

**ONONDAGA COUNTY RESOURCE RECOVERY AGENCY  
BOARD OF DIRECTORS  
100 Elwood Davis Rd., N. Syracuse NY 13212 - UPSTAIRS CONFERENCE ROOM**

**BOARD MEETING AGENDA**

**March 08, 2023 – 4:00 p.m.**

- I. ATTENDANCE/INTRODUCTION OF BOARD MEMBERS
  - a. PUBLIC PARTICIPATION
- II. APPROVAL/CORRECTION of February 08, 2023, Board Meeting Minutes
- III. REPORT OF THE EXECUTIVE DIRECTOR
- IV. REPORT OF THE TREASURER

**Reports-Committees & Resolutions:**

**Chair of Committee:**

**A. Audit Committee**

**J. Driscoll**

Presentation by Grossman St Amour  
February 23, 2023 – *Update*  
March 1, 2023 – *Update*

- a. Resolution Approving Audit of Onondaga County Resource Recovery Agency for for Calendar Year 2022

**B. Recycling and Operations Committee**

**E. Gilligan**

February 15, 2023 – *Report*

- a. Resolution Authorizing Executive Director to Purchase Recycling Services from EWASTE+ and NLR, Inc. for Household Battery Recycling
- b. Resolution Authorizing Executive Director to Enter Contract for Battery Sorting Services

**C. Administration Committee**

**L. Klosowski**

February 28, 2023 – *Report*

- a. Resolution Authorizing Executive Director to Purchase Insurance Policies for the Agency for the Period Beginning April 1, 2023
- b. Resolution Approving Investment Guidelines and Investment Report of Onondaga County Resource Recovery Agency for Calendar Year 2022
- c. Resolution Authorizing a Change to the Agency’s Civil Service Roster

**Miscellaneous:**

I. UNFINISHED BUSINESS

II. NEW BUSINESS

III. ADJOURNMENT

IV. CALENDAR

**DRAFT**

**ONONDAGA COUNTY RESOURCE RECOVERY AGENCY**  
**February 08, 2023 BOARD MEETING MINUTES**

<b>Board Members Present</b>	<b>B. Page, A. Bianchetti, L. Colon-Torres, C. Dunham, E. Gilligan, L. Klosowski, J. Driscoll, D. Lawless, N. Zaccaria, S. Pasquale, D. Daley (remote via ZOOM)</b>
<b>Board Members Absent:</b>	<b>R. Raman</b>
<b>Also Present:</b>	<b>M. Cirino, K. Spillane, R. Czerwiak, C. Alburnio, J. Gascon Esq., M. Mokrzycki, K. Lawton, P. Pastella, T. Palmer</b>
<b>Guests:</b>	

The February 08, 2023, Board meeting was called to order at 4:05 p.m.

Roll was taken. Quorum is present.

E. Gilligan moved and A. Bianchetti seconded the approval of the minutes from the January Board meeting.

Roll was called and the minutes were approved as submitted.

K. Spillane presented the Executive Director’s report.

- The collective bargaining agreement for a new proposed 4-year contract resolution will be presented today. K. Spillane thanked all the Board members and staff that contributed to bringing this agreement forward for the Board’s consideration.
- Ley Creek update:
  - The Ad-hoc committee met this month to review proposals submitted in response to a request for engineering assistance to complete the permitting package for Ley Creek.
  - The Agency is in the process of closing the purchase of the additional property at Ley Creek, but there was a concern raised by the Town of Salina that the simple lot line adjustment was now actually a subdivision because one small piece of the original parcel owned by the Congel family would be isolated on its own. K. Spillane distributed a map of the proposed three parcels. Now that it was a subdivision, Spillane said that it was subject to a public hearing at the Town and then 3 mile review by the Syracuse City Planning Department. K. Spillane further stated that through the attorney they had negotiated for an extension of the due diligence period in the purchase contract for the parcel and that he would keep the Board informed.
- Engineering update:
  - The Agency Engineer has identified three main accomplishments during the last month:
    - Completing the process for the RFP for engineering support for the permit package for Ley Creek.
    - Continuing the building 2 Optimization work which began in January 2023.
    - Issuing RFP for engineering related to next winter’s Optimization work to enclose the push pits in building 1 and 2.
- The Agency continues to work with Arcadis on the design of the new sanitation line at Amboy.
- Transfer update:
  - The Transfer Director has identified three main accomplishments during the last month:
    - Ensuring that the transfer station is able to accept and move waste each day while building 2 is unavailable due to construction.
    - Setting up the required annual training for all staff.

## DRAFT

- Investigating the training required for refrigerant removal from the white goods OCRRA receives per EPA regulations.
- Recycling update:
  - The Recycling Director has identified three main accomplishments during the last month:
    - Reviewing and developing a new approach to the battery program.
    - Working with the City of Syracuse to apply for a grant from EPA which will provide the city with educational information to assist residents when the city implements its recycling cart roll out.
    - Focusing efforts on collecting data for the annual recycling report.
- Public Information update:
  - The Public Information Office has identified three main accomplishments during the last month:
    - Facilitating and participating with the Executive Director on engagement with area representatives and/or their staff from the city, county, state, and federal governments.
    - Finalizing the next newsletter which will be out next month.
    - Beginning promotions for Earth Day.
- OCRRA continues to meet with municipalities on the transition of blue bins to carts.
- The Agency has scheduled meetings with the Mayor of Syracuse and the County Executive to review the need to fill vacant Board appointments.

The **TREASURER'S** report was presented by L. Colon-Torres.

This report reflects December 2022 data.

- The December electricity rate was 6.3c/kWh.
- Electricity revenue for December was approximately \$1.2M.
- Total electricity revenue for the year was approximately \$10M.
- For the year, the Agency had an increase in net assets of approximately \$8.2M. This is an increase from last year.
- The Agency's cash balance at the end of December was \$22.6M.
- The Agency began the year with \$14.2M in cash reserves.
- The total amount paid to the MRF, year to date is \$781,896.

S. Pasquale moved and J. Driscoll seconded to approve the Treasurer's Report.

Roll was called and the report was unanimously approved.

The **RECYCLING AND OPERATIONS COMMITTEE** – report was presented by E. Gilligan.

- The committee discussed a resolution authorizing the Executive Director to contract for private hauling services.
- The committee discussed a resolution authorizing the Executive Director to contract for private roll-off truck hauling services.
- The committee discussed a possible contract with the Madison County Landfill. K. Spillane explained to the Board that Madison was contemplating a RFP for a private entity to operate its landfill. K. Spillane said that he reviewed with the committee, to see if there was general support, for a larger role for OCRRA to develop an intermunicipal contract with Madison to manage their solid waste plan as OCRRA has done for Onondaga County. With the support of the Committee members, K. Spillane is pursuing a follow up meeting with Madison County.
- K. Lawton gave a Legislative update on Packaging Products EPR.

**Resolution #2370 – Resolution Authorizing Executive Director to Contract for Private Hauling Services** was moved by E. Gilligan and seconded by S. Pasquale.

The resolution was adopted 8 ayes, 0 nays, 0 abstain.

**DRAFT**

**Resolution #2371 – Resolution Authorizing Executive Director to Contract for Private Roll-Off Truck Hauling Services** was moved by E. Gilligan and seconded by J. Driscoll.

The resolution was adopted 9 ayes, 0 nays, 0 abstain.

The **ADMINISTRATION COMMITTEE** – report was presented by L. Klosowski.

- The committee discussed a resolution approving the collective bargaining agreement.
- The committee discussed a resolution amending the Agency’s employee handbook.
- The committee discussed a resolution updating and adopting a use of camera policy.
- The committee discussed a resolution adopting salary adjustments for non-represented employees for 2023.
- The committee discussed a resolution authorizing changes to the Agency’s Civil Service Roster.
- The committee discussed potential benefits to trading in vehicles before major issues arise.

There was a brief discussion regarding a possible relationship with the Madison County Landfill.

**Resolution #2372 – Resolution Approving Labor Agreement with Local 158-C of the International Union of Operating Engineers** was moved by L. Klosowski and seconded by L. Colon-Torres.

B. Page asked for final edits to be made to the Longevity Pay chart. Those changes will be made after this meeting.

The resolution was adopted 9 ayes, 0 nays, 0 abstain.

**Resolution #2373 – Resolution Amending Agency’s Employee Handbook** was moved by L. Klosowski and seconded by J. Driscoll.

There was no further discussion.

The resolution was adopted 9 ayes, 0 nays, 1 abstain.

**Resolution #2374 – Resolution Updating and Adopting a Use of Camera Policy** was moved by L. Klosowski and seconded by L. Colon-Torres.

There was no further discussion.

The resolution was adopted 9 ayes, 0 nays, 0 abstain.

**Resolution #2375 – Resolution Adopting Salary Adjustments for Non-Represented Employees for Year 2023** was moved by L. Klosowski and seconded by C. Dunham.

E. Gilligan asked how this increase compares to the state.

M. Mokrzycki responded – that the New York State CSCA had issued a 3% pay increase for employees.

K. Spillane added that the Agency has always matched the same increases from the represented to the non-represented employees.

The resolution was adopted 8 ayes, 0 nays, 1 abstain.

**Resolution #7376 – Resolution Authorizing Changes to the Agency’s Civil Service Roster** was moved by L. Klosowski and seconded by C. Dunham.

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There was no further discussion.

The **LEY CREEK AD HOC COMMITTEE** – update was presented by D. Lawless.

- The committee discussed a resolution authorizing retention of an engineering firm to assist in permitting with Ley Creek.
- The committee discussed each proposal that had been submitted. The Agency received three proposals.

**Resolution #2377 – Resolution Authorizing Retention of Engineering Firm to Provide Permitting Design and Permit Renewal Assistance for the Ley Creek Transfer Station** was moved by D. Lawless and seconded by E. Gillian.

C. Dunham noted that the amount was recorded incorrectly in the resolution.

That error will be corrected.

The resolution was adopted 9 ayes, 0 nays, 0 abstain.

The **AUDIT COMMITTEE** – report was presented by J. Driscoll.

- This report is from November 2022.
- The committee discussed the risk assessment documents.
- The committee discussed the Code of Ethics training for 2022.
- The committee reviewed the DEC Report for Compost Sites audit report.
- The committee discussed the Fixed Asset Software audit report.
- The was given an update on records destruction.

B. Page mentioned that he should not be listed as a committee member in the header of the minutes, as he is exofficio.

Moving forward, he will be listed under ‘also present’.

The **FINANCE COMMITTEE** – report was presented by D. Lawless.

- This report is from December 2022.
- The committee discussed proposed changes to the Finance Committee Charter.
- The committee discussed their performance over the past year.
- The committee reviewed the Finance Committee Charter.

**Resolution #2378 – Resolution Approving Amendment to OCRRA Finance Committee Charter** was moved by D. Lawless and seconded by L. Klosowski.

There was no further discussion.

The resolution was adopted 9 ayes, 0 nays, 0 abstain.

B. Page asked for staff updates.

T. Palmer –

- The Agency is working on the upcoming newsletter and Earth Day promotions.

## DRAFT

K. Lawton –

- The Agency is working on further battery management and will be discussing that at the upcoming Recycling and Operations Committee.

A. Bianchetti asked if there was any value to battery collection.

K. Lawton responded that there is value in the metals.

P. Pastella –

- Training to meet health and safety regulations continues. The training courses include the following topics: Hazardous Communications, Hearing conservation, Bloodborne Pathogens, Workplace Violence, Lockout Tagout Awareness, and Confined Space Awareness. Inhouse training on Stormwater Pollution Prevention Plan, Spill Prevention Control and Countermeasures and Waste Control will take place in March.

- Being more diligent with incoming cardboard. Incoming loads with excessive cardboard are being photo documented, time and hauler identification is recorded, and this information is provided to Chanel Quail, Enforcement Officer for follow up. Cardboard is prohibited at the transfer facility as it is recyclable and should be separated out of the waste stream before it is brought to the facility.

- Preparing for the upcoming construction at the Agency Office. Office furniture will be transferred from the main office to the RCR training room.

C. Alburnio –

- The first outage at the Waste to Energy Facility is underway. One boiler is taken out of service during each outage.

- The Ley Creek transformer demo has been completed.

- Construction on the loadout in building 2 continues.

- RFP's have been issued for engineering services. This will be a discussion item at the next Recycling and Operations committee meeting.

M. Cirino –

- The Audit committee will meet twice in the upcoming months.

- The year end Audit has been complete.

- The Executive Director's review will be completed soon.

M. Mokrzycki –

- The office construction 'kick-off' meeting is on Tuesday.

- Construction will begin soon.

E. Gilligan moved and J. Driscoll seconded to adjourn the meeting.

A unanimous aye voice vote was recorded.

The Board adjourned at 4:55 p.m.

Board Minutes were taken by R. Czerwiak

# Executive Director's Report

March 2023

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It is apropos that we will be gathering in a different space, the upstairs conference room at Elwood Davis, as we gather for this year's Annual Meeting. This change in venue is due to the reconstruction of the office, which is symbolic of the changes to come in 2023. I look forward to the auditor's report for fiscal year 2022 and I believe it will reflect the overall financial soundness of the Agency. However, we need to be mindful of headwinds this year as we continue to work toward the permitting of Ley Creek Transfer Station, development of an EcoDrop and other critical items identified in our Strategic Plan.

## Engineering

The Agency Engineer has identified three main accomplishments during the past month:

- 1) The removal of transformers at Ley Creek is complete as we prepare for demolition. The project was completed on time and under budget.
- 2) Building 2 Optimization project work continues, reaching toward completion this month, also anticipated to finish on time and slightly under budget.
- 3) Annual reporting for all regulatory agencies is underway. End-of-year annual stormwater-related reporting has been completed.



Moving forward and looking to next month and beyond, the Agency Engineer is working with Covanta to monitor progress for planned outages. The Waste-to-Energy Facility's first winter/spring outage is complete. We are moving steadily toward the next outage this month as regular planned maintenance on the facility continues. Cristina has also executed a contract with Cornerstone for the Ley Creek Permitting Design and is moving forward quickly with this work as we strive to complete a submittal package by September.

## Transfer

The Transfer Director has identified three main accomplishments in the past month:

1. OCRRA began hauling trash to Covanta from 4:30 - 6:30 p.m. Previously, hauling after-hours was restricted to 7 - 9 p.m. This created a gap of three hours when no trash was hauled. We are now able to haul nine to 12 loads before 6:30 p.m, reducing staff burnout caused by significant overtime for

- heavy equipment operators. Any overtime will be spread out more evenly among operators, who are more likely to cover second shift absences until 6 p.m. or 6:30 p.m. instead of 9 p.m. The regular second shift crew will perform routine housekeeping, truck cleaning, building sweeping and general facility maintenance from 6:30 p.m. to the end of the shift.
2. Staff assisted with moving more than 60 boxes of records from Elwood Davis Road to the third floor records retention room at Rock Cut Road, in preparation for renovations of the main office. Staff will also help move furniture that will be reused for the training room at Rock Cut Road.
  3. Annual reports were completed for the NYSDEC, including five reports for compost and transfer facilities.

Moving forward, the Transfer Director is continuing Asset Management Planning as we identify equipment needs for this year and beyond. The Director is also involved in removing items from Ley Creek that are considered flammable and can no longer be kept inside the building due to its deteriorated condition. She is also preparing the flow of work for the upcoming Building 3 floor project.

## **Recycling**

The Recycling Director identified three main accomplishments during the past month:

1. Submission of a \$250,000 EPA Recycling Education and Outreach grant. Recycling Specialist Lisa Piering, with assistance from Kristen Lawton and Cory Dunham, drafted a detail-oriented joint application with the City of Syracuse, seeking funding to educate City residents on the transition from blue bins to carts. The plan includes public reminders of recycling rules to reduce contamination, which often results from larger cart capacity. This information can then be replicated and used in other communities in Onondaga County.
2. Advocating for NYS EPR for Packaging and Printed Paper Legislation by first working with the New York Product Stewardship Council and Product Stewardship Institute to understand nuances between the three bills that are circulating (Senate, Assembly and Governor's budget bill). The Recycling Director, Public Information Officer and I met with legislators to share our perspective on the different bills. The Chairman of the Board, the Recycling Director and I will develop a letter of support for the passage of EPR on Paper and Packaging, based on the OCRRA Board resolution for similar legislation passed in 2022, and encourage other municipalities to do the same, in early March.
3. Home & Garden Show Preparation. This work stemmed from a full team meeting (including recycling, compost, public information, business operations and myself) that defined OCRRA's overarching compost / mulch goals for this year and beyond. Recycling Specialist Maria Bianchetti is working to organize our booth for this event, including registration, booth design, material prep and staff scheduling. Please come out and see the



OCRRA booth March 17-19 at the NYS Fairground's Expo Center. We anticipate a great event.

Moving forward the Recycling Director is working on the NYSDEC annual recycling report, encouraging Earth Day registrations as we move into the spring months and continuing meetings with municipalities regarding blue box to carts transitions. Also, our compost program will be highlighted at the upcoming New York State Annual Organics Summit which will be held in Syracuse this year. More on the summit to come!



## **Public Information**

The Public Information Officer (PIO) identified three accomplishments during the last month:

- 1) Arranged and attended meetings with all state and federal representatives regarding capacity challenges for OCRRA and new EPR legislation. Background material was developed for representatives, explaining OCRRA's waste stream concerns in light of the upcoming Micron development. The PIO also spent a great deal of time researching budget deadlines and expectations, meeting with Senator Schumer's appropriations committee staff to narrow down the scope of materials that will effectively convey OCRRA's needs.
- 2) Outlined big picture goals to Pinckney Hugo for the year ahead through consultation with the Recycling Director. This year's goals will include a continued focus on proper recycling, reducing contamination, completing website revisions, and targeting apartments by educating both tenants and landlords.
- 3) Reviewed Google Analytics with Pinckney Hugo to identify the type of data available, to support decision-making in the future, based on visitor trends.

Moving forward this month, the PIO will work on finalizing the annual report. After weeks of work to outline tasks, gather information, articles, and photos, edit materials, and work with the layout designer, the newsletter has been submitted for printing. Also, Google Search ad terms have been updated to capture local audiences searching for recycling information. In addition to uploading all RFBs from each department, the PIO is continuing to feed social media content as time allows.

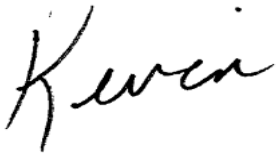
## **Municipalities and Haulers Outreach**

We will be having our first quarterly meeting with the haulers of 2023 this month. Our last hauler's meeting had good attendance. We all spoke at length about concerns with the marketing of recyclables and the cost of disposal at the MRF, with Recycle America. This month, I plan to engage haulers in a similar discussion regarding a disturbing trend of underreporting recycling tonnages this year, resulting in a precipitous drop in

reported residential recycling rates. Recyclables are not flow controlled and therefore we cannot direct them to our facilities. However, we do require haulers to report their information so, in turn, we can report that information to the state. I expect there will be a robust discussion on this topic.

I have also had great meetings with the Mayor of Syracuse and the Onondaga County Executive to discuss the need to fill Board appointments and to review some of the challenges the Agency is addressing with disposal capacity. The County Executive is also helping to coordinate a meeting with Madison County to discuss operations at their landfill. With the assistance of Tammy Palmer and Kristen Lawton, we have also met with many area legislators and their staff regarding the state budget and possible funds for OCRRA. Discussions have focused on demolition costs for Ley Creek and the construction of an EcoDrop, or as I have come to call it: the one-drop. We're looking ahead to prepare for these projects once the purchase of our new property is finalized. We are also preparing applications for federal representatives to seek funding for construction of the transfer facility itself.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Kevin".

