

Minutes
Board of Supervisors
November 2, 2011

The Board of Supervisors of the Northwest Vermont Solid Waste District held its regular monthly meeting on Wednesday, September 14, 2011 at the District Office, 158 Morse Drive in Georgia, VT.

Supervisors Present

Bill Rowe, South Hero – Chair
Jim Tomlinson, Richford
Dave Clark, Fletcher
Paul Lambert, Georgia

Joyce Tuck, Isle la Motte
Chris Leach, Swanton
Barry Kade, Montgomery

Supervisors Absent

Gary Lockerby, Alburgh
Pierre Letourneau, Enosburg
Jim Lintereur, Bakersfield
Dave Jacobs, North Hero
Bill Cioffi, St. Albans City
Dave Supernault, Sheldon

Berkshire – Vacant
Fairfield - Vacant
Grand Isle - Vacant

Others Present

John Leddy, Executive Director

Pam Bolster, Business Manager

7:00 PM – Board Meeting

The Board Chair Bill Rowe called the meeting to order at 7:00 PM.

1. **VOTE: Approval of Minutes of NWSWD Board meeting of November 2, 2011. Mr. Rowe moved to approve the November 2, 2011 meeting minutes as written. Mr. Tomlinson seconded the motion. All were in favor and the motion was passed.**
2. Old Business.
 - a. Directors Report: Mr. Leddy began by stating that administration has been working on the annual report. South Hero requested it by Nov. 10, 2011. Mr. Rowe clarified and said that although they have requested it on the 10th as they always have, if we have it prior to their December 12, 2011 Select Board meeting they will be satisfied. Mr. Leddy said that we have always done the report on a calendar year but they would like it on a fiscal year. We will provide the fiscal year figures for all categories with the exception of the Special Collection Season. This will be done on a calendar year so that we are looking at current figures for the whole season's collection, not half from this fiscal year and half from last fiscal year. Mr. Clark commented that we should review the format used in the past and use this opportunity for public relations, telling them the positive changes that we have made in addition to the concise figures. As the towns need it to be brief review and remove any redundancy.
Mr. Leddy continued stating that the facility certification application for Georgia is at the state. The gentleman who is reviewing the application visited NWSWD as he was in the area. Mr. Leddy gave him a tour of the facility and spoke with him about the certification. Mr. Leddy states that all indications were positive from this meeting. Mr. Leddy said that the District has shipped a load of e-waste on Oct. 27th and in the five days since we have accumulated 8 gaylords of electronics. Mr. Kade asked if there were any figures on what out of each shipment are program items vs. non program items. Mr. Leddy responded that it is approximately 90% in program. He added that the state has collected 2 million lbs. of electronics to date. Their initial goal was to collect 3 million lbs. by June 2012. A discussion ensued including a segment on whether and when this high volume of e-waste might start to taper off.

Mr. Leddy informed the board that this weekend NWSWD is having an appliance and tire roundup as a drive for scrap metal. This event includes a discount rate on tire collection from \$4.00 a tire to \$2.50 a tire. Mrs. Tuck questioned whether we were paying for our advertising in The Islander for this event and others. Mr. Leddy responded that yes we were. Mrs. Tuck suggested, with the agreement of the other board members, that we ask them to run our ads in the community column as it was discussed that residents read this section more frequently than they do the advertising section. This may be cost effective as it is possible that this would be free or at a reduced price. Mr. Leddy took note of this for future ads.

Mr. Leddy went on to state that in the past month we shipped out a load of metal cans, approximately 12 thousand lbs. at \$255.00 a ton and that we shipped out paper and cardboard weighing in at 21 tons. He said that he has received numerous reports about commodity prices falling partially due to demand from China, and Greek debt. Some reports are doomsday predictions, others more conservative. Ms. Bolster noted a tribute to the staff regarding the metal cans. She told the board that to realize the current price, as we did not have enough for a full load, a deal was made with another solid waste district to combine our loads as they were in a similar situation. This allowed us to obtain the most that we could while the price is still reasonable.

