

**ULSTER COUNTY RESOURCE RECOVERY AGENCY
SPECIAL MEETING OF THE BOARD OF DIRECTORS:
BUDGET WORKSHOP MINUTES
AUGUST 22, 2024**

The Ulster County Resource Recovery Agency held a Special Meeting of the Board of Directors: Budget Workshop on August 22, 2024.

The proceedings convened at 5:07 PM. This meeting was held at the Agency's Main Office, 999 Flatbush Road, Kingston, NY.

Board members present: Chair/Treasurer Regis Obijiski, Vice Chair James Gordon, Member Andrew Ghiorse, Member David Gilmour (arriving at 5:09) and Member Donna Egan were present. A quorum was noted.

Staff present: Executive Director Marc Rider, Director of Finance and Administration Timothy DeGraff, Agency Counsel Karen Veronica Sheard (DeFio), and Director of Sustainability Angelina Brandt were present. Coordinator of Organizational Performance and Development Tim Weidemann was excused. Counsel/Secretary Kenneth Gilligan was absent.

PLEDGE OF ALLEGIANCE

Regis Obijiski led the group in saying the Pledge of Allegiance.

PUBLIC COMMENT

Regis Obijiski went over the guidelines regarding Public Comment. He also provided his email address for anyone who would like a topic to be addressed or discussed at a board meeting; robi@ucrra.org.

Public Comment Speakers: None.
There were no public comments offered.

AGENDA

Regis Obijiski called for a motion to Accept the Agenda, as prepared. Andrew Ghiorse made the motion and James Gordon seconded. The motion was approved with 4 in favor, 0 opposed, and 1 absent (David Gilmour).

APPROVAL OF MINUTES

There were no minutes to be approved.

COMMUNICATIONS and ANNOUNCEMENTS

Regis Obijiski, Chair stated and noted the following announcements/communications:

- The Regular Board Meeting will be held today, August 22nd at 7 PM.
- The purpose of this Special Meeting of the Board of Directors is for the full Board to review and discuss the draft budget for 2025.

- It was noted that the Finance Committee met twice this month. On August 12th, the Finance Committee reviewed a worst-case scenario for the 2025 budget with only the information UCRRA had at that time to address a disconcerting spike in the industry's disposal costs (e.g., Seneca Meadows projected a 68% increase).
- On August 19th, the Finance Committee reviewed more current and complete financial information that included transportation costs that were unavailable at the prior meeting. The members contemplated and discussed three budget scenarios (the proposed scenarios were identical except for an expenditure represented as "Debt Service").
 - The "Debt Service" expenditure refers to debt payments that began in 1994 and have been paid in the amount of \$1.79 million by the Agency each calendar year. This long-term debt obligation shall be fully satisfied, and the Agency will be relieved of its annual payment obligations at the conclusion of the 2024 calendar year.
 - At the Finance Committee Meeting held on August 19, 2024, the members considered potential allocations of the funds previously allocated to Debt Service (\$1.79 million less amounts allocated to certain designated cost increases referred to as "Debt Relief") in the draft 2025 budget. Potential allocations considered by the committee included, but were not limited to, funding of a long-term capital plan (such plan will be revised and presented to the Board by UCRRA management at the September regular board meeting) and the reduction of a portion of the substantial increase in tipping fees for 2025 necessitated by increased operational costs (more than 75% of which represent disposal costs).
 - Three different 2025 budget scenarios were considered, each identifying the resulting tipping fee: (1) Contribution of the entirety of the Debt Relief, tipping fee of approximately \$130/ton; (2) Contribution of ½ of the Debt Relief, tipping fee of approximately \$135/ton; and (3) Contribution of none of the Debt Relief, tipping fee of approximately \$140/ton.
- The Finance Committee agreed to recommend to the full Board adoption of the 2nd scenario (contribution of ½ of the Debt Relief, tipping fee of approximately \$135/ton) as a Draft 2025 Budget. (Further explanation will be provided by Marc Rider and Tim DeGraff during the review and discussion of the Draft 2025 UCRRA Budget).
- The Finance Committee recommends the Board adopt Resolution No. 2622, as revised at its August 19, 2024, meeting. Resolution No. 2622 authorizes healthcare for eligible UCRRA Retirees. The committee agreed to recommend the resolution after reconsideration, with select revisions to certain provisions contained in the resolution. The resolution seeks to improve the Agency's ability to recruit and retain employees by offering benefits comparable to those offered by competing employers (other municipalities that currently offer this benefit to its employees). The financial implication of the resolution is approximated to be a 70-cent increase to the tipping fee.

