

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT AUTHORITY
BOARD MEETING #07**

DATE: August 18, 2010
LOCATION: MOSA Administrative Complex, Howes Cave

Members Present:

David Parker
Olga Podmajersky
Alexander Shields
Philip Skowfoe
John Thayer
Edward Wesnofske

Members Absent:

John Mattas
Harold Vroman

Others Present:

Dennis Heaton
Barbara Corrigan
Chris Chale
Karen Sullivan, O.C.
Mark Robarge, Recorder
Evelyn Lindley

1. Opening – Roll Call

Chairman Thayer called the meeting to order at 1:27 p.m.

2. Adoption of Agenda

Chairman Thayer asked for a motion to adopt the agenda. Mr. Wesnofske so moved, Ms. Podmajersky seconded and on voice call the motion unanimously carried.

3. Privilege of the Floor

Chairman Thayer offered the privilege of the floor to the public. Ms. Lindley inquired about the date of the Household Hazardous Waste event at the Western Transfer Station. The secretary provided her with the event's flyer.

4. Adoption of Minutes of Prior Meeting – July 15, 2010

Chairman Thayer asked for a motion to adopt July 15, 2010 minutes. Mr. Shields so moved, Mr. Wesnofske seconded and on voice call the motion unanimously carried.

5. Reports

a. Chairman

Chairman Thayer reported that:

- ✓ He had been communicating with the Executive Director concerning the T&D discussion, which is on the agenda for later in the meeting.
- ✓ He had been watching a symposium on the NYS Assembly channel about public authorities, with great interest, in which Assemblyman Brodsky and David Kidera, Director of the ABO were participants.
- ✓ He has been sitting in on economic development meetings with the IDA of Montgomery County and noted that, as an Authority, they are wrangling with some of the same issues as MOSA.

b. Finance

Ms. Corrigan reported the following:

- ✓ The financial packet is for the month of July; June financials are posted on the website.
- ✓ GAT
 - The projected year-end aggregate overage is 2,184.

- Otsego County dropped last month; their projection was a loss of 279 and this month they are up by 25. In looking to find reasons for that, it appears that some of the waste that is coming in to Northern is actually new waste being brought into the system, which helps with that projection. The amount of new waste is approximately 300 tons a month.

Mr. Wesnofkse asked if the new waste was municipal or C&D vs. non C&D. Mr. Heaton advised that had not yet been defined. Mr. Shields remarked that as the waste comes in, it is recorded and he does not understand why it can't be defined. He asked if this affected the numbers at the Oneonta Transfer Station (OTS), now that haulers who used to bring waste there are now using the Northern Transfer Station (NTS). Mr. Heaton responded that it did; however, the numbers are up at NTS. Ms. Corrigan noted that some waste from the Western Transfer Station (WTS) is now going to NTS as well. Mr. Shields again stated that he did not understand why the new waste was not able to be defined as it is submitted electronically and the type of waste should be immediately known. Ms. Corrigan noted the information was available; the numbers just hadn't been put together yet.

Mr. Shields stated that his interest in this was with regard to the GAT and noted that special projects over 100 tons have not counted towards the GAT but under 100 ton projects have. Mr. Heaton noted there had been no special projects in Otsego County during the month. Mr. Parker noted that the July invoice for Otsego County had 4,100 tons vs. 3,893 tons in the monthly actuals and asked why that was. Ms. Corrigan advised the number could include outside waste. Mr. Parker noted that when comparing cumulative numbers, there has been an increase of 250-300 tons of waste, be it inside or outside waste.

- Schoharie County's GAT shortfall numbers have dropped as they have begun accepting outside waste for those haulers with which they have subsidy agreements; this began June 1st.

✓ Actuals vs. Budget

- The year-to-date budget reflects operating income before amortization and depreciation of \$225,414.
- A loss of \$71,865 had been budgeted for the whole year, so we have taken strides in the right direction by reducing overtime, pulling wood and metal from deliveries, etc.

