

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT
AUTHORITY
BOARD MEETING #8**

DATE: September 21, 2006

LOCATION: Howes Cave Administrative Complex

Members Present

Joan Bent
Martha Clarvoe
Rudolph Laguna
Meredith McNeil
Olga Podmajersky
William Strevy
Edward Wesnofske

Members Absent

Raymond Halgas

Others Present

Gilbert Chichester
Robin Loske
Terry Bliss

1. Opening

Chairman Laguna opened the meeting at 10:18 a.m.

2. Adoption of Agenda

Edward Wesnofske motioned, seconded by Meredith McNeil, to adopt the Agenda. Ms. Clarvoe asked that the subject of Ag Plastics be added under "Other Business". The motion and agenda was unanimously approved on voice call.

3. Privilege of Floor

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

4. Minutes of Prior Meeting

Olga Podmajersky motioned to accept the minutes of the prior meeting of August 17, 2006 as written. Meredith McNeil seconded the motion. The minutes were unanimously approved on voice call.

5. Reports

Chairman

Chairman Laguna reported as follows:

2007 Tip Fee - Chairman Laguna stated that he sent a letter to the Otsego County Board relative to the potential raise in the 2007 MOSA tipping fee. He will also send the letter to Montgomery and Schoharie County Boards. He pointed out, in the letter, that the largest portion of the increase was due to the increase in the Transportation and Disposal costs. He pointed out that the Authority does not control its solid waste destiny. The Authority gave that up in the past when it had the opportunity to site a landfill and did not. The Authority continues to be at the mercy of the owners of the landfills and the trucking outfits. Mr. Laguna felt that in the major portion of the Authority's seventeen years of existence the Board members have pledged their allegiance to their County legislatures rather than to the Authority. In the next seven years the Board needs to become more cooperative and proactive. He stated that it has been discussed in the past to bring in a facilitator to try and reach some common goals. The Authority is not going to magically disappear.

2007 Operating Budget - Later in the meeting the 2007 Operating Budget will be discussed along with the use of any funds from the Rate Stabilization Fund.

Executive Director

Mr. Chichester reported as follows:

Staffing - Mr. Chichester reported that the staff in the office are diligently working together to try and accomplish tasks that need to be done in light of the loss of staff. Crysti Simonds is on vacation and Nancy Ernst is covering for her. This means that other things are not getting done. Mr. Chichester continues to work with CFO for Hire. He anticipates that they will give him a couple of candidates to interview who could provide some assistance until the vacant finance position can be filled.

Mr. Chichester stated that he has met a couple times with Ms. Broadwell. He anticipates having to consult with Ms. Broadwell on an ongoing basis. Ms. Broadwell has submitted a bill for her time at \$150.00 per hour, which he anticipates paying.

Mr. Wesnofske asked how serious the hole is in the Authority's financial operation. Mr. Chichester responded that it has been nip and tuck. He is not prepared to make budget transfers and amendments. Mr. Chichester stated that a few accounts might exceed the amount appropriated before transfers can be authorized. Mr. Chichester stated that there is a clear need for someone who is familiar with accounting packages to come in and close out the books for the previous month. He explained that it is taking considerable time to comprehend the accounting spreadsheets that have been set up by Ms. Morlang and Ms. Broadwell. Ms. Broadwell will be preparing the September GAT.

Ms. Bent suggested checking with the Authority's auditing firm to see if they might have an accountant who could work with the Authority until a permanent position can be filled. Mr. Chichester responded that it was the Auditing Firm that recommended CFO for Hire. If the Audit firm were to send someone to the Authority it would be someone

who is being paid a lower rate and would not be familiar with the Authority's accounting practices. Mr. Chichester stated that he has already been working with CFO for Hire and would prefer not to switch in mid-stream. He indicated that he is reviewing job duties for positions in the finance department.

Mr. Strevy suggested that Mr. Chichester check with the Montgomery County Personnel Officer, Richard Baia, relative to updating the job description for the Director of Finance & Administration.

