

MEMORANDUM

TO: Authority Board of Directors

FROM: William A. Rabbia, Executive Director

DATE: May 3, 2018

RE: Meeting Notice & Tentative Agenda - Monday, May 14, 2018 - 4:30 PM

1. Pledge of Allegiance
2. Approval of March 19, 2018 Authority Minutes
3. Public Comment Period
4. First Quarter Financial Report
5. Approval of Professional Services Agreement with Environmental Capital, LLC - Resolution
6. Updates:
 - RLF - Cell 7 Construction/Radiation Detectors/Landfill Gas System Expansion
 - Source Separated Organics Project
 - Recycling Update - National Sword
 - Social Media Campaign and Metric Review
 - Herkimer E-Waste Event
 - Earth Day Event

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AUTHORITY MEETING MINUTES

March 19, 2018

Board Members Present: Chairman Ken Long, Vice Chairman Vincent Bono, Treasurer Harry Hertline, Neil Angell, James D’Onofrio, James Franco, Barbara Freeman, Nancy Novak and Jim Williams

Board Members Absent: Robert Roberts

Authority Staff Present: William Rabbia, Jodi Tuttle, Emily Albright, Joe Artessa, Pat Lisandrelli, Josh Olbrys, William Schrader and Jamie Tuttle

Others Present: Paul Goetz, Partner - BST and Kevin Martin, Esq.

Chairman Long called the March 19, 2018 Authority Board meeting to order at 4:30 PM and opened with the Pledge of Allegiance.

A motion was made by Mr. Bono, seconded by Mr. Williams and passed to approve the December 18, 2017 Authority Minutes.

There were no speakers for public comment period.

Paul Goetz, Partner at BST, presented the audited financial statements of the Authority for year ended 2017. Mr. Goetz met with the Authority’s Audit and Finance Committees prior to this meeting to review the Independent Auditor’s Report and Statement of Net Position. Mr. Goetz reviewed the Independent Auditor’s Report through a power point presentation, stating that the Authority received an unqualified opinion, which is the highest level of assurance one can receive from an auditing firm. This is also consistent with prior years’ opinions.

Mr. Goetz noted that Authority Management is responsible for preparation and presentation of the financial statements and that there were no disagreements with Management in preparing the audit. Mr. Goetz highlighted the Statement of Net Position (balance sheet), operating revenues and expenses, and notes to financial statements. Mr. Goetz stated that the Authority’s 2017 financial report continues to reflect the strong operating results of the Authority. The Authority increased its net position by approximately \$5.97 million for year ended December 31, 2017. The Authority earned approximately \$2.6 million in recycling sales in 2017 and accelerated capital equipment acquisitions of \$725,000 due to the surplus in budgeted revenue for sales of recyclables and carbon credits. Expenses decreased by about 1.6% for 2017, in comparison to 2016. Interest expense decreased by approximately \$196,000 from 2016, principally as a result from the defeasance of the 2007 bonds. Mr. Goetz stated that new accounting rules for liability of post-retirement health insurance, Government Accounting Standards Board (GASB) 75, will become effective December 31, 2018. Lastly, Mr. Goetz reviewed two additional audit requirements that had no exceptions; rate covenant compliance and investment compliance.

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Comptroller Joe Artessa said that Resolution No. 1 is an annual resolution that reconciles the 2017 budget and 2017 budget amendments to reflect 2017 actual activity and is required for the Authority's bond indenture.

Resolution No. 1 was introduced by Mr. Bono, seconded by Ms. Freeman and passed reconciling the 2017 budget and 2017 budget amendments to reflect 2017 actual activity.

Mr. Artessa said that the Authority currently has an account with RBC Wealth Management to invest in U.S. Treasury Notes and Certificates of Deposit. Resolution No. 2 would maintain an account with RBC Wealth Management and update the current officers of the Authority.

Resolution No. 2 was introduced by Mr. Angell, seconded by Mr. D'Onofrio and passed updating an account with RBC Wealth Management.