Ms. Podmajersky remarked that she did not understand what was included in the budgeted operating income line. Ms. Corrigan explained it included all revenues (net income) including the tip fee, less all expenses by department.

✓ Statements of Revenues, Expenses and Changes in Net Assets

- Year-to-date there is \$5,194 worth of items, such as steel, etc.; the maintenance department has bought but does not show until the work orders are completed.

✓ Balance Sheet

- Property and Equipment is \$6,621,104.51.
- Restricted Assets is the \$1 million set aside for the three County account; we are still holding and waiting for the account to be set up.

Ms. Podmajersky asked which County would have ownership of the account once set up. Ms. Sullivan advised that all three Counties had passed resolutions with regard to setting up the account and a Memo of Understanding is being developed by the attorneys and treasurers of the Counties. She noted that all three Counties would have ownership of the account, but only one County would control it; the details of which will be outlined in the Memo of Understanding.

- Current Assets consist of Operating Cash, Reserve Cash, Accounts Receivable, Inventory and Prepaids.
- Other Assts consists of Intangibles like the Service Agreement and SWMP.

Mr. Shields asked if the number of Intangibles was correct. Ms. Corrigan advised that it was and that the number was amortized over the life of the Service Agreement; that is why amortization charges are so high.

Ms. Podmajersky remarked that it looks like we are in pretty good shape with regards to what we thought our requirements would be for this year. Ms. Corrigan agreed.

c. Executive Director

Mr. Heaton read through his report, which is attached to these minutes.

Ms. Podmajersky asked if the pilot e-waste program was in operation. Mr. Heaton advised that it was and explained the program, noting that currently e-waste is only being accepted at the main office, but the program will expand to the transfer station sites later in the year. Mr. Wesnofske asked where the prices were posted. Mr. Heaton advised they had not been posted as it is only a pilot program at this time. The secretary handed out copies of the price list for the pilot program. Mr. Wesnofske questioned why the pricing had not been run by the Board for approval; Mr. Shields agreed. Mr. Heaton remarked that he had planned on doing so after seeing the results of the pilot program. Mr. Wesnofske remarked that he was alright with staff experimenting with a pilot program first but a permanent program needed authorization from the Board. Mr. Shields disagreed. He believes the program should have been run by the Board for approval.

Mr. Parker asked if Mr. Heaton attended Montgomery and Schoharie County Solid Waste Committee meetings as well as Otsego County meetings. Mr. Heaton remarked that he does attend their meetings if the subject matter on the agenda relates to MOSA.

Chairman Thayer asked for discussion regarding the excess tonnage surcharge identified in the Service Agreement (10.3.1 and 10.3.2) concerning the Bresees building demolition job in Otsego County. Mr. Heaton noted that he did not want to penalize Otsego County if the demolition job put them over their GAT.

Mr. Shields remarked that he had no knowledge of a penalty for overages in the past and suggested the Service Agreement for GAT doesn't allow that. He asked Mr. Heaton what direction should be taken with regard to remedying this issue. Mr. Heaton read from the Service Agreement (10.3.2), "The Authority may maintain, decrease, or forgive the surcharge subsidy as calculated hereunder following the explanation by the County". The Service Agreement allows you to say you can scratch it.

Ms. Podmajersky remarked that to the best of her knowledge, no one had been penalized in the past; however, the only reason for forgiving the penalty was if a County increased their recycling. She went on to say that she would not vote to penalize a County if it went over its GAT due to demolition projects.

Mr. Wesnofske noted this would not be a large sum of money. The amount is figured on 10% of the tip fee applied to the access of 110% of the GAT, \$8.60 per ton. Ms. Sullivan noted the project was expected to be approximately 4,000 tons, which works out to approximately \$36,000.

Mr. Skowfoe remarked that it would be advantageous for MOSA to have the overage as it would mean that much more revenue coming in to cover operating expenses.

Ms. Podmajersky remarked that we are begging for garbage and she could not imagine charging for an overage. Mr. Skowfoe agreed. Mr. Parker remarked that he did not believe any member of the Board would vote to penalize a County for an overage. Ms. Sullivan noted that 10.3.2 of the Service Agreement explains the process by which to forgive an overage.

