
**Thomas P. DiNapoli
COMPTROLLER**



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**OFFICE OF THE
NEW YORK STATE COMPTROLLER**

**DIVISION OF STATE
GOVERNMENT ACCOUNTABILITY**

**CAPITAL DISTRICT
TRANSPORTATION
AUTHORITY**

RECYCLING PROGRAM

Report 2008-S-144

AUDIT OBJECTIVE

The objective of this audit was to determine whether the Capital District Transportation Authority (CDTA) operates a recycling program that is in compliance with applicable governance (State and local laws and Executive Orders).

AUDIT RESULTS - SUMMARY

CDTA is responsible for establishing a recycling program as outlined in the Solid Waste Management Act of 1988 (Act), local law and Executive Order 4 (EO 4). Under EO 4 State agencies and public authorities were required to assign an employee to serve as a Sustainability and Green Procurement Coordinator. We found that CDTA has assigned such staff. EO 4 also requires CDTA to begin reporting on its recycling efforts. The date for the first report was revised to August 1, 2009. CDTA officials indicated that they have initiated data collection methods that will allow them to fulfill this requirement. EO 4 also requires State agencies and public authorities to develop a comprehensive Sustainability and Environmental Stewardship Program. CDTA has a program of source separation as required by EO 4, but these actions are not consistently applied at all of its locations. We also found that CDTA has not conducted a formal education and training program for its employees or the public on how and what to recycle.

Our audit report contains four recommendations directed toward improving CDTA's compliance with applicable governance. CDTA officials agreed with our recommendations and indicated they will take actions to implement them.

This report, dated June 4, 2009, is available on our website at: <http://www.osc.state.ny.us>. Add or update your mailing list address by contacting us at: (518) 474-3271 or Office of the State Comptroller
Division of State Government Accountability
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BACKGROUND

New York State has a long history of encouraging the reduction and recycling of solid waste materials. Two decades ago, the State enacted the Solid Waste Management Act, of 1988 (L1988, ch70) (Act), which laid out the priorities of the State's solid waste management policy:

- Reducing the amount of waste generated in the first place;
- Maximizing the amount of waste that is reused or recycled;
- Recovering as much energy as possible from what cannot be reused or recycled; and
- Appropriately disposing of the remaining solid waste.

The Act required State agencies and public authorities to separate their solid waste at the point where it is discarded (source separation) by putting recyclable items like paper, metal, glass, and plastic into one container, and other non-recyclable items such as food and soiled items into another container. In addition, municipalities throughout the State were required to pass their own local ordinances or legislation requiring source separation of solid waste, whether it is left out for collection or delivered to a solid waste facility. CDTA is also subject to local law adopted by a municipality relating to recycling of wastes.

In January 1991, the Governor issued Executive Order 142 (9 NYCRR 4.142) (EO 142) on *Establishing New Waste Reduction and Recycling Initiatives for State Agencies*, thereby reaffirming the State's commitment to reduce and recycle waste. Under EO 142, State agencies were required to source separate paper and other products from their waste stream. Public authorities, such as CDTA, were "urged" to undertake programs consistent with EO 142.

In April 2008, the Governor issued Executive Order 4 (9 NYCRR 7.4) (EO 4) on *Establishing a State Green Procurement and Agency Sustainability Program*. EO 4 created the Interagency Committee on Sustainability and Green Procurement (Committee), comprised of the heads of 12 State agencies and public authorities. EO 4 requires each State agency and public authority to designate a Sustainability and Green Procurement Coordinator and develop a comprehensive Sustainability and Environmental Stewardship Program (Program). EO 4 builds upon the requirements of EO 142 (which it superseded), in that each agency's Program must provide for source separation of its waste to maximize the amount of paper, metal, glass and plastic that is recycled. Technical assistance is available from the New York State Office of General Services, the New York State Department of Conservation, the Environmental Facilities Corporation, and the New York State Energy Research and Development Authority. Beginning August 1, 2009, State agencies and public authorities are required to submit an annual report to the Committee that will, in turn, provide a summary report to the Governor.