Mr. Wesnofske stated that in the past the Finance Director did more than just accounting. She got involved in management and administrative support relative to the operations and staff in the field. The new position would call for multiple talent and they would need to be able to grow with the position.

Mr. Strevy asked if it made more sense to leave the operation issues to the Director of Operations and Safety. Mr. Chichester responded there needs to be mutual understanding between operations and finance staff.

Terry Bliss, Otsego County Solid Waste Coordinator, suggested that Mr. Chichester might want to contact Ms. Linda Davis who used to work in the Otsego County Treasurer Office. He indicated that she is a hard worker and was the person that the Department Heads in Otsego County leaned on. She was part of solving the big financial problems in the County.

Mr. Chichester thanked Mr. Bliss for his suggestion but stated that the Authority has a hiring process, which he would like to adhere to. Ms. Bent stated that once the position is defined and advertised that would be the time to bring any candidates forward that someone might know to be included in the pool of applicants. They could be evaluated along with the rest of the applicants. Mr. Chichester agreed.

Financial Report

There was no financial report.

Committee Reports

Personnel Committee

Director of Finance and Administration - Edward Wesnofske reported that the Personnel Committee met on September 14th and reviewed the conditions and environment surrounding the resignation of Ms. Broadwell. The consensus was that the Authority needs an in-house person as head of the financial operation. Mr. Chichester was directed to draft the responsibilities of the Finance Director position. In the mean time Ms. Broadwell will act as consultant and the firm of CFO for Hire will be used in interim.

Executive Director Employment Contract - Mr. Wesnofske reported that the employment contract for the Executive Director was discussed in an executive session. Communications between the Executive Director and the Personnel Committee took place. More discussion will take place at a future Personnel Committee meeting.

Retirement of Equipment Maintenance Supervisor - Mr. Wesnofske reported that the Equipment Maintenance Supervisor would be retiring in December. The Committee discussed the impact this would have on the Authority. Mr. Wesnofske asked Mr. Chichester to make a recommendation to the Personnel Committee as to how the maintenance function will be managed once the Supervisor retires. This will be discussed at a future meeting

Finance Committee

2007 GAT & Budget - Mr. McNeil reported that the Finance Committee met on September 14th to discuss the 2007 GAT and Budget. He pointed out that resolutions are on the Agenda to deal with the GAT and the Budget.

Audit Committee - The Committee discussed whether it would be considered a conflict of interest to have Mr. McNeil serve as Chair of the Finance Committee and the Treasurer of the Authority, and also serve as the Chairman of the Audit Committee.

Mr. Wesnofske stated that Mr. Chichester checked with the Public Authorities Budget Office and their response is attached hereto.

Chairman Laguna reported that the response basically recommended that the Mr. McNeil not serve as Chair on both Committees.

Mr. Wesnofske stated the primary function of the Audit Committee is to choose the Auditors to perform the Independent Financial Audit of the Authority and pay the Auditors. This will not be a function of the Board any longer. Currently the Finance Committee of the Authority does review and sign an Abstract of Warrants for all checks that are cut to make payments for expenditures of the Authority. Any check that is above \$10,000 needs two original signatures. Mr. Wesnofske stated that the way he understands it anyone who is on the Finance Committee should not be on the Audit Committee.

Ms. Bent suggested that the Audit and Governance Committee have three members each instead of four. She volunteered to Chair the Audit Committee.

To accommodate the recommendation of the Public Authorities Budget Office recommendation, Mr. Laguna restructured the Audit and Governance Committee as follows:

Audit Committee:

Joan Bent - Chair
Martha Clarvoe
William Strevy

Governance Committee:

Edward Wesnofske - Chair
Olga Podmajersky
Meredith McNeil

Recess - At 11:15 a.m. Chairman Laguna called for a short recess. The meeting reconvened at 11:35 a.m.

