

ADMINISTRATIVE CONTROL BOARD – WASATCH FRONT WASTE AND RECYCLING DISTRICT
MONTHLY MEETING MINUTES

DATE/TIME	LOCATION	ATTENDEES
January 27, 2014 9:00 a.m. <hr/> Next Board Meeting February 24, 9:00 a.m.	604 W 6960 S Training Room	<p><u>Board Members:</u> Acting Chair-Coralee Wessman-Moser, Sam Granato, Dama Barbour, Jim Brass, Scott Bracken, David Wilde, Patrick Leary <u>Absent:</u> Sabrina Petersen, Richard Snelgrove</p> <p><u>District Staff:</u> Pam Roberts, Stuart Palmer, Craig Adams, Gaylyn Larsen, Bill Hobbs, Jocelyn Walsh-Magoni, Lorna Vogt, Gavin Anderson, Mark H. Anderson, Ryan Dyer, Toby Ovaitt</p> <p><u>Public:</u> Russ Wall – Salt Lake County Public Works Director, Diane Turner – Murray City, Kerri Nakamura-Salt Lake County Council Aide</p>

AGENDA

1. Consent Items: (Approval Requested)

- 1.1. December 9, 2013 Public Hearing Minutes
- 1.2. December 9, 2013 Board Meeting Minutes
- 1.3. December 20, 2013 Special Meeting of the Board Minutes
- 1.4. Abatement/Refund

2. Business Items

- 2.1. Formal Transition of Board Vice Chair to Chair and Elect a new Board Vice Chair
- 2.2. Oath of Office for Board Members, Jocelyn Walsh-Magoni
- 2.3. Oath of Office for Executive Staff, Gavin Anderson
- 2.4. Conflict of Interest / Disclosure Statement for Board

3. Informational Items:

- 3.1. 2013 Preliminary Year-End Financial Report, Stuart Palmer
- 3.2. ACB / County Council Meeting Tuesday, February 4th
- 3.3. Follow-up on Inmate Labor Versus Temp Labor, Gaylyn Larsen (**Direction Requested**)
- 3.4. Green Waste Program: Fees for more than 1 green cart, Pam Roberts (**Direction Requested**)

4. Approval / Direction Requested:

- 4.1 Updated District Policy Manual Approval, Pam Roberts & Gavin Andersen
- 4.2 Board Policy Related to Diversion Industry Standards, Pam Roberts
- 4.3 Interlocal Agreement for Administrative Services & Landfill Services, Pam Roberts & Mark H. Anderson

Requested items for the Next Board Meeting on Monday, February 24, 2014

- 2013 Accomplishments
- Side Load Truck Replacement Schedule Report
- Continued discussion of 2014 Interlocal Agreement with Salt Lake County

