

**Montgomery – Otsego – Schoharie Solid Waste Management Authority
Finance Committee Meeting 9/27/07**

Members Present

Meredith McNeil
Martha Clarvoe
Olga Podmajersky

Absent

Others Present

Edward Wesnofske
Daniel Baker
Joan Bent
David Parker
William Strevy
Gilbert Chichester
Jason Cooper
Barbara Corrigan

The meeting was called to order at 9:06AM on 9/27/07

Approval of minutes:

March 19, 2007 minutes
June 19, 2007 minutes
Motion: Ms. Clarvoe
Second: Ms. Podmajersky
All in favor

Reserve Account Review

Mr. Chichester: GBB indicates that we need a plain language format for presenting reserve balances.

Discussion on the need to calculate the minimum requirements and possible use of the excess funding followed.

Mr. Chichester: Discussed the Bond redemption funds and the 5% operating budget required in reserve based on Bond Indenture rules. This has been maintained along with interest on the balance.

- Surplus due to interest earned
- MOSA should spend down some of the excess on capital projects
- Planning activity per Christine Chale is not considered capital expenditure
- Phase I GBB payment leave \$150K for phase II

Ms. Clarvoe: Can this money come from Bond Redemption Disposition?

Mr. Chichester: This money is under the control of the Board but Christine Chale suggest not using the disposition proceeds.

Ms. Podmajersky: We took \$70K out of disposition account in July we now need to put it back?

Mr. Chichester: The money will be taken from the excess in the 94 and 2003 Bond redemption accounts

Ms. Podmajersky: Are we breaking laws by keeping it there?

Mr. McNeil: It is not good financial management to keep the money in the account.

Mr. Chichester: The excess can be moved into the rate stabilization fund.

Mr. McNeil: This will be a bookkeeping exercise

Mr. Chichester: The excess money will be transferred out of the bond redemption accounts and into the rate stabilization account. The planning will be paid out of the rate stabilization account.

Motion: Take interest out of the 1994A debt Service Reserve and 2003 Debt Service Reserve leaving 5% of the operating costs. In accordance to advice of bond counsel move interest on the Bond Disposition Reserve fund. Move this excess and interest to the rate stabilization fund.

Motion: Ms. Podmajersky:

Second: Ms. Clarvoe

All in favor

Capital Budget

Mr. Chichester: More time is needed to establish a capital project budget process which would indicate the need, benefits, costs etc.

The distributed list of projects was reviewed. Discussion continued regarding the tip floor and tarping stations. The conclusion was this is a good use of the Bond Redemption Disposition Proceeds.

Mr. Strevy: MOSA is serious about these capital projects and would like to get them into the 2008 budget.

Mr. Chichester: There is a difference between an operating budget and a capital projects budget.

Mr. Strevy: We need a target for the tip floor and tarping station projects, make it part of the 2008 plan.

Ms. Bent discussed the differences between the operating budget and capital projects budget.

Mr. McNeil: This is exactly why we have reserves.

Mr. Chichester: We need better numbers for capital budgets the status will come out of the operations committee meeting.

Mr. McNeil: The final product should provide an indication of where the money is coming from. He also indicated the discussion on the Oneonta retrofit was still on the table.

Mr. Chichester: The objective earlier this year was to proceed on this project.

Mr. McNeil: No recommendation now from this committee.

Mr. Wesnofske: We will need formal recognition of what projects are approved projects.

Ms. Podmajersky: Two projects need to be done soon, but the urgency of the other projects is not clear.

Mr. Chichester: The computer system is an important project

Ms. Podmajersky: Add the computer system to the list.

Mr. Wesnofske: What about the fixes in Amsterdam?

Mr. Parker: Is there any downside to leaving them all on the table?

Ms. Podmajersky: We need to establish priorities.

Mr. Strevy: Funding should be considered and it makes sense to pay as you go.

Mr. McNeil: The operations committee should set the priority.

Ms. Podmajersky: Are we really considering bond redemption improvements?

Mr. Chichester: We should consider the disposition proceeds. We may owe a rebate in 2007 if we do not use the excess in the bond accounts.

Mr. McNeil: Avoiding the rebate to the IRS is enough of an incentive.

