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

BOARD MEETING #3

DATE: March 22, 2007

LOCATION: Howes Cave Administrative Complex

Members Present

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

Members Absent

Others Present

Gilbert L. Chichester
Glenn Packard
Carol Hawkins
Jason Cooper
Terry Bliss – Otsego County
Psalm Wyckoff – Otsego Co.
Shayne Walters – Mont. Co.
Linda Kellett – The Recorder

1. Opening

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

2. Adoption of Agenda

Meredith McNeil motioned, seconded by Edward Wesnofske, to adopt the Agenda. The agenda was unanimously approved.

3. Privilege of Floor

Chairman Wesnofske offered privilege of the floor.

Terry Bliss, Otsego County Solid Waste Management Coordinator, took the floor and introduced Psalm Wyckoff, from the Otsego County Planning Department.

4. Minutes of Prior Meeting

Chairman Wesnofske asked for the minutes from the prior meeting. Mr. Chichester stated that the minutes from the prior meeting were not completed given Robin's absence. Mr. Chichester indicated that the minutes will have to be addressed at a subsequent meeting. Chairman Wesnofske said that without the presence of the minutes, if there is no objection the Board would defer approval until a future meeting.

5. Reports

Chairman's Report

Chairman Wesnofske indicated that he had nothing significant to report.

Executive Director's Report

Mr. Chichester stated that since the last meeting, activities have continued with regard to the GB&B project. Representatives from GBB met with MOSA Board members earlier in the month. He indicated that he continues to provide information to them. They anticipate being back the week of April 23rd to facilitate meetings with the Counties Legislators along with other public officials and individuals that can relate to the handling of solid waste and recycling.

Mr. Chichester further indicated that work continues on the audit and other reports needing to be completed. He pointed out that Jason Cooper has facilitated the timely submittal of the Transfer Station Reports and the Recycling Reports. The Annual Report of the Authority as well as a Compliance Report to the NYSDEC are being addressed.

Additionally, committee meetings have been organized with appropriate follow-up activities are being addressed. Labor negotiations are being organized.

Mr. Wesnofske asked if a tour was conducted with the new members of the Board so that they had a chance to inspect the facilities. Mr. Chichester said that we have been trying to do that, it has not happened yet. It will be a follow up to the Operation Committee meeting based on discussion there. So we will perhaps be looking at the end of the meeting to set something up with Mr. Parker and Mr. Baker. He said that he thought that everyone else had gone, but that everyone is welcome to participate in future tours.

Ed Wesnofske said that he thinks it is important that there be a record that new Board members in fact are oriented and capable of getting an inspection of the facilities.

Mr. Parker stated that he took a tour of the Schoharie Transfer Station and the Oneonta Transfer Station last week, and that he and Glenn Packard are going to set up a trip to Amsterdam for next week.

Mr. Chichester introduced Jason Cooper as the newest staff member. He indicated that he brought much strength to the Authority's management team.

Mr. Wesnofske asked if there were any other questions.

Mr. Strevy asked Mr. Chichester to explain the opinion rendered by Chris Chale, the Authority's General Counsel, regarding the proposal that was made in the Finance Committee.

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Mr. Chichester stated that the minutes from the Finance Committee meeting were forwarded to the attorney and the question was raised relative to the legality of making the proposed payment to the Counties.

Mr. Strevy indicated that it was the intent of the Committee to seek an opinion from the General Counsel, Attorney General, and/or the Authority Budget Office.

Mr. Chichester said that Ms. Chale wrote the opinion after reviewing the minutes. She felt that there was no need to request an opinion from the Comptroller's Office. He indicated that he had received her opinion just before the Board meeting. She has drawn the conclusion that the Authority has no authority to pay money out without there being some connection to fulfilling a purpose that the Authority was established to handle.

Mr. Strevy raised the question of consequences to the action recommended.

Mr. Chichester again indicated that Ms. Chale felt comfortable addressing the question. However, he indicated that a formal opinion could be requested from the Comptroller.

Olga Podmajersky asked if Ms. Chale had contacted the Comptroller's office.

Mr. Chichester said that she did not feel that it was necessary for her to do that, based on her interpretation. However, if that is what the Board wants then that is what she has offered to do.

Mr. Strevy indicated that he felt there was a real need to handle this issue and if we have to walk a fine line, he didn't have a problem with that as a Board member. He questioned what the Comptroller's office would say if the Authority made the payment. He inquired as to the worst thing that could happen to the Authority.

Mr. Wesnofske indicated that he felt that "we could get our hands slapped and get public ridicule."

Mr. Strevy indicated that he wanted to push forward and make the payment.

Mr. Wesnofske indicated that the question is how the Board wants to address making some form of payment that addresses all the kinds of pressures that we have in this situation so as to be fair and provide some kind of redress to the municipalities. He felt that the situation has kind of mushroomed far beyond what he thought it might.

Mr. Strevy indicated that if he had been aware of the opinion prior to meeting he would have asked the County Attorney to contact the Comptroller's office to try to help speed up an opinion. But because it took so long, he felt it to be wrong for the Board to not act on it for that reason. He felt the lack of action to be unacceptable.