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1.1 Approve Meeting Minutes – December 9, 2013 Public Hearing	NA	Motion: by Board Member Granato, seconded by Board Member Bracken to approve the Minutes from the December 9, 2013 Public Hearing (with a minor change for capitalization of a name). Vote: All in favor	Approved January 27, 2013
1.2 Approve Meeting Minutes – December 9, 2013 Regular Board Meeting	NA	Motion: by Board Member Granato, seconded by Board Member Brass to approve the Minutes from the December 9, 2013 Board Meeting. Vote: All in favor	Approved January 27, 2013
1.3 Approve Meeting Minutes – December 20, 2013 Regular Board Meeting	NA *Board Member Leary arrived after this Motion passed.	Motion: by Board Member Barbour, seconded by Board Member Granato to approve the Minutes from the December 20, 2013 Special Board Meeting. Vote: All in favor	Approved January 27, 2013
1.4 Abatement Request	Pam explained the reason for the requested refund for a customer whose home was initially listed in our system as a duplex. The district had not been notified that it was rezoned to one unit when the current owner moved in so we were still billing for two carts. This has been corrected in our system. Board Member Wilde inquired whether there is a way for the billing system to automatically notify staff when there are zoning changes. Pam responded that part of the information we use to bill units is based on the Assessor’s and Recorder’s offices updates, and we are working on a way to link that information to our billing system. It may link to the customer account but not necessarily the billing side.	Motion: by Board Member Granato, seconded by Board Member Brass to approve a refund in the amount of \$549.00 to Ryan & Susan O’Hanlen for billing as two units instead of one. Vote: all in favor	Approved January 27, 2013
2. Business Items			
2.1 Formal Transition of Board Vice-Chair to Chair and Elect a new Board Vice Chair	Board Chair Moser noted that the process that has been established is that the Vice-Chair would fill the position of Chair as it becomes available. Although Board Member Petersen was absent from today’s meeting, she would be assuming the role of Chair at the February 24 th meeting, and will be formally elected then. Board Chair Moser also noted that the Board needs to elect a new Vice-Chair. Pam received a formal nomination from Board Member Bracken nominating Board Member Barbour for the position of Vice-Chair. Board Member Bracken noted that Taylorsville is up next for the seat, but the Board doesn’t necessarily need to keep up that rotation as the district has separated from the county. Vice-Chair Barbour asked that Outgoing Board Chair Moser serve as Chair at today’s meeting.	Motion: by Board Member Bracken, seconded by Board Member Granato, for Board Member Barbour to fill the position of Vice-Chair. Vote: all in favor The role of Vice-Chair was accepted by Board Member Barbour, and she will serve in that position beginning at the February 24 th meeting.	Approved January 27, 2013

2.2 Oath of Office for Board Members, Jocelyn Walsh-Magoni	Jocelyn gave the Oath of Office collectively to those Board Members present at today's meeting.	At the February 24 th Board Meeting, Jocelyn will present the Oath to those Board members who were absent at today's meeting (Board Chair Petersen and Board Member Snelgrove).	
2.3 Oath of Office for Executive Staff, Jocelyn Walsh-Magoni	Jocelyn gave the Oath of Office to Pam Roberts and Stuart Palmer. She will have the oath presented to her after the Board Meeting.		
2.4 Conflict of Interest / Disclosure Statement for Board	Jocelyn requested that the Board members provide her with a completed disclosure form. She will obtain one from any absent Board members at the February 24 th meeting.		

3. Informational Items

3.1 2013 Preliminary Year-End Financial Report, Stuart Palmer	<p>Stuart went over the report and stated that he feels comfortable with how we stand financially. We haven't finished the sick/vacation leave accruals or OPEB as we were doing year-end reporting when this came out. We are at 97.8% of our budgeted revenues for 2013. We have five trucks waiting at auction and they will be part of 2014 sales. Board Chair Moser asked why they had not yet sold. Stuart said it is reflective of a timing issue as they sell better in the spring, and they are sold through a broker who typically sells them to other municipalities. The winter is just a slower time for interest in trucks.</p> <p>Tonnages for recyclables are up and the price we get from our vendor is up and down between \$22.50 and \$25.00, which is good. Neighborhood bulk trailer rental is up since we brought the program back, versus only green trailers the prior year. The process of billing in 2013 was new and the interest was up significantly over what was projected. We spent 97 % of the budgeted amount for personnel. We had to spend more on overtime than expected in 2013 in part because we handled the billing process in-house. Also, recruitment and retention of employees in the area cleanup positions was difficult so current employees worked longer hours. Our total personnel expenditures were approximately \$176,000 under the budgeted amount.</p> <p>Board Member Bracken asked why the social security alternative (ICMA) for personnel was higher than expected. Stuart noted that it had to do with how he had initially budgeted. Board Chair Moser added that paying the social security on the unexpected overtime hours was an added cost.</p> <p>Regarding operational expenditures, Stuart stated that fuel was a positive variance. The price of diesel was less than expected and we had fuel savings from CNG. Truck</p>		
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maintenance costs were broken out into five categories as requested. They came in at approximately \$70,000 less than expected. Disposal costs were favorable as the landfill fee increase was pushed to January of 2014. County IS costs and legal fees came in less than expected. We also have shared building costs with Fleet, and we saved on property and liability claims this year. Stuart highlighted some other items on his report.

