

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT AUTHORITY  
SPECIAL BOARD MEETING #03**

**DATE:** March 24, 2010  
**LOCATION:** Otsego Manor, Cooperstown, NY

**Members Present:**

John Mattas  
David Parker  
Olga Podmajersky  
Philip Skowfoe  
John Thayer  
Harold Vroman  
Edward Wesnofske (4:25 p.m.)

**Members Absent:**

Alexander Shields

**Others Present:**

Dennis Heaton  
Barbara Corrigan

**1. Opening – Roll Call**

Chairman Thayer called the meeting to order at 4:20 p.m. and asked that Mr. Heaton review the details of the Otsego County Recycling RFP and the steps necessary in order for MOSA to make a proposal.

**2. Otsego County Recycling RFP**

Mr. Heaton offered the following overview:

- ✓ Otsego County is currently under contract with WRE to haul recycling roll-off boxes from their satellites throughout the County to the Oneonta Transfer Station (OTS) and then off to market to the Oneida/Herkimer MRF.
- ✓ Otsego County has sent out a new RFP for these services and MOSA has received a copy. The RFP has two options:
  - Continuing with the current set-up; or
  - A better option as identified by the proposer
- ✓ Staff is interested in pursuing a proposal, which is due on April 13, 2010.
- ✓ Contract start date is June 1, 2010 and is a three-year term.
- ✓ The RFP was discussed at the Finance Meeting on March 17, 2010. The consensus of the committee was positive and it was recommended to present the idea for discussion to the full Board.

Mr. Heaton noted that he, Ms. Corrigan and Mr. Cooper have been working together to identify all MOSA costs associated with the proposal.

Review of memo outlining these costs:

- ✓ Actual costs are not listed; however, all rates associated with preparing the recycling proposal are defined on the memo.
- ✓ Italicized items are allocated fixed costs MOSA already incurs for administrative and transfer station costs. These costs are now and will continue to be paid, whether or not MOSA takes on a recycling program. If additional revenue can be generated while not incurring additional costs on these items, it is a benefit to MOSA.

Review of Current Otsego Recycling Tonnage Summary:

- ✓ Tonnage listing is by satellite site as based upon Otsego County numbers.
- ✓ Tonnage adds up to one full time truck
- ✓ Recommendation is to split the job between two sites and two trucks. MOSA already has two trucks and there are routing benefits to doing this as well.
- ✓ Tonnages listed are yearly amounts.
- ✓ Smaller tonnages like Hartwick at 53 tons paper/24 tons comingled represent an every other week pick up.
- ✓ Larger tonnages like Pittsfield at 106 tons paper/48 comingled represent a weekly pick up.

- ✓ Otsego County's reported yearly tonnages are between 3600 and 3800.
- ✓ Tonnages have been delivered to MOSA transfer stations but are not weighed making it difficult to come up with a hard and fast number.

Ms. Podmajersky asked how Otsego County knows what WRE is taking. Mr. Wesnofkse remarked the County receives weight slips.

Chairman Thayer inquired as to what equipment purchases were needed if MOSA was awarded the bid. Mr. Heaton advised that the following equipment will be needed:

- ✓ Each transfer station would need two compactor units, one for paper and one for comingled, to be purchased by MOSA.
- ✓ Roll-off boxes for each satellite site may be best purchased by the County as this would provide flexibility for the County after the three year contract is up, it would still own the boxes, which have a longer life than three years.
- ✓ There is a possibility that a skid loader may need to be purchased if the loader at OTS doesn't work well enough.
- ✓ Total estimated equipment cost without the purchase of roll-off boxes is \$125,000.

Ms. Podmajersky asked the cost of the roll-off boxes; Mr. Heaton advised the cost is approximately \$6400 per box with a total of approximately \$100,000 for 16 boxes.

Mr. Skowfoe noted that Otsego County currently rents the recycling building from MOSA and asked if this income would be lost if MOSA was awarded the bid for recycling. Mr. Heaton advised that Otsego County would no longer pay MOSA rent for the building if that was the case. He noted the annual rental loss would be about \$10,000.

Chairman Thayer inquired if the recycling building was being rented to WRE. Mr. Wesnofske advised that it was not and noted that has always been an issue when trying to establish liability for damages to the building. He related a past issue where damages occurred to the building and the County and a previous vendor could not agree on who was responsible for paying for the damages; ultimately, the County ended up paying for them.

Chairman Thayer remarked that the proposal could be written that if MOSA was awarded the bid Otsego County would no longer need to pay the rental; however, if MOSA was not awarded the bid, the rent would continue. Mr. Parker agreed.

Mr. Skowfoe inquired if Mr. Parker had broached the subject of the current rafter damage in the recycling building with Otsego County. Mr. Parker responded that he planned on doing so at the Solid Waste Committee meeting the following day.

Chairman Thayer asked if there were any other equipment expenses other than the boxes and compactors. Mr. Heaton remarked that MOSA already owns the trucks and depreciation is figured into the proposal; he does not believe there are any other equipment expenses.