CDTA was created in 1970 to provide regional rail, bus, water and air transportation services in and around New York State's Capital District. CDTA primarily provides

bus service in Albany, Rensselaer, Saratoga and Schenectady Counties. It also owns and operates the Saratoga and Rensselaer Rail Stations. CDTA leases space to public and private entities at the Rensselaer Rail Station. The lessees are responsible for their own recycling programs, while CDTA is responsible for recycling in the public areas.

CDTA's Board members are appointed by the Governor and confirmed by the Senate. Albany County fills three board seats; Rensselaer, Saratoga and Schenectady counties fill two seats each. Board members serve five year terms and the Chairman is elected by the Board. For the year ending March 31, 2009, CDTA has a \$71 million annual operating budget. CDTA has a fleet of 368 vehicles, of which 275 are buses. It employs about 650 people: 394 bus drivers, 23 dispatchers, 133 mechanics, and about 100 administrative staff. Employees work in one of CDTA's six facilities located in Albany, Schenectady, Troy, Saratoga and Rensselaer.

AUDIT FINDINGS AND RECOMMENDATIONS

Recycling Program

CDTA is responsible for establishing a recycling program as outlined in the Act, EO 4, and local law. The Act requires public authorities to begin source separating waste paper generated within their facilities by September 1, 1989. CDTA has three areas of operations, Garage, Office, (including Central office, Rensselaer rail station and offices at the garages), and Public Space, (Rail Stations and Buses).

We observed that CDTA's recycling program is not uniform at all of its facilities. For example, the Central office, administrative headquarters and the office at the Rensselaer rail station all source separate paper, plastic,

cans and bottles and the waste remains separate through the collection process. However, in the garage office space at Albany, Troy and Schenectady, we observed that the recyclable refuse bins were empty while general refuse bins contain recyclable items. There is no source separation in the Troy and Schenectady garage office space.

We also found that at the CDTA garages located in Albany, Troy and Schenectady, the recycling programs are working for the removal of the major recyclable materials such as scrap metal, batteries, fluorescent light bulbs, waste oil, oil filters, antifreeze, bus batteries and tires. We found these practices to be consistently applied across all garage locations. The program to recycle automotive products is effective.

CDTA encourages the public to source separate in the public areas of the Rensselaer and Saratoga rail stations. Recycling bins and appropriate signage are in place throughout the stations. The bins are labeled general waste, paper, cans and bottles. There is no attempt to source separate waste by the hauler for these facilities. Also, there is no attempt to source separate waste removed from the buses.

CDTA launched a vigorous recycling program in the Central office. They informed the staff of the items to be recycled and displayed posters and flyers. Although CDTA officials made great strides for their recycling initiative, they have not effectively communicated these initiatives through to their ancillary offices. Expanding education and training to include all employees at all work locations would also improve compliance.

While we recognize CDTA's efforts thus far, a more comprehensive recycling program is

needed to assure full compliance with the governance contained in EO 4.

Recommendations

1. Take steps to ensure that the requirements of the recycling program are communicated to all employees and contractors and monitor compliance with the requirements at all work locations.
2. Expand the education and training program to include employees at all work locations to ensure they receive all of the information necessary to implement the recycling program.

Reporting

Under EO 4, State agencies and public authorities were to assign an employee to serve as a Sustainability and Green Procurement Coordinator. Coordinators are to be given full management support and provided with the necessary resources to enable the agency or authority to comply with the order. CDTA has assigned a coordinator, as required.

EO 4 also requires CDTA to begin reporting on its recycling efforts by March 1, 2009. CDTA has indicated that it will begin to comply with the Order. Officials stated that they have begun data collection to help them monitor the success of waste prevention and recycling efforts as well as identify areas for improvement while fulfilling their annual reporting obligations. However, CDTA has neither established a consistent measurement of waste nor tracked the amounts of all materials which are recycled. For example, CDTA receives credit for waste oil and receives payment for scrap metal, but the amounts collected are not tracked. In addition, the data collected and reported should cover all locations. However,

currently CDTA only has data for the Central office area in Albany. Further, as with any system, CDTA must develop effective controls and monitoring activities that will ensure the data being collected is accurate, comprehensive and complete.

Recommendations

3. Collect data to measure the amount of all recycled waste including paper, bottles, cans and glass and report this information in the annual report.
4. Ensure that data collected for recycled waste is comprehensive and complete across all CDTA locations and monitor that all locations report in a timely manner.

