

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

DATE/TIME	LOCATION	ATTENDEES
February 22, 2016 9:00 a.m. <hr/> Next Board Meeting March 28, 2016 9:00 a.m.	Public Works Building 604 W 6960 S Midvale, UT 84047	<u>Board Members:</u> Dama Barbour, Scott Bracken, Jim Bradley, Steve Gunn, Kristin Nicholl, Craig Tischner EXCUSED: Jim Brass, Aimee Newton, Jenny Wilson <u>District Staff:</u> Anthony Adams, Craig Adams, Mike Allan, Mark Anderson, Rachel Anderson, Larry Chipman, Bill Hobbs, Gaylyn Larsen, Stuart Palmer, Pam Roberts, Ken Simin <u>Public:</u> Doug Folsom

AGENDA

Call to Order: Jim Brass, Board Chair

1. Introduction of New Board Members

1.1. Oath of Office for New Board Members, Anthony Adams

2. Consent Items: (Approval Requested)

2.1. January 25, 2015 Board Meeting Minutes

2.2. Conflict of Interest Disclosures

3. Meeting Open for Public Comments: (Comments are limited to 3 minutes)

4. Business Items

4.1. Nominate and Elect a New Board Vice Chair (**Motion & Approval Requested**)

4.2. Utah Local Governments Trust, TAP Program, Doug Folsom (**Informational**)

4.3. Approve the Public Employees’ Health Program (PEHP) 2016 Renewal Agreement, Gaylyn Larsen (**Approval Requested**)

- 4.4. Approve the Renewal Agreement with International City Management Association-Retirement Corp. (ICMA-RC) for Employee 401 (A) Retirement Accounts, Gaylyn Larsen (**Approval Requested**)
- 4.5. Possible Administrative Control Board Composition in 2017 Resulting from the Metro Township and Millcreek City Incorporations, Mark Anderson (**Informational**)
- 4.6. Possible Amendment to the Salt Lake County Resolution 4670 Creating WFWRD, Special Requirements for Fee Increases, Pam Roberts & Mark Anderson (**Discussion/Direction Requested**)
- 4.7. Follow-up on Fee Increase History, Stuart Palmer (**Informational**)
- 4.8. Policy Discussion Related to Residential Fees, Pam Roberts (**Information/Direction Requested**)
- Cost Accounting
 - Cash Fund Balance Review with possible fee scenarios
 - Municipal Service Fee Comparisons
- 4.9. 2015 Performance Measures and 2016 Goals, Mike Allan (**Informational**)
- 5. Requested Items for the Next Board Meeting on March 28, 2016 Meeting**
- Continued Policy Discussion on Residential Fees if needed
 - Review Policy for Early Retiree Health Insurance

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1. Introduction of New Board Members			
1.1 Oath of Office for New Board Members, Anthony Adams	Dama Barbour chaired the first portion of the board meeting due to the absence of Board Chair Brass.	Oath of Office for Kris Nicholl and Craig Tischner administered by Board Clerk Anthony Adams	
2. Consent Items			
2.1 January 25, 2016 Board Meeting Minutes (Approval Requested) 2.2 Conflict of Interest Disclosures (Approval Requested)	Dama Barbour indicated that there was a correction of the time of the January 25 Board Meeting from 6:00 pm to 9:00 am. A listing of updated disclosures was shown. These approvals were included in the motion to approve the Board Meeting Minutes.	Motion to approve, as amended by: Board Member Nicholl Seconded by: Board Member Bracken Vote: All in favor (of Board Members present)	Approved February 22, 2016
3. Meeting Open for Public Comments	(Comments are limited to 3 minutes)		
	No public comments.		
4. Business Items			
4.1. Nominate and Elect a New Board Vice Chair (Motion & Approval Requested) 4.2. Utah Local Governments Trust, Trust Accountability Program (TAP) Program, Doug Folsom (Informational)	Two nominations for Vice Chair were received: Craig Tischner and Steve Gunn. Board Members Bracken and Barbour shared their experiences while serving as Board Vice Chair/Chair. Pam Roberts briefly reviewed the time commitments involved with this position. After brief discussion, Member Gunn voiced his support of Member Tischner to be approved as Vice Chair. Vice Chair Tischner took over conducting the Board Meeting at this time. Doug Folsom, Loss Control Consultant from the Utah Local Governments Trust, presented a Trust Accountability Program (TAP) Award. This award was given due to the loss prevention	Motion to approve by: Board Member Bradley Seconded by: Board Member Bracken Vote: All in favor (of Board Members present)	Approved February 22, 2016

