

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT AUTHORITY
BOARD MEETING #08**

DATE: July 22, 2009
LOCATION: MOSA Administrative Complex, Howes Cave

Members Present:

Martha Clarvoe
John Mattas
David Parker
Olga Podmajersky
Philip Skowfoe
John Thayer
Harold Vroman
Edward Wesnofske

Members Absent:

Others Present:

Gilbert Chichester
Barbara Corrigan
Earl Redding
Chris Chale
Jason Crowell
Jeri Murray
Mark Robarge
Dennis Heaton
Bob Loske

1. Opening

Chairman Thayer opened the meeting at 2:30 p.m. and asked for roll call.

2. Adoption of Agenda

Chairman Thayer advised the board that Earl Redding of Roemer, Wallens and Mineaux would be arriving at 3:00 p.m. to discuss the ongoing contract negotiations with the Executive Director. He asked for a motion amending the agenda to include an Executive Session at that time. Mr. Wesnofske so moved and Mr. Vroman seconded. On voice call, the agenda was adopted unanimously. Chairman Thayer stated that Mr. Redding was on the clock and asked that the Executive Session begin as soon as possible after he arrives.

Mr. Parker asked if another item on the agenda could be moved up to accommodate others that were on their clock. Chairman Thayer stated that the only other person on our clock is Ms. Chale and denied the request.

3. Privilege of the Floor

Chairman Thayer offered Privilege of the Floor; no one came forward.

4. Executive Session

Chairman Thayer asked for a motion to go into Executive Session as Mr. Redding had arrived. Mr. Skowfoe so moved and Mr. Wesnofske seconded; voice call was unanimous. Executive Session to discuss ongoing contract negotiations with the Executive Director began at 2:34 p.m. Earl Redding of Roemer, Wallens and Mineaux and Christine Chale of Rapport, Myers, Whitbeck, Shaw & Rodenhausen were in attendance at the Executive Session.

Mr. Wesnofske made a motion to end Executive Session, which was seconded by Mr. Parker; Executive Session ended at 3:35 p.m.

Chairman Thayer called the meeting back to order at 3:43 p.m.

Mr. Mattas suggested moving up the discussion of Resolution #36 so that Mr. Crowell could leave. Mr. Wesnofske made a motion to suspend the rules in order to review Resolution #36 for consideration; Mr. Mattas seconded and voice call was unanimous.

5. Resolution #36 – Awarding the Bid for the Oneonta Transfer Station Structural Repair

Chairman Thayer asked for a sponsor, Mr. Wesnofske so moved and Mr. Parker seconded. Chairman Thayer then asked for discussion.

Mr. Skowfoe stated that he was not comfortable with awarding a bid that doesn't have a concrete dollar figure. He had questioned Mr. Crowell who had advised that until the wall is opened up he would not be able to give an estimate of additional cost until seeing what may need to be replaced. Mr. Skowfoe went on to say that he would not support the resolution because past projects have required change orders and additional cost.

Mr. Mattas agreed with Mr. Skowfoe, saying he thinks engineering should have opened the wall prior to the bid. He asked what the cost of purchasing the shoring currently being rented would be.

Mr. Wesnofske stated the resolution language should be updated to include the bidder's name and amount of the bid, in place of "To Be Determined". Chairman Thayer advised the resolution would be amended as such; however, as the Operations Committee meeting was held immediately prior to the board meeting, there had been no time to do so.

Mr. Parker stated that he had a problem with maintaining the status quo at the site. He went on to say that 300 – 400 square feet of floor space are being lost due to the shoring devices. About a week ago he had visited the site and watched an unloading operation; he noted both residents and commercial customers had difficulty moving about in the tight space and he is concerned about an accident occurring because of it.

Chairman Thayer stated that he didn't think 30 days would make a big difference. Ms. Clarvoe remarked that it would mean the cost of another month's rental of the shoring devices. Chairman Thayer stated that it would also change the completion date, which would have to be moved out. He also said it would give time to look into the cost of purchasing the shoring devices. Mr. Parker responded that he was not interested in their cost as he doesn't believe it is a good idea.

Mr. Skowfoe remarked that Mr. Crowell had advised the project would take 6 -7 weeks from the time of approval to proceed to completion. He stated he did not have a problem with Mr. Crowell, just the fact that the final amount was unknown and again brought up change orders on previous work which ended up costing more than bid. He reiterated that he would not support any bid that was open ended.

Mr. Crowell stated that his bid was on exactly what the engineers had asked for in the specifications and the drawings. He went on to say the engineers only left open the issue of whether or not the footings would need replacing and that can only be determined once the wall is opened and they can be inspected.

Mr. Parker spoke to Mr. Crowell saying that he believed based upon the estimate he had seen, that the footer replacement had been included in the total price. Mr. Crowell responded that it was included in his total bid price. He went on to say that when the wall is dug out there will be engineers on site to determine whether or not the footings need to be replaced.

Mr. Parker suggested rewriting the resolution with a "not to exceed" up to a certain dollar amount based on the existing 20 feet of footer replacement. Mr. Crowell stated that is exactly what his price included, 20 feet being replaced on each side.

Chairman Thayer remarked that the issue was that until the wall is dug out you won't know what needs to be replaced. He suggested the engineers were remiss for not doing so before creating the specifications.

