

**GREATER NEW BEDFORD REGIONAL REFUSE MANAGEMENT DISTRICT
DISTRICT MEETING – December 11, 2014**

Final Minutes

The Greater New Bedford Regional Refuse Management District Committee held a publicly posted meeting on Thursday, December 11, 2014 at 4:00 PM at the Dartmouth Town Hall, Room 305, 400 Slocum Road, Dartmouth, MA.

District Committee Members in attendance: Rosemary Tierney, Chairperson; Christine LeBlanc, Lawrence D. Worden, and Daniel Patten. Nathalie Dias and John Beaugard were not in attendance.

Also present: Scott Alfonse, Executive Director; and Cynthia Cammarata, Secretary; Matt Thomas, District Counsel; Mary Sahady and Andrew Lima, District Auditors.

1. Call to Order

Chairperson Tierney called the meeting to order at 4:00 PM.

2. Salute to the Flag

All in attendance stood to salute the Flag.

Chairperson Tierney read the Open Meeting Law advising the Board that the meeting may be recorded by audio and/or video.

3. Legal Notices

Chairperson Tierney notes that the meeting was posted timely in both New Bedford and Dartmouth, and asked for a motion and a vote to place the Legal Notices on file. Motion made by Mr. Worden, seconded by Ms. LeBlanc, voted 4-0.

Mr. Beaugard arrived at 4:02 p.m.

4. Approve Warrants

Chairperson Tierney asked for a motion to approve the Warrant. Motion made by Mr. Patten, seconded by Mr. Worden. Voted 5-0.

5. Approval of Minutes

- a. Approve Minutes of the November 12, 2014 regular meeting

Chairperson Tierney called for a motion to approve the Minutes of the District Meeting on November 12, 2014. Motion made by Mr. Patten, seconded by Mr. Beaugard. Voted 5-0.

- b. Approve Executive Session Minutes of November 12, 2014

Chairperson Tierney called for a motion to approve the Executive Session Meeting Minutes of November 12, 2014. Motion made by Mr. Patten, seconded by Ms. LeBlanc. Voted 5-0.

6. New Business

DARTMOUTH TOWN CLERK
RECEIVED
NOV 12 9 PM 1 12

a. FY 2014 Audit

Chairperson Tierney asked for a motion to approve the FY2014 Audit. Motion made by Mr. Patten, seconded by Mr. Beauregard.

Chairperson Tierney recognized Mary Sahady, who introduced herself and Andrew Lima to the Board. Mr. Lima is the Manager of the District's audit engagement, and will be discussing the new GASB Statements 67 & 68.

Mrs. Sahady commended the work of the District Accountant, and pointed out that the audit entries are strictly a result of GAAP basis (such as depletion); they do not affect the budget information. Mrs. Sahady referred to page 41 of the Audit, which reflects the Budget and Actual amounts, and pointed out that the turn back reflected is approximately 1.5 million dollars. This amount, however, consists of \$508,000 which represents a decrease in the District's OPEB unfunded liability; it is showing as a surplus, but in fact it is a **non-cash surplus**. Therefore, the District won't want to take this amount into consideration when considering the amount of available funds for reconciliation purposes. Mrs. Sahady suggested that going forward this amount be a reconciling item; and the only piece of OPEB included in the reconciliation be budgeted contributions. This \$508,000 is non cash; which means that it not money that is available to spend on other items and is really misleading when showing it as a budgetary item. If the audit were still in draft, Mrs. Sahady would consider finding another way to show this amount in order to disclose the fact that it is not a cash surplus. It is actually a reconciling item between GAAP and Budget. She noted that unfortunately, she had not yet discussed this with Mr. Alfonse or Ms. Cammarata yet as she had just looked at it on that day. She noted that the turn back in Buildings and Site Maintenance is largely due daily coverage and leachate – difficult numbers to predict. Mrs. Sahady told the Board that Mrs. Cammarata's posting of the entry was correct. From a presentation point of view Mrs. Sahady suggested this amount be considered a reconciling item on page 41. This amount is actually a negative expense; therefore it reduced the Benefit Expenses line item by \$508,000. Benefit Expenses were actually \$508,000 higher; the \$125,000 would be \$633,000, and in turn the FY2014 Reconciliation amount would be reduced from \$1,545,671 to \$1,037,671. Mr. Alfonse reiterated what Mrs. Sahady said – it is the first time that he and Mrs. Cammarata have heard about this issue, and pointed out that the Reconciliation was voted on in November in accordance with the District agreement. Therefore, the reconciliation will need to be revised. The District has revised Reconciliations in the past; the City of New Bedford and Town of Dartmouth aren't notified until January 31st.