<p>4.3. Approve the Public Employees' Health Program (PEHP) 2016 Renewal Agreement, Gaylyn Larsen (Approval Requested)</p>	<p>best practices programs implemented by Wasatch Front Waste & Recycling District (WFWRD). This is the second year that WFWRD has received this award. Pam Roberts, Executive Director; Mike Allan, Deputy Director of Operations; Larry Chipman, Safety Committee Chair; and Bill Hobbs, Program Manager accepted the award.</p> <p>Gaylyn Larsen explained that WFWRD has been with PEHP for three years and is now a vested Member, and this is just a contract renewal. Board Member Bracken inquired about the financial impact on the rates. Gaylyn replied that our rates went up 7.6% for the same plan.</p> <p>Board Member Gunn asked if there were any differences in past contracts. Gaylyn answered that the only difference is that PEHP Health Insurance is no longer offered as part of the URS Long-Term Disability Plan.</p> <p>Board Member Gunn noticed that elected officials are eligible for this plan and asked for confirmation if that meant Board Members could participate. Gaylyn stated that she would confirm that information with PEHP to see if Board Members would be considered employees under their definitions.</p>	<p>Motion to approve by: Board Member Barbour Seconded by: Board Member Bracken</p> <p>Vote: All in favor (of Board Members present)</p> <p>Gaylyn will confirm with PEHP whether Board Members qualify to participate in this program.</p>	<p>Approved February 22, 2016</p>
<p>4.4. Approve the Renewal Agreement with International City Management Association-Retirement Corp. (ICMA-RC) for Employee 401(A) Retirement Accounts, Gaylyn Larsen (Approval Requested)</p>	<p>Gaylyn explained that as an IRS requirement, we re-sign our agreement with ICMA-RC this year. In the three years that WFWRD has been with ICMA-RC, we have \$1.25 million invested under our employees' names. The distribution is conservative with 10% in cash and annuity accounts, 10% in bonds, 50% in balanced funds,</p>	<p>Motion to approve by: Board Member Bracken Seconded by: Board Member Nicholl</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved February 22, 2016</p>

20% in stocks, and 10% in international stocks. The only difference in this new agreement is allowance of veterans to tap into their 401(k) accounts.

Board Member Bradley inquired about the program's return on investment for employees compared to other options. Gaylyn answered that it is a little higher than the Utah Retirement System but is unsure about the difference with Social Security. Gaylyn was, however, able to provide published statistics from Time Magazine and Social Security Advisors stating that those investing in Social Security do not get the full amount invested. She added that employee feedback is very positive by participating in the ICMA-RC program rather than in Social Security.

Board Member Barbour asked about veterans being able to access their accounts because the original intent is that employees could not access these funds prematurely. Gaylyn stated that Federal rules trump our policies. She added that although we may have veterans among our ranks, no one is currently on active duty.

Board Member Bracken asked if we should create a policy for employees to meet with financial counselors so that employees can be educated in making the best financial retirement decisions. Gaylyn answered that a certified financial planner from ICMA-RC would be conducting a workshop on March 23rd for all employees and is willing to conduct individual meetings with employees.

4.5 Possible Administrative Control Board Composition in 2017 Resulting from the Metro Township and Millcreek City Incorporations, Mark Anderson (Informational)

Mark Anderson stated that the County Resolution creating WFWRD provided for an initial number of nine board members with four members from the County and five from the participating municipalities. The definition of “municipality” was never clarified, but the new classification of Metro Township under State Statute is legally considered a municipality, and these newly created local Metro Townships, from the 2015 election, have legal right to participate as members of this Board in 2017. Concerns have been voiced regarding the municipalities that have less households or population than others and question their right to sit on the board, but they are considered a municipality and have that right. A following concern was then raised about the size of the Administrative Control Board.