Operations Committee

Mr. Laguna reported that the Operations Committee met on September 20th and discussed and reviewed the following matters:

- **Oneonta Transfer Station Retrofit:** Mr. Laguna reported that after much discussion relative to the Oneonta Transfer Retrofit, he motioned to authorize the Executive Director to move forward to develop bids for Option E, Alternative 4, which would be to construct a 110 ft. X 110 ft. building along with the other related enhancements. Ms. Bent and Mr. Laguna voted in favor of the motion and Mr. Halgas and Ms. Podmajersky voted against it, therefore, the motion was defeated. Mr. Laguna indicated that the retrofit which has been talked about for five or six years will continue to be talked about for a little longer.
- **Oneonta Transfer Station Parking Lot Repairs:** Mr. Chichester presented an estimate from Cobleskill Stone to do the repairs to the Oneonta Transfer Station parking lot. Mr. Chichester stated that Authority staff has the expertise to do the work but scheduling would be difficult. After considerable discussion, Mr. Halgas motioned to have Cobleskill Stone do the work on areas #1 (recycling area) and #2 (trailer staging area) and have the staff rent equipment to do area #3. Area #1 was estimated to cost \$46,000 and area #2 at \$23,000. Area #3 was estimated to cost over \$200,000. The motion was approved.

Mr. Chichester stated after hashing the project over with staff it was felt that Cobleskill Stone proposals presented inefficiencies in that the jobs were small and it is likely that full crews would be assigned. The money saved could go toward the retrofit.

Ms. Bent pointed out that if staff did the repairs it would not be done on the level that Cobleskill Stone proposed and it would probably require patching again in the spring. Mr. Chichester responded that if staff keeps a closer on eye on the situation and it is maintained on a regular basis the situation could be kept under control. Staff would start doing the work the following week.

Martha Clarvoe asked Ms. Podmajersky how she felt the sites looked in Montgomery County compared to the Oneonta site. Ms. Podmajersky responded that the facilities are paved and the buildings are newer in Montgomery County. Ms. Clarvoe stated that it

was about time the Otsego County facilities got some firm repairs and upgrades. Ms. Podmajersky agreed but felt that if a new building is constructed it should be on a more suitable site with a better elevation. Mr. Wesnofske stated that he originally favored another site. But after evaluation it was pointed out that it would not be good business to look for another site. If the site is abandoned the City of Oneonta will take it over and probably lease or sell it to another enterprises who would run it as a transfer station, which would be competing against the Authority. The Authority inherited the transfer station as part of the Acquisition Agreement and it has to deal with inadequacies that go along with it just as the Authority has to deal with two poorly designed landfills. Legally, the Authority has to have a transfer station in the City of Oneonta and trying to permit another transfer station would be very difficult. The engineer's advised against abandoning a permitted station.

- **Tour Montgomery County Transfer Stations** - Mr. Laguna stated that the Operations Committee discussed touring the Montgomery Transfer Stations on Saturday, October 14th, especially the Western Transfer Station because the City of Amsterdam is requesting the use of the facility for recycling purposes. Mr. Chichester suggested that all the sites in Montgomery County be toured, which includes the Amsterdam Transfer Station, Eastern Landfill and the Western Transfer Station along with the Central Landfill, which is located on the same property as the Western Transfer Station. Mr. Chichester stated that Montgomery County officials would be invited to attend the tour.

Planning Committee

Mr. Strevy reported that the Planning Committee has not met recently.

Audit Committee

Chairman Laguna stated that some discussion on the Audit Committee already took place earlier in the meeting.

Governance Committee

Mr. Wesnofske stated that he has been doing research relative to the Governance Committee responsibilities. He would draw up a draft charter of the law and practices and present it to the Committee and Board so that it will have some clarity when it starts to operate.

6. Old Business

There was no old business discussed.

7. **New Business**

Resolution Number 25 Establishing the 2007 Guaranteed Annual Tonnage (GAT) for Otsego County} Sponsored by Edward Wesnofske - Seconded by Maratha Clarvoe

The Resolution established Otsego County's GAT at 41,611 tons for 2007. Ms. Podmajersky asked if any of the Otsego County representatives had a problem with the GAT tonnage. Mr. Wesnofske commented that some waste is being diverted from the County but felt that the number was fair.

