

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

DATE/TIME	LOCATION	ATTENDEES
<p>June 22, 2015 6:00 p.m.</p> <hr/> <p>Next Board Meeting August 24, 2015 9:00 a.m.</p>	<p>Public Works Building 604 W 6960 S Midvale, UT 84047</p>	<p><u>Board Members:</u> Dama Barbour, Scott Bracken, Aimee Newton, Jenny Wilson, Coralee Moser, Patrick Leary, EXCUSED: Jim Brass, Jim Bradley, Sabrina Petersen</p> <p><u>District Staff:</u> Pam Roberts, Gaylyn Larsen, Stuart Palmer, Whitney Mecham, Rachel Anderson, Craig Adams,</p> <p><u>Public:</u> Dwayne Woolley, Adam Gardiner</p>

AGENDA

- Call to Order:** Dama Barbour, Board Chair
- 1. Consent Items: (Approval Requested)**
 - 1.1. May 18, 2015 Board Meeting Minutes
 - 2. Meeting Open for Public Comments:** (Comments are limited to 3 minutes)
 - 3. Business Items**
 - 3.1. Report from Zions Wealth Advisory, Greg Aiken & Scott Burnett, Zions Wealth Advisors (**Informational/Discussion**)
 - 3.2. More Information from Staff on OPEB, Pam Roberts and Gaylyn Larsen (**Informational/Discussion**)
 - 3.3. Community Preservation Update and Possible Impact on District Boundaries, Pam Roberts & Mark Anderson (**Informational/Discussion**)
 - 3.4. Murray City Update, Pam Roberts (**Informational**)
 - 3.5. Subscription Glass Collection Program Update, Lorna Vogt (**Informational**)
 - 3.6. Cancellation of July 27, 2015 ACB Meeting, Pam Roberts (**Informational**)
 - 3.7. 2nd QTR Financial Report will be Posted to the State’s Website in July, Pam Roberts (**Informational**)

4. Requested Items for the August 24th Meeting

- Review the 2nd QTR Financial Report
- 2nd QTR Performance Measures Report
- First Review of Proposed Resource Requests for the 2016 Budget
- Resolution for Risk Management through the Utah Local Governments Trust

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1.Consent Items (Approval Requested)			
1.1. May 18, 2015 Board Meeting Minutes		Motion to approve by: Board Member Newton seconded by: Board Member Leary Vote: All in favor (of Board Members present)	Approved June 22, 2015
2. Meeting Open for Public Comments (Comments are limited to 3 minutes)			
	No public comments.		
3. Business Items			
3.1. Report from Zions Wealth Advisory, Greg Aiken & Scott Burnett (Informational/Discussion)	<p>Scott Burnett is the Director of Fixed Income and Greg Aiken is a Senior Wealth Advisor for Zions Wealth Advisory. They have been working with WFWRD since November 2014 and brought a PTIF Comparison Report for the Board to review. The report stated that in May the PTIF was yielding just over 50 basis points and the WFWRD account including Zions fees was yielding 1.15%. Greg stated that Zions is meeting the expectations to double what the Utah state PTIF pool is yielding. From utilizing this account, the District has earned an additional \$27,000 of interest that would not have been earned if the money was kept in the current PTIF pool.</p> <p>Scott Burnett reported that from a recent FED meeting that expectations are that interest rates will rise this year with 2 adjustments to the FED rates. The anticipation is that those adjustments will take place in the market in September and December. As those interest rates increase, they expect to see a higher yield rate for the WFWRD portfolio and a flattening of the yield curve. The forecast for next year includes several more interest rate rises. We are currently on course.</p> <p>Board Chair Barbour stated that this report was thoroughly reviewed in the pre-board meeting and she</p>		

