

**DISTRICT COMMITTEE- GREATER NEW BEDFORD REGIONAL REFUSE  
MANAGEMENT DISTRICT MEETING**

Meeting minutes

Tuesday, November 14, 2023

The Greater New Bedford Regional Refuse Management District Committee held a publicly posted meeting on Tuesday, November 14, 2023, at 8:00 AM at the Dartmouth Town Hall - Room 309, 400 Slocum Road, Dartmouth, MA 02747.

**District Committee Members in attendance:** John Beaugard, Dan Patten, Christine LeBlanc, Kelley Cabral-Mosher, Michael Gagne.

**Also in attendance:** Scott Alfonse, Executive Director; Anthony Novelli, Assistant Executive Director; Matthew J. Thomas, District Counsel (entered at 8:11 a.m.)

**Other attendees:** Mary Sahady, Hague Sahady and Co. and Andrew Lima, Hague Sahady and Co. Both arrived at 8:00 a.m. and left at 8:44 a.m.

1. **Call to order / Salute the flag**

Chairperson Beaugard called the meeting to order at 8:01 a.m. and led a salute to the flag.

2. **Legal notices**

Chairperson Beaugard read the following statement:

“Pursuant to the Open Meeting Law, any person may make an audio or video recording of this public meeting, or may transmit the meeting through any medium. Attendees are therefore advised that such recordings and transmissions are being made, whether perceived or unperceived, by those present, and are deemed acknowledged and permissible. All legal notices of the meeting were posted in Dartmouth and New Bedford more than 48 hours prior to the meeting.”

3. **Roll call of members**

Chairperson John Beaugard: yes  
Daniel Patten: yes  
Christine LeBlanc: yes  
Kelley Cabral-Mosher: yes  
Michael Gagne: yes

4. **Approval of Minutes**

Approval of minute from the 10/19/23 meeting, regular session

**Motion to approve the minutes of October 19, 2023 meeting, regular session made by Ms. LeBlanc, seconded by Mr. Patten. All voted in favor. Motion passed 5-0.**

Approval of minutes from the 10/19/23 meeting, executive session

**Motion to approve the minutes of October 19, 2023 meeting, executive session made by Ms. LeBlanc, seconded by Mr. Patten. All voted in favor. Motion passed 5-0.**

5. **Warrant Report and Ratification**

**Motion to ratify warrant 8-24 dated October 18, 2023 made by Ms. LeBlanc, seconded by Mr. Patten. All voted in favor. Motion passed 5-0.**

6. **New Business**

6a. FY 23 Audit Presentation

**Motion to hear the presentation by Hague, Sahady & Co. of the FY 2023 financial statement and management letter made by Mr. Patten, seconded by Ms. LeBlanc. All voted in favor. Motion passed 5-0.**

Ms. Sahady introduced Mr. Lima as the senior audit manager. Mr. Lima noted that the audit materials were well-prepared and reviewed pages 1-2 of the financial statement. He mentioned the Independent Auditor's Report on Internal Control Over Financial Reporting on page 59—60 as required by the government auditing standards. He noted a clean letter for FY23 with no material findings or compliance issues aside from what was presented in the management letter.

Mr. Lima reviewed page 3 (Management's Discussion and Analysis) and noted the District's increase in net position. He highlighted that the OPEB Trust is 196% funded.

Mr. Beauregard asked why the fund would be 196% funded. Mr. Lima explained that changes in assumptions over time, asset performance, the finite life of the District, and interest rates were all factors. Mr. Alfonse explained that the District has taken a conservative approach in anticipating interest rates and explained that the District switched from using a software program to hiring an actuary to calculate OPEB liability due to fluctuations in estimates from previous years.

Mr. Beauregard asked if the District was still putting money into the OPEB trust. Mr. Alfonse said no, and that the District hasn't for a few years. Mr. Lima noted that page 20 details activity of the OPEB trust and that the interest earnings covered retiree health expenses in FY23.

Ms. Sahady explained that even when the life of the landfill is completed, the District still has health insurance requirements for retirees. Mr. Beauregard noted that the fund is significantly overfunded. Mr. Alfonse explained that the District put money into OPEB based on previous years' calculations using a software program and that the District has no long-term funding mechanism beyond the life of the landfill.

Attorney Thomas entered the room at 8:11 a.m. Ms. Sahady filled him in on the conversation and he explained potential options for amending the OPEB trust that would allow the District to

spend money on other employee-related expenses.

Mr. Beauregard asked for a projection of future increases in health insurance costs. Mr. Alfonse explained that this is factored into the actuary's report. Ms. Sahady and Mr. Lima reviewed the assumptions used in the audit on page 39, which are derived from the actuary report.

Mr. Lima referred to page 49 and noted the OPEB liability was reduced significantly in 2018, which contributed largely to the overfunded difference. Ms. Sahady noted that health insurance premiums could increase significantly in the future and that salary increases do not have a significant effect on OPEB.