# Treasurer Report

March 8, 2023

## **January 2023 Results:**

January's weather was mild, which contributed to tonnage levels about 4% higher than expected.

The January electricity rate was 2.6c/kWh, which provided about \$500,000 in revenue for the month.

On the expense side, the recycling costs that escalated towards the end of last year continue to be high, with a cost to OCRRA of about \$177,000.

## **Cash Flow:**

The Agency's cash balance at the end of January stood at **\$22.9M**. The Agency began the year with **\$22.6M** in cash reserves.

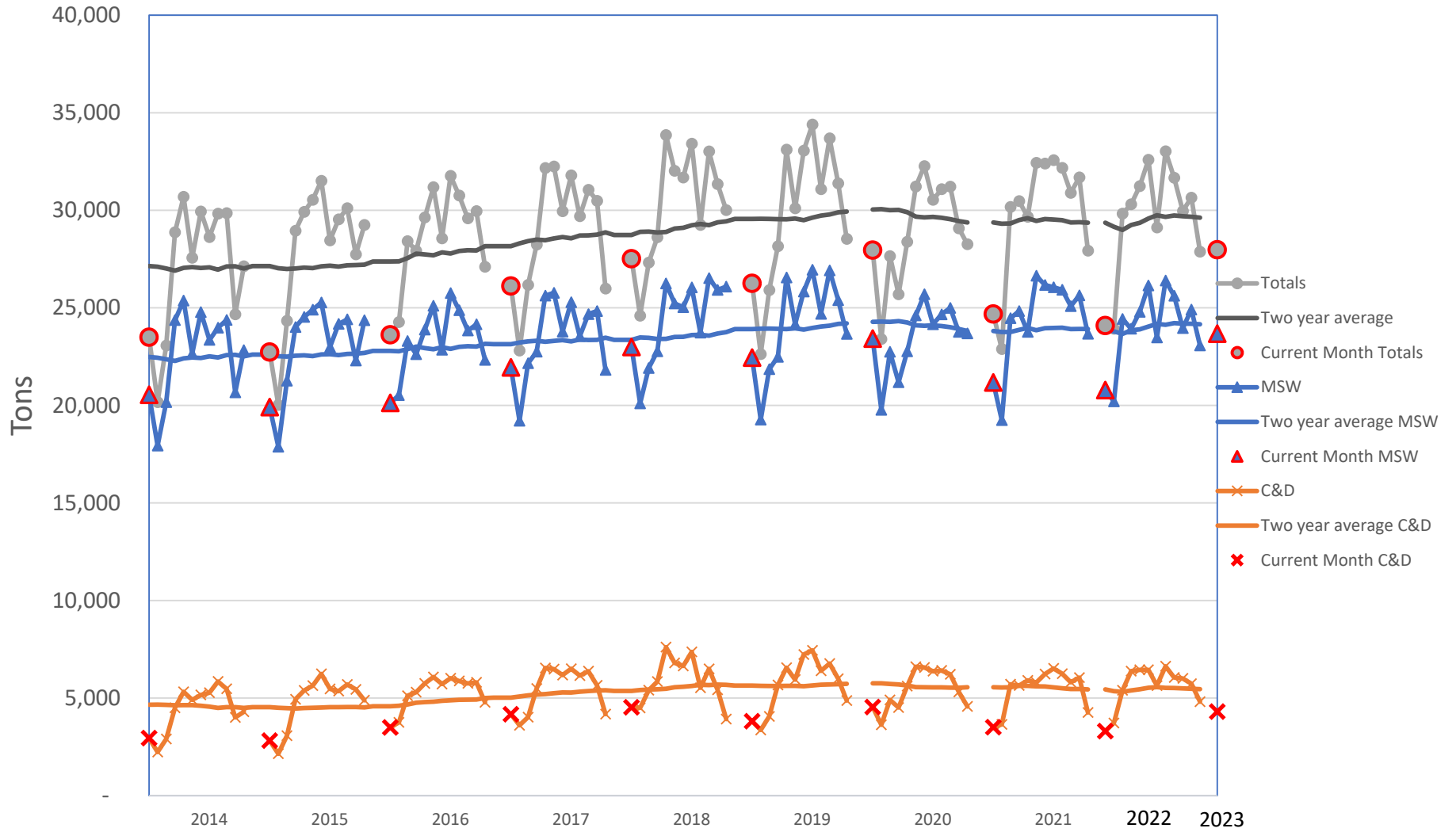
## **Recycling Revenues and Expenses:**

The Agency's payments for and revenue from residential recycling are summarized below. The income statement includes these amounts in "Other" (revenue) and "Recycling" (expense).

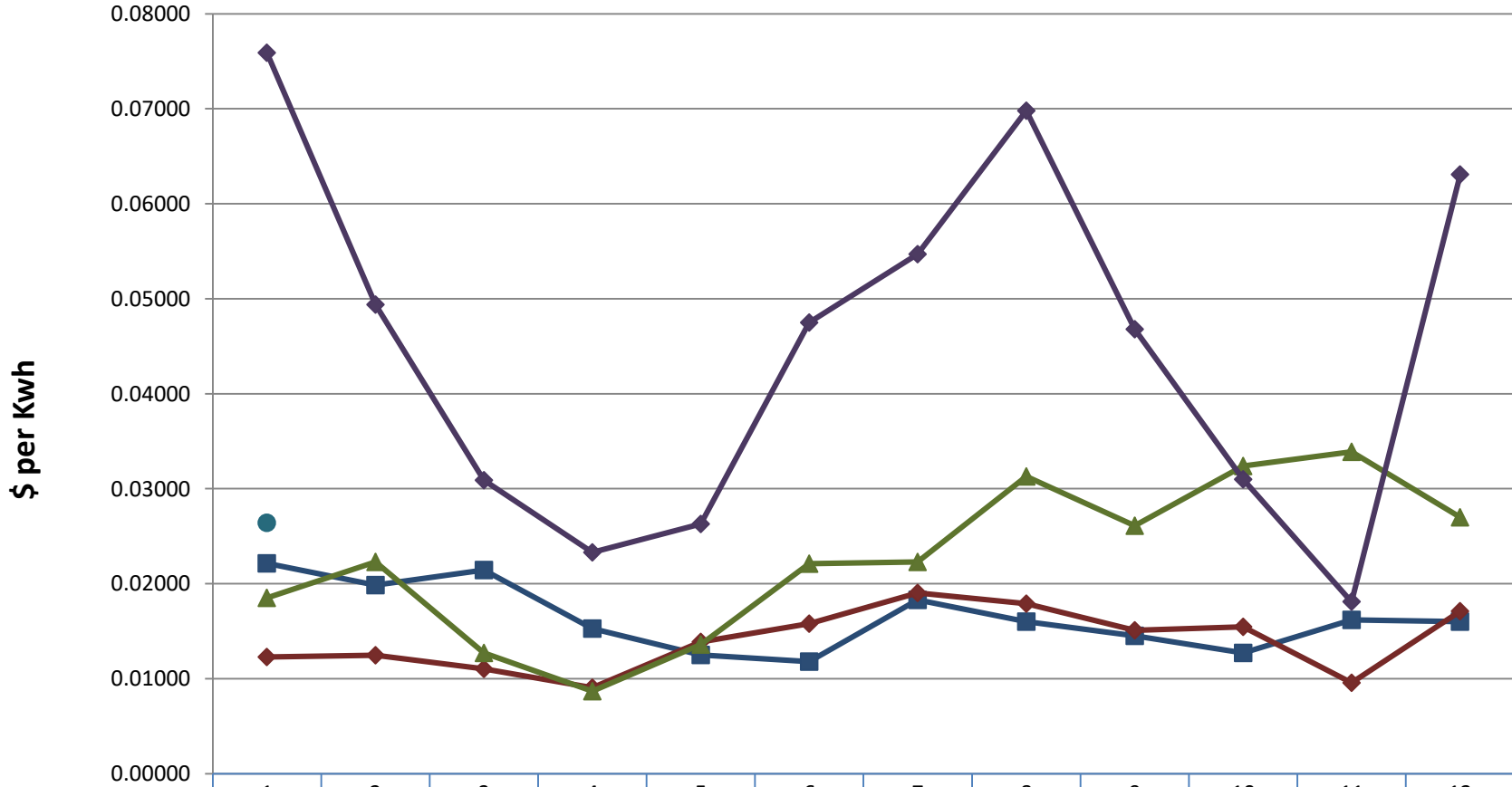
<b>Month</b>	<b>Paid to MRF</b>	<b>Received From MRF</b>	<b>Cumulative</b>
January	\$ 177,057	-	\$177,057
February	-	-	
March	-	-	
April	-	-	
May	-	-	
June	-	-	
July	-	-	
August	-	-	
September	-	-	
October	-	-	
November	-	-	
December	-	-	
<b>Totals</b>	<b>\$177,057</b>	<b>-</b>	<b>\$177,057</b>

# Tonnage Data

## 10 year trend

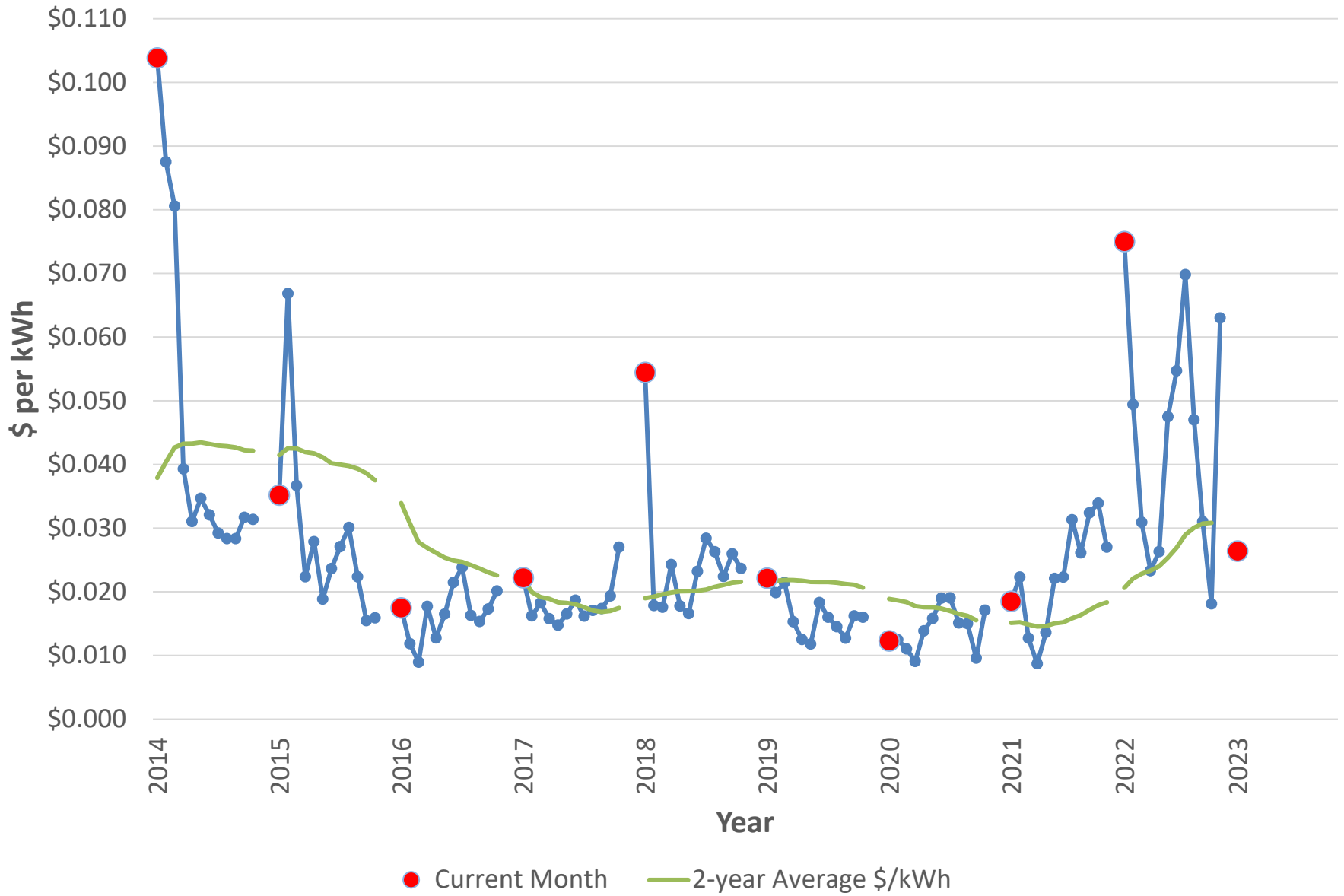


## Actual \$/Kwh 5-Year Comparison 2019 - 2023



	1	2	3	4	5	6	7	8	9	10	11	12
■ 2019	\$0.02215	\$0.01986	\$0.02144	\$0.01528	\$0.01249	\$0.01180	\$0.01830	\$0.01600	\$0.01450	\$0.01270	\$0.01620	\$0.01600
◆ 2020	\$0.01228	\$0.01246	\$0.01103	\$0.00906	\$0.01386	\$0.01580	\$0.01904	\$0.01790	\$0.01510	\$0.01546	\$0.00958	\$0.01710
▲ 2021	\$0.01850	\$0.02230	\$0.01270	\$0.00870	\$0.01360	\$0.02210	\$0.02230	\$0.03130	\$0.02610	\$0.03240	\$0.03390	\$0.02700
◆ 2022	\$0.07590	\$0.04940	\$0.03090	\$0.02330	\$0.02630	\$0.04750	\$0.05470	\$0.06980	\$0.04680	\$0.03100	\$0.01810	\$0.06310
● 2023	\$0.02640											

# Actual \$ per kWh 2014 - 2023



**ONONDAGA COUNTY RESOURCE RECOVERY AGENCY  
2023 MONTHLY INCOME STATEMENT (UNAUDITED)**

	ACTUAL	BUDGET	\$ Var	%Var	5-year Trends		
	Jan 2023	Jan 2023			Min	Max	Trendline
<b>OPERATING REVENUES</b>							
Tipping Fees	2,563,338	2,464,500	98,838	4%	2,220,981	2,563,338	
Electric Revenue	506,648	420,000	86,648	21%	188,543	1,231,797	
Recovered Material Revenue	122,024	86,000	36,024	42%	116,090	145,690	
Grant Revenue	-	-	-	0%	-	19,029	
Compost Revenue	58,828	28,700	30,128	105%	11,046	58,828	
Other	62,843	63,800	(957)	2%	4,570	82,501	
<b>Total Operating Revenues</b>	<b>3,313,681</b>	<b>3,063,000</b>	<b>250,681</b>	<b>8%</b>			
<b>OPERATING EXPENSES</b>							
Personal Services	199,225	312,200	112,975	36%	199,225	371,583	
Contractual Services:							
Landfill Contracts	163,369	158,900	(4,469)	3%	93,083	205,752	
Other Contractual Services	4,858	5,100	242	5%	3,010	14,760	
Materials and Supplies	89,912	59,700	(30,212)	51%	35,337	89,912	
Professional Fees	6,237	11,300	5,063	45%	6,237	19,790	
Recycling	181,725	38,000	(143,725)	378%	29,276	196,061	
Composting	37,930	32,800	(5,130)	16%	14,097	37,930	
Hazardous Waste Disposal	6,347	15,800	9,453	60%	2,245	6,347	
Repairs and Maintenance	82,862	74,400	(8,462)	11%	22,426	82,862	
Utilities	17,667	14,820	(2,847)	19%	10,893	17,667	
Insurance	44,144	48,150	4,006	8%	37,968	48,674	
Operating Leases	9,113	9,750	637	7%	7,661	10,026	
Depreciation and Amortization	105,448	117,550	12,102	10%	105,448	171,812	
Payments to Host Communities	17,679	17,850	171	1%	15,780	18,769	
Other	16,245	43,500	27,255	63%	16,245	47,591	
Waste-to-Energy Operations Cost	1,943,818	1,963,400	19,582	1%	1,706,054	1,943,818	
<b>Total Operating Expenses</b>	<b>2,926,579</b>	<b>2,923,220</b>	<b>(3,359)</b>	<b>0.1%</b>			
<b>OPERATING INCOME (LOSS)</b>	<b>387,102</b>	<b>139,780</b>	<b>(247,322)</b>	<b>177%</b>	(108,266)	903,987	
<b>OTHER REVENUE (EXPENSE)</b>							
Interest Income - cash	2,492	300	2,192	731%	58	13,840	
Interest Income - non system	(73,953)	17,000	(90,953)	535%	(73,953)	974	
Interest Income - lease receivable	135,639	136,000	(361)	0%	135,639	168,547	
Interest Expense	(135,639)	(136,000)	361	0%	(168,547)	(135,639)	
Capital Lease Interest Expense	(7,141)	(7,000)	(141)	0%	(17,502)	-	
2019 Bond Interest Expense	(30,195)	(30,000)	(195)	1%	(35,499)	-	
Gain on sale of PP&E	-	-	-	0%	-	-	
Gain 2015 Deferred Inflow	5,869	5,900	(31)	1%	5,869	5,869	
<b>Other Revenue - NET</b>	<b>(102,928)</b>	<b>(13,800)</b>	<b>(89,128)</b>	<b>646%</b>			
<b>CHANGE IN NET POSITION</b>	<b>284,174</b>	<b>125,980</b>	<b>158,194</b>	<b>126%</b>	(141,638)	866,415	

T5  
UNAUDITED

**ONONDAGA COUNTY RESOURCE RECOVERY AGENCY  
2023 STATEMENT OF NET POSITION (UNAUDITED)**

	<b>1/31/2023</b>
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	22,939,977
Accounts receivable (net of an allowance for bad debts of \$50,000 in 2006)	3,089,004
Electric Revenue Receivable	562,942
Metal Revenue Receivable	22,895
Prepaid expenses and other receivables	1,756,877
Facility lease, current portion	2,330,000
<b>TOTAL CURRENT ASSETS</b>	<b>30,701,695</b>
<b>ASSETS LIMITED AS TO USE:</b>	
Investments held by trustee under indenture	7,654,955
PROPERTY, PLANT and EQUIPMENT, net	19,209,840
NET PENSION ASSET	875,164
DEFERRED OUTFLOW	1,963,027
FACILITY LEASE, net of current portion	39,619,110
<b>TOTAL ASSETS</b>	<b>100,023,791</b>
<b>LIABILITIES AND NET POSITION</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts Payable	4,669,915
Accrued Interest	588,238
Accrued Expenses and other current liabilities	141,461
2015 Bond Payable - Current	2,330,000
2019 Bond Payable - Current	580,000
Capital Lease Liability-Current	296,797
<b>TOTAL CURRENT LIABILITIES</b>	<b>8,606,411</b>
<b>LONG-TERM LIABILITIES:</b>	
Capital Lease Liability -Long Term	373,660
Other Post Employment Benefits	163,464
Net Pension Liability	-
2015 Deferred Inflow	3,941,121
2015 Series A Bond Payable, net of current portion	38,550,000
2015 Bond Premium	2,816,610
2015 Capital Fund Liability	250,573
2019 Bond Payable	8,675,000
2019 Bond Premium	1,129,636
<b>TOTAL LIABILITIES</b>	<b>64,506,475</b>
<b>NET POSITION</b>	
Invested in capital assets	8,438,768
Unrestricted	20,602,288
Restricted	6,476,260
<b>TOTAL NET POSITION YTD</b>	<b>35,517,316</b>
<b>TOTAL</b>	<b>100,023,791</b>

