

Preserving the environment through integrated recovery and disposal.

## Finance Committee Meeting Minutes October 15, 2014

**Committee Members Present:** Harry Hertline, Treasurer; Ken Long and Neil Angell, Board Chairman

**Absent:** Bob Roberts

**Staff/Guests:** William Rabbia, Executive Director; Patrick Donovan, Comptroller; and Joseph Artessa, Principal Accounting Supervisor

The Finance Committee meeting began at 3:40 PM.

The Committee reviewed a power point presentation on the Authority's proposed 2015 budget. The presentation included:

- A proposed 2015 tipping fee reduction schedule for LSW, MSW and Sludge. This would be the third consecutive year of a tipping fee reduction for select categories.
- Historical MSW tipping fee graph from 1990-2015 and a graph from 1990-2014 based upon tip fees at the rate of inflation.
- An analysis of 2013 actual and 2014 and 2015 projected tonnage by waste class.
- An overview of system revenues outlining 2013 actual, 2014 (6-month data), and projected for 2015.
- A historical review of recycling revenues and budget projections for 2015.
- Proposed 2015 revenue assumptions for solid waste, recyclables, landfill gas, recyclable processing fees, carbon credits and miscellaneous revenues. The Authority is continuing its practice of no tip fee for recyclables for residents of Oneida and Herkimer Counties for the 23rd consecutive year.
- A review of system expenditures by cost center outlining 2013 actual, 2014 (6-month data), and proposed for 2015.
- 2015 proposed expenditure assumptions include a 7% increase in health insurance expenses over 2014 projected expenses, fuel costs budgeted at \$3.60 per gallon, \$455,000 of contracted host community payments and public education expenses budgeted at \$50,000.
- The 2015 proposed landfill reserves will be \$2,100,000 broken down as follows:
  - \$500,000 Equipment Replacement
  - \$1,600,000 Liner Extension Fund
- The 2015 proposed capital plan funded through tipping fees will be \$1,465,500. This is an increase of \$639,000 over the 2014 budget.

---

**BOARD OF DIRECTORS**

Neil C. Angell  
*Chairman*

Harry A. Hertline  
*Treasurer*

Alicia Dicks  
James M. D'Onofrio

Barbara Freeman  
Robert J. Roberts, III

William A. Rabbia  
*Executive Director*

Kenneth A. Long  
*Vice Chairman*

Vincent J. Bono

James A. Franco

James M. Williams

Jodi M. Tuttle  
*Authority Board Secretary*

## Finance Committee Meeting Minutes

October 15, 2014

Page 2

- Several charts that indicated revenues and expenses by category and cost centers projected for 2015.
- A review of the proposed 2015 budget for the six municipalities in which the Authority administers the respective municipal programs.

The Committee asked questions and discussed projections for tonnage estimates, recyclable revenues, other opportunities for recyclable processing, health insurance, retirement, capital projects, and future liner extension projects.

Staff distributed a new long-term financial plan that was previously reviewed in October 2013. This plan reviews 2012 and 2013 actual results and projections for 2014-2019. The documents include supplemental information on debt service, projected capital plans for the Authority facilities and the Landfill, analysis of closure funds and future cell expansions by the Authority.

The Finance Committee had requested that staff look at the possibility of paying off some outstanding debt. With the assistance of Rick McCarthy from Environmental Capital Associates, the Authority looked at the following scenarios:

- Defeasance of existing bonds
- Call features on existing bonds

The defeasance scenario was not economically beneficial to the Authority because of low interest rates on the investment of the bonds that would be used for the defeasance. The call feature on the 2007 bonds (4/1/2017) would require the Authority to have about \$3,046,000 in cash and that would be used to pay off the remaining principal amount of the bonds. If the Authority did call the bonds it would generate budget savings of about \$420,000 per year.

The Committee discussed the Authority's unused cash position and agreed that it would be the goal to use it for:

If the Boonville bypass road project is approved, the Authority would use surplus cash for this project. If unrestricted cash was available, it would be used to pay off the 2007 bonds in April 2017.

The Committee excused the Comptroller and Principal Accounting Supervisor and had a discussion with the Executive Director regarding proposed 2015 salaries for Administrative employees.

The meeting adjourned at 5:40 PM.

Meeting Minutes Prepared by:

Patrick J. Donovan  
Comptroller