

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

DATE/TIME	LOCATION	ATTENDEES
<p>April 27, 2015 9:00 a.m.</p> <hr/> <p>Next Board Meeting May 18, 2015 6:00 p.m.</p>	<p>Public Works Building 604 W 6960 S Midvale, UT 84047</p>	<p><u>Board Members:</u> Jim Brass, Jim Bradley, Scott Bracken, Aimee Newton, Patrick Leary EXCUSED: Sabrina Petersen, Dama Barbour, Jenny Wilson, Coralee Moser</p> <p><u>District Staff:</u> Pam Roberts, Gaylyn Larsen, Stuart Palmer, Whitney Mecham, Mark Anderson, Rachel Anderson, Craig Adams, Bill Hobbs</p> <p><u>Public:</u> No members of the public present.</p>

AGENDA

- Call to Order:** Jim Brass, Board Vice Chair
- 1. Consent Items: (Approval Requested)**
 - 1.1. March 23, 2015 Board Meeting Minutes
 - 1.2. Conflict of Interest Disclosure Approvals
 - 2. Meeting Open for Public Comments:** (Comments are limited to 3 minutes)
 - 3. Business Items**
 - 3.1. Legal Counsel’s Recommendations Related to the 2016 Budget Process as Follows:
 - 3.1.1. Set the Tentative Budget Adoption for October 26, 2015 during the Regularly Scheduled Monthly Board Meeting (**Approval Requested**)
 - 3.1.2. Set the Public Hearing to Allow Public Comment on the 2016 Budget for Monday, November 16, 2015 at 6:00 p.m. (**Approval Requested**)
 - 3.1.3. Set the Board Meeting scheduled on Monday, December 7, 2015 as the 2016 Budget Adoption (**Approval Requested**)
 - 3.2. Contract with Momentum Recycling, LLC for Curbside Glass Collections, Pam Roberts (**Approval Requested**)
 - 3.3. Recommendation to hold a Public Hearing on Monday, May 18, 2015 at 6:00 p.m. to approve Resolutions 4367 & 4368 to adopt new fees associated with the curbside glass subscription program and acceptance and expenditure of the CNG grant funding
 - 3.4. Authorization to withdraw properties from Tax Sale, Pam Roberts (**Approval Requested**)
 - 3.5. 2015 First Quarter Financial Report, Stuart Palmer, Controller (**Informational**)

3.6. OPEB/ Post Retirement Benefits Overview, Pam Roberts & Gaylyn Larsen (**Informational/Discussion**)

3.7. 2015 First Quarter Performance Measures, Pam Roberts (**Informational**)

3.8. Information Systems Security and Data Protection Policies: Cyber Security, Pam Roberts (**Approval Requested**)

3.9. Set a date for a Rocky Mountain Recycling Center Tour, Board Member Bracken

4. Requested Items for the May 18, 2015 Meeting

- Resolution 4367 to adopt new fees associated with curbside glass subscription program
- Resolution 4368 of acceptance and expenditure of CNG grant
- Policy for Procurement Section of WFWRD Manual Related to Protests
- Murray City Analysis for possible RFP Process

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1.Consent Items (Approval Requested)			
<p>1.1. March 23, 2015 Board Meeting Minutes</p> <p>1.2. Conflict of Interest Disclosure Approvals</p>	<p>No comments.</p>	<p>Motion to approve by: Board Member Bracken seconded by: Board Member Leary</p> <p>Vote: All in favor (of Board Members present)</p> <p>Motion to approve by: Board Member Leary, seconded by: Board member Newton</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved April 27, 2015</p> <p>Approved April 27, 2015</p>
2. Meeting Open for Public Comments (Comments are limited to 3 minutes)			
	<p>No public comments.</p>		
3. Business Items			
<p>3.1. Legal Counsel’s Recommendations Related to the 2016 Budget Process as Follows:</p> <p>3.1.1. Set the Tentative Budget Adoption for October 26, 2015 during the Regularly Scheduled Monthly Board Meeting</p> <p>3.1.2. Set the Public Hearing to Allow Public Comment on the 2016 Budget for Monday, November 16, 2015 at 6:00 p.m.</p> <p>3.1.3. Set the Board Meeting scheduled on Monday, December 7, 2015 as the 2016 Budget Adoption</p>	<p>Mark Anderson suggested that the Board make a change in how they approach the budget each year. Historically the Board has held the Budget Hearing in December and then immediately after the hearing adopts the next year’s budget. The problem with this approach is that if you hold the hearing and then immediately adopt the budget, there is no purpose to the hearing from the perspective of the public. He recommends that there is a period of time between the Public Hearing and the time when you adopt the budget, allowing for time to look into the legitimacy of public comments that come up during the Public Hearing.</p> <p>In regards to the time of Public Hearings, if the Board is not considering new fees or a fee increase, the public hearing does not need to be in the evening. If the Board is considering new fees or budget updates, the Public Hearing must be held after 6:00 p.m.</p> <p>The Board agreed to decide on a formal time for the December 7th meeting later in the year depending on how the November 16th public hearing goes.</p>	<p>Motion to approve 3.1.1, 3.1.2., and 3.1.3 as presented: Board Member Leary seconded by: Board Member Newton</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved April 27, 2015</p>

