

DRAFT

**CHITTENDEN SOLID WASTE DISTRICT – Administrative Office
FINANCE COMMITTEE MINUTES
Zoom Meeting
Wednesday, January 18, 2023 – 5:00 p.m.**

FINANCE COMMITTEE PRESENT: Leslie Nulty, Paul Stabler, Rick McCraw
Other Board members present: Paul Ruess, Ken Spencer

CSWD STAFF PRESENT: Nola Ricci, Sarah Reeves, Amy Jewell, Josh Tyler,
Brian Mital, Dan Goossen, Jen Holliday

AGENDA ITEM:

1. Agenda
2. Public Comment Period
3. Consent Agenda Draft Minutes – January 10, 2023
4. Operating Budgets
 - a. MRF
 - b. Drop-Off Centers
 - c. Hazardous Waste
 - d. Organics Diversion Facility
 - e. Operations Administration
 - f. Property Management
5. Other Business
6. Adjourn

Leslie Nulty called the meeting to order at 5:02 p.m.

Agenda # 1. No changes to the Agenda.

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

Agenda #3. Consent Agenda – Consent Agenda was approved with minor edits for grammatic legibility, see below

- Change needed for minutes – typo 3rd line noted: “discussion of the analysis”, rather than discuss. In the following bullet’s third line of text, the text should be edited to read “useful life” rather than “useful like”.
- Clarify the last bullet:
 - Request to tie the contingency for capital to a percentage (maybe 10%) rather than a flat \$50,000 on a \$2 million budget is too small, use 10%.
 - L. Nulty clarifies her comments that led to the last bullet, “The contingency noted in the capital budget should be a percentage. Considers \$50,000 on \$2M budget to be too small, recommended a 10% contingency for the capital budget.”
- Other Business – MRF Bond to be presented at the last finance committee meeting.

Agenda #4. Operating Budgets

The committee agreed to review each department budget first and then discuss the overview.

MRF Budget Discussion –

- Request for revised and relevant Key Performance Indicators. An example of an appropriate indicator would be, “PGA costs should not exceed X or so many dollars per ton.” KPI’s should include goals and measurement indicators.
- Suggestion to provide additional context when any general changes are being brought to the Board. It will help the board and new members to better understand the context of the change.
- J. Tyler noted a correction to tipping fees changing from \$3,996,090 to \$3,995,000.
- Further clarification on handling fee and the ACR Rate proposed at \$84/ton, which is split with the operator. It was noted that the ACR of \$180/ton in FY 22 was an anomaly and an average 10-year healthy ACR is between \$80 - \$90/ton.
- An alternate plan has been prepared in the event the Casella Contract is not approved. It was noted that if this occurred it would require towns to reapprove the revised budget.
- Clarification that salaries are now showing in Operations rather than individual smaller budgets. This will be included in significant changes.

Drop-Off Center Budget Discussion–

- Request for clarification on the 3 Year Outlook on the cover page. It was noted that further analysis is needed and that will be updated for the FY 25 Budget.
- Subsidy discussion with further clarification on the proposed increase to bag fees versus a per transaction fee. A bag fee increase is proposed in this draft budget.
 - **One option:** Raise bag fees per transaction. Bag fees would increase to \$3, \$8, \$11 bag. This is \$0.23/gallon with the new fee structure and is half the cost to consumers of hiring a hauler.
 - **Second Option:** Raising a Per Transaction Fee (\$1 to use the facility, in addition to regular bag fees, etc.).
 - **Third option:** Charging for items previously not charged for (i.e., yard and leaf waste).

The goal is to move the DOC program away from its historical subsidy. The committee requested a thorough analysis be complete with the slimmed down results and recommendation provided to the Board. It was noted that the Board needs to understand the subsidy, and see the historical subsidies, the reasons why, and how we are going to close the gap and be self-sufficient and create a reserve for anticipated upgrades.

