

**Montgomery-Otsego-Schoharie Solid Waste Management  
Authority  
Finance Committee Meeting**

**Date:** June 19, 2007

**Location:** Howes Cave Administrative Complex

**Members Present**

Meredith McNeil  
Olga Podmajersky  
Martha Clarvoe

**Members Absent**

**Others Present**

Gilbert Chichester  
Edward Wesnofske

**1. Opening**

Chairman McNeil opened the meeting at 10:15a.m.

**2. Minutes of Prior Meeting**

The minutes for the March 12, 2007 meeting were left for future review.

**3. Reserve Fund Review**

Olga Podmajersky had asked that the committee review the reserve funds.

Mr. Chichester, with the assistance of Jason Cooper, prepared a review of all the reserve funds and the method of calculating the amount of money to be in each. A copy of the review is attached.

Mr. Chichester explained the calculations for each fund and related to questions.

**4. Capital Budget**

The committee acknowledged that without a capital budget, reserve funds appear to be excessive to the casual observer. A capital budget puts more perspective to these funds. It was suggested that separate funds may be appropriate for the various projects.

Two documents were put forth for review.

The first reviewed was prepared by Edward Wesnofske. It related to the enumeration of the perceived projects with an estimation of the cost. In addition, it identified the source of the estimate along with how the project related to any compliance issues. It also related to the availability of any other funding sources and provided for prioritization. A copy of this draft form is attached.

Mr. Wesnofske explained that he perceived the capital budget to project out 2-3 years with the third year to be the “sunset year”. This speaks to the fact that the capital budget is dynamic and is subject to ongoing change. The first two years would be accurate estimates of cost for the near future with any costs beyond that time being lumped into the third year to be detailed as the capital budget is annually reviewed and revised.

Olga Podmajersky indicated that she did not agree the recycling component of the Oneonta Transfer Station retrofit project. She felt that it might be more appropriate to have a new transfer station on a different site. She noted that she there was nothing being done to get agreement on this matter.

Mr. Wesnofske indicated that the overall purpose of the capital budget was to get a sense of funds needed for ongoing and future projects.

Mr. McNeil pointed out that the equipment is being addressed and he agreed that we needed to be looking at other work needing to be done and planning accordingly.

Mr. Chichester pointed out that there was a need to look at the Northern Transfer Station and that it may be appropriate to open this site for commercial traffic again. Some haulers have indicated that if the Authority does not do so, they may be force to do so economically due to the high cost of fuel.

Mr. McNeil indicated that there was no backup in Otsego County. He thought that by developing the Northern site, this issue would be addressed.

Mr. McNeil indicated that the development of the Capital Budget will require coordination between committees.

He further commented on the fact that the Capital Budget connects projects with funding streams thus clarifying the use or potential use of funds on hand.

Ms Podmajersky indicated that she had a problem saying that the Authority would spend 3.6 million dollars on the Oneonta Transfer Station.

Mr. Wesnofske indicated that the Capital Budget is a planning document and that it will be refined from year to year and that it allows for ongoing understanding of capital needs.

A second document, attached, was distributed that related the actual funds available to projects. It brought forward the differences in availability of funds. Some of the reserve funds are restricted for a defined period of time. Thus it brings another dimension to the Capital Budgeting process. Additionally, more potential projects were listed.

Mr. McNeil spoke to the strategic planning needs. Mr. Wesnofske indicated that the NYSDEC was not happy with MOSA and representatives would be coming to the June 21<sup>st</sup> board meeting.

It was pointed out that the Authority could have capital expenditures that do not relate to physical projects, but could be in the form of reports such as strategic plans.

## **5. Other Concerns**

Ms. Podmajersky raised a question relative to the equipment replacement fund. She indicated that the equipment is funded for the year of purchase. She thought there should be some adjustment.

She also wanted to be clear that, from her perspective, the lack contribution to the equipment replacement fund had nothing to do with the not purchasing equipment. The equipment replaced was scheduled to be replaced in 2007/2008.

Ms Podmajersky raised question as to the sequence of events that led up the transfer of the funds from the Revenue Fund to the Rate Stabilization Fund. She did not feel that the Operations Committee had approved the Equipment Replacement Fund prior to the transfer of funds.

Mr. Wesnofske indicated that as was discussed above, the equipment replacement fund is dynamic and may need to be adjusted from time to time to address needs or circumstances.

Ms. Podmajersky indicated questioned the methodology used to compensate Schoharie County for subsidizing the haulers above the GAT. Schoharie County does not subsidize everyone bringing waste to the Authority.

Ms. Podmajersky raised question relative to when the 2008 tip fee could be publicized. She felt it should be put out as soon as possible.

Mr. Wesnofske suggested that consideration be given to raising the finance charge for late payments to the Authority; perhaps from the current 1% to 2%.

## **6. Closing**

The meeting was adjourned at 11:37 a.m.

Respectfully Submitted,

Gilbert L. Chichester  
Executive Director