Mr. Crowell stated that the engineers could not dig out the walls to inspect the footings without undermining it and there is not much holding the walls in place as it is.

Mr. Wesnofske remarked that the building is not being used for what it was designed for; it has been operated in a compromising way for a long time. He went on to say that it is difficult to spend the money for repairs, but it is necessary.

Mr. Wesnofske asked Mr. Chichester what was the total cost of the bid; he responded that the total amount was \$137,740. Mr. Wesnofske then asked if he thought the cost of the labor and materials costs were out of whack. Mr. Chichester responded that the cost of labor is all done by prevailing wage as this is a public works project; there is no negotiating the wage, which is determined by the work hours, the time of day worked and the type of job being performed.

Ms. Chale reminded the board that this was a lump sum bid.

Mr. Chichester reviewed the bid which is basic materials for rough carpentry, wind trusses and concrete work. Mr. Crowell added that the wind trusses were a costly item. Mr. Skowfoe remarked that he was not concerned with the cost of the labor or the materials, only the possible hidden costs.

Mr. Wesnofske stated he is in favor of the repair but would like to have time to reflect on the bid. Chairman Thayer agreed saying he was inclined to table it.

Mr. Wesnofske moved to postpone consideration until the next meeting; Ms. Podmajersky stated that Mr. Chichester would like to say something.

Mr. Wesnofske then asked if Mr. Chichester had an opinion. Mr. Chichester responded asking if the board would like a professional opinion on it and asked them to look at the proposal for construction phase services from John P. Stopen Engineering that was attached to the resolution.

Chairman Thayer asked if we had already paid for bid assistance. Mr. Chichester responded that what we had paid for was bid specifications and drawings in developing the bid. He advised that the next step is bid assistance and oversight of the construction phase relative to any technical questions and clarifications as needed; this quote needs to be considered as well when considering the resolution.

Mr. Wesnofske moved to postpone consideration until the next meeting; Ms. Podmajersky seconded. Chairman Thayer asked for roll call on the motion; upon completion of roll call, the motion to postpone consideration was approved unanimously.

Mr. Wesnofske then asked the Chairman and Executive Director to consider consultation with the appropriate parties in order to ascertain whether additional information is needed before consideration of acceptance of the bid. Chairman Thayer agreed and asked Mr. Chichester who was the contact person for the bid specification. Mr. Chichester responded that it is Bob Cosselman.

Ms. Chale remarked that it should be noted in the minutes that the bid was opened at the Operations Committee meeting and the name of the company bidding and the amount of the bid recorded as well.

Mr. Skowfoe responded that it would have been reported in his Operations Committee report; however, as the rules were suspended, the meeting is being conducted out of order and therefore, it had not yet been officially reported or recorded in the minutes.

Chairman Thayer asked the recording secretary to read the name of the company and the bid amount aloud and enter the information in the minutes; the recording secretary complied with his request, stating that the company name was Tioga Building Company, the bid amount was \$137,740 and this was the only bid received.

6. Adoption of Minutes of Prior Meeting – June 24, 2009

Chairman Thayer asked if there were any changes to the June 24th minutes; Mr. Wesnofske advised the correct spelling of “recusal”. Ms. Podmajersky made a motion to accept the minutes; Mr. Mattas seconded and on voice call the minutes were unanimously adopted.

7. Reports

a. Chairman

Chairman Thayer advised we are working on contract negotiations with the Executive Director and that he would be attending the Tri-County Meeting at 5:00 p.m. tomorrow in Schoharie for further discussions regarding defeasance. He stated that Ms. Chale would also be in attendance. Mr. Parker asked if everyone could attend and remarked that he had been invited by Terry Bliss. Ms. Podmajersky asked if the rest of the board was invited; Chairman Thayer stated that he had not called the meeting; it had been called by Hans Arnold. Mr. Skowfoe asked Ms. Murray to call the Schoharie Clerk of the Board to verify who could attend the meeting.

b. Executive Director

Mr. Chichester advised that his report had been included in today’s packet and asked if there were any questions.

Chairman Thayer asked if everyone had received the memo from Mr. Chichester regarding the Risk Control Visit Report from Myron Pensyl. As only Mr. Thayer had received the letter, copies were made and distributed to the board. Mr. Thayer remarked that basically he had asked Mr. Chichester to contact Mr. Pensyl regarding his recommendations at the last meeting that had to do with timeliness, site surveillance and fire extinguishing apparatus because of the ongoing defeasance process and the uncertainty of where we will be in the next 6 months to a year. Chairman Thayer wanted them to consider giving MOSA an extension on the recommendations for these reasons. This memo contains the results of Mr. Chichester’s telephone conversation with Mr. Pensyl, in which Mr. Pensyl indicated that, at this time:

- ✓ it would be acceptable for him to receive a response from the Authority indicating that the recommendations have been reviewed
- ✓ that the Governing Board understands the insurance carriers concerns
- ✓ that action is expected within the next 2-3 years in the form of capital projects

Ms. Clarvoe asked if they were aware of our buildings; Chairman Thayer responded that he was sure they were.