Mr. Leddy said that one of the goals for FY12 & FY13 is to increase our recycling volumes to help make up for falling commodity prices. To do this the plan is to bring more residents to our drop off sites, to better educate the public to ensure that they are recycling all that they can and as well to entice others such as haulers to bring their recycling to us. Mr. Lambert asked what types of incentives could we give to the haulers to do this? Mr. Leddy said that money is the main incentive giving them a % of the money from sales of their product and also the possibility of offering single stream to them which we would sort on this end. A discussion about single stream ensued with the board agreeing that we went through a lot to get away from single stream and it was not felt that we should stray from this. The board questioned whether there was any incentive for the haulers to move away from single stream. It was decided that there really was nothing at this time as they just don't have the equipment to do this.

Mr. Leddy said that he and Mr. Clark went to the Fletcher Select-board meeting and discussed what to do next at the Fletcher drop off site. They discussed the prospect of moving or doing something different at the site of the old town garage. They reported that it was a good informal (as there were only 2 selectmen there) meeting.

Mr. Leddy said that he, Barry Domina and Jim Lintereur went to the Bakersfield meeting. They discussed the possibility of moving into the Volunteer Fire Department building as they will be moving which would put us under cover. There was interest but they were non-committal at this time. He stated that due to volumes in Bakersfield we will likely need to go to an every week schedule. We would like to and need to get out of the school parking lot.

- b. Financial Report: Ms. Bolster directed The Board to the Profit and Loss Report. She stated that all looked good, that we are pretty much on target and where we are not there are explanations for it. She noted that nothing unusual or different has happened that she felt needed to be discussed. She went on to state that our payments are timely and though receipts look down this month it is due to the All Cycle reports being late as they are working on re-aligning their accounting department. We can add an approximate amount of 30K to our receipt figure. She reported that drop off receipts are good, though down slightly due to seasonal changes. No A/R issues were noted other than that our two problem accounts push the limits given them for payment but are still staying within the guidelines that have been set for them, though barely. Ms. Bolster reported that she has begun Duffy's hauler audit and she is currently reviewing route sheets. She says this will be a long audit due to the status of the records that Duffy's has provided. She also noted that the Burns audit has been finalized and she has authorized Carl Mitchell, our outside auditor, to prepare the final letter. Ms. Bolster reports that our cash status is good.

Mr. Kade asked about the Sheltra Restitution that shows on the A/R report and Ms. Bolster replied that this will be on this report until the restitution being collected through the state, is complete.

Ms. Bolster said that the bond payment for the Georgia location goes out at the end of the month and that we are already accruing for the next payment in May of 2012.

Healthcare Discussion: Ms. Bolster brought to the attention of the board that it is necessary to make some health insurance changes. Cigna, the Districts' current health insurance carrier is no longer offering plans for calendar year 2012 for organizations of our size. VLCT has hired Hickok and Boardman to put together alternatives for us. In addition we are now able to choose between numerous companies offering health insurance rather than just plans offered by one carrier. She states that she and Mr. Leddy have been reviewing the options and would like to consider a high deductible .HSA plan which would offer the same coverage though in a different format than their current plan. The District would supply the deductible to each plan member, held in an .HSA account with the bank. This type of plan would save the district funds, would save the employee co-pays and co-insurance, while maintaining the same level of coverage. It would however put a level of responsibility to use the deductible money appropriately in the hands of the employee. It is possible to utilize the funds for non-medical usage though a penalty of 20% would apply. The board was concerned about this issue. Much discussion on this ensued. The board felt that the executive director and the business manager should not be the ones to make the final plan decision though should supply a recommendation as this is somewhat of a conflict affecting them. It was agreed by all that we would, once all questions by the executive director and the business manager are answered by VLCT, have the executive committee meet to review and discuss and decide on this topic. It was noted that a decision needed to be arrived at by November 15, 2011. A vote to allow this appears under new business.