On roll call the Resolution was unanimously adopted.

Resolution Number 26 Establishing the 2007 Guaranteed Annual Tonnage (GAT) for Schoharie County} Sponsored by Meredith McNeil - Seconded by William Strevy

The Resolution established Schoharie County GAT at 18,594 tons for 2007. Ms. Podmajersky asked if any of the Schoharie County representatives had a problem with the GAT tonnage. Mr. McNeil responded that they don't.

On roll call the Resolution was unanimously adopted.

Resolution Number 27 Establishing the 2007 Guaranteed Annual Tonnage (GAT) for Montgomery County} Sponsored by Martha Clarvoe - Seconded by Edward Wesnofske

The Resolution established Montgomery County's GAT at 43,722 tons for 2007.

Ms. Podmajersky stated that the Montgomery County GAT tonnage for 2007 was discussed during the Finance Committee meeting. She made a motion to reduce the figure at the Finance Committee meeting which was defeated.

Ms. Podmajersky motioned to amend Resolution Number 27 to reduce the GAT to 43,445 tons on the basis that two companies are no longer delivering waste to the Authority. William Strevy seconded the motion.

Meredith McNeil commented that the GAT established for 2007 is probably the fairest GAT established since he has been on the Board. It's based on real figures of waste delivered in the past couple years. Waste Management is back in the system, which has helped Montgomery County. There is lost tonnage in all three Counties.

Ms. Podmajersky stated that she does not feel comfortable with the lost tonnage calculations.

Mr. Strevy stated that he was not sure if he should second the motion, after all, because he had no intention of voting in favor of the Resolution. He stated that he agreed with

Mr. McNeil about the numbers being very accurate. But because the 2007 Budget and tipping fee going up there will be waste leaving Montgomery County, therefore, he cannot support it.

Mr. Strevy withdrew his second to the motion. No one else offered a second to the motion.

On roll call the Resolution was adopted with five members voting "aye", two members (Podmajersky, Strevy) voting "nay" and one member (Halgas) absent.

2007 Operating Budget

Mr. McNeil stated that there is not a resolution on the agenda to deal with the Budget at this time. The Budget was discussed during the Finance Committee meeting. There are some open issues regarding the revenues.

Mr. Chichester stated that he has a small difference in the 2007 draft budget to reconcile and that is why he did not prepare a resolution for consideration of the Board to adopt the 2007 Operating Budget.

Mr. Chichester distributed and reviewed a schedule of the "Tip Fee Allocations", as attached hereto. He stated that after the Finance Committee meeting he gave some thought to the bag rate and the minimum tip fee. Currently the Authority charges \$3 per bag and \$12 for the minimum fee. Mr. Chichester stated that based upon a review of the implications that bag waste has on the GAT, if the bag rate is not raised in conjunction with the increase in the official tip fee, the margin of revenue raised by the bag fee will be significantly diminished. He explained the relationship in detail and recommended that the bag rate be raised to \$4 to maintain approximately the same margin.

After some discussion on how the bag rate and minimum fee relates to the per ton fee, Mr. Wesnofske motioned to raised the bag rate to \$4.00 and the minimum fee to \$16.00. Meredith McNeil seconded the motion and on voice call the motion was unanimously approved.

Mr. Chichester indicated that the Board needed to settle on any contribution to be made from rate stabilization before he could finalize the budget.

Ms. Bent stated that with all the outstanding projects that the Authority needs to address it does not make sense to take money from the Rate Stabilization Fund or any other reserve funds.

Mr. McNeil agreed with Ms. Bent and felt there was not a lot that could be changed in the budget. The main question is whether any money is going to be used from the Rate Stabilization Fund to lower the tip fee. He stated that it would take about \$103,000 to

reduce the tip fee by \$1.00. He also felt that the money should be used for Authority projects.

Mr. Strevy stated that the new members should remember that a lot more money would be going to go into the Rate Stabilization Fund during the course of the year. The GAT overage and unanticipated revenues such as those gained by the flood in 2006 will go into the Rate Stabilization Fund. He stated that the Rate Stabilization Fund has absorbed hits in the past and stayed healthy and will continue to stay healthy with hits in the future.

