

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

**AUDIT COMMITTEE MEETING**

**DATE:** September 18, 2008

**LOCATION:** MOSA Administrative Complex, Howes Cave

**MEMBERS PRESENT:      MEMBERS ABSENT:      OTHERS PRESENT:**

Olga Podmajersky  
Philip Skowfoe  
John Mattas

Gilbert Chichester  
David Parker

**1. Opening**

Meeting was called to order at 9:23 AM

**2. Approve minutes for last meeting May 14, 2008**

Minutes were distributed and stand as written

**3. Review of Audit RFP and Bid**

Copies of the Audit RFP were distributed. Ms. Podmajersky reviewed the only response from BST. Fees are as follows:

- Year One      \$19,000
- Year Two      \$19,500
- Year Three    \$19,750
- Year Four     \$20,300
- Year Five     \$20,800

It was noted that an email had been received from the partner Bill Freitag verifying that the fee included all portions of the scope of services. There had been some concern that the Accountant's certificate was not specifically identified.

There was discussion regarding the 2007 audit fees: Financial Statements fee was \$19,000 and an additional fee for the Accountants' certification on events of default was \$2,500.

Ms. Podmajersky addressed the Public Authorities Act which requires a partner change every 5 years.

Mr. Mattas suggested accepting the three year proposal the increase is below inflation. Ms. Podmajersky agreed and indicated that she felt 5 years was too long for an auditor.

**Motion:** Recommend to the Board they accept one year plus the two additional years for proposal including the certification.

Mr. Mattas made the motion seconded: Ms Podmajersky All in favor

**4. Other Business**

Ms. Podmajersky stated she had written up something for the credit card checks done by Mr. Skowfoe. Mr. Mattas requested forms to complete.

Mr. Skowfoe commented that he wanted better detail on the credit card. Ms. Corrigan commented that he had looked at the items reviewed the previous year by Mr. Baker. Mr. Baker had made requests that the number of people and reason for purchase be included and this has been done since that request.

Mr. Skowfoe was going to pull the receipts again because he did not believe this was the case. He also indicated a need for a policy regarding when lunches are provided and would like to see a set amount for meals and lodging.

Mr. Skowfoe requested the Safety minutes for review and these were not available to Ms. Corrigan's knowledge. Mr. Skowfoe indicated he would bring this up at the Board meeting.

There was discussion regarding the audit committee charter. Mr. Parker referred to the minutes from the prior meeting shown below:

Dave Parker asked why the site visits are being made. He stated that he was not aware that this was part of Audit Committee activities. He indicated that if a site visit is being made for auditing purposes it should be more organized and documented with the results coming back to the Board through the Audit Committee.

Mr. Wesnofske pointed out that the Audit Committee function is to check records keeping against certain factual circumstances. He indicated that some of the areas that Mr. Mattas is looking at are more of an operational issue and should be discussed with the Board and management before staff and the public misconstrue something. He stated that the Audit Committee should meet with management staff with their observation.

Mr. Parker noted it is the general agreement that site visits by board members should be reported by the Audit committee. He questioned if the visits were done as a committee. Ms. Podmajersky indicated that they were not.

Mr. Mattas indicated that he made site visits to check the inventory, take photos and record serial #'s.

Mr. Parker asked for an interim report on the status. Mr. Mattas agreed to do so.

Mr. Parker stated that as Board members we need some control of the process. Mr. Skowfoe questioned Mr. Parker further on this comment.

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Mr. Parker stated that in his 30 years of industrial experience he had the benefit of notification to management as a courtesy. This gave management the opportunity to participate.

Ms. Podmajersky asked if there was a procedure.

Mr. Mattas indicated the policy was discussed at the last Board meeting and draft was sent out and should be on the agenda for today.

Mr. Skowfoe noted that he thought Mr. Parker was opposed to site visits.

Mr. Parker indicated he is not; he does them himself but calls to notify management beforehand.

Mr. Skowfoe stated he had clarification from the County Attorney to make site visits and that he was not going to notify management.

Discussion ensued regarding the process of the visit. Ms. Podmajersky questioned if the Board should be interrupting management with another phone call.

Ms. Corrigan shared that there was a lot of concern regarding the feedback from the sites around these visits.

Mr. Parker noted it is micromanagement. Mr. Parker indicated he was concerned about retribution regarding feedback he had received relative to these visits.

Mr. Skowfoe made a motion the committee go into executive session to discuss a personnel matter relating to transfer station visits.

The Committee came out of executive session.

**5. Closing**

The meeting adjourned at 10AM

Respectfully submitted,

Barbara G. Corrigan,  
Assistant Secretary