Chairman Thayer advised that this could be put through committee or the board could charge Mr. Chichester with writing a response to Mr. Pensyl; he asked what the pleasure of the board was. Mr. Skowfoe made a motion and Mr. Mattas seconded, to charge Mr. Chichester with responding by letter to Mr. Pensyl requesting an extension on action until after defeasance.

Mr. Chichester remarked only the following points need to be addressed in the letter:

1. statement that Governing Board has reviewed the recommendations
2. statement that the Governing Board understands the insurance carriers concerns
3. statement advising that action will be taken on their recommendations within 2-3 years through capital projects

After some discussion, Chairman Thayer asked Mr. Skowfoe if Mr. Chichester's remarks were what he wanted to say in his motion; Mr. Skowfoe responded that they were and Mr. Mattas seconded. On voice call, the motion passed unanimously.

c. Finance

Ms. Corrigan reported on the monthly financials:

- ✓ the revenue account balance was \$1,322,310.43 at the end of June
- ✓ the T&D amount due at that time was \$543,831.05
- ✓ One of the large CD's came due from the Debt Service Reserve Account and was put in a 3-month short term CD because we were unsure with defeasance how long to tie up the amount. Mr. Wesnofske inquired as to the rate of interest. Ms. Corrigan advised the rate was .5%. Ms. Chale asked the amount of the CD; Ms. Corrigan responded \$1,973,567.50. Ms. Chale remarked that this large of an amount of money invested in this way over the long term perspective, is not a great rate; however, because of the ongoing defeasance process, it was a good judgment call to invest short term.
- ✓ No new trailers placed in June.
- ✓ Waste Management information is attached.
- ✓ Ms. Podmajersky will address the recycling numbers in her report
- ✓ There are some budget transfers that will take care of deficits. Mr. Mattas inquired about the budget transfer from Bond Redemption/Improvements to Engineering in the amount of \$8480.30 and asked what it was for. Ms. Corrigan was unsure but guessed that it was for tarping station costs. Mr. Mattas inquired about another transfer, from Contingency to Misc. Equipment Rental in the amount of \$3,000.00 and asked if that might be for rental of the shoring at the Oneonta Transfer Station. Ms. Corrigan responded that was correct and advised that the cost of the rental is \$1500 per month.

8. Committee Reports

a. Audit

1) Discussion of committee recommendations

Mr. Wesnofske reported that he and Mr. Mattas had met to look at the 2007/2008 recommendations

from the auditors; other board members had also been present at the meeting. He went on to say that a process needed to be established on how the board would like to address the recommendations and take action on them either singularly or all at once.

Chairman Thayer stated that it was up to the board as to whether or not they wanted to address the items or not and remarked that some of the items listed had already been taken care of and some still needed to be addressed.

Ms. Clarvoe asked about #7 of 2007 on the list; consideration of participation in some form of annual Board education in regard to fiduciary responsibilities (accountability and risk).

Ms. Podmajersky suggested everyone review the items and the board could address them at another time or attend the next Audit Committee meeting to discuss them. Mr. Wesnofske remarked that the recommendations had been distributed since March and again distributed in May.

Chairman Thayer asked Ms. Clarvoe if she would like to put her comments on #7 into a resolution. Ms. Clarvoe responded that she thinks it is something that is not addressed enough and believes it is something that should be planned; she suggested setting something up.

Chairman Thayer commented on #2 of 2008 on the list; more frequent changing of passwords on computers to restrict use. Ms. Podmajersky stated that this had been discussed previously. Ms. Corrigan advised that employees share job tasks and need access to each other's computers at times. She went on to say that supervisors have their staff's passwords and that not changing them is a matter of convenience. Also, not all employees have access to get into all programs or files; just the ones necessary for them to perform their job. Mr. Wesnofske stated it is a small office and that staff multi-task and need access to each other's computers at times. He went on to say that is why the recommendation states, "if it makes operational and financial sense to do so".

Ms. Podmajersky commented on #4 of 2008, Board Conflict of Interest, and the recommendation to have a yearly sign-off. Mr. Wesnofske stated that they had agreed to do so and that the sign-off's had been done this year.

Ms. Podmajersky commented on #5 of 2007, Annual ethics training seminars, saying the recommendation was not complete. Mr. Wesnofske advised that the rest of the recommendation should say "through paycheck insertions and monthly staff meetings".

Chairman Thayer asked what the pleasure of the board was. Ms. Podmajersky suggested adopting them. Chairman Thayer stated that if adopted, some require action. Ms. Podmajersky read through some of the recommendations and then stated they should be reviewed periodically to see what needs to be done and special actions that require instructions to groups should be taken care of.

Chairman Thayer stated that #7 of 2007 could be taken care of prior to a board meeting.

Ms. Podmajersky stated the Audit Committee should make sure the recommendations are being implemented. Mr. Wesnofske asked if that meant the board was adopting all of the recommendations.

Ms. Clarvoe moved to adopt all the recommendations and that the appropriate parties should make sure they are implemented; Mr. Wesnofske seconded.

Chairman Thayer asked if there was any further discussion. Mr. Wesnofske read through each of the recommendations and noted that most required no action, contract negotiations with the Executive Director were ongoing, yearly sign-offs were occurring and reminders were taking place as recommended.

