

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT AUTHORITY
FINANCE COMMITTEE MEETING**

DATE: September 16, 2009
LOCATION: MOSA Administrative Complex, Howes Cave

Members Present:

Martha Clarvoe
Olga Podmajersky, Chair
Harold Vroman

Others Present:

John Mattas
Edward Wesnofske
Barbara Corrigan
Dennis Heaton

1. Opening

Chairman Podmajersky opened the meeting at 1:08 p.m.

2. Approve Minutes of Prior Meetings – July 20, 2009 and September 1, 2009

Chairman Podmajersky asked for a motion to approve the above mentioned minutes. Ms. Clarvoe so moved, Mr. Vroman seconded and on voice call the motion carried unanimously.

3. Approve Agenda

Chairman Podmajersky asked for a motion to adopt the agenda. Mr. Vroman so moved, Ms. Clarvoe seconded and on voice call the agenda was adopted unanimously.

4. 2010 Budget

Chairman Podmajersky indicated that Mr. Skowfoe had requested a line by line review of the budget. A meeting to do so was scheduled for September 10th; however, as there was not a quorum, an informal meeting was held and the budget was reviewed as requested.

Chairman Podmajersky advised the committee that changes had been made to the draft budget previously received and those changes are noted in the following revised handouts:

- ✓ Summary of Changes
- ✓ 2009-2010 Budget Comparison
- ✓ Budget Details by Department
- ✓ 2010 Personnel and Benefits Summary

Chairman Podmajersky reviewed the savings/changes:

- ✓ Management compensation has been decreased from 5% to 2%
- ✓ Elimination of full time Transfer Station Operator Floater position
- ✓ Filling two part time positions, Weight Station Operator and Transfer Station Operator
- ✓ Switching insurance for management employees
- ✓ Elimination of Household Hazardous Waste events – Chairman Podmajersky suggested looking at this again in the spring and perhaps being able to add it back into the budget after defeasance.
- ✓ Freon removal will be done in house rather than contracted out – Ms. Corrigan advised that one staff member is trained but a piece of equipment to remove the Freon needs to be purchased. Mr. Wesnofske asked about disposal and storage; Ms. Corrigan advised the Freon is cleaned as removed and the Authority could either sell it or give it away. She will check into the regulations on storage.
- ✓ Leachate System Cleaning bid; lowest price was chosen
- ✓ Mowing landfills will be done in house – Ms. Corrigan advised that the Authority already has a mower capable of doing the work; however, there may be a need to purchase an attachment. The maintenance department will advise if the attachment is necessary.
- ✓ Eliminated two cell phones from the maintenance department
- ✓ Reduced the number of maintenance repair projects; such as replacement tires for vehicles.
- ✓ Eliminated the boiler maintenance agreement

- ✓ Eliminated all engineering costs
- ✓ Eliminated Financial Advisor costs – Ms. Corrigan remarked that Resolution #47 of 2009 recommends to the Board that funds for defeasance consultants come out of the Rate Stabilization Fund
- ✓ Eliminated HR Consultants
- ✓ Reduced amount available in Contingency
- ✓ T&D cost savings – Chairman Podmajersky suggested getting into this in the GAT discussion

Chairman Podmajersky asked for comments and discussion.

Ms. Clarvoe inquired if the heat was being turned down in buildings. Ms. Corrigan advised that staff had made many cost saving suggestions that included things like turning down heat and lights and doing the mowing in house.

Mr. Mattas proposed the elimination of SWANA dues and other seminar costs. Ms. Corrigan voiced her concern about eliminating this seminar as it is a very educational seminar at which new DEC regulations and other information are gathered as well as being an opportunity to make contacts within the industry. Mr. Mattas suggested obtaining that information from various websites instead. Ms. Clarvoe suggested sending only two people to the seminar instead of four. Chairman Podmajersky agreed with Ms. Corrigan that the seminar has value and is important to maintain and suggested eliminating publications instead. Ms. Corrigan advised that she would take out \$500 from both Education/Training Publications and Conferences/Meetings/Seminars.

Mr. Mattas suggested selling the van in order to eliminate insurance costs for the vehicle and substituting mileage reimbursement for the Executive Director instead. Ms. Clarvoe asked if a comparison could be made of one to the other. Ms. Corrigan advised that mileage reimbursement costs would be much higher than the cost of insuring the vehicle as there is a great deal of travel required by the position. She went on to say that the van is currently being used at the Schoharie Transfer Station as the pickup truck is now being used in place of the maintenance department's service truck for running errands and gas delivery.

Mr. Wesnofske questioned the Transportation & Disposal savings. Ms. Corrigan advised that this number was based on a revised GAT figure.

Chairman Podmajersky reviewed the revenues:

- ✓ Estimated increase for paper recycling at \$20 per ton
- ✓ Noted the loss of DEC grant revenue for the HHW program

Chairman Podmajersky commended Ms. Corrigan on a job well done in reducing the budget.

