

ADMINISTRATIVE CONTROL BOARD – WASATCH FRONT WASTE AND RECYCLING DISTRICT

MONTHLY MEETING MINUTES *Approved at the September 23, 2013 Board Meeting*

DATE/TIME	LOCATION	ATTENDEES
August 26, 2013 8:30 AM – 10:00 AM	604 W 6960 S Training Room	<u>Board Members:</u> Chair-Coralee Wessman-Moser, Vice-Chair Sabrina Petersen, Sam Granato, Jim Brass, Dama Barbour (until 10:05), Scott Bracken, David Wilde and Richard Snelgrove <u>Absent:</u> Patrick Leary
Next Board Meeting September 23, 2013, 8:30 A.M.	(same as above)	<u>District Staff:</u> Pam Roberts, Lorna Vogt, Stuart Palmer, Gaylyn Larsen, Ryan Dyer, Jocelyn Walsh-Magoni, Andy King, Sean Summerhays No members of the public present

AGENDA

1. Consent Items: (**Approval Requested**)
 - 1.1 July 22, 2013 Board Meeting Minutes
 - 1.2 Abatements
2. Update on Subscription Green Waste Program and Introduce Sean Summerhays, Sustainability Coordinator; Pam Roberts (**Informational**)
3. Recommendation to Standardize Fee for Second Garbage Can, Pam Roberts (**Approval Requested**)
4. Initial Review of the 2014 Budget, Pam Roberts and Stuart Palmer (**Direction Requested**)
5. Additional Recreation Areas in the District Eligible for Trailer Rental, Pam Roberts (**Informational**)
6. Follow-up on curbside glass collection, Pam Roberts (**Informational**)
7. Requested items for the next Board Meeting, Monday, September 23, 2013 8:30 a.m.
 - Preliminary 2014 Budget
 - Other Post Employment Benefits (OPEB) Discussion
 - Discussion on Special Districts versus Local Districts (Guests from UASD)

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1.1 Approve Meeting Minutes	The Board Meeting was called to order with a quorum in attendance. The Minutes from the Board Meeting on July 22, 2013 were presented and a motion was made to approve them.	Motion: by Board Member Petersen, seconded by Board Member Granato, to approve the Minutes from the July 22, 2013, meeting. Vote: Unanimous (of Board Members present)	Approved August 26, 2013
1.2 Abatements	<p>Three requests for abatements were presented by Pam. The customers were incorrectly billed due to not living within the District’s service boundaries.</p> <p>Board member Bracken asked if the number of abatements is consistent with what we typically see, as opposed to the 2nd can refunds, which have gone up. Pam responded that the number of abatement requests should go down as transparency of billing will help us with catching discrepancies related to customers not in the service district. She provided a status on the amount of refunds we paid for second cans so far and noted that that we have collected a very high amount of past due payments since the final billing notice went out.</p>	Motion: by Board Member Petersen, seconded by Board Member Granato, to approve refunds for all three customers on the abatement request list this month. Vote: Unanimous (of Board Members present)	Approved August 26, 2013
2. Update on Subscription Green Waste Program and Introduce Sean Summerhays, Sustainability Coordinator; Pam Roberts (Informational)	<p>Pam introduced Sean Summerhays, who has been with the District for two months as the Sustainability Coordinator. He provided an update on our green waste program, and how he and the team have gotten the word out about the program (Millcreek newspaper, flyers on cans in Emigration canyon, Taylorsville parade, Herriman Days and libraries). These recent efforts have generated approximately 50 new calls, for a total of 200 subscribers. He anticipates that the presence of green waste cans on residential streets may trigger additional interest. He is advertising to, and targeting interested customers in proximity to each other. Sean presented a demographic map indicating those who have signed up. There is a lot of interest in the Southeast township.</p> <p>Vice-Chair Petersen asked where the marketing has</p>	<p>The Board gave direction to Pam to research the possibility of the District having a composting facility for processing and selling of the materials. She is to report back the findings at a later board meeting once she has the report.</p>	

been as she hasn't yet seen it. Sean replied that an article is forthcoming in the Holladay Journal. Board Member Wilde asked about the carbon emissions that green waste generates, citing a study by Dr. Dupont. Sean described the biological process of how green waste breaks down. Pam noted that Dr. Dupont's study is one of several studies, and there are multiple options to handle green waste. Lorna Vogt added that there is debate about the best way to handle green waste. The Board members discussed cost comparisons with collecting green waste.