Ms Bent indicated that it had just come in, and it takes time to look at it and research the situation.

Mr. Strevy asked if we had approached the Controller's office.

Mr. Chichester indicated that Christine Chale felt that it wasn't needed.

Mr. Strevy questioned why it had not been done anyway?

Mr. Chichester indicated that it was his understanding the proper protocol was for the agency's attorney to approach the Comptroller's Counsel.

Mr. Strevy asked if that had been done.

Mr. Chichester indicated that it has not been done as had been previously stated.

Mr. Wesnofske indicated that the Board could direct Mr. Chichester to make the contact.

Mr. Strevy indicated that the Finance Committee had directed him to check with the Comptroller's office, or directed somebody else to do it.

Mr. Wesnofske suggested that the Board discuss the matter since it was on the table. He asked if there were any other comments or other elements that people wanted to introduce.

Mr. Parker indicated that he agreed with Mr. Strevy. He stated that he just doesn't see the seriousness or the ramifications as negative. He stated he didn't see a reflection on the Board in a negative context. So he would agree. He thought the Board should proceed concurrently with seeking further legal opinion, after passing the resolution.

Mr. Wesnofske asked if that were any other comments.

Mr. McNeil reflected upon the March 12th meeting of the Finance Committee by indicating that those present debated what could or couldn't be done. He indicated that one thing that was decided was the fact that we were pretty sure that we should not directly send money back to the villages and towns, primarily because the contract to operate is essentially with the Counties and you certainly don't want to do an end run around the organizations who are responsible for forming MOSA. So the outcome of that was that we thought that we could refund money based on the 2006 tonnage to the Counties, and the Counties could do with it as they saw fit; whether it's given to the villages or whatever. And that's what precipitated this letter from our legal counsel and that is where we're at.

Mr. Parker inquired if the issue was around the word "gift". If so, he asked if that word was actually being used somewhere.

Mr. Wesnofske stated "Well, the question is how do we spend money and can we spend it for the purposes of the Authority. That seemed obvious. But spending money to send back to the general funds of the municipal elements of the Counties is not a stated purpose and that represents a certain ambiguity out there if there was a challenge. If we spend it for assisting

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them with solid waste management projects, like recycling or hazardous waste or special collections perhaps, I think that it is within the purposes of the Authority.”

Mr. Parker, “That’s where I was getting, what if we attach a commitment?”

Mr. Wesnofske, “Well, I think that is what the counsel is saying. If you have some kind of commitment then you can send the money back, just sending money to a place without any kind of auditable or touchable thing by some outside agency is chancy”.

Mr. Strevy spoke to the fact that the Authority takes money out of Rate Stabilization Fund to reduce the tip fee. These are revenues that were over and above MOSA’s normal operating budget and it is caused by the flood and was also discussed by the Finance Committee that we were going to make it equal and give back \$1 per ton of waste delivered in 2006. You can give it back that way or we can reduce the tip fee accordingly, but one way or another there has to be some relief given back to the Counties. He indicated that if the Board doesn’t want to act on this, he would make a motion to reduce the tip fee. I think failure to act is the worst thing we can do. The Mayors in Montgomery County are looking for some results.

And if we fail to give them results, I think that when we go back to our Counties, it’s going to be, “well, we didn’t expect anything different.” Personally, I feel we should act on this and take a bold step to try to relieve the financial distress in Montgomery and Otsego Counties. Schoharie County will benefit from it also.

Mr. Baker suggested changing the wording, “gift” to “rebate”. He thought this might ease any burden the Authority has in saying it was a gift. It was just a rebate of charges for services performed that were not necessary.

Ms. Podmajersky referred to the paragraph 7 of the draft minutes of the Finance Committee meeting that were sent out. The Executive Director was directed to contact the Comptroller’s office for an opinion. Additional direction was requested from the Authority Budget Office and the Authority’s General Counsel, I imagine it was meant that additionally direction should be requested from an Authority Budget Office, but that’s how we left it.”

Mr. Chichester indicated that the Executive Director was requested to contact the Comptrollers office for an opinion; additionally direction was requested from the Authority Budgeting Office and the Authority’s General Counsel.

Mr. Chichester indicated that the discussion he had with General Counsel was along the lines that, number one, she did not, in her opinion, need to contact the Comptrollers Office. She works with the Comptroller’s Office on an ongoing basis and she indicated that she did not feel that it was necessary to send it to the Comptroller’s Office because of the fact that it was that clear. She is not using the word “gift” in her opinion; she is indicating “make payments to” so that the whole issue of the gift and not a gift, is not really the point.

Mr. Strevy indicated that he never thought of it as a gift.

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Mr. Chichester indicated that whatever action was taken needed to be auditable from the point of view that something was received for the payment.

Ms. Clarvoe pointed out that there hasn't been any representation from the Villages. She thought they were supposed to be here and be part of the discussion.

Mr. Strevy indicated that the fact that the villages were working through the County was explained at the Finance Committee.

Mr. Wesnofske brought the discussion back to the question of the legality of the matter.

