

DRAFT

**CHITTENDEN SOLID WASTE DISTRICT – Administrative Office
FINANCE COMMITTEE MINUTES
Zoom Meeting 5:00 p.m.
Tuesday, January 9, 2024**

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

CSWD STAFF PRESENT: Sarah Reeves, Nola Ricci, Amy Jewell, Jen Holliday,
Josh Estey

AGENDA ITEM:

1. Agenda
2. Public Comment Period
3. Consent Agenda Draft Minutes – October 10, 2023
4. FY24 Quarter 1 Financials
5. Current MRF & Capital Projects Update
6. Other Business
7. Adjourn

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

Agenda # 1. No changes to the agenda.

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

Agenda #3. Consent Agenda –Minutes approved as presented.

Agenda #4. FY24 Quarter 1 Financials – N. Ricci reviewed the Q1 Highlights, which included CSWD meeting budgetary goals and the ACR is slightly lower than anticipated, which is about 20% initially budgeted. S. Reeves noted that things are looking better for the 2nd quarter, so we do see a rebound in December. N. Ricci reviewed of cost of goods sold ORF is high but due to advanced purchases when costs were less. S. Reeves noted that managers are now budgeting expenses in the corresponding month to the best of their ability.

P. Stabler asked about the possible expansion of the bottle bill and the impact on MRF revenue. S. Reeves said the vast majority of material at our MRF is fiber and although it will affect volume it is a small revenue source. S. Reeves noted that payroll expenses are just below budget and expectations. R. McCraw asked about rental properties. S. Reeves confirmed we are only renting to one tenant on Flynn Avenue.

Agenda #5. Current MRF & Capital Projects Update – S. Reeves updated the committee on the new MRF project. Equipment costs increased over the past 18 months by \$800,000. She said that last week we received the initial estimate of the 72,000 sq ft building cost, which is \$4.2 million over the 2022 initial 60,000 sq ft construction. She informed the board of the work that staff has been doing to reduce the overall costs, which includes reducing the bale storage area,

reducing the width of the entrance road from 32 ft to 24 ft, and with a design change to square off the building and save on roof structure costs. She stated that current MRF is about 36,000. This facility will be between 65,000-68,000 sq ft. The equipment will take up about 37,000 sq ft. The reduction in size will be a reduced space for unprocessed material, which could lower the capacity for receiving material from five days down to four days. It was noted that the current MRF could be a possible storage space if needed. S. Reeves summarized that the refinement of the facility is being discussed to decrease expenses and reviewed the new MRF layout and the proposed changes. Discussion was held on value engineering but not short-changing the needs of the District.

Discussion was held on paying for the additional increased cost. S. Reeves noted that we do have the waterfall reserves and we are looking at the capital reserves. She noted that we are looking at the EPA SWFR grant Round 2 options and there is a possibility that some of capital projects could be eligible for other funding, which would free up to \$1 million. The value engineering can save another \$1 million and possible three other funding sources that we are looking to tap into, which could be between \$500,000 - \$750,000. She summarized that this is a challenge but is possible to make up some of the shortfall. P. Stabler asked when the decision would be made and noted the FY 25 Budget planning session. S. Reeves said this will happen in this year's budget cycle and plan for that scenario. She said that a plan will be brought to the finance committee on the draw down from reserves. She noted the grant won't line up with the fiscal year budget process, but we'll prepare with the assumption that the grant is not received. The FY 25 Budget meeting will be held on February 14, 2024. It was suggested that an Executive Session be included during the Finance Committee meeting.

P. Ruess noted that costs have increased and we will need to draw on reserves, but we also know that we have budgeted the ACR fairly conservatively and there might be opportunity there. S. Reeves said the ACR and the tip fee assumptions could be closer to market range.

R. McCraw asked about geo-thermal to include a carbon neutral way of doing things. S. Reeves said that this is being discussed with the architect to determine pricing. She said the construction RFP will be out in about one month and this all needs to be considered. S. Reeves concluded CSWD is very excited about new MRF project.

Current MRF – S. Reeves said that this facility has been a work-horse for over thirty years and expressed appreciation for Casella making do with the current MRF. She noted that in the next two years there will be additional capital expenses to keep the MRF running. She noted the \$100,000 already spent this fiscal year to keep the equipment running and roof repair. She said that the total investment for the next several years will be about \$500,000. P. Stabler acknowledged the excellent work that Josh Estey is doing related to the MRF and other projects.

J. Estey provided detail on expenses. He noted we've spent about \$100,000 on needed repair. He said that the skid steers and compactor will go to the new MRF. Mechanic expected repair is about \$60,000, one year \$200,000 and 18 month is another \$65,000. There is some flexibility in projects and what we're able to do to get by. The 18-month project might align with timing of the new MRF. The current total is about \$325,000 and there are some ways to shorten up the total costs of the projects. He credited Casella for understanding the timing and repairs.

R. McCraw asked about staging of equipment to the old and new facility. S. Reeves said that this has been considered and the timing of the move is critical will take some finesse.

Agenda #7. Other Business – No discussion was held.

Agenda #8. Adjourn

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

The meeting was adjourned at 6:19 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

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