization, has no idea what the costs are going to be five or ten years down the road or no vague outline of all the factors that are involved.

Mr. Powers indicated that the Planning Committee would like to follow up on the need for a facilitator. Mr. Lindberg and Mr. Strevy stated that they were not in favor of pursuing it at this time. Mr. Strevy was not in favor of spending money for this purpose before establishing the 2006 GAT and seeing the tentative 2006 Budget.

Ms. Podmajersky pointed out that the Planning Committee asked Ms. Crotty for a quote. It was recommended that the Planning Committee follow up with Ms. Crotty regarding a quote and what kind of plan she has to offer.

Personnel Committee

William Strevy reported, in the absence of Ray Halgas, that the Personnel Committee met on July 25th. The Committee is recommending that another person be put into the equipment maintenance function and that the contract with Milton-CAT for preventative maintenance be cancelled. The Committee is recommending that a current Transfer Station Supervisor be promoted to the position of Maintenance Supervisor at .50 cents

more per hour, which is the same rate as the current Maintenance Supervisor. This is reflected in Resolution Number 24.

Resolution Number 24 Creating Position of Maintenance Supervisor, Authorizing the Filling of this New Position as well as Backfilling any Position Vacated by this Action and Effecting the Cancellation of Preventative Maintenance Contracts with Milton-CAT} Sponsored by Meredith McNeil – Seconded by William Strevy

Ms. Podmajersky stated that she did not really understand why the position has to be created. Mr. McNeil explained that there is only one person in the equipment maintenance department and there is more work than one person could handle. Rather than hire another person it was decided to enter into a contract with Milton-Cat to do preventative maintenance on the Caterpillar equipment. Over time the contract with Milton-Cat has increased to point where the cost is too high. The Committee felt it would be best to transfer another employee into the equipment maintenance department and eliminate the Milton-CAT contract. It would also be better to have two full time employees taking care of the equipment rather than having Milton-Cat working on an as needed basis.

Ms. Podmajersky asked what the total cost would be and indicated that the estimated cost should always be put in the resolution. Ms. Morlang responded that if the vacated Transfer Station Supervisor position is filled by September 1st the additional cost to the Authority, until the end of the year, would be about \$15,700 with benefits. Ms. Morlang pointed out that there is a vacated part time position in the budget that has not been filled and has been vacant for the entire year that would cover a major portion of the cost of the new position. Ms. Podmajersky asked what the cost would be for the whole year. Ms. Morlang responded that with benefits it would be about \$50,000.

Ms. Morlang stated that the purpose is to have another person to deal with the equipment maintenance and to do away with the Cat contract. Another important factor is that the one person currently in the equipment maintenance function spends at least 50% of his time traveling from site to site working on equipment. Because he only has about 50% of his time to service the fleet of equipment it is not all getting serviced on a timely basis.

Mr. Lindberg pointed out that the actual cost per year for the additional maintenance person would be about \$80,000 by the time a new truck is purchased for him and the cost of gas to travel to the sites.

Mr. Chichester responded that the goal is to facilitate the maintenance of a total fleet of equipment throughout three Counties at seven facilities. The bottom line is that it is not happening. The comparisons have been done and presented to Operations Committee and this position needs to happen. This position has been discussed all year at the Operations and Personnel Committees.

Ms. Morlang pointed out that there used to be two individuals in the equipment maintenance department. One of the individuals left and at that time the decision was

made to outsource some of the work to see how it goes. As it turns out it is so incredibly expensive it does not make any sense to continue with the outsourcing. Also, the equipment is not being serviced up to the standard it used be. When the Authority was doing all its own maintenance the equipment was looked at more carefully because the employees care about the equipment.

On voice call the Resolution was unanimously adopted.

Director of Operations and Safety

Mr. Strevy reported that the Personnel Committee also discussed the creation of a Director of Operations and Safety position. The Executive Director has expressed a need for this position within the organization. This person would oversee the sites, landfills and address the safety and procedural issues. This person would report to the Board and attend the Board meetings. The Personnel Committee recommended a salary range of \$40,000 - \$50,000.

Mr. McNeil stated that when he first came on board he felt that this position was really needed. He pointed out that timing is everything and though he agrees the position is needed the economics do not support the position at this time. Mr. McNeil stated that as much as he would like to see someone in this position, as Treasurer of the Authority, he cannot support it at this time. The position with benefits would cost about \$80,000 per year plus a vehicle would be needed for this person. Mr. Lindberg, Mr. Strevy and Mr. Buck stated that they agreed with Mr. McNeil.