Ms. Podmajersky said she questioned it right from the very beginning because I just couldn't imagine that you could do it.

Mr. McNeil commented "You can't."

Olga Podmajersky said "Well, I'm not so sure, okay? That's why we asked for opinions."

Mr. Wesnofske indicated that the Board could offer either a commitment to rebate pending the determination of its legality, or as Mr. Parker suggested, make a payment with the warning that this is subject to the Authority gaining clearance, and perhaps they should, put it in a quasi-escrow type situation.

Mr. Strevy indicated that it shouldn't be done again in the future but after it's done, it's done. He felt that there were extraordinary circumstances involved. He spoke to the flood damage. He thought it impacted all three counties although he didn't know the extent of damage in Schoharie County. But he felt given the flood damage in Otsego and Montgomery counties, if nothing else, it is the socially correct thing to do for an Authority that is in a partnership with the three Counties, especially with the current rate increase.

Ms. Bent indicated that the way she read Ms. Chale's letter, Mr. Strevy is saying that we would be authorized **if** after looking again, hard, at the figures, if the Board wanted to make an adjustment in the tip fee, it could do that with 30 days notice. So she thought that, by the end of the first quarter the Finance Committee could look at all the numbers that are being cranked out and then perhaps make a midyear adjustment in the tip fee which would serve the same purpose of providing some financial relief across the board.

Mr. Strevy asked if she was saying that she was ready to support a reduction in the tip fee because if so he said he would offer it. He said he was not going to wait. He spoke to the Villages being at the end of their budget year and out of money. He did not feel they needed relief in October or July, but they needed immediate relief.

Mr. Strevy indicated that it would be a lot less costly to go ahead as was planned in the Finance Committee than it would be to accept what he would put forward as a tip fee reduction.

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Ms. Bent expressed concern about getting into a rebate situation that is challenged. Time would have to be spent documenting, back tracking and explaining. She was concerned about the rest of the issues that the Board has before it. She thought it might be cleaner and easier when the numbers were all available and there were no questions as to being able to afford whatever action would be appropriate. Then it would be clearer that we would be within all our authority levels.

Mr. Wesnofske indicated that such a plan doesn't do anything for the end of the Village's fiscal year.

Mr. Strevy indicated that any adjustment made in the tip fee would not give the Villages and the City the financial relief they are looking for. He referred to what had been discussed in the Finance Committee, the monies would have to go to the Counties, and the Counties would have to dole it out appropriately. He expressed belief that the Board should make a bold move, off in its own direction, as a Board, to do the right thing. He indicated that if that wasn't agreeable, he would put up a motion to reduce the tip fee.

Mr. Wesnofske asked if there were any further comments or any questions on the Executive Director's report?

Ms. Clarvoe reminded everyone that half the Villages did not respond to the letter of inquiry.

Mr. Strevy indicated that the solid waste chairman just handed him a note that the Villages felt that it was a done deal in response to the Finance Committee. He said that it has been well publicized that MOSA was willing to take a step pending word from the Comptroller's Office; that it was okay. He felt that action should have been taken to assure a response from the Comptroller's Office or somebody. He indicated that he assumed that just because we had our attorney's opinion that that was no reason not to look at this **prior** to today's meeting? He viewed this to be a stall tactic. There was an immediate need and here we are dropping the ball.

Mr. Chichester pointed out that considerable consideration had been given to the concept when in fact the opinion came down. Thought was given to what could be done with regard to affecting this so that there could be something provided, some auditable return in the form of data reported or something that could be developed so that the Authority could make payment for services rendered. However, he indicated that it appeared that that was not something that was desirable because it was expected that there would be a flow of money with nothing attached; nothing to do; just simply money paid out.

Mr. Wesnofske indicated that he could envision what could be appropriate ways in which to grant money to municipalities who have, for example, recycling programs. He pointed out that there are about 145,000 people in the MOSA service area. We could give them \$0.75 cents per capita, based on 2000 census and we might be able to distribute \$120,000 for these municipalities who certify that their contracts call for recycling with their haulers. He felt that would take care of Otsego County's issues, Schoharie County's issue and Montgomery County's municipalities given the activity is at the municipal level in Montgomery County.

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He acknowledged that this might not distribute the money in the same way as the Finance Committee suggested originally. He thought there are ways in which one could fund things that reflect solid waste activity that's out there. He thought that maybe that's another device or challenge to approach the flow of money back, and that way the money would not go to the County in Montgomery County, it would go to the municipalities who have contracts for waste hauling and for recycling, indicating that they had the presence of that component.

Ms. Podmajersky suggested that everyone not forget that the problem had developed not only because of the flood but also because of the tip fee being raised so high in the middle of the Villages budget year.

Ms. Bent indicated that if we tie it in with recycling, we might be tying their hands more than we really want to. That would be an auditable trail, but it would raise questions and the money might have to go to the programs instead of into the general fund where they need it.

Martha Clarvoe reminded everyone that MOSA's contracts are with the Counties, not the municipalities.

Joan Bent again suggested, if all of the Authority's projects could be financially handled, a midyear correction in the tip fee might be the way to go."

Mr. Wesnofske pointed out that next year's T&D rate is scheduled to go up a bit more.