Board Member Barbour asked what the Metro Townships’ governments would look like. Mark replied that they will have a five-member council. The chair of that council will act in similar authority that a mayor would act in an incorporated city. However, their municipal services will be provided by the County through the Municipal Services District.

Board Member Nicholl inquired about the populations of White City and Copperton. Pam Roberts answered that there are just over 1,800 households in White City and 286 in Copperton, and clarified that the Resolution is written by identifying households rather than population, which fits for our services. She also added that Millcreek City will have 15,752 homes, and that would be the largest city that WFWRD will service, outnumbering Taylorsville with 13,700.

Pam Roberts stated that her desire is to have all municipalities have representation on the Board, but she also respects the decision of the Board and ultimately the County Council. Pam added that having more voices on the Board from residents who receive our services, especially the outlying areas of Emigration and Copperton, is helpful; and each of the community councils have expressed interest in having representatives on our board in the future.

Mark indicated that one possibility that could be adopted by the County Council is that County representation on this Board would be reduced to either one or two representatives, to keep an odd number of Board members. Board Member Bradley concurred that this option would be one taken under consideration by the County Council. Mark clarified that there are six new municipalities being organized. This could increase the board size to 13.

Board Member Barbour inquired as to if the new Metro Townships will have taxing authority. Mark clarified that they do not have direct authority and that taxing is still handled by the County.

Board Member Bracken asked if joint representation was an option for the smaller municipalities. Mark indicated that there was no ambiguity in this matter and that each township is considered its own municipality.

Board Member Barbour asked if the Metro Townships will have zoning and ordinance authority. Mark confirmed that Metro Townships will have zoning and ordinance authority, independent of the County. Board

Member Barbour followed up by asking if the Metro Townships will be able to sign contracts. Mark indicated that they would, but that most of them will be done indirectly through the Municipal Services District. This arrangement is currently a 'one size fits all' set up based on the current services being provided by the County, but is available for customization to fit the needs of the Metro Townships. Mark also reviewed the differences between Special Service Districts and Local Districts.

Board Member Bradley commented that this Board should periodically review the possibility of joining the Municipal Services District.

Pam clarified that direction is sought from Board Members, and to take that direction back to the County Council and their legal counsel to allow all the municipalities to participate on this Board. Board Member Bracken requested at least one month to consider all the information. Mark agreed to discuss this topic further at next month's Board Meeting.

Board Member Nicholl requested a copy of the Metro Township Act for review. Mark indicated that he could provide that information.

Board Member Gunn asked if it is state statute for all municipalities to participate on the Board. Mark indicated that he believes that this is the spirit of the statute, but there is no specific verbiage for this instance because this situation was never anticipated when the statute was created. However, historical precedence, such as with the incorporations of Herriman, Holladay, Taylorsville, etc., has been set. Nevertheless, this will ultimately be the County's decision.

Staff will provide a copy of the Metro Township Act to Board Members.

<p>4.6. Possible Amendment to the Salt Lake County Resolution 4670 Creating WFWRD, Special Requirements for Fee Increases, Pam Roberts & Mark Anderson (Discussion/Direction Requested)</p>	<p>Board Member Bracken asked if we were to do a fee increase, if all the municipalities must unanimously approve that fee increase. With this question, Mark requested that the Board advance to Agenda Item 4.6.</p> <p>Mark informed the Board that the current resolution provides that any increase to the service charge must be approved by the Administrative Control Board and a majority of the governing bodies that have Board representation. There was discussion as to the definition of “service charge”, but it was decided that this applies to the base fee of services and not to ancillary subscription service fees. Mark suggested that it be recommended to the County Council that in a future amendment to this Resolution that “service charges” be defined, for clarification.</p> <p>An additional question presented to the Board was what processes should be followed in regards to a fee increase for services, and if we need to approach each municipality and present for their approval, or is their representation on this Administrative Control Board sufficient?</p> <p>Board Member Bracken asked for clarification on if it is a majority of the governing bodies, or unanimous. Mark stated that the resolution states it is a majority of the governing bodies.</p> <p>Board Member Bradley clarified the reasons of the current fee increase procedures established by the County. This is to provide more transparency to the public and provide additional opportunities for the public to</p>	<p>Staff will provide a draft of the current resolution with recommended changes with the thought to be effective January 2017.</p>	
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comment in a Public Hearing forum. The problem will be that with 13 municipalities, it could take a lot of time to visit each municipality's council to seek that approval. It was suggested to see if this could be acceptable to obtain this through a letter versus the current requirement of an adopted resolution. However, visiting each municipality and having their support provides protection for the District.