Chairman Thayer asked if there were any additional personnel needs. Mr. Heaton advised that either one

full time or two part time staff would be needed for this 40 hour per week job.

Mr. Skowfoe asked what the contract called for in the way of payments from the County to the vendor. He went on to explain that he wanted to know if there was a portion of the contract paid up front, which would allow MOSA to purchase the necessary equipment from monies other than its own coffers. Mr. Heaton advised under the current contract, the vendor bills the County on a monthly invoice; he does not see a problem with billing in the same manner.

Mr. Parker remarked the proposal could be bid two ways. He suggested rolling up the cost of purchasing the boxes on a monthly basis and amortize the cost over three years; this way there is no upfront cost for them, the County would pay the difference and MOSA would own the boxes at the end of the contract. Mr. Parker asked if there was a benefit to MOSA owning the boxes. Mr. Heaton noted the boxes would be of little benefit to MOSA if no longer running recyclables. He was not sure amortizing the cost over three years was the way to go. Mr. Parker stated he was trying to get away from an upfront cost.

Chairman Thayer suggested putting in language that at the end of the contract the County purchases the boxes if MOSA does not continue recycling for them.

Mr. Parker would like to see it bid both ways, as noted above.

Mr. Heaton remarked purchasing the boxes would bring the upfront costs to approximately \$200,000 and asked if everyone was comfortable with that amount. Chairman Thayer asked where the monies would come from.

Ms. Corrigan reviewed MOSA's Cash Accounts, noting that after transferring \$500,000 to the Asset Management Fund from the Equipment Replacement Fund, the balance of \$170,703.93 could be used for funding the program. The remaining \$30,000 could come from the Buildings & Grounds Fund. This would require amending the resolution.

Mr. Heaton asked what the consensus of the Board was regarding the proposal and if interested in pursuing the proposal, the amount on the resolution.

Mr. Mattas asked about the impact on current uses of the trucks. Mr. Heaton noted there is not much roll-off business and the trucks sit a lot of the time; Mr. Skowfoe agreed.

Chairman Thayer asked what the affect would be on cash flow. Ms. Corrigan advised about two months operating money would remain if going with the full \$200,000.

Mr. Skowfoe asked what the anticipated revenue per month would be if MOSA were awarded the contract. Mr. Heaton noted his rough estimate was \$20,000 per month. Ms. Corrigan noted there are additional expenses associated with that.

Ms. Podmajersky asked about disposal costs. Mr. Heaton noted the County is currently under contract with Oneida/Herkimer and MOSA's disposal costs are less than theirs. He went on to say the market fluctuates and rates change. He noted that because this is a Request for Proposals, he cannot be more specific with the

numbers. Chairman Thayer recommended individual Board members contact Mr. Heaton to discuss any specific questions on numbers as this is a public forum and giving out specific numbers defeats the purpose of a Request for Proposals.

**3. Resolution No. 24 of 2010 Authorizing the Executive Director to Respond to the Request for Proposal (RFP) for the Collection, Handling and Hauling of Recyclable Materials for the Otsego County Recycling Program**

Chairman Thayer asked for a sponsor and a second. Mr. Skowfoe so moved and Mr. Wesnofske seconded. Mr. Skowfoe made a motion to amend the resolution to increase the “not to exceed amount” to \$200,000 and Mr. Wesnofske seconded. Chairman Thayer asked for discussion on the amendment and asked if the \$200,000 figure was enough to cover all equipment needs. Mr. Heaton went over the costs again and noted that in shopping around he would get the best price and believed the \$200,000 figure would cover equipment costs. As there was no further discussion on the amendment he asked for a vote; on voice call the motion to amend carried.

Chairman Thayer asked for discussion on the resolution as amended. Mr. Skowfoe remarked there was not much to discuss as there is no guarantee MOSA will be awarded the program. He noted that Mr. Heaton and Ms. Corrigan had put a lot of work into the proposal; he supports it and believes it will be a successful endeavor.

Mr. Heaton stated he would like it noted that Mr. Cooper had also done a lot of work putting together the facts and figures for the proposal.

Chairman Thayer requested when the RFP is put together it be brought before the Finance Committee to be sure they feel comfortable with it before sending it out.

Mr. Skowfoe and Ms. Podmajersky did not agree, noting that would make the proposal public knowledge.

Chairman Thayer suggested the Finance Committee meet on the morning of the submission date, April 13<sup>th</sup>, and review the RFP. Mr. Skowfoe and Ms. Podmajersky both stated they were comfortable with and trusted Mr. Heaton and Ms. Corrigan and did not feel the need to review the RFP prior to sending it out.

As there was no further discussion, Chairman Thayer asked for a vote on the resolution as amended. On voice call, the resolution was adopted with John Mattas, David Parker, Philip Skowfoe, John Thayer, Harold Vroman and Edward Wesnofske voting aye and Olga Podmajersky voting nay. Alexander Shields was absent.

**4. Closing**

Mr. Vroman made a motion to adjourn, Mr. Wesnofske seconded and on voice call the meeting adjourned at 4:52 p.m.

Respectfully Submitted,

Judith Beeler,  
Confidential Secretary