<p>3.2. Contract with Momentum Recycling, LLC for Curbside Glass Collections</p>	<p>Pam Roberts stated that Mark Anderson informed her that this agreement will begin as a small cost agreement (under \$50,000 contract) and has the potential of going beyond that threshold so it is best that the Board approve. The first area that will be open to receive the service will be the Canyon Rim and Emigration portion of the District starting with 50 subscribers. After the contract is in place, the Board will need to set the Public Hearing to approve that new fee. Pam is currently asking for the Board's permission to enter into the contract with Momentum to go forward. We will be charging residents \$8 per month, \$7.75 of that will go to Momentum with the remaining \$0.25 paying for our administrative costs. There is also a \$45 startup fee that residents can choose to pay up front or roll into their next quarter bill for the first year receiving the service. As the service is once per month, Momentum provides a notification system to remind residents to put their can out for collection. We are entering this contract as a sole-source since they are the only local company that provides this service and they have the only processing facility.</p> <p>Board Member Bradley asked if the Board can have a Momentum tour arranged.</p> <p>Board Member Leary asked when the service will begin rollout.</p> <p>Pam answered that the date is flexible in the contract. Momentum was confident that they could start in July but now that may be delayed so it might be postponed to August. Once the date is confirmed, Pam will report it back to the Board. Momentum will start canvassing areas once the contract is in place. The program will work its way across the east side for economies of scale.</p>	<p>Motion to approve: Board Member Newton Seconded by: Board Member Leary</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved April 27, 2015</p>
<p>3.3 Recommendation to hold a Public Hearing on Monday, May 18, 2015 at 6:00 p.m. to approve Resolutions 4367 & 4368 to adopt new fees associated with the curbside glass subscription and acceptance and expenditure of CNG grant funding</p>	<p>Board Member Newton stated that she will not be available for the Public Hearing on that date.</p>	<p>Motion to approve: Board Member Bracken, seconded by: Board Member Leary</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved April 27, 2015</p>

<p>3.4 Authorization to withdraw properties from Tax Sale</p>	<p>Pam stated that every year we receive a request from the County Tax Committee to release properties that are currently in lien status for not paying their garbage fees. This represents property owners that are willing and able to work with Salt Lake County and the District to make payments. This basically removes that lien and puts them on a payment schedule. The District does receive our funds first before the County.</p>	<p>Motion to approve: Board Member Newton, seconded by: Board Member Leary</p> <p>Vote: All in favor (of Board Members present)</p> <p>Board Member Leary left at 9:45 a.m.</p>	<p>Approved April 27, 2015</p>
<p>3.5 2015 First Quarter Financial Report</p>	<p>Stuart started by stating that this is a very typical first quarter report for the District as our business is very cyclical with the seasons. There have not been any truck sales yet this year and there has been no area cleanup collected yet this quarter so the report will reflect accordingly.</p> <p>Revenue: Residential waste collections are at 18.7% overall. Our overall revenue is at 18.5% of the year's budget which is very typical for our first quarter. He noted that last year at this time we only had 1700 green waste subscribers and we currently have over 2200 which began receiving service this past month. We are continually receiving interest from the \$10 million we placed in the Zion's Wealth account.</p> <p>Personnel Expenditures: Personnel expenditures are at 21.5% of the expenditures for the year. Temporary labor is at 2.1% currently because the Area Cleanup program only started last week. The State Unemployment Tax is at 79.8% for the year because the majority of our employees that are on unemployment come back to work for us in April with the Area Cleanup program. Our current budgeted amount for retiree's insurance is \$55,000.</p> <p>Operational Expenditures: The larger areas of interest are fuel, truck maintenance and disposal. Overall our fuel costs (either CNG or diesel) are at 13.6% of the annual budget. The savings from CNG fuel and the lower cost of diesel fuel has helped create these savings. Truck maintenance costs are at 22.3% overall which is very typical for the first quarter. Disposal fees represent</p>		

about 17% of the tonnage for the year due to seasonality. The 2nd and 3rd quarters tend to be higher as people are putting their green waste in their garbage as well as area cleanup. Building rental costs are not included in this quarter report as they are paid in the 2nd quarter. Property insurance is paid on an annual basis. We currently do not have any claims.