Mr. Chichester stated that the Operations Committee reviewed projects and associated costs at it last meeting. Mr. Chichester also felt it was not wise to take money from the reserve funds due to the outstanding projects that need to be addressed. If the Board continues to take money out of the Rate Stabilization Fund year after year there will be no funds for projects such as the Household Hazardous Waste Collections.

Ms. Bent brought forward some of projects that need addressing such as the parking lots, tarping stations, etc. If the reserves are used up and they are not available when needed, and the Authority has to borrow the money, it is going to get hit pretty hard. By having the money it allows the Authority to move faster on emergency/urgent projects.

Mr. Strevy stated that the purpose of the Rate Stabilization Fund is to stabilize the rate. He stated that he would not support a \$99 per ton tip or even \$96 per ton.

Ms. Podmajersky thought that the position of the Director of Finance should be included in the budget at an estimate of \$100,000. This estimates includes benefits. She suggested reducing the overtime and part-time help.

Mr. Chichester responded that the part-time staff is needed to fill in to allow full time staff to get other work done, such as doing the parking lot at the Oneonta Transfer Station. Part time help is used during summer for staff taking vacation, and to cover for other leave time. Mr. Chichester stated that if he is going to have good relations with the staff he has to allow them to take the time to which they are entitled. He pointed out that the Authority is already running bare bones and to try and cut it even further is unrealistic.

Ms. Podmajersky suggested reducing to the Contingency Fund from \$100,00 to \$50,000. Mr. Chichester responded that once the funds are taken out for the Director of Finance there is not a lot left. The Solid Waste Management Plan needs to be updated, which would come from that fund. Mr. Chichester finds it an embarrassment when he tells someone they have to be in compliance with the Authority's Solid Waste Management Plan, when in fact the Authority does not have an updated Plan. Ms. Podmajersky stated that she agrees that the Plan needs to be updated. Mr. Chichester stated that it would take money to update it.

Ms. Podmajersky indicated that the Consultant line might be reduced. She was not sure how the \$188,000 was arrived at. Mr. Chichester responded that about \$100,000 of that would be used for the Finance Director, which leaves \$88,000 to deal with computer consultants to upgrade the scale system along with engineering and planning related costs. Ms. Podmajersky suggested that it be reduced to \$120,000.

Mr. McNeil stated that the Budget is put together by a best estimate. It is a living document. If the Authority should have a windfall the tip fee could be reduced next year. He stated that a lot of thought has gone into the Budget on the Executive Director's part.

Mr. Wesnofske motioned to amend the draft 2007 Budget by using a contribution from the Rate Stabilization Fund in the amount of \$110,000, which would reduce the tipping fee by \$1.00. Martha Clarvoe seconded the motion. Mr. Wesnofske stated that one thing he regrets was using \$500,000 from the Rate Stabilization Fund to reduce the debt. Both Mr. Chichester and Ms. Morlang argued vehemently against using the funds. He stated that he did not see the large-scale dimension on the horizons that the Authority should be under taking such as updating the antique Solid Waste Management Plan. Other entities could mock the Authority for its outdated Plan.

Ms. Podmajersky stated another way to take a \$1.00 off the tip fee is to pay off the 1994A Bond Issue.

Mr. Strevy stated that there has always been money in the Rate Stabilization Fund to update the Solid Waste Management Plan. He stated that MOSA has lots of money but nobody wants to spend it. He stated that is another reason that the Oneonta Transfer Station is still not retrofitted.

Mr. Laguna stated that the problem is getting five votes to approve anything. He stated that he was aghast when found out that the Oneonta Transfer Station retrofit has been going for five or six years.

Mr. Strevy motioned to amend Mr. Wesnofske's motion to increase the amount of the Rate Stabilization contribution to \$416,000 to make a \$95 per ton tip fee. Olga Podmajersky seconded the motion. On roll call vote the motion was defeated with three members (Podmajersky, Strevy, Wesnofske) voting "aye", four members voting "nay" and one member (Halgas) "absent".