5. 2010 GAT

Ms. Corrigan reviewed and explained the 2010 GAT calculations and GAT options as follows:

- ✓ Otsego and Schoharie Counties remain about the same
- ✓ In 2007, Montgomery had a lot of diverted waste in the last quarter of the year so Mr. Cooper performed the same calculations he had for 2008, for 2009; taking actual delivery numbers for March through August and annualizing them to determine where to make changes and averaging out the calculations

- ✓ The same logic has been applied as was used in the September 10th GAT discussion.
- ✓ Recommendation is to use current GAT, which was previously adjusted down by 5%

Chairman Podmajersky remarked you could use the current 2009 GAT or reduce the 2010 calculations by 5%. She questioned the 2008 lost tonnage amount for Fultonville and remarked that it was too high; that Fultonville has never had that high of tonnage so they couldn't possibly have that much lost tonnage. She went on to say there must be a flaw somewhere in the calculation. Ms. Corrigan responded that County Waste did not bring in any tonnage in 2008 from Fultonville and suggested they may have had a special project during that time. She went on to say that she could look into it further and remarked that her goal had been to be consistent across the service area when calculating the GAT.

Ms. Clarvoe inquired what the tip fee would be if using the updated 2010 GAT less 5%. Ms. Corrigan advised that it would go down; however, her concern is with the % change from the current GAT for both Otsego and Schoharie Counties. That is why she is recommending using the current 2009 GAT.

Chairman Podmajersky polled the committee and the consensus was all of them were comfortable in recommending the current 2009 GAT calculation be used for 2010.

Ms. Clarvoe remarked that if less garbage was hauled there would be a cost savings and suggested promoting and educating the public on increased recycling. Ms. Corrigan responded that for every ton not brought in MOSA would lose the entire tip fee, not just the T&D.

Ms. Corrigan advised that in 2007 when the outside waste tip fee was \$70, we were bringing in an average of 1600 tons per month over a 10-month period. Currently, with an outside waste tip fee of \$106, our average is 105 outside waste tons per month. She went on to say that once the bonds are defeased we may be able to increase revenues through increased deliveries and get to a point of being able to spend money on public education.

Chairman Podmajersky asked if there were any other discussion on either the budget or the GAT; as there was none, she indicated that the Finance Committee's recommendation to the Board would be to use the current 2009 GAT for 2010.

6. Resolutions

Chairman Podmajersky listed the following resolutions for review:

- ✓ Resolutions 49, 50 and 51 establishing the 2010 GAT for Montgomery, Otsego and Schoharie Counties
- ✓ Resolution 52 Adopting 2010 Operating Budget Appropriations
- ✓ Resolution 53 Adopting 2010 Operating Budget Revenues
- ✓ Resolution 54 Establishing the 2010 Tipping Fees and Other rates

Chairman Podmajersky asked the committee to think about the tip fee for outside waste.

Ms. Corrigan advised that she had added a whereas to Resolution 54, which states: "whereas, the Authority will contribute from the Rate Stabilization Fund an amount not to exceed \$270,539". She went on to say she added the "not to exceed" so that if revenues increase throughout the year, we will not have to contribute the entire amount.

Chairman Podmajersky asked Ms. Corrigan to review Resolution 53 Adopting 2010 Operating Budget Revenues. Ms. Corrigan explained that the revenues listed on the resolution are based on 2009 actuals for six months which have been annualized.

- ✓ cost per bag hasn't changed
- ✓ minimum scale fee also remains unchanged
- ✓ recycling services were increased by \$14,000 due to the increase to \$20 per ton for paper recycling
- ✓ other surcharges and fees relates to uncovered loads, Freon removal, etc.
- ✓ interest earnings are based on funds prior to defeasance; may change if defeasance occurs before the end of the year
- ✓ added a contribution from Rate Stabilization in order to keep tip fee at \$106

Chairman Podmajersky polled the committee and the consensus was to recommend the resolution to the Board.

7. Other Business

a. GASBOY replacement RFP

Chairman Podmajersky advised that at the September 1, 2009 meeting, the committee had discussed the GASBOY replacement RFP and asked if the committee wanted to recommend it to the Board. Ms. Corrigan remarked that she thought the committee had made a motion to do so. Chairman Podmajersky stated that they would recommend going out for proposals at the Board meeting.

b. Computer Back-up system

Chairman Podmajersky asked Ms. Corrigan the status of the back-up system. Ms. Corrigan advised that when she had checked with MOSA's IT person, he indicated that in order to piggy back on Schoharie County's system a VPN connector would have to be installed at an estimated cost of \$500 per month. She went on to report that in 8-10 months that would pay for the Barracuda system. Ms. Corrigan indicated that permission exists to purchase the system through the Purchase Order Policy based on Resolution #19; however, funds will have to be transferred from equipment replacement to cover the costs, approximately \$3600 including yearly maintenance fees.

c. Resolution from John Mattas regarding mileage reimbursement for directors

Chairman Podmajersky asked if the resolution that Mr. Mattas presented at the last meeting had been prepared for the Board. Ms. Corrigan advised that it had not been prepared but would be ready for the next Board Meeting.

Chairman Podmajersky asked if there was any other business. Ms. Corrigan asked if the committee agreed with transferring funds from Rate Stabilization to cover costs to engage consultants for the defeasance process on Resolution #47. The committee agreed that was the appropriate fund to use.

8. Closing

Mr. Vroman made a motion to adjourn the meeting; Ms. Clarvoe seconded. The meeting adjourned at 1:50 p.m.

Respectfully Submitted,

Judith Beeler
Confidential Secretary