For capital expenditures we have budgeted \$4.4 million and have not spent any of that yet this year. We plan to buy 2 CNG front load refuse trucks and 4 CNG light duty trucks as replacements. We will purchase one new side load truck as approved in the 2015 budget. The cash balance as of March 31st has \$12.2 million in the bank.

Overall the report is strong and typical for a first quarter report for us.

First quarter billing went out in the 3 bunches in April. We are getting payments currently through Zions Lockbox and Xpress bill pay online. Two years ago payments were taken at a 70/30 ratio through these avenues, but we are approaching a 50/50 ratio with this current billing cycle due to the convenience of paying online.

Board Member Bracken asked if we have a way to not send a bill to people that have signed up to pay online so as to eliminate a portion of our paper billings. Craig Adams, WFWRD Accountant, responded that it becomes a problem when someone sells their home and it's not done through a title company. In this case we send them one letter per year and if that comes back to us, then we know we need to look at that property. For those customers that don't desire a bill after that, they can call in and request that we don't send paper bills.

Board Member Newton asked if we could perhaps work with Xpress to see if they have an option for customers using it to request they don't receive paper bills to help save money on postage.

<p>3.6 OPEB/Post Retirement Benefits Overview</p>	<p>Pam responded that is part of our performance measure goals and to also add an email notification system to that as well.</p> <p>Board Member Bracken mentioned that if after the first bills go out, it could possibly be worthwhile to eliminate those that pay the year in full from the other bills for the year since we have already received their payment.</p> <p>Craig responded that the difficulty with that process is with those people who sell their homes. If they are set on any sort of automatic payment, problems occur.</p> <p>Pam stated that this year will also be the first year that we are assessing late fees so that will most likely affect how many customers pay their bills on time. The fee will be up to \$10 a year or 18% annual interest.</p> <p>Pam stated that in a prior Board meeting Board Member Bradley asked to have the discussion so the Board could know what our plan is and what we are currently spending. The good news is that we currently have 1/3 of the total obligation of \$1.8 million set aside as well as the annual operating expense plugged into the budget so we feel like we are being responsible. The 1/3 is \$600,000 set aside in our designated funds and then the \$56,000 is set aside for annual operating expenses. In 2013 we consulted with Nyhart Actuary who conducted an actuarial study that resulted in us setting aside the \$600,000 which we add \$95,000 to every year to get to the \$1.8 million.</p> <p>Vice Chair Brass recommended talking to the Murray Finance Director as they just made significant changes due to the Affordable Care Act. He also stated that he liked where it looks like we are going with the plan.</p> <p>Pam began the presentation by stating that originally we carried over the plan from when we became a separate</p>		
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district from Salt Lake County.

Gaylyn stated that the policy 9.2.4.3 was a State retirement policy that both Salt Lake County and the District adopted. With the change in the economy in 2008, the State retirement readjusted its formula and now it is almost financially impossible for someone to buy out those 5 years as it has almost doubled from what it used to be. Our policy limits the District's contribution to \$25,000 towards somebody buying that time out and the rest of the burden is on the employee even though the State retirement says that an entity could pay up to 95%. Gaylyn has only seen this used twice and in both cases it was with someone dealing with a medical issue, once while with the County and once at the District. This is something we can look at adjusting in the future. We could limit the amount of years instead of paying up to 5 years.

The 9.2.5. policy was carried over directly from the County and is another place where we could limit our liability for the future by changing the current formula. Currently we have 52 out of the 80 current employees that these policies include as well as 14 retirees. As a note, it is important to know the County has changed their policy and now if someone doesn't pick up the insurance right when they retire, they are not eligible for it later. For the District retirees to change their insurance it must be during open enrollment just like an active employee. We have one retiree currently who only has dental insurance that is planning on changing to full health insurance when he needs it, so if we decide to change this policy we would probably have to grandfather him into the policy.

There are 3 levels of retiree insurance because we need to give retirees their COBRA rights. For retirees who are retired less than 18 months their health insurance is 102% of what active employees is and we do pay the split. If they have been with us more than 20 years and meet the requirements for retirement with the Utah State Retirement plan then they get an 80/20 split of what

their current plan was. Once they have passed the 18 month mark, they go onto our regular retiree insurance which is 110% of our active employee's insurance. We are never paying more for retirees than active employees. So we are doing an 80/20 split based on the active employee amount and then the retiree pays the difference. When an employee reaches the age of 65, he/she is automatically moved to the Medicare supplement which is a lower cost option. When the spouse turns 65, they have to buy the Medicare supplement themselves but they can purchase it through our provider. For the retiree costs, Salt Lake County convinced PEHP in the past to allow employees to pay their portion through their retirement check, much like what happens to current employees and their paychecks. This is not a common occurrence and is a nice perk for our retirees.