Board Member Wilde asked whether the district is self-insured. Stuart stated that we used to be covered under Travelers, and are now covered under the Utah Local Government's Trust; we have a lower premium and excellent coverage. We have up to \$5 million coverage on events. Pam added that in 2013 we were self-insured for Worker's Compensation, and we had to handle it in house in conjunction with Salt Lake County Risk Management. The Trust now handles Worker's Compensation claims. We are fully insured for worker's comp and property/liability. Overall, the total operating costs came in at 93.3% of budgeted amounts. We projected a \$1 million loss in 2013 and came in at \$830,000 under expense, which equates to a \$235,000 net loss.

Regarding capital expenses, we projected to purchase 11 trucks. We also purchased the Caselle software, which was approved in the 2012 budget but purchased in 2013. We ended 2013 with a \$15.7 million cash balance, higher than projected. We realized the under-expenditures, and the district received \$2.2 million overall in the certification process so we are in a better cash position than expected. Pam noted that the improvement of the economy may contribute to why we collected so much in the certification process. Board Chair Moser stated that some of the certifications are hold-overs from previous years. The fact that we are under by \$230,000 is much less than the \$1 million that we projected. Stuart reported that Squire and Company will complete the audit for the county and the district. They will be at our office March 4th and 5th, and expect to have a final audited statement for the March Board meeting.

Board Chair Moser asked in what categories of the financial report should we anticipate a change. Stuart noted OPEB and sick leave have not been finalized yet. He did allot \$40,000 for unknown accrued liabilities so there is some cushion. This will help with any 2013 invoices that we have not yet received.

<p>3.2 ACB / County Council Meeting Tuesday, February 4th</p>	<p>The tentative time for the meeting with the county to discuss the Interlocal Agreement is 10:00 a.m. on February 4th. Pam requested a morning appointment with the council and she will let the board know as soon as she has a set time.</p>		
<p>3.3 Follow-up on Inmate Labor Versus Temp Labor, Gaylyn Larsen (Direction Requested)</p>	<p>Gaylyn noted that at a previous meeting we had discussed the possibility of using inmate labor through the jail for area cleanup. The timing of our shifts makes it difficult, and we move 120 containers daily. The inmates can't drive since we require a CDL. We begin at 7:00 a.m. and the inmates can't start until 8:15 a.m., barring any personnel issues. Further, the jail can't provide the number of people we need for area cleanup. For the leaf bagging program, they can't promise the 8-10 people and we need to complete the debagging before we hit hard frost or snow. Gaylyn also contacted the prison and they have a work release program. However, we would need to put them on our payroll so it would cost us about the same as if they were our employees. We may also need to provide medical coverage for the inmates. Therefore using the temp agency and paying overhead costs is roughly the same as using the prison work program with no increased risk through worker's comp.</p> <p>Board Member Granato asked whether we could start the program at 10:00 a.m. even if it runs the program a day behind as a way to utilize the inmate labor. Board Member Bracken asked how many hours the inmates would have to work before the district has to provide health coverage. Gaylyn said that even though the leaf debagging program is seasonal, it depends how many hours are worked in a calendar year. During the program, they work 40 hours per week so we have to account for those hours to the IRS. If they work more than 30 hours per week for one week or six months, the hours need to be accounted for. Board Member Leary would still like to consider using the inmate labor for leaf debagging. Gaylyn added that part of the requirement for the inmates that are working while incarcerated, is that they are supervised by district staff. Board Member Leary also suggested that Valley Services may be an alternative to using a temp agency as they cover the Workman's Comp, health coverage, etc. because they are trying to get the employees back into the work force. Gaylyn will look into those options.</p>	<p>Direction for Staff: continue looking at the employment program through the prison and through Valley Services for the leaf debagging program to ensure we have considered all options.</p>	
<p>3.4 Green Waste Program: Fees for more than one green cart, Pam Roberts (Direction Requested)</p>	<p>Pam noted that we approved rental of one green cart by subscription and by popular demand we need to make a recommendation for a fee for additional cans. We will need to hold a public hearing to approve the fee. Pam added that we would charge the initial \$60 start-up fee per cart, and \$3 per month per additional cart. This would encourage more recycling. We want get the approval before March 17 when</p>	<p>Motion: by Board Member Granato, seconded by Vice-Chair Barbour to approve staff's recommendation to charge \$60 per green cart plus the monthly fee of \$3 per cart for additional carts. The Board will hold a public hearing to adopt the new fees on February 24th at 6:00 p.m..</p>	