Mr. Rabbia said that Resolution No. 3 would establish the Authority as the SEQRA (State Environmental Quality Review Act) lead agency for the source separated organics facility project. Mr. Rabbia said that the Authority has considered the significance of the potential environmental impacts of the project and determined that the project constitutes an unlisted action as it will not have a significant adverse environmental impact.

Resolution No. 3 was introduced by Mr. Bono, seconded by Ms. Novak and passed establishing the Authority as the SEQRA Lead Agency, determining that the source separated organics project is an unlisted action, and determining that the project will not have a significant adverse impact on the environment.

Mr. Rabbia explained the remaining resolutions before the Board and noted that they are annual governance resolutions that have been reviewed by the Governance Committee.

Resolution No. 4 was introduced by Mr. Williams, seconded by Ms. Freeman and passed to approve the Authority's current Mission Statement, without modifications, and the Performance Measure Report for 2017; and directing the Board Secretary to file and post the Performance Measure Report in accordance with the New York State Public Authorities Law.

Resolution No. 5 was introduced by Ms. Freeman, seconded by Mr. Williams and passed approving the Confidential Evaluation of Board Performance form, without modifications. Board members were asked to submit their evaluation in a timely manner in order that the Secretary of the Board could submit a summary of the results to the Authority Budget Office before the March 31st deadline.

Resolution No. 6 was introduced by Mr. Angell, seconded by Mr. Hertline and passed re-appointing James Biamonte as the Authority's Contracting Officer responsible for the disposition of Authority property and approving the Procedure for the Disposition of Authority Property, without modification.

Resolution No. 7 was introduced by Mr. Hertline, seconded by Mr. Williams and passed approving the Authority's current Code of Ethics Policy, with modifications, and Fraud Policy, without modifications.

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Resolution No. 8 was introduced by Mr. Franco, seconded by Mr. Angell and passed approving the Authority's Procurement Policy, without modifications, and designating sole source vendors/purchases.

Resolution No. 9 was introduced by Ms. Novak, seconded by Mr. Bono and passed authorizing and directing the Executive Director to submit/certify all reports required under the Public Authorities Accountability Act.

Mr. Rabbia updated the Board on the source separated organics project. He stated that meetings continue with the contractor, RRT Design and Construction, and the engineering firm of Barton & Loguidice (B&L), related to finalization of design of the source separated organics processing facility. Emphasis now is on the permitting documents. Mr. Rabbia said that he does not anticipate any permitting issues with NYSDEC. Construction is slated for 2018 and the facility should be operational by the first quarter of 2019. He noted that in the 2018 capital plan, the Authority budgeted for the revenues from the Climate Smart grant program in which the Authority was awarded \$1,375,000 (applied to through Oneida County) toward 50% of the original budget estimate of \$3.4 million. At the recommendation of NYSDEC, the Authority also applied for additional grant funding through NYSDEC's Municipal Waste Reduction and Recycling Program and was ultimately awarded \$276,000. Discussion ensued. Mr. Rabbia noted that as part of the project, the Authority is doing the quarterly reporting for the Climate Smart Grant.

Mr. Rabbia said that the Authority annually provides information to local municipalities about the Authority's regional demolition program. Through the program, the Authority aids municipalities with clean-up of abandoned, dilapidated structures. The Authority provides a demolition crew, including equipment, at no cost, to demolish abandoned structures owned by a municipality. The municipality then pays for the transportation and disposal of the demolition debris which must be landfilled. A few communities have expressed interest in the program but many of those projects will be pushed off to 2019.

Mr. Rabbia updated the Board on Governor Cuomo's Plastic Bag Task force established to develop recommendations for the Governor and Legislature to consider related to either limiting and/or recycling more single-use plastic bags. The Task Force presented pros and cons for eight options. Mr. Rabbia stated that since the report was published without a specific recommendation, many municipalities and counties, including Madison County, are considering local legislation to reduce single-use plastic bag usage in many different manners. Discussion ensued. Mr. Rabbia said that there are environmental and economic concerns and that any policy should be considered at a state or national level. Mr. Rabbia said that the Authority's priority has been on educating residents that although they cannot recycle them in our curbside single stream, they can readily and conveniently recycle them at local retailers, under New York State law. Residents also have the option of avoiding their use by utilizing reusable grocery bags. The Board concurred that the Authority's focus should continue with educating residents on reducing, reusing and recycling plastic bags.