Joan Bent indicated that if the situation was not handled carefully, a big rate increase could be in the making for next year.

Ed Wesnofske pointed out that the ongoing fluctuation of prices is not good. He pointed to the gas prices going up and down and the uneasiness that it creates in the mind of the consumer as to what is behind it all. He felt that people would question the volatility in the tip fee the same way; is it real in some way and associated with a real budget?

Joan Bent said she agreed with that concern and that the sound business decisions would be to keep it level even in years when there's excess. She indicated that corporations often have this situation and that the additional funding is used to relate to projects and meet other needs that develop. In this situation she recognized that there is the need to respond to our customers, who are feeling the pain. She felt that the Service Agreement and the fact that the customers can't just go to the next "gas station" impact the situation. However, she felt that a payment could be problematic. She expressed reluctance to get on the wrong side of the law, in whatever matter.

Mr. Strevy spoke to his past experience by saying that he had only been a supervisor for about four years and that he knew that his County, and probably Otsego and Schoharie Counties, at one time or another, had done something that wasn't or didn't sit quite right with the Comptroller's Office. And as a result of that, it gets brought up in an audit, and usually a change in that policy results. He felt that the Board could make this move, today and it possibly would be brought out in an audit and then the Board could change their attitude

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towards how they operate in the future. He felt that the current situation is an emergency situation out there and that action is required. He felt that the Board should react to it. He felt that the Board should not put the situation off any longer. He recommended that the action be put on the agenda, and it be addressed as it was discussed in the Finance Committee, and the consequences be accepted.

Mr. Wesnofske asked if there were any other comments on this part of the agenda. With none, focus moved to the financial report.

Financial Report

Mr. Chichester indicated that it was appropriate to note that the tonnage for February was down. He pointed out that the tonnages were not only down for January, but if one reflects back on 2006, it can be noted that the tonnages are also down from one year to the next. He called attention to the GAT report noting that the projection in two Counties shows a projected shortfall. He indicated that he has had no indication of any wholesale withdrawal of any waste stream, but felt that it was note worthy at this time.

Olga Podmajersky indicated that she had looked at the detail of Montgomery County's numbers and felt that the numbers were down in February because of the Valentine's Day snowstorm. She felt the abnormality she saw was that County Waste delivered nothing. She did not have an indication of what the abnormalities are in Schoharie and Otsego Counties.

Mr. Chichester indicated that as the weather clears out, we might see it correct itself.

Mr. Wesnofske indicated that the Otsego County shortage is significant, especially when you compare it to the pattern associated with Montgomery County and Schoharie County. He felt it stands out very dramatically and questions whether it is potentially diversion by Waste Recovery Enterprise in Otsego County?

Mr. Chichester indicated that there is no record of Waste Recovery Enterprise delivering waste to any Authority Facility in spite of his picking up additional business in Otsego County.

Mr. Wesnofske agreed that Waste Recovery has picked up more business in the City of Oneonta and the Town of Oneonta. He speculated that they probably are taking business along the I-88 corridor. He asked if there is a way of looking at those towns to determine their operating area. He would like to look at the statistics in the Towns of Unadilla and Otego to see if there is an overall drop in deliveries in these areas.

Mr. Chichester indicated that Casella was showing an increase in their overall deliveries.

Mr. Wesnofske suggested that staff continue to monitor the deliveries in the various municipalities in Otsego County.

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Mr. Strevy felt that usually by the time a pattern is evident, it's too late, the waste is already gone.

Ms. Podmajersky commented that Waste Management was receiving 20% of the waste stream.

Mr. Wesnofske asked how well MOSA has responded to the weather related stresses experienced so far this winter.

Mr. Chichester indicated that staff responded well. The Authority was closed for the early part of one day when staff was digging out from under three feet of snow. During this time, the Counties had declared a state of emergency and the roads were closed in Montgomery and Otsego County. Haulers in Schoharie County wanting to empty later in the day after the storm were accommodated

With no further points for discussion, Mr. Wesnofske moved to the next agenda item.

Rate Stabilization Fund

Olga Podmajersky asked if she could address one more issue. She wanted to know about the funds that could be moved to the Rate Stabilization Account.

Mr. Chichester indicated that it remained in the Revenue Fund. He indicated that the transfer to the Rate Stabilization Fund would be reflected in the March Financial Report.

Mr. Strevy inquired as to the identity of this money.

Mr. Chichester indicated that it is the result of the calculation that is directed by the Bond Indenture where you work through a series of defined steps and look at specific accounts and make certain calculations. It can be moved from the Revenue Fund directly to rate stabilization. It is not an accounting calculation. It has nothing to do with accounting practices. It is all in regard to the steps that are spelled out through the Bond Indenture.

Mr. Strevy asked if the transfer of funds will be formalized by resolution or will that just be done in house.

Mr. Chichester indicated that resolutions have been adopted in the pasts that establish policy on the handling of the funds that result from the above discussed calculations. He indicated that no further action of the Board is necessary.

Mr. Strevy asked about the policies speaking of a Director of Finance given that there is no one currently in that position.