Review and discussion of the draft 2025 Budget

Marc Rider provided to the Board the Key Budget Highlights for 2025, including:

Revenue

- An increase to the tipping fee of \$20/ton to \$135/ton. Responses to Disposal RFP included a substantial unexpected increase. Transportation bids did not increase significantly from past years.
- Tonnage estimates are based on a 4-year average (excluding outlier years (2022)); includes 2024 estimate; total tonnage estimates are flat from the prior year's budget.
- Compost revenues (brush, food waste, bulk/bagged compost sales) are estimates based on the previous 3-4 years, with a proposed increase of \$10/ton to \$40/ton for bulk sale of compost. No proposed increase in \$5 per bag cost.
- Miscellaneous Leachate/MSW hauling increased because of a new contract with the town of Hurley - \$130/pole to \$285/pole
- Recycling service/tipping fees includes mattress fee increase from \$5/mattress to \$10/mattress, as well as increased actuals in recent years.
- Increase in sale of recyclables is anticipated based on current year to date actuals (approx. \$220,000 increase).

Expenditures

- Salaries/wage increase due to raises and staffing increase (includes corresponding taxes, health insurance and other fees/contributions required by law); at current 27 union employees are included in the budget (5 positions are vacant), 14 administrative staff. It was proposed that wage increases for administrative staff should match the union employee wage increases.
- Pension rates increased
- Retiree Health Insurance added as a line item
- Potential 60% increase to general liability insurance annual premium (will go out to market); budgeted 30% increase from actual and 45% increase from prior year (approx. \$100,000)
- Transportation costs bid results led to a blended rate decrease of \$.14/ton (15-20 tons to Greenridge)
- Solid waste disposal costs RFP responses led to a blended rate increase of \$23.05/ton - \$3,000,000 of \$4,000,000 budget increase
- \$895K (1/2 of Debt Relief) is allocated to establish a reserve fund for capital projects
- Capital outlay for roll offs, tractor MRF skid steer loader and bailer pumps and to repair/replace for New Paltz the landfill trimmer

The Board asked questions of staff and discussed the Key Budget Highlights – 2025

The Board discussed the potential for and ability to increase Licensing/Franchise Fees and to include it as a part of the Fee Schedule.

Questions were raised and answers were provided relating to salaries/wage and related cost increases.

Health insurance increases (approx. 1.9% increase) are impacted by staff size and composition (single/family/married).

Concerns were raised about providing health insurance for eligible retirees given the rise in the cost of health insurance.

Potential minimization of cost with the use of shared services agreements with other municipalities was identified.

It was noted that existing equipment is not replaced by newly purchased equipment. Existing equipment is kept and maintained to be used for alternative purposes and as emergency backup. A status was provided for the potential purchase of EV Roll-off vehicles in coordination with Roundtrip (contract review). Roundtrip will be present at the September Regular Board meeting and a resolution for purchase of the vehicles is anticipated for presentation to the Board.

Resolutions

Resolution #2623 Re: Authorization of Draft 2025 Agency Budget

Discussion of Finance Committee recommendation of proposed 2025 Budget.

In response to a member inquiry, it was noted that organics plan funds are not included in the Agency's operational costs or its draft budget. If such costs are not covered by the applied for grant, funds may, at the Board's direction, be included in the Draft Capital Plan which will be presented at the September General Board Meeting. The draft Capital Plan to be provided to the Board for review and discussion will include multiple scenarios for the use of capital reserve funds.

Resolution #2624 Re: Approving Draft Capital Plan

The plan is anticipated to be a rolling 5-year plan of carryover projects that will be adjusted annually. The UCRRA's "Capital Plan" for past years was dictated by the terms of the Agency's bond indenture. With the satisfaction of the debt at the end of the year, there is now an opportunity to create and implement a capital plan for the Agency that is not constricted by the terms of the indenture.

Resolution #2625 Re: Tipping Fee 2025 Fee Schedule

ADJOURN

Jim Gordon moved to adjourn the Special Meeting of the Board: Budget Workshop. The motion was seconded by Andrew Ghiorse and approved with 4 in favor and 1 (David Gilmour) opposed.

The meeting was adjourned at 6:22 PM.


September 26, 2024

Motion to approve the above transcribed Minutes of the August 22, 2024, Special Meeting of the Board: Budget Workshop was made by James Gordon, seconded by Andrew Ghiorse. 4 in favor, 0 opposed, and 1 absent (Gilmour).

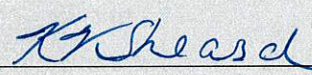
The Minutes were approved by the Board.

Transcribed by: Karen Veronica Sheard (DeFio), Agency Counsel.

Signatures:



Regis Obijiski, Chair



Karen Veronica Sheard (DeFio), Secretary