<p>3.2. More Information from Staff on OPEB, Pam Roberts & Gaylyn Larsen (Informational/Discussion)</p>	<p>was very pleased with it. Scott stated that the spread will narrow depending on the shape of the yield curve, but Zions will continue to try to double the PTIF yield.</p> <p>Gaylyn stated that the last time the Board discussed OPEB, the Board requested more demographics. Employees hired before January 1, 2013 include 3 employees that have reached the state retirement qualification, 3 that will reach it in the next 5 years, 3 that will reach it 5 years after that, then 16, 16, and 18.</p> <p>We currently have 5 retirees using our OPEB under the age of 65 and 9 retirees over 65 who are in the Medicare supplement. We have 9 retirees in the dental plan. Most of the retirees over 65 have a discounted dental in their Medicare supplement.</p> <p>When we did the Nyhart study in 2013 they said that their 1st recommended number is \$1.8 million <u>for our OPEB liability</u>. We currently have \$640,000 in the fund. When we put the \$96,000 in for this year, we will be up to \$730,000 so we will have the OPEB covered at about 40% at that point.</p> <p>We will be conducting another Nyhart study in 2016.</p>		
<p>3.3 Community Preservation Update and Possible Impact on District Boundaries, Pam Roberts & Mark Anderson (Informational/Discussion)</p>	<p>Pam Roberts stated that the map included in the packet illustrates what areas have been annexed by Sandy City and where WFWRD boundaries are located. Anything annexed by Sandy is still within WFWRD borders with the exception of 30 homes on Bell’s Canyon Road released from the District in 2010. Residents had chosen via survey that they would like to be de-annexed and at that time, the Board made the decision upon the will of the majority of the residents.</p> <p>On the map, anything in dark purple has been annexed by Sandy City, which thus far is 651 homes within the District, not including the 30 homes in Bells Canyon that were previously de-annexed from the District. The vote</p>		

in November will allow residents in the unincorporated areas to vote on whether or not they would like to annex into a city, which at this time the County Council has specified either Sandy City or Cottonwood Heights.

Board Member Wilson stated that a prevailing comment at the last public hearing was that the residents of Willow Creek did not want to be split between Cottonwood Heights and Sandy and would like to be kept together, no matter what city they would annex into.

Board Member Newton stated that most of the areas make sense but that Willow Creeks' is a little more difficult.

Pam stated the she and Board Chair Barbour met with Sandy administrative staff Corbin Lee and John Hiskey to look at our service area map and see what their intent is in the future. It was clear that their hope is that the residents will want to annex into Sandy. The City would then want to de-annex the areas out of the District, which has the potential of affecting our efficiencies.

Board Member Bracken asked how wide of an area do we service daily. Pam answered that the entire area under dispute is serviced on Wednesdays along with Cottonwood Heights. Board Member Bracken then asked how many homes a route covers. Pam answered that a route is usually 500 homes. Each driver runs the same route twice a day, once for recycling and then for garbage.

Board Chair Barbour stated that the moment we start de-annexing we set a precedent. That would result in the possibility of other cities wanting to go out to bid and de-annex from the District. Our model will fall if we let areas de-annex and will result in a fee increase for District residents.

Board Member Newton asked if we know what our net loss will be if Sandy de-annexes these islands excluding White City. Pam stated that she will come back with those numbers at the August meeting.

Pam stated that she addresses this issue from an operational standpoint and understands that the Board members address it from a public policy standpoint, but she will stand by whatever decision the Board decides to make. The County Council however has the authority to make the final decision on whether an area can be de-annexed out of the District.

Board Member Newton stated that if these areas go to Sandy and those residents want to de-annex out of the District, she will vote as a member of the County Council for the de-annexation. She feels like self-determination is important and if we really are the best option, then that will play out accordingly.

Board Member Bracken asked what the current growth rate is in the southwest portion of the District. Board Member Moser answered that it varies from year to year. Pam stated that for our services, it is usually 500-600 new homes.

Board Member Moser stated that we need to make sure the residents have the choice by providing them a cost comparison to educate them. She also stated that she would like WFWRD staff to generate a recommendation if there are portions of these areas that we really would be better off not servicing due to efficiencies. In regards to what Board Chair Barbour stated about setting a precedent, she thinks that there is a risk with that but since the ballot vote this year is extraordinary and might not repeat itself, that we could get by as explaining this as a onetime occurrence for the islands. We could also present data pertaining to the loss of the islands compared to the amount of time to recoup that revenue