Ms. Bolster continued to explain to the board that this is the last year of the contract for auditing services from Fothergill. She spoke with them to see if they could extend the contract. They will but at an increased service price. FY12=6.7K, FY13=7K, FY14 7.2K as opposed to the last three years of FY09=7.5K, FY10=6.5K and FY11=6.5K. She explained that she felt this was a good price in relation to her experience from a number of years ago, in a similar organization of the same volume. As well she noted that they know the organization now, and she works well with the auditor. She requested the board to consider whether they wanted to send an RFP out for this or if they would like to go with Fothergill again. Mr. Kade asked if it was felt we could make a counter offer with them. Ms. Bolster responded that it would not hurt to make the attempt which she will act on. Mr. Leach commented that in his experience organizations periodically change their auditors for a new set of eyes. Mr. Clark stated that it was his recollection that when the change was made to Fothergill the District saved a substantial amount of money. Mr. Leddy concurred. He also asked if this auditing firm did other solid waste districts. It was stated that they did Addison county and possibly Lamoille too. Ms. Bolster said that this is not a decision we need to make immediately but asked that the board continue to think about this issue. She did note that if a change is made in all likely hood the first year will be more expensive as initially it is more comprehensive until they become familiar with our processes and procedures. Mr. Rowe stated that he liked the idea of a counter offer. The topic is tabled for a future meeting.

Ms. Bolster directed the board to the FY12 re-allocation, stating that the finance committee has reviewed this and is comfortable. She said that this re-allocation corrected some miscalculations that were made when the budget was initially done and as well adjusts for some changes in program operations. She said that the board could easily see the changes by viewing the variance column. She noted that she may have made more changes but did not want to change the bottom line of the FY12 budget as it is in process. She notes on the income side, caution in areas such as sale of recyclables due to market variations, that municipal assessments were changed due to an error in the original calculation and that electronics recycling changed due to

program changes. Mr. Kade asked if the surcharge income would remain steady. She responded that although the trend is decrease of trash tonnage thus decreasing surcharge income, that this year the chances are strong that we will maintain the original projection as trash tonnage was high due to the severe flooding that this area has seen this year. FY13 does adjust for a decrease in tonnage thus surcharges. She noted also on the income side that a line item for compost collection was added so that we can show the results of our composting initiatives. In the expense categories she notes that she has reduced the insurance premium having researched to ensure that it is sufficient, this line item had been set extremely high. She discussed the reduction to plowing and mowing stating that we now plow ourselves after last year's purchase for a blade for the skidsteer, this saving the district substantial dollars. She talked of the reduction to janitorial stating that we will not be hiring a janitorial service but that money has been left there for carpet cleaning and floor care. Building improvements was increased from 5K to 10K due to the need for ventilation in the warehouse which will cost more than 5K. She noted speaking with VLCT about a grant they offer that may cover a portion of this. VLCT encourage her to apply for this. A brief discussion ensued. Mr. Rowe asked if there were any further questions.

Capital Reserve Fund Discussion: Ms. Bolster read to the board from the NWSWD charter regarding a capital reserve fund which the charter states we would have. It has not been put into place to date. She asked the board to allow 40% of the surplus funds every year to be put into a capital reserve fund for future capital purchases. A discussion followed. The board decided that they would possibly like to see a capital reserve schedule in the future rather than setting aside a % of surplus funds however they will allow a dollar amount from the FY11 surplus for this and table the discussion for future additions to this fund for the future. Ms. Bolster conceded though stated that this is a very normal way and the easiest way to set up this type of fund. A vote on this appears under new business.

3. New Business.

- a. Discussion and **VOTE: Deed Easement for Stormwater Pond maintenance. Mr. Clark moved that the board approve the deed easement, being an easement for Morse Development, for storm water pond maintenance as presented by John Anderson to the board dated in his communication of Oct. 6, 2011?** Mr. Leddy said that the pond services the whole park but just happens to be on our property. It was not included in the original purchase. It gives them permission to cross from our property to maintain or repair this pond. If access is needed it is stated that they must give advance notice and will not impede on the owners enjoyment of the said property. **Mr. Kade moved the board authorize the chairman to execute the easement deed to Morse for an easement for maintenance of the storm water pond as presented by John Anderson. Mr. Tomlinson seconded the motion. All were in favor and the motion is passed.**
- b. Discussion and **VOTE: Shall the board approve a policy to assign a certain percentage of the surplus funds at the end of the fiscal year to a dedicated interest bearing capital reserve fund?** Mr. Kade moved that the board allow **\$56,400.00 (40%) from the FY11 surplus to be put into a separate interest bearing capital reserve fund account. Mr. Tomlinson seconded the motion. All were in favor and the motion was passed.**
- c. Discussion and **VOTE: Draft District FY2013 Administrative budget.** Ms. Bolster began by stating that a lot of the figures were arrived at from past averages though not all. Under income she notes Drop Off site income was developed from past 2 years averages plus the addition of the Georgia drop off site (estimated from population comparisons to determine what existing drop off site would be closest in volume). She notes that though they show \$42,500 in sale of recyclables that it is felt this will be more but the District needs to be cautious in this area again due to