On roll call Mr. Wesnofske's motion was defeated with four members voting "aye", three members (McNeil, Podmajersky, Strevy) voting "nay" and one member (Halgas) "absent".

Mr. Wesnofske motioned to adopt the 2007 Budget as drafted with a \$99 per ton fee. The motion was seconded Meredith McNeil and on roll call vote the motion was adopted with five members voting "aye", two members (Podmajersky, Strevy) voting "nay" and one member (Halgas) "absent".

8. Other Business

Oneonta Transfer Station Retrofit

Mr. Wesnofske motioned to authorize the Executive Director to work with Golder Associates to prepare specifications for the rehabilitation of the Oneonta Transfer Station and seek bids. Martha Clarvoe seconded the motion.

Mr. Wesnofske stated that the latest options do not solve everything but it certainly will improve the situation especially with the issue of safety for residents. He felt that the sooner the project starts the better before winter sets in. He indicated that it was an opportune time to move forward with the project.

Ms. Podmajersky stated that in accordance with Cashin-Cahill they recommended that when taking on a big project the Counties should be aware of it. If the Authority is going to fund the project and not barrow money, she wondered when it would be a good time to inform the Counties. Ms. Bent stated it might be better to wait until after the bid process to find out how much it is going to cost.

Ms. Podmajersky stated that the motion has an associated cost with it and that an estimate of the cost should be included in the motion. Mr. Wesnofske stated that the cost could not be ascertained until the bid proposals are received. Mr. Podmajersky stated that it is good management to include an estimate.

Mr. Strevy stated that two or three years ago just the floor was going to be repaired, which is why it was labeled as a retrofit. Over the last couple years it has evolved from a retrofit into a new facility. The Board never did look into fixing the floor or adding a new tip wall or doing whatever was needed to make the site more functional.

Mr. Wesnofske responded that the Authority has had three engineering firms involved with the retrofit over the five-year period who where commissioned to prepare conceptional drawings. Also the Authority has talked to two other engineering firms over the past five year. All of the firms said that repairing the facilities would not solve all the problems. He agreed that the project has grown beyond the first concept but as things have been defined by the expertise of the engineers it was beyond just fixing the floor.

On roll call Mr. Wesnofske's the motion was approved with six members voting "aye", one member (Podmajersky) voting "nay" and one member (Halgas) "absent".

Ag Plastics

Ms. Clarvoe stated that Otsego County and the Cornell Cooperative Extension have been working along with Cornell University to establish a means of recycling agricultural plastics. There was a bailing demonstration at a farm in Cooperstown. She was not able to attend but Mr. McNeil did.

Ms. Clarvoe stated that the group is looking for solutions for farmers so that they don't have to bury the film on their property or burn it, but to recycle it to keep it out of the landfills. The group has located a prototype baler that can compact the material so that it can be transported to the markets. They believe they have markets for the agricultural plastic, nursery film, nursery pots and clothes wrap film, etc. She asked if MOSA would consider offering a drop off site for the material, and bale and transport it to market. The farmers would need to be educated on how to handle and drop off the film.

Mr. McNeil stated that there is a couple issues to consider. One is that ag plastics are pretty dirty. The whole process to load the baler was labor intensive. He felt that one option might be for the Soil and Water Conservation to get involved. Another solution might be to use correction inmates for help if MOSA where to get involved in the baling process. He was not sure that the farmers would go for it because they are short on labor. He felt that there are some options available and it would benefit MOSA to be involved in it.

Meetings

The Board set up the following Committee and Board meetings:

Planning Committee Thursday, October 5th at 10:00 a.m.
Personnel Committee Thursday, October 5th at 12:00 p.m.
Board Meeting Thursday, November 19th at 10:00 a.m.

8. Closing

William Strevy motioned to adjourn the meeting. The motion was seconded by Olga Podmajersky and was unanimously approved on voice call.

The meeting adjourned at 1:32 p.m.

Respectfully Submitted,

Robin Loske
Confidential Secretary