

MEMORANDUM

TO: Authority Board of Directors

FROM: William A. Rabbia, Executive Director

DATE: September 7, 2018

RE: Meeting Notice & Tentative Agenda - Monday, September 17, 2018

1. Pledge of Allegiance
2. Approval of June 18, 2018 Authority Minutes
3. Public Comment Period
4. Second Quarter Financial Report
5. Recycling Market Update
6. Regional Landfill - Cell 7 Construction
7. Other Updates:
 - Organics Processing Facility Construction
 - 30-Year Anniversary – Open House - Saturday, September 29th 10 AM - 2 PM
 - Regional Demolition Program
 - 2019 Budget Timeline/Financial Plan/Public Hearing Date (November 19th) – Motion
8. Motion to go into Executive Session to discuss contract negotiations.

DRAFT

AUTHORITY MEETING MINUTES
June 18, 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, Robert Roberts and Jim Williams

Authority Staff Present: William Rabbia, Jodi Tuttle, Emily Albright, Joseph Artessa, Jim Biamonte, Pat Lisandrelli, Josh Olbrys, Andrew Opperman and Jamie Tuttle

Others Present: Authority Counsel Kevin Martin

Chairman Long called the June 18, 2018 Authority Board meeting to order at 4:30 PM and opened with the Pledge of Allegiance.

A motion was made by Mr. D’Onofrio, seconded by Ms. Freeman and passed to approve the May 14, 2018 Authority Minutes.

There were no speakers for public comment period.

Comptroller Joseph Artessa provided an overview of the City of Utica Solid Waste Agreed Upon Procedures Report which highlights the amount of revenue collected through user fees, the sale of City blue bags, and expenses associated with the Utica Fund for the period April 1, 2017 through March 31, 2018, performed by BST & Co. CPAs, LLP. Mr. Artessa reported that there were no exceptions to the Agreed Upon Procedures Report. Total revenues for the 12-month period were \$3,659,628 in comparison to \$3,582,311 for the prior year. Solid waste service charge revenue was \$2,101,011 in comparison to \$2,077,318 for the prior year. Revenue for the sale of blue bags was \$1,503,884, compared to \$1,452,465 for the prior year. Expenses were \$3,638,477 in comparison to \$3,627,102 for the prior year. Expenses for tipping fees was \$1,180,279 compared to \$1,233,866 for the prior year. Waste collections fees were \$1,529,236 in comparison to \$1,521,069 for 2017. Salaries and benefits were \$338,809 in comparison to \$334,606 for the prior year. The City of Utica Solid Waste Fund had a \$21,151 surplus in comparison to the \$44,791 deficit in 2017. Contributing to the surplus for 2018 were an increase in solid waste user fee collections, increase in sales of blue bags and a decrease in waste tipping fees.

Mr. Artessa relayed that budget transfers are needed for unanticipated expenses related to temporary labor and overtime costs at the Recycling Center, Eastern Transfer Station and Green Waste Compost facilities. Additional personnel and overtime was required due to unusual weather making sorting conditions more difficult and due to more stringent market requirements.

Resolution No. 11 was introduced by Mr. Bono, seconded by Mr. Angell and passed approving 2018 budget transfers.

Mr. Artessa reported that Resolution No. 12 would allocate additional funding from unrestricted cash reserves to the Board-designated reserve for Governmental Accounting Standards Board [GASB 75 (formerly GASB 45)] post-employment benefits. Mr. Artessa said that through Resolution No. 25 of 2009 and subsequent budgets through 2017, the Board allocated \$1,401,000 toward funding of this Board-designated reserve.

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Authority Board Secretary

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AUTHORITY MEETING MINUTES

June 18, 2018

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Based upon the 2018 valuation report, additional funding would be required to update the reserve. It was noted that although not required, the Board intends to continue a reserve to pay this future liability.

Resolution No. 12 was introduced by Mr. Franco, seconded by Mr. Roberts and passed designating \$2,537,410 toward fully funding the reserve for post-employment benefits.

Treasurer Harry Hertline reported that the Authority's current agreement with BST & Co. for professional services to audit the financial activity of the Authority expires upon completion of the 2017 annual audit. Based upon experience, familiarity with the Authority's operations, and in consideration of recent staff changes in the Authority's Accounting Department, Mr. Hertline said that the Audit and Finance Committees recommend approving an extension agreement with BST & Co. for 2018 and 2019 fiscal years.

Resolution No. 13 was introduced by Mr. Hertline, seconded by Mr. Franco and passed approving an extension of the current agreement with BST & Co. CPAs, LLP to provide professional auditing services to the Authority.

Landfill Operations Manager Josh Olbrys provided an update on Cell 7 construction currently underway at the Regional Landfill. He said that the cell floor has been graded; the geo-net has been installed; the groundwater suppression collection pipe has been installed; and the secondary soil liner has been installed on three acres, with work currently being done on the fourth acre. Mr. Olbrys said that by the end of July, the secondary soil liner should be completed. Installation of the secondary HDPE liner will begin the week of June 25th.

Executive Director Bill Rabbia provided a recycling market update. In follow-up to last month's Board meeting report on China's National Sword and Blue-Sky initiatives, recycling markets have remained flat for the month of June. Mr. Rabbia said that market indices have started to rise on the West Coast. He stated that quality is of utmost importance and that the Authority is doing its part to try to get up to specs. Currently, most of the newspaper is being shipped to India and Vietnam. Mr. Rabbia said that the Chinese company, Nine Dragons, recently purchased three paper mills on the East Coast. He said that China's new initiatives will ultimately make the market strong, however, it may take awhile to get to that point. In 2018, the Authority budgeted \$2.6 million in recycling revenue but under current conditions, he projects that number will more likely be \$2.0 million. Mr. Rabbia said that he is pleased that the Authority is able to continue its zero tip fee on recyclables. He stated that the Authority continues to process and market recyclables from Fulton, Lewis and Oswego Counties. Oswego County's contract with the Authority expires in 2018 and Oswego is interested in a five-year extension with similar terms. Mr. Rabbia will add this as an agenda item at a future meeting.

Mr. Rabbia stated that the permit application for the source-separated organics facility has been submitted to NYSDEC. Solid Waste Engineer Andrew Opperman has been working with RRT on different drawings and designs that will ultimately be submitted to the Department of State.

At 5:09 PM a motion was made by Mr. Bono, seconded by Ms. Novak and passed to go into executive session to discuss pending litigation.

At 5:22 PM a motion was made by Mr. Bono, seconded by Mr. Hertline and passed to come out of executive session.

With no further business, a motion was made by Mr. Hertline, seconded by Ms. Novak and passed to adjourn the meeting.

Respectfully submitted,

Jodi M. Tuttle
Authority Secretary