Mr. Wesnofske stated that he was quite surprised by the shift of the Board members regarding the position since the Personnel Committee meeting. He stated that he disagreed with the others and that he and Mr. Halgas feel that the position is really needed. There is a vacuum in the supervisory chain at the transfer stations and field operations. Mr. Chichester has articulated the need for this position for a long time. The Authority has documented enough need for this position. The Authority's needs have to come first to make sure that the facilities and equipment are operated safely. He still feels the position is needed.

Mr. Lindberg stated he wants to see the 2006 Budget and GAT all together before making any decisions on the position.

Mr. Wesnofske responded that the GAT is independent of the budget expenses. The expenses are dictated by the debt, transportation and disposal and the level of operational cost. The budget is not set by imaginary figures. The Board will get to the budget but the question is whether there will be enough personnel included in the budget to operate the Authority.

Mr. Strevy stated that he supports Mr. Lindberg. He pointed out that the Counties have already put together and distributed their budget packets. The Authority is just using fictional numbers with not knowing the outcome of the T&D contract.

Mr. Wesnofske stated that the Director of Operations and Safety position is not before the Board at this time. He stated that he knows there are money issues and the position will be a money issue when it comes before the Board. The Authority's needs and priorities should be evaluated first relative to decisions rather than looking at secondary questions.

Operations Committee

Mr. Lindberg reported that the Operations Committee met on July 28th and reviewed the following issues.

- Discussed changes to the Procedures Manual
- Recommended that the inbound scale at the Amsterdam Transfer Station be replaced.
- Discussed safety inspections at the sites
- Recommended that dump trucks and trailers not be allowed into the Northern Station.

Resolution Number 25 Authorizing the Replacement of the Incoming Scales at the Amsterdam Transfer Station} Sponsored by Charles Buck – Seconded by Donald Lindberg

The Resolution authorized the Executive Director to solicit proposals and execute an agreement for the replacement of the incoming scale at the Amsterdam Transfer Station with the firm that best meets the specifications with the least cost after receiving the Operations Committee's endorsement.

On voice call the Resolution was unanimously approved.

6. Old Business

Committee of the Whole Discussion of GAT Criteria

Mr. Wesnofske reported that the GAT resolution for Schoharie County was passed at the last Board meeting but the resolutions for Montgomery and Otsego Counties were not passed. He indicated that it seems that more discussion went on in the newspapers than at the meeting. There were questions raised as to what was wrong with the resolutions.

James Powers stated that he was concerned because it was reported that Mr. Strevy did not support Otsego County's GAT resolution because Otsego County did not support it, when in fact Otsego did support it.

Mr. Wesnofske asked Mr. Strevy what he felt was wrong with Otsego County's GAT. Mr. Strevy replied that he was against it because Mr. Lindberg felt it was too high. Mr. Strevy stated that he was not in favor of the GAT period.

Mr. Wesnofske stated that Mr. Lindberg had informed him that he was not going to vote in favor of any raise in the GAT whether the preparation of the GAT was right or wrong. Mr. Lindberg has made it known that he does not want the GAT raised because he wants to allow for the possible diversion of waste in Otsego County so that the County does not have to make shortfall payments.

Mr. Wesnofske asked Mr. Strevy if he was in agreement with Mr. Lindberg relative to the way the GAT should be formed for Otsego County. Mr. Strevy stated that he does not agree with the GAT process or how it's put together. Mr. Strevy felt that the Counties should not be paying for estimated tonnage that leaves the system. If anyone around the Board table has a problem with their GAT, for their respective County, he would support them. Mr. Wesnofske stated that Mr. Strevy is arguing for a position that is different from what Montgomery County wants for the GAT. Montgomery County wants the GAT based on the historical deliveries to the Authority. The Authority knows what the deliveries are and the GAT was based on that. Mr. Strevy stated that he does not believe that waste that is leaving the system should be included in the GAT.

Mr. Wesnofske pointed out that Montgomery County signed the Service Agreement. The Service Agreement states that the GAT would be based on the waste that is generated. Mr. Strevy stated that he does not have to agree with the Service Agreement. Mr. Wesnofske stated that the question becomes whether there is responsibility to uphold the Service Agreement or to cheat on it. Mr. Strevy responded that he wants to see the 2006 Budget with the GAT numbers and what the affects are going to be on the County. Mr. Wesnofske asked Mr. Strevy if he was concerned about the affect on the Authority. Mr. Strevy responded that he does care about the affect on the Authority. He pointed out that he is filling two chairs not just one. Mr. Wesnofske felt that Mr. Strevy's arguments were more for the County rather than making the Authority work.

Mr. Lindberg stated that Mr. Wesnofske's observations are not true. He pointed out that there are representatives from all three Counties on the Board, which was created so that all three Counties would have a say. Mr. Lindberg stated that whatever is done at the Authority Board meetings affects the Counties. He indicated that when he ran for election he promised his constituents to keep costs down.

