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CHITTENDEN SOLID WASTE DISTRICT – Administrative Office
FINANCE COMMITTEE MINUTES
CSWD Administrative Office, 19 Gregory Drive, South Burlington VT
Tuesday November 10, 2026

FINANCE COMMITTEE PRESENT: Paul Stabler, Lauren Eagan, Rick McGraw
OTHER BOARD MEMBERS PRESENT: Paul Ruess
CSWD STAFF PRESENT: Sarah Reeves

Agenda:
1. Agenda
2. Public comment period
3. (E) Consent Agenda
   a. ~~Minutes from August 12, 2026~~
   b. MRF Project Budget to Actual
   c. FY27 Results Memo June - August
4. (E) FY25 Audit Report
5. (E) Draft Proposed FY28
6. Other Business
7. Adjourn

P. Stabler called the meeting to order at 5:00 p.m.

Agenda # 1. Agenda – No changes.

Agenda # 2. Public Comment Period – No public in attendance.

Agenda # 3. Consent Agenda – R. McGraw requested the removal of the MRF Project Budget to Actual report from the Consent Agenda. The item will be added to the agenda as Agenda item # 4 "MRF Project to Actual."

Agenda #4. MRF Project to Actual
R. McGraw inquired about the methodology and definitions for the general ledger and project-specific codes utilized within the MRF Project-to-Actual Report. S. Reeves clarified that the 13,000-series numbers represent general ledger codes, while identifiers such as FY2321 are project-specific codes assigned in NetSuite by N. Ricci, likely in 2021. S. Reeves said the MRF Preconstruction category includes everything from 2021-2025 leading up to permitting and ground-breaking of the MRF project. P. Stabler stated that all construction was included in the preconstruction code and the term pre-construction was inaccurate. S. Reeves said all construction costs for the new MRF build have been consolidated under the existing FY2321 MRF Preconstruction code in NetSuite to prevent an unnecessary line break in the financial summary spreadsheets by creating a separate project-specific code. Answering a question from R. McGraw, S. Reeves clarified that line items showing as $0 in the budget amount column represent individual invoices funded under the overall project or equipment budget totals rather than being budgeted per invoice. R. McGraw requested, in the future, that tables such as this be available in Excel format. S. Reeves will verify the formatting compatibility and report back. In response to a question from P. Stabler, S. Reeves stated that storage fees for the MRF project are expected to conclude after December, following the final equipment delivery.

Agenda # 5. (E) FY25 Audit Report
S. Reeves presented the FY25 Audit Report, reporting the conclusion of fiscal year 2025 in a positive financial position. As a standard governance practice, CSWD changes its external auditing firms every three to four years to ensure fresh perspectives and varied areas of financial review. This was the first audit year using CliftonLarsonAllen LLP (CLA) auditing firm. S. Reeves reviewed the notes from the audit, highlighting comments on fixed assets and capitalization of interest. Per the recommendation of CLA auditing firm the bond

interest was reclassified from capitalized interest on the MRF project to an operating cost of the MRF. S. Reeves said the correction of errors were made to reflect misclassification of interest for FY25. In response to a question from P. Stabler, S. Reeves clarified that the interest was recorded in accordance with Generally Accepted Accounting Principles rather than Government Accounting Standards Board which treat capital project interest differently. To satisfy a different comment from the auditor, S. Reeves informed the committee that T. LaRose was assigned to conduct monthly reviews and management of the fixed assets inventory to ensure ongoing compliance and accuracy.

P. Stabler inquired about the comments and recommendations from the auditor regarding payroll reporting. S. Reeves will contact the auditor and report back to the committee. In response to a question from R. McGraw, S. Reeves agreed to confirm with L. Tomasi that the payroll records are backed up on the server. Answering a question from L. Eagan about payroll options, S. Reeves clarified that employees may choose between direct deposit (ACH) or physical paychecks, noting that all current staff utilize direct deposit. In response to a question from L. Eagan, S. Reeves stated that because CSWD is a municipal corporation under Vermont law, it is generally tax-exempt, noting the district is still required to pay payroll taxes, sales taxes, and taxes on any property it owns that is not used for solid waste purposes.