Ms. Podmajersky: Rebate amount is only \$5-10K

Mr. Chichester: We should table further discussion until the next meeting.

Mr. McNeil: This must be a priority.

2008 GAT

Mr. McNeil: Introduced topic pointing out that all GAT are up approximately the same percentage.

Montgomery up 3.68%

Otsego up 3.51%

Schoharie up 3.59%

Ms. Clarvoe: Why is Montgomery up the most when they are actually down in 2007?

Mr. McNeil: The figures are based on 05-06 delivery data.

Mr. Chichester: 2007 numbers are not used because of the inability to calculate/prorate accurate numbers. Large projects in the prior years are backed out of the calculations. He referred committee to Section 5 graphs showing the adjustments. Discussions of the charts and numbers proceeded.

Ms. Podmajersky: The Montgomery County numbers are high due to the flood in 2006.

Mr. Cooper: The flood waste was backed out.

Mr. Parker: Table explains it beautifully

Mr. Wesnofske: If deliveries are down because waste is being diverted as with Otsego since Casella pulled out that diverted waste needs to be added into the GAT.

Mr. Strevy: Why would reps support a GAT the counties cannot support?

Mr. Chichester: We are here to run the authority.

Ms. Clarvoe: The figures are what they are.

Mr. McNeil: More is going through the transfer station so the numbers go up. I am pleased to see general growth across the system.

Ms. Podmajersky: Amsterdam city cleanup is not excluded and it should be.

Ms. Podmajersky: 4,057 tons does not include all the flood waste – just June and July.

Mr. Cooper: The reports were run for the entire year.

Ms. Podmajersky: I put things out throughout the year; they were not reported as flood waste.

Mr. Wesnofske: Otsego County had flood waste and is still discussing flood issues.

Ms. Podmajersky: Companies moved out of Montgomery County has this been take into account?

Mr. Parker: Is your primary concern that the flood waste is understated?

Ms. Podmajersky Yes

Mr. Parker: How would you estimate it?

Ms. Podmajersky: There should be 300 tons additional flood waste.

Ms. Podmajersky: The city had a special clean up in Amsterdam this should be backed out as well.

Mr. Parker: I can see the flood waste adjustment, Ms. Podmajersky's opinion is valid.

Mr. Wesnofske: Ordinary waste was included with the flood waste.

Mr. Chichester: The numbers come from waste collection telling us the waste is flood related.

Ms. Podmajersky: I do not agree with the addition of 2,600 tons of sludge

Mr. McNeil: Is the issued phantom waste from Keymark and BFI?

Ms. Podmajersky: The notes say it was confirmed in the prior year was it confirmed this year?

Mr. Wesnofske: Is Keymark still there?

Ms. Podmajersky: Places change their operations to reduce industrial waste.

Ms. Clarvoe: We are nickel and diming this we need to go with the numbers that we have.

Ms. Podmajersky: 4,000 tons in not nickels and dimes.

Mr. Chichester: Where and how do you make some appropriate consistent adjustments? Review figures they show more waste was delivered than expected. We are trying to track things more closely this is a broad brush picture.

Mr. Strevy: MOSA should encourage clean ups by providing a break on the costs.

Ms. Podmajersky: Amsterdam's clean up was special clean up other towns don't do this.

Mr. McNeil: We do, it is done differently but it is done.

Mr. Strevy: Florida town is not listed in the figures.

Mr. Wesnofske/Mr. Chichester: Both directed him to the correct location in the GAT booklet.

Mr. Strevy This information is provided by the hauler.

Mr. Chichester: This is consistent across the system.

Mr. McNeil: Any other questions?

Mr. Parker: I suggest Montgomery and Otsego numbers are adjusted by increasing the flood base by 5%.

Mr. Cooper: All waste is going up.

Mr. Parker: I made a recommendation

Mr. Wesnofske: We face some trade offs in this.

Mr. Parker: I am looking for an accommodation.

Ms. Bent: 95% of the total is used to allow for these issues.

Mr. McNeil: This is a typical GAT discussion.

Mr. Wesnofske: Otsego rural generation rates seem low.

Motion: Montgomery City numbers are reduced:

Amsterdam city Clean up 1,163

Canajoharie	100
Fultonville	126
St. Johnsville	80

for a total deduction of 1,469 tons.