Mr. Chichester indicated in the absence of a Director of Finance, it becomes the role of the Executive Director.

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Mr. Strevy indicated that he thought the action would require a resolution.

Mr. Chichester indicated that the policies have been adopted by the Governing Board to facilitate the handling of the year-end calculations.

Mr. Strevy questioned that the money had not been transferred at the end of the year.

Mr. Wesnofske indicated that the actions were indicated for the beginning of the year based on balances at the end of the year.

Mr. Chichester spoke to the current staffing of the accounting function. One accountant has been with the Authority for three months and the other for one month. The focus has been on preparing for the year-end audit. The new staff is being indoctrinated to the procedures. Mr. Chichester indicated that the money will be moved in accordance with the policies. It has taken longer due to there being a lot of irons in the fire.

Martha Clarvoe asked about the Otsego County recycling numbers for January and February.

Mr. Wesnofske declared that out of order for purposes of trying to keep the discussion and the agenda on target. He indicated that there might be an opportunity to check that out later but it's not part of the financial report. He asked if there were any other questions about the financial report?"

Outside Waste

Ms. Podmajersky asked about outside waste?"

Mr. Chichester indicated that that tonnage was also down.

Mr. Chichester referred to page 8 of the Financial Report that reflects the amount of outside waste that is being delivered. There is a decrease from January to February. But that may be for the same reasons that we've already discussed. If you go back to February 2006 and compare to February 2007, you see a 400-ton decline for 2006 and 2007.

Ms. Podmajersky indicated that the flow was significant.

Mr. Chichester reflected that it is in the ballpark, but it is generally down.

With no other comments or questions, Mr. Wesnofske moved to the next agenda item, the report of the Finance Committee.

Finance Committee

Mr. McNeil indicated that most of the discussion in the Finance Committee had already been covered. He indicated that the result of the lengthy committee meeting debate was that a resolution would be proposed to rebate, gift, money back to the three counties on the basis of

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2006 tonnage. He indicated that such a resolution doesn't seem to be practical at this point in time. He indicated that he was not sure where everything stands at the moment. He pointed out that the committee did discuss the matter of a tool allowance that is addressed in Resolution Number 6, which relates to the new employees that we have in the Equipment Maintenance Department.

Mr. McNeil indicated that the Finance Committee would be taking up the financial aspects of future action of the other committees as they develop.

Mr. Wesnofske moved to the report of the Operations Committee.

Operations Committee

Mr. Parker reported that the committee met for over four hours, and the first hour was with Glenn Packard and Steve Rothrock. Mr. Packard's presentation related to the supervisory training he had been providing to staff as well as his plans for training on health and safety programs.

Mr. Parker went on to explain that the bulk of the rest of the time was spent looking at the Equipment Replacement Fund with no conclusion. He reported that a summary was being prepared for further consideration. Additionally, he pointed out that there might be the need to replace about \$650,000 worth of equipment in 2007.

Mr. Parker indicated that he would expect within a month or so to be able to come to the Board with a proposal on how the Authority can meet both the demands and budget while also trying to plan better in terms of maintenance to avoid large expenditures in any one year.

Mr. Parker indicated that he felt good about Steve Rothrock's experience, capabilities and plans.

Olga Podmajersky indicated that she had looked at the equipment list after the meeting and felt that a list of all the equipment is necessary so that it can be reviewed in conjunction with the equipment replacement schedule.

Mr. Packard indicated that after the committee meeting and discussions with Mr. Parker he intended to put together a packet of information to clarify the issues being raised. The report we will put together for the next Board meeting will include all that information.

Mr. Strevy asked if any thought had been given to the method of disposal for any surplus equipment.

Mr. Wesnofske indicated that the new Public Authority Accountability Act has some requirements both with respect to listing of equipment and keeping an inventory. He explained that a special officer will need to be designated to effect the disposition of the surplus equipment. Procedures will need to be developed for the handling of equipment dispositions.

Mr. Strevy explained that the reason he brought the subject up is because recently the Town of Florida has been looking for some new equipment. He indicated that they would be looking to sell the old equipment. He explained that in the past the Town put the old equipment out for local bidding. Of late, we actually put this equipment out at an auction site. We've actually had auctioneers guarantee us a minimum bid upfront, before the auction even happens. He indicated that some of the equipment we are looking to sell could be sent to such an auction.

Mr. Chichester indicated that the Authority had used this same process in the past several years. He reported that he has the appropriate contacts to effect such continued action.

5. New Business

Resolution Number 6 Authorizing the Payment of a Tool Allowance for the Equipment and Fleet Manager} Sponsored by Meredith McNeil - Seconded by David Parker

Meredith McNeil stated that with the departure of our long time manager in this department, a lot of the tools he was using were his own personal tools. There have been a lot of changes and it's become apparent that we need a procedure for maintaining a workable inventory of tools. He also said that it is standard in the industry that employees who do repair work of this type provide their own basic tools and larger more specialized items for the shop are provided by the employer.

Mr. McNeil indicated that for the union employee it is a negotiable item. For the management employee it's a Board decision but since he is a working supervisor his needs may actually be greater.

