

MINUTES
THE BOARD OF SUPERVISORS
RUTLAND COUNTY SOLID WASTE DISTRICT
BUSINESS MEETING
DECEMBER 6, 2017

MEMBERS PRESENT:

Rutland City	Robert Tanner, Mike Brookman	Proctor	John Jozwiak	
West Rutland	Sean Barrows	Mount Holly		
Ira	Larry Taggart	Wallingford	Mendon	Susannah Loffredo
Castleton	Tim Gilbert	Pittsford	Danby	Steve Haines by phone
Clarendon	Alf Strom-Olsen	Killington	Brandon	Gabe McGuigan
Hubbardton		Poultney	Wells	

OTHERS PRESENT:

James O’Gorman, District Manager Joyce Segale, RCSWD Deane Wilson, RCSWD

Acting chairman Mr. Taggart called meeting to order at 6:17 P.M. with quorum with Steve Haines on telephone. Mr. McGuigan arrived at 6:25 p.m. and phone call with Mr. Haines was ended.

1. SET AGENDA – Mr. O’Gorman stated 2018 draft budget should be added to agenda under New Business and Executive Session should move from #7 to #5 Old Business.

2. APPROVAL OF MINUTES OF NOVEMBER 1, 2017

Mr. Strom-Olsen stated he had changes. Under 6. Old Business section (B) it should state that Jim O’Gorman stated no additional fee from engineers was in original contract. Also last sentence in first paragraph of section (B) should read that Mr. Strom-Olsen meant that direct sources of revenue and direct expenses of disposal should be detailed. Also under 6. Old Business section (C) Audit 2016 Mr. Strom-Olsen had stated that an independent audit is not required of municipalities but our charter requires an annual audit. Minutes will be corrected to reflect these 3 changes . Motion by Mr. Jozwiak with second by Mr. Tanner to accept November 1, 2017 minutes with these corrections. Motion passed unanimously.

Mr. Strom-Olsen asked if there were any additional edits or changes to original charter that should be noted. Mr. O’Gorman stated he had spoken with Attorney Jack Facey and he stated there was a change made in a 1980 executive session. Mr. Strom-Olsen stated we need to modify charter as it now reads that the executive director is chairman.

3. FINANCIAL STATEMENTS OF OCTOBER 2017

Mr. O’Gorman read manager’s report. Year-to-date trash tonnage is about on par with recent years. October actual tons were 3,636 compared to 2,854 budgeted. Only major expense was final \$4,500 payment for audit. Zero sort price was \$60 per ton due to tightening of Chinese recycling standards. Mr. Dapron stated this has rebounded a bit. C&D expenses include 15 hours of tub grinding and shingle and wood chips hauling. Under HHW an adjustment was posted to take pesticides grant receivable of \$4,073 off books as the state ran out of funds. In response to Mr. Strom-Olsen’s question, Mr. O’Gorman stated this did not affect the 2018 budget. Transfer station expenses included \$28,000 for new transmission and blade for loader. Mr. Jozwiak asked how much insurance paid on the claim. Mr. O’Gorman stated \$15,000. Motion by Mr. Tanner with second by Mr. Jozwiak to accept October 2017 financial statements. Motion passed unanimously.

4. OPEN TO THE PUBLIC – Randall Dapron and Shelley Sayward, Casella Waste Systems

5. OLD BUSINESS

C. 2016 Audit

Mr. T.J. Sabotka of O’Brien, Shortle, Reynolds and Sabotka spoke about the 2016 audit. It is a clean audit report and an unqualified opinion was issued which is best result. There were no material weaknesses and no deficiencies. Audit went smoothly and Mr. Sabotka commended cooperation of the district staff. He reviewed exhibit D Statement of Revenues, Expenses and Changes in Fund Balance. Actual revenues and expenses were very close to budget to produce a break even fiscal year on target. No new debt was incurred and cash was steady. Mr. Strom-Olsen questioned why audit received this late in year. Mr. Sabotka stated audit work begins after tax season. Final audit report was issued in September 2017. Mr. Sabotka offered to Mr. O’Gorman to have a supervisor present the audit at one of the previous board meetings as he was unable to attend due to prior commitments and Mr. O’Gorman stated this was not necessary. Mr. Strom-Olsen asked if district towns get copy of audit and if comparative financials were required. Mr. O’Gorman stated district towns get copies. Mr. Sabotka stated comparative financials are not required by government entities as GASB 34 is used. Mr. Jozwiak stated he would like to see comparative balances. Mr. Sabotka stated supplementary schedule can be added if requested. Mr. Strom-Olsen would like to see comparison with prior year income statement and balance sheet and requested Ms. Segale to bring to next meeting.