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UNAUDITED

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[https://ocrra-my.sharepoint.com/personal/mhokray@ocrra.org/Documents/Files/Treasurer's Reports/2023/03.08.2023/Statement of Net Assets-2019](https://ocrra-my.sharepoint.com/personal/mhokray@ocrra.org/Documents/Files/Treasurer's%20Reports/2023/03.08.2023/Statement%20of%20Net%20Assets-2019)



STATEMENT OF CASH FLOWS OCRRA (UNAUDITED)

**YTD Through**  
**1/31/2023**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from tipping fees	\$1,949,449
Receipts from electric revenue	1,216,057
Other operating receipts	271,714
Payments to vendors and suppliers	(485,832)
Payments to employees	(333,262)
Payments for Waste-to-Energy Operations	(1,594,851)
Payments for insurance and employee benefits	(140,234)
<b>Net cash flow from operating activities</b>	<b>883,041</b>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Payments on bonds outstanding	-
Proceeds from the issuance of bonds	-
Payments on Capital Leases	(101,600)
Proceeds from the sale of machinery and equipment	-
Purchase of property, plant and equipment	(210,546)
Payments for interest on bonds outstanding	(3,414)
<b>Net cash flow from capital and related financing activities</b>	<b>(315,560)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Net change in investments	(159,111)
Proceeds from interest on invested funds	(71,460)
<b>Net cash flow from investing activities</b>	<b>(230,571)</b>

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** **336,910**

**CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR** **22,603,067**

**CASH AND CASH EQUIVALENTS -YEAR-TO-DATE** **22,939,977**

## STATEMENT OF CASH FLOWS OCRA (UNAUDITED)

**YTD Through**  
**1/31/2023**

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**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  
CASH FLOW FROM OPERATING ACTIVITIES**

<b>Operating Income/(Loss)</b>	387,102
<b>Adjustments to reconcile operating income to net cash flow from operating activities:</b>	
Depreciation and amortization	105,448
Change in provision for bad debt expense	-
WTE operations used to reduce lease costs	348,967
Other Post -Employment Benefits Expense less LT liability adj.	-
2015 Bond Insurance Expense (no cash amortization expense)	3,249
Change in Prepaid Pension Expense	33,599
Change in NYSRS Retirement expense assoc. with GASB 68	-
<b>Changes in operating assets and liabilities:</b>	
Accounts receivable	(613,889)
Other Receivables	737,427
Prepaid expenses	(150,789)
Accounts payable and accrued expenses	31,928
<b>Total Adjustments</b>	<b>495,940</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>883,041</b>

**Finance Lease Balances as of March 8, 2023:**

<u>Equipment Schedule</u>	<u>Initial Principal</u>	<u>Total Interest</u>	<u>Balance (Prin. + Int.)</u>	<u>Payment Amount</u>	<u>Payments Left</u>	<u>Lease Beg / End</u>	<u>Int. Rate</u>
#1 – 5 Tractors and Trailers	\$1,050,398	\$51,400	<b>Paid off 03/31/2021</b>				1.75%
#2 - 2 Tractors and 1 Loader	\$ 554,288	\$28,117	<b>Paid off 08/31/2021</b>				1.81%
#3 - Grinder and Roll-Off	\$ 903,471	\$52,115	<b>Paid off 8/15/2019</b>				2.28%
#4 – Shredder, Mat. Handler, and Dump Truck	\$1,089,510	\$61,295	<b>Paid off 03/31/2021</b>				2.20%
#5 – 2 Dumps, 4 Trailers	\$ 577,983	\$35,096	<b>Paid off 09/15/2022</b>				2.5%
#6 – 1 Loader	\$ 476,095	\$52,087	<b>\$52,087</b>	\$52,087	1/10	5/2018 – 4/2023	3.38%
#7 – 1 Loader, 3 Dumps	\$ 968,207	\$81,935	<b>\$210,028</b>	\$105,014	2/10	12/2018 – 9/2023	3.31%
#8 – 1 Loader, 2 Dumps	\$ 722,043	\$57,200	<b>\$544,775</b>	\$77,825	7/10	4/2021 – 4/2026	2.80%
<b>Total Balance</b>	<b>\$6,341,995</b>	<b>\$419,244</b>	<b>\$806,890</b>				

**RESOLUTION APPROVING AUDIT OF ONONDAGA COUNTY  
RESOURCE RECOVERY AGENCY FOR CALENDAR YEAR 2022**

**WHEREAS**, the Onondaga County Resource Recovery Agency retained the firm of Grossman St. Amour, Certified Public Accountants PLLC, to conduct an audit of Agency finances for calendar year 2022 which audit shall be submitted to appropriate State officials pursuant to Public Authorities Law Section 2045-r; and

**WHEREAS**, the Agency's Audit Committee has reviewed the proposed audit and finds that it properly reflects the financial statements and financial position of the Onondaga County Resource Recovery Agency; now, therefore be it

**RESOLVED**, that the Onondaga County Resource Recovery Agency hereby accepts and approves the audit of the Agency's finances conducted by Grossman St. Amour, Certified Public Accountants PLLC, for the calendar year 2022 and authorizes its Treasurer to submit copies of said audit to appropriate State officials as required by Public Authorities Law Section 2045-r. This Resolution shall take effect immediately.

**Resolution Adopted Date:** \_\_\_\_\_

**Vote:** Ayes: \_\_\_\_\_ Nays: \_\_\_\_\_ Abstentions: \_\_\_\_\_

**Signed:** \_\_\_\_\_

# **RESOLUTION BRIEF**

APPROVING FINANCIAL AUDIT OF  
THE ONONDAGA COUNTY RESOURCE RECOVERY AGENCY  
FOR CALENDAR YEAR 2022

*March 8, 2023*

The Public Authorities Accountability Act requires authorities to have an annual independent audit performed by a certified public accounting firm.

Resolution No. 2301, approved on September 8, 2021 authorized the Audit Committee Chair to execute a contract with Grossman St. Amour CPAs, PLLC, for professional auditing services to perform the 2021, 2022 and 2023 OCRRA audits.

The 2022 year-end audit was conducted during January & February of 2023 whereby The Grossman St. Amour's audit team reviewed OCRRA's financials and footnotes, interviewed OCRRA employees, updated internal control questionnaires/documentation and performed internal controls testing in operational areas.

An exit meeting was held during the March 1, 2023 Audit Committee meeting, where the Committee, Agency Management and the Confidential Internal Controls Compliance Officer had an opportunity to ask questions to their satisfaction.

OCRRA Board approval of the audit of the Agency's finances is sought by the Audit Committee and Management.

**ONONDAGA COUNTY RESOURCE RECOVERY AGENCY**

**FINANCIAL STATEMENTS**

**as of December 31, 2022 and 2021  
Together with Independent Auditor's Report**

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Onondaga County Resource Recovery Agency  
North Syracuse, New York

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the Onondaga County Resource Recovery Agency (OCRRA) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise OCRRA's basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Onondaga County Resource Recovery Agency as of December 31, 2022 and 2021, and the respective changes in its financial position and cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OCRRA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

OCRRA's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about OCRRA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OCRRA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about OCRRA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other postemployment benefits plan – schedule of funding progress, schedule of proportionate share of net pension liability (asset), and schedule of contributions – pension plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection



with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023 on our consideration of OCRRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OCRRA's internal control over financial reporting and compliance.

Syracuse, New York  
March 8, 2023

DRAFT

# ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### ANALYSIS OF FINANCIAL POSITION

One of the most important questions asked about the OCRRA's finances is "*Is OCRRA, as a whole, better off or worse off as a result of the year's activities?*" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about OCRRA's activities in a way that will help answer this question. These two statements report the net position of OCRRA and changes in them. You can think of OCRRA's net position - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in OCRRA's net position are one indicator of whether its financial health is improving or deteriorating. Additionally, OCRRA places an emphasis on strategically building and using cash reserves to provide price stability for its member municipalities. You will need to also consider other non-financial factors such as changes in economic conditions, population growth, consumer behavior and new or changed legislation or regulation.

Another important question is whether "*What direction OCRRA, as a whole, trended in 2022?*" OCRRA's total net position increased by \$8,234,371, operating revenues increased from the previous year by about 7.2 percent while operating expenses increased about 7.2%. OCRRA's total net position was \$35,233,140 and \$26,998,769 on December 31, 2022 and 2021, respectively.

**Table 1**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current assets	\$ 36,691,529	\$ 28,302,516	\$ 21,124,892
Assets limited as to use – long term	1,178,696	1,313,211	2,265,611
Property, plant and equipment - net	19,104,742	19,946,188	20,588,936
Net Pension Asset	875,164	-	-
Facility lease - net of current portion	<u>39,832,438</u>	<u>42,465,703</u>	<u>44,985,635</u>
Total assets	97,682,569	92,027,618	88,965,074
Deferred outflows of resources	1,963,027	2,694,589	2,350,713
Current liabilities	8,478,995	7,793,257	7,738,786
Long-term liabilities	<u>51,986,471</u>	<u>55,696,455</u>	<u>62,862,259</u>
Total liabilities	60,465,466	63,489,712	70,601,045
Deferred inflows of resources	3,946,990	4,233,726	1,129,378
Net position - Net investment in			
Capital assets	8,232,071	8,516,721	8,846,208
Restricted	6,317,149	6,298,400	5,946,749
Unrestricted	<u>20,683,920</u>	<u>12,183,648</u>	<u>4,792,407</u>
Total net position	<u>\$ 35,233,140</u>	<u>\$ 26,998,769</u>	<u>\$ 19,585,364</u>

Changes in OCRRA's net position can be determined by reviewing the following condensed Statement of Revenues, Expenses and Changes in Net Position for the years 2022, 2021 and 2020.

## ANALYSIS OF FINANCIAL POSITION (Continued)

Table 2

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenues	\$ 46,150,606	\$ 43,041,629	\$ 35,114,461
Other revenues	<u>1,967,803</u>	<u>1,854,112</u>	<u>2,166,694</u>
Total revenues	48,118,409	44,895,741	37,281,155
Operating expenses	37,815,621	35,262,134	36,678,429
Other expenses	<u>2,068,417</u>	<u>2,220,202</u>	<u>2,349,954</u>
Total expenses	39,884,038	37,482,336	39,028,383
Change in net position	8,234,371	7,413,405	(1,747,228)
Net position - beginning of year	<u>26,998,769</u>	<u>19,585,364</u>	<u>21,332,592</u>
Net position end of year	<u>\$ 35,233,140</u>	<u>\$ 26,998,769</u>	<u>\$ 19,585,364</u>

The increase in OCRRA's net position in 2022 was primarily due to commodity prices, particularly electricity and metal, along with continued expenditure controls during an inflationary period.

### OCRRA'S FUNDS

OCRRA does not utilize Funds or Fund Accounting. OCRRA maintains funds on deposit with a Trustee as required by contractual obligations entered into as part of OCRRA's 2015 debt restructuring as detailed in the financial statements. As of December 31, 2022, OCRRA funds held by the trustee of \$6,317,149 are recorded as Restricted under the OCRRA's Net Position. These restricted assets are due to the Indenture of Trust agreement between OCRRA and U.S. Bank National Association (the Trustee) that requires OCRRA operating revenues to be maintained on deposit with the Trustee until any necessary payments are made on the 2015 and 2019 Bonds and to the operator of the Waste-to-Energy Facility.

### Budgetary Highlights

OCRRA's 2022 electricity and metal revenues exceeded budgeted amounts due to higher market rates than anticipated. Expenses for repairs and maintenance of OCRRA's fleet was substantially higher than expected, as inflationary pressures and limited new truck inventory have forced OCRRA to maintain an aging fleet. OCRRA's 2023 adopted budget was based primarily on the 2021 results and anticipated similar pricing in commodity markets and incoming tonnages. Substantially all of the rates OCRRA charges users were held steady for 2023.

### Capital Assets

At the end of 2022, OCRRA had approximately \$19.1 million in book value related to capital assets. Capital Assets consists primarily of two transfer stations, a composting facility, and various pieces of operating equipment. During 2022 Property, Plant & Equipment, net decreased by approximately \$800,000, which reflects depreciation of approximately \$1.5 million offset by limited replacement equipment purchases of approximately \$700,000.

### Bonds

During 2022, OCRRA reduced outstanding 2015 bonds by \$2,220,000, and its 2019 bonds by \$550,000. The 2015 and 2019 Bonds mature in 2035 and 2034, respectively.

## **OCRRA'S FUNDS (Continued)**

### **Financed Purchases**

As of December 31, 2021, OCRRA had approximately \$772,000 in financed purchases outstanding. OCRRA utilizes this program to strategically spread the cash impact of capital purchases over multiple years. In the current interest rate environment, it has been more cost effective for OCRRA to purchase replacement equipment from its cash reserves.

### **Facility Lease Agreement – through May 2035**

On November 12, 2014, OCRRA reached an agreement (extension) with Covanta Onondaga, L.P. to continue the facility lease of the Onondaga County Resource Recovery Facility for 20 years, commencing on May 8, 2015 and continuing until May 8, 2035, with a mutual option of an additional 5-year extension.

In 2015, OCRRA obtained extension financing for the refunding of the 2003 Series B bonds, and for the establishment of the Capital Refurbishment Fund. See Note 8 for additional information.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The 2023 Budget develops the revenue and expense requirements to continue OCRRA's efforts to provide sound environmental solid waste disposal solutions to our community.

OCRRA operates in a highly complex contractual business setting with rigid regulatory oversight. Its waste disposal infrastructure was very expensive to site and construct, leading to high fixed costs of operation. Budgets are designed around historic waste levels, and recent commodity prices. Revenue streams from commodity markets, specifically electricity, metal, fiber, and plastic have become highly variable over the last decade. Despite these economic conditions, OCRRA has successfully maintained the same fee structure to the community during 2021, 2022, and 2023. From time to time, OCRRA will strategically build up or use reserves to maintain the high quality of its services while minimizing the impact of fee changes on the community. Should conditions improve, or get worse, OCRRA will consider case by case program reviews to provide high levels of environmental performance with watchful stewardship of public service fees and reserves.

During 2022, OCRRA retained approximately \$8.3 million in cash reserves, which will be deployed when necessary to provide continued stability to the community's solid waste and recycling programs and invest in aging infrastructure when necessary. OCRRA's 2023 Budget was passed with a surplus of \$200,000. The 2023 Budget is fiscally conservative, reflects current commodity market conditions, and did not increase any significant rates. OCRRA's strict expenditure controls at a management and Board level are expected to continue to maintain and improve OCRRA's financial condition over time.

## **CONTACT REGARDING THE AGENCY'S FINANCES**

This financial report is designed to provide County residents, customers and creditors with a general overview of OCRRA's finances. If you have questions about this report or need additional financial information, contact OCRRA's Public Information Officer at 100 Elwood Davis Road, North Syracuse, NY 13212-4312.

# ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

## STATEMENTS OF NET POSITION DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 22,603,065	\$ 14,253,240
Accounts receivable (net of an allowance for bad debts of \$50,000 in 2022 and \$50,000 in 2021)	2,475,115	3,437,587
Electric revenue receivable	1,272,351	451,610
Metal revenue receivables	50,913	43,758
Prepaid expenses	1,642,937	1,597,921
Facility lease agreement, current portion	2,330,000	2,220,000
Assets limited to use, current portion	6,317,148	6,298,400
Total current assets	<u>36,691,529</u>	<u>28,302,516</u>
NON-CURRENT ASSETS:		
Assets limited as to use:		
Funds held by trustee under indenture	1,178,696	1,313,211
Property, plant and equipment, net	19,104,742	19,946,188
Net pension asset	875,164	-
Facility lease agreement, net of current portion	39,832,438	42,465,703
Total noncurrent assets	<u>60,991,040</u>	<u>63,725,102</u>
Total assets	<u>97,682,569</u>	<u>92,027,618</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows - pension related	<u>1,963,027</u>	<u>2,694,589</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES:		
Accounts payable	4,374,264	3,619,732
Bonds payable - 2015 Series A, current portion (NOTE 8)	2,330,000	2,220,000
Bonds payable - 2019, current portion (NOTE 9)	580,000	550,000
Financed purchases liability, current portion	398,396	556,796
Accrued interest	391,149	417,860
Accrued expenses and other current liabilities	405,186	428,869
Total current liabilities	<u>8,478,995</u>	<u>7,793,257</u>
NON-CURRENT LIABILITIES:		
Bonds payable - 2015 Series A (NOTE 8)	38,550,000	40,880,000
Bonds payable - 2019 (NOTE 9)	8,675,000	9,255,000
2015 Bond Premium	2,835,771	3,065,703
2019 Bond Premium	1,138,003	1,238,415
2015 Capital Fund	250,573	250,573
Financed purchases liability	373,660	772,056
Net Pension liability	-	10,945
Other postemployment benefits (NOTE 11)	163,464	223,763
Total non-current liabilities	<u>51,986,471</u>	<u>55,696,455</u>
Total liabilities	<u>60,465,466</u>	<u>63,489,712</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pension related	3,078,458	3,294,766
Unearned revenue - bond related	868,532	938,960
Total deferred inflows of resources	<u>3,946,990</u>	<u>4,233,726</u>
<b>NET POSITION</b>		
Net investment in capital assets	8,232,071	8,516,721
Restricted	6,317,149	6,298,400
Unrestricted	20,683,920	12,183,648
Total net position	<u>\$ 35,233,140</u>	<u>\$ 26,998,769</u>

The accompanying notes are an integral part of these statements.

# ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES:		
Tipping fees	\$ 32,741,121	\$ 33,375,187
Electric revenue	9,878,778	5,225,211
Recovered material revenue	1,896,784	1,808,224
Grant revenue	379,452	1,201,093
Compost revenue	622,231	538,047
Other	<u>632,240</u>	<u>893,867</u>
Total operating revenues	<u>46,150,606</u>	<u>43,041,629</u>
OPERATING EXPENSES:		
Personal services	5,313,145	5,141,758
Contractual services -		
Landfill contracts	2,572,338	2,122,372
Other contractual services	104,620	90,207
Materials and supplies	834,722	514,772
Professional fees	409,783	401,668
Recycling	1,025,950	525,846
Compost	425,467	287,026
Hazardous waste disposal	99,347	127,475
Repairs and maintenance	1,010,641	769,825
Utilities	150,767	142,141
Insurance	506,522	524,202
Operating leases	125,944	117,023
Depreciation	1,535,757	1,919,563
Taxes and other payments to Host Communities	200,369	198,410
Other	485,715	452,827
Waste-to-Energy operations cost	<u>23,014,534</u>	<u>21,927,019</u>
Total operating expenses	<u>37,815,621</u>	<u>35,262,134</u>
OPERATING INCOME	<u>8,334,985</u>	<u>7,779,495</u>
NON-OPERATING REVENUE (EXPENSE):		
Interest income - cash and repurchase agreements	19,670	1,203
Interest income - non-system	123,422	8,563
Amortization on 2015 deferred inflow	70,428	70,428
Interest income - facility lease agreement	1,664,668	1,773,918
2015 Bond Interest expense	(1,664,668)	(1,773,918)
2019 Bond Interest expense	(371,505)	(396,838)
Interest expense capital leases	(32,244)	(49,446)
Gain on sale of machinery and equipment	<u>89,615</u>	<u>-</u>
Non-operating revenue (expenses), net	<u>(100,614)</u>	<u>(366,090)</u>
CHANGE IN NET POSITION	8,234,371	7,413,405
NET POSITION - beginning of year	<u>26,998,769</u>	<u>19,585,364</u>
NET POSITION - end of year	<u>\$ 35,233,140</u>	<u>\$ 26,998,769</u>

The accompanying notes are an integral part of these statements.

# ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from tipping fees	\$ 33,703,594	\$ 32,729,423
Receipts from electric revenue	9,058,036	5,113,297
Other operating receipts	3,523,552	4,448,982
Payments to vendors and suppliers	(6,772,076)	(5,474,806)
Payments to employees	(3,966,656)	(3,987,094)
Payments for Waste-to-Energy (WTE) operations	(18,826,601)	(17,738,169)
Payments for insurance and employee benefits	<u>(2,271,919)</u>	<u>(2,062,272)</u>
Net cash flow provided by operating activities	<u>14,447,930</u>	<u>13,029,361</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments on bonds outstanding	(2,770,000)	(2,640,000)
Payments on capital lease obligations	(556,796)	(1,035,305)
Proceeds from the sale of machinery and equipment	89,615	-
Purchase of property, plant and equipment	(694,311)	(554,772)
Payments for interest on bonds outstanding	<u>(2,425,472)</u>	<u>(2,573,566)</u>
Net cash flow used in capital and related financing activities	<u>(6,356,964)</u>	<u>(6,803,643)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Net change in funds held by trustee	115,767	(206,638)
Proceeds from interest on invested funds	<u>143,092</u>	<u>9,767</u>
Net cash flow (used in) provided by investing activities	<u>258,859</u>	<u>(196,871)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	8,349,825	6,028,847
CASH AND CASH EQUIVALENTS - beginning of year	<u>14,253,240</u>	<u>8,224,393</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 22,603,065</u>	<u>\$ 14,253,240</u>

The accompanying notes are an integral part of these statements.

# ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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	<u>2022</u>	<u>2021</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
Operating income	\$ 8,334,985	\$ 7,779,495
Adjustments to reconcile operating loss to net cash flow from operating activities:		
Depreciation	1,535,757	1,919,563
WTE operations used to reduce lease costs	4,187,934	4,188,850
Other postemployment benefits expense	(60,299)	(150,624)
Bond insurance amortization	38,994	38,994
Change in pension costs	(334,928)	(263,134)
Changes in:		
Accounts receivable	962,473	(645,765)
Electric revenue receivable and other receivables	(827,896)	(104,163)
Prepaid expenses	(119,937)	21,703
Accounts payable, accrued expenses and other current liabilities	<u>730,847</u>	<u>244,442</u>
Net cash flow provided by operating activities	<u>\$ 14,447,930</u>	<u>\$ 13,029,361</u>

The accompanying notes are an integral part of these statements.



# ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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### 1. ORGANIZATION

Onondaga County Resource Recovery Agency (OCRRA) was statutorily created in 1981 as a public benefit corporation under New York State law. OCRRA began active operations in 1990. OCRRA is exempt from federal income taxes under Internal Revenue Service Code Section 115.

Under an agreement between OCRRA and the County of Onondaga (County), OCRRA is responsible for implementing the County Solid Waste Management Program, as well as the construction, operation and otherwise ensuring the availability of solid waste management and recycling facilities for participating municipalities in the County of Onondaga, State of New York. Under current contracts, OCRRA's operations service the thirty-three participating municipalities in Onondaga County.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Measurement Focus and Basis of Accounting**

OCRRA operates as a proprietary fund. Proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported.

OCRRA utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or an economic asset is used.

The accounting policies of OCRRA conform to generally accepted accounting principles as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### **Other Postemployment Benefits**

OCRRA provides health insurance benefits to certain retired employees and their spouses and beneficiaries. OCRRA accrues the costs for these benefits based on an annual valuation of future expenses.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash held in checking, savings, money market accounts, and from time to time treasury bills with maturity dates of twelve months or less.

### **Accounts Receivable**

Accounts receivable are carried at their estimated collectible amounts. They are periodically evaluated for collectability based on past credit history with customers and their current financial condition.

### **Property, Plant and Equipment**

Property, plant and equipment over \$5,000 are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 4 to 40 years. Depreciation expense amounted to \$1,535,757 and \$1,919,563 for the years ended December 31, 2022 and 2021, respectively.

### **Deferred Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as expense until then.

### **Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents a receipt of net position that applies to a future period and so will not be recognized as revenue until then.

### **Assets Limited as to Use**

Assets limited as to use represent funds restricted as to use under OCRRA's Revenue Bond and Facility Lease Agreements.

### **Net Position**

GASB requires the classification of net position into three components. These classifications are displayed in three components below:

- a. Net investment in capital assets - capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. See page 14 for detail of the \$6,317,149 restricted net position at December 31, 2022.
- c. Unrestricted net position - net position that does not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is OCRRA's policy to use restricted resources first, then unrestricted resources as they are needed.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Revenue Classification

Tipping fees, commodity revenues, fees related to our principal operations and grants are considered operating revenues, as they derive from the OCRRA's principal purpose. Interest income and other miscellaneous sources are considered nonoperating.

### Landfill and Related Costs

OCRRA has secured the required permit for the construction of an in-county landfill to be located in the Town of Van Buren (the "Landfill"). Currently, OCRRA transports the ash from the Waste-to-Energy Facility and other non-recyclable waste that cannot be processed at the facility to the High Acres Landfill, near Fairport, New York, the Seneca Meadows Landfill near Waterloo, New York and the Madison County Landfill near Nelson, New York generally under long-term contracts. Construction of the in-county landfill will occur when environmental and economic factors dictate that it is in the best interest of Onondaga County businesses and residents. The cost of the designated site is included in property, plant and equipment (see Note 6). Engineering and consulting fees related to siting, environmental studies and permitting of the Landfill are capitalized. According to Governmental Accounting Standards Board Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, should OCRRA decide to transport waste to the Landfill, OCRRA is required to accrue a portion of the estimated total of closure and postclosure care in each period that waste is accepted at the site. Recognition of such a liability shall begin on the date the Landfill begins accepting waste. As of December 31, 2022 there has been no waste delivered to the Landfill.

### Environmental and Regulatory Risk

OCRRA operates in an environmentally sensitive industry and is subject to extensive federal and state laws and regulations adopted for the protection of the environment. The laws and regulations are primarily applicable to discharge of emissions into the air and management of solid waste but can also include those related to water use, discharges to water and hazardous waste management. Certain aspects of these laws have extensive and complicated requirements relating to obtaining operating permits, monitoring, record keeping and reporting. Management believes that its facilities are in material compliance with permits and other applicable environmental laws.

## 3. CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, OCRRA's deposits may not be returned to it.

Statutes authorize OCRRA to maintain deposits with financial institutions and to invest in certificates of deposit, obligations of New York State, the United States Government and its agencies, and repurchase agreements collateralized by U.S. obligations.

Unrestricted and restricted cash equivalents are covered or collateralized by either federal depository insurance, securities held by the pledging bank's trust department in OCRRA's name, or are U.S. Government and/or federal agency securities held by the Trustee.

At December 31, 2022, the carrying value of OCRRA's cash deposits were approximately \$29,848,000, and the bank balances were approximately \$29,839,000. OCRRA's deposit policies require OCRRA's cash to either be covered by depository insurance or collateralized by governmental securities held by the depository institution. At December 31, 2022, OCRRA had collateralized cash balances of approximately \$7,530,000, deposits at the Trustee of \$7,245,000, Treasury Bill investments of \$8,506,000, and the remainder was covered by depository insurance.

#### 4. OPERATING CONSIDERATIONS

The Onondaga County Solid Waste Management System (System) has implemented a multi-layer “flow control” arrangement to ensure that all legal means of requiring delivery of waste into the System are utilized. First, OCRRA has “delivery agreements” with all 33 participating municipalities in Onondaga County. Those “delivery agreements” commit each municipality to “deliver or cause the delivery” of municipal solid waste (MSW) from their community to the System. Most of the residential MSW is delivered to the System pursuant to municipal pick-up, municipally contracted pick-up, and solid waste districts, implemented in accordance with the “delivery agreements.” In addition, in 2000 - 2001, all 33 municipalities enacted approved, in-state waste site designation laws committing delivery of all of their MSW to the System if the MSW is to be disposed of within the State. Also, in 2003, the Onondaga County Legislature enacted a local “flow control” law, based closely on the language and criteria found in the Oneida-Herkimer Law that directs all municipal solid waste in the 33 participating municipalities to OCRRA’s public Waste-To-Energy Facility. This type of arrangement was reviewed and deemed Constitutional by the U.S. Supreme Court in its April 2007 Oneida-Herkimer case. The 33 member municipalities have entered into delivery agreements with automatic renewals through 2035. Finally, OCRRA, as additional security, enters into hauler contracts directly with the area’s private and municipal waste haulers, wherein they have contractually committed to deliver all MSW picked up in the 33 participating municipalities to the System. The contracts provide stiff stipulated contractual damage penalties for violation of that contract provision.

#### 5. ASSETS LIMITED AS TO USE

Assets limited as to use are held by a trustee in accordance with the terms of the Revenue Bonds Master Bond Resolution (see Note 8) and certain trustee funds represent restricted net position reported on the Statement of Financial Position. The restricted net position includes the following funds at December 31:

	<u>2022</u>	<u>2021</u>
Funds accumulated from System revenues to pay for 2015 debt service obligations	\$ 1,877,318	\$ 1,822,485
Funds accumulated from System revenues to pay for 2019 debt service obligations	472,360	454,656
Accumulation of earnings from System revenues to satisfy general OCRRA obligations	<u>3,967,471</u>	<u>4,021,259</u>
Total	<u>\$ 6,317,149</u>	<u>\$ 6,298,400</u>

## 6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment activity for the year ended December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Land	\$ 396,190	\$ -	\$ -	\$ 396,190
Landfill site	3,854,290	-	-	3,854,290
Landfill site costs	195,760	-	-	195,760
Landfill buildings and improvements	590,484	-	-	590,484
Buildings and improvements	10,317,435	140,307	-	10,457,742
Machinery and vehicles	12,422,111	477,392	686,940	12,212,563
Furniture and fixtures	152,945	-	5,574	147,371
Computer equipment	101,257	-	-	101,257
Leasehold improvements	3,375,062	-	-	3,375,062
Land improvements	3,247,367	-	-	3,247,367
Construction in progress	-	189,017	112,407	76,610
Total property, plant and equipment	34,652,901	806,716	804,921	34,654,696
Less: Accumulated depreciation				
Landfill buildings and improvements	(565,930)	(2,803)	-	(568,733)
Buildings and improvements	(2,737,695)	(273,257)	-	(3,010,952)
Machinery and vehicles	(9,579,413)	(1,072,959)	(688,097)	(9,964,275)
Furniture and fixtures	(126,075)	(4,134)	(5,574)	(124,635)
Computer equipment	(89,345)	(2,647)	-	(91,992)
Leasehold improvements	(1,580,882)	(178,694)	-	(1,759,576)
Land improvements	(27,373)	(2,418)	-	(29,791)
Total accumulated depreciation	<u>(14,706,713)</u>	<u>(1,536,912)</u>	<u>(693,671)</u>	<u>(15,549,954)</u>
Property, plant and equipment, net	<u>\$ 19,946,188</u>	<u>\$ (730,196)</u>	<u>\$ (111,250)</u>	<u>\$ 19,104,742</u>

Property, plant and equipment activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Land	\$ 396,190	\$ -	\$ -	\$ 396,190
Landfill site	3,854,290	-	-	3,854,290
Landfill site costs	195,760	-	-	195,760
Landfill buildings and improvements	590,484	-	-	590,484
Buildings and improvements	10,037,793	279,642	-	10,317,435
Machinery and vehicles	11,583,607	997,173	158,669	12,422,111
Furniture and fixtures	152,945	-	-	152,945
Computer equipment	101,257	-	-	101,257
Leasehold improvements	3,375,062	-	-	3,375,062
Land improvements	3,247,367	-	-	3,247,367
Construction in progress	-	-	-	-
Total property, plant and equipment	33,534,755	1,276,815	158,669	34,652,901
Less: Accumulated depreciation				
Landfill buildings and improvements	(562,966)	(2,964)	-	(565,930)
Buildings and improvements	(2,461,614)	(276,081)	-	(2,737,695)
Machinery and vehicles	(8,292,513)	(1,445,569)	(158,669)	(9,579,413)
Furniture and fixtures	(121,941)	(4,134)	-	(126,075)
Computer equipment	(86,698)	(2,647)	-	(89,345)
Leasehold improvements	(1,395,129)	(185,753)	-	(1,580,882)
Land improvements	(24,958)	(2,415)	-	(27,373)
Total accumulated depreciation	<u>(12,945,819)</u>	<u>(1,919,563)</u>	<u>(158,669)</u>	<u>(14,706,713)</u>
Property, plant and equipment, net	<u>\$ 20,588,936</u>	<u>\$ (642,748)</u>	<u>\$ -</u>	<u>\$ 19,946,188</u>

## 7. FACILITY LEASE AND SERVICE AGREEMENT

In 1992, OCRRA issued Project Revenue Bonds for the purpose of constructing a Waste-to-Energy Facility (the "Facility") and funding certain reserves and other related costs. Pursuant to various agreements, Covanta Onondaga, L.P. (the "Partnership") also funded certain project costs and constructed the Facility. OCRRA leased the Facility and equipment to the Partnership under a long-term lease expiring May 8, 2015 with the Partnership having the option to purchase the Facility for \$1. This lease and service agreement was extended as described in the "Renewal of Facility Lease and Service Agreement" section below.

Pursuant to the facility lease agreement the real property comprising a portion of the Facility is leased to the Partnership.

Pursuant to the service agreement the Partnership operates and maintains the Facility for the processing of solid waste delivered by OCRRA to the Facility.

All revenues of the Facility, which include rates, fees, charges and other realized income received by OCRRA from the ownership, operation, use or services of the Facility, in excess of expenses, are to be paid directly to the Trustee for the benefit of the Partnership and Trustee. After satisfaction of those obligations, remaining revenues revert to OCRRA for its use.

OCRRA's obligation is unconditional and requires payment by OCRRA if there is no waste delivered; OCRRA remains responsible for debt service, which is also paid through the Trustee.

The obligations of the Partnership under the service agreement and facility lease are guaranteed to OCRRA and the Trustee by Covanta Energy Corporation.

### **Renewal of Facility Lease and Service Agreement**

In November 2014, OCRRA entered into a twenty (20) year extension of the Second Amended and Restated Service Agreement with the Partnership until May 8, 2035. The extension includes a mutual option to extend the term of the Service Agreement for an additional five (5) years until May 8, 2040. Under this Service Agreement extension, OCRRA was required to refinance the 2003 Series B bonds for a term that is coterminous with the base term of the Service Agreement extension (See Note 8). This is in addition to the service fee and other facility related OCRRA cost obligations, i.e. operations and maintenance charge, pass through costs, ash disposal costs and debt service on any Capital Refurbishment bonds.

OCRRA committed to a minimum annual waste delivery obligation of 320,000 in 2015 and 345,000 tons for full years thereafter, with OCRRA paying shortfall damages equal to the Partnership's lost electric and metal revenue for each shortfall ton. The maximum annual waste capacity is the Facility's permitted capacity less some limited tonnage available to the Partnership for Supplemental Waste. Net electric revenue is shared 90% OCRRA/10% Partnership and metal revenue is shared 50%/50% with a ceiling amount. OCRRA remains responsible for ash transport and disposal with some limited exceptions.

OCRRA will have legal ownership of the Facility during the term but at the end of the term, the Partnership will own it with an option for OCRRA to purchase it at that point for Fair Market Value. The Partnership will retain tax ownership of the Facility during the term. OCRRA would account for this agreement as a sale in accordance with GASB 87.

OCRRA established a Capital Refurbishment Fund to assist in funding OCRRA's share of needed Capital Refurbishment Projects, which is included with assets limited to use on the statement of net position.

## 7. FACILITY LEASE AND SERVICE AGREEMENT (Continued)

### Renewal of Facility Lease and Service Agreement (Continued)

As described in Note 8, OCRRA issued 2015A and 2015B series debt in accordance with the terms of the facility lease renewal. This resulted the recognition of new facility lease assets, which will be recognized throughout the term of the contract extension and in an amount approximating the underlying debt service requirements of the 2015A and 2015B series debt. OCRRA may refinance, issue or call any debt issued under the contract extension at OCRRA's sole discretion as long as such action does not violate the extension agreement terms. OCRRA may call any new bonds issued under the terms of any bond indenture provided OCRRA provides adequate advance notice to the Partnership at least prior to October 1st of the preceding year. The debt service for the refinanced 2003 Series B bonds and Capital Refurbishment bonds, as applicable, will be added to the Service Fee, and payment will be made in a similar fashion as under the previous service agreement. The Partnership will provide an initial \$21,000,000 parent guarantee declining on an annual basis by \$500,000 per year until it reaches \$16,000,000.

The Waste-to-Energy operations cost is composed of the following:

	<u>2022</u>	<u>2021</u>
Operating and pass through costs	\$ 18,826,601	\$ 17,738,169
Capital charge (2015 Bond Debt Service)	<u>4,187,933</u>	<u>4,188,850</u>
Total	<u>\$ 23,014,534</u>	<u>\$ 21,927,019</u>

Future minimum annual payments from the Partnership are as follows at December 31:

<u>Year</u>	<u>Amount</u>
2023	\$ 2,330,000
2024	2,445,000
2025	2,570,000
2026	2,695,000
2027 – 2031	15,645,000
2032 – 2034	11,170,000
2035	<u>4,025,000</u>
Total future minimum payments	40,880,000
Less: Income recognized prior to May principal payment	<u>(1,553,333)</u>
Net Investment in Lease Agreement	39,326,667
Less: Current portion	<u>(2,330,000)</u>
Long-term portion	<u>\$ 36,996,667</u>

## 8. 2015 SERIES A AND 2015 SERIES B BONDS PAYABLE

In 2015, OCRRA issued \$54,560,000 in Revenue Bonds, consisting of Series 2015A Tax-Exempt Bonds totaling \$53,505,000 and Series 2015B Taxable Bonds totaling \$1,055,000. The 2015A bonds bear interest at an escalating rate from 3% to 5%. The 2015A bonds have a tiered maturity schedule with annual principal maturations through May 1, 2030, and an \$18,640,000 final maturity on May 1, 2035. The 2015B bonds bore interest at 1.75%, and matured May 1, 2016.

The 2015A bonds maturing on May 1, 2035 are subject to mandatory sinking fund requirements on May 1, 2031 and on each May 1 thereafter as follows:

<u>May 1:</u>	<u>Amount</u>
2031	\$ 3,445,000
2032	3,580,000
2033	3,720,000
2034	3,870,000
2035	4,025,000

As part of the debt issuance, \$42,695,385 in outstanding 2003B bonds were refunded and retired.