Agenda # 6. (E) Draft Proposed FY28 Budget

S. Reeves presented the draft proposed FY28 budget, projecting $21,268,407 in revenues and $18,567,533 in expenses, with no municipal assessments proposed for the fiscal year. Budget expenditures were reviewed highlighting increases in payroll, cost-of-living adjustments (COLA), health insurance, 4% increase in fuel and utilities, and travel and training for new personnel. The MRF tip fee is proposed to increase from $95/ton to $110/ton. This adjustment reflects the new operating agreement with Casella, under which the organization retains 100% of recycled material sales revenue, less a $7/ton marketing fee. In response to a question from L. Eagan, S. Reeves clarified that the projected increase for fuel and utilities is based on the FY27 budget. L. Eagan noted that fuel costs have risen by 70% since the prior fiscal year and recommended incorporating a larger contingency buffer into the budget to account for potential fuel price increases. S. Reeves stated that certain fuel expenses are already built into existing hauler contracts for material management. S. Reeves noted that certain utilities, such as water charges, are included in the $110/ton fee in the contract. The ORF inbound tip fee increased from $74/ton to $77/ton and compost sales are budgeted at $58/cy average. The recycled material sales average commodity rate increased from $75/ton to $95/ton. S. Reeves reported that investments are reduced to free up cash to pay for the new MRF.

In response to a question from R. McGraw, S. Reeves stated that, in the upcoming calendar year, the product stewardship line item on the budget income statement will be reallocated to the hazardous waste program to accurately reflect it as program revenue. Answering a question from R. McGraw, S. Reeves clarified that the MRF tip fee will directly mirror Casella's processing fee as essentially a pass-through cost, with MRF revenue generated exclusively through the sale of recycled materials. In response to a question from R. McGraw, S. Reeves said the upcoming federal legislation may impact Q3 and Q4 payroll in the FY28 budget, though potential tariff changes could yield a positive financial impact prior to that timeframe. In response to a question from L. Eagen, S. Reeves stated that, while DOC trip volume fluctuates with the economy, the DOCs remain a cost-effective waste management option and drop-off locations continue to see growth. S. Reeves said the $1 gate fee had not affected the trip volume. Answering a question from P. Stabler, S Reeves said the MRF tip fee was within market range when last compared to Rutland. P. Stabler inquired about the increase in administrative fees within the proposed budget. S. Reeves clarified that the increase reflects the reallocation of all insurance expenses into the administrative fees line item. P. Ruess requested a revision to the memo clarifying that the FY27 budget reflects adjustments made in response to current-year budgetary challenges to provide the board and the public with clear context for the $2.45 million expenditure increase. S. Reeves will consult with J. Estey and report back to the board on capital improvement projects for FY29. In response to a question from P. Stabler, S. Reeves confirmed that a full-time mechanic has been hired to maintain equipment at the organics facility and is currently undergoing operator training.

Agenda # 7. Other Business

P. Stabler inquired about the status of the search for a controller. S. Reeves stated that after concluding interviews without selecting a suitable candidate, the decision was made to explore alternative solutions through an external accounting firm to provide fractional controller services. In response to a question from L. Eagan, S. Reeves stated that the ideal candidate should reside in Vermont to ensure an in-office presence. Answering a question from R. McGraw, S. Reeves said the figure showing $0 in credit card fees on the Q1 financial report is an error. R. McGraw inquired about the status of the FY26 audit report. S. Reeves stated that fieldwork is scheduled to begin in December. S. Reeves will provide updated financial projections ahead of the upcoming anticipated cash flow tightening to assess the organization's current trajectory and identify any potential liquidity risks at the request of R. McGraw.

RICK MCGRAW made a motion, second by LAUREN EAGAN, to adjourn the meeting. Motion passed 3-0 at 6:33 PM.

I agree that this is an original copy of minutes, and they have been approved by the Finance Committee.

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Paul Stabler, Board Secretary