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**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT
AUTHORITY**

BOARD MEETING #2

DATE: February 22, 2007

LOCATION: Howes Cave Administrative Complex

Members Present

Daniel Baker
Joan Bent
Martha Clarvoe
Meredith McNeil
David Parker
Olga Podmajersky
William Strevy
Edward Wesnofske

Members Absent

Others Present

Gilbert Chichester
Robin Loske
Press

1. Opening

Chairman Wesnofske opened the meeting at 10:00 a.m.

2. Adoption of Agenda

Meredith McNeil motioned, seconded by Martha Clarvoe, to adopt the Agenda. The agenda was unanimously approved on voice call.

3. Privilege of Floor

No one was present to speak.

4. Minutes of Prior Meeting

Olga Podmajersky motioned to accept the minutes of the prior meeting of January 30, 2007, as written. Meredith McNeil seconded the motion. The minutes were unanimously approved on voice call.

5. Chairman's Report

Committee Assignments --

Chairman Wesnofske distributed the committee assignments for 2007. He indicated that

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the committees would consist of three members in 2007 so as to avoid previous problems of having quorums. Two members will constitute a quorum for conducting business.

All members of the Governing Board are welcome to attend any and all committee meetings so as to participate or be familiar with all needs and issues.

After discussion, David Parker and Daniel Baker switched chairmanships of the Operations Committee and the Audit Committee.

The Executive Director will be in touch with the committee chairs relative to business that needs to be brought before the committees and to schedule the committee meetings.

It was pointed out that the Audit Committee is new due to new laws put in place in 2005 and implemented in 2006 to make Public Authorities more transparent. It was pointed out that all new board members are required to go to training. The training will be setup by the Confidential Secretary.

Montgomery County Mayoral Concerns --

Mr. Wesnofske pointed out that the fiscal year for the villages is different than the fiscal year for the Authority. The fiscal year for villages is June 1 to May 31, while the fiscal year for the City of Amsterdam is July 1 to June 30. The fiscal year for the Authority, the Counties and the Towns is the calendar year.

He indicated that he expected to see many of the Mayors present at today's meeting.

The difference in the fiscal year has caught the villages short on funds as they approach the end of their fiscal year. The villages in Montgomery County have gone to the County Board of Supervisors for some relief.

Chairman Wesnofske indicated that the villages were requested to approach MOSA to see if the Authority could provide some relief.

Mr. Walters, Chairman of the Montgomery County Solid Waste Committee, spoke to the effect that each of the villages was to pass resolutions to go to the county level with the County adopting a resolution to come to the Authority. He spoke to the demand that the flood put on the villages on Montgomery County.

Daniel Baker spoke to a resolution adopted by the City of Amsterdam asking for relief. He indicated that he would like to put the City's concerns before the MOSA Board today.

Mr. Wesnofske spoke to being sympathetic to the issue. However, he also spoke to the need for balance. He did not feel that there could be relief from the tip fee. The tip fee needs to be uniform. There may be other approaches to provide relief.

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Two things the Authority needs to be careful about. Some funding for solid waste comes from user fees. Taking money derived from user fees and converting it to money going into the general fund of other municipalities may be a problem. User fees are not taxes. When you take revenues from user fees and intermingle them with funds raised by taxation, problems may develop. Municipalities use the user fee money to give relief from taxation.

The question come forward as to whether the funds coming to the Authority should be used to give budget relief or be used to provide solid waste services.

Mr. Wesnofske spoke to the increase in waste flow from the floods that occurred in June/July of 2006. The disposal of this waste was funded largely, if not totally, by FEMA funding.

There were additional revenues generated last year. This may be looked at as a source of revenue to give relief to the villages.

Mr. Baker indicated that the funds going back to the Counties could be directed back into the waste management funds instead of going to the general funds. Relative to flow control, he did not feel it was part of the current discussion.

Mr. Wesnofske indicated that there were other people looking to the Authority for funds. Mr. Baker indicated that all concerns should be addressed. He did not feel that any of the municipalities would refuse funding.

Mr. Walters indicated that the tipping fee increase occurred well after the City and the Villages passed their budgets. They were hit by the \$16/ton increase. The Mayor in the City is about equal to one of the larger villages. The villages have a small impact for the end of their fiscal year. With the flood, the villages are hard pressed.

Mr. Strevy indicated that there was notice given to the City. He asked if any notification was given to the towns and villages. It was indicated that notice was given to all MOSA customers. In some instances the villages are customers of the Authority. In other cases, the customer is the hauler with whom the villages contract.

Ms. Podmajersky indicated that if notice was given, it would not have been given until late in the year, well after the village budget was completed.

Mr. Wesnofske indicated that it should be done. The reason it was not done is the way the waste handling is done. In Montgomery County there is quite a bit of municipal involvement. In Otsego County, private haulers handle most of the waste. He felt that the municipalities should be informed as to what the Authority's expected increases might be.

Mr. Strevy indicated that we are dealing with the haulers. The villages are paying the bills. The T&D is only part of the increase. There are increases for operational expense. The contributions made to the budget from the Rate Stabilization Fund are also factors. The City budgeted for the increase in T&D, but did not adjust for the other factors.

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The first year of the new T & D contract was low so as to allow the City of Amsterdam to be able to better plan. The big hit was in the second year and the City was aware and the villages were not.

Martha Clarvoe indicated that she used the figures on the GAT report. She had multiplied those numbers by \$16/ton. She wondered if that is a good indication of the funding that would be expected from the villages.

Mr. Walters indicated that he did not feel that the County should increase the amount they subsidize in that notice was given so that all the towns and the County could plan accordingly. He felt the focus needed to be on the village needs.