Mr. Gilbert asked about safety measures for cash receipts as his town's auditors recommended discontinuing cash payments. Mr. Sabotka stated he believed that RCSWD cash receipts were reasonably protected and adequate controls are in place including staff rotation, security cameras and ticket generation for reconciliation of receipts.

Mr. Jozwiak asked if assets represented true figure. Mr. Sabotka stated accounts receivable and payables are what they are but market value and book value may be different and this is not unusual.

Motion by Mr. Jozwiak with second by Mr. Tanner to go into Executive Session at 6:44 p.m. to discuss contract matter. Out of Executive Session at 7:22 p.m.

Ms. Loffredo asked if board wanted to make decision tonight about non-district scale fees or schedule another meeting before 12/31/17 to decide. She is in favor of an increase in the fee in 2018 budget and Mr. Jozwiak stated he would like to leave the non-district scale fee at current \$1/ton for 2018 budget. Discussion followed about pros and cons of increasing this fee. Executive Committee had recommended increasing the fee to \$13 per ton. Fee has not been raised in about 17 years. Mr. McGuigan stated he favored a \$3/ton fee. Mr. Barrows asked why new scale was installed at Gleason if a price increase forces Casella trucks to weigh trucks up the road in Mendon. He asked about contracts with Casella. Mr. O'Gorman stated the last trash disposal contract with Casella was in 2012 –only lease agreements in place now. Motion by Mr. Gilbert to change non-district scale fee to \$2 per ton with the additional \$1 going into reserve for scale with second by Mr. Tanner. Discussion continued about rate change. Mr. Strom-Olsen asked if Casella employees and equipment are on the pad. Mr. O'Gorman stated yes and this saves the district on labor and equipment costs. Mr. Barrows suggested focusing on a business model for the future of the district. Ms. Loffredo asked why district did not renew trash contract with Casella in 2012. Mr. O'Gorman stated towns wanted options.

Mr. Taggart stated motion was on the floor to increase non-district scale fee to \$2 per ton with \$1 to scale and \$1 to general fund. Motion passed with Mr. Jozwiak abstaining.

A. Gleason Road Scales Walk through and the final payment

Mr. O'Gorman passed out final change order from Belden Company which includes request for payment of \$233,348.07 and attachment detailing what is left with walk-through. Mr. Strom-Olsen asked if everything was OK at walk-through. Mr. O'Gorman stated yes but there are a few things that have to wait until spring. Mr. Jozwiak stated the issue of blacktop needed to be discussed and stated he did not believe that the grades were done correctly. He stated the wale on west side was problematic. Two inches of rough coat pavement was laid and is flush but the additional one and half inch of paving would mean the pad would be lower than the road. Mr. O'Gorman stated he spoke with engineer Craig Jewett about what should be done before additional paving is done. Mr. Jewett said to mill section down along the pad before additional one and half inch paving.

Discussion followed about responsibilities of contractor and engineer. Ms. Loffredo asked if plans were wrong or was it a matter of not following plans. Mr. Barrows noted the transition is on concrete not the scale itself. Mr. Jozwiak questioned #4 –Welded Stops for \$400.00 – on attachment #1 list of additional contract work outside the project scope. Mr. Barrows asked why we would pay for welding which was a Fairbanks problem. Mr. Brookman stated re-grading – not just re-paving would be required. Mr. Taggart stated berm is on punch list to solve water under scale. Mr. Gilbert asked if some payment should be held back and asked Mr. O'Gorman for his recommendation on this. Mr. O'Gorman suggested holding back 10% of the final payment.

Discussion followed on contract document. Mr. O'Gorman contacted engineer Craig Jewett and put him on speaker phone. Mr. Jewett stated he believes that Fairbanks credited its bill to Belden for the \$400 welding charge and will confirm this. Mr. O'Gorman stated #7 electrical repairs ballast for \$560.47 was for the scalehouse and Mr. Jewett stated he and Jim O'Gorman discussed this at Gleason Road previously. #2 thickened apron concrete for \$720 was for damage to concrete by a Casella truck's landing gear. Mr. O'Gorman will contact Casella to seek payment for repair.