On voice call the motion was approved with everyone voting affirmative except for Mr. Skowfoe who was not present during the vote.

b. Finance

Ms. Podmajersky reported that the Finance Committee had met on Monday, July 20th. She went on to say that two resolutions had come out of the meeting and are before the board today. Resolution #37 authorizing the transfer of budget funds and Resolution #38 which reduces the 2009 GAT for the 3 counties. The reduction in the GAT reflects a reduction of waste generated due to the general economy.

Ms. Podmajersky continued, reporting that recycling costs will be increased due to market conditions. Ms. Corrigan advised that the cost of comingled will go up but that the cost of recycling paper will go down.

Ms. Podmajersky reported on Household Hazardous Waste collections, saying that no word had been received from DEC regarding grant money for reimbursement of 50% of the cost. She went on to report that there had been a collection day in Montgomery County and Schoharie's was coming up on Saturday, July 25th, but that Otsego County would not be able to have a collection day unless they received their DEC grant money. The Finance Committee had agreed to support a collection day in Otsego County up to the remainder left in MOSA's budget after payment for the collections in Montgomery and Schoharie Counties. The thought is that there will be only one Household Hazardous Waste collection day this year because of the uncertainty of DEC's contribution to 50% of the cost.

Ms. Clarvoe inquired if a resolution was necessary. Ms. Podmajersky responded that it had been discussed at the meeting and as long as the cost of the event was not higher than normal one was not needed. Ms. Clarvoe remarked you mean half the cost, as DEC normally pay half the cost.

Mr. Chichester stated that he believed the point was that if Otsego still wanted to have a collection day, the Authority could provide some support so there would be one Household Hazardous Collection day in each of the three counties this year. Montgomery County's program cost \$24,000 this year, Schoharie's is coming up this weekend and is expected to be about the same as last year at a cost of \$15,000, leaving approximately \$51,000 available to support Otsego County if they wish to proceed. It may mean that they have to tailor their needs to stay within that amount.

Chairman Thayer asked if a date for a fall collection day had already been scheduled at the Western Transfer Station. Mr. Chichester responded that two days had been scheduled in both Montgomery and Schoharie Counties this year, but given the State is not forthcoming with the grant, the second events may need to be cancelled. Chairman Thayer stated that notice of cancellation would have to be given to make the public aware.

Ms. Clarvoe remarked that Mr. Bliss would also like to know as soon as possible in order to get the Otsego County event scheduled. Mr. Chichester responded that Mr. Bliss was going to bring it up at the Solid Waste meeting tomorrow.

Ms. Clarvoe made a motion to approve funding of the Otsego County Household Hazardous waste event within the budget line; Ms. Podmajersky seconded and on voice call the motion was adopted unanimously.

1) Treasurer's Report

Ms. Podmajersky reviewed the report as follows:

- ✓ the balance in the revenue account as \$1,322,310.43
- ✓ T&D costs come out of that, in the amount of \$543,831.05
- ✓ Monthly tonnages are listed
- ✓ Expenditures out of fund other than T&D are shown

c. Operations

Mr. Skowfoe reported that the Operations Committee had met prior to the board meeting and had received and discussed the Oneonta Transfer Station structural repair bid, reviewed Steve Rothrock's 2010 Projects List, discussed the flare replacement at the Eastern Landfill, various options for repairing the crane; Steve will be getting him a diagram of the crane to review prior to choosing an option for repair and the damages to the Oneonta Transfer Station recycling building.

Mr. Skowfoe went on to say that he believed a motion was made in committee to have the tenant (Otsego County) submit the damages to their insurance carrier; he doesn't believe it is MOSA's responsibility to take care of the damage to the ceiling and trusses. Mr. Parker asked if that was the only damage. Mr. Skowfoe responded he had visited the site and the ceiling and truss damage stood out; he continued saying it should apply to any structural damage that occurred and if he (Mr. Parker) was aware of other damage, he would be remiss if he didn't report it. Mr. Parker asked if he thought the damage was from regular wear and tear; Mr. Skowfoe responded that it was not. He went on to say he did not think the damage to the floor was from regular wear and tear either and that the blacktop patch to the floor was not sufficient; it should be rubber. Mr. Parker stated that he would be talking about these issues tomorrow at the Solid Waste meeting. Mr. Skowfoe stated that he thought the structural damage should be turned in to the insurance company and that is his motion.

Chairman Thayer asked who his motion was directed toward; Mr. Skowfoe responded that it was to Otsego County. Chairman Thayer stated that the contractor works for Otsego County; Mr. Skowfoe remarked that Otsego County could decide whether it was submitted to their insurance or the contractor's. Chairman Thayer asked for a second; Mr. Vroman seconded.

Mr. Wesnofske did not think it was the best motion as Otsego County leases the building, we want the cost to repair the damage borne by the tenant and we don't care if it comes from the insurance company or not. Chairman Thayer remarked that we may not want the cost of repairs, but the damage to the building repaired.

Mr. Skowfoe revised his motion to say "the cost be borne by the tenant"; Mr. Vroman again seconded

the motion. Chairman Thayer asked for further discussion; as there was none, on voice call the motion was adopted unanimously.

d. Personnel

Mr. Vroman reported that the committee had discussed the transfer station operator position on Resolution #34 and had an Executive Session to discuss ongoing contract negotiations with the Executive Director.