Mr. Skowfoe suggested Otsego County require the contractor to deliver the C&D to MOSA. Mr. Wesnofske remarked that was not under the County's control.

Chairman Thayer noted a final calculation would be done at the end of the year and the issue could be addressed in January 2011. Ms. Sullivan remarked the Service Agreement notes this needs to be accomplished by March 2011. She explained that the IDA has to follow its procurement policy, the city has a subsidy agreement with the County, grant money is available but the best price must be obtained and the County wants assurances that there will be no penalty.

Mr. Heaton noted Otsego County wants to know if its risk of a penalty is low; he advised he had been working with Carolyn Lewis of the IDA on the project.

Ms. Podmajersky remarked that from Mr. Parker's informal polling of the Board, even though it was non-binding, it appeared that no one on the Board would vote to penalize the County for an overage.

6. Committee Reports

a. Audit

Mr. Wesnofske reported the following:

- ✓ The scheduled Audit Committee meeting did not take place as there was not a quorum present.
- ✓ Bank account reconciliations were reviewed.
- ✓ The Director of Administration and Finance was interviewed regarding internal controls; a draft of which will be available at the next Audit Committee meeting.
- ✓ More records need to be reviewed.
- ✓ The records already reviewed appeared to be in good order.

b. Finance

Ms. Podmajersky reported the following:

- ✓ The Finance Committee met on August 11.
- ✓ The T&D negotiations were discussed and Option D is being recommended as the preferred vendor by Resolution #34.

- ✓ The draft 2011 Budget was reviewed; operating costs are down from last year's budget.
- ✓ The draft 2011 GAT was reviewed; GAT for 2011 is up to 104,007 vs. 97,000 for 2010.
- ✓ Resolution #35 Authorizing the Execution of Amendment #1 to the Service Agreement deleting the penalty for disposal costs is being recommended by the committee.

- Treasurer's Report
 - Total monthly expenses are usually \$700,000 but July's expenses up to \$893,000 Ms. Corrigan noted this was due to an extra payroll in July and a partial workers compensation payment during the month.

c. Governance & Ethics

Ms. Podmajersky reported the following as Mr. Mattas was absent from today's meeting:

- ✓ August 6, 2010 meeting:
 - The main purpose of the meeting was to discuss an alleged violation of the Authority's Code of Ethics Policy by a Board member. The three committee members were present as was MOSA's attorney, Chris Chale via telephone.
 - The committee believes there was a violation to the appropriate rules and statues of the Authority's Ethics Policy and voted unanimously in favor of continuing with a charge as follows:
 - “It is alleged that Edward Wesnofske, member of the MOSA Board, has violated the Authority's Ethics Policy Section A (1) (b) in divulging confidential information meant only for the MOSA Board and the Executive Director and upon his own action has singularly decided to share this information with the public.”
 - The committee agreed to send the Proposed Finding to Mr. Wesnofske to allow him the option to respond to the committee or address the committee before the committee forwards the finding to the full Board. The proposed finding was e-mailed to Mr. Wesnofske on August 6, 2010. (note: a hard copy was mailed certified/return receipt on August 6, 2010 as well)
 - On August 17, 2010, Mr. Wesnofske e-mailed the committee with the message that there would be no statement for the Governance and Ethics Committee nor appearance before the committee at their meeting scheduled for August 18, 2010.
- ✓ August 18, 2010 meeting:
 - At this committee meeting, since there was not a full committee present, a motion was made to table the Proposed Finding, Matter No. 2010-1, until the next Governance and Ethics Committee meeting.

7. Resolutions

a. Resolution #34 Selecting the Contractor of Choice for Transportation & Disposal Services

Chairman Thayer asked for a sponsor and a second. Mr. Parker so moved and Mr. Thayer seconded.

Chairman Thayer noted the need to amend the resolution to include the name of the contractor of choice and asked for discussion on the resolution.