Additionally, Mark inquired as to the desire for a resolution to allow WFWRD to provide services outside the District's geographical boundaries, with the approval of the Board. Pam indicated that WFWRD does currently provide recycling collection services to the town of Alta through an Interlocal Agreement, suggesting that this is a resolution that should be proposed.

Board Vice Chair Tischner voiced his concern about having a fee increase at the same time additional municipalities would be represented on the Board, and indicated that it would be very important to ensure that we adequately describe where the funds are distributed and why the fee increase is needed. Pam confirmed that a line item detail of our budget is reviewed during Board Meetings to explain the need for any fee increase. Mark added that this topic strengthens the benefit for all of the Metro Townships serving on our board.

Mark asked the Board if they want to be involved in the steps of creating this resolution, or if they want to review it after it has been crafted and before it is presented to the County Council. Board Members Gunn and Bracken stated that the details should be reviewed by Pam, legal counsel, and the Board's Chair and

<p>4.7. Follow-up on Fee Increase History, Stuart Palmer (Informational)</p>	<p>Vice Chair. It can then be brought to the Board for review once it is finalized.</p> <p>Stuart Palmer provided and explained additional scenarios of assessing fee increases on an annual basis. He took two primary factors into consideration: sustainable cash flow for the organization, and financial impact to the residents. Pam overviewed a brief history of previous rate increases.</p> <p>Board Member Gunn asked how we could anticipate unknown expenses to match annual fee increases. Stuart’s historical analysis shows that the annual increase of \$.32 per month increase did sustain the increase in service in 2012 and the large increased expenditures that hit in 2013 for the loss of revenues and increased fees to the District.</p> <p>Pam described that there were financial trigger points established by the Board that would indicate when a fee increase should be implemented to maintain adequate cash flow.</p> <p>Board Member Bracken asked for confirmation that the delayed \$4 million that is in Accounts Receivable is due to billing during the second month of each quarter. Stuart confirmed this as accurate.</p> <p>Pam requested that the Board continue to think about these scenarios, and that she will seek direction at next month’s Board Meeting. She added that the 2015 customer satisfaction survey indicated that billing satisfaction went from 88% in 2014 to 92.7% satisfaction.</p>		
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<p>4.8. Policy Discussion Related to Residential Fees, Pam Roberts (Informational/ Direction Requested)</p> <p>4.9. Performance Measures and 2016 Goals, Mike Allen (Informational)</p>	<p>Pam requested that continued discussion of Agenda Item 4.6, as well as Agenda Items 4.8 and 4.9 be tabled to the next Board Meeting on March 25th. Vice Chair Tischner accepted that request.</p>		
<p>5. Requested Items for Next Meeting on Monday, March 28, 2016</p>	<ul style="list-style-type: none"> • Continued Discussion on the Amendment to the Salt Lake County Resolution 4670 Creating WFWRD, Special Requirements for Fee Increases. • Continued Discussion on the Policy Related to Residential Fees. • 2015 Performance Measures and 2016 Goals. • Review Policy for Early Retiree Health Insurance. 		
<p>ADJOURN</p>		<p>Motion to adjourn: Board Member Gunn seconded by Board Member Bracken</p> <p>Vote: All in favor (of Board Members present)</p>	