Motion: Ms. Podmajersky

Second: Ms. Clarvoe: (Seconded to move to the full board discussion)

All in Favor: Ms. Podmajersky Aye

Mr. McNeil Nay

Ms. Clarvoe Nay

Motion failed

Motion: I motion we move GAT figures as presented to the Board.

Motion: Mr. McNeil

Seconded: Ms. Clarvoe

All in Favor: Ms. Clarvoe Aye

Mr. McNeil Aye

Ms. Podmajersky Nay

Motion carried GAT figures will go to the board as presented.

2008 Budget

Mr. McNeil: There are two budgets presented a baseline and enhanced. Costs of the enhancements are outlined on one sheet the baseline tipping fee based on the GAT presented is \$99.51.

Mr. Chichester reviewed the assumptions which were handed out.

Ms. Podmajersky questioned high leachate costs because of a dry summer.

Mr. Chichester: Construction of the landfill against a rock ledge increases leachate. Discussion of rainfall ensued.

Mr. Strevy: Hospitalization doubled in some areas, is there a county program we can be involved in.

Mr. Wesnofske: This was determined not to be within the legal limits of the counties.

Mr. McNeil: Based on estimated revenue from outside waste why do we discount the outside waste? This is a constant question faced when items are reported back to the counties. It appears the revenue does not support the discounted rate.

Ms. Podmajersky: This is a valid argument we should know the cost to process one ton of waste, including manpower.

Ms. Clarvoe: Increasing the rate would discourage people from saying they have outside waste.

Ms. Podmajersky: We should figure out the cost per ton and address the question then.

Mr. McNeil: Schoharie Cty subsidized the tip fee; this upsets the counties that outside counties pay less when the county is paying the bill.

Mr. Strevy: That is the problem with subsidies.

Mr. Wesnofske: Different rates create corruption in the system.

Ms. Bent: Is there a way to license or register vehicles to control outside waste?

Motion: Raise outside waste rate to the full tip fee.

Motion: Mr. McNeil

Second: Ms. Clarvoe

All in favor

Ms. Podmajersky: I would like to see a cost per ton.

Ms. Podmajersky: In the baseline freon was added why?

Mr. Chichester: We added the cost of the \$15 removal

Mr. Cooper: The plan is to no longer charge for the freon removal

Ms. Clarvoe: Can our own employees do this?

Mr. Chichester: That requires training, equipment and certification.

Ms. Podmajersky: We should charge for the removal of Freon.

Ms. Bent: Track the revenue and expense of the removal.

Mr. McNeil: Determine if you are providing a service for the homeowner or commercial

Motion: MOSA charge for Freon removal

Motion: Ms. Podmajersky

Second: Ms. Clarvoe

All in favor

Ms. Podmajersky: Manpower charge represents 61% of the budget. The budget less debt and T&D which are not in our control. This increase is in the Finance and Admin budget. *After discussion it was decided Mr. Cooper would provide a manpower chart for review at the board meeting.*

Ms. Podmajersky: Hospitalization costs are high.

Mr. Wesnofske/Mr. Strevy: State law prohibits Montgomery Cty from covering healthcare.

Mr. McNeil: I have reviewed this issue, the same is true for Schoharie Cty.

Mr. Strevy: Ask for a statement from the state to allow counties to cover the hospitalization costs.

Mr. Wesnofske: The State's concern is the lack of guaranteed revenue (taxes) to cover the liability.

Ms. Podmajersky: The maintenance agreement for the copier has increased.

Mr. Chichester: The current lease expires we are looking at a new 4 year agreement.

Ms. Podmajersky: Can this come out of Equipment and Maintenance?

Mr. Chichester: The Equipment and Maintenance is used for machinery we own.

Ms. Podmajersky: What is the line for an HR Consultant?

Mr. Chichester: This is used for

Mr. McNeil: The object is to get the GAT and Budget out for full board discussion.

MOSA is far ahead of other counties in regards to consolidating and sharing services.

The state needs to determine how to encourage this in areas like hospitalization coverage.

Other business

None

Meeting was adjourned at 11:15 AM

Respectfully Submitted,

Barbara G. Corrigan