Mr. Parker asked if the load density agreed upon was 28 or 29 tons. Mr. Heaton remarked that depended on whether it was a single or tandem load. Mr. Parker asked why that was not noted in the contract. Ms. Chale advised that each proposal specifically includes tonnage commitments. Chairman Thayer reminded the Board that the Authority is still in negotiations and discussion of specific information needs to be restricted.

Ms. Podmajersky suggested going into Executive Session to err on the side of caution. Mr. Shields made a motion to go into Executive Session for discussion of a contractor of choice for T&D services. Mr. Skowfoe seconded. Mr. Wesnofske questioned why the name of the contractor should be kept from public record and suggested naming the vendor first and then going into Executive Session to discuss details of the contract.

Chairman Thayer noted there is ongoing investigation into negotiations and asked for a roll call vote on the motion. On roll call vote, the motion failed with Olga Podmajersky, Alexander Shields, Philip Skowfoe and John Thayer voting aye and David Parker and Edward Wesnofske voting nay. John Mattas and Harold Vroman were absent.

Motion to amend the resolution made by Edward Wesnofske and seconded by David Parker to add the name of Wecare Transportation, LLC, as the contractor of choice. On roll call vote, the motion failed with David Parker, Olga Podmajersky, John Thayer and Edward Wesnofske voting aye and Alexander Shields and Philip Skowfoe voting nay. John Mattas and Harold Vroman were absent.

Ms. Podmajersky remarked that negotiations had not been completed, therefore, the wording in the 3rd whereas should be changed from "completed" to "conducted".

Mr. Wesnofske made a motion to amend the wording in the 3rd whereas from "completed" to "conducted" and Mr. Shields seconded.

Chairman Thayer suggested looking at the T&D analysis that had been provided by Management; discussion continued on the resolution.

Mr. Wesnofske noted that Wecare had been recommended by the Finance Committee, compared to the other options their price is very good, (even better than he had anticipated) there doesn't seem to be a question of lost waste and it appears it would serve the interest of the Authority as the best choice.

Chairman Thayer remarked the potential lost waste with Wecare is minimized as best as it can be, there is a price differential with the other options or a question as to their ability to obtain the necessary subcontracts with the landfills; therefore, he believes Wecare is the best option.

Mr. Parker made a motion to amend the resolution to include the name of Wecare Transportation, LLC as the contractor of choice and to amend the wording in the 3rd whereas from "completed" to "conducted". Mr. Parker remarked that he had taken the Wecare proposal home and studied it; he noted that Ms. Corrigan had provided him with two letters from Wecare as well. He suggested that the full Board should read the letters as he could not say what they contained out loud in open session. Ms. Chale noted that part of the substance of their proposal had been communicated in written form so that the Board could review it. Mr. Parker stated the letters were in support of his amendment.

Mr. Shields noted there had been a lot of discussion in the Finance Committee minutes about the 7,000 additional tons Mr. Heaton anticipated coming into the Authority from the Capital District because the tipping rate would be that much more attractive. He also noted that the Finance Chair, Ms. Podmajersky, suggested the contracts with the landfills be executed before the contract with the hauler, checking with counsel prior to doing anything. Mr. Shields asked if the recommended vendor guaranteed all waste in all three Counties would come through MOSA to the particular landfills associated with the vendor, if that would be considered a quasi flow control device. He noted that the current contract with Riccelli has similar stipulations in it and yet we have significant leakage in Otsego County from a hauler in the south as well as some leakage in Schoharie County. Mr. Shields remarked that he was not comfortable with the Executive Director filling in the blanks for a \$20 million contract.