- Operational hours – This budget proposes that all facilities move to a Tuesday – Saturday schedule. Committee comments included consideration for keeping one facility open on Monday (Williston) and noted that the optics are less of the change are poor, as noted demand has been for more hours, not less. Staff note customers will still have Casella option on Mondays.

- The recycling tipping fee line item is new and includes an additional breakdown of tipping fees. That will be noted in the changes.
- Clarification on the Sale of Materials, only being out of the DOC budget and does not include sale of materials from the MRF.
- Increase of 2 full-time employees to manage additional schedules. A request to include payroll hours FY22, 23, and estimated FY24. This is intended to show an order of magnitude.
- Staff will review line item and information regarding overtime. Some numbers need to be edited, including FY 23 Budget.
- Property Improvement versus capital improvements were discussed.
- Move from Subsidy to Reserve: The Board will need to see what the pricing assumption is that makes this move possible. Recommended to include key changes in the overview.
- Discussion on Coventry and volatility. It was noted that rates are locked in until July 2025.

Hazardous Waste Budget – No questions, Committee notes budget is straightforward.

- It was noted that the KPI's are closer to what is expected from the Board.
- Discussion is held on the 20% increase to deficit shown in the three-year budget outlook. Staff note that this increase is due to skyrocketing costs of material disposal fees and storage fees. Committee requests that staff clarify this increase in the memo to the Board. Staff note that this increase is why the passage of the EPR bill is important in the the three-year outlook.

General request to include page numbers in future board packets.

Organics Diversion Facility – It was noted that this budget is unacceptable as presented and that the large growth in subsidy is something the Board and Finance Committee have been working to address for multiple years. S. Reeves said that this is a difficult budget year with the current capital improvements occurring and there may be possibilities to tighten projections.

- Committee request to see FTEs or hours and why previous years were less actual hours. It was noted that the budget reflects a normal year and previous years were a result of staff members being out of work for an extended period based on extenuating circumstances.
- Clarification was provided on some cost shifts across programs that resulted in a higher ODF Budget. This included the woodchips and grinding costs being moved from Special Waste to ODF. Further discussion was held on the future of a wood grinding program at ODF, of which this year is the beginning. Throughout the year, staff will evaluate the impact of location, materials, and costs to better formulate the ROI of this program. Possibilities of other funding for purchasing a grinder are discussed.
- Building Maintenance clarification included noting that is for stone and concrete and CSWD's software name of "building maintenance" could be improved
- 69500 – Committee asks for definition of what donations come from ODF; staff note that these are mostly request from schools.
- Equipment Contingency: \$23,000 is the current fee, staff and Committee agree that this is a potential area for reduction.

- Discussion of the increased subsidy and the thought of raising the tip fee another \$5 to cover those costs. D. Goossen said that the food waste numbers have been decreasing and we rely on the tip fee for significant revenue. If it goes too high, we'll lose food waste tonnage that could go elsewhere so that was not recommended.
- Noted that CSWD manages material and does not receive revenue on that material, including items like leaf and yard waste.
- Reformatting the Significant Changes to clarify and separate the income and expenses
- Additional review and possible savings are requested, including diesel fuel and maintenance
- Grant Funding was discussed, and it was not staff is seeking every possible funding possibility for all programming, including ODF.

Operating Administration – no questions

Property management –

- Staff said that we currently have two residential rentals and three commercial tenants.
- When CSWD moves out of the Administrative office that property, 1021 Redmond Road, and 1043 Redmond Road may be the six acres that is owed to the town of Williston.

Agenda #6. Adjourn. Motion by P.Stabler, SECOND by R. McGraw to adjourn the meeting. VOTING: unanimous; motion carried.

The meeting was adjourned at 7:28 p.m.

Amy Jewell

I agree that this is an original copy of minutes and they have been approved by the Finance Committee at the meeting held via Zoom.

Amy Jewell, Secretary