Director of Recycling Emily Albright reported that the 2017 recycling rate for Oneida and Herkimer Counties is 54%, compared to the national recycling rate of 34%. She noted that Oneida-Herkimer County residents produce approximately 3.11 pounds of waste per person, per day, compared to the New York State average of 4.5 pounds of waste per person per day.

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Mr. Rabbia said that China has a new initiative, National Sword, established to clean up recyclables coming into their country. Under this national initiative, certain specifications must be met for items such as newsprint and old corrugated cardboard before the material can be accepted by markets in China. At present, the majority the MRFs in the U.S. cannot meet the National Sword specifications. Mr. Rabbia said that this initiative has just started to affect Oneida-Herkimer. For the period September 2017 through February 2018, the Authority was receiving \$68 per ton for newsprint. In March 2018, the amount decreased to \$27.50 per ton. As a result, most of the export now is going to India instead of China. The Authority's paper broker, WM Recycle America, is hopeful that in another week or so they may see more import licenses open for China where they relax the standard and material starts flowing into China. The Chinese government said that one of the reasons they did this was to improve in-country recycling.

Ms. Albright highlighted the Authority's upcoming Earth Day Events scheduled for Saturday, April 21, 2018 at the Oneida-Herkimer Recycling Center (80 Leland Ave. Ext., Utica) from 10 AM - 2 PM. In addition to the Authority's regular Saturday services, the event will include tours of the Recycling Center; confidential paper shredding, in cooperation with Confidata; collection and disposal of unwanted medication and pharmaceuticals; distribution of pre-ordered rain barrels and composters; composting information provided by Cornell Cooperative Extension; information on the Oneida County Sewer District's "Operation Ripple Effect"; NYSDEC presentation of awards to winners of the Authority's Plastic Film Recycling Challenge; appearances from "Woodsy" the Owl who will be handing out free seedlings; appearances from "Audie", the Utica Comets mascot; NYSDEC Fisheries Department display; Trex will provide plastic film collection bags; planting activities and presentations for children; Utica "Zoomobile" demonstrations; and reusable bags will be handed out.

Ms. Albright said that the Authority is holding a one-day electronics recycling event and informational display for all two-County residents that will be held at the Wal-Mart in Herkimer on Saturday, April 14th from 10 AM to 2 PM.

Authority Counsel Kevin Martin reported that the 2013 Pope case was ultimately dismissed and that, currently, there is no other litigation involving the Authority.

Mr. Rabbia said that the Authority will have to finalize ABO reporting, regarding the appraisal for conveyance of property to GLDC authorized in 2009, prior to final deed work.

At 5:47 PM, with no further business, a motion was made by Mr. Bono, seconded by Mr. Williams and passed to adjourn the meeting.

Respectfully submitted,

Jodi M. Tuttle
Authority Secretary

Preserving the environment through integrated recovery and disposal.

Introductory No.

Resolution No. 10

Introduced by:

Seconded by:

RE: APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH ENVIRONMENTAL CAPITAL, LLC

WHEREAS, the Authority periodically utilizes professional financial advisory services; and

WHEREAS, the Authority has used Environmental Capital, LLC for regional landfill financing, including coordination with the NYS Environmental Facilities Corporation; and

WHEREAS, the Authority has utilized Environmental Capital, LLC for financial consulting, investment advice, financial advisory services on all Authority bond issues, sale of carbon credits and annual continuing disclosure services; and

WHEREAS, Environmental Capital, LLC specializes in financial analysis and advice related to construction and operation of environmental facilities; and

WHEREAS, the proposed Agreement recognizes that the work will be done within the annual budget authorized by the Authority Board; now, therefore, be it

RESOLVED, the Authority Board of Directors hereby approves the attached Agreement for Financial Advisory Services and Carbon Credit Sales Services with Environmental Capital, LLC and directs the Executive Director to take any action necessary to execute the Agreement.

Adopted by the following vote:

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Dated:

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