

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT  
AUTHORITY  
BOARD MEETING #15**

**DATE:** December 13, 2005

**LOCATION:** Howes Cave Administrative Complex

**Members Present**

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

**Members Absent**

James Powers  
Raymond Halgas

**Others Present**

Gilbert Chichester  
Melissa Morlang  
Marijeanne Broadwell  
Robin Loske

**1. Opening**

Chairman Wesnofske opened the meeting at 2:10 p.m.

**2. Adoption of Agenda**

Donald Lindberg motioned, seconded by Charles Buck, to amend the Agenda to add Resolution Number 49. On voice call the Agenda was unanimously approved as amended.

**2. Privilege of Floor**

No one came forth.

**3. Minutes of Prior Meeting**

Olga Podmajersky motioned, seconded by Donald Lindberg, to accept the minutes of the prior meeting of November 17, 2005 as written. On voice call the minutes were unanimously approved.

**4. Reports**

**Chairman**

Chairman Wesnofske reported that he asked the Executive Director to forward information to the members associated with the waste companies in the market. One waste company was Casella who made a Wall Street presentation in November. Mr. Wesnofske stated that he obtained a copy of their files, which discloses their strategy for

buying all the landfills and associated companies in the northeast. Casella is getting 20% average return on their investment for owning the landfills.

The other article refers to Waste Management operating the transfer stations in Orange County. It indicates that the small haulers are being put out of business by the large haulers. The small haulers also have to wait for hours to get into the transfer stations while Waste Management trucks unload.

Information relative to management salaries will be discussed in an executive session.

**Executive Director**

Mr. Chichester reported as follows:

**Safety Programs** - Mr. Chichester reported that the primary function is still safety issues. There were two safety-training programs for staff in the past week to facilitate meeting the annual requirements.

**OTS Retrofit** - Mr. Chichester pointed out that Oneonta Transfer Station retrofit is still ongoing and he has information he is working on relative to the retrofit.

**Northern Transfer Station** - Mr. Chichester continues to investigate options for the Northern Transfer Station for the operations and the impact on the residents of northern Otsego County.

**ELF Repairs** - Mr. Chichester continues to work with the engineers and FEMA relative to the reimbursement for the Eastern Landfill repairs.

**ATS Scales** - The installation of the new outbound scales at the Amsterdam Transfer Station have been completed.

**Montgomery County Household Hazardous Waste Day Collection** - Mr. Chichester executed the paper work for the 50% reimbursement from the State for the Household Hazardous Day Collection that was held in Montgomery County in October.

**Transportation and Disposal** - The negotiations for the Transportation and Disposal Contract are still ongoing. Rich Riccelli indicated that they have come to terms with Casella. As part of the package they are guaranteeing space in all their facilities, which includes DANC, to meet the Authority's needs.

Information relative to Waste Management is forth coming in the very near future.

The Resolution on the Agenda dealing with the Transportation and Disposal Contract relates to the subcontractor (Casella) and the Performance Bond. There is a company that will insure the Riccelli Performance Bond but is not an "A" rated company. Riccelli has

received approval from Travelers, Zurek or Safco to provide the bond but they will only provide it on a yearly basis and not on a five-year basis.

Mr. Chichester spoke to Mr. Reynolds of Bollam, Sheedy and Torani relative to the Bond Market. Mr. Reynolds indicated that the number of companies in the Bond Market has diminished. A lot of bond companies have gone out of business. Mr. Wesnofske asked if Mr. Chichester talked to anyone in the State Insurance Department. Mr. Chichester responded that he had not.

Mr. Chichester stated that the best scenario would be to have a five-year bond, which would cover the duration of the contract. A one-year bond would have to be examined yearly and it is not guaranteed that they will be issued a bond for the following year.

Mr. Chichester explained that the Bond would cover any added cost the Authority might have if Riccelli could not continue to perform. If the Authority had to acquire someone else's services the Bond would cover the difference in cost. The Bond amount is a million dollars per year.

The Bond Agent has indicated that Riccelli is a strong company. They are stronger now than a few years ago when they had a five-year bond. The agent suggested they might want to consider a three-year rolling bond with renewal every year.

Mr. Chichester stated that it comes down to what the Authority will accept. Travelers, Zurek and Safco are "A" rated companies and are licensed to do business in New York State. Mr. Chichester pointed out that it is not his desire to wait year to year to see if Riccelli can get a bond.

