## Monthly Meeting Minutes

**Approved at the October 28, 2013 Board Meeting**

<table>
<thead>
<tr>
<th>Date/Time</th>
<th>Location</th>
<th>Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 23, 2013 8:30 AM – 10:30 AM</td>
<td>604 W 6960 S Training Room