He further indicated that nothing would be purchased unless approved by the Director of Operations and Safety.

Mr. Wesnofske asked if this was a practice to be found elsewhere.

Meredith McNeil said that this is a very common practice in the industry and elsewhere. The \$100 a month figure is not high or low, but an industry average.

Mr. Strevy asked if the \$100 allowance was plus the tools, and Mac answered that it is just the \$100 a month.

Mr. Chichester indicated that for the union employee it is a negotiable item and will be part of the upcoming union negotiations. He pointed out that there is also a buildings and ground person who is also a union member.

The resolution was approved on voice call with all members voting "aye."

6. Other Business

Finalizing the use of email for meeting notices and agendas:

A sheet of the Board member's addresses, phone numbers, and email addresses was sent around for each Board member to verify that the information was correct and whether information can be emailed regarding meeting notices and agendas, and if the Board members would need the information printed out for them by staff.

Olga Podmajersky mentioned that she couldn't download large files with her Internet connection.

Returning \$1/ton to the counties for relief from the 2006 Flood:

Mr. Strevy indicated that he would like to make a motion to reimburse the counties, \$1 per ton as discussed in the Finance Committee for relief for the flood, and the fact that we caught the Villages and the Cities in the middle of a budget year with the \$99 tip fee increase.

Mr. Wesnofske asked if this would involve a dollar a ton, based on 2006 deliveries.

Mr. Strevy indicated that was the case and that the numbers were discussed in the Finance Committee.

Ms. Podmajersky indicated that it would be based upon the total deliveries.

Mr. Wesnofske indicated that it would mean paying the counties \$1/ton delivered in the year 2006.

Joan Bent asked if something should be tied to the payment.

Mr. Strevy indicated that care should be exercised.

Mr. Wesnofske asked if there was a second.

Olga Podmajersky seconded the motion.

Mr. Wesnofske asked if there was any discussion.

Joan Bent asked if the villages and towns might consider changing their budget cycles so as to prevent future issues.

Mr. Wesnofske explained that state law set their fiscal years.

Joan Bent indicated that if it's not doable, then it's probably well known.

Mr. Parker reflected that somebody else might not know that it's not doable.

Olga Podmajersky indicated that if she was a Mayor or Supervisor or anything, there's no way she'd change a whole system because of a garbage Authority.

Mr. Strevy indicated that it is not only to offset the financial distress that the counties are feeling, but also as the Solid Waste Chairman of Montgomery County noted to me a moment ago, it's an encouragement to keep the Villages and the City within the MOSA system. He explained that he was not so sure that anything could be attached to the payment, but he agreed with Mr. Walters in that it would keep most of them in the system, as a sign of good faith. He felt that to be reason enough that they would stay within the system but indicated that there are no guarantees in life but this would be a step in the right direction.

Mr. Wesnofske asked if there was any other discussion.

Mr. McNeil asked if this is done, do we have any guarantee that the money will ever get to the villages.

Mr. Strevy indicated that he thought that the mayors of the Villages and the City would make sure that the Counties gave the money to where it was meant to go.

Mr. McNeil indicated that the money would end up going into the general fund of the Counties, where it would be considered revenue.

Mr. Strevy indicated that it would show up as a revenue.

Mr. Wesnofske requested a "friendly" amendment to indicate that the payment would come from the Rate Stabilization Fund.

Mr. Strevy endorsed the clarification.

Mr. Wesnofske asked if there was any further discussion. He then offered one comment. He indicated that he was going to vote for the resolution but wanted all to know that he thought that clarification was necessary both on the questions that were raised by counsel and the need for follow up with the Comptroller. With that understood, he indicated that he would vote to get this money out the door but he thought the Authority should be clear for the future about where and when steps can and cannot be taken.

Olga Podmajersky asked what happens if the Comptroller says that you can't do it. She asked if it would be addressed in an audit.

Mr. Wesnofske indicated that he thought those things would become apparent with what opinion might come back."

Mr. Strevy indicated that for all the reasons you can find not to do it, he could find just as many reasons to do it. He indicated that if the Comptroller's staff would sit around the table and listen to them he would be more than happy to offer them up.

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Mr. Wesnofske asked if there was any further discussion. If not he indicated that a vote would be taken.

On roll call, the vote was, 6 YES (Baker, Bent, Parker, Podmajersky, Strevy, Wesnofske.) and 2 NO (Clarvoe, McNeil)

Mr. Wesnofske announced that the motion passed.

Mr. Strevy moved that the subsidy on the GAT overage be returned to the Counties for 2006.

Mr. Wesnofske asked Mr. Chichester to put forth the exact numbers.

Mr. Chichester indicated that the numbers were less the amount of flood waste given that the Counties were reimbursed by FEMA for those tonnages. Mr. Chichester indicated that at \$19/ton, it is \$67,089 for Montgomery County, at \$13/ton for Otsego its \$41,288 and at \$18/ton in Schoharie County its \$43,452.

Mr. Strevy indicated that it made sense to back out the flood, because FEMA did pay the subsidy part.

Mr. Wesnofske asked if there was a second to the motion.”

