

**CHITTENDEN SOLID WASTE DISTRICT
SOUTH BURLINGTON CITY HALL
MINUTES OF MEETING
January 25, 2006**

PRESENT

BOARD MEMBERS:

Bolton	-----
Burlington	Steve Goodkind
Charlotte	-----
Colchester	Dirk Reith
Essex Junction	-----
Essex	-----
Hinesburg	Thomas Nostrand
Huntington	-----
Jericho	Bert Lindholm
Milton	-----
Richmond	Mary Houle
St. George	-----
Shelburne	-----
So. Burlington	Paul Stabler
Underhill	Mike Weisel
Westford	-----
Williston	-----
Winooski	-----

STAFF:

Tom Moreau
Jim Ticehurst
Tony Barbagallo
Amy Jewell
Nancy Plunkett
Thomas Melloni, Esq.

OTHERS PRESENT:

Kevin McArdle, Northeast Waste Services (NEWS)
Fred Duplessis, Sullivan, Powers & Co.
Buzz Sirwilo, Intervale Compost Products
Todd Dutil, CSWD
Ryan Cota, CSWD
Lee Tuure, CSWD

AGENDA:

- Public Hearing: FY07 Proposed Budget
1. Call to Order (regular meeting)
 2. Agenda and Public Comment Period
 3. Resolution for CSWD Employees: Todd Dutil & Ryan Cota
 4. Approval of Minutes (December 21, 2005)
 5. Finance
 6. Intervale Compost Products Loan

7. Analysis of CSWD's Compensation System
8. Idling Reduction Program
9. Fuel Surcharges on Existing Contracts
10. Waste Diversion Strategies
11. Regional Landfill
12. Program Updates
13. Other Business
14. Executive Session
15. Adjournment

PUBLIC HEARING: FY07 PROPOSED BUDGET

In the absence of Chairman Bill Leach, Bert Lindholm opened the public hearing at 7:07 p.m. There were no comments. The public hearing was closed.

MOTION by Mike Weisel, SECOND by Mary Houle, to accept the preliminary FY07 budget as presented. VOTING: unanimous; motion carried.

1. CALL TO ORDER (regular meeting)

Bert Lindholm called the meeting to order at 7:08 p.m.

2. AGENDA and PUBLIC COMMENT PERIOD

Tom Moreau announced agenda item #10 – Waste Diversion Strategies would not be covered at the meeting. There were no comments from the public.

3. RESOLUTION FOR CSWD EMPLOYEES: TODD DUTIL & RYAN COTA

Paul Stabler read the resolutions individually recognizing the outstanding customer service shown by Todd Dutil and Ryan Cota in assisting a customer in finding a lost diamond ring in over 10 tons of trash.

MOTION by Paul Stabler, SECOND by Mary Houle, to adopt the resolutions recognizing Todd Dutil and Ryan Cota for outstanding customer service. VOTING: unanimous; motion carried.

Kevin McArdle with Northeast Waste Systems was also recognized.

4. APPROVE MINUTES

December 21, 2005

MOTION by Mary Houle, SECOND by Paul Stabler, to approve the 12/21/05 minutes as written. VOTING: unanimous; motion carried.

5. FINANCE

a) Finance Committee Report of Warrants

The warrants were approved by the Finance Committee. There were no questions from the Board.

b) Bank Balances as of 12/31/05

There were no questions from the Board.

c) FY05 Audit

Fred Duplessis with Sullivan, Powers & Co. confirmed CSWD is in good shape financially. Staff reported CSWD gained \$1.33 million in worth through prudent and fiscally responsible management and investment of funds. Assets are 6.5 times liability. Jim Ticehurst spoke with pride of the efforts by managers and staff to result in the good fiscal standing of the District.

Steve Goodkind questioned if the financial strength of the not-for-profit government organization (i.e. CSWD) is too good, and if the rates, charges, fees are too high. Tom Moreau stated the issue has been raised, but the surplus from the MRF is built in to allow for equipment replacement. The solid waste management fee generates surplus revenues and the Board opted to invest the funds in single stream recycling. The MRF account has a healthy balance so further discussion of use of the funds is appropriate. Property for the landfill may use all reserves so it is prudent for CSWD to have funds available. Also, if the solid waste management fee is lowered, the Board needs to decide how to return the savings to the public. It was noted that only one third of the District's revenues come from the solid waste management fee and another third comes from the sale of materials and the final third comes from tip fee revenues from both the MRF, Drop Off Centers and Biosolids. It was also noted CSWD's tip fees are the lowest compared to solid waste districts in Massachusetts and New Hampshire.

Fred Duplessis was asked how the District should deal with a judgment not yet rendered by the court (relative to the landfill). Mr. Duplessis stated from an accounting standpoint, the likelihood of probability is assessed and a footnote is added to the audit stating there is an outstanding lawsuit (disclosure is key). Steve Goodkind suggested an explanation about the landfill/court case be added to the report so the public understands the large amount of assets than otherwise would be justified being held by the District.

Jim Ticehurst reviewed recommendations of the auditor relative to authorization on general journal entries, handling cash receipts, and installing security cameras in light of handling cash at the Drop Off Centers and the recent crime spree in the area. There have also been incidents of vandalism at the sites. Mr. Ticehurst reviewed the plan with property and equipment (fixed assets), noting twice a year the equipment list will be reviewed and necessary adjustments made to the fixed asset schedule. The District leased equipment to the Intervale Foundation and the Transfer Station which should not have been included on the schedule. The property plan will rectify the matter. Also, there is a provision in the lease contract that the lessee owns the equipment at the end of the lease (lease to own arrangement).