Pam noted that taking green waste to the landfill in the garbage can is the most expensive option. It can be diverted for composting so a better product can be purchased. It costs \$16.00/ton to dispose of green waste at Salt Lake Valley landfill. Trans Jordan is currently \$12/ton, but to ensure any contamination can be handled appropriately, the District will pay an additional \$5/ton mitigation fee for total of \$17/ton. Board Member Snelgrove asked at what point the program creates a positive cash flow. Stuart noted costs will be a break even for now, but they are grouping customers together for green waste subscriptions to make it cost effective. Results will be brought to the Board next year to update them on how the program is performing. Board Member Brass noted that the landfill costs are expensive so it is smart to subsidize that now with green waste diversion. It is possible in the future that the District could sell the compost, and the Board gave direction to investigate that option for future consideration.

3. Recommendation to Standardize Fee for Second Garbage Can, Pam Roberts (Approval Requested)

Pam mentioned that over the years a practice has developed regarding residents using second garbage cans on a "seasonal" basis. Some customers call annually for a second can delivery, then have it picked up at the end of the summer season. This means they pay for half a year's fee and they are using the can for green waste. That creates an increase in delivery and

Motion: by Board Member Barbour, **seconded** by Board Member Petersen to approve the recommendation to standardize the fee for a second garbage can and not allow a partial rental. **Vote:** Unanimous (of Board Members present)

	<p>administrative costs. Pam wants to standardize the second can fee at \$180/year and educate customers on the benefit of recycling and green waste.</p> <p>Board Member Bracken asked for clarification on why a second can is more than a first can. Pam noted that prior to 2007, second cans were less than the first, but the County Council wanted to encourage people to recycle, and not put recyclables in garbage cans. The Sanitation Division anticipated a revenue loss due to the fee increase, but never realized one, which could have been because sanitation fees were included with property taxes in the past. The District is seeing a revenue loss as customers turn in second cans after seeing the cost breakdown of second cans on their new bill (3,500 this year). The District's goal is to encourage customers to reduce and recycle, which also creates revenue.</p>		
<p>4. Initial Review of the 2014 Budget, Pam Roberts and Stuart Palmer (Direction Requested)</p>	<p>Pam introduced the District's four goals and customer service priorities that are the focus of the 2014 budget. There will be a revenue loss of over \$600,000 annually due to return of second cans, and an increase of over \$1,000,000 in expenditures mainly due to the fee increase at the Salt Lake Valley Transfer Station. Goal 1: We need to effectively manage the challenges that will occur as a result of the above. Goal 2: Meet our mandates of collecting approximately 143,600 tons of waste. Goal 3: Follow industry trends and divert as much waste as possible. Goal 4: Align the organization's resources with industry standards as we meet growth occurring in the District (particularly new homes in Southwest Salt Lake County). Pam discussed the services we currently provide and the need to sustain those.</p> <p>Recommendations:</p> <p>Add resources to account for growth. Pam noted that we strive to operate as lean as possible with our current</p>	<p>To be presented at the September Board Meeting: Pam to evaluate a market adjustment for the Equipment Operator positions.</p> <p>Pam will evaluate how the District's budget would be affected if a fee increase is postponed until 2015.</p> <p>Pam will devise a replacement schedule for trucks- the team will evaluate whether there would be a capital savings if we replace the trucks every four years. Considerations include: Resale value on newer trucks could possibly net higher revenue and maintenance costs as trucks age.</p>	<p>2014 Budget items for follow-up at September 23 Board meeting</p>

number of driver to customer ratio. The goal is to remain lean while keeping up with the growth, so we are looking to add three new full-time positions, 2 equipment operators and 1 container specialist.

