

NEW RIVER SOLID WASTE ASSOCIATION
WORKSHOP MINUTES
May 11, 2017

The New River Solid Waste Association Board of Directors met for a workshop on May 11, 2017 with the following members present:

Commissioner Karen Cossey, Chairwoman
Commissioner Kenny Thompson, Secretary/Treasurer
Commissioner Chris Dougherty
Commissioner Cathy Rhoden

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

Chairwoman Cossey called the workshop to order. Commissioner Thompson led in prayer which was followed by the Pledge of Allegiance.

Chairwoman Cossey asked for discussion of agenda item #1, Discuss FY 2017-18 Budget. Mr. O'Neal said before we start discussing the budget, he would like to start with our account totals updated through April 30, 2017 which provides a snapshot of where we are currently.

The escrow account balances are shown for Closure, Long Term Planning, Depreciation, Cell Construction, Phase II Initial Development, Other Post Employee Benefits (OPEB), Pension/FRS and our Operating Account, along with the percentages funded for the escrow accounts, amounts underfunded and amounts if we were 100% funded. The Closure escrow is required by statute and is calculated and certified annually based on capacity and is also audited annually. Long Term Planning is based on a formula from DEP and funds are required to be set aside for a minimum of one year, however, since we have no income other than tipping fees, we should fund this account while we have the income coming in. This account is currently funded at 51%. Mr. O'Neal said he would like to mention that DEP is currently rewriting the language in the rules for long term care which will soon include custodial care to pay for the monitoring that will be required at the end of the long term care period as long as leachate and/or gas is being generated at the landfill. We do not currently have any funds in

place for this and is a funding need that we need to plan for. Depreciation is for equipment and cell development which is currently funded at 34%. Cell Construction is currently funded at 91% and is for Cell 7. This account has been set up to provide for the cost if a contractor has to come in to build that cell. If staff does the work we should have cash left over at the end of the project. Phase II is the \$2.35 surcharge being collected from Alachua County per our contract. Other Post Employee Benefits has not been funded before the amount in the current year's budget and is also funded in next year's budget. This is something the auditors have been encouraging us to do. Pension/FRS is currently funded at 11%. Totals are shown as \$35,447,036 in escrow with a total in Operating Account of \$2,650,985 as of April 30, 2017 for a grand total of \$38,098,021. This reflects well for our agency and our audits continue to show that New River remains financially sound.

Mr. O'Neal said that this year's budget preparation was different due to the fact that Alachua County has issued an RFP for solid waste disposal. Our contract with Alachua County states they are to provide us a notice 12 months prior to the end of our contract which is December 31, 2018. At their board meeting on Tuesday Alachua County Commission voted to participate in an interlocal agreement with Marion County for a feasibility study for a regional solid waste authority that would include other surrounding counties. Mr. O'Neal stated that he is not sure where all this is going but would recommend going forward with the budget and if we learn something at a later date that changes our future revenue, we can go back and amend the budget if necessary. This fiscal year will continue to include Alachua County's waste.

Mr. O'Neal said for Revenue:

The in region rate remains the same at \$28 per ton. Levy County's rate will be \$33.17 and Alachua County's rate will be \$34.71 with the anticipated CPI adjustment. The Nextel Lease is paid monthly. Interest income is shown as unchanged for next year and will be based on the market.

For Expenditures:

Mr. O'Neal said salaries are shown with a 3% cost of living increase which excludes an increase for himself based on his contract. This includes overtime, holiday, FICA and retirement. Health insurance was increased slightly but premiums will not be provided until December which is our renewal date and is assuming a 10% increase. Each year Lori Thompson,

who is at the meeting tonight, prepares a comprehensive report showing policies and premiums for other companies and other plans within Blue Cross. Mrs. Thompson said New River's health plan is pre-Affordable Care Act which gives us a good plan at good premium rates. Workers Comp and Unemployment was increased slightly. No change to Attorney expenses. For Engineering, Monitoring was increased due to costs of business, but is still down from years past. Borrow Pit Permitting expense was reduced for next year. Operations Permit Renewal & Cell 7 was increased as permitting for cell 7 will begin this year along with our operations permit renewal. Closure Construction Engineering was increased for the next fiscal year and the construction will be completed by staff. Title V Operations Permit Renewal is due this year and has been included in the budget. Other Expenditures shown remain the same with the exception of Fuel expenses which has been reduced due to trends seen in fuel costs.

For Escrows:

Mr. O'Neal said Closure Escrow has been estimated to be \$450,000 based on volume of waste. Cell 7 will not be funded this year. Long Term Planning/Custodial Care will be increased this year. For Depreciation – we are not depreciating anything in this budget. Phase II is the \$2.35 surcharge collected from Alachua County as per our contract. Other Post Employee Benefits along with Pension/FRS will be funded this year as we are trying to catch up from previous years of not funding this account.

For Equipment:

Mr. O'Neal said we have budgeted for a new compactor which is due for purchase. After this, we are in good shape with our compactors for a while. We are also in need of a new D6 in order to stay ahead of repairs and this has been included in the budget. LF Gas Collection and Controls expenses will be tracked independently.

Host Fees to the counties are the same as in the past several years and may need to be changed, along with other budget items, if Alachua County decides to do something different with their waste before the end of the next fiscal year.

Mr. O'Neal stated the proposed budget for 2017-18 is \$7,953,655 for an increase of \$121,632. Mr. O'Neal asked for any comments or questions. The board was in agreement to move forward with the budget as normal for the upcoming year and wait for Alachua County's decision regarding their solid waste disposal.

Mr. O'Neal asked if the board if they had any questions for Mrs. Thompson, Roberts Insurance before she left today. The board did not have

any questions. Mrs. Thompson thanked the board for the opportunity to be the insurance agent for New River.

Chairwoman Cossey called for a motion to recommend approval of the proposed budget to the board. Commissioner Thompson made a motion to recommend the budget as presented to the board. Commissioner Rhoden seconded the motion. The motion carried unanimously.

Chairwoman Cossey adjourned the workshop.