Activity relative to the 2015A and 2015B bonds payable for the year ended December 31, 2022 was as follows:

	Balance at December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance at December 31, <u>2022</u>	Due in <u>one year</u>
2015A	\$ 43,100,000	\$ -	\$ (2,220,000)	\$ 40,880,000	\$ 2,330,000
2015B	-	-	-	-	-
Total	<u>\$ 43,100,000</u>	<u>\$ -</u>	<u>\$ (2,220,000)</u>	<u>\$ 40,880,000</u>	<u>2,330,000</u>
Bond Premium	<u>3,065,703</u>	-	<u>(229,932)</u>	<u>2,835,771</u>	<u>229,932</u>
Total	<u>\$ 46,165,703</u>	<u>\$ -</u>	<u>\$ (2,449,932)</u>	<u>\$ 43,715,771</u>	<u>\$ 2,559,932</u>

Activity relative to the 2015A and 2015B bonds payable for the year ended December 31, 2021 was as follows:

	Balance at December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance at December 31, <u>2021</u>	Due in <u>one year</u>
2015A	\$ 45,215,000	\$ -	\$ (2,115,000)	\$ 43,100,000	\$ 2,220,000
2015B	-	-	-	-	-
Total	<u>\$ 45,215,000</u>	<u>\$ -</u>	<u>\$ (2,115,000)</u>	<u>\$ 43,100,000</u>	<u>2,220,000</u>
Bond Premium	<u>3,295,635</u>	-	<u>(229,932)</u>	<u>3,065,703</u>	<u>229,932</u>
Total	<u>\$ 48,510,635</u>	<u>\$ -</u>	<u>\$ (2,344,932)</u>	<u>\$ 46,165,703</u>	<u>\$ 2,449,932</u>



## 8. 2015 SERIES A AND SERIES B BONDS PAYABLE (Continued)

General covenants require OCRRA to impose charges sufficient to pay debt service, enforce certain contractual obligations that assure continued flow of Onondaga County waste into the System, prepare annual budgets and maintain proper books and records, and to furnish appropriate financial information to the Trustee on an annual basis. These bonds are available on the secondary market but are not actively traded. Specific covenants include the setting of tipping fees and user charges that when taken together with other System Revenues, produces revenues available for debt service in each fiscal year equal to or exceeding 110% of all debt service on the bonds outstanding during the period, and the maintaining of \$3,000,000 in unencumbered cash reserves as of June 30 and December 31 of each fiscal year.

Interest paid as of December 31, 2022 and 2021, amounted to \$1,664,668 and \$1,773,918 respectively.

The following is a schedule of the future minimum payments under the bond agreement, including mandatory sinking fund requirements as of December 31:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,330,000	\$ 1,799,350	\$ 4,129,350
2024	2,445,000	1,679,975	4,124,975
2025	2,570,000	1,554,600	4,124,600
2026	2,695,000	1,422,975	4,117,975
2027	2,830,000	1,284,850	4,114,850
2028 – 2032	16,395,000	4,167,450	20,562,450
2033 – 2034	11,615,000	709,100	12,324,100
Total	<u>\$ 40,880,000</u>	<u>\$ 12,618,300</u>	<u>\$ 53,498,300</u>

## 9. 2019 BONDS PAYABLE

In 2019, OCRRA issued \$10,835,000 in Revenue Bonds, as subordinate lien bonds under the 2015 Master Indenture. The 2019 bonds bear interest at an escalating rate from 3% to 5%. The 2019 bonds have a tiered maturity schedule with annual principal maturations through May 1, 2034. Interest paid in 2022 amounted to \$476,500. These bonds are subject to the covenants contained in the 2015 Master Indenture. Activity relative to the Series 2019 bonds payable for the year ended December 31, 2022 and 2021 was as follows:

	Balance at December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance at December 31, <u>2022</u>	Due in one year
Series 2019	\$ <u>9,805,000</u>	\$ <u>-</u>	<u>(550,000)</u>	\$ <u>9,255,000</u>	\$ <u>580,000</u>
Bond Premium	\$ <u>1,238,415</u>	\$ <u>-</u>	<u>(100,412)</u>	\$ <u>1,138,003</u>	\$ <u>100,412</u>

	Balance at December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance at December 31, <u>2021</u>	Due in one year
Series 2019	\$ <u>10,330,000</u>	\$ <u>-</u>	<u>(525,000)</u>	\$ <u>9,805,000</u>	\$ <u>550,000</u>
Bond Premium	\$ <u>1,338,827</u>	\$ <u>-</u>	<u>(100,412)</u>	\$ <u>1,238,415</u>	\$ <u>100,412</u>

**9. 2019 BONDS PAYABLE (Continued)**

The following is a schedule of the future minimum payments under the Series 2019 supplemental bond agreement as of December 31:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 580,000	\$ 448,250	\$ 1,028,250
2024	605,000	418,625	1,023,625
2025	640,000	387,500	1,027,500
2026	670,000	354,750	1,024,750
2027	705,000	320,375	1,025,375
2028 – 2032	4,105,000	1,021,125	5,126,125
2033 – 2034	1,950,000	98,750	2,048,750
Total	\$ 9,255,000	\$ 3,049,375	\$ 12,304,375

**10. RETIREMENT PLANS**

New York State Employees' Retirement System (NYSERS)

OCRRA participates in the New York State Employees' Retirement System (NYSERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing, multiple employer public employee retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to the System, System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. OCRRA also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to the benefits provided, may be found on the following website shown: [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, employees in NYSERS contribute 3% of their salary throughout their active membership. For employees who joined after April 1, 2012, employees contribute 3% of their salary until April 1, 2013 and then contribute 3% to 6% of their salary throughout their active membership. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of contributions required, and were as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 403,190
2021	546,902
2020	535,318

## 10. RETIREMENT PLANS (Continued)

### New York State Employees' Retirement System (NYSERS) (Continued)

#### **Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At December 31, 2022 and 2021, OCRRA reported a net pension asset of \$875,164 and a net pension liability of \$10,945, respectively, for its proportionate share of the NYS ERS net pension liability. The net pension asset/liability was measured as of March 31, 2022 and 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuations as of those dates. OCRRA's proportion of the net pension liability was based on a projection of OCRRA's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2022 and 2021, OCRRA's proportion was .0107059% and .0109921%, respectively. For the years ended December 31, 2022 and 2021, OCRRA recognized pension adjustments of (\$471,653) and \$(396,964), respectively.

At December 31, 2022, OCRRA reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 66,277	\$ 85,966
Changes of Assumptions	1,460,551	24,645
Net difference between projected and actual earnings on pension plan investments	-	2,865,796
Changes in proportion and differences between OCRRA's contributions and proportionate share of contributions	133,806	102,051
Contributions subsequent to the measurement date	<u>302,393</u>	<u>-</u>
Total	<u>\$ 1,963,027</u>	<u>\$ 3,078,458</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended March 31:</u>	<u>Amount</u>
2023	\$ (208,534)
2024	(319,255)
2025	(740,220)
2026	(149,815)
2027	-
Thereafter	-
Total	<u>\$ (1,417,824)</u>

OCRRA recognized \$302,393 as a deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2022, which will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.

## 10. RETIREMENT PLANS (Continued)

### New York State Employees' Retirement System (NYSERS) (Continued)

At December 31, 2021, OCRRA reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 133,671	\$ -
Changes of Assumptions	2,012,482	37,956
Net difference between projected and actual earnings on pension plan investments	-	3,144,126
Changes in proportion and differences between OCRRA's contributions and proportionate share of contributions	138,258	112,684
Contributions subsequent to the measurement date	<u>410,177</u>	<u>-</u>
Total	<u>\$ 2,694,588</u>	<u>\$ 3,294,766</u>

OCRRA recognized \$410,177 as a deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2021, which will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

### **Actuarial Assumptions**

The total pension liability at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to March 31, 2022. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>
Inflation	2.7%
Salary increases	4.4%
Investment Rate of Return (net investment expense and inflation)	5.9%
Cost of living adjustments	1.4%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

## 10. RETIREMENT PLANS (Continued)

### New York State Employees' Retirement System (NYSERS) (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and estimates of arithmetic real rates of return for each major asset class are summarized below:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Domestic Equity	32.0%	3.30%
International Equity	15.0	5.85
Private Equity	10.0	6.50
Real Estate	9.0	5.00
Opportunistic/Absolute Return	3.0	4.10
Credit	4.0	3.78
Real Assets	3.0	5.80
Fixed Income	23.0	0.00
Cash	1.0	(1.00)
Total	100%	

The real rate of return is net of the long-term inflation assumption of 2.50%.

#### **Discount Rate**

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### **Pension Plan Fiduciary Net Position (000's)**

The components of the current-year net pension liability of the employers as of March 31, 2022 were as follows:

Total pension liability	\$ 223,874,888
Net position	<u>232,049,473</u>
Net pension liability (asset)	<u>\$ (8,174,585)</u>
ERS net position as a percentage of total pension liability	<u>103.65%</u>

## 10. RETIREMENT PLANS (Continued)

### New York State Employees' Retirement System (NYSERS) (Continued)

#### **Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption – December 31, 2022**

The following presents OCRRA's proportionate share of the net pension liability calculated using the discount rate of 5.90, as well as what the OCRRA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.9%) or 1% higher (6.9%) than the current rate:

	1% Decrease <u>(4.9%)</u>	Current Discount <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Proportionate Share of Net Pension liability (asset)	\$ 2,252,663	\$ (875,164)	\$ (3,491,441)

### New York State Employees' Retirement System (NYSERS) (Continued)

#### **Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption – December 31, 2021**

The following presents OCRRA's proportionate share of the net pension liability calculated using the discount rate of 5.90, as well as what the OCRRA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.9%) or 1% higher (6.9%) than the current rate:

	1% Decrease <u>(4.9%)</u>	Current Discount <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Proportionate Share of Net Pension liability (asset)	\$ 3,037,984	\$ 10,945	\$ (2,780,693)

#### **Deferred Compensation Plan**

Several of OCRRA's employees elect to participate in the New York State Deferred Compensation Plan under Section 457 of the Tax Law.

## 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

#### **Health Insurance Benefits**

In addition to providing pension benefits, OCRRA provides health insurance benefits to certain retired employees and their spouses and beneficiaries, hired before April 10, 2002, between the ages of 55 and 65 under a single-employer defined benefit healthcare plan, the OCRRA Postretirement Healthcare Benefits Plan. The plan is administered by OCRRA. OCRRA's Board of Directors has the authority to establish and amend the plan's benefits.

#### **Funding Policy**

Eligible employees who retire from employment between the ages of 55 and 61 may waive their COBRA rights and continue their health insurance benefits (exclusive of dental coverage) by paying the full cost of the coverage. These employees at age 62 may continue coverage until they become Medicare eligible by paying 25% of the coverage with OCRRA contributing the other 75% of premiums for eligible retired plan members and their spouses. Once these employees are eligible for Medicare they lose their coverage and receive payments equal to \$50 per month until their death. The payments are intended to offset the cost of Medicare supplemental benefits, but retirees are not required to use the payments for that purpose. Represented employees hired after January 1, 2002, and non-represented employees hired after April 10, 2002 are not eligible for any postemployment benefits.

## 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

### Annual OPEB Cost and Net OPEB Obligation

OCRRA's annual other postemployment benefit (OPEB) cost is calculated based on the net OPEB obligation and the estimated amortization years remaining. OCRRA has elected to calculate the OPEB obligation and related information using the alternative measurement method permitted by GASB Statement 75 for employers in plans with fewer than one hundred total plan members. Currently, five retirees are receiving benefits. The following table shows the components of OCRRA's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in OCRRA's net OPEB obligation:

Annual required contribution	\$ 20,433
Actuarial adjustment	(19,573)
Contributions made	<u>(61,159)</u>
Decrease in net OPEB obligation	(60,299)
Net OPEB obligation - beginning of year	<u>223,763</u>
Net OPEB obligation - end of year	<u>\$ 163,464</u>
Annual OPEB cost	\$ 20,433
Percentage of annual OPEB cost contributed	299%

OCRRA's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, the net OPEB obligation for the fiscal year 2022 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2020	\$ 37,439	224.35%	\$ 374,387
12/31/2021	24,863	332.46%	223,763
12/31/2022	20,433	299.32%	163,464

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about retirement age and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations. The valuation is performed December 31 of each year.

## 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

### Methods and Assumptions (continued)

The following simplifying assumptions were made:

- *Retirement age for active employees* - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 63.4 years.
- *Marital status* - Marital status of members at the calculation date was assumed to continue throughout retirement.
- *Eligibility* - Retirees are entitled to benefits until the age of 65 years.
- *Healthcare cost trend rate* - The expected rate of increase in healthcare insurance premiums was a rate of 10% initially, reduced to an ultimate rate of 5% after eight years.
- *Health insurance premiums* - 2022 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.
- *Early Retirees* - Health insurance costs for early retirees were calculated based on actual expenses during 2022 and assumes that each retiree retains their current coverage through the date they become Medicare eligible.

Based on the historical and expected returns of OCRRA's cash and cash equivalents, a discount rate of 4% was used.

## 12. COMMITMENTS AND CONTINGENCIES

### Operating Leases

OCRRA leases land, equipment and office facilities under operating leases. Rental payments under these agreements were approximately \$129,000 and \$117,000 during 2022 and 2021, respectively. Obligations under all cancelable and non-cancelable long-term operating leases are as follows at December 31, 2022:

<u>Year</u>	<u>Amount</u>
2023	\$ 107,860
2024	108,500
2025	110,500
2026	111,500
Thereafter	<u>113,500</u>
Total	<u>\$ 551,860</u>

### Financed Purchases:

Since 2017, OCRRA utilizes a municipal finance lease program for the purchase of replacement equipment required for OCRRA operations. These agreements allow OCRRA to preserve cash reserves while purchasing needed equipment in a timely manner. Interest rates on these agreements range from 1.75% to 3.38%, and each agreement is for a term of 5 years. During 2022, OCRRA made principal payments of \$556,796, and interest payments of \$35,872. These payments included a final payment on Lease #5. The net book value of assets under these financed purchases at December 31, 2022 is \$827,613.



## 12. COMMITMENTS AND CONTINGENCIES (Continued)

### Financed Purchases (continued):

The following is an aggregate schedule of future principal and interest payments as of December 31, 2022:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	398,396	19,568	417,964
2024	146,331	9,518	155,849
2025	150,489	5,360	155,849
2026	76,840	1,084	77,924

### Property Stabilization

In 1997, OCRRA approved a property stabilization program to assist a limited number of property owners who live immediately adjacent to the landfill site. Payments under the plan make up a portion of the difference between the fully assessed value of a property and the actual sales price. In 2022 and 2021, no such payments were made.

### Landfill Contracts

OCRRA has a contract with High Acres Landfill for ash disposal through December 2025. The per ton incinerator ash residue disposal charge will range from \$16.95 to \$20.62 over the term of the contract. OCRRA has a contract with Seneca Meadows, Inc. through December 2025, for bypass, ash, and tire disposal. The per ton solid waste/bypass solid waste disposal charge will range from \$29 to \$43 for by-pass, \$24 to \$36 for ash, and \$100 to \$257/ton for tires, over the term of the contract. OCRRA has a contract with Madison County Dept. of Solid Waste for ash disposal through June 2027, with two four year options thereafter, a per ton incinerator ash residue disposal charge ranging from \$14 to \$15.50 through 2019, and an escalation of 2% per year thereafter. Total costs incurred under all agreements were \$2,452,612 and \$1,998,866 during 2022 and 2021; respectively, and are included in landfill contracts on the statements of revenues, expenses and changes in net position.

OCRRA entered into an Interim Host Community Agreement (Interim Agreement) with the Town of Van Buren (Van Buren) in 1998. The Interim Agreement provides for annual payments to Van Buren during the period prior to development of the landfill facility. The Interim Agreement includes provisions for annual increases based upon a five-year rolling average of the Van Buren tax rate. In no case shall such annual increase be greater than 2%, according to the Interim Agreement. The Host Community Interim Agreement was extended pursuant to an automatic renewal provision through the year 2023.

OCRRA recorded payments to Van Buren in the amount of \$61,937 and \$61,323 in 2022 and 2021, respectively.

### Litigation

OCRRA is occasionally a party to various proceedings arising in the normal course of business. There are presently no proceedings pending that would have a significant impact on the financial position of OCRRA.

### Recycling

OCRRA's current contract with a local material recovery facility has a market based termination clause. Should either party cancel this agreement, OCRRA could incur significant expenditures to continue its recycling program.

## **12. COMMITMENTS AND CONTINGENCIES (Continued)**

### **Union Contract**

OCRRA's contract with union employees runs through December 31, 2022. As of the date of this report, an agreement with the union has been reached through December 31, 2026.

### **Financial Assurance**

OCRRA maintains several permits and registrations with the NYS Department of Environmental Conservation (NYSDEC). Regulations require that OCRRA calculate and provide financial assurance for closure costs related to these facilities. OCRRA has elected to meet this requirement through a local government financial test. As of December 31, 2022 and 2021, OCRRA's estimated closure costs were \$2,280,719 and \$2,111,998, respectively, related to non-landfill facilities. These costs are recognized in the year a facility's operations cease; or amortized from the date a decision has been made to cease operations through the closure date. More information on these requirements can be found in the NYS DEC Regulations, specifically 6 NYCRR Part 360.

## **13. NATIONAL GRID AGREEMENT**

OCRRA and National Grid participate in an electricity purchase agreement through 2025. National Grid and OCRRA have established the upper limit for the agreement at 243,000,000 Kwh. For calendar years 2016 through 2025, OCRRA receives 77.50% of the market rate. In 2022 and 2021, respectively OCRRA received an annual average sale price of 4.27 and 2.30 cents per kilowatt hour.

## **14. CONCENTRATION**

The top five haulers delivered approximately 57% and 60% of the total municipal solid waste to OCRRA during the years ended December 31, 2022, and 2021, respectively. These haulers also accounted for approximately 67% and 67% of accounts receivable at December 31, 2022 and 2021, respectively.

## **15. SUBSEQUENT EVENTS**

Subsequent events have been evaluated by management through March 8, 2023, the date the financial statements were available to be issued.