	<p>the program rolls out.</p> <p>Vice-Chair Barbour asked if residents could come to the district building and pick up additional green carts and return them after using them on an as-needed seasonal basis. Board Member Bracken noted that the green waste trailer rental may work best for them, particularly if several customers split the cost. Pam asked Vice-Chair Barbour if she wanted us to explore the additional green carts to be used as she stated. Vice-Chair Barbour responded that she likes the idea of residents sharing the cost of the green trailer instead. Board Member Bracken mentioned that staff should consider advertising the green trailer program along with the subscription cart program in case the former works better for them.</p> <p>Board Chair Moser asked for an update on subscriptions for the green program. We received payment from 109, and there have been approximately 560 who showed initial interest. Sean Summerhays is personally calling those who showed interest but have not yet paid as they may not know we are collecting payment.</p>		<p>Approved January 27, 2014</p>
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4. Approval/Direction Requested

<p>4.1 Updated District Policy Manual Approval, Pam Roberts & Gavin Andersen</p>	<p>Gavin noted that Pam would like him to review the policies that were updated as of last year. Beginning with Paragraph 15.3, he went over the revisions. This one sets policies for pick up, refunds, indigent fee waiver, and deletions of insurance coverage. Some other changes include tax break provisions for indigent customers. Next, Gavin pointed out a section approved by the Board to not have coverage for uninsured or underinsured (this relates to passengers in the trucks). Pam noted we added this statement to the policy manual that we would not include that coverage. Gavin noted that drivers are covered under Worker's Comp and it was an extra cost to cover passengers in our trucks. Gaylyn noted that they would be covered under our liability insurance or third party liability. It just wouldn't be covered under uninsured motorist.</p> <p>Pam noted that when we approved that manual last year we had a clause that employees could be granted and use up to 10 hours of additional time off (beyond accrued vacation time) annually for funerals of non-family members; it can be difficult to manage this type of coverage. It was under the county's benefit program, and there was a recommendation by staff to discontinue it at the January 2013 Board Meeting, (to be eliminated as of July 1, 2013). However, staff made the change effective as of January 2014 because the update to the</p>	<p>Motion: by Board Member Bracken, seconded by Board Member Granato to approve updating the funeral leave clause in the policy manual to reflect the elimination of funeral leave for non-family members. Vote: All in favor.</p>	<p>Approved January 27, 2013.</p>
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	<p>policy manual was simply overlooked. Staff can use their vacation time for funeral leave if necessary.</p> <p>Gavin stated there will be a recommendation on OPEB to be discussed in the future regarding retirees with at least 25 years of employment being able to purchase up to five additional years for early retirement. There will be changes regarding adult designee-requiring appropriate documentation for life changes. Gaylyn is working on a specific declaration and Gavin will finalize that. There is another clause update for no leave accumulation for appointed staff- Pam and Stuart. Board Chair Moser noted that there is still some follow-up to be presented to the Board. Gaylyn reported that it will be on the agenda for next month's meeting as our agenda was full. Another update to the Policy Manual recognizes that Pam Roberts can be involved in boards and committees as appropriate as long as it is disclosed to the board. Another section appoints a Controller for the District. Board Member Wilde suggested a change to the sentence in 4.4.1 "The Executive Director shall devote their full attention..." with deletion of the word "their". The board and staff agreed.</p> <p>Gavin introduced Mark H. Anderson who has been retained by the district as representation for the negotiation of the Interlocal Agreement with the county regarding the landfill contract. At this time, Gavin excused himself from the meeting to avoid any possibility of conflict of interest.</p>		
<p>4.2 Board Policy Related to Diversion Industry Standards, Pam Roberts</p>	<p>Pam reviewed Mr. Anderson's background. He has been retained to avoid any potential conflict of interest there may be with having Gavin Anderson represent the district on this issue. Mr. Anderson has over 35 years of legal experience, and is well versed on special districts and local districts. He serves as legal counsel for the Utah Association of Special Districts (UASD), and he spends time negotiating state legislation that is related to the districts throughout the valley. Pam met with Mr. Anderson and they reviewed section 4 of the policy manual (Services). With regard to our mission statement, it was discussed at the last Board meeting that there would need to be a policy discussion related to diversion. She reviewed the graph showing the district tonnages from 2006-2013. In 2014 we are rolling out the subscription green waste program, so it is an opportune time to review the board's goals for the district. Pam reviewed the mission of the district set forth in the original resolution. She suggested adding a bullet point to our policy manual regarding alignment with the industry standards to reduce, reuse and recycle and divert as much as possible.</p> <p>Vice-Chair Barbour asked if there was any reason the Board</p>	<p>Motion: by Board Member Wilde, seconded by Board Member Leary to adopt the current changes to the policy manual, pending changes to the bullet point that was discussed with regard to industry standards. Vote: All in favor</p>	<p>Approved January 27, 2014</p>

