

Preserving the environment through integrated recovery and disposal.

**JOINT FINANCE COMMITTEE/AUDIT COMMITTEE
MEETING MINUTES
MARCH 20, 2017**

Committee Members Present: Harry Hertline, Treasurer; Ken Long, Board Chairman; Robert Roberts, Vincent Bono

Guests: William Rabbia, Executive Director; Pat Donovan, Comptroller; Joseph Artessa, Principal Accounting Supervisor; and Paul Goetz (BST)

The March 20, 2017 joint Finance Committee/Audit Committee meeting began at 3:00 PM.

An Accounts Receivable Review Analysis was given to the Committees. This report outlined haulers/companies in the 30, 60, 90 and 120-day categories. The total due is \$196,782 for these four categories with \$155,000 of the total in 30 days. A discussion ensued regarding overall receivable collections.

The 2016 Investment Report was reviewed. This report is prepared in compliance with PARIS (Public Authorities Reporting Information System) requirements. The bank account/investments increased by almost \$4.2 million in 2016. The investments with the Authority's Bond Trustee decreased by about \$500,000 for 2016. Overall interest earnings were almost \$732,000 with approximately \$464,000 resulting from the rebate from the 2015 EFC Bond refinancing.

The Authority's planned defeasance of its 2007 Bonds is going as planned. The Bonds will be paid off with \$3,025,000 of Authority monies and the proceeds of the 2007 Debt Service Reserve Fund. These bonds were issued for a portion of the Landfill construction costs. After this issue is paid off, the Authority will have two bond issues remaining (Landfill and Single Stream Recycling Center).

The Committees discussed the Authority's current practices as it relates to finance charges for overdue accounts. The Authority uses finance charges as a form of leverage to get haulers and companies to pay their bill in a timely manner. Currently, the accounting department will waive finance charges in certain instances in order to ensure that customers pay their outstanding charges. The Authority will continue this policy of waiving finance charges in certain instances. All waiving of finance charges must have the signature of the Executive Director and Comptroller.

The Committees reviewed preliminary spreadsheets on the Source Separated Organics Feasibility Project. The documents outlined the projected revenues, expenses and tipping fees associated with the Project. Discussion ensued and included a discussion on the landfill airspace that would be saved.

Paul Goetz from the Authority's independent auditor, BST, presented the 2016 audit.

Mr. Goetz reviewed the Independent Auditor's Report and provided a power point presentation. The first pages reflect the following:

- a) Management is responsible for preparation and presentation of the financial statements.
- b) The Authority received an unqualified opinion, which is the industry's best opinion that can be issued and is consistent with prior years' opinions.
- c) There were no disagreements with management in preparing the audit.

BOARD OF DIRECTORS

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William A. Rabbia
Executive Director
Joel M. Tuttle
Authority Board Secretary

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Mr. Goetz indicated that pages 3-12 were the Authority's Management Discussion and Analysis. BST does not express an opinion in this area of the audit but it does check the accuracy of the financial tables within this document.

Mr. Goetz reviewed the Statement of Net Position (Balance Sheet) for the Committees. Total assets have increased by about \$4.0 million in comparison to 2015. The Authority had an increase in its current assets of about \$4.0 million. The Authority's net position increased as a result of the Authority's 2016 operations.

The Authority's Statement of Revenues, Expenses & Changes in Net Position was reviewed. Total revenues increased slightly for 2016. Total expenses increased by a little over \$1 million dollars with host community benefits increasing by over \$700,000. Total operating income was about \$4 million for 2016. The overall change in net position for 2016 was \$3,884,315.

Mr. Goetz reviewed the Notes to the Financial Statements (p. 6-31) and highlighted several notes including Note 1 New Accounting Pronouncement; Note 2 Restricted Assets; and Note 4 Capital Assets.

Mr. Goetz also reviewed GASB 68 and 71 regarding Pension Accounting. Mr. Goetz also reviewed two additional audit requirements that had no exceptions:

1. Management Report – Compliance with covenants in Bond Issue Documents outlining rate compliance, debt service and sinking funds, Debt Service Reserve Funds and Bond Redemption and Improvement Funds.
2. The review of the Authority's investment activities investment guidelines, and compliance with the NYS Public Authorities Law.

Executive Director William Rabbia, Comptroller Pat Donovan and Principal Accounting Supervisor Joseph Artessa excused themselves at 4:15 PM so that the Committees could further discuss the audit privately with Mr. Goetz.

The joint meeting ended at 4:30 PM.

Meeting Minutes Prepared by:

Patrick Donovan
Comptroller