Mr. Wesnofske stated he was trying to figure out Mr. Strevy's position. Mr. Strevy stated that he did not owe Mr. Wesnofske an explanation.

Ms. Podmajersky stated that she studied more of the detail that was provided for the GAT, particularly relating to Otsego County. She felt there has to be a more structured approach if lost waste was going to be figured in the GAT. The waste leaving all three counties should be looked at in more depth. She pointed out that she found a definite correlation between the lowering of the Otsego County subsidy and the waste taken out of the system in Otsego County.

Mr. Wesnofske stated that Otsego County lived up to its responsibility of keeping the waste in the system by utilizing a substantial subsidy. He pointed out that the five years that he has

been on the Authority Board there has been considerable effort to assist Montgomery County in keeping waste that is generated in the County in the MOSA system. There has been little effort on the part of the Montgomery County leadership in prior years to do the same. The Counties have said they will attempt to keep all the waste generated within the MOSA system, which they are obligated to do. Otsego and Schoharie Counties have carried out their responsibility. Montgomery County on the other hand spent time on hiring lawyers and accountants and engaged in other types of initiatives to look into the Authority. Montgomery County thought it was doing something constructive when in fact it had little to do with solid waste practices going on in its County. Montgomery County has the same obligation as the other two Counties to make the system work.

Mr. Strevy stated that if Ms. Crotty can straighten out the feelings of the Board members toward each other, especially after the Chairman's comments, it would be a miracle.

Chairman Wesnofske replied that Ms. Crotty is an impressive woman. After meeting with her he was very impressed. He has been acquainted with other facilitation arrangements and found that Ms. Crotty is the most qualified person he has ever met. He indicated that the MOSA Board is one of the most difficult Boards in terms of functioning that he has been associated with. Mr. Lindberg responded that the MOSA Board is no different than any other government.

Mr. Strevy informed Chairman Wesnofske that he resented the fact that he was singled out of the four people who voted against the Otsego County GAT. Mr. Strevy felt that Chairman Wesnofske was singling him out because he is the Chairman of the Montgomery County Board Supervisors. Mr. Wesnofske stated he was trying to understand Mr. Strevy's reason for voting against the GAT. He indicated that he already understood how Mr. Lindberg and Ms. Podmajersky felt. Mr. Strevy stated that he gave his reason when he voted against the GAT and he has not changed his mind. Mr. Wesnofske apologized to Mr. Strevy if he felt that he was being singled out.

7. New Business

Schoharie County Household Hazardous Waste Day Collection

Mr. Chichester explained that Schoharie County is requesting the use of the Schoharie Transfer Station for its Household Hazardous Waste Day Collection on September 10th.

Donald Lindberg motioned, seconded by Charles Buck, to permit Schoharie County to use the transfer station. On voice call the motion was unanimously approved.

Resolution Number 20 Authorizing Purchase of Backhoe for Randall Transfer Station} Sponsored by Donald Lindberg – Seconded by Charles Buck

The Resolution authorized the Executive Director to develop bid specifications and seek proposals for the purchase of a new backhoe for the Western Transfer Station. The proposals

will be reviewed by the Operations Committee, which will select the equipment that will best serve the needs of the Authority.

On voice call the Resolution was unanimously adopted.

Resolution Number 21 Authorizing the Transfer of Budget Funds for Door Repairs} Sponsored by Meredith McNeil – Seconded by Donald Lindberg

The Resolution authorized the transfer of \$5,500 from Account 9099-61-61 “Contingency” to Account 4201-50-63 “Door Repairs”.

On voice call the Resolution was unanimously adopted.

Resolution Number 22 Authorizing the Transfer of Budget Funds for Disposal of Recyclables} Sponsored by Meredith McNeil – Seconded by Donald Lindberg

The Resolution authorized the transfer of \$7,500 from Account 4407-80-63 “Transportation of Recyclables” to Account 4403-40-63 “Disposal of Recyclables”.

On voice call the Resolution was unanimously adopted.

Resolution Number 23 Authorizing the Transfer of Budget Funds for Overtime} Sponsored by Donald Lindberg – Seconded by Meredith McNeil

The Resolution authorized the transfer of \$2,500 from Account 9099-61-61 “Contingency” to Account 1111-50-63 “Overtime Buildings & Grounds”.

On voice call the Resolution was unanimously adopted.

Executive Session

Charles Buck motioned for an executive session to discuss the T&D proposals and customer credit concerns. The motion was seconded by Meredith McNeil and unanimously approved on voice call.

The executive session began at 11:15 a.m. At 12:13 p.m. Charles Buck motioned, seconded by Meredith McNeil, to reconvene the regular meeting.

8. Closing

Chairman Wesnofske adjourned the meeting at 12:13 p.m.

Respectfully Submitted,

Robin Loske
Confidential Secretary