

AUTHORITY MEETING MINUTES
November 16, 2015

APPROVED

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

Board Members Absent: Vincent Bono and Nancy Novak

Authority Staff Present: Bill Rabbia, Jodi Tuttle, Joe Artessa, Jim Biamonte, Patrick Donovan, David Lupinski, Andrew Opperman and William Schrader

Others Present: Kevin Martin, Esq. and F. X. Matt Brewing Company Representatives: Fred Matt, President; Jim Kuhr, Director of Brewery Operations & Brewmaster; Misty Jurkowski, Assistant to the Director of Brewery Operations & Point of Sales Department, Tyler Harvey, Brewery Sustainability Supervisor, Melissa Camman, Tour Center Manager and Anthony Jackson, Digital Marketer

Chairman Angell called the November 16, 2015 Authority Board meeting to order at 4:30 PM and opened with the Pledge of Allegiance.

A motion was made by Mr. Hertline, seconded by Mr. Franco and passed to approve the September 21, 2015 Authority Minutes.

There were no speakers for public comment period.

Director of Recycling David Lupinski said that in recognition of America Recycles Day, the Authority annually recognizes an individual, institution or industry that has taken the initiative to reduce its solid waste stream through recycling and proper disposal. This year the Authority is honoring the F. X. Matt Brewing Company of Utica as its 2015 Recycling Champion. Mr. Lupinski stated that Matt Brewing has a long history of environmental sustainability. For decades, the brewery has been recycling and reusing spent brewery grains, wood pallets, glass bottles, aluminum cans, corrugated cardboard and office paper. Mr. Lupinski said that the F. X. Matt Brewing is an advocate for the environment through its dedication to increasing recycling and waste reduction at its facility. The brewery has incorporated sustainability initiatives into every aspect of its operations, including daily production operations, marketing, and warehousing while achieving a 98.4% recycling rate. This was accomplished by producing 14,112 tons of recyclable and reusable materials while generating only 226.2 tons of solid waste. Matt Brewing recently installed an anaerobic digester for treatment of brewery liquid waste that produces 40% of the brewery’s electric demand. In October 2015, F. X. Matt Brewing Company received RecycleOne Business certification. Mr. Lupinski said that the F.X. Matt Brewing Company is a leading example of how a local industry can implement a comprehensive, consistent and sustainable recycling, energy and solid waste reduction program.

The Authority presented representatives of the F. X. Matt Brewing Company with the Authority’s 2015 Recycling Champion Award.

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James M. Williams

Jodi M. Tuttle
Authority Board Secretary

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On behalf of the F.X. Matt Brewing Company, President Fred Matt thanked the Authority for this recognition and expressed his gratitude to the brewery staff, Mr. Lupinski and Authority staff for their efforts throughout this endeavor.

Resolution No. 14 was introduced by Mr. Hertline, seconded by Mr. Roberts and passed commending the F. X. Matt Brewing Company as 2015 Recycling Champion. Authority Secretary Jodi Tuttle read the resolution aloud.

Executive Director Bill Rabbia and Comptroller Pat Donovan presented an overview of the proposed 2016 Authority budget through a PowerPoint presentation. Mr. Rabbia said that the draft budget was released to the public on October 30, 2015. The draft budget includes no changes to the Authority's tipping fees, noting that the proposed tipping fees for 2016 remain stable at 2015 rates. For the 25th consecutive year, recyclables will continue to be accepted at no charge. Graphs illustrating historical municipal solid waste (msw) tipping fees for the period 1990 – 2016 (projected) and historical msw tipping fees versus the rate of inflation for the period 1990 - 2015 were reviewed. An analysis of 2014 actual and 2015 and 2016 projected tonnage by waste class was provided. Overall waste volumes projected for 2016 total 260,200 tons versus 262,900 for 2015. Mr. Rabbia provided an overview of system revenues outlining 2014 actual, 6-month data from 2015, and projections for 2016. A historical review of recycling revenues and budget projections for 2016 was provided. Revenue generated from the sale of recyclables is projected at \$2,000,000 for 2016. Mr. Rabbia explained proposed 2016 revenue assumptions for system tip fees, recyclables, landfill gas, sale of carbon credits and miscellaneous revenues. The Authority will continue to operate two engines at its Regional Landfill power facility and continue revenue sharing with WM Renewable Energy in 2016. Mr. Rabbia said that the sale of carbon credits contract has been extended and is budgeted for in 2016. The projection for interest earnings has decreased as the result of the reduction in the 2006 EFC Debt Service Reserve Fund due to refinancing. Mr. Rabbia noted that 2016 will mark the third year of processing and marketing recyclables from Oswego County. The projection for electronics recycling revenue was eliminated based upon the current market situation.