Olga Podmajersky seconded the motion.

Mr. Wesnofske asked if there was any discussion.

Ms. Podmajersky indicated that she thought it was the right thing to do.

Mr. Chichester indicated that in years past, this action is done in the form of a resolution. He asked if there was any objection to putting the motion under consideration in the form that has been used in the past.

Joan Bent asked if it meant a separate resolution for each county.

Mr. Chichester indicated that it was one resolution that included all the numbers just mentioned.

Mr. Wesnofske indicated that the Board had just voted to send \$117,000 dollars or so back to the counties.

Mr. McNeil agreed.

Mr. Wesnofske asked the amount of money involved with the motion under consideration.

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Mr. Chichester indicated that it totaled \$151,829.”

Mr. Wesnofske asked if that was any discussion.

Olga Podmajersky indicated that she thought it worthy to mention what MOSA retains. She pointed out that with the overage, less the flood, MOSA retains \$146,884. She felt it appropriate to compare that with the \$151,000.

Ms. Podmajersky went on to point out that MOSA retains \$173,968 from the processing of the flood waste. [This is calculated by multiplying the difference between the Official Tipping Fee of \$83 and the T&D rate of \$50.25 (\$32.75) by the total amount of the flood waste (5312 tons)].

Ms. Podmajersky put forth the fact that with the \$146,944 mentioned above and the \$173,968 from the flood waste, the Authority retained a total of \$320,852. She contrasted that to the \$151,829 under consideration to be returned to the Counties as repayment of the subsidy paid on waste delivered in excess of the GAT

Martha Clarvoe asked Ms. Podmajersky how she arrived at the numbers.

Olga Podmajersky indicated that she did the calculation and would be happy to give her a copy. She indicated that she figured it out, because she was interested in MOSA having money to do things in the future. She pointed out that MOSA retains twice as much as you're giving back to the Counties for the subsidy on the GAT overage. She did recognize that the Authority does have the expense of all the work and everything and the overtime.

Olga Podmajersky asked to speak to the outside waste. She indicated that the gain on outside waste was \$198,950. She arrived at this by taking the total outside waste that was delivered last year, 29,474 tons, times \$6.75, which is what the difference was between the T&D and the tip fee for outside waste. She concluded that the outside waste along with the above mentioned \$320,852 brings the Authority gain to \$518,000.

Mr. Wesnofske asked Ms. Podmajersky if the Board had not budgeted an outside waste figure into the budget. He thought that she was suggesting some double bookkeeping.

Olga Podmajersky indicated that she was speaking of 2006.

Mr. Wesnofske indicated that the Board anticipated outside waste revenue for 2007. It took the 2006 outside waste and put it in to the 2007 budget.

Ms. Podmajersky indicated that the handling of this outside waste revenue changes all the time. She recalled that very often the outside waste from the last year is used. She thought that for 2007 the Board did take some outside waste from this year.

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Ms. Podmajersky said “I don’t remember what it was. It might have been like \$175,000, but there is additional there. I had that number but I don’t have it right now. You’re right, but you know, whether it’s last year or this year it’s never consistent. “

Mr. Wesnofske asked if anyone had any other comments.

Mr. McNeil commented that “In light of the fact of what we just did, and not really having a good handle on what the upcoming expenses might be, in the near future here, be it equipment replacement or whatever G.B.B. comes up with. I personally would favor some type of midterm adjustment to the tipping fee if indeed there will be money available. “

Mr. Parker asked if a payment for the subsidy on waste over the GAT is historically made.

Mr. Wesnofske indicated that in the past, it’s usually been discussed in the first quarter.

Ms. Podmajersky indicated that the subsidy has been returned.

Mr. Wesnofske indicated that it’s always been in the past with the proviso that this is not going to be considered precedent in anyway because there was always a lot of controversy and volatility with some of the numbers that were involved. He commented that he would not support this proposal at this point in time because I think that there is a number of projects that the Authority has to become responsible for that are still unexecuted and require a substantial expenditure of funds. He went on to say that the Authority has to put tarping stations at all of the facilities and that could cost \$350,000, the Northern Transfer Station needs to be reconfigured. This could be about \$450,000 to re-grade and reconfigure the site although we don’t have any formal studies yet. He explained that do have plans and estimates for the Oneonta Transfer Station retrofit, which is estimated to cost in the neighborhood of \$3.5 million dollar. He went on to speak to security and fire suppression needs at the transfer stations that have not been looked at. He pointed out that there have been two fires at the Transfer Stations in the past seven years that he has been on the Board. He noted that fires have destroyed other solid waste facilities in the NY State. He further indicated that there are unarticulated needs that we really haven’t prioritized with which the Board is grappling

Mr. Wesnofske indicated that the Board’s priorities started with helping the Villages in Montgomery County. He observed that the priority then got more generalized with ‘Well, we have to help everybody because you must be fair to each municipality.’ He expressed that now the focus is apparently helping budgets in the counties with a proposal like that currently under consideration. He indicated that he felt that the Board had given some. He indicated that the Board has made an effort to give some relief with questionable legal context that still needs to be resolved.

