

NEW RIVER SOLID WASTE ASSOCIATION  
FINANCE COMMITTEE MEETING MINUTES  
May 14, 2015

The New River Solid Waste Association Finance Committee met on May 14, 2015 with the following members present:

Commissioner Mark Hartley, Chairman  
Commissioner Karen Cossey, Vice-Chairman  
Commissioner Jimmy Tallman

Others present were: Darrell O'Neal, Executive Director  
Perry Kent, Assistant Director  
Melissa Waters, Chief Finance Officer  
Lydia Greene, Office Manager/Admin. Assistant

Chairman Hartley called the finance meeting to order.

Chairman Hartley asked Mr. O'Neal to discuss the proposed budget for FY 2015-2016.

Mr. O'Neal said he would like to go through highlights of the proposed budget starting with Revenue. The CPI increase is an estimate as it could change, these income amounts are numbers based on estimated tipping fees and averaged volumes. The In Region tipping fees are the same rate of \$26 per ton. Interest Income is up a little and shows an estimated income amount. We are no longer receiving income from recyclables. The cash carried forward is from last year.

Mr. O'Neal stated for Expenditures:

Regular Salaries represents a 3 % increase but would like for that to be a pool of 3% and would like to take a look at some lower paid employee's salaries that need to be adjusted up. The raises would be incentive based. This applies to overtime and holiday salaries also. Retirement increase is based on the amounts provided by the state. Life and Health Insurance is the same, Workers Comp was increased some. No changes to unemployment and attorney fees.

For Engineering: Monitoring Fees have been increased for the first time since Jones Edmunds has been our engineers and is a cost not to exceed. Miscellaneous Services are the same and at the direction of the

board. Title V / Gas Services has been decreased by \$25,000. Class III relocation is essentially completed with a little bit left to be done this year and has been decreased by \$200,000. There may be some activity next year for Borrow Pit Permitting but it has been decreased. LGTE and Gas Expansion should be basically completed this year so it has been reduced. Rate Study Updates will be budgeted for in case this is something that is done this year. Operations Permit Renewal and Cell 7 is scheduled for this year, an increase in cost. Closure construction and the Permit Modification will be done this year and has been budgeted for as well.

Professional Services has been increased, some due to upcoming construction projects. Accounting & Auditing has been increased based on the contract with DDF. If not spent, this will be moved to an escrow account. Chairman Hartley asked about the length of the auditing contract. Mr. O'Neal said this is a three year contract and was renewed by the board earlier this year.

Other Contractual Services were increased by 15% as all of our contracted services are up for renewal this year. In 2014 the board approved a one year extension of all the contracts if renewed with no increase. Chairman Hartley asked if we could contact our contracted providers and ask for a three year renewal at no rate increase. Mr. O'Neal said that he would recommend that we do that so that this budget increase would not be needed or reduced.

Travel & Per Diem was increased due to upcoming training needs. Communications is up due to requirements connected to the flare. Freight has been increased due to average of last 6 months expenditures and covers limerock and sod deliveries as well as hauling waste tires. Utilities are up slightly. The Environmental Impairment policy is renewed every three years and will be up for renewal this year. Repair & Maintenance budget is the same.

For Escrow Accounts:

Closure – we are good for closure after Class III was closed and removed. Cell 7 is on target for what will be needed to build Cell 7. Long Term Planning – the amount for this account was cut in half in order to balance this year's budget. Depreciation – nothing was escrowed for this account. Phase II Development represents the \$2.35 surcharge from Alachua County.

For Equipment:

The D8 was purchased last year. The 826K and the Frontend Loader will be purchased this year. The Fusion Welder has not been purchased and will be needed when we get into closure construction. This equipment will not be purchased until that project begins. Mr. Kent said that the good news is that this cost may go down when we actually purchase it. Misc Equipment, Bioreactor Expansion, LF Gas System, Gas Expansion and Compaction Analysis remain the same. Borrow Pit Permitting has been reduced as there is not much left to be done.

Host Fees are the same as last year.

Mr. O'Neal said that there are three pages provided as handouts that show our financial snapshot. The first shows our Escrow Accounts and the amounts funded and underfunded. For Long Term Planning, if we are to be fully funded at the end of the Alachua County contract, we would need to budget to escrow \$1.4 million a year. Deprecation represents funds set aside for something that has to be replaced/purchased. Cell Construction is on target. Phase II is something we do not know the date for at this time. If Alachua County renews their contract this could be in 15 years, if they do not this could be another 21 or 22 years away.

The second page shows the equipment replacement plan and will put us on track to have updated equipment at the end of the Alachua County contract.

The last page is Tipping Fee Projections which may need to be updated by Jones Edmunds this year. Right now we are projecting a \$30 per ton disposal rate next year according to the 2009 analysis. There are also tipping fee projections for years without Alachua or Levy Counties and without LGTE income. Chairman Hartley asked when the Alachua County contract would end. Mr. O'Neal said it would end December 31, 2018 and based on our contract they are to provide us with a notice stating their intentions 12 months prior to the end date. Chairman Hartley asked if we had looked for other customers for contracted waste. Mr. O'Neal said that the current low fuel cost puts us at a disadvantage right now and if fuel prices go up we will look better to potential customers. Mr. O'Neal assured the board that we are having conversations and are aware of the movement in the surrounding areas.

Mr. O'Neal said he is approaching his 20 year anniversary with New River and would like for the board to consider an amendment to his employment contract to allow him to earn an additional hour per pay period

for annual and sick leave. The board was in agreement. Mr. O'Neal said he would present to the full board for their consideration.

Chairman Hartley said he would like to see a budget to actual. Mr. O'Neal agreed that it would be a good thing to see and would provide one to the Board after this fiscal year has passed. The Finance Committee agreed to present the proposed budget as drafted to the board for approval.

Chairman Hartley called for a motion to adjourn. Commissioner Cossey made a motion to adjourn the Finance Meeting. Commissioner Tallman seconded the motion. The meeting was in adjourned.