### **Pigeons at the Oneonta Transfer Station**

Mr. Chichester reported that since the last Board meeting the soffit at the Oneonta Transfer Station, over the doors of the homeowners drop-off area, gave way and all the pigeon dung came down. Mr. Chichester felt this is probably the case with the soffit all the way around the building. Dan Herrick will use the highlift to assess the damage and determine what it will take to fix it. Mr. Chichester indicated that the building would be very costly to fix.

### **Financial Report**

Ms. Morlang pointed out that a copy of the Standard & Poors Report on the Authority's underline rating of its Bonds was copied and distributed to the Board. The bonds have a triple "A" rating because they are insured.

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

Page 2 - **Bond Account Activity:** On November 15<sup>th</sup> the principle in the amount of \$80,000 was paid on the 1994 Bonds bringing it down to \$810,000.

Page 3 - **Bond Account Analysis:** The CD investments were rolled forward for 2006.

Page 5 - **Reserve Accounts Activity:** Projects that were paid for out of this account were the Montgomery County Household Hazardous Waste event in the amount of \$25,194.92 and the Amsterdam Transfer Station scales in the amount of \$68,300.

Page 6 - **Transportation and Disposal:** During November the Authority's waste continued to be delivered to the Chemung Landfill. Riccelli has been using Chemung instead of Hyland probably due to Hyland being at its maximum level for accepting waste in 2005. No waste is being delivered to the Waste Management facility at this time at their request. Waste Management's waste continues to come into the Authority.

Mr. Chichester pointed out that as part of the T&D contract waste in 2006 would be delivered to Chemung, Hyland, Ontario, Chaffee and DANC. He felt that Riccelli would be using the Chemung and DANC facilities in 2006.

Page 16 - **GAT:** The GAT tonnage for 2005 was met in November. The total aggregate GAT overage is projected to be 8% for 2005.

Page 17 - **Outside Waste Tonnage by Hauler:** The outside waste rate was increased in October to \$57.00 per ton. This increase has not affected the amount of outside waste that comes into the facilities.

Page 19 - **Recycling Summary:** During November the Authority received \$54 per ton for its paper from Neaf.

Page 20 - **Budget vs. Actual Expenditures:** There have been a number of budget transfers, which is typical for this time of year. All the transfers will be reported in the January report.

Ms. Morlang pointed out that representatives of Bollam, Sheedy and Torani are on site to begin the preliminary activities for the 2005 Audit.

Mr. Strevy asked what the balance is for the revenue accounts. Ms. Morlang informed Mr. Strevy that funds in the revenue accounts is about 1.5 million dollars.

Mr. Wesnofske asked if the majority of the Authority's reserve funds are deposited in the First Niagara Bank. Ms. Morlang responded that they were. Mr. Wesnofske expressed concern about having so much money in one bank. Ms. Morlang stated that the account is collateralized so that it is protected.

### **Committee Reports**

Chairman Wesnofske noted that the Operations and Planning Committee meetings were reported on at the last Board meeting and the Finance and Personnel Committees have not met.

Resolution Number 49 is on the Agenda as a recommendation of the Planning Committee.

**5. Old Business**

There was no old business discussed.

**6. New Business**

**Resolution Number 45 Authorizing the Executive Director to Execute Memorandum of Agreement with CSEA Relating to Employee Benefit Fund Retiree Dental Plan} Sponsored by Meredith McNeil - Seconded by Donald Lindberg**

Mr. Chichester explained that the agreement would allow for retirees from the Authority to be able to purchase dental insurance from the union after their retirement. There is no additional cost to the Authority for this benefit.

On voice call the Resolution was unanimously adopted.

**Resolution Number 46 Declaring Certain Inventory Items as Surplus and Authorizing Their Disposal} Sponsored by Donald Lindberg - Seconded by William Strevy**

Mr. Chichester explained that the items on the list were found when Ms. Broadwell was doing inventory. All items are either broke or are obsolete.

On voice call the Resolution was unanimously adopted.

**Resolution Number 47 Declaring Roll-Off Containers Surplus, Authorizing Their Disposal and Authorizing the Purchase of Additional Roll-Off Boxes} Sponsored by Donald Lindberg - Seconded by Meredith McNeil**

Mr. Strevy asked how much it would cost to replace the boxes. Mr. Chichester responded that new roll-off boxes are about \$4,000 per box.

Ms. Podmajersky felt that the Authority should go out to bid for the new boxes. Ms. Morlang pointed out that the Authority's Purchasing Policy requires that three quotes be obtained for anything that costs under \$5,000. Ms. Podmajersky felt that the quotes should come back to the Board for review and approval prior to the Executive Director purchasing said boxes.