market fluctuation. She touched on the decrease in municipal assessments down to 39,500 residents. Mr. Clark noted that this is not necessarily loss of population but an adjustment from the projections that the state had been using. Ms. Bolster noted that the landfill buy in funds from Swanton will be their last year of payment, it is the 5th of 5 payments. She noted the surcharge income down and that the calculation is based on FY11 actual and what is seen so far in FY12.

Mr. Leach questioned whether we will see any income from the logging operation? Mr. Clark asked whether we should have a line item for this income? Ms. Bolster stated that what she got from Nancy Patch's presentation was that yes we will realize money from some log length out of this cut though it will be minimal. The majority of the cut will be sold as firewood which does not bring a lot. No line item needed for FY13 as the operation will be complete by then. Any income will be realized in FY12 and will show under miscellaneous income. She went on to state that under expenses for this FY13 budget the insurance expense is up considerably due to the anticipated HHW collection addition for the Georgia site as well as additional staff. She has spoken with VLCT in regards to this and feels comfortable with this figure. Gross Wage is increased due to raises and the addition of staff, with benefits calculated appropriately for such. She noted the decrease in bond payments and a slight decrease in legal/accounting expenses. Ms. Bolster explained that she has planned for a slight property tax increase. She went on to state that The District has put approximately 2.5K into Building Maintenance to have the driveway sealed to help avoid future potential problems. She stated that she reduced building improvements from the 10K in FY12 to 5K as they will have completed the warehouse ventilation problem. Fuel and repairs is down for FY13 due to the new truck as we won't have the repairs that we currently have. She drew the boards attention to a new line item for the purchase of a new truck. The new truck will be under warranty, though planning was done for some minor non-warranty issues. A discussion ensued about the new truck, discussing purchase price, vendors etc. The board has discussed and approved this purchase in the past. We will revisit purchase prices (our current quotes are 4-6 months old), trade in prices etc. at a date closer to the actual purchase.

Direct Service Drop Off expenses are down to 95K from 115K. Ms. Bolster explained that since we have started doing all our own hauling, we are currently saving appx. 37K (gross) in expenses previously spent for hauling.

Mr. Clark motioned to approve the draft FY13 budget with the amendment of the addition of the purchase of 3 roll off boxes for 17K added to the appropriate budget line item. Mr. Kade seconded the motion. Mr. Rowe held a roll call vote, all were in favor and the motion was passed.

- d. **Discussion and VOTE: Shall the board hold a Public Hearing on the Draft FY2013 District Administrative Budget on Wednesday, December 7, 2011 at 6:30 PM at the District Office?**

Mr. Cioffi motioned to hold a public hearing on the draft District FY13 budget on Wednesday December 7, 2011 at 6:30 PM at the district office. Mr. Tomlinson seconded the motion, all were in favor and the motion was passed.

- e. **VOTE: Shall the board allow the District's Executive Committee to review and authorize a new Health Insurance Carrier for the District Employees in calendar year 2012 prior to the November 15, 2011 deadline. (see discussion under finance reports).**

Mr. Kade asked for an amendment to this motion to read if the executive Committee is not able to meet the executive director is authorized to make this decision. Mr. Cioffi motioned that the board allow the Executive Committee to review and authorize and Health Insurance Carrier, with the executive director authorized to do the same should the committee not be able to meet. Mr. Clark seconded the motion, all were in favor and the motion was passed.