Ms. Chale clarified that the resolution in discussion today does not approve a contract; rather it gives direction to the Executive Director to go back and complete negotiations with the vendor of choice for a contract, which would then be brought back to the Board for final approval. Chairman Thayer remarked the resolution simply names a vendor and negotiations are still ongoing. He went on to say that the idea is to lock up a contract with the vendor and the landfills and bring the contract back to the Board for final approval. Mr. Shields remarked that he understood that the Board has final say on the contract and that part of the discussion today was to name the vendor for the public. He asked if in the event we don't get exactly what we are looking for in the contract, do we go back to step one and start the RFP process all over again? Chairman Thayer remarked that he did not believe we would. Ms. Chale remarked that the process you would follow is not necessarily a single process. The Board would proceed based upon all the facts and circumstances, deciding whether it would be better to continue negotiations to obtain the best contract. Mr. Shields asked what instructions have been provided to the Executive Director by the Board regarding the contract. Ms. Chale responded there had been a Finance Committee meeting at which Mr. Heaton made recommendations to the committee to be brought to the Board for discussion. It is her understanding that the contract would go back to the Finance Committee for review prior to coming to the full Board for final approval. Chairman Thayer agreed with her understanding of the process.

Chairman Thayer remarked that with the current T&D contract only one landfill was locked into bringing waste through the MOSA system. Ms. Podmajersky and Mr. Wesnofske stated there were two landfills, Waste Management's and Casella's. Mr. Wesnofske remarked that Waste Management is mandated; however, Casella's language in the contract is softer and dependent on economics. Chairman Thayer noted the Board is looking for stronger language in the new contract for all landfills, not just one. Mr. Shields noted that he had read through the Riccelli contract and thought they had a lot of latitude to do a lot of things. He remarked that he prefers a simpler contract better than a complicated contract but with a \$20 million tag and the ramifications that could be costly to the Counties; his understanding is that the Board wants to get it right this time.

Chairman Thayer asked for further discussion; as there was none, he asked Mr. Parker to restate his motion.

Mr. Parker made a motion to amend the original amendment to the resolution to include the name of Wecare Transportation, LLC as the contractor of choice and to amend the wording in the 3rd whereas from "completed" to "conducted".

Mr. Wesnofkse raised a point of order, stating that Mr. Parker was not eligible to make the amendment because he voted for the original amendment. He stated that only Mr. Shields or Mr. Skowfoe could do so because they both voted against the original amendment. Mr. Shields agreed and stated that he was not going to change his vote. Mr. Skowfoe remarked that he was not going to change his vote either as he believes the recommendation by the Finance Committee should have been official before the name was put into the resolution.

Chairman Thayer called for a short recess; as there was no objection, a 10 minute recess began at 2:40 p.m.

Chairman Thayer called the meeting back to order at 2:57 p.m., noting that Resolution #34 was still before the Board. He asked for further discussion.

Mr. Skowfoe made a motion to go into Executive Session; Mr. Shields seconded. Mr. Wesnofske inquired as to the purpose of the Executive Session. Mr. Skowfoe responded the purpose was to discuss negotiations. Mr. Wesnofske remarked that a vendor had not yet officially been named; therefore objecting to the Executive Session. Mr. Skowfoe asked Ms. Chale to rephrase the purpose so it would be acceptable to Mr. Wesnofske. Ms. Chale restated the purpose of the Executive session, noting that the Board wanted to disclose the contents of the proposal in order to reach a conclusion about the preferred vendor's negotiation and as such, disclosing the information about the current proposals in public could potentially jeopardize the availability of those proposals. She noted that she believed it was legitimate to go into Executive Session to discuss the hiring and firing of a particular person or company for the T&D contract. Mr. Wesnofske was satisfied with her restatement of the motion, saying he just wanted the reason specified. Mr. Skowfoe stated he approved of Ms. Chale's rephrasing of his motion. Chairman Thayer suggested including Ms. Chale, Mr. Heaton and Ms. Corrigan in the Executive Session; Mr. Skowfoe agreed.

Chairman Thayer asked for roll call vote. On roll call, all members present voted aye. John Mattas and Harold Vroman were absent. Executive Session began at 2: 58 p.m. Mr. Wesnofske made a motion to come out of Executive Session and Ms. Podmajersky seconded; on voice call, Executive Session ended at 3:15 p.m.

Chairman Thayer called the meeting back to order at 3:21 p.m., noting Resolution #34 was still on the table.