9. Resolutions

a. Resolution #34 Authorizing the Hiring of a Transfer Station Operator Trainee

Chairman Thayer asked for a sponsor. Mr. Parker so moved and Mr. Wesnofske seconded; Chairman Thayer asked for discussion.

Mr. Skowfoe stated that he wasn't comfortable with hiring anyone because we are in a cost saving mode and doesn't support the resolution.

Mr. Mattas asked if the resolution came with a recommendation from the Personnel Committee. Mr. Vroman stated that their recommendation was to bring it before the full board for discussion.

Chairman Thayer stated that the position was budgeted for and that the employee previously holding the position had quit. Mr. Chichester advised the position had been vacant since March 2009.

Mr. Wesnofske asked if the duties of the position could be handled through part-time or overtime. Mr. Chichester responded that he had covered current positions and their responsibilities as well as the issues of not filling the position in a memo attached to his report (a copy of which is attached to these minutes). He stated that we can cover things to a certain level (with overtime and part-timers) and beyond that we cannot; that is the issue.

Mr. Skowfoe stated that Schoharie County has a hiring freeze and money is tight right now. He went on to say that money will get tight here too as deliveries are down; we need to save money here and he will not support the resolution.

Chairman Thayer asked what the primary duties of the position are. Mr. Chichester advised that the job entails taking direction, operating a transfer station and facilitating all activities of the transfer station. The person would be available to cover absences at the transfer stations in the two County area (Schoharie and Montgomery) as well as the Northern Transfer Station. As noted in his memo, overtime will be impacted by the part-timers due to restrictions on the number of hours part-timers are allowed to work.

Ms. Clarvoe asked if we were on the verge of getting caught without any coverage. Mr. Chichester responded that right now if two people are out at the same time in that area, we are short personnel. Mr. Parker remarked that about a month ago that very thing happened when one of the transfer station operators at the Schoharie Transfer Station was out for an unexpected period of time, which left only one person to run the transfer station for the entire time he was out. There was not enough scheduling flexibility or personnel to cover for this individual because someone else was out on vacation at the same time.

Chairman Thayer asked who ran the transfer station; Mr. Parker advised that it was the supervisor, Joe. Chairman Thayer asked if he ran the scale house at the same time. Mr. Parker replied that was not the case, he doesn't include the scale house when talking about the floor; however, Joe was the only person on the tip floor.

Mr. Parker went on to say that his position was clear for reasons of customer service, safety and scheduling needs; he believes that filling the position is necessary. He continued, stating that tonnage does not come into the facility in a formatted and scheduled manner. He advised the board that during a time they were short a man at the Schoharie Transfer Station he had stopped by to see Joe; it had gotten so bad on the tip floor that Joe had to close the door and clean up before reopening. During that time, a hauler had to wait and was very upset about having to do so.

Chairman Thayer asked for further discussion; as there was none, he asked for roll call. On roll call, the resolution was defeated with Ms. Clarvoe, Mr. Parker and Mr. Wesnofske voting aye and Mr. Mattas, Ms. Podmajersky, Mr. Skowfoe, Mr. Thayer and Mr. Vroman voting nay.

b. Resolution #35 Authorizing the Replacement of the Flare at the Eastern Landfill

Chairman Thayer asked for a sponsor. Mr. Mattas so moved and Mr. Parker seconded. Mr. Chichester remarked that the amount on the resolution needed to be changed to \$5,700.00; Mr. Skowfoe apologized for neglecting to mention that in his report. Chairman Thayer stated that the figure on the resolution was a typo and would be changed to reflect the correct amount of \$5,700.00. It had been addressed in committee; therefore, no amendment is needed. Mr. Parker stated that the last "Whereas" (barring any unforeseen complications, the replacement flare can be installed by MOSA's Buildings and Grounds staff, and) had also been stricken from the resolution after discussion in committee with Mr. Rothrock.

Chairman Thayer asked for further discussion; as there was none, on voice call the resolution was adopted unanimously.

c. Resolution #37 Authorizing the Transfer of Budget Funds

Chairman Thayer asked for a sponsor and a second. Ms. Podmajersky so moved and Mr. Wesnofske seconded; Chairman Thayer asked for discussion.

Mr. Wesnofske advised that Ms. Corrigan had given a rather lengthy explanation of the transfers at the Finance Committee meeting. Ms. Podmajersky advised that transfer from Rate Stabilization to Planning was for the GBB report.

Chairman Thayer asked for further discussion; as there was none, on voice call the resolution was adopted unanimously.

d. Resolution #38 Authorizing the Reduction of the 2009 GAT for Montgomery, Otsego and Schoharie Counties

Chairman Thayer asked for a sponsor and a second. Ms. Podmajersky so moved and Mr. Skowfoe seconded; Chairman Thayer asked for discussion.

Chairman Thayer stated that he thought there had been discussion at the Finance Committee on economic numbers and asked Ms. Corrigan to review them for the board.

Ms. Corrigan passed out a report on *Current GAT Projections and Assumptions* she had given to the Finance Committee. She explained that the numbers represent the best guess or estimate as to what is being diverted based upon historical percentages.

