

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

## ANNUAL FINANCIAL REPORT PUBLIC AUTHORITIES LAW - SECTION 2800

2016

### Operations and Accomplishments

#### **Solid Waste and Recycling Operations**

The Ulster County Resource Recovery Agency (“UCRRA”) continues its commitment to find ways to decrease expenses; increase revenues and to make operations more efficient while striving to provide quality solid waste management and recycling services.

The Agency’s net position improved by \$3.3 million, from \$2.2 million at December 31, 2015 to \$5.5 million at December 31, 2016.

Total revenue in 2016 reflects a \$300,000 increase from the previous year to \$14.5 million. During 2016, the Agency experienced a minor increase in volume and related solid waste service fees, but this was offset due to a decrease in revenues from fuel surcharge. A majority of revenue increases were due to the receipt of grant monies related to Agency recycling and composting programs.

Total expenses in 2016 amounted to \$11.4 million, a \$900,000 increase from 2015. During 2016, the Agency realized contractual increases for transportation and disposal costs. A majority of expenditure increases were due to changes in the Agency’s proportionate share of pension costs.

Waste volume increased 0.9% from the prior year. Predicting waste volume can be very difficult from year to year, but the implementation of Flow Control has allowed for less unpredictability. A majority of the increased volume was from sewage sludge. This increase came from a single local municipality and is expected to continue through 2017.

Dual stream recycling volume delivered to the Agency has continued on a downward trend due to increases in Single Stream Recycling (“SSR”) by commercial haulers, the City of Kingston, and a few Town Transfer Stations. SSR volume has plateaued, while still adversely affecting other recycling volumes.

The anticipated changes noted above led the Agency to shift recycling efforts to composting. This planned change saw effective increases in food waste and related sales of processed compost. In 2016, the Agency began the expansion of its composting program by doubling the size of its processing area, submitting for and receiving DEC approval to increase accepted levels of food waste volume, and by committing more employee time to the program. The Agency expects continued increases in its composting revenues in the years to come.

### **Ulster and New Paltz Transfer Stations, Material Recovery Facility, and Agency Closed Landfills**

- Security fences were installed around the leachate tanks at the New Paltz and Ulster landfills.
- New security fences were installed at the access roads to the New Paltz and Ulster landfills.
- More than 80 new recycling roll-off boxes were bought at a cost of nearly \$400,000 to service the 15 towns we are in contract with.
- An evaluation to determine the condition of the gas vents and solar flares at the Ulster landfill commenced.
- Security cameras were installed throughout the New Paltz and Ulster facilities.

### **Communications & Public Outreach**

- The Agency participated in the St. Patrick's Day Parade in the town of Wallkill to promote the Agency's Household Hazardous Waste Events and to distribute Agency recycling brochures.
- The Agency participated in Earth Day events at several local schools including but not limited to Kerhonkson Elementary, Phoenicia Elementary, and Bennett Elementary schools.
- The Agency conducted numerous tours of the facility throughout the year. Some of those that toured the facilities include the town of Gardiner, Girl Scout Troops, Mt. Marion Green Team, Ellenville School, Saugerties School, Marist College, Councilmen from the town of Cortlandt, and the Poughkeepsie Journal.
- The Agency participated in a Boy Scout Camporee, Olive Day (which was hosted by the town of Olive), and Sustainable Saturday (which was hosted by the County of Ulster). Information regarding Agency recycling and composting programs was distributed at these events.
- The Agency participated on a TV interview for town of Esopus public access TV.
- Numerous radio campaigns regarding recycling, HHW events, composting, and plastic bag recycling have aired throughout the year on various radio stations.

### **Household Hazardous Waste & Pharmaceuticals Program**

In 2016, the Agency's three Household Hazardous Waste & Pharmaceuticals Collections, offered for free to Ulster County residents, recovered the following quantities of hazardous waste and expired or unused medications:

- Antifreeze – 153 gallons
- Pesticides (solid) – 5,200 lbs.
- Pesticides (liquid) – 1,012 gal.
- Fluorescent Bulbs – 1,610 lbs.
- Hazardous Paint – 2,356 gallons
- Hazardous Household Batteries – 1177 lbs.
- Mercury-containing Devices – 55 lbs.
- Other HHW (solids) – 8,267 lbs.
- Other HHW (liquids) – 1,597 gallons
- Misc. Solid Waste – 704 lbs.
- Pharmaceuticals – 610 lbs.

Cumulatively, the Agency's program helped prevent 17,623 lbs. and 5118 gallons of hazardous materials from potentially being disposed of improperly and/or ending up in a landfill.

### **Recycling/Composting Program**

- The Agency increased the compost facility's footprint for the active portion from 40 ft x 90 ft to 90 ft x 125 ft.
- The Agency received 1275.88 tons of source-separated food waste and sold approximately 850.85 tons.
- The Agency collected a total of 576,156 lbs. of electronics from residents, small businesses (less than 50 employees), local municipal governments, and nonprofit organizations (less than 75 employees).

### Real Property

The following property is owned by UCRRA as of the end date of this report:

<u>Property</u>	<u>Fair Market Value</u>
999 Flatbush Road	\$ 9,323,544
1951 Frank Sottile Blvd	\$ 902,209

### Internal Control Assessment

UCRRA management has a good understanding of the need for internal controls and the existing control structure at the Agency. Opportunities to strengthen controls are taken into consideration on a daily basis. In previous years, a full review of the accounting system and daily operations was completed. In 2015 the Agency installed a digital security camera monitoring system at its two main sites (Ulster and New Paltz). After an initial review, it was determined that two additional cameras needed to be installed in order to have a more effective coverage area. The security cameras continue to be a major improvement to internal controls as a whole. In 2016, the Agency Controller and Operations Manager discussed various ways to strengthen internal controls throughout daily operations. We implemented the use of spreadsheets for employee leave time tracking and weekly schedules. The latter of which led to more accurate time keeping and reporting of departmental based payroll allocations. Another major improvement within the daily operational structure was the implementation of scale house operator rotations. In the past, scale house attendants were routinely scheduled at the same location. This past year, scale house attendants were intentionally rotated between the three scale houses to keep employees and customers from getting "too comfortable" with one another. Overall, the Agency's internal control system is evaluated as very strong.

This statement certifies that management has documented and assessed the internal control structure and procedures of the Ulster County Resource Recovery Agency for the year ending December 31, 2016. The Agency has strongly relied on the past reporting of its internal auditors for previous noted documentation and assessment. This assessment found the Agency's internal controls to be adequate, and to the extent that the deficiencies were identified, the Agency has developed corrective action plans to reduce any corresponding risk.



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