Mr. Wesnofkse made a motion to amend the original amendment to Resolution #34 to include the name of Wecare Transportation, LLC as the contractor of choice and to amend the wording in the 3rd whereas from "completed" to "conducted" and Mr. Parker seconded. Chairman Thayer asked for discussion on the amendment.

Mr. Skowfoe asked Mr. Wesnofske to clarify whether his statement earlier with regard to Robert's Rules of Order was correct. Chairman Thayer stated that he believed the way it is presented in Robert's Rules; the losing side can bring a resolution back to the table. Mr. Wesnofske remarked that was what he was trying to say earlier. Mr. Skowfoe noted that the prevailing side is the side that can bring it back, and in this instance that would have been he or Mr. Shields.

Chairman Thayer asked for a roll call vote on the amendment. On roll call the motion carried, with David Parker, Olga Podmajersky, Philip Skowfoe, John Thayer and Edward Wesnofske voted aye and Alexander Shields voted nay. John Mattas and Harold Vroman were absent.

Chairman Thayer asked for a roll call vote on the resolution as amended. On roll call the resolution was adopted as amended with David Parker, Olga Podmajersky, Philip Skowfoe, John Thayer and Edward Wesnofske voted aye and Alexander Shields voted nay. John Mattas and Harold Vroman were absent.

b. Resolution #35 Authorizing the Execution of Amendment #1 to the Service Agreement

Chairman Thayer asked for a sponsor and a second. Mr. Shields so moved and Mr. Parker seconded. On roll call vote, the resolution was adopted with all members present voting aye. Mr. Mattas and Mr. Vroman were absent.

c. Resolution #36 Authorizing the Transfer of Budget Funds

Chairman Thayer asked for a sponsor and a second. Mr. Thayer so moved and Mr. Wesnofske seconded. On roll call vote, the resolution was adopted with all members present voting aye. Mr. Mattas and Mr. Vroman were absent.

8. 2011 draft Budget discussion

Chairman Thayer asked Mr. Heaton to explain the 2011 draft Budget. Mr. Heaton noted the different components of the Budget booklet as follows:

- ✓ Page 1 shows the Operating/Capital Budget assumptions
- ✓ Page 2 is a summary of Operating Costs with a comparison between 2010 and 2011 numbers
- ✓ Page 3 is the Personnel Budget summary of expenses including benefits
- ✓ Pages 4 – 7 shows expenses by cost center
- ✓ Pages 8 -31 gives the line by line detail associated with the budget including an increase or decrease in comparison to the 2010 budget and an explanation of the difference
- ✓ The last page identifies potential enhancements to the baseline budget

Mr. Heaton remarked that review of the draft will give the opportunity for questions and offered to review the budget line by line if the Board so desired.

Ms. Corrigan made note that she had taken the original 2010 budget and pulled out the debt; some money was moved into landfill because the post-closure agreement was in place at that point and we originally intended to contribute \$270,000 but dropped that down to \$70,000. To clarify, we reduced the contribution and there were some additions to landfill; those are the differences reflected in the tip fee of \$19.36 used here.

Mr. Heaton asked the Board how they would like to proceed. Chairman Thayer suggested giving the budget to the Finance Committee for review and asked if anyone had input from the floor.

Ms. Podmajersky asked if anyone would like to have a line-by-line review like last year. Ms. Corrigan remarked that she would be happy to have a line-by-line meeting.

Mr. Skowfoe remarked that he would like an open meeting to go over the budget line-by-line and to discuss the possibility of giving some kind of incentive to staff to show the Board appreciates their hard work. He

noted he did not mean a monetary bonus, but some other incentive to show appreciation and suggested putting a line in the budget to cover an expense called Employee Recognition. Mr. Wesnofkse stated he had no disagreement with the proposal. Mr. Parker noted the budget could be amended at any time to accommodate such a proposal.

Ms. Podmajersky noted there were only small changes (reductions) from last year's budget and suggested that it would behoove the Board to think about the direction of the Authority and to look at major changes like curtailing hours or closing transfer stations to reduce the budget. However, she stated that she was not prepared to discuss specifics in depth at this time. Mr. Wesnofske agreed with her suggestions adding that some of the transfer stations are expensive to operate and overbuilt with too many transfer stations competing for a small amount of waste in a limited area.

