

MEMORANDUM

TO: Authority Board of Directors

FROM: William A. Rabbia, Executive Director

DATE: May 3, 2018

RE: Meeting Notice & Tentative Agenda - Monday, May 13, 2019 - 4:30 PM

1. Pledge of Allegiance
2. Approval of March 18, 2019 Authority Minutes
3. Public Comment Period
4. First Quarter Financial Report
5. Approval of Professional Services Agreement with Capital Markets Advisors, LLC - Resolution
6. Updates:
 - Local Solid Waste Management Plan - 2-Year Extension
 - Source Separated Organics Project/Ribbon Cutting
 - Radiation Monitoring - Regional Landfill
 - NYS Budget - Organics Mandate/Single Use Plastic Bag Ban
 - 2018-2019 Regional Demolition Totals
 - Earth Day Event
 - Composter/Rain Barrel Sale

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DRAFT

AUTHORITY MEETING MINUTES
March 18, 2019

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

Board Members Absent: Chairman Ken Long and James Franco

Authority Staff Present: William Rabbia, Jodi Tuttle, Emily Albright, Joe Artessa, Jim Biamonte, Samantha Brown, Pat Lisandrelli, Josh Olbrys, Andrew Opperman and William Schrader

Others Present: Brendan Kennedy, Partner - BST; and Authority Counsel Kevin Martin

Vice Chairman Bono called the March 18, 2019 Authority Board meeting to order at 4:31 PM and opened with the Pledge of Allegiance.

A motion was made by Ms. Freeman, seconded by Mr. Williams and passed to approve the December 17, 2018 Authority Minutes.

There were no speakers for public comment period.

Brendan Kennedy, Partner at BST, presented the audited financial statements of the Authority for the years ended December 31, 2018 and 2017. Mr. Kennedy 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. He stated that the Authority received an unmodified opinion on the financial statements, which is the highest level of assurance one can receive from an auditing firm. This is also consistent with prior years’ opinions. There were no internal control or compliance findings. Mr. Kennedy reviewed the Independent Auditor’s Report through a power point presentation. He explained the required communications to the Board. He 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. There were no preferability matters regarding Accounting policies and the Authority-adopted GASB 75 for 2018. He highlighted the Statement of Net Position (balance sheet), operating revenues and expenses, and notes to financial statements. The Authority increased its net position by approximately \$5.4 million for year ended December 31, 2018. The Authority’s overall revenues increased 2.96% or \$783,986 from 2017. This was achieved at the same time the Authority reduced tipping fees by \$2 per ton for municipal solid waste. The Authority’s tipping fee revenues exceeded budget by \$3,292,564. The Authority exceeded budget expectations for asbestos, soil/cover, sludge, municipal solid waste and construction and demolition debris material.

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It was noted that in 2018, recyclables' sales plummeted globally. The Authority earned \$1,783,408 in recyclables' sales during 2018, which was \$791,592 under the 2018 budget. The Authority sold landfill gas and shared in a Power Purchase Agreement, per its contract with Waste Management Renewable Energy (WMRE) and generated \$332,837 in revenue. The Authority sold carbon credits resulting in \$432,221 of revenue during 2018. In 2018, the Authority processed recyclables for Oswego, Lewis and Fulton Counties and earned \$781,285 in processing fees. Expenses increased by 6.62% over 2017 results. Salaries/wages and overtime increased 4.48% from 2017. Interest expense decreased by \$123,084 from 2017, resulting from the defeasance of the 2007 bonds and scheduled debt principal payments. The Authority also funded reserves for landfill equipment in the amount of \$450,000 for 2018 and for the extension of the landfill liner in the amount of \$1,600,000. The Authority, once again, fully funded its closure and post-closure funds for the Ash Landfill and Regional Landfill. Mr. Kennedy stated that the Authority's 2018 financial report continues to reflect the strong operating results of the Authority.

Comptroller Joe Artessa said that Resolution No. 1 is an annual resolution that reconciles the 2018 budget and 2018 budget amendments to reflect 2018 actual activity and is required for the Authority's bond indenture.

Resolution No. 1 was introduced by Mr. Angell, seconded by Mr. D'Onofrio and passed reconciling the 2018 budget and 2018 budget amendments to reflect 2018 actual activity.

Vice Chairman Bono moved Resolution No. 2 to a later agenda item.