Stay within salary markets to remain a competitive employer for recruitment and retention: Gaylyn Larsen researched the Consumer Price Index to ascertain the cost of living increase over the past 12 months. The Index shows that costs have gone up 2%. The District is seeing an increase in turnover of Equipment Operators partly due to higher hourly pay rates elsewhere, and an increase of construction industry positions. In order to remain competitive, a 1% increase is requested, with the potential for a market adjustment in the near future as 1% may not raise that position to the recent salary market adjustments that have occurred even locally with Salt Lake County and Salt Lake City. Our ability to fill the operator positions will continue to be a challenge if we do not consider the increase.

There is also a recommendation to institute a 3% sliding-scale performance based increase and award employees with higher performance with a higher percentage of salary increases (Pay for Performance). It is important for retention and hiring.

There was a discussion among board members about concerns with the above. The Board requested information about a potential market adjustment specifically for equipment operators.

Implement technologies to help with efficiencies and can inventory for accurate revenues: In order to roll out the RFID program, the District will absorb the cost through the leaf bag program. The RFID program will allow for more effective tracking of refuse/recycle pickup, help keep track of cans, and assist with

	<p>planning and updating more effective routes.</p> <p>Stuart reviewed the actual increased costs per home per month for 2014, and the areas we are seeing an increase: landfill fees, fuel cost, additional miles driven, higher truck maintenance costs, purchasing more trucks and green cans. Pam noted that to ensure the District is getting the best deal possible on the above, the team is always evaluating what the District is being charged by all vendors.</p> <p>Stuart reviewed other revenue to include truck sales, recycling, green fees, non-residential services, etc. He presented a breakdown of expenditures expected in 2014. Pam mentioned that the team is generating a list of fees that should be charged back to customers, such as stop payment bank fees. The Utah Code is being evaluated to see if there are any restrictions on what fees can be charged to customers.</p> <p>Stuart presented five scenarios to show how potential fee increases would impact our bottom line through 2018. Pam provided an update on the status of possible landfill fee increases.</p> <p>Board Discussion: Board Member Bracken suggested no fee increase for 2014 if possible. Chair Wessman-Moser noted not implementing an increase would result in a negative fund balance within a year based on current expense projections. She also noted although all Board Members would likely prefer to avoid a fee increase, that if there is a fee increase, the District would still be competitive. Ensuring the long-term viability of the District is a concern as we look ahead several years.</p>		
<p>5. Additional Recreation Areas in the District Eligible for Trailer Rental, Pam Roberts (Informational)</p>	<p>Pam reported that there are no additional recreation areas in the District that are eligible for trailer rental.</p>	<p>N/A</p>	

<p>6. Follow-up on curbside glass collection, Pam Roberts (Informational)</p>	<p>Momentum came to last month's meeting and provided a presentation on subscription glass recycling. Pam recommended that they come back in the future, but she feels at this time the District is not ready to roll-out a new service. The cost is high for the service, and so far there is only minimal customer interest.</p> <p>Chair Wessman-Moser agrees with delaying the service for now and recommended we reconsider the need for this service when we assess the green waste collection program after its implementation.</p> <p>Pam also reported that she would like to pursue and Request For Proposal (RFP) for glass processing since there is an end market and it may be another revenue source for the District. Currently, the glass from central sites is taken to Momentum and some to the Glass Recycling Group with no revenue to the District.</p>	<p>The District will not move forward with glass recycling at this time. Pam and the team will pursue an RFP for glass processing.</p>	
<p>Round Table</p>	<p>Board Member Snelgrove would like a calendar indicating when other municipalities are going out to bid for additional customers. He feels that would help us recognize additional growth opportunities.</p>	<p>Pam will present the calendar at the September meeting.</p>	
<p>7. Requested items for the next Board Meeting</p>	<ul style="list-style-type: none"> • Preliminary 2014 Budget • Other Post Employment Benefits (OPEB) Discussion • Discussion on Special Districts versus Local Districts (Guests from UASD) 		
<p>Adjournment (10:20 am)</p>	<p>Motion to Adjourn Meeting</p>	<p>Motion: by Board Member Bracken, seconded by Board Member Granato, to adjourn the meeting.</p>	