**ONONDAGA COUNTY RESOURCE RECOVERY AGENCY**

**REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS  
DECEMBER 31, 2022**

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<u>Year</u>	Actuarial Value of <u>Assets</u>	Total OPEB <u>Liability</u>	<u>Funded Ratio</u>
December 31, 2020	-	374,387	0%
December 31, 2021	-	223,763	0%
December 31, 2022	-	163,464	0%

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## ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

### REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS FOR THE YEAR ENDED DECEMBER 31, 2022

#### Schedule of Proportionate Share of Net Pension Liability (Asset) – in thousands

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the net pension liability (asset)	.01%	.01%	.01%	.01%
Proportionate share of the net pension liability (asset)	(\$875)	\$11	\$3,102	\$917
Covered employee payroll	\$3,983	\$3,673	\$3,683	\$4,044
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(21.97%)	84.22%	22.68%	10.78%
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.65%	86.39%	96.27%	98.24%

#### Schedule of Proportionate Share of Net Pension Liability (Asset) – in thousands

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	.01%	.01%	.01%
Proportionate share of the net pension liability (asset)	\$420	\$1,154	\$2,019
Covered employee payroll	\$3,894	\$4,021	\$3,653
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	28.70%	28.70%	55.26%
Plan fiduciary net position as a percentage of the total pension liability (asset)	94.70%	94.70%	90.70%

#### Schedule of Contributions, Pension Plans – in thousands

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 403	\$ 547	\$ 535	\$ 531
Contributions in relation to the contractually required contribution	<u>\$ 403</u>	<u>\$ 547</u>	<u>\$ 535</u>	<u>\$ 531</u>
Contribution deficiency (excess)	<u>      -</u>	<u>      -</u>	<u>      -</u>	<u>      -</u>
Covered employee payroll	\$3,983	\$3,673	\$3,683	\$4,044
Contributions as a percentage of covered-employee payroll	10.12%	14.89%	14.53%	13.13%

#### Schedule of Contributions, Pension Plans – in thousands

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 553	\$ 524	\$ 533
Contributions in relation to the contractually required contribution	<u>\$ 553</u>	<u>\$ 524</u>	<u>\$ 533</u>
Contribution deficiency (excess)	<u>      -</u>	<u>      -</u>	<u>      -</u>
Covered employee payroll	\$3,894	\$4,021	\$3,653
Contributions as a percentage of covered-employee payroll	14.20%	13.03%	14.59%

Information for periods prior to the implementation of GASB 68 (2008-2014) is unavailable and the above-related disclosures will be completed each year going forward as information becomes available.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

*INDEPENDENT AUDITOR'S REPORT*

Board of Directors  
Onondaga County Resource Recovery Agency  
North Syracuse, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Onondaga County Resource Recovery Agency (OCRRA) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise OCRRA's basic financial statements, and have issued our report thereon dated March 8, 2023.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered OCRRA's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OCRRA's internal control. Accordingly, we do not express an opinion on the effectiveness of OCRRA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether OCRRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on financial statements. However,

providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of OCRRA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the OCRRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Syracuse, New York  
March 8, 2023

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# RECYCLING/OPERATIONS COMMITTEE MEETING MINUTES

February 15, 2023

**Time: 4:00 p.m. / Location: 100 Elwood Davis Rd., N. Syracuse NY  
13212**

*Members: E. Gilligan – Chair, D. Daley – V. Chair, L. Colon Torres, N. Zaccaria,  
R. Raman, S. Pasquale*

Present : L. Colon-Torres, E. Gilligan, D. Daley, S. Pasquale

Absent : R. Raman

Also Attending: M. Cirino, M. Mokrzycki, K. Spillane, C. Albunio, R. Czerwiak, K. Lawton,  
P. Pastella, T. Palmer, J. Gascon, M. Bianchetti

Guest(s):

The meeting called to order at 4:00 PM

A quorum is present.

K. Lawton presented a resolution to purchase recycling services from E-Waste+ and NLR for household battery recycling. The purpose of this discussion is to obtain consensus to move the resolution to the full Board for approval.

- OCRRA has provided households with battery drop-off points at all Onondaga County Wegmans locations.
- EPR for recycling rechargeable batteries is free.
- Alkaline batteries are currently disposed at the Fulton County Landfill.
- In 2024 they will no longer be accepted at the landfill, so another method of management is needed.
- In December 2022 OCRRA issued a request for quotes (RFQ) for transport and management, either recycling or disposal.
- Five vendors responded to the RFQ.
- EWASTE+ proposed a recycling option for the alkaline batteries with a no cost, beyond packaging and transport for this service.
- Working with EWASTE+ would be more costly than landfill disposal, however the metals would be recycled.
- Single-use button/coin and lithium batteries could be most cost-effectively managed by NLR, Inc at \$2.71 per pound.
- This recycling option was the least expensive recycling or disposal option received.
- It is the recommendation of management that OCRRA continue its battery collection program and improve it environmentally by selecting EWASTE+ and NLR, Inc, to recycle our alkaline and other single-use batteries.
- This will increase the volume of batteries being recycled.
- The anticipated annual cost of battery recycling is approximately \$20,000.

E. Gilligan asked how lithium batteries would be managed.

K. Lawton responded that the lithium batteries would be included in the recycling/disposal management program.

D. Daley asked how the rechargeable batteries were managed.

K. Lawton responded that those batteries were managed by a company called Call to Recycle at no cost to OCRRA.

C. Albinio added that OCRRA's Waste to Energy permit states that anything that is a source separated battery cannot be sent to the WTE facility.

L. Colon-Torres asked how phone batteries were managed.

K. Lawton responded that phone batteries can be collected in the battery kiosks at Wegmans and recycled.

D. Daley motioned and S. Pasquale seconded to move the resolution to the full Board.

The committee unanimously consented to move the resolution.

K. Lawton presented a resolution to contract for battery sorting services. The purpose of this discussion is to obtain consensus to move the resolution to the full Board for approval.

- To stay in compliance with US DOT regulations that require separation of different battery chemistries for transport, OCRRA has contracted with ARC of Onondaga to sort household batteries since 2010.
- Each year at the Amboy Compost Site, an ARC team member sorts approximately 145,000 lbs. of batteries. (nearly 3,000 lbs. per week)
- ARC will charge OCRRA \$0.27 per pound for this service.
- It is the recommendation of management to continue with NYSID/Arc of Onondaga as a NYS preferred source vendor through March 31, 2024, at a cost not to exceed \$42,000.

D. Daley asked that \$.27 cents be changed to \$0.27 for clarity.

That change will be made before this resolution is present to the full Board.

D. Daley motioned and L. Colon-Torres seconded to move the resolution to the full Board for approval.

The committee unanimously consented to move the resolution.

C. Albinio gave an engineering update. Photo slides were shared with the committee.

- The Ley Creek transformer demo and removal has been completed under budget.
- The RCR Optimization Project building 2 phase 2 – loadout/utilities modifications is on schedule and under budget.
- The RCR building 3 floor and drain improvements is behind schedule, due to the weather, and on budget.



- The Amboy Compost wastewater conveyance system improvements (Professional Services) is on schedule. The construction cost of this project will be supported by the 2023 capital plan funds.
- The Transfer Station compliance engineering– OCRRA issued an RFP in January for annual site inspection; quarterly visual stormwater inspection; semi-annual stormwater sampling; compliance support; Stormwater Pollution Prevent Plan preparation; Ley Creek transformer pad spill investigation and remediation; and Ley Creek fuel facility decommissioning and removal. Costs for these construction items were budgeted as part of Ley Creek’s 2023 capital plan.
- The RCR Optimization – following completion of currently contracted construction work, the 2019 Bonds funds have been expended. Future capital planning is necessary to continue the necessary investment in the RCR Transfer Station.
- In 2022, OCRRA continued to be challenged by the voids created by the existing push-pits in buildings 1 and 2. These challenges were discussed in the Optimization Report.
- The building 1 and 2 push-pits are the focus of an engineering RFP that was issued in February 2023. Future construction projects resulting from this engineering work may be partially funded by 2023 and 2024 capital plan funds.
- C. Albuino will continue to update the committee.

P. Pastella added that one of the main issues is that trash gets built up behind the push-walls and then creates a haven for rodents. Critter-Ritters has been working with OCRRA to eradicate the issue. Upgrading the push-walls will eliminate trash build-up.

There was further discussion regarding upgrading and repair of the push-walls, load-out areas and the ceiling in the annex area.

P. Pastella updated the committee on heating and ventilation replacements in the maintenance areas at RCR.

K. Spillane added that there are several doors that will also need replacement in the future.

D. Daley asked if OCRRA would continue to use waste oil for heating.

K. Spillane responded that the Agency would continue with waste oil.

P. Pastella gave an update on the sprinkler system at Ley Creek. The sprinkler system has failed and since the building is set to be demolished, OCRRA will not be repairing the system. The site is not in use and there are no flammable items in the building. The Operation and Maintenance Plan for the facility will be updated.

L. Colon-Torres motioned, and D. Daley seconded to adjourn the meeting.

A collective ‘aye’ was recorded.

The meeting was adjourned at 5:00 pm.  
Meeting minutes were taken by R. Czerwiak

**RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR  
TO PURCHASE RECYCLING SERVICES FROM EWASTE+ AND NLR, INC.  
FOR HOUSEHOLD BATTERY RECYCLING**

**WHEREAS**, the Onondaga County Resource Recovery Agency collects and manages household batteries dropped off at Agency kiosks at area retail stores; and

**WHEREAS**, in the past the Onondaga County Resource Recovery Agency contracted with outside vendors to manage different battery chemistries either through recycling or disposal; and

**WHEREAS**, the Onondaga County Resource Recovery Agency put out a request for quotes (RFQ) pursuant to the Agency's Procurement Policy for recycling of household batteries; and

**WHEREAS**, EWaste+ of Victor, N.Y. was the lowest quote for alkaline battery recycling; at no cost to the Agency, except the internal cost of packaging and transportation; and

**WHEREAS**, NLR, Inc. of East Windsor, C.T. was the lowest quote for single-use button / coin / lithium battery recycling, at a cost of \$2.71 per pound; now, therefore be it

**RESOLVED**, that the Onondaga County Resource Recovery Agency hereby authorizes its Executive Director to enter into an agreement for household battery recycling services from EWaste+ of Victor, N.Y. for alkaline battery recycling at no cost; and NLR, Inc. of East Windsor, C.T. for \$2.71 per pound for single use button / coin / lithium batteries, for a total not to exceed the cost of \$20,000 through December 31, 2023. This Resolution shall take effect immediately.

**Resolution Adopted Date:** \_\_\_\_\_

**Vote:** Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Abstentions \_\_\_\_\_

**Signed:** \_\_\_\_\_

# RESOLUTION BRIEF

## Battery Management Services

March 8, 2023

Batteries come in many different shapes, sizes and chemistries. Some, like rechargeables, are prohibited from being thrown out by NYS law. Other single-use batteries such as button/coin or lithium batteries pose significant fire safety risks when managed through curbside trash or erroneously through recycling.

OCRRA has provided households with convenient battery drop off at all Onondaga County Wegmans, Green Hills Market, and area hardware stores for decades.

With the advent of EPR for rechargeable batteries, the recycling of those batteries became free. The remaining batteries have a cost to manage whether through disposal or recycling.

Alkaline batteries are currently disposed at the Fulton County Landfill. They will no longer accept them in 2024, so another method of management is needed.

In December 2022, OCRRA issued a request for quotes for transport and management, either recycling or disposal, of various chemistries of single-use household batteries. In part, because our alkaline disposal option was going away and because there was a backlog of button/coin batteries needing management.

Five vendors responded to the RFQ. An alkaline recycling option emerged from EWASTE+, based outside Rochester, NY, which had no cost beyond packaging and transport costs. OCRRA will transport these batteries. There were no other alkaline battery responses, either disposal or recycling, that were lower cost than the EWASTE+ recycling option. Working with EWASTE+ will be slightly more expensive than the current landfill disposal of said batteries (less than \$500 dollars more per year); however, the metals will be recycled and not sent to a landfill.

Single-use button/coin and lithium batteries could be most cost-effectively managed by NLR, Inc., based outside Hartford, CT, at \$2.71 / pound of material. NLR, Inc. smelts the batteries and removes heavy metals such as lithium, cobalt and manganese, which is then reused. This recycling option was the least expensive recycling or disposal option out of all the responses, even when including preparation and packaging.



One of OCRRA's many convenient household battery drop-off bins found at area stores.

## **Expense Projections**

### **ALKALINES:**

**2022 alkaline volume:** approximately 130,000 lbs.

**2022 alkaline disposal costs, estimated:** \$7,535  
(OCRRA transport and management costs to Fulton County Landfill)

**2023 alkaline recycling costs with EWASTE+:** \$8,000  
(Estimated packaging and OCRRA transport costs to Ewaste+)

### **BUTTON/COINS:**

**2022 button/coin volumes:** Management was paused for an undetermined amount of time, so volumes are unclear. We estimate there are roughly 1,880 lbs. of these batteries that were amassed over a five-year period.

**Estimated 2023 button/coin battery recycling cost with NLR, Inc.:** \$2,000

**Estimated backlog button/coin battery recycling cost with NLR, Inc.:** \$10,000

**Total button/coin battery recycling cost (1-year + backlog):** \$12,000

### **COMMITTEE RECOMMENDATION:**

OCRRA should continue its battery collection program and improve it environmentally by selecting EWaste+ and NLR, Inc. to recycle our alkaline and other single-use batteries, respectively.

This will increase the volume of batteries being **recycled** by ensuring that alkalines, the largest volume of batteries collected by OCRRA, are recycled instead of landfilled.

**2023 anticipated annual costs of battery recycling:** \$20,000.

**RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR TO ENTER CONTRACT FOR BATTERY SORTING SERVICES**

**WHEREAS**, the Onondaga County Resource Recovery Agency is in need of continuing battery sorting services to facilitate the recycling of household batteries; and

**WHEREAS**, the Agency has, in the past, utilized the services of ARC of Onondaga as the New York State preferred source vendor under State Finance Law Sections 162 and 163; and

**WHEREAS**, the Agency wishes to continue to utilize the services of ARC of Onondaga through March 31, 2024, for battery sorting at a per pound sorting cost of \$0.27 per pound, up to a total cost not to exceed \$42,000 and further wishes to authorize the Agency's Executive Director to enter into a purchase order for such services; now, therefore, be it

**RESOLVED**, that the Onondaga County Resource Recovery Agency does hereby authorize its Executive Director to enter into a purchase order with the New York State preferred source vendor, ARC of Onondaga, for battery sorting services at a cost of \$0.27 per pound and at a total cost through March 31, 2024, not to exceed \$42,000. This Resolution shall take effect immediately.

**Resolution Adopted Date:** \_\_\_\_\_

**Vote:** Ayes: \_\_\_\_\_ Nays: \_\_\_\_\_ Abstentions: \_\_\_\_\_

**Signed:** \_\_\_\_\_

# RESOLUTION BRIEF

## Battery Sorting by NYS Industries of the Disabled (NYSID)

March 8, 2023

OCRRA has provided a convenient battery collection program for residents through drop off at multiple locations, including all Onondaga County Wegmans, Green Hills Market, and hardware stores for decades.

To stay in compliance with US DOT regulations that require separation of different battery chemistries for transport, OCRRA has contracted with ARC of Onondaga to sort household batteries since 2010.

Under the legislatively mandated New York State Preferred Source Program, NYSID (New York State Industries for the Disabled, Inc.) represents a state-wide network of 165 community rehabilitation agencies, including Arc of Onondaga, to employ skilled people with disabilities in community-based jobs.

OCRRA has worked with Arc of Onondaga as a New York State preferred source vendor under State Finance Law Sections 162 and 163.

Each year at the Amboy Compost Site, an ARC team member sorts around 145,000 lbs. of batteries for OCRRA, which equals nearly 3,000 lbs. per week.

Arc of Onondaga will charge OCRRA \$.27 per pound for sorting batteries starting in April 2023.



**An Arc of Onondaga team member sorts batteries collected from the community at the Amboy Compost Site.**

### **COMMITTEE RECOMMENDATION:**

OCRRA continues its battery sorting program with NYSID/Arc of Onondaga as a NYS preferred source vendor through March 31, 2024, as a per pound cost of \$0.27, with a not to exceed amount of \$42,000.

# ADMINISTRATION COMMITTEE MEETING MINUTES

February 28, 2023

Time: 4:00 p.m. / Location: 100 Elwood Davis Rd., N. Syracuse NY 13212

Admin Members: *L. Klosowski (Chair), A. Bianchetti, C. Dunham, D. Lawless, J. Driscoll*

Attending: L. Klosowski, C. Dunham, D. Lawless, B. Page

Absent: A. Bianchetti, J. Driscoll

Also Attending: M. Cirino, M. Mokrzycki, K. Spillane, C. Albunio, J. Gascon, R. Czerwiak, T. Palmer

Guests:

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L. Klosowski called the meeting to order at 4:00 pm.

Quorum is present.

M. Mokrzycki presented a resolution to purchase insurance policies for the Agency. The purpose of this discussion is to obtain consensus to move the resolution to the full Board for approval.

- These policies are for one year except for the Pollution Control policy which is for two years. The Pollution Liability coverage purchased assumes minimal construction activities at Ley Creek during the term of the policy and that any construction work that does occur could be covered in the builder's risk policy.
- The cost of this coverage would be \$288,000 plus a \$22,000 broker fee.
- The purchase would be through Brown and Brown.
- Management recommends continuing with the same coverage the Agency currently has with Brown and Brown.

A discussion followed.

D. Lawless motioned and C. Driscoll seconded to move the resolution to the Board in March.

The committee unanimously consented to move the resolution.

M. Mokrzycki presented a resolution approving investment guidelines and investment report of OCRRA for 2022. The purpose of this discussion is to obtain consensus to move the resolution to the full Board for approval.

- This report serves to update the Agency's Board on investment activities and practices during 2022.
- Annually, the Board is provided a Summary of Investment Activities.
- Investments January 2022 were \$3,044,568.
- Investments December 31, 2022, were \$1,324,536.
- The total invested cash at the end of 2022 stood at \$28,272,395.
- The total no-invested cash at the end of 2022 stood at \$1,575,943.
- Recent return on investments is approximately 5%., much higher than in the prior year.

A discussion followed.

M. Mokrzycki presented the OCRRA annual Audit Report.

- This is an inhouse audit that is completed by OCRRA's CICCO, M. Cirino.
- The audit of investments was confined to those investments as of December 31, 2022 and included compliance with section 2045-k of the Public Authorities Law, Section 75 of NY Jurisprudence 2<sup>nd</sup>, Section 2095 of Public Authorities Law and Section 98a of State Finance Law.
- The only discrepancy found was that the CICCO did not find evidence of the Administration committee's review of the 2022 1<sup>st</sup> quarter investment report.
- The 1<sup>st</sup> quarter investment report was attached to this agenda for the committee's review.

A discussion followed.

D. Lawless motioned and C. Driscoll seconded to move the resolution to the full Board for approval in March.

The committee unanimously consented to move the resolution.

M. Mokrzycki presented a resolution to change the Agency's Civil Service Roster. The purpose of this discussion is to obtain consensus to move the resolution to the full Board for approval.

- This position is currently filled by an employee that is out on medical leave and is expected to retire in 2024.
- Management is requesting to add one position of Personnel Administrator at a salary grade 7, in anticipation of needing to fill this position while the current employee is out and to fill it full time once the employee has retired.
- This position would be exempt under FSLA as a management confidential position.

A discussion followed.

C. Driscoll motioned and D. Lawless seconded to move the resolution to the full Board in March.

The committee unanimously consented to move the resolution.

M. Mokrzycki gave an update on the office renovations.

- Renovations will begin on Monday.
- Future meetings will be held in the upstairs conference room until construction is complete.
- The current office board room furniture will be repurposed for use at RCR.
- Construction should be complete in a few weeks.

L. Klosowski asked if there was a fee to use the upstairs conference room.

M. Mokrzycki responded that there was no fee to use the room.



M. Mokrzycki presented small contracts. The report contains information from January through mid February.

B. Page asked where the packaged food was coming from.

K. Spillane responded that the food was coming from the Food Bank. Previously the package food was sent to the digester in Utica and Cayuga.

Most of the material is produce and is sent to OCRRA's compost site in Amboy.