Mr. Lima reviewed pages 4-5 of the financial statements (Management's Discussion and Analysis (Unaudited)). Ms. Sahady noted that the significant difference in changes in net position from 2022-2023 was largely due to interest income.

Mr. Lima reviewed the summary of reserve accounts on page 9 and pointed to a more detailed summary on pages 55-57.

Mr. Lima pointed to page 9 for a discussion of Budget to Actual results, page 53 for the Budget and Actual (Non-GAAP Budgetary Basis), and page 54 for Budget to GAAP Reporting Reconciliation and reviewed them. Mr. Alfonse explained what reuse materials were and explained why it is difficult to project revenue for this line item, leading to yearly budget to actual fluctuations. Mr. Gagne asked what facility the processed bottom ash comes from. Mr. Alfonse answered SEMASS and explained that the District accepts it under a permit from MassDEP that approves its use as cover material.

Mr. Lima highlighted the FY23 reconciliation amount at the bottom of page 53 as \$2,017,759.

Mr. Lima reviewed the findings presented in the management letter. He noted that for two cash accounts, the trial balances provided were different than what was provided with the June 30 reconciliation. He mentioned that they adjusted the trial balance to the reconciliation figure as part of the audit and then reviewed the comments and recommendations on the management letter.

Mr. Beauregard asked how the audit adjustment amounts were calculated. Mr. Lima explained that it is the difference between the trial balance and the account reconciliation report.

Mr. Beauregard asked why the figures were so far off. Ms. Sahady explained that it was not off as of June 30, 2022 and that someone needs to go through FY23 month by month and figure out exactly where it happened. She noted that due to the internal controls and procedures of the District that they assume it is not fraud.

Mr. Alfonse mentioned that this requires some external assistance and that the District plans to work with Ms. Sahady to review previous transactions. He noted that some issues seem to arise when a transaction is voided in the system. Ms. Sahady mentioned they did not find any transactions that equaled the exact amount. She explained the issue is across two different bank accounts and requires further investigation.

Ms. LeBlanc asked how long the investigation would take. Ms. Sahady was unsure and hoped

that the errors were from larger items that could be easily explained.

Ms. LeBlanc asked if there were any missing documents. Mr. Alfonse believes that the District has all the documents needed for the review.

Ms. Sahady explained potential scenarios for resolution and noted that the approach depends on what is found.

Mr. Patten mentioned that there is a chance that this will not be a prior period adjustment. Ms. Sahady confirmed.

Mr. Beauregard asked if the District has received a management letter before. Mr. Alfonse believes there had been one, but not since he started working.

Ms. Sahady explained that this adjustment was included in the reconciliation because of District requirements for approving the reconciliation and that otherwise they would have fixed it before completing the audit. Mr. Alfonse clarified that the Agreement forming the Refuse District requires that the District finalize the reconciliation amount by November 30.

Ms. Sahady clarified that Andrew is the audit manager and that she does not work on the engagement, she only reviews it. She will be acting as a consultant to see if she can find the errors for the District to fix going forward.

Attorney Thomas explained that Ms. Sahady can provide technical assistance because she is not the one doing the audit, so there is not a conflict. Mr. Patten added that Ms. Sahady is performing technical assistance after the audit is already complete, so it is not an issue.

Attorney Thomas mentioned that Ms. Sahady will present to the committee what her findings are and what she recommends for resolution, and that she is not imposing that change.

Mr. Alfonse emphasized that the District takes its internal controls and procedures seriously and reviews them annually. There were a lot of changes made this year to ensure strong controls and there will be more controls added to prevent a similar issue in the future.

Ms. Sahady recommended that as an additional control, the Treasurer review monthly bank reconciliations going forward. Mr. Patten agreed.

Mr. Lima remarked that other than the management letter, the District has strong reserves and is operating well.

The Committee thanked Ms. Sahady and Mr. Lima.

Ms. Sahady and Mr. Lima left the meeting at 8:44 a.m.

Mr. Alfonse noted that it is important to keep the progress of responding to the management letter on the agenda to update the committee on what is being done to address this.

**Motion to receive and place on file the FY 2023 audited financial statement and management letter; and to have the Executive Director and appropriate District staff update the Committee**

**at future meetings on the progress of resolving items outlined in the management letter. Motion made by Mr. Patten, seconded by Ms. LeBlanc. All voted in favor. Motion passed 5-0.**

6b. FY 2023 Reconciliation

Mr. Alfonse reviewed the reconciliation process and details to the Committee. He highlighted the amount available for the FY23 reconciliation as a result of the audit is \$2,017,759.

He noted the FY23 Community Tonnage & Assessments and explained how these are calculated and that differences are applied as credits or debits in the following fiscal year. Dartmouth has a debit of (\$5,913) and New Bedford has a credit of \$5,913 which will be applied to FY2025 assessments.

He reviewed the proposed deposits to reserves and the rationale behind them. He explained that the projected costs for landfill closure were reviewed and updated in FY24 by Brown and Caldwell, leading to the increase. The majority of the reconciliation will go towards costs for the design and construction of a new landfill cell.

