

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

DATE: June 9, 2010

LOCATION: MOSA Administrative Complex, Howes Cave

Members Present:

David Parker
Olga Podmajersky (Chair)
Harold Vroman

Others Present:

John Mattas
Alexander Shields
Philip Skowfoe
John Thayer
Dennis Heaton
Barbara Corrigan
Jason Cooper
Ashley Nightingale

1. Opening

Chairman Podmajersky called the meeting to order at 2:04 p.m.

2. Approve Agenda

Chairman Podmajersky amended the agenda by adding the April Financial Report to “Other Business” and asked if there were any other amendments to the agenda. As there were none, Mr. Vroman made a motion to adopt the agenda as amended, Mr. Parker seconded and on voice call the motion carried unanimously.

3. Minutes of Prior Meeting – March 17, 2010

Chairman Podmajersky asked if there were any amendments to the March 17, 2010 minutes. As there were none, Mr. Parker made a motion to approve the minutes, Mr. Vroman seconded and on voice call the motion carried unanimously.

Mr. Mattas advised Chairman Podmajersky that as a member of the Governance Committee, he would be auditing today’s Finance Committee meeting.

4. T&D RFP – review and discuss proposals

Chairman Podmajersky asked Mr. Heaton to begin his presentation on the T&D RFP.

Mr. Parker made a motion to go into Executive Session to discuss the results and comparison of the RFP proposals and Mr. Vroman seconded.

Ms. Nightingale asked the Chairman if she could address the committee on its reason for going into Executive Session. Chairman Podmajersky invited Ms. Nightingale to address the committee.

Ms. Nightingale advised that according to Public Officers Law, there are limited reasons for entering into Executive Session and asked for which of these purposes was there a need to go into Executive Session.

Mr. Shields responded that he believed RFP proposal results were to be kept confidential until an award was made and negotiations were completed. Mr. Vroman agreed, stating that he believed it fell under negotiations. Mr. Parker noted that the responses to the RFP were not public knowledge. Chairman Podmajersky remarked the committee would be discussing in depth the proposals received prior to negotiating with vendors.

Ms. Nightingale disagreed this was a valid reason, noting that unless discussion might prove harmful to the vendors who submitted proposals by revealing their company's financial history, this would not apply. She continued, stating her intent was to encourage the Board to understand the appropriate purposes for entering into an Executive Session and the importance of remaining as transparent as possible.

Mr. Shields remarked that discussing the proposals in Executive Session would eliminate the potential for collusion.

Mr. Thayer noted that dealing with negotiations should be done in a confidential manner. Successful negotiations could account for considerable savings for the Authority and the County stakeholders and in order to accomplish this, discussion of the proposals should be done in Executive Session.

Ms. Corrigan produced an e-mail from Ms. Nightingale that identified the areas or subjects to be considered appropriate for an Executive Session. Ms. Nightingale noted that item f., "the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation", may apply; however, she advised that she would check with her office for confirmation.

Ms. Nightingale asked if she could sit in on the Executive Session. Chairman Podmajersky responded that she was invited to sit in, recognizing that the information to be discussed is confidential.

Mr. Heaton asked that Mr. Cooper and Ms. Beeler also be included in the Executive Session as they had been involved with the data input and analysis of the proposals. Chairman Podmajersky responded that they could also sit in on the session.

Mr. Parker amended his original motion to enter into Executive Session to include Ms. Nightingale; Mr. Vroman seconded and on voice call the motion carried unanimously. Executive Session to discuss the results and comparison of the RFP proposals began at 2:15 p.m.

Mr. Vroman made a motion to come out of Executive Session at 2:57 p.m.; Mr. Parker seconded and on voice call the motion carried unanimously.

Chairman Podmajersky noted that the next step would be for the committee to recommend to the full Board that the Executive Director be authorized to enter into negotiations with the vendors.

Mr. Vroman made a motion to recommend to the Board that the Executive Director be authorized to enter into negotiations with the vendors; Mr. Parker seconded and on voice call, the motion carried unanimously.