Comptroller Pat Donovan provided an overview of system expenditures by cost center, including 2014 actual, 6-month data from 2015, and 2016 proposed. Mr. Donovan said that fuel expense was budgeted at \$3.00 per gallon as the result of industry forecasts. Health insurance expense was budgeted at a range of 4% to 12% increase over 2015 projected results. The budget reflects \$455,000 of contracted direct payments made to the Town of Ava and the Town and Villages of Boonville. Capital projects are funded through tipping fees reduced by \$375,000 from 2015. The Household Hazardous Waste budget reflects potential expense associated with CRT processing. Public education expenses are projected to be \$50,000. The Workers' Compensation budget is based upon a five-year average of the Authority's actual claims. Debt service costs will decrease by approximately \$210,000 as the result of refinancing of the 2006 EFC bonds. Mr. Donovan noted that the annual contributions to the NYS Retirement System will decrease for 2016.

In response to inquiries by Mr. D'Onofrio, Mr. Rabbia will provide additional graphs that reflect the average percentage of waste through the Utica and Rome Transfer Stations over a three-year period; a three-year average of recycling revenue by commodity; and Recycling Center/Regional Landfill debt service for years 2016 through 2026.

Mr. Rabbia reported that 2016 proposed landfill reserves total \$2,000,000 (\$400,000 for Regional Landfill equipment replacement and \$1,600,000 for Regional Landfill liner extension). Capital projects funded through tipping fees will decrease to \$1,090,000 in 2016 compared to \$1,465,500 in 2015. Capital projects for 2016 include a new scale deck, scale house, loading chute and additional doors at the Western Transfer Station and green waste grinder/waste compactor at the Regional Landfill. The proposed capital plan includes projections through 2020 and projected expenditures for landfill cell liner extension in 2017/2018 that will be funded through an established reserve. The overall budget for the City of Utica and the five Herkimer County villages in which the Authority administers their solid waste and recycling programs, is projected at \$4,822,000 for 2016.

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The municipal budgets reflect price increases in toters and bags for the Villages of Herkimer and Dolgeville, effective January 1, 2016. The proposed 2016 Authority Budget totals \$24,347,000 [system revenues/expenses total \$19,525,000 and municipal revenues/expenses total \$4,822,000].

Following discussion, a motion was made by Mr. Williams, seconded by Mr. D'Onofrio and passed to set a public hearing on the proposed 2016 budget for December 21, 2015 at 4:30 PM.

Mr. Donovan said that the Authority is required to annually review and approve its Investment Policy and Guidelines and said that Resolution No. 15 before the Board would approve the Investment Policy and Guidelines without modification. He reported that the Finance Committee reviewed the Investment Policy and is recommending no modifications at this time. All Authority investments are in compliance with the Investment Policy.

Resolution No. 15 was introduced by Mr. Long, seconded by Mr. Hertline and passed to approve the Investment Policy and Investment Guidelines without modification.

Mr. Rabbia relayed that he and Authority Counsel Kevin Martin have met with a Village of Boonville Board and a Board Committee related to the improvements on the corner of Routes 294 and 46. He stated that the Village Board voted unanimously to have the Mayor sign the Memorandum of Understanding. At that meeting it was also decided that Authority Counsel and the Village Attorney would begin working on a draft amendment to the Host Community Compensation Agreement, which will essentially mirror the Memorandum of Understanding. Mr. Rabbia and Mr. Martin have also been working with the respective Boards of the Village's Erwin Library Institute and Dodge Pratt Northam (DPN) Group on a draft agreement for the conveyance of property to facilitate the improvements, as well as the DOT application. Mr. Rabbia will continue to keep the Board updated.

Solid Waste Engineer Andrew Opperman updated the Board on Solar City's project of installing solar cells on the Authority's property between Route 49 and River Road, Rome. Mr. Opperman said that Solar City is still a few weeks away from completion but that the project should be completed within the next month. National Grid will then do their part to hook up to the grid.

Mr. Rabbia said that the 2016 budget has no calculations or projections related to the solar project due to uncertainty of when the project would be up and running. The 2016 operations will affect future budgets.

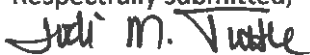
Mr. Rabbia said that the Authority had provided all of the acreage contractually required (8.8 acres) for the project, but that only half of the acreage will be used. Once the fence is installed, the Authority will determine how much land is unutilized and then consider advertising for agricultural lease. In the past the Authority had an agricultural lease with a local farmer for planting corn on this property as well as an adjacent lot.

At 5:35 PM a motion was made by Mr. Roberts, seconded by Ms. Freeman and passed to go into executive session to discuss potential litigation.

At 5:51 PM a motion was made by Mr. Hertline, seconded by Mr. Roberts and passed to come out of executive session.

With no further business, a motion was made by Mr. Long, seconded by Mr. Roberts and passed to adjourn the meeting.

Respectfully submitted,



Jodi M. Tuttle

Authority Secretary