<p>3.4. Murray City Update, Pam Roberts (Informational)</p>	<p>through growth elsewhere within the District.</p> <p>Board Member Bracken agreed with Board Member Moser about framing this as a onetime exception in regards to the de-annexation.</p> <p>Board Member Wilson stated that if the Board wanted to take a stance on the issue about a specific area before the November vote, Board Members Wilson, Newton and Bradley could abstain.</p> <p>Board Chair Barbour stated that the discussion on this issue has been great and more information is needed. She also stated that each Board member’s opinion is respected and we will go forward after the next meeting when we have more information.</p> <p>Pam followed the Board’s direction and reached out to Doug Hill and Mayor Eyre of Murray city in late June. To review, at the last Board meeting, we decided that to submit an RFP, or respond to a contract does not fit within our business model and actually drives up costs. We cannot be competitive because of the startup costs in capital. So to fit within our business model, we decided to talk to the city about the possibility of annexing into the District. The Mayor and Doug Hill are currently waiting for Jim Brass to return to speak with him about the issue and then Pam will hear back from them. Also, none of the cities belonging to Trans-Jordan are actually required to take their waste there. So if Murray wanted to look into a different way to manage their sanitation, they could take it to the Salt Lake Valley transfer station to reduce costs for the hauler. The other option is that if Murray shifted the amount of waste going to Trans-Jordan, with the growth of the southwest, it could help Trans-Jordan in the long run. One thing to note is that if we were not required to dump at Trans-Jordan that would significantly lower our costs of servicing the</p>	<p>The board directed the staff to bring back more information at the August meeting.</p>	
--	---	---	--

remainder of Murray city from \$2.1 million to \$1.5 million in capital startup costs and would reduce the amount of travel time and operational costs by \$350,000 per year.

Dwayne Woolley stated that the rates at Trans-Jordan are less than the rate of the transfer station. Cities that belong to Trans-Jordan are Draper, Murray, Sandy, West Jordan, Riverton, Midvale and South Jordan.

Pam stated that Trans-Jordan did just approve a fee increase of \$1 per ton beginning July 1, 2015.

Board Member Wilson asked about the long term viability of boundaries. For the longer term possibilities, we need to be open to invest to expand.

Pam stated that since we are fee based, the startup cost of taking on new areas is our challenge. If we were to take on the remainder of Murray, their cost would have been \$16 per month under a contract because of the capital costs.

Board Member Wilson asked if the same model would be applied if a smaller municipality approached us wanting to become a part of the District or is just by a case by case basis that we decide?

Pam stated that it would really depend on the capital costs and the ability to use the existing economies of scale. Lorna stated that it does depend on if it was a contract, or if they became part of the District and we could absorb the cost of the equipment.

Board Member Wilson stated that we can table the discussion and resume it at the beginning of next year regarding long term and what the future looks like for the District.

3.5. Subscription Glass Collection Program Update, Lorna Vogt **(Informational)**

Lorna provided an update on the curbside glass recycling program. Momentum Recycling will be picking up the first glass cans in the District on August 3rd. Kudos to Whitney for designing the flyer and the website. Momentum will be our contractor to pick up the glass but we are working closely with them to brand it as a WFWRD project and program. Our names are on the cans, the canvassers will have Contractor badges, and we are coordinating with the County for media rollout since the first areas are in the County Townships. We are working through operational aspects until the beginning of August and then we will immediately begin working on expanding the program through Olympus Cove, Holladay and Cottonwood Heights.

Board Member Leary asked if we will remove the glass drop off sites if the program is extremely popular. Pam said that is a possibility in the future.

3.6. Cancellation of July 27, 2015 ACB Meeting, Pam Roberts **(Informational)**

The Board decided to cancel the July 27, 2015 ACB meeting.

3.7. 2nd QTR Financial Report will be posted to the State's Website in July, Pam Roberts **(Informational)**

Pam stated that to comply with regulation, we have to post the 2nd quarter financial report and since we are not meeting in July, Stuart will send it via email to the Board members to review as well as posting it on the State's Public Notice website. It will also be available at the August meeting.

5. Requested Items for Next Meeting on Monday, August 24th, 2015			
	<ul style="list-style-type: none"> • Review the 2nd QTR Financial Report • 2nd QTR Performance Measures Report • First review of proposed resource requests for the 2016 budget • Resolution for Risk Management through the Utah Local Governments • Continued discussion and information about southeast island boundaries 		
ADJOURN		Motion to adjourn: Board Member Bracken seconded by Board Member Moser Vote: All in favor (of Board Members present)	Approved June 22, 2015