Ms. Corrigan ran through the numbers for each County and noted the following:

- ✓ Montgomery County
 - Waste Management deliveries are very low – still unsure if the waste is being diverted or has moved to County Waste. Ms. Podmajersky stated that last time it was down about 200 tons per month, she had asked Dennis Heaton to look into it and generation is down.
 - Hagaman does not come in; it is being diverted.
 - BFI piece – using Montgomery County estimate of 778 tons diverted
 - First two months of 2009 County Waste deliveries were diverted
- ✓ Otsego County
 - Diverted waste represents Green-Del's business, which was picked up by WRE in February and continues to be diverted; the estimate is equal to Green-Del's deliveries last year
 - WRE diversion continues from 2008
- ✓ Schoharie County
 - Fred's Sanitation deliveries down about 50%
 - Diverted waste calculated using the percentage estimates of overall county deliveries based on January
 - Diverted waste represents approximately 40 tons from County Waste that stopped in March
 - Jim's delivered 40 tons in January but no further deliveries since
 - Pete Bilby advised he will begin taking his deliveries out of the area. Year to date he brought in 1,000 tons. (Ms. Corrigan advised on this point; it was not on the handout.)

Ms. Corrigan advised that she had also reviewed the numbers for the City of Amsterdam, which were down as well.

Ms. Corrigan stated that she was comfortable with the 5% reduction suggested by the Finance Committee because Otsego and Schoharie are down 4-5%. She is, however, unsure about the roll off business and tourism season and how that may impact the numbers; it may need to be readdressed later.

Chairman Thayer advised he had a conversation with Dennis Heaton who had advised him that the roll off service is virtually nil at this time.

Ms. Podmajersky added that the resolution shows the new GAT tonnage numbers and also shows that the 2009 budget would be amended to reduce the T&D costs to reflect the amount that the GAT is reduced. This needs to be done in order to make up for the revenue that is lost because of the reduced tonnage. An additional contribution needs to be made to the Operating Budget in the amount of \$222,613 from an unrestricted account, which the committee agreed would be the Rate Stabilization Fund.

Ms. Podmajersky reminded the board about the article she handed out at the last meeting that showed a downturn in solid waste and mentioned she had read several other articles that stated other places are down 8 to 11 to 15% in their deliveries of solid waste. She went on to say that the committee had

decided to use one number for all three counties; 5%, which they believe is a good representation. Ms. Podmajersky stated that the committee would like to look at it again in a few months due to the uncertainty of the economy.

Mr. Wesnofske stated that the 2009 GAT had been reduced by 5% from 2008 levels and he doesn't believe there is information sufficient to reducing it by another 5%.

As Ms. Corrigan reported, Otsego County is somewhat isolated. Casella has been delivering approximately 10% less to the Authority but also has been consolidating their routes, throwing off customers and has no full time manager for the Oneonta operation. Mr. Wesnofske stated that the 10% less they have been short has other factors than the economy. He continued, saying that interior haulers like Russ Smith, who is about 3% down on residential and up substantially on C&D, and Mike Wheelock, who crosses the boundary between Otsego County and the Oneida Herkimer Authority, who reports being about 4% off on the generation of waste from last year substantiates that the 5% reduction already out there is in line with Otsego County's numbers.

Mr. Wesnofske stated that we do know that there is a lot of diversion with WRE and that after the last meeting he surveyed the area and found that there are lots of roll offs and C&D going on in the area; however, they are not coming to MOSA. He remarked that he was surprised that Mr. Heaton said the roll off business was low in Montgomery County as in Redding the papers; his sense was that was not the case. It is clear to him that the Otsego County market is just about 5% less than last year. He went on to say that Schoharie has big diversion problems and loss of substantial amounts of waste but a reduction there doesn't deal with the real problem; the emphasis should be placed on solving the real problem of diversion of waste on a wholesale basis. He believes this should be the board's focus.

Mr. Wesnofske continued saying all we are doing by reducing the amount of waste and not changing our transfer stations operations is raising the cost of processing the waste at these reduced volumes. He thinks it is the wrong strategy to follow, making a guess, and he believes we will be shooting ourselves in the financial foot by doing so. He continued saying that some haulers are making back door deals with a private agenda, purposefully putting financial strain on the Authority and assisting with the diversion of waste. He believes it will be an even larger problem next year when a new T&D contract will need to be negotiated.

Ms. Podmajersky remarked that she can't speak about Otsego or Schoharie Counties but Montgomery County's problem has been the GAT and that both 2007 and 2008 were too high. She went on to say that Amsterdam's Department of Public Works numbers in 2006-2007 are only in the 6000s, resident users are down by thousands and business direct, such as hospitals and schools, are down considerably in 2007 and 2008. She does not believe waste is being taken elsewhere from these businesses.

Mr. Wesnofske responded that she was in denial; Ms. Podmajersky remarked that she thinks as far as Montgomery County goes, this 5% reduction is fair.

Mr. Skowfoe addressed Mr. Wesnofske's comments, stating that granted, people are taking some waste out of the area but we need to reduce the subsidy payments, defease the bonds and create a competitive range for the tip fee that is cost effective, and then the garbage will come back into the system. He stated we have to make this a cost-effective entity; something we currently are not.