The only way to know the actual shortfall is to wait until May 31.

Mr. Walters indicated that the haulers were concerned with MOSA's noncompetitive tip fee. He saw the flow control issues. He indicated that it is the small haulers that are impacted the greatest. They are looking at cheaper tip fees in Fulton County and in the Capital Region.

Olga Podmajersky indicated that the haulers with the greatest concerns are handling the residential waste. Waste Management is handling the commercial waste and is benefiting from the internalization of this waste.

Mr. Strevy sees the largest issue looming in the background is the unwillingness of the small municipalities ignoring the Service Agreement. Many of the local officials don't even know about the Service Agreement. He felt that when the villages go to bid, the requirement to deliver to MOSA should be in the contract. Mr. Walters indicated that the County should have addressed this lack of information regarding the Service Agreement.

Mr. Wesnofske indicated he was sorry that there were no Mayors present. He requested that the Finance Committee investigate the situation. He indicated that the committee should receive some indication from the villages as to the impact that they anticipate. He felt that the Authority should help out in some way. He was not sure that it could be such to hold the villages totally harmless. He felt that there needed to be better communication relative to increasing costs. The flood did generate additional revenue.

Mr. McNeil indicated that as Chairman of the Finance Committee he felt that whatever was worked out needed to be fair and equitable. He emphasized the need for information.

Mr. Strevy indicated that if you looked at those impacted, he could see that others could claim unfairness. For MOSA to act and make it equitable will not be any easy task.

Mr. Baker asked why a rate adjustment would not be the easiest. Mr. Strevy felt a reduction in the rate would be the fairest. However, this could be problematic. Reducing the tip fee requires a reduction of the budget or subsidy from the Rate Stabilization Fund. Taking funds from the Rate Stabilization Fund has broader implications regarding operations and infrastructure.

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Mr. Wesnofske indicated that to make the villages whole; it would take more than a \$1 reduction in tip fee. It would be more like \$10 per ton. That clearly is problematic when it is applied to the entire region. He felt that the Finance Committee is the place to process this matter.

Mr. Wesnofske indicated that Otsego County is looking for the return of other money to them. A letter is supposed to be forthcoming. He spoke to the budget problems that exist in Otsego County.

Mr. Walters summarized the situation at hand and his position at the County level as to how it should be handled. He further indicated that every one of his town board members was a member of CAMP – Citizens Against MOSA Planning. This made it very difficult for him to come to MOSA meetings and be civil.

Olga pointed out the problem with the constant turn over of elected officials. The collective memory regarding solid waste is lost as this has happened.

Joan Bent asked if there was required training for Town Supervisors. Ms. Podmajersky felt that MOSA should be responsible for training local officials. Mr. Wesnofske indicated that about four years ago, MOSA did training for new county supervisors. MOSA does send its Annual Report to all county officials. The Annual Report has pointed out the tip fee dynamics in the past.

The whole picture needs to be looked at broadly to determine how we can prevent a repeat of the current situation.

6. Executive Director's Report

Mr. Chichester spoke to the financial package that was distributed. He indicated that he would be happy to sit with the new members regarding all the information put forth in this report and what is behind the numbers.

Mr. Chichester spoke to the fact that we were charging \$12/ton for paper since the price was continuing to drop.

There was discussion relative the need to close for most of the day after the heavy snow on February 14th. Mr. Chichester indicated that all staff was paid for the day after the storm given that the Counties declared a state of emergency. Those who worked to clear snow the following day were credited for time as a floating holiday.

Mr. Wesnofske expressed appreciation for the extra efforts put forth by staff to deal with the storm and to accommodate the haulers as quickly as possible.

Olga Podmajersky asked about the transfer of funds to the Rate Stabilization Fund. Mr. Chichester indicated that the transfers have not been made. He indicated that this would be addressed once he had time to review all the requirements of the Bond Indenture and the related policies established by the Governing Board. The calculation as to how much money can be moved is done at the end of business on the last day of the year.

Ms. Podmajersky asked where the funds are sitting. Mr. Chichester indicated that the money is in the Revenue Fund.

Ms. Podmajersky asked a question relative to the cover page sent out with the GAT report. Mention is made of restricted funds and she wanted to know which funds were restricted and which were unrestricted and how the figures on the report were calculated. Mr. Chichester indicated that he would check on the calculation and provide the information to all board members.

7. Strategic Planning – GBB Labor Negotiations

Mr. Wesnofske indicated that the Executive Director had forwarded information for review by the Board regarding the engagement of GBB for comprehensive strategic planning.

Additionally, there are matters that need to be negotiated with CSEA relative to the handling of health insurance.

Olga Podmajersky made a motion to go into executive session at 11:30 a.m. Joan Bent seconded the motion. All voted in favor.

Olga Podmajersky made the motion to come out of executive session at 12:55 p.m. Meredith McNeil seconded the motion. All voted in favor.

Meredith McNeil made a motion to direct the Executive Director to consummate an agreement with Gershman, Brickner and Bratton Inc. and issue a notice to commence. Martha Clarvoe seconded the motion. All voted in favor except for David Parker who abstained.

8. Notice by e-mail

Mr. Chichester asked how the board members felt about receiving meeting notices and agendas by way of e-mail. Each member was asked to give direction on the above as well as what they needed printed for the meetings.

9. Meetings

The next meeting of the board was scheduled for Thursday, March 22, 2007 at 10:00 a.m.

10. Closing

Meredith McNeil motioned to adjourn the meeting. Dave Parker seconded the motion, which was unanimously approved on voice call.

The meeting adjourned at 1:00 p.m.

Respectfully Submitted,

Gilbert L. Chichester,
Executive Director / Secretary