Chairman Thayer noted these suggestions have all been discussed in the past.

Ms. Podmajersky asked if the Authority was going to continue operating the same as it had in the past through to 2014. Chairman Thayer stated that he believes there has been a change in direction already. Ms. Podmajersky agreed noting she believed the Authority was being run well; however, she was talking about making hard decisions.

Mr. Wesnofske cited Hans Arnold's report and the ABO report as reasons for making these hard decisions. Ms. Podmajersky remarked those were not her reasons for doing so and stated the SWMP needed revising. Chairman Thayer suggested making changes through the SWMP rather than through the budget. Ms. Podmajersky asked if the Authority was going to revise the SWMP. Chairman Thayer remarked it was the plan to do so in the near future.

Mr. Parker asked if they were proposing these changes for this year's budget process. Ms. Podmajersky remarked it was too late this year to make the changes.

Mr. Parker remarked that his concern was the small amount of money in the Asset Management Fund of \$300,000. Ms. Corrigan advised him that \$500,000 was in the fund. He noted that the Authority is relying on that for any emergency that involves any major repairs to buildings or equipment and asked if a static balance was being maintained in the account. Ms. Corrigan advised that the Finance Committee needs to determine how to deal with the funds in the Reserve Account at the end of each year. Those funds could be transferred over to the Asset Management Fund.

Mr. Parker noted that Household Hazardous Waste was not shown as budgeted. Ms. Corrigan advised it was not; however, the last page of the budget identifies potential enhancements to the baseline and it is included in these enhancements.

Ms. Podmajersky inquired as to the Capital Budget. Mr. Heaton and Ms. Corrigan advised they have been gathering information for review with the Finance Committee. They met with Mr. Rothrock last week and have a replacement schedule but still need to compile information on the buildings and facilities.

Chairman Thayer asked the secretary to contact Board members to set up a line-by-line budget review meeting once Mr. Mattas and Mr. Vroman return from their vacations.

Mr. Wesnofske remarked that the budget was a good report and layout.

9. 2011 draft GAT discussion

Chairman Thayer asked for discussion on the draft GAT.

Mr. Wesnofske made a motion that the Board endorse the draft GAT proposed by staff at the Finance Committee meeting; Mr. Parker seconded.

Chairman Thayer asked Mr. Heaton to explain how he had arrived at the numbers. Mr. Heaton explained the numbers as follows:

- ✓ Actual delivery numbers for years 2007, 2008 and 2009 were added together
- ✓ Large project tonnages were subtracted from the total
- ✓ Estimated diverted waste deliveries were added to the actual delivery number total
- ✓ 95% of the three-year average = GAT

Mr. Skowfoe asked why the first six months of 2010 deliveries had not been included in the totals. Mr. Heaton handed out a spreadsheet showing the 2010 numbers. Ms. Corrigan made note that some of the waste previously diverted had begun to come back in to the MOSA system in 2010 such as Casella, Hagaman, County Waste and Waste Management. Mr. Heaton noted the actual six month deliveries had been annualized on the spreadsheet. Mr. Parker suggested adding the 2010 numbers to the three-year average and refiguring the GAT.

Mr. Skowfoe made a motion to table the GAT discussion until the next meeting. Mr. Wesnofske seconded and on roll call, the motion carried with David Parker, Olga Podmajersky, Philip Skowfoe, John Thayer and Edward Wesnofske voting aye. John Mattas, Alexander Shields (left the meeting after the vote on Resolution #36) and Harold Vroman were absent.

10. ABO Operational Review Report Discussion

Chairman Thayer asked the Board how they would like to review the ABO report and management's responses and if anyone had additional comments.

Mr. Parker noted he had response comments on the Executive Summary section on Purpose and Authority as follows:

MOSA Response:

The ABO Draft Operational Review is deficient in meeting its expressed purpose of objective determinations of authority effectiveness and statutory mission and public purpose.