AUDIT SCOPE AND METHODOLOGY

We audited CDTA's recycling program from April 1, 2006 through October 29, 2008 to determine whether it is in compliance with applicable State and local laws and Executive Orders. To accomplish our objective, we reviewed the Act, local law regarding recycling EO 142, and EO 4; met with CDTA officials to confirm and enhance our understanding of their recycling program. We also observed recycling efforts at various locations. In addition, we reviewed annual reports, invoices, tracking documents and other related supporting documentation.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of who have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

AUTHORITY

The audit was performed pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law.

REPORTING REQUIREMENTS

A draft copy of this report was provided to CDTA officials for their review and comment. Their comments were considered in preparing this final report, and are included as Appendix A.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Chairman of the Capital District Transportation Authority shall report to the Governor, the State Comptroller and leader of the Legislature and its fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reason why.

CONTRIBUTORS TO THE REPORT

Major contributors to this report include Carmen Maldonado, Gerald Tysiak, Roger Mazula, Alexander Marshall and Kathleen Garceau.

APPENDIX A - AUDITEE RESPONSE



April 20, 2009

Ms. Carmen Maldonado
Audit Director
Office of the State Comptroller
Division of State Government Accountability
123 William Street-21st Floor
New York, NY 10038

Ms. Maldonado:

CDTA is in receipt of your letter dated April 1, 2009 containing a draft audit report (2008-S-114) regarding your recent audit of the CDTA Recycling Program.

CDTA is committed to doing our part to reduce waste and our impact on the environment. It was our pleasure to work with your audit team during the process and while we are pleased with the overall outcome of the process, we are looking at your recommendations as ways to make even further improvements in our program, which we have outlined in our responses below.

Recommendation #1: Take steps to ensure that the requirements of the recycling program are communicated to all employees and contractors and monitor compliance with the requirements at all work locations.

Response: CDTA will add language to boilerplate procurement documents outlining our commitment to recycling and the compliance requirement for all vendors who enter into contract to do work with us. Project Managers for each individual project will be responsible for monitoring compliance of vendors and contractors and providing additional reminders as necessary. Employee training is addressed in response to Recommendation #2 below.

Recommendation #2: Expand the education and training program to include employees at all work locations to ensure they receive all of the information necessary to implement the recycling program.

Response: Employee forums are held at each division at least one time per quarter. The CDTA recycling program will be mentioned not only as a primary topic of discussion, but also as a reminder when applicable. Instruction will be provided to all maintenance employees during their regularly scheduled meetings on how to implement the recycling program. An updated flyer will be hung in all locations outlining the basic requirements of the recycling program. Lastly, CDTA will utilize its employee web portal to create a Green Web Portal with access available to all employees. This portal will host general CDTA recycling information, related documents, and links to outside information (such as applicable Executive Orders) and any other updates as necessary.

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Recommendation #3: Collect data to measure the amount of all recycled waste including paper, bottles, cans and glass and report this information in the annual report.

Response: The Facilities Department will coordinate with CDTA's Green Procurement Liaison to develop a form to be completed by our waste hauler that captures all of the necessary information for the report. Additionally, the Finance Department will begin capturing details relative to the sale of scrap metal to ensure all monies are collected.

Recommendation #4: Ensure that data collected for recycled waste is comprehensive and complete across all CDTA locations and monitor that all locations report in a timely fashion.

Response: CDTA is about to enter into a long-term contract with one trash & recycling service that will be responsible for providing detailed report information for our Albany, Schenectady, Troy and Rensselaer locations. A small trash & recycling contract for our Saratoga Springs location is still being maintained by another provider. However, having the bulk of our service through one provider allows for more stream-lined and accurate record keeping and communication to ensure the completeness of all information presented.

Again, thank you for providing these recommendations. If you wish to receive further details regarding the action CDTA is taking to implement these recommendations please contact Stacy Sansky, Director of Procurement/Green Procurement Liaison at 518.437.8342 or stacyss@cdta.org.

Sincerely,


Raymond J. Melleady
Executive Director

cc: Stacy Sansky, Director of Procurement CDTA
Executive Team, CDTA
Mark Wos, Director of Facilities CDTA