Mrs. Sahady told the Board that in accordance with GASB accounting standards, the District will be required to record pension liability on the Financial Statements. This number will be calculated as a percentage of the New Bedford Retirement liability; those numbers will not be available until the retirement audit is completed. Mr. Lima explained that GASB 68 is the accounting standard which applies to the District, and will require that the District's proportionate share of the New Bedford Retirement pension liability be recorded in the Financial Statements. This will not affect the Budget to Actual Disclosure Statement, as it is a GAAP adjustment. The District's portion is less than one percent of the total New Bedford Retirement Liability and is currently estimated at approximately \$3.1 million. This amount is being funded over several years and is expected to be fully funded by 2040. Mr. Beauregard pointed out that the District has a finite life, and questioned how this would be resolved if it closed prior to that date. Mrs. Sahady said that although it has not been determined at this time that by law the pension benefits would not be affected. A discussion ensued regarding funding alternatives. Mr. Patten pointed out that New Bedford Retirement System bases funding on payroll while in Fall River the contribution is based on the amount that is paid to the retired employees. The NB Retirement System would need to change the process if it wanted the District to establish a reserve. Conceivably, the District's contribution would be lower if the methodology changed; primarily due to the effects of the fire and police departments. Mrs. Sahady noted that GASB 68 will require more disclosures and notes in the Financial Statements, and reiterated that this will not affect the District's Budget to Actual Analysis.

Chairperson Tierney called for a motion to receive the FY 2014 Audit and place it on file. Motion

made by Mr. Beauregard, seconded by Mr. Patten. Voted 5-0.

b. FY 2015 Budget

Chairperson Tierney asked for a motion to hear the FY 2016 Budget from the Executive Director. Motion made by Mr. Patten, seconded by Mr. Worden.

Mr. Alfonse explained that the Salaries and Benefits section of the budget has been reviewed by the Personnel Subcommittee and the remainder of the budget has been reviewed by the Budget Subcommittee. Mr. Alfonse went over key aspects of the budget:

- Total Revenues - based mainly on contracts and assessments; other line items are difficult to predict (that portion of the budget is fairly conservative).
- Salaries & Wages – generally a proposed two percent increase with the exception of the mechanic/equipment operator (increase of salary to that of the other equipment operators).
- Benefits – note that the FY16 health insurance rates haven't been determined as of yet.
- Utilities, Supplies & Services – slightly higher mainly due to the fact that Nstar and Household Hazardous Waste costs have been increasing.
- Buildings \$ Site Maintenance – The budgeted amount includes an increase of approximately \$20,000 for a study of the three deteriorating barns which are on the property.
- Equipment Expenses – has been reduced (no major repairs are expected).
- Deposits to Reserves – may need to refine after revising the Reconciliation; in this version of the draft budget there was \$224,606 that wasn't budgeted towards a particular reserve account.

Mr. Alfonse said that he will reduce some of the contributions from the Reconciliation, and then allocate some of the unbudgeted amount to reserves.

Chairperson Tierney called for a vote to receive the draft FY 2016 Budget and place it on file. Motion made by Mr. Patten, seconded by Mr. Beauregard. Voted 5-0.

c. Audit Services

Chairperson Tierney asked for a motion to hear from the Executive Director about Audit Services. Motion made by Ms. LeBlanc, seconded by Mr. Beauregard.

Mr. Alfonse explained that in the past, the District has entered into a three year contract with Hague and Sahady; the last two years it has been year to year. He asked the Board for input of how they would like to proceed (i.e. one year contract, three year contract or put out to bid). Attorney Thomas told the Board that Auditing services are exempt under exemption 15 of the procurement act. After a discussion it was recommended that the contract be year to year; this decision does not require a vote.

d. Other solid waste contracts

Chairperson Tierney asked for a motion discuss other solid waste contracts. Motion made by Mr. Patten, seconded by Mr. Worden. Voted 5-0.

Chairperson Tierney recognized Mr. Alfonse who explained that the District has received some inquiries lately from haulers for solid waste disposal. This is due to fact that the market is tightening up in response to factors including the closure of Fall River, difficulties that ABC is facing, and Bourne limiting disposal to ash. Historically, the philosophy has been to preserve space as long as the District is financially healthy. Attorney Thomas pointed out that due to the reduction of solid waste being brought in from New Bedford as a result of implementation of their new recycling program there is an estimated 7,000 tons of space that the District had planned on utilizing from New Bedford. Other factors were discussed such as Frade's being the District's biggest commercial hauler and the fact that COMM97

soils are no longer be accepted due to Dartmouth regulations.

Mr. Patten made a motion that the District offer J.F. McNamara and Sons Inc. a contract to bring in a guarantee of 2,500 tons per year at \$65 per ton, seconded by Mr. Beauregard. Voted 5-0.

e. Director's Report

Chairperson Tierney asked for a motion accept the Director's report. Motion made by Ms. LeBlanc, seconded by Mr. Patten. Voted 5-0.