Mr. Parker offered an amendment in substitution to Resolution #38. Mr. Parker stated that the amendment would leave money available for defeasance and would be fair to all three Counties and that is the spirit he wrote this in. He read the following amendment into the minutes:

Whereas, the member Counties and Governing Board have agreed that defeasance of existing Authority bonds utilizing all available Authority funds consistent with Governing Board fiduciary responsibility, Public Authority Law and bond indenture covenants is desirable

Whereas, fairness in distributing any remaining financial responsibilities towards defeasance among the Counties is desirable

Whereas, Montgomery County is over GAT fiscal year 2009, has not paid its GAT shortfall penalty for 2008 and was granted further relief for said shortfall by Resolution #32 of 2009

Whereas, Schoharie County met its fiscal year 2008 GAT obligation and hence was not assessed a penalty payment to be applied towards defeasance,

Whereas, Otsego County promptly and fully paid its fiscal year 2008 GAT shortfall penalty, which will substantially be applied to defeasance,

Now, Therefore, Be It,

Resolved, that the 2009 GAT for Otsego County be reduced by 5% and be it further

Resolved, that Schoharie County be credited for the dollar equivalent of its 2008 overage if County contribution towards defeasance is required and be it further

Resolved, that any or all of the Counties be credited for the dollar equivalent of any 2009 overage if County contribution towards defeasance is required.

Chairman Thayer asked if there was a second; Mr. Wesnofske seconded the motion to amend in substitution.

Ms. Podmajersky stated that we are over our GAT because we spent \$500,000 in demolition and if you subtract that out she believes we are a little under our GAT. Mr. Parker remarked that she could propose an amendment to his amendment.

Mr. Wesnofske noted that Mr. Parker raised important points about setting aside funds for defeasance and that if Resolution #38 is adopted, we will be spending nearly a quarter of a million dollars from the Rate Stabilization Fund to make up for the shortfall. In effect, we are not only reducing the GAT but increasing the price of everything. He went on to say that he doesn't know where the defeasance meetings and DEC needs are going to go, but unless there is enough money in the kitty you are going to make defeasance implausible for the Authority.

Mr. Parker added that the quarter of a million dollars is one thing, but we are talking about the need for the Counties to pay some how to make up the difference; there just isn't enough money in the Reserve Fund or the kitty, for defeasance purposes. He went on to say it is a pay now or pay later scenario.

Chairman Thayer asked if there was further discussion; as there was not, he asked for roll call on the Resolution as amended. Upon completion of the roll call vote the Resolution as amended was defeated with John Mattas, Olga Podmajersky, Philip Skowfoe, John Thayer, Harold Vroman and Edward Wesnofske voting nay, David Parker voting aye, and Martha Clarvoe was marked as absent as she had left the meeting prior to the roll call.

Chairman Thayer then steered attention back to the original Resolution #38 and asked for further discussion.

Mr. Wesnofske explained his comments to Mr. Skowfoe stating that defeasing the bonds will not lower the tip fee to a competitive amount. The services we provide with the volume of trash we are seeing in the region is too much and what is needed is to reduce transfer station hours or staff in some fashion, which will probably chase more haulers away because of delivery needs; you are in a downward spiral. He went on to say that there have been many other cases in which haulers have proceeded against the public business of municipal waste management and produced financial stress by withholding waste in an effort to drive municipalities out of the solid waste management business. In the past, haulers diverted waste to put pressure on and get the Development Authority of the North Country (DANC) to cave in to demands for special privileges at their landfill. Unless we deal with the waste flow issue we are not going to be able to solve the problem. Lowering the tip fee by \$20.00 will not reduce it enough to compete with other larger urban areas that have a greater volume of waste and recyclables to deal with. MOSA's facilities are rural and will never produce waste on a large enough scale or volume to be competitive to what the private sector is doing in the Capital Region and Eastern Montgomery County. He continued, saying that is what you have to realize, MOSA will not be able to compete unless it can implement waste flow control.

Chairman Thayer asked for further discussion; as there was none, he asked for roll call on Resolution #38. Upon completion of the roll call vote the Resolution was adopted with John Mattas, Olga Podmajersky, Philip Skowfoe, John Thayer and Harold Vroman voting aye, David Parker and Edward Wesnofske voting nay and Martha Clarvoe was marked as absent as she had left the meeting prior to the roll call.

10. Other Business

a. Rescinding of Resolution 35 of 2008

Chairman Thayer asked for a sponsor and second; Mr. Skowfoe sponsored and Mr. Mattas seconded. Chairman Thayer then asked for discussion.

Mr. Wesnofske stated that he does not believe the board should rescind motions made by previous boards and thinks this is wrong. He went on to say that he believes it is the Authority's responsibility to make Schoharie County pay for their shortfall in 2009, which he thinks will be a big bill. He believes this should be true for Otsego and Montgomery Counties as well and stated that if this Resolution that gives the Executive Director the authority to enforce the Service Agreement is rescinded, the behavior of

the Counties will become even more self-serving in terms of paying for the real costs of dealing with garbage.