would not align with industry standards. Board Chair Moser added that if following industry standards was significantly cost prohibitive for a particular commodity, then we may want to reconsider recycling it (i.e. glass). Vice-Chair Barbour noted the Board also needs to weigh the environmental impact. Board Member Leary noted that the district should strive to *lead* industry standards rather than letting someone else determine that. Vice-Chair Barbour added that whatever the mission statement is, we will refer to it down the road so we need to be able to live with the decision. After some discussion, Board Chair Moser asked whether we want to “align with” or “lead”, or “exceed”. Board Member Wilde added that we should keep abreast of industry standards because there may be times when we could do better than industry standards.

Board Member Granato asked for some options to be presented at the next meeting. The Board members noted that we want to align or exceed industry standards as much as possible and we want to be “stewards of our environment”. Pam will report back with some new verbiage; we want to continue with the programs we have and expand when possible. She reviewed a timeline showing implementation of programs. We want to continue to take our garbage to the county landfill. Board Member Wilde noted that the council’s goal with setting a long term commitment for use of the landfill was to extend the life of the landfill, and they have been successful. Pam stated that with the high levels of diversion, landfills have been reinventing themselves for decades. They have increased composting and capturing methane, which creates energy. They also have gotten better at salvaging metals.

4.3 Interlocal Agreement for Administrative Services & Landfill Services, Pam Roberts & Mark H. Anderson

Board Chair Moser stated that the Interlocal was agreed and adopted as all inclusive for services, but it is only for 90 days. We need to discuss separating landfill services and come up with an agreement. Pam recommended a change to the clause that states the District will maintain our current tonnages, seasonal tonnages was added to help reflect the 90 day term. She suggested a clause that we have a vested interest in using the county landfill and that we are a good community partner with them. We would continue to take our refuse to the Salt Lake facilities. Board Chair Moser is looking for a statement that verifies what Pam indicated the Board’s intent is. Board Member Leary believes that, philosophically, any contract that is negotiated with solid waste should reflect the points made. Vice-Chair Barbour noted that controlling the costs needs to play into the discussion too. If landfill fees increase they have to be passed to the customers. Board Member Wilde asked if there could be a clause that limits the amount

the landfill could charge so it is consistent with those in the general vicinity. Board Member Leary suggested that we should go into this negotiation viewing ourselves as a “cost taker” and making it clear that we want to be in a relationship with the landfill. We are partners with the landfill and want to have some potential influence on the landfill fees rather than being held hostage to the fees that are passed to the district. We should negotiate how we both benefit from the agreement. Board Chair Moser stated we should consider that we conduct an analysis, similar to an impact fee analysis used by cities, to ensure the fees are valid. Mr. Anderson said that he has a handle on what the Board wants represented in negotiation with the county.