Mr. Wesnofske expressed his concern that the motions are proceeding far too rapidly, to disperse resources of the authority back to the county without looking at the Authority’s overall resource needs.

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Mr. Parker asked if Mr. Wesnofske was proposing that the matter under consideration be postponed.

Mr. Wesnofske indicated that basically, that is what he would suggest pending prioritization of the Authority needs and capital projects. He expressed the need to review the overall internal situation and then look at whether or not an overage payment back is in fact justifiable.”

Mr. Parker asked about the time it would take to prioritize things.

Mr. Wesnofske indicated that the Operations Committee has to look at some of these issues. He spoke to an element of newness on the Board, giving time for people to come up to speed. He pointed out that the Finance Committee also had its own newness factor, in terms of the staff familiarity and experience that’s involved. He pointed out that for these reasons he is not in a rush to support this resolution until things settle in a bit

Ms. Podmajersky commented, “we have an operating reserve here which we can use. That was just put there to get M.B.I.A. to insure us against the bonds.” She indicated that that could be used if the Board felt it has to upgrade anything. She also spoke to the concern of delay. She said “you know, with regard to delaying, MOSA is great at delaying - takes five years to do this, five years to do that - I don’t know what kind of delay you’re talking about because we’ll never get there.”

Mr. Strevy said “The counties need this money to make themselves whole. I know Montgomery County does, I don’t know about Schoharie or Otsego Counties. But I can’t see any sign or reason to put it off any longer.”

Mr. Wesnofske asked Mr. Strevy to explain.

Mr. Strevy indicated that Montgomery County budgeted for the subsidy on the GAT. He explained that the County doesn’t budget anything beyond the GAT. Therefore, he pointed out, if 3000 tons are delivered over the GAT, the subsidy money that gets paid comes from the general fund although no provision was made for paying for waste delivered over the GAT. He said that the subsidy repayment was needed to make the County’s budget whole. He said, “It needs to go back to the general fund. **We need that money.**”

Mr. Wesnofske Said “Just remember that the GAT is the 95% threshold of the waste that’s estimated to be generated and the counties’ obligations are to deliver **ALL** of their waste, 100%. The 95% is really the threshold, at which the penalties might be imposed for failure to deliver.” He further commented that there is also a possible penalty if the waste comes in 110% over the GAT. He emphasized that the GAT is in fact, not the 100% factor but it is the delivery obligation.

Mr. Strevy said, “With all due respect, the counties do realize that MOSA doesn’t have to make this move, but we’re asking that you do.”

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Martha Clarvoe indicated that she would like to see the Board wait, at least for GBB's report, and see what they suggest.

Mr. Wesnofske asked if anyone wanted to comment further. He indicated that if there were no other remarks, he would ask for a roll call vote. He summarized that the resolution would effect the payment to the counties of an amount that represented the subsidy on waste that was delivered beyond the GAT figures that MOSA had set, in the total amount of \$151,829 (\$67,089 for Montgomery County, \$41,288 for Otsego County, and \$43,452 for Schoharie County)

Mr. Wesnofske asked for a roll call vote. The results were as follows:(Baker – yes, Bent – no, Clarvoe – no, McNeil – no, Parker – no, Podmajersky – yes, Strevy – yes, Wesnofske – no. = 5 no's, 3 yes's.

Mr. Wesnofske asked if there was any further business to come before the Board.

Mr. Strevy made a motion to reduce the tip fee by \$5/ton with Rate Stabilization Funds being used to balance the budget.

Mr. Wesnofske asked Mr. Strevy if he had an effective date in mind.

Mr. Strevy indicated May 1st or whatever date was necessary to allow for the 30 days notice required to the Trustee.

Mr. Wesnofske indicated that the 30 days notice was presumably to give the Trustee time to make inquiry as to the Authority's ability to finance the change.

Mr. Wesnofske indicated that the Authority would have to fund the loss of \$5 on the tip fee for two-thirds of the year, which would amount to about \$390,000

Mr. Wesnofske asked if there was a second to the motion.

Ms. Podmajersky seconded the motion.

Mr. Wesnofske indicated that he did not feel the proposal was well thought out and asked if there was any discussion.

Mr. Strevy indicated that earlier in the meeting there were other people who would consider reducing the rate. He said "I'm just going to call their bluff. If we're going to reduce it then now is the time."

Mr. Wesnofske inquired as to any further discussion.

Mr. Parker asked if this was in addition to the \$151,000 GAT proposal.

Mr. Wesnofske asked for any further discussion. Hearing none he called for a roll call vote.

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Baker – yes, Bent – no, Clarvoe – no, McNeil – no, Parker – no, Podmajersky – yes, Strevy – yes, Wesnofske – no. Equals 3 yes's, and 5 no's.

Mr. Wesnofske indicated that the motion failed.

Mr. Wesnofske asked if there was any further business.

Mr. Strevy indicated that he appreciated the Board's bold moves to return some monies to the Counties.

7. Closing

Mr. Wesnofske, with no other business brought forward, declared the meeting adjourned at 11:26 a.m.

Respectfully Submitted,

Carol Hawkins
Assistant Secretary