Mr. Rabbia said that Resolution No. 3 would approve a new Collective Bargaining Agreement (CBA) between the Authority and United Public Service Employees Union (UPSEU). Mr. Rabbia stated that the current CBA expired December 31, 2018. The Authority and UPSEU members and representatives negotiated a new five-year agreement, which Mr. Rabbia believes is fair and reasonable to all parties. The salary schedule under the proposed CBA allows for increases of 2.7% in 2019; 2.7% in 2020; 2.75% in 2021; 2.8% in 2022; and 2.9% in 2023.

Resolution No. 3 was introduced by Mr. D'Onofrio, seconded by Mr. Hertline and passed approving a new CBA for 2019 through 2022 and directing the Executive Director to take all action necessary to implement the terms of the Agreement.

Mr. Rabbia stated that Resolution No. 4 would approve an updated Employee Handbook. Updates were made to the Employee Handbook to ensure compliance with federal and state legislation governing personnel issues, current standards of the Authority's operations, employee benefits, the new CBA, and Authority expectations of employee performance and conduct. The Authority's Governance Committee reviewed the Employee Handbook and is recommending adoption by the full Board. Mr. Rabbia noted that Authority Counsel also reviewed the Employee Handbook related to regulatory requirements.

Resolution No. 4 was introduced by Ms. Freeman, seconded by Ms. Novak and passed approving the updated Employee Handbook, dated March 2019.

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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. 5 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 2018; 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. 6 was introduced by Mr. Angell, 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 Board Secretary could submit a summary of the results to the Authority Budget Office before the March 31st deadline.

Resolution No. 7 was introduced by Mr. Hertline, seconded by Mr. Angell 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. 8 was introduced by Mr. Angell, seconded by Mr. D'Onofrio and passed approving the Authority's Procurement Policy, without modifications, and designating sole source vendors/purchases.

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

Resolution No. 10 was introduced by Mr. D'Onofrio, seconded by Mr. Williams and passed approving the Authority's current Code of Ethics Policy and Fraud Policy, without modifications.

Mr. Rabbia said that Resolution No. 11 is a Memorial Resolution in memory Richard A. Frye. Mr. Frye served as Oneida County Attorney from 1963 through 1972 and represented Oneida County in other matters after his tenure as County Attorney. Mr. Frye also worked with the Authority's legal team and helped in a successful defense at the U.S. Supreme Court in the case of "United Haulers versus Oneida-Herkimer Solid Waste Authority.

Resolution No. 11 was introduced by Mr. Hertline, seconded by Mr. D'Onofrio and passed, recognizing the life and contributions of Richard A. Frye.

Mr. Rabbia updated the Board on the source separated organics project. Construction on the Authority's food to energy facility began in October 2018 and continued through winter. The pre-engineered metal building is up, and contractors are now installing the roof. The next step will be to pour the floor. All equipment has been constructed and is waiting for shipment. The Authority has been working with the Oneida County Wastewater Treatment Plant (OCWTP) on the project. OCWTP is now digesting Oneida County's septic waste and producing and flaring the methane. Their next step is to beneficially utilize

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that methane, similar to how the Authority does at its Regional Landfill. OCWTP has advised Mr. Rabbia that OCWTP should be in the position where they'll soon be able to accept SSO slurry from the Authority. The Authority is hoping to be able to process the organics slurry by the end of May. Authority staff have been meeting with generators that are interested in diverting their organics waste, including SUNY Poly, HCCC, MVCC, Hamilton College and Mohawk Valley Health Systems. Staff have also reached out to other food processors and restaurants to gauge their interest and are now working with some of the waste haulers. Mr. Rabbia will continue to update the Board on the progress of this project.

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. So far this year the Authority took down a house for the Adirondack Central School District. The Authority also worked with the Village of Herkimer and a group of residents that are putting together a War Dog Memorial at the Herkimer Thruway Exit. The Authority will end this season working with the Greater Mohawk Valley Land Bank that requested assistance with two homes in the Village of Middleville; one building in West Winfield; and one building in East Herkimer. Mr. Rabbia stated that he, Landfill Operations Manager Josh Olbrys, and Authority Counsel Kevin Martin met with the Mohawk Valley Auditorium Authority that requested the Authority's assistance in removing a slab at the former Tartan property. Mr. Rabbia said that he is waiting for additional information related to environmental issues to make sure everything is abated and that there are no issues.