Russ Wall noted that he chose to do a study when the initial fee was proposed at \$8 per ton at the transfer station to see if it was justified. The decision was to increase by \$5 per ton across the board and an additional \$2 per ton to the private haulers. The county provides training and recycling so there are costs associated with those as well. Pam added that we want to keep the relationship with the county and they have worked with Questar to install an overnight CNG filling station for our use. This will improve our efficiency. Fleet has new shops under construction and their fees are very reasonable so again it is beneficial for us.

Pam reviewed Attachment G, which will need negotiating as it pertains to the county solid waste facilities. The percentage listed at 85% listed in the agreement may be feasible short term, but if we look at ten or more years, green waste could tip that percentage if we get enough green waste subscribers. We currently collect 22,000 tons of recyclables, so with the Mayor’s goal of doubling recycling we are looking at 44,000 tons.

Board Member Brass noted that the areas of Murray using a private vendor collect refuse weekly and recycling biweekly. The landfill is needed but we should support more recycling. It prolongs the landfill but causes landfill fees to increase as revenue goes down with more recycling.

Pam-during county negotiations we should note that the goal is to continue going to the landfill facilities, and the transfer station is the closest to most of the areas we serve, except Magna- which goes directly to the landfill. Board Member Leary stated the county is probably not going to limit our map as it is now because they realize it is based on our efficiencies. Mr. Anderson asked whether it’s a possibility that the district boundaries could change over time. Board Chair Moser asked

	<p>whether the Board is in agreement that the landfill contract be separated. She also recommends that staff be able to examine the internal policies and clarified that the board is in agreement that staff may work with legal counsel to represent their desires regarding the Interlocal Agreement. Mr. Anderson stated he has a good understanding of what the Board wants.</p> <p>Board Chair Moser asked what time frame the board is comfortable with to agree to take refuse to the landfill. The board recommended a five year term with a clause that there could be further discussion as necessary based on what happens in the future. Board Member Leary stated that 10 years may be better to begin with. Board Member Barbour mentioned that Taylorsville has a new Mayor and she hasn't had an opportunity to discuss the district's goals with him. She feels it is very important to provide further education and will ask for Pam and Mr. Anderson to assist. She recommends no more than a 5 year commitment with the landfill.</p> <p>Board Member Wilde thanked Coralee for her outstanding job as Board Chair this year.</p>		
<p>Requested Items for Next Meeting</p>	<ul style="list-style-type: none"> • 2013 Accomplishments • Side Load Truck Replacement Schedule Report • Continued discussion of 2014 Interlocal Agreement with Salt Lake County 	<p>Pam noted that at the next meeting we will discuss employee survey results and approve the fee for green carts during the public hearing.</p> <p>Pam suggested a 6:00 p.m. time for the public hearing, followed by the regular board meeting on Feb 24th. The Board agreed.</p> <p>Board Chair Moser added that we will have to review our mission statement.</p> <p>Board Member Bracken said we need to have a good understanding of the fund balance and how it compares to others. He prefers this before the spring. Board Chair Moser suggested it for the March meeting. Pam noted that we will be reviewing our fleet replacement in the February meeting and it will lead nicely into the fund balance discussion for March.</p> <p>Board Member Bracken requested a resolution on the land exchange agreement. Pam will work to get that on the County Council's agenda.</p>	
<p>Round Table</p>	<p>Board Member Brass introduced Diane Turner, who has been elected to the Murray City Council and she will be Councilman Brass's alternate.</p>		

ADJOURN

Motion: by Board Member Granato, **seconded** by Board Member Leary to adjourn the meeting.