Mr. Skowfoe responded that it is not his intent not to pay; his intent is to have issues come before the board and be discussed. He brought up the Montgomery County litigation issue when he had requested a meeting before litigation was begun and Mr. Wesnofske had not done what he asked. He stated that if it had been done as he requested, this Resolution would not be on the table again. He brought this up so that situation does not arise again and that no Chairman can impose his will on the Executive Director without the issue coming before the board.

Mr. Mattas stated that he believed the Resolution #35 of 2008 was a bad resolution from the beginning and should never have come before the board; he went on to say that he doesn't support it.

Mr. Parker asked Mr. Skowfoe if the 3rd "Resolved" didn't allay the fears he had. Mr. Skowfoe responded that when he requested a meeting from the previous Chairman, Mr. Wesnofske, before the litigation was processed so the board could review questions that came forward; he did not have that meeting until after the litigation was begun. He stated that the 3rd "Resolved" did not make him feel better. Mr. Parker responded that it should give him the back-up he needs, noting that the 3rd "Resolved" stated that prior to any decision being made, Red Book Bond Counsel would be called in for a second opinion.

Chairman Thayer brought the meeting to order and asked for roll call to rescind Resolution #35 of 2008. Upon completion of the roll call vote the Resolution was rescinded with John Mattas, Olga Podmajersky, Philip Skowfoe, John Thayer and Harold Vroman voting aye, David Parker and Edward Wesnofske voting nay and Martha Clarvoe was marked as absent as she had left the meeting prior to the roll call.

- b.** Mr. Mattas had two items. He requested receipt of minutes and resolutions prior to the day of the board meeting. Chairman Thayer advised that these items were sent via e-mail a week prior to the meeting and asked if he had received them. Mr. Mattas responded that he had received "some of it". Chairman Thayer advised him that he would not have received the items that came out of committee as they had not been discussed before today's meeting.

Mr. Mattas' second item was to ask Ms. Chale to give an update on the status of defeasance. Ms. Chale responded that there have been no further discussions since the last meeting. There is a meeting scheduled for tomorrow and after that there should be a report. Mr. Mattas asked if she had been doing anything with regard to defeasance. Ms. Chale responded that she hadn't been asked to do anything. Chairman Thayer asked if she had heard anything from Hans Arnold. Ms. Chale responded that she had not and that at the last meeting it had been decided that Mr. Arnold would take the next step with the Counties. This next step is the meeting scheduled tomorrow. Ms. Chale advised that she would be attending to monitor the meeting; however, the meeting was for Mr. Arnold and the three Counties.

Mr. Skowfoe spoke to Mr. Parker stating that Mr. VanWormer thought the meeting was just for the three Counties but because he was invited by Mr. Bliss, it is ok for him to attend. He went on to say that maybe it was going to be an open meeting. Mr. Parker asked if Mr. Skowfoe was uninviting him; Mr.

Skowfoe said he was not; he just wanted to check with Mr. VanWormer. He continued, saying that as he was coming as a County representative, it was ok.

Chairman Thayer asked Mr. Mattas if he had anything else. Mr. Mattas said he would like to know from Mr. Wesnofske, who had spoken to the attorney after the Executive Session, what was discussed. Mr. Wesnofske responded that he would do so in Executive Session after the meeting.

Mr. Wesnofske stated that based on what Mr. Skowfoe said about being in favor of collection of shortfall payments and based on board review, he offered the following resolution:

Resolved that the Authority under the Service Agreement will enforce all its terms, including those for shortfall subsidy payments against any County for shortfalls under the budgeted 2009 GAT.

Chairman Thayer remarked that this resolution sounded very familiar; Mr. Wesnofske responded that it was, except that it doesn't give any one person the ability to act on their own; it is just a statement of what we will do as the Authority. Chairman Thayer asked if there was a second; Mr. Parker seconded.

Ms. Podmajersky asked for the resolution to be re-read; Mr. Wesnofske complied with her request.

Ms. Podmajersky stated that she thought the Authority's lawyer would say it was not required. Chairman Thayer remarked that he believed Ms. Chale had offered that opinion at a previous meeting and asked her to refresh the board's memory as to her opinion. Ms. Chale responded saying, it was probably a different resolution; however, if this resolution restates the Service Agreement, then she wouldn't consider it necessary.

Chairman Thayer asked if there was further discussion; as there was none, he asked for roll call. Upon completion of the roll call vote the Resolution was defeated with John Mattas, Olga Podmajersky, Philip Skowfoe, John Thayer and Harold Vroman voting nay, David Parker and Edward Wesnofske voting aye and Martha Clarvoe was marked as absent as she had left the meeting prior to the roll call.

Chairman Thayer asked if there was any other business. Mr. Wesnofske responded making a motion for a short Executive Session with a one minute report and three minute question and answer period on Mr. Redding's communication to him. Mr. Skowfoe seconded and Executive Session began at 5:23 p.m.

Executive Session ended at 5:28 p.m. with Mr. Wesnofske moving to end the session and Mr. Vroman seconding the motion.

11. Closing

Chairman Thayer called the meeting back into session at 5:30 p.m. and asked for a motion to adjourn. Mr. Vroman so moved and Mr. Wesnofske seconded. The meeting adjourned at 5:31 p.m.

Respectfully Submitted,

Judith Beeler,
Confidential Secretary