

ULSTER COUNTY RESOURCE RECOVERY AGENCY

ANNUAL FINANCIAL REPORT
PUBLIC AUTHORITIES LAW - SECTION 2800

2015

Operations and Accomplishments

Solid Waste and Recycling Operations

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

The Agency’s net position improved by \$3.6 million, from \$(1.4) million at December 31, 2014 to \$2.2 million at December 31, 2015.

Total revenue in 2015 reflects a \$200,000 decrease from the previous year to \$14.2 million. During 2015, the Agency experienced an increase in volume and an increase in solid waste service fees, but this was offset due to a decrease in revenues from fuel surcharge and the sale of recyclables.

Total expenses in 2015 amounted to \$10.5 million, a \$1.4 million decrease from 2014. The Agency realized a large decrease in fuel costs, and a decrease in disposal costs.

Waste volume increased 2.2% from the prior year. Predicting waste volume can be very difficult from year to year, but the implementation of Flow Control has allowed for less unpredictability. An increase in volume led to an increase in solid waste service fee revenues for the Agency in 2015.

Dual stream recycling volume delivered to the Agency has continued on a downward trend due to increases in Single Stream Recycling (“SSR”) by commercial haulers and the City of Kingston. SSR volume has increased, which in turn has decreased all other forms of recycling. This trend also impacts recycling sales, as SSR market prices are much lower than its dual stream counterpart. As the 2015 fiscal year was concluding, SSR market prices were trending toward becoming an expense to the Agency.

The anticipated changes noted above led the Agency to shift operations to its composting program. This planned change saw effective increases in food waste and related sales of processed compost. The Agency expects to increase its composting revenues in the years to come.

Household Hazardous Waste & Pharmaceuticals Program:

In 2015, the Agency's three Household Hazardous Waste & Pharmaceuticals Collections, offered for free to Ulster County residents, recovered the following quantities of hazardous waste and expired or unused medications from over 750 Ulster County households:

- Antifreeze – 212 gal.
- Automotive Batteries – 925 lbs.
- Pesticides (solid) – 4,200 lbs.
- Pesticides (liquid) – 745 gal.
- Fluorescent Bulbs – 2,130 lbs.
- Hazardous Paint – 2,497 gal.
- Hazardous Household Batteries – 735 lbs.
- Mercury-containing Devices – 80 lbs.
- Other HHW (solids) – 5,713 lbs.
- Other HHW (liquids) – 1,664 gal.
- Misc. Solid Waste – 800 lbs.
- Pharmaceuticals – 780 lbs.

Cumulatively, the Agency's program helped prevent 5,118 lbs. and 14,563 gal. of hazardous materials from potentially being disposed of improperly and/or possibly ending up in a landfill.

Recycling/Composting Program

- The Agency's Recycling Guide and Backyard Composting brochures for the public were updated and distributed to each of the 19 town transfer stations.
- The Agency accepted more food waste and sold more finished compost to the public than it ever has since the compost program's inception.
- In a joint effort to promote textile recycling, the Ulster County Volunteer Firefighter's Association placed two permanent textiles collection boxes at the Agency's Ulster and New Paltz facilities.
- A new Recycling Coordinator was hired in July and started work with the Agency in late August.

Communications & Public Outreach:

- MSW Management Magazine, a national publication and journal for municipal solid waste professionals, interviewed the Agency for an article on public awareness/outreach recycling across the country; it was featured in their July issue.

- For Earth Day 2015, the Agency participated in local school and community events, including: Kerhonkson Elementary School, Girl Scouts' tour of UCRRA facility, Phoenicia Elementary School Earth Day Celebration, and a Compost Workshop with Cornell Cooperative Extension.
- Also as part of Earth Day 2015, the Agency partnered with NYSDEC Region 3 and the Town of New Paltz to host a "ReClothe NY" recycling collection event at New Paltz Village Hall on April 25th. More than 2,000 pounds of used clothing and other household textiles were collected. Some items were donated to local charities, and the rest was recycled into rags and carpet backing.
- The Agency started partnering with the Hudson Valley Regional Council, Dutchess County Resource Recovery Agency, and Recovering Leftover Cuisine to work on a joint outreach program, Food Waste Prevention and Awareness in Dutchess and Ulster County. The program is being funded by a Community Grant from the New York State Pollution Prevention Institute.

Ulster and New Paltz Transfer Stations and Agency Closed Landfills

In keeping with the Agency's safety and security initiatives, a fence was installed around the leachate tanks at the New Paltz landfill and around the New Paltz landfill pump station. Alarms and automated texting were added to the leachate tanks at both the Ulster landfill and New Paltz landfill to help ensure no leachate would be released to secondary containment. Additionally, electrical upgrades were completed at the New Paltz landfill.

32 security cameras were installed that record various areas around the Ulster transfer station, New Paltz transfer station, MRF, VMF and administrative office.

Two major floor repairs were completed within the Ulster transfer station. By performing the work in-house, the Agency was able to save tens of thousands of dollars by not hiring an outside contractor.

The first 20-year agreement between the Agency and 19 Ulster County municipalities to provide roll-off service to their Municipal Recycling Drop-off Centers expired a couple of years ago. This past year's negotiations between the Agency and the municipalities resulted in 15 of the original 19 municipalities to re-enter into another agreement, this time a 5-year agreement.

Real Property

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

<u>Property</u>	<u>Fair Market Value</u>
999 Flatbush Road	\$ 9,299,818
1951 Frank Sottile Blvd	\$ 885,904

Internal Control Assessment

UCRRA management has a good understanding of the need for internal controls and the existing control structure at the Agency. Opportunities to strengthen controls are taken into consideration on a daily basis. In the previous years, a full review of the accounting system and daily operations was completed. At the end of 2013, the Agency board requested that management solicit proposals from potential CPA firms for internal audit services. In the beginning of 2014, the board approved a resolution to hire the selected firm for these noted services for the next two years. During 2014 and 2015, our Agency has received these services with positive results. The internal auditors have been providing quarterly reports to the Agency's Audit Committee. Any recommendations made during the past two years have since been implemented. In 2015 the Agency installed a digital security camera monitoring system at its two main sites (Ulster and New Paltz). This was a major improvement to internal controls as a whole.

This statement certifies that management has documented and assessed the internal control structure and procedures of the Ulster County Resource Recovery Agency for the year ending December 31, 2015. The Agency has strongly relied on the reporting of its internal auditors for the noted documentation and assessment. This assessment found the Agency's internal controls to be adequate, and to the extent that the deficiencies were identified, the Agency has developed corrective action plans to reduce any corresponding risk.

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Controller