Mr. Rabbia said that the New York State Department of Environmental Conservation (NYSDEC) and the State are gearing up to revise and renew their State Solid Waste Management Plan. The State's current Plan, *Beyond Waste*, expires in 2020. The State and DEC have started the public hearing process and Messrs. Rabbia and Biamonte attended an informational session held in Albany. Mr. Rabbia noted that the State and DEC are re-visiting the idea of solid waste tipping fee surcharges and additional landfill bans related to construction and demolition debris. Mr. Rabbia said that Oneida-Herkimer's system already has an integrated solid waste tipping system where it has built into its tipping fees enough money to take care of things like household hazardous waste and green waste composting when recycling markets are low. He stated that the Authority shouldn't be penalized with a surcharge if it has its own landfill. Mr. Rabbia said that in the Authority's case, the Department discussed an exemption procedure.

Regarding the Authority's Local Solid Waste Management Plan, Mr. Rabbia said that when Part 360 was revised last year the State put in a new mechanism where local solid waste management plans could be renewed and rolled forward two years, five consecutive times. This is done through a biennial annual report. The Authority is currently working on its first two-year extension. An outline of the biennial annual report will be presented to the Board at the May Board meeting.

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Mr. Rabbia noted that several items related to Governor Cuomo's budget proposal have been uploaded to the Board portal, including the Governor's Article VII language on banning single use plastic bags statewide. The Governor also included a proposal for a bigger better bottle bill which would go after a lot of the non-covered beverages (i.e., ice teas, energy drinks). Mr. Rabbia corresponded with state/local elected officials explaining how the bigger better bottle bill would hurt the Authority's revenue system by taking aluminum and PET out of our system, especially when paper markets are as low as they are right now.

Ms. Freeman commented that could take roughly \$200,000 out of our system per year (in commodity value) and would increase greenhouse gas that is emitted through a whole new transportation system.

Mr. Rabbia said that the Authority has been working with New York State Association of Counties (NYSAC) and was informed that both the Senate and the Assembly have rejected the bigger better bottle, bill for now.

Mr. Rabbia said that since reporting a slight up-tick in recycling markets for mixed paper and OCC, those markets have since receded and are now at the level they were for the majority of 2018. He stated that it's too early to project the impact for the remainder of 2019. Mr. Rabbia said that there has been a lot of information in the media related to investments in new mills within the U.S. The Authority has been working with WM Recycle America to see if the Solvay paper plant could accept mixed news. Solvay currently accepts the Authority's OCC. Mr. Rabbia will keep the Board posted.

Mr. Rabbia said that the Authority is combining efforts with Senator Griffo on this year's Earth Day event scheduled for Saturday, April 13, 2019 at the Oneida-Herkimer Recycling Center (80 Leland Ave. Ext., Utica) from 10 AM - 2 PM. Mr. Rabbia said that Senator Griffo has sent out a mailer reminding residents of the events. This year the Authority is concentrating on e-waste recycling, confidential paper shredding, in cooperation with Confidata; collection and disposal of unwanted medication and pharmaceuticals (NYSDEC will provide an Environmental Conservation Officer to oversee the collection/disposal); and providing information on the Oneida County Sewer District's "Operation Ripple Effect".

Mr. Rabbia reported that the Authority updated its website software and re-vamped its website to make it more user-friendly for mobile devices. The Authority website continues to be a work in progress with staff continuously updating its content.

Mr. Angell asked if there is enough gas being produced at the landfill for a third generator to be installed. Mr. Rabbia responded that he has been communicating with Waste Management Renewable Energy (WMRE) and that WMRE will be sending a formal response to the Authority. Mr. Rabbia said that initial indications are that the economics aren't there to support WMRE's investment in a third generator at this time. Mr. Rabbia said that WMRE is exploring all options such as utilizing a used engine, or the Authority sharing more in the inter-connection costs. Mr. Rabbia said that the Authority is aggressively going after the landfill gas and receiving carbon credits for it, but that the carbon credits will expire in July 2020.

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At 5:21 PM a motion was made by Mr. Williams, seconded by Mr. D'Onofrio and passed to go into executive session to discuss proposed litigation.

At 5:47 PM a motion was made by Mr. D'Onofrio, seconded by Ms. Freeman and passed to come out of executive session.

The regular meeting re-convened.

Resolution No. 2 was introduced by Mr. Hertline, seconded by Mr. Angell and passed to award Contract No. 19-0001 - General Construction for the Regional Landfill Stage 1 Closure Construction to the lowest responsive and responsible bidder.

At 5:48 PM, with no further business, a motion was made by Ms. Novak, 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. 12

Introduced by:

Seconded by:

RE: APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH CAPITAL MARKETS ADVISORS, 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 Authority currently has an Agreement with Environmental Capital, LLC; and

WHEREAS, Environmental Capital, LLC has merged with Capital Markets Advisors, LLC; 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 Capital Markets Advisors, 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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