In response to discussion, Mr. Alfonse elaborated on the following topics:

- Gas to Energy Plant - is operating after being offline for one weekend.
- Radioactive waste - is stored in a drum behind a building; it came from a Nursing home.
- Street Sweepings – after meeting with Industrial Park management concerning complaints -the District will perform street sweepings weekly and will maintain a log. The City offered to help; however the District needs the sweeper on site.
- Truck Route – The District's delivery procedure's manual specifically states that trucks are to use the main entrance off of Route 140 and Braley Road. There have been complaints that trucks are using the Barnet Boulevard extension entrance off of Phillips Road. A letter went out to the haulers and the City, Town and Vineyard this week. A copy of the delivery procedure manual was included. Mr. Worden said that there is a lot of traffic on Phillips road from all haulers including the City. It was suggested that Mr. Alfonse contact haulers by phone as well.
- Mr. Alfonse and Mr. Peckham recently visited South Hadley wall; Ms. LeBlanc is concerned because there are already cracks in the wall.

f. Authorization to Purchase a Used pick-up truck

Mr. Alfonse explained that the District is requesting authorization to purchase a used pick-up truck in an amount not to exceed \$10,000; and to transfer the exact amount from the equipment reserve account. Attorney Thomas added that after the acquisition, it will come back to the Board to ratify the purchase.

After a discussion, Mr. Worden made a motion to authorize the purchase of a used pick-up truck not to exceed \$15,000, and to transfer the exact amount from the equipment reserve account, seconded by Mr. Patten. Voted 5-0.

7. Old Business

a. New Bedford Business Park – Lot 7

Chairperson Tierney asked for a motion to hear from Attorney Thomas with regard to the New Bedford Business Park - Lot 7. Motion made by Mr. Worden, seconded by Mr. Beauregard.

Mr. Alfonse explained that both New Bedford's Economic Director and the Mayor's Chief of Staff have been in contact with him as there is a potential for job growth. In response to the Board's request at the last meeting, Attorney Thomas has done some research.

Attorney Thomas referred to a map, and identified lots 7 and 7B, 9 and 9B (B identifies unregistered lots) of which the District owns. At the last District meeting Attorney Thomas was asked if the sale of lot 7 would adversely affect the access to lot 9. By the presence of lots 8 and 8B, lots 7 and 9 are not contiguous lots, so it would not adversely affect lot 9. In addition, the deed states that the Industrial Park would give an easement. Thirdly, by an easement by estoppel every lot shown on a subdivision plan has the right to pass and repass over every private way shown on the subdivision plan to get to a public way.

Attorney Thomas explained that lot 7 is actually more valuable than lot 9 due to the fact that in order to obtain access to lot 9 there are wetland issues. Attorney Thomas also told the Board that the deed to lot 7 came with additional restrictions; it cannot be used as a transfer station or for storing anything landfill related. A major problem is that the deed isn't written to the Greater New Bedford Regional Refuse Management District (the official name), rather is in the name of the Greater New Bedford Refuse District. This is a problem because the land is registered. The District needs to go to the Industrial Foundation to get a Confirmatory Deed. Mr. Alfonse has spoken with them; and the Industrial Foundation is willing to work with the District in any way; to clarify an easement or to clarify the name. Attorney Thomas recommends that at this time the District ask the Industrial Foundation to actually grant an easement at this time. Further, there is language in the deed that neither the District nor the Foundation may sell lot 7 without getting the permission from the Foundation or the District (depending on who sells it). That would be the last issue to clean up in the Confirmatory Deed. This will need to go out to bid; and may go out to bid while these issues are being cleared up. Mr. Alfonse asked for a sense of the Board if there is a possibility that the District Committee may consider selling the lot. Mr. Alfonse pointed out that this parcel doesn't abut the property of the landfill and the District was willing to sell it back the Industrial Foundation after the original sale. After a discussion, it was decided that after the title has been cleared the District Committee would entertain a discussion on to put the lot out to bid.

Mr. Patten made a motion to table the discussion until the District obtains a clear title, seconded by Mr. Worden. Voted 5-0.

b. 74 Quanapoag Road

Chairperson Tierney called for a motion to hear an update on 74 Quanapoag Road. Motion made by Mr. Patten, seconded by Mr. Beauregard.

Mr. Alfonse informed the Board that Attorney Thomas has finished the site lease of 74 Quanapoag Road. The total value of the contract would likely exceed \$25,000 which is the threshold that the District has for having the committee vote on the procurement. Accordingly, Mr. Alfonse is asking for a vote of the Committee to advertise the Request for Proposal at 74 Quanapoag Road. The initial term would be from the date the lease is signed until June 30, 2016, with five options to extend the lease for one year each. The options would be upon agreement of both the tenant and the District.

Chairperson Tierney called for a vote to advertise the Request for Proposal at 74 Quanapoag Road. Motion made by Mr. Beauregard, seconded by Ms. LeBlanc. Voted 5-0.

8. Public Comment

None.

9. Set dates for next District Committee Meeting

The date for the next District Committee meeting is scheduled for Tuesday, January 13, 2016 at 8:00 AM.

10. Adjourn

Chairperson Tierney asked for motion to adjourn. Motion made by Mr. Beauregard, seconded by Ms. LeBlanc. Voted 5-0.

The meeting was adjourned at approximately 5:50 PM.