**Motion to authorize the Treasurer to certify the Fiscal Year 2023 Reconciliation and approve the transfer of the following FY 2023 revenue into the following reserve funds:**

- **\$1,917,759 into Phase 2 Design and Construction Trust Fund**
- **\$100,000 into Landfill Closure Trust Fund**

**Motion made by Ms. LeBlanc, seconded by Mr. Patten. Mr. Gagne was out of the room at the time of voting. All voted in favor. Motion passed 4-0.**

6c. Accountant Recruitment Status

**Motion to receive an update on Accountant recruitment status. Motion made by Mr. Patten, seconded by Ms. LeBlanc.**

Mr. Alfonse explained where the job is being advertised and that a few applications have been received already. He asked the committee to advertise the position via word of mouth also.

The group discussed committee involvement in the hiring process.

Mr. Alfonse explained that the Executive Secretary is currently managing some accounting functions in the interim and that payables and receivables are not being affected by the job vacancy. He mentioned that in the past, when the Executive Secretary was asked to perform additional accounting responsibilities, she was given an additional stipend of \$300 per week and suggested that the committee agree to do this again.

The group discussed ideal candidates for the job and potential resources for temporary accounting services.

**Motion to approve a \$300 per week stipend (beginning November 7, 2023) for every week the Executive Secretary performs essential Accountant duties while the position is vacant or until other arrangements have been made. Motion made by Ms. LeBlanc, seconded by Mr.**

**Gagne. All voted in favor. Motion passed 5-0.**

6d. Staff Reports

**Motion to receive staff reports. Motion made by Ms. LeBlanc, seconded by Mr. Patten.**

Mr. Novelli reviewed the memo and explained that there may be a revenue shortfall from contingent landfill gas payments by CNBE in FY24 due to the fact that the EPA has yet to implement eRINs (renewable energy credits). This is acknowledged due to CNBE's updated revenue projections provided as part of the FY23 audit. If eRINs are passed, the revenue projections will be realized.

7. **Old Business**

7a. Approval of Amendment to Brown & Caldwell Contract for Pump Station Rebuild

**MOTION to authorize the Executive Director to execute the contract amendment with Brown and Caldwell for engineering work and bid documents for rehabilitation of the main leachate pump station. Motion made by Mr. Patten, seconded by Ms. LeBlanc. All voted in favor. Motion passed 5-0.**

Mr. Novelli mentioned that at the last meeting, this scope of work, budget, and transfer of funds was approved. He requested that the committee authorize the Executive Director to execute the contract amendment.

7b. FY25 Commercial Tonnage

**MOTION to discuss the maximum non-member tonnage to be accepted in FY 2025. Motion made by Ms. LeBlanc, seconded by Mr. Patten.**

Mr. Novelli reviewed the memo, noting the estimated amounts needed to fund the design and construction of a new landfill cell. He explained estimated revenues needed to cover annual operating expenses and reviewed the chart in the memo that compares the effects of accepting different amounts of commercial tonnage.

He noted that the District does not yet know what the tip fees will be and that an estimated range was presented in the chart.

Attorney Thomas noted that the range presented is accurate and is below what some other communities are currently paying. Mr. Novelli noted that the District may receive higher bids than the projections and the importance of advertising the tonnage early.

Mr. Beauregard noted that the commercial tonnage advertised in FY24 is already almost 30% lower than FY22, which is consistent with the Committee's goal to preserve landfill capacity for the member communities.

Mr. Patten prefers 30,000 tons as the maximum advertised tonnage.

Mr. Alfonse mentioned that the District does not need to have the full amount for design and construction of the landfill cell before beginning.

Mr. Gagne agreed with 30,000 tons as the maximum, noting that it demonstrates that the District is only taking in the revenue it needs for a new cell and is not consuming more capacity than it needs to. The group agreed to advertise a maximum of 30,000 tons to non-member entities in FY25.

Mr. Beauregard commended Mr. Novelli and thanked him.

8. **Items That Could Not Be Reasonably Anticipated 48 Hours In Advance**

None

9. **Set Meeting**

The January meeting is scheduled for Tuesday January 16, 2024 at 8:00 a.m.

10. **Adjourn**

**Motion to adjourn the meeting made by Mr. Patten, seconded by Ms. LeBlanc. All voted in favor. Motion passed 5-0.**

The meeting adjourned at 9:27 a.m.

Approved by vote of District Committee on December 14, 2023.



12/15/2023

Anthony Novelli, Assistant Executive Director

## MEMOS

- 6a. FY 23 Audit Presentation  
Attachment – Financial Statements Year Ended June 20, 2023  
Attachment - Independent Auditor's 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.
- 6b. FY 23 Reconciliation dated 11/14/2023
- 6c. Accountant Recruitment Status dated 11/14/2023
- 6d. Staff Reports dated 11/14/2023
- 7a. Approval of Amendments to Brown & Caldwell contract for Pump Station Rebuild dated 11/14/2023
- 7b. FY25 Commercial Tonnage dated 11/14/2023