Mr. Jozwiak asked Mr. Jewett about paving. He recommended that bomagging should be done rather than milling. Mr. Strom-Olsen asked what is bomagging. Mr. Jewett explained it is when existing pavement is used. The process takes up the existing pavement and that mixture of asphalt and underlying gravel is then used as a base coat for new asphalt. Mr. Gilbert asked if grade was proper before asphalt paving. According to Mr. Jewett the subgrade was signed off on before the paving. He further explained paving and grading. Mr. Barrows asked if Mr. Jewett was recommending bomagging the whole thing then re-pave and Mr. Jewett replied yes. Mr. Jewett stated Library Ave. in Rutland was bomagged 3 years ago with very good results. Mr. Barrows asked if he recommended a binder and Mr. Jewett stated usually wet calcium chloride is used but you don't always need a binder.

Motion by Ms. Loffredo to pay Belden Company final payment of \$233,348.07 less \$400 for welded stops with second by Mr. Gilbert. Mr. Jozwiak voted against the motion. Motion passed.

B. Fees for Non-District Customers

Mr. O’Gorman handed out proposed price change sheet for Gleason Road that executive committee developed. It proposes 3 categories of prices for customers – district town resident/business permit, non-district town resident/business permit and non-permit. Mr. O’Gorman said state law required the district to take electronic waste without a permit. Mr. Strom-Olsen asked about the cost for the district to get rid of the items on price change list. Mr. O’Gorman stated it was \$8 per item for freon removal and we get paid scrap price for metal. Compost is shipped to Foster Brothers and district pays for loader operator. District pays \$0.45 per gallon for oil disposal and tire pulls are \$1,300 per pull – about one pull per month. Mr. O’Gorman stated we make money on tires. Discussion followed about leaves and yard waste. It was agreed that district permit holders can drop yard waste for free – price list will be changed from \$1/bag to free for district residents.

Mr. O’Gorman stated additional computer codes will have to be entered at Gleason Road. Non-district permit numbers will start at 20,000. Mr. Strom-Olsen asked if letters can be put on permits to identify district versus non-district. Mr. O’Gorman will check with IT department at Casella to see if this is possible with our software. Mr. McGuigan stated it would be helpful to get employee feedback on changes. Mr. O’Gorman stated these changes go into effect on 1/1/18. Mr. Barrows asked if changes mean that people without permits are not allowed to use recycling center to pay by the bag for trash. Mr. Gilbert stated this was correct - no permit means no paying by the bag at recycling center. He stated the only change on the proposed list was making yard waste free for district residents. Motion by Mr. Gilbert to accept proposed price list with yard waste change noted with second by Mr. Tanner. Motion passed unanimously.

6. NEW BUSINESS

A. Proposed Changes to Act 148

Copy of bill introduced by Senator Rodgers included in board packet. Mr. O’Gorman stated this would affect food waste and would strike the requirement that commercial haulers start collection on July 1, 2018. Managers’ association will probably provide feedback. Mr. Strom-Olsen stated he would defer to the parties involved.

At 8:55 p.m. Mr. McGuigan made motion to adjourn with Mr. Tanner second. Motion retracted as additional topic – 2018 budget - was added to agenda.

B. DRAFT 2018 BUDGET

Mr. O’Gorman discussed budget hand-out. Pie chart on first page show sources of revenue by department in General Fund. Administration expenditures on page 2 pie chart have been lower since debt was paid off. Health insurance will increase by 9% in 2018. Mr. McGuigan noted the percentage change in administration says 25.4% increase, not 9%. Mr. O’Gorman will review this and correct. A 5% COLA (cost of living adjustment) is in the budget. Line items for salary in each department include the COLA. Mr. O’Gorman stated 2018 would be the final year for COLA as a new pay grade system will be implemented in 2019. In response to Mr. Jozwiak, Mr. O’Gorman said employees pay 10% of health premium. Mr. Strom-Olsen asked what was increase in revenues and expenditures and Mr. O’Gorman stated 14.17%. Budgets need to be mailed to district towns for review with budget vote to be scheduled for 1/3/18 RCSWD board meeting. Motion to distribute draft budget to district towns for review made by Mr. Gilbert with second by Mr. Tanner. Motion passed unanimously.

7. ADJOURN

At 9:11 P.M. motion by Mr. McGuigan with second by Mr. Tanner to adjourn the meeting. Motion passed unanimously.

The next scheduled meeting is January 3, 2018.

Respectfully submitted

Joyce Segale