Stuart presented examples comparing retirees and active employees included in the meeting packet.

Pam noted that the annual cost is \$55,323 for 2015 and the percentage of the personnel budget is 0.864% and 0.28% of the total yearly budget for retiree's insurance.

Stuart stated that what we are currently doing fits in well with the budget.

Gaylyn stated that it doesn't require us to change our budget. We currently have \$600,000 towards the \$1.8 million that Nyhart projected that we will need. We are meeting our liability as long as we continue making the annual required contribution which we currently have been meeting. We will be doing another study in 2016 that will give us new numbers.

Gaylyn stated there are a lot of different ways to deal with OPEB. We are hopeful that with some plan adjustments, we can manage it and not have a problem.

Pam stated that we will plan on bringing back more

<p>3.7 2015 First Quarter Performance Measures</p>	<p>information to the Board including more exact numbers of how many employees are eligible and what levels they are at and likeliness to retire.</p> <p>Vice Chair Brass stated they he thinks we are on the right track by analyzing this and figuring out where to go from here.</p> <p>Pam highlighted a few of the performance measures. We are working towards a paperless billing option for our customers, Lorna will bring back the status of this in the 2nd quarter report. We are looking at updating our website to have an online trailer rental function to make it easier for our customers. We are also looking at routing and efficiencies to make sure we don't miss any cans. Area cleanup postcards are going out early so people have time to plan. We started the program on April 20th in Cottonwood Heights.</p> <p>Board Member Newton asked why the satisfaction of the area cleanup is low because it seems like our customers really like the program.</p> <p>Pam responded that the satisfaction rating is usually in the 80s mostly just because people want more of it.</p> <p>For environmental stewardship, we did meet the diversion goal coming in at over 22% even with garbage tonnage increasing the first quarter of this year compared to last year. We currently have over 2200 green waste subscribers so we will easily meet our goal of 2500 subscribers by July. We also just had an Earth Day Collection Event in Taylorsville last Saturday. We also reached 90% employee satisfaction last year and are aiming for 92% this year. To accomplish this we have been doing a lot of cross-training and focusing on strengths and leadership. We recently included our Lead Operators in the Strength Based Leadership tests to build comradery and a leadership foundation. We will be doing online cyber security training for all staff to help educate them. We also just began using a portal to</p>		
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<p>3.8 Information Systems Security & Data Protection Policies: Cyber Security</p>	<p>access paystubs so we no longer are printing them.</p> <p>In regards to financial stewardship, we signed a no cost contract for an RFID program. We will bring back a report later in the year about the costs we will be recouping. We also had a successful 2014 financial audit and the 1st quarter billing went out successfully.</p> <p>For Loss Control, we achieved just over 90% safe days in the first quarter. Lorna is also very diligent about safety training with staff on a regular basis.</p> <p>Pam stated that we started this process in 2014 to look at cyber security. At that time we contracted with Snow, Christensen, and Martineau to generate an Information Security Policy. The policy that Pam is presenting to the Board states that our information and data is an asset and it is something that we want to protect. From this we will generate a few SOPs to tighten up our internal controls. This will basically state that our assets are protected thru laws and the County policies as well. Salt Lake County currently manages our database on a cloud environment and we are thankful for the security that they provide. We will follow their policies and will make sure to protect any personally identifiable information.</p> <p>Board Member Bracken stated that the biggest network threat in any organization is the employees, not limited to the uneducated employees. He would like the policy to emphasize this risk and the importance of regular employee training.</p> <p>Pam responded that she will add that to the policy as well as the SOP we have started in regards to training.</p>	<p>Motion to approve with direction regarding emphasis on employee training: Board Member Bracken, seconded by: Board Member Newton</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved April 27, 2015</p>
<p>3.9 Set a date for a Rocky Mountain Recycling Center Tour</p>	<p>Board Member Bracken suggested that the Board take a tour at Rocky Mountain Recycling to help increase their knowledge about our current recycling process.</p>		

	Whitney will confirm with Rocky Mountain and send a calendar invitation to the Board Members for 4:00 p.m. on May 18 th .		
5. Requested Items for Next Meeting on Monday, May 18, 2015			
	<ul style="list-style-type: none"> • Resolution 4367 to adopt new fees associated with curbside glass subscription program • Resolution 4368 of acceptance and expenditure of CNG grant • Policy for Procurement Section of WFWRD Manual Related to Protests • Murray City Analysis for possible RFP Process 		
ADJOURN		Motion to adjourn: Board Member Bradley seconded by Board Member Bracken Vote: All in favor (of Board Members present)	Approved April 27, 2015