It is essentially absent of reporting prevalent internal and external factors affecting historical and current Board/Management decisions regarding policy, procedures, facilities utilization, staffing, planning, GAT setting, tip fee setting, revenue distribution, etc. In fact, all decisions whether ultimately entirely correct or not, were not made in a vacuum, but were considerate of prevailing economic, contractual, regulatory, political, public sentiment, regional competitive situation, customer service, etc. factors at the point in time they were made.

A thorough presentation of real-time factors affecting the ultimate performance of any Authority would benefit from such an analysis.

Mr. Parker added that he thought Mr. Heaton had done a good job in a contemporary mode but would like to add the Authority history that had previously been on the website and was absent from the ABO report. He also noted that he would like the word "agreed" removed from Mr. Heaton's responses.

Chairman Thayer suggested changing some of the wording in Mr. Parker's response from "GAT setting, tip fee setting" to "establishing GAT and tip fee"; Mr. Parker remarked the wording change was acceptable to him.

Ms. Podmajersky asked if only Mr. Heaton's comments would be included in MOSA's response to the report. Chairman Thayer remarked that he was comfortable with staff's comments and thought the responses were good. He made note that during his meeting with ABO staff he was told the procedure was to present the report to staff, obtain a staff response and then present the report to the Governing Board. The ABO did not follow this procedure and instead sent the report to the Board and Mr. Heaton at the same time; he remarked that he did not know why the procedure had changed.

Mr. Wesnofske advised that he had responded to the ABO independently. In his response, he noted the lack of history in the report and stated he had sent them the history page previously posted on the website as well as the Cashin/Cahill report, newspaper clippings, etc. He advised that the ABO has not responded. Several Board members requested Mr. Wesnofske share his response to the ABO; Mr. Wesnofske refused stating the information was confidential.

Mr. Heaton remarked that the goal of his responses had been to give talking points for the Board and that he planned on sending the ABO a letter in which these responses would be summarized in bullet points. Ms. Chale agreed with this form of response to the report.

Ms. Podmajersky noted she had comments on some of the numbers in the report that did not agree with her numbers. She advised she had sent her comments to Mr. Heaton and Ms. Corrigan so they could check them out. Ms. Podmajersky stated that she did not believe the report was that bad and most of the comments were based upon not following the SWMP. She noted that some of the conclusions drawn by the ABO had been made without enough information.

Mr. Wesnofske stated that he also did not think the report was that bad and that some of the items mentioned like the lack of landfill siting and recycling programs did not follow the SWMP.

Chairman Thayer remarked there was no insight in the report as to why plans turned out the way they did.

Mr. Parker stated that some plans were just bad plans.

Mr. Skowfoe remarked that he was disappointed there had been no mention of the new efforts and accomplishments so far and the ABO had not looked into future plans of the Authority.

Chairman Thayer asked for a motion to authorize the Executive Director to pen a response to the ABO to include Mr. Parker and Ms. Podmajersky's comments. Mr. Skowfoe so moved and Chairman Thayer seconded.

Ms. Corrigan noted that she agreed with Ms. Podmajersky's numbers. Mr. Skowfoe remarked that the numbers should be correct.

Chairman Thayer asked for a roll call vote on the motion. On roll call, the motion carried with David Parker, Olga Podmajersky, Philip Skowfoe, John Thayer and Edward Wesnofske voting aye. John Mattas, Alexander Shields and Harold Vroman were absent.

Ms. Podmajersky asked Mr. Wesnofske if the ABO knew the MOSA Board was not aware that he had responded to them independently. Mr. Wesnofske advised that they were not.

Mr. Skowfoe made a motion to file a FOIL request with the ABO to obtain Mr. Wesnofske's response; as there was no second, the motion died.

11. Other Business

None was brought forth.

12. Closing

Mr. Parker made a motion to adjourn at 4:21 p.m., Mr. Wesnofske seconded and on voice call the meeting adjourned.

Respectfully Submitted,

Judith Beeler,
Confidential Secretary