Ms. Podmajersky motioned, seconded by William Strevy, to amend the third "Resolved" clause to read as follows:

**"Resolved,** that the Executive Director is hereby authorized, empowered and directed to solicit quotes for up to six (6) new boxes to be placed in service throughout the transfer station system as needed to facilitate the effective and efficient movement of materials and

present the results of the quotes to the Governing Board for their consideration, and be it further”

Ms. Podmajersky noted that the replacement of the boxes was not included in the Equipment Replacement Fund. Ms. Morlang responded that this is the case and pointed out that the Equipment Replacement Fund has not been reviewed and approved by the Board in two budget years.

On voice call the motion to amend was unanimously approved.

On voice call the Resolution was unanimously adopted as amended.

**Resolution Number 48 Authorizing Modification of the Requirements Set Forth for the Proposed Transportation and Disposal Agreement between the Authority and Riccelli Enterprises, Inc.} Sponsored by Meredith McNeil - Seconded by Donald Lindberg**

Mr. Chichester explained that the modification would be to add DANC and Chemung to the list of approved landfills and to accept an alternative form of Performance Guarantee from Riccelli, which would meet with the Authorities General Counsel.

Ms. Podmajersky asked what the cost is to the Authority regarding the profiles for special waste. Mr. Chichester responded that the whole profile issue should be more uniform. He is working with Casella and Waste Management to try to get a standard form for all profiled waste.

Mr. Strevy asked why the forms are not standardized. Ms. Morlang responded that every landfill has their own profile forms, which ask different questions depending on their requirements. Also, it depends on which DEC region is involved and what tests are required.

Ms. Podmajersky referred to the first “Resolved” clause in the Resolution stating that she felt the Performance Bond should be approved by the whole Board and not just the officers of the Authority and the general counsel.

Mr. Buck said he would like to see a one-year Bond that is renewable each year. He explained that basically when the bond company signs a contract for the first year bond it is guaranteed that the company will get a bond for the second year, which gives you a two-year bond. This would give the Authority a year to go out with an RFP before the bond would need to be renewed.

Mr. Strevy asked why just the officers where named for approval of the Bond instead of the whole Board. Mr. Wesnofske responded that it is easier to get the officers on the phone to get it approved before January 1<sup>st</sup>. Otherwise there would be a need for another meeting before the 1<sup>st</sup> of year to implement the contract for January 1<sup>st</sup>. Ms. Podmajersky asked if the Board was going to get to see the contract before it is approved. Mr. Wesnofske responded that the Executive Director has already been authorized to execute the contract by an earlier resolution in October.

Mr. Chichester pointed out that the contract remains the same except for the two changes that are being referred to in the Resolution.

On roll call the Resolution was defeated with four members (Buck, Lindberg, McNeil, Wesnofske) voting “aye”, two members (Podmajersky, Strevy) voting “nay” and two members (Halgas, Powers) “absent”.

**Resolution Number 49 Directing the Development and Issuance of a Request for Proposals or Request for Qualifications Relating to the Economics of Future Options for the Authority} Sponsored by Charles Buck - Seconded by Edward Wesnofske**

The Resolution authorized the Executive Director to develop an RFQ/RFP to facilitate a study to investigate options for the Authority, which include development of a landfill within the service area as well as the acquisition of landfill space at an existing landfill along with any and all ancillary costs as well as operational or market related factors that would impact decision making on any of these options.

On voice call the Resolution was unanimously adopted.

**Executive Session**

Donald Lindberg motioned to go into executive session to discuss management salaries. Meredith McNeil seconded the motion and on voice call was unanimously approved.

The executive session began at 3:15 p.m.

The meeting reconvened at 4:52 p.m.

Meredith McNeil motioned, seconded by Donald Lindberg to put Resolution Number 50 entitled “**Resolution Establishing Salaries for Accountant and Confidential Secretary**” on the Table.

On voice call the vote the Resolution was adopted with five members voting “aye” and three members (Halgas, Powers, Strevy) “absent”.

**Next Board Meeting**

The next Board meeting was scheduled for December 19<sup>th</sup> at 10:00 a.m.

**7. Closing**

Charles Buck motioned, seconded by Meredith McNeil, to adjourn the meeting. On voice call the motion was unanimously approved.

The meeting adjourned at 4:58 p.m.

Respectfully Submitted,

Robin Loske  
Confidential Secretary