B. Page asked how the rodent removal was progressing.

K. Spillane responded that the removal process continues to be successful. The Agency has contracted with a company called Critter Ridders.

C. Driscoll asked about the boots allowance that OCRRA offers to its employees.

K. Spillane responded that this is a benefit that OCRRA offers once a year as part of the safety program.

B. Page asked about the wall damage that occurred at RCR.

K. Spillane responded that damage is to a wall in building 1. No accident occurred. Repair to the wall is underway.

D. Lawless moved, and C. Driscoll seconded to adjourn the meeting.

The meeting was adjourned at 4:40 pm.

Meeting minutes taken by R. Czerwiak

**RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR TO  
PURCHASE INSURANCE POLICIES FOR THE AGENCY  
FOR THE PERIOD BEGINNING APRIL 1, 2023**

**WHEREAS**, the Onondaga County Resource Recovery Agency's Administration Committee did authorize its Executive Director to obtain competitive proposals for comprehensive insurance policies and an employment practices liability policy to properly insure Agency activities including administration, transfer and transport operations, recycling, and compost operations for a one (1) year period beginning April 1, 2023; and

**WHEREAS**, workers' compensation coverage is not part of this competitive package; and

**WHEREAS**, the Administration Committee has recommended that the Agency place these policies with US Specialty Insurance Co. (a member of Tokio Marine US PC) and others, as recommended by its broker, Brown & Brown. The Agency's insurance policies will thus provide coverage for all Agency activities for a one (1) year period beginning April 1, 2023. Pollution Control Insurance is purchased for a two-year period through March 31, 2025.

<u>COVERAGE</u>	<u>ALL-IN COST</u>
Property	12,788
Contractor's Equipment	15,422
Electronic Data Processing	7,151
Crime	883
Commercial General Liability	88,100
Public Entity management Liability	7,746
Employment Practices Liability	6,878
Business Automobile & MV Fee	12,601
Commercial Umbrella	36,471
Excess Crime	4,014
<b>Excess Liability</b>	<b>53,000 (est)</b>
Owners & Contractors Protective RCR	505
Owners & Contractors Protective T-way Auth.	505
Pollution (2-year policy)	29,250
Cyber Liability	11,580
E&S & NYS Fees	661
<b>Total</b>	<b>\$287,555</b>
Broker Fee	\$22,000

Now, therefore be it

**RESOLVED**, that the Onondaga County Resource Recovery Agency has elected to obtain the aforementioned insurance coverage for a one (1) year period beginning April 1, 2023 for the stated rate of \$288,000 plus \$22,000 broker fee subject to any adjustment made for OCRRA equipment changes up to a maximum of \$20,000, and that the Executive Director is hereby authorized to purchase through Brown & Brown, previously selected as the Agency's broker of record, coverage from US Specialty Insurance Co. (a member of Tokio Marine US PC) and other insurers for all Agency activities except for workers' compensation, which is not included herein, and to pay the applicable broker fee. This Resolution shall take effect immediately.

**Resolution Adopted Date:** \_\_\_\_\_

**Vote: Ayes:** \_\_\_\_\_ **Nays:** \_\_\_\_\_ **Abstentions:** \_\_\_\_\_

**Signed:** \_\_\_\_\_

# Onondaga County Resource Recovery Agency

## VIII. Premium Summary

### **Premium as Proposed:**

<u>Coverage</u>	<u>2022-2023 Premium</u>	<u>2023-2024 Premium</u>
Package Policy		
A. Property *	\$ 11,771.00	\$ 12,788.00
B. Contractor's Equipment	\$ 14,763.00	\$ 15,422.00
C. Electronic Data Processing	\$ 7,580.00	\$ 7,151.00
D. Crime	\$ 874.00	\$ 883.00
E. Commercial General Liability	\$ 81,820.00	\$ 88,100.00
F. Public Entity Management Liability	\$ 7,011.00	\$ 7,746.00
G. Employment Practices Liability	\$ 6,462.00	\$ 6,878.00
H. Business Automobile + MV Fee	\$ 16,710.00	\$ 12,601.00
I. Commercial Umbrella	\$ 31,377.00	\$ 36,471.00
NY Fire Fee	\$ 70.28	\$ 76.36
Excess Crime	\$ 3,918.00	\$ 4,014.00
Excess Liability (25% Minimum Earned)	\$ 43,000.00	TBD
Owners & Contractors Protective – Rock Cut Rd.	\$ 505.00	\$ 505.00
Owners & Contractors Protective T-way Authority	\$ 505.00	\$ 505.00
Pollution Liability (2 Yr. Policy) (25% Min. Earned)	\$ 28,541.00	\$ 35,492.00 *
Cyber Liability	\$ 11,029.00	\$ 11,580.00
Est. E&S Taxes/Fees	\$ <u>565.79</u>	\$ <u>584.25</u>
Premium Total:	\$265,866.00	\$240,136.00
Taxes & Fee Totals:	\$ 636.07	\$ 660.61

Payment Plan: Agency Bill - Annual Payment

2023 Taxes, Fees and Terrorism are to be determined at the time coverage is bound.

Carrier increased property values 10% over expiring. Values increased from \$14,234,250 to \$15,496,355

**\* Optional Pollution quote - \$29,250**

Has a full exclusion of anything as relates to Capital Improvements at 5158 Ley Creek Dr.  
(No give back)

## BROKER SERVICES AGREEMENT

THIS **BROKER SERVICES AGREEMENT** (this "Agreement"), effective April 1, 2023 (the "Effective Date"), is made by and between **ONONDAGA COUNTY RESOURCE RECOVERY AGENCY** ("Company"), and the Syracuse office of **BROWN & BROWN OF NEW YORK, INC.** ("Broker").

### Background

Company wishes to retain Broker to perform certain specified insurance services as described in this Agreement. Broker wishes to perform such services according to the terms and conditions in this Agreement for the compensation set forth in this Agreement. The parties agree as follows:

1. **Term.** The term of this Agreement shall commence on the Effective Date and continue for a period of one (1) year, unless sooner terminated as herein provided.

2. **Relationship of Parties.** Broker is an independent contractor and nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship, a joint venture relationship or partnership relationship. In consideration of the compensation paid to the Broker by the Company, Broker will provide services to the Company as an insurance broker. Company acknowledges that Broker, or its parent company, Brown & Brown, Inc. ("Parent"), and related or affiliated companies (collectively with Parent, "B&B Affiliates"), may provide services as an insurance agent on behalf of certain insurance carriers or risk-bearing entities. Company expressly consents to such relationship, if applicable, in the rendition of services by Broker under this Agreement.

3. **Broker Services.** Broker, subject to the terms of this Agreement, shall provide certain services set forth in the attached Schedule A (the "Services"), but only in relation to the lines of insurance identified in Schedule A ("Lines of Insurance").

**Nothing in this Agreement shall be construed to impose any obligations on Broker or limitations on Broker's compensation, relative to any lines of insurance or coverages other than as specifically delineated in Schedule A.**

4. **Company Responsibilities.** In consideration of the Services provided by Broker, Company agrees as follows:

(a) Company shall cooperate fully with Broker and the insurance companies with whom Broker solicits in the performance of Broker's obligations under this Agreement.

(b) Company shall timely produce and complete accurate information including, but not limited to, current financial information, statements of values, loss information and any other information, necessary for the effectuation of insurance coverage at the request of Broker. Company further agrees to provide Broker with notice of any material changes in Company's business operations, risk exposures or in any other material information provided under this Agreement. In addition, Company shall carefully read each insurance policy issued to Company in order to confirm the accuracy of the facts reflected therein and that the policy(ies) contain(s) the terms and coverages desired. Company is responsible for recommending any changes to insurance policies issued to Company.

(c) Company shall timely pay all premiums and fees.

(d) Company shall provide Broker with at least ninety (90) days notice in advance of any policy effective date in the event Company intends to allow competing agents or brokers to solicit or market insurance to Company.

5. **Compensation.** In consideration of the Services, Company shall compensate Broker as set forth in Schedule B (the "Broker Services Fee"). With regard to the Broker Services Fee, Company and Broker acknowledge and agree as follows:

(a) **The Broker Services Fee is not a part of, but rather is in addition to, any premium that may be paid by the Company for the Lines of Insurance.**

(b) It is understood and agreed that Broker, or B&B Affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. Such contingent payments or allowances are not subject to this Agreement, and will not be credited against the

balance of the Broker Services Fee owed to Broker pursuant to this Agreement or paid to Company.

(c) Broker may utilize insurance intermediaries (such as a wholesale insurance broker, managing general agent (MGA), managing general underwriter or reinsurance broker) for the placement of Company's insurance. In addition to providing access to the insurance company, the intermediary may provide the following services: (i) risk placement; (ii) coverage review; (iii) claims liaison services with the insurance company; (iv) policy review; and (v) current market intelligence. The compensation received by the insurance intermediary for placements and, if applicable, the services above is typically in the range of 5% to 15% of policy premium. There may be an intermediary utilized in the placement of your insurance, which may or may not be a B&B Affiliate. Any payments or allowances paid to the intermediary are not subject to this Agreement, and will not be credited against the balance of the fee owed to Broker pursuant to this Agreement or paid to Company.

(d) If Company chooses to finance its premiums, Broker may assist Company in the arrangement of such financing. Any payments or allowances paid to Broker for arranging premium financing are not subject to this section, and will not be credited against the balance of the fee owed to Broker pursuant to this Agreement or paid to Company.

(e) Broker may, in the ordinary course of its business, receive and retain interest on premiums paid by the Company from the date received by Broker until the date the premiums are remitted to the insurance company or intermediary. Any interest income retained by Broker on these premiums are not subject to this section, and will not be credited against the balance of the fee owed to Broker pursuant to this Agreement or paid to Company.

(f) Compensation for the Services specified under this Agreement is exclusive of all federal, state and local sales, use, excise, receipts, gross income and other similar taxes and governmental charges and fees. Any such taxes, charges or fees for the Services under this Agreement, now imposed or hereafter imposed during the term of this Agreement, shall be in addition to the compensation, premiums and charges set forth in this Agreement and shall be paid by Company upon request.

(g) Company acknowledges and agrees that the Broker Services Fee is reasonable in relation to the Services to be provided by Broker hereunder.

6. **Confidentiality.** To the extent consistent with performances of Broker's duties under this Agreement, Broker and Company agree to hold in confidence Confidential Information (defined below). Company acknowledges, however, that Broker will disclose Confidential Information as reasonably required in the ordinary course of performing the Services to insurance companies and other insurance intermediaries. "**Confidential Information**" means all nonpublic information and all documents and other tangible items (whether recorded information, on paper, in computer readable format or otherwise) relating to the disclosing party's business (including without limitation business plans, manner of doing business, business results or prospects), proposals, recommendations, marketing plans, reports, any of which (i) at the time in question is either protectable as a trade secret or is otherwise of a confidential nature (and is known or should reasonably be known by receiving party as being of a confidential nature) and (ii) has been made known to or is otherwise learned by receiving party as a result of the relationship under this Agreement. Confidential Information should be protected with the same reasonable care as each party protects its own Confidential Information.

Confidential Information will not include any information, documents or tangible items which (i) are a matter of general public knowledge or which subsequently becomes publicly available (except to the extent such public availability is the result of a breach of this Agreement), (ii) were previously in possession of receiving party as evidenced by receiving party's existing written records, or (iii) are hereafter received by receiving party on a non-confidential basis from another source who is not, to receiving party's knowledge, bound by confidential or fiduciary obligations to disclosing party or otherwise prohibited from transmitting the same to receiving party. In the event that Broker or Company become legally compelled to disclose any of the Confidential Information, they shall provide the other party with prompt notice so that such party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that such protective order or other remedy is not obtained, or that the other party waives compliance with the provisions of the Agreement, such party may disclose such information as is necessary or advisable to comply with the legal process.

7. **Termination.**

(a) Either party may terminate this Agreement, without cause and for any reason whatsoever, by giving written notice of termination to the other party at least ninety (90) days prior to the effective date of termination, which shall be specified in such written notice.

(b) Notwithstanding the provisions in sub-paragraph (a) above, Company may terminate this Agreement upon the happening of any one of the following causes: (i) Suspension or termination of Broker's insurance license in the State of New York if not cured by Broker within sixty (60) days following such suspension or termination; (ii) Broker's participation in any fraud; or (iii) Broker's material failure to properly perform its duties and responsibilities hereunder because of Broker's gross neglect, proven dishonesty, or commission of a felony.

(c) Notwithstanding the provisions in sub-paragraph (a) above, Broker may terminate this Agreement upon the happening of any one of the following causes: (i) Company's failure to pay any Broker Services Fee more than five (5) days after such payment is due; (ii) Company's participation in any fraud; or (iii) Company's material failure to properly perform its duties and responsibilities hereunder because of Company's gross neglect, proven dishonesty, or commission of a felony.

Termination for any cause enumerated in sub-paragraphs (b) or (c) shall become effective upon the delivery of written notice of termination to the breaching party or at such later time as may be specified in the written notice.

(d) Termination of this Agreement shall not release Company from any accrued obligation to pay any sum to Broker (whether then or thereafter payable) or operate to discharge any liability incurred prior to the termination date.

8. **Notices.** Any notices required or permitted to be given under this Agreement shall be sufficient if in writing by Certified Mail to:

If to Company:

Onondaga County Resource Recovery Agency  
100 Elwood Davis Road  
North Syracuse, New York 13212-4312  
Attn: Mike Mokrzycki

Onondaga County Resource Recovery Agency  
Brown & Brown of New York, Inc.  
Broker Services Agreement effective April 1, 2023

Email: [mmokrzycki@ocrra.org](mailto:mmokrzycki@ocrra.org)

If to Broker:

Brown & Brown of New York, Inc.  
500 Plum Street, Suite 200  
Syracuse, New York 13204  
Attn: Nicholas Dereszynski  
Email: [nick.dereszynski@bbrown.com](mailto:nick.dereszynski@bbrown.com)

With a copy to:

Brown & Brown, Inc.  
300 N Beach Street  
Daytona Beach, FL 32114  
Attn: General Counsel

or such other address as either shall give to the other in writing for this purpose.

9. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision.

10. **New York Law Applies; Venue.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York without regard to its conflicts of laws principles. Exclusive venue is agreed to be in a state or federal court of competent jurisdiction in or for Onondaga County, New York.

11. **Limitation of Liability; Waiver of Jury Trial.** THE PARTIES WAIVE ANY RIGHT TO A TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF THIS AGREEMENT. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, OR INCIDENTAL DAMAGES, INCLUDING LOSS OF PROFITS, REVENUE, DATA OR USE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH POTENTIAL LOSS OR DAMAGE.

12. **Assignment.** Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. This Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and permitted assigns.

13. **Entire Agreement.** This Agreement (including the schedules, documents and instruments

referred to herein or attached hereto) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. The Agreement shall not be modified

except by a written agreement dated subsequent to the date of this Agreement and signed on behalf of Company and Broker by their respective duly authorized representatives.

**[Remainder of page intentionally left blank – Signature page follows.]**



**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the Effective Date.

**COMPANY:**

**Onondaga County Resource Recovery Agency**

a New York corporation

**BROKER:**

**Brown & Brown of New York, Inc.**

a New York corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **SCHEDULE A**

### **BROKER SERVICES**

Subject to the terms of this Broker Services Agreement, Broker shall provide the Services listed below, but only in relation to the following Lines of Insurance: (a) General Liability; (b) Property/ Inland Marine- excluding WTE; (c) D&O/Professional (d) Employment Practices Liability; (e) Crime/Excess Crime; (f) Automobile; (g) OCP; (h) Pollution Liability and (i) Umbrella/Excess Liability.

#### **REVIEW AND MODIFY THE FOLLOWING AS APPROPRIATE**

- a. Evaluate Company's business practices with regard to risk and possible transfer of risk to third parties and conduct regular, scheduled meetings with Company to review Company's risk management program.
- b. Review and analyze Company's existing insurance coverage and identify potential lines of coverage or coverage enhancements to improve Company's insurance program.
- c. Analyze current insurance market conditions and advise Company of significant implications for Company's insurance program.
- d. Facilitate, market, and procure quotations from carriers; review and analyze quotations and provide proposals for review by Company.
- e. Secure and bind all coverage accepted by Company.
- f. Coordinate loss prevention services provided by any insurance company with those services provided by Broker.
- g. Analyze past and current claim and loss history information and advise Company of significant implications for Company's insurance program.

**SCHEDULE B**  
**COMPENSATION**

**Broker Services Fee:**

In consideration of the Services, Company shall compensate Broker **in the amount of TWENTY-TWO THOUSAND DOLLARS AND 00/100 (\$22,000.00)** (the "Broker Services Fee"). The Broker Services Fee shall be fully earned and payable upon Company's execution and delivery of this Agreement. The Broker Services Fee is not a part of, but rather is in addition to, any premium that may be paid by the Company for the Lines of Insurance.

**Insurer Commissions:**

Broker agrees that it will not receive any commission for the placement of Company's insurance business pursuant to this Agreement. If Broker receives any such commission payments from an insurer in error or otherwise, Broker agrees to refund the Broker Service Fees in the amount of such commission payment, credit the commission against the Broker Services Fee or take such other action, if any, as shall in all cases comply with applicable law.

**RESOLUTION APPROVING INVESTMENT GUIDELINES AND  
INVESTMENT REPORT OF ONONDAGA COUNTY RESOURCE  
RECOVERY AGENCY FOR CALENDAR YEAR 2022**

**WHEREAS**, the Onondaga County Resource Recovery Agency did, pursuant to Resolution No. 135 of June 12, 1991, adopt formal Investment Guidelines to protect and safeguard Agency investment assets; and

**WHEREAS**, the Administration Committee, at its February 28, 2023 meeting, reviewed the 2022 Annual Investment Report and the Investment Guidelines submitted by staff and found that the Investment Report properly reflects the financial investments of the Onondaga County Resource Recovery Agency during 2022 and also found compliance of those Agency investments with the updated Agency Investment Guidelines; and

**WHEREAS**, the Administration Committee has therefore recommended that the Agency Investment Report for 2022 be approved; now, therefore be it

**RESOLVED**, that the Onondaga County Resource Recovery Agency hereby accepts and approves the Investment Report of our Agency's funds and accounts conducted by staff for the calendar year 2022 and authorizes its Treasurer to submit copies of said report to the appropriate officials as required under New York Public Authorities Law Section 2925. The Agency also approves the Agency's existing Investment Guidelines to govern future investments of Agency funds, which guidelines will ensure that those Agency assets are prudently invested and adequately safeguarded. This Resolution shall take effect immediately.

**Resolution Adopted Date:** \_\_\_\_\_

**Vote: Ayes:** \_\_\_\_\_ **Nays:** \_\_\_\_\_ **Abstentions:** \_\_\_\_\_

**Signed:** \_\_\_\_\_

# **2022 Annual Investment Report**

## **Table of Contents**

- |                                     |                  |
|-------------------------------------|------------------|
| <b>I. Investment Report</b>         | <b>Page 1-4</b>  |
| <b>II. Investment Guidelines</b>    | <b>Page 5-7</b>  |
| <b>III. Annual Investment Audit</b> | <b>Page 8-10</b> |

# OCRRA 2022

## ANNUAL INVESTMENT REPORT

Prepared utilizing the Agency Audited Financial Statements and work papers for 2022

### OVERVIEW

This report serves to up-date the Agency's Board on investment activities and practices during 2022. Pursuant to **Resolution #135 of June 12, 1991**, the Agency adopted formal *Investment Guidelines* to protect and safeguard Agency investable assets. Annually, the Board of Directors is to be provided a *Summary of Investment Activities*.