5. Other Business

a. Expense & Reimbursement Policy (new policy from Chris Chale)

Chairman Podmajersky noted that a new Expense & Reimbursement Policy had been included in the meeting packet. She asked that Board members review the document and note their comments for future discussion.

Chairman Podmajersky advised that Mr. Wesnofske had been invoiced for the anomaly in his 2009 mileage reimbursement.

b. April Financial Report

Chairman Podmajersky advised that the April Financial Report was included in the today's packet and asked Ms. Corrigan to review it for the committee.

GAT

Ms. Corrigan noted that the GAT numbers for May were available and asked Mr. Cooper to bring them up on the screen for review. Mr. Heaton reported on the GAT numbers, noting that the aggregate was on the positive side for May and continued to be positive to date for the month of June.

Mr. Parker asked if there were C&D projects affecting the numbers. Ms. Corrigan advised that the Authority had received approximately 1000 tons of C&D from Montgomery County during the period.

Mr. Heaton advised that the Bresees' building roof had partially collapsed and he had been asked to meet with Otsego County on Friday to look at the job of removing the debris.

Mr. Shields asked if there had been any decline in Montgomery County deliveries since it had decreased the subsidy rate. Mr. Heaton responded there had not been a decline in deliveries.

Actual vs. Budget

Ms. Corrigan continued reviewing the financials, noting that on the Budget Year-to-date, the percentage of available funds at this point in the year would typically be about 67%. She advised that the actual percentage is good at 71%.

Mr. Shields inquired if the estimated cost of opening the Northern Transfer Station was higher than expected. Mr. Heaton responded that the actual costs of the re-opening were lower than estimated.

Statements of Revenues, Expenses & Changes in Net Assets

Ms. Corrigan continued her report with Statements of Revenues, Expenses and Changes in Net Assets. She noted the statement shows a change in net assets of (-\$317,095.84) and to put that number into perspective, she explained that \$411,000 of the change represents depreciation and amortization. Ms. Corrigan advised that there is a positive \$75,000, from a cash basis. In comparing the current to the prior year, she advised that the Authority was in a much better situation; however, in 2009 the Pioneer Street project brought in more revenue.

Balance Sheet

Ms. Corrigan noted that Restricted Assets include the \$1 million the Authority is holding for the Counties as per the Post Closure Agreement. She advised that the County Chairmen and Treasurers all are aware of what they need to do to establish an account. Mr. Thayer remarked that the Counties are working on it. The remainder of Restricted Assets, \$12,622.42, is the rebate, which should be cleared up shortly and moved to Unrestricted Assets.

Current Assets Operating Cash, in the amount of \$2,216,758.78, represents Operating Cash and includes the Operating Account for the landfills.

Current Assets Reserve Cash, in the amount of \$1,400,714.27, represents, \$700,000 for operating reserves, \$500,000 for asset management and \$200,000 for the purchase of equipment for the Otsego County Recycling roll-off boxes and compactors. Mr. Heaton advised that the Authority was not awarded the recycling job. Ms. Corrigan noted that by a previous Board resolution (#23), the money would be moved back into the Revenue Account this month.

Chairman Podmajersky asked where the Revenue Account was. Ms. Corrigan advised it was located in Operating Cash and asked if the committee would like to see a breakdown of assets into each account on this finance report or an additional cash accounts page. Chairman Podmajersky did not think it necessary as the full monthly financial report includes a page with a breakdown of the accounts.

CD Rate Comparisons

Ms. Corrigan reviewed the handout, which outlines various banks CD rates of interest and terms and identifies which banks and terms were chosen for investments. She noted that in checking four banks' rates today, Wilber Bank's 18 month CD had an interest rate of 1% and the other banks had lower rates than what we are making with the current money market account. She went on to say that .55% is being earned on the \$1 million investment at this time.

6. Closing

Chairman Podmajersky asked if there was anything else for discussion; as nothing was brought forth, she asked for a motion to adjourn. Mr. Parker made a motion to adjourn, Mr. Vroman seconded and on voice call the meeting adjourned at 3:17 p.m.

Respectfully Submitted,

Judith Beeler,
Confidential Secretary