6. INTERVALE COMPOST PRODUCTS LOAN

Tony Barbagallo reported the District loaned \$25,000 to the Intervale Foundation as the first installment of a \$100,000 loan provided specified milestones were met which did occur. Staff is recommending the remaining \$75,000 of the loan be authorized. Paul

Stabler stated he witnessed improvements that have been made and the Intervale Foundation pledged to maintain the improvements.

MOTION by Dirk Reith, SECOND by Mary Houle, to authorize the General Manager to amend the current agreement with the Intervale Foundation to include a \$75,000 loan to be repaid over three years with an annual interest rate of 5.5%

DISCUSSION: Staff noted the loan is short term and the Executive Board approved the loan. Investment in the site has been made. The District has the compost (product) as collateral, and can assume operation of the business. Every loan made to the Intervale Foundation by the District to date has been repaid in full and on time.

VOTING: unanimous; motion carried.

7. ANALYSIS OF CSWD'S COMPENSATION SYSTEM

Amy Jewell reported Gallagher Flynn did an independent analysis of the District's compensation plan, looking at employee pay, benefits, health insurance coverage. The report from Gallagher Flynn was positive with recommendation for compensation on six positions. The Executive Board and Finance Committee will be reviewing the report then a presentation will be made to the full Board. Mary Houle expressed concern about using UVM and FAHC as a reference because these entities may not be representative of the area. Tom Moreau stated the two employers were used as "bookends". The consensus of the Board is to support forwarding the analysis report to the Finance Committee.

8. IDLING REDUCTION PROGRAM

Nancy Plunkett explained the program to reduce idling at District facilities in an effort to protect the environment and save fuel. The public will be asked to voluntarily shut off their vehicles while doing business at District facilities. CSWD employees driving CSWD vehicles are mandated to shut off their engines as stipulated in the idling reduction program.

MOTION by Mary Houle, SECOND by Dirk Reith, to approve the CSWD program to reduce idling as presented.

DISCUSSION: In response to a question about enforcement, Nancy Plunkett stated managers will supervise workers. Personnel regulations will be followed relative to violations. There was discussion of the length of time before a vehicle is required to be shut off (possibly too short since use of many facilities require waiting in line). Staff will review traffic flow through District facilities.

VOTING: unanimous; motion carried.

9. FUEL SURCHARGES ON EXISTING CONTRACTS

Tom Moreau explained the situation with a vendor who has a contract with CSWD with a CPI factor built into their fee and a vendor who does not have a built in increase yet both vendors want a fuel surcharge included in their charges to the District. The CPI includes fuel as one portion of the increase, but fuel increases have exceeded the CPI amount (29.6% versus 118%). Steve Goodkind pointed out the vendor with the CPI included in

their fee has been receiving an increase to cover fuel costs. Also, fuel is a percentage of the cost of their product. Mr. Goodkind also noted the vendor likely did not reimburse the District when fuel costs were low. Not including a CPI in their fees is an oversight by the vendor. Following further discussion, the consensus of the Board is to have Tom Moreau work with the vendors on the matter.

10. WASTE DIVERSION STRATEGIES

Postponed due to time constraints.

11. REGIONAL LANDFILL

a) Public Participation Outline

Tony Barbagallo reviewed the presentation schedule. Member towns on the periphery of the region will likely have different concerns and questions as compared to the towns of Williston and Essex so these towns will hear the presentation first. The towns of Williston and Essex will hear the presentation following compilation of more information on the design and operation of the landfill. Bert Lindholm asked about discussion of franchising and flow control. Mr. Barbagallo stated the issues will likely be raised at a later date with haulers rather than now with the general public.

b) Presentation to Member Communities

Tom Moreau reviewed the presentation to be given to the general public. The Board provided comments on the presentation, stressing the need to emphasize the overall savings to be realized by having a regional landfill, both financially and environmentally.

c) "Name The Landfill" Contest

The Board will submit suggested names (first, second, third choices) to staff.

12. PROGRAM UPDATES

The Board received written briefs on various program activities at CSWD. Bert Lindholm asked for an update on medical waste disposal. Staff explained FAHC did have discussions of building their own facility, using smaller clinics or combining with Dartmouth Medical. Presently a third party is handling the waste.

13. OTHER BUSINESS

None.

14. EXECUTIVE SESSION

MOTION by Paul Stabler, SECOND by Mary Houle, that the Board of Commissioners of the Chittenden Solid Waste District go into Executive Session to consider pending civil actions and contract negotiations where premature general public knowledge would clearly place the District, its member municipalities, and other public bodies or persons involved at a substantial disadvantage, and further, to seek and discuss the advice of attorneys on various legal issue where premature public knowledge could adversely affect the outcome of such civil action against the District, and to permit staff and the Solid waste District attorney(s) to be present for this session. VOTING: unanimous; motion carried.

The Board entered Executive Session at 10 p.m.

15. ADJOURNMENT

MOTION by Mary Houle, **SECOND** by Paul Stabler, to adjourn Executive Session and the regular meeting. **VOTING: unanimous; motion carried.**

The meeting was adjourned at 10:40 p.m.

M.E.Riordan, Recording Secretary

I agree that this is an original copy of minutes and they have been approved by motion of the Board of Commissioners at the _____ meeting held in _____.

Mike Coates, Secretary/Treasurer