### LIMITATIONS ON INVESTMENTS

The Board desires the Agency to adhere to some of the restrictions of NYS Comptroller Investment Guidelines and General Municipal Law, but adherence to these is not required by law as the Agency is a Local Authority. The investment nature of the Agency's funds and accounts are governed by and are restricted by a combination of requirements, including:

- Public Authority Law
- Trust Documents (Master Bond Resolution, Indentures)
- Tax Representative Letter
- OCRRA Investment Guidelines adopted by Resolution
- NYS Banking Law

### INVESTMENT PRIORITIES

Having responsibility for significant fund/account balances, the Agency continues to review our investment program under the following criteria:

- **Safety** - Preservation of principal.
- **Liquidity** – Availability of funds as needed.
- **Return on Investment** - Best rate of return throughout budgetary and economic cycles, considering cash flow characteristics. Maximize yield where possible within guidelines.
- **Diversification**-Spreading out investments among several banking institutions to minimize risk.

The following investment vehicles were utilized during 2022:

TYPE OF INVESTMENT	Investments at January 1, 2022	Investments at December 31, 2022
Demand Deposits-Trustee	3,044,568	1,324,536
Treasury Bills-Trustee	4,181,955	-0-
Certificates of Deposit-Trustee	-0-	5,920,735
Government Bonds-Trustee	-0-	-0-
Treasury Bills-M&T	-0-	8,597,612
Public Fund Money Market Account-M&T	5,240,732	6,446,173
Public Fund Money Market Acct.-NBT Bank	7,695,771	5,715,796
Public Fund Money Market Account-Chase Bank	267,543	267,543
<b>Total Invested Cash</b>	<b>20,430,569</b>	<b>28,272,395</b>
<b>Total Non-Invested Cash Balances</b>	<b>1,049,194</b>	<b>1,575,943</b>

**RECONCILIATION OF INVESTMENTS TO GENERAL LEDGER:**

Total Invested Cash Balances	\$28,272,395
Total Non-Invested Cash Balances:	1,575,943
<b><u>Investment Report 2022 Grand Total:</u></b>	<b><u>\$29,848,338</u></b>
Cash and Cash Equivalents G/L:	\$22,603,067
Revenue Fund G/L Balance:	\$3,967,471
Renewal/Project Fund G/L Balance:	\$ 928,122
Debt Service Fund 2015 G/L Balance:	\$1,877,318
Debt Service Fund 2019 G/L Balance:	\$ 472,360
<b><u>General Ledger 2022 Grand Total:</u></b>	<b><u>\$29,848,338</u></b>

**INTEREST EARNINGS**

The Agency recorded the following interest earnings for invested funds during 2022:

Money Market & Demand Accounts (various institutions)	\$ 32,459
Treasury Bills M&T	\$ 98,940
Trustee (U. S. Bank)-all forms of investments	<u>\$ 11,693</u>
Total for 2022	\$ 143,092

**AUTHORIZATION PROCESS**

All investment transactions in 2022 requiring dual signatures were completed under prescribed protocols.

**COLLATERAL REQUIREMENTS**

1. All investments entered into (other than investments in obligations of New York State or the United States Government, or obligations the principal and interest of which are guaranteed by New York State or the United States Government) require full collateralization (generally 102%) regardless of investment type, and a formal third-party collateral agreement.
2. Collateral reports are received regularly from investors and all funds were properly collateralized during the year and at year-end.
3. The Agency Accountants monitor and maintain documentary evidence files of collateralization.

**Trustee (US Bank) Related Holdings and Investments**

The balances held by the Trustee in accordance with the Indenture of Trust, and invested in Treasury Bills, Demand Deposits, or other permitted investments were as follows:

	2021	2022
Revenue Fund 2015 (undistributed System revenues)	4,021,259	3,967,471
Debt Service Fund 2015 (Sinking Fund for scheduled debt)	1,822,485	1,877,318
Renewal/Capital Fund 2019	928,122	928,122
Debt Service Fund 2019 (Sinking Fund for scheduled debt)	454,656	472,360

**Fees Paid to Banks/Brokers/Financial Advisors**

The Agency did not utilize brokers for investment advice, but rather made internal investment decisions recognizing restrictions, limitations and guidelines, with assistance provided by Fiscal Advisors, Inc. Amongst other duties the Trustee, with direction from the Agency is responsible for



investing the moneys held for various purposes under the Indenture of Trust. The following includes the fees that were paid during 2022 for investment related services.

Bank	2022	Service
U.S. Bank, NA. (Trustee)	\$5,000	Trustee for the Restructured Debt and invests balances
Fiscal Advisors, Inc.	\$2,500	Financial consulting services/filing services

**INVESTMENT GUIDELINES**

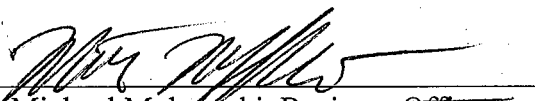
The Agency had adopted a document titled “Investment Guidelines” through Board resolution. This document is reviewed and approved annually by the Board and contains the following information: document purpose, types of permitted investments, authorization, procedures for contracting for securities, standards for investments, monitoring and reporting investment activity.

The 2022 financial audit being performed by Grossman St. Amour CPAs PLLC has not noted any control deficiencies or problems regarding Agency investments.

**SUMMARY**

The Agency believes we are fully compliant with the established Investment Guidelines.

In conjunction with this annual report, the Administration Committee is advised of investment activity with subsequent recommendations to the Board to adopt by resolution.

  
 Michael Mokrzycki, Business Officer  
*Deputy Director*

Dated: 02/13/23

**ONONDAGA COUNTY  
RESOURCE RECOVERY AGENCY  
INVESTMENT GUIDELINES**

**Purpose**

These investment guidelines are intended to:

1. Establish a system whereby current funds on hand, in excess of immediate needs, and funds required to meet current obligations are invested or placed in appropriate interest-bearing accounts to produce maximum earnings on all such funds.
2. Assure that such investment assets are adequately safeguarded.
3. Assure that adequate accounts and records are maintained which accurately reflect all transactions.
4. Assure that an adequate system of internal control is maintained.
5. Conform to guidelines established by the office of the (NYS) Comptroller.

**Types of Permitted Investments**

1. Certificates of Deposits with banks or trust companies authorized to do business in New York State, which are also Members of the Federal Deposit Insurance Corporation (FDIC). Collateralization is required for amounts over and above FDIC coverage.
2. Time/Demand deposits in interest-bearing checking/savings account of a commercial bank or trust company authorized to do business in New York State, pending further transfer to maximize earnings.
3. Deposits in "Money Market" accounts of banks or trust company authorized in New York State specified in Item 1. Collateralization is also required as in Item 1.
4. In Repurchase Agreements involving the purchase and sale of direct obligations of the United States.
5. Obligations of New York State or the United States Government, or obligations the principal and interest of which are guaranteed by New York State or the United States Government. Obligations of the United States Government include Treasury Bills (T-bills) and Treasury Bonds and Notes.
6. Qualified investments made on behalf of the Agency by the trustee named in the Trust Indenture.
7. Savings and/or demand deposit accounts placed through a depository institution that has a main or branch office in this state and that contractually agrees to place funds in federally insured depository institutions through the Insured Cash Sweep service, or ICS.

**Note:** Banking Law §5237 (2) prohibits a savings bank from accepting deposits from governmental agencies.

## **Authorization**

The Treasurer, Business Officer (Chief Fiscal Officer), or Executive Director shall be authorized to commit the Agency to purchase or liquidate investments. All oral instructions concerning investments shall be promptly followed up with written confirmations, conforming to proper signature levels (over \$100,000 requires dual signatures), with a copy of appropriate documents to the Agency's Treasurer (Board Member), and Agency Confidential Internal Controls Compliance Officer.

Any new, roll over or add on, investments over \$100,000 other than routine transfers of funds to, or between Money Market accounts initiated by the Business Officer and approved by the Executive Director shall be made known to the Treasurer, and Agency Confidential Internal Controls Compliance Officer.

## **Procedures for Contracting for Securities**

Each purchase, sale, or transfer shall be promptly confirmed in writing by the Agency. The investment agent shall promptly send a confirmation of each transaction to the Agency Business Officer.

The Agency requires contracts to be drawn with the financial institutions with which it transacts business. Such contracts and procedures provisions shall include provisions for the monitoring, control, deposit and retention of investments and collateral.

All holders of collateral, or the custodian, shall be required to submit a semi-annual report to the Agency comparing the market value of the collateral to the principal plus accrued interest of the investment.

The Agency will utilize contracts supplied by the financial institutions upon Agency Counsel review and approval.

## **Standards for Investments**

In making permitted investments, selection of investments shall be competitively based. A complete and continuous record of all bids and quotes, both solicited and unsolicited, shall be maintained. Not less than three (3) investment firms or banks shall be solicited prior to an investment transaction and such placement shall be awarded to any firm or bank offering the highest yield amount after consideration of transaction processing costs (such as wire transfer costs).

All investments of the Agency that require collateral (amounts over FDIC limits) shall be so collateralized at least at 100% of the higher of maturity or market value of the investment including accrued interest.

The Agency shall spread permitted investments among two or more financial institutions if possible (please refer to page one of Investment Guidelines for a listing of the types of permitted investments. The Agency will strive to diversify between these types of investments). This will minimize risk of a loss from over-investing with one institution in case of that institution's failure. Although all Agency investments/deposits are either FDIC insured or fully collateralized, diversification of investments among different institutions will minimize the Agency's exposure to risk if unforeseen economic problems occur.

Investment bankers utilized by the Agency will include only nationally recognized highly rated financial institutions. Brokers, agents, dealers, and other investment advisers and agents will include only those that are recognized, highly rated and well established for at least ten years.

## **Monitoring**

### ***Audit***

An independent audit of the Agency's investments shall be conducted annually by the Agency Confidential Internal Controls Compliance Officer.

The report of said audit shall be presented to the Audit Committee and made available to the Board.

Investments and cash balances shall be fully (100%) secured by collateral, except as provided below. ( \* )

Collateral may consist of obligations of, or guaranteed by, the United States of America or the State of New York.

\* FDIC insurance may be substituted for collateral as available and up to its limit.

Collateral will be valued to market on a semi-annual basis by the Agency's Business Officer.

## **Reporting**

1. The Business Officer shall annually prepare and present to the Administration Committee and the Board of Directors shall annually approve an investment report which shall include the Agency's investment guidelines, amendments to such guidelines since the last investment report, the investment income record of the Agency, and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and adviser rendering investment-associated services to the Agency since the previous annual investment report.
2. Annually, the Business Officer shall report to the Agency Board on the investment program. The report shall include a listing of all current investments and the selection of investment bank(s).
3. Annual report of investments shall be submitted to the Office of the State Comptroller, the County Executive, and the County Chief Fiscal Officer. Such report shall include:
  - a. Investment Guidelines and Amendments including explanation.
  - b. The results of the annual independent audit.
  - c. Investment income record.
4. Copies of the Agency's annual investment report shall be made available to the public upon reasonable request, in accordance with Agency policy regarding the Freedom of Information Law.

Amendments to the Investment Guidelines may be made at any time with the approval of and by resolution of the Agency Board after appropriate review by the Administration Committee.

## **OCRRA**

### **Investment Guidelines**

**(Revised January 14, 2014, Approved March 19, 2014 by Resolution No. 1880)**

# ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

## AUDIT REPORT

TO: Mike Mokrzycki, Deputy Director

FROM: Maria Cirino, Confidential Internal Controls Compliance Officer

AUDIT: Investments

AS OF DATE: December 31, 2022

DATE OF ISSUE: February 27, 2023

### PURPOSE

Onondaga County Resource Recover Agency (“OCRRA” or “The Agency”) has established a system whereby current funds on hand, in excess of immediate needs, are invested or placed in appropriate interest-bearing accounts to produce maximum earnings on such funds. The investment nature of OCRRA is governed by and restricted by a number of requirements, including New York State laws. Included in the investments of OCRRA are the Bonds which have all its investments in either US Treasury Bills or cash, as determined by the bondholders. The verification of these assets was traced to bank statements; however the review of authorized signers was not completed during this audit. Review of authorized signers for the bond investments will occur during an audit of the Bonds.

### SCOPE

The audit of investments was confined to those investments as of December 31, 2022 and included compliance with Section 2045-k of Public Authorities Law, Section 75 of NY Jurisprudence 2<sup>nd</sup>, Section 2925 of Public Authorities Law and Section 98a of State Finance Law. The audit included review of OCRRA's investment guidelines, the annual investment report, reporting of investments to the Board, County Executives, and NYS Comptroller and the review of investments and sufficient collateral as of December 31, 2021.

The Confidential Internal Controls Compliance Officer (CICCO) also reviewed the collateral agreements and/or municipal resolutions to determine if appropriate personnel from OCRRA have authorization to approve transactions. Verification of receipt of the 2021 annual investment report by Onondaga County Executives and the State Comptroller was examined during this audit.

### DISCUSSION WITH MANAGEMENT

The results of the audit were distributed to Mike Mokrzycki, Deputy Director, on February 27, 2023.

## **FINDINGS AND RECOMMENDATIONS**

### **I. Authorized Signers**

Signature cards and/or municipal resolutions were reviewed to determine if appropriate personnel from the Agency have authorization to initiate transactions, approve wire transfers and/or endorse checks. All signature cards with whom the Agency had investments at the end of 2022 contained the names of current Agency employees. No exceptions noted.

### **II. Compliance with Applicable Laws**

The CICCO reviewed the investment guidelines and 2022 investment report for compliance with the following laws and Section 74 of NY Jurisprudence: Section 2045-k of Public Authorities Law, Section 2925 of Public Authorities Law and Section 98a of State Finance Law.

The CICCO found that the Agency's documents are in compliance with the above laws and Section 74 of NY Jurisprudence with one minor exception, all of which have working controls in place. The CICCO noted that the Agency's investment guidelines must include the form and contents of investment contracts (Section 75 of NY Jurisprudence 2<sup>nd</sup>). The contents of investment contracts were found in the investment guidelines, but the form was not. The Agency uses the investment contract form from the financial institution and the form was reviewed and approved by Agency Counsel prior to investment activity with each financial institution. The CICCO is working with current Agency Counsel for advice regarding this matter.

Approval and distribution of the Agency's 2021 investment report was completed in a timely manner and by the appropriate party (the Board). The approval of the 2022 investment report is anticipated at the March 2023 Board meeting.

The Agency's investment procedures are found in the investment guidelines document and they include internal controls.

A quarterly investment report for the 2021 4<sup>th</sup> quarter, 2022 2<sup>nd</sup> and 3<sup>rd</sup> quarters was reviewed by the Administration Committee. The CICCO did not find evidence of the Administration Committee's review of the 2022 1<sup>st</sup> quarter investment report. Public Authorities Law section 2925.5 says the Agency "shall direct the preparation and filing with the Board of quarterly reports, or reports covering such other period as may be approved by the corporation, from a designated officer or employee regarding any new investments, the inventory of existing investments, and the selection of investment bankers, brokers, agents, dealer or auditors." Management is attaching the 2022 1<sup>st</sup> quarter investment report to the February 28, 2023 Administration Committee packet.

### **III. Review of Investments**

The CICCO reviewed the year-end bank statements and tied the amount of the investments to the Agency's 2022 investment report as well as the Agency's general ledger accounts. No exceptions were noted.

The CICCO reviewed the collateral statements for December 31, 2022 and found that the Agency's investments were sufficiently collateralized. No exceptions were noted.

CC: Audit Committee

**RESOLUTION AUTHORIZING A CHANGE TO THE AGENCY'S CIVIL SERVICE ROSTER**

**WHEREAS**, the Onondaga County Resource Recovery Agency maintains a Civil Service roster with Onondaga County which is amended from time to time as business needs evolve; and

**WHEREAS**, the Agency wishes to amend the Agency's Civil Service Roster to add one (1) Personnel Administrator position, to be exempt under FLSA as a management confidential position, in order to facilitate the transfer of knowledge and as part of its succession planning within its human resources department; and

**WHEREAS**, the Administration Committee has reviewed the proposed change, and has therefore recommended that one (1) Personnel Administrator be added to the Agency's civil service roster at a salary grade 7, now, therefore be it;

**RESOLVED**, that the Onondaga County Resource Recovery Agency does hereby add one (1) position Personnel Administrator to the Agency's Civil Service roster at a salary grade 7. The Executive Director is authorized to fill the newly created position with a qualified candidate when deemed appropriate. This Resolution shall take effect immediately.

**Resolution Adopted Date:** \_\_\_\_\_

**Vote: Ayes:** \_\_\_\_\_ **Nays:** \_\_\_\_\_ **Abstentions:** \_\_\_\_\_

**Signed:** \_\_\_\_\_



**SCHEDULED MEETING CALENDAR**

Onondaga County Resource Recovery Agency (OCRRA)  
 100 Elwood Davis Road, North Syracuse, NY 13212-4312  
 www.ocrra.org (315) 453-2866

**2023**

<b>DATE</b>	<b>COMMITTEE</b>	<b>DAY OF MONTH</b>	<b>MEETING TIME</b>
<b>May 10, 2023</b>	<b>Board Meeting</b>	<b>2nd Wednesday</b>	<b>4:00 PM</b>
May 17, 2023	Recycling and Operations Committee	3rd Wednesday	4:00 PM
May 30, 2023	Administration Committee	Last Tuesday	4:00 PM
<b>June 14, 2023</b>	<b>Board Meeting</b>	<b>2nd Wednesday</b>	<b>4:00 PM</b>
June 21, 2023	Recycling and Operations Committee	3rd Wednesday	4:00 PM
June 27, 2023	Administration Committee	Last Tuesday	4:00 PM
<b>July 12, 2023</b>	<b>Board Meeting</b>	<b>2nd Wednesday</b>	<b>4:00 PM</b>
July 19, 2023	Recycling and Operations Committee	3rd Wednesday	4:00 PM
July 25, 2023	Administration Committee	Last Tuesday	4:00 PM
<b>August 9, 2023</b>	<b>Board Meeting</b>	<b>2nd Wednesday</b>	<b>4:00 PM</b>
August 16, 2023	Recycling and Operations Committee	3rd Wednesday	4:00 PM
August 29, 2023	Administration Committee	Last Tuesday	4:00 PM
<b>September 13, 2023</b>	<b>Board Meeting</b>	<b>2nd Wednesday</b>	<b>4:00 PM</b>
September 20, 2023	Recycling and Operations Committee	3rd Wednesday	4:00 PM
September 26, 2023	Administration Committee	Last Tuesday	4:00 PM
<b>October 11, 2023</b>	<b>Board Meeting</b>	<b>2nd Wednesday</b>	<b>4:00 PM</b>
October 18, 2023	Recycling and Operations Committee	3rd Wednesday	4:00 PM
October 31, 2023	Administration Committee	Last Tuesday	4:00 PM

**PUBLIC NOTICE:**

PUBLIC AGENCIES PLEASE POST

cc:

**OCRRA employees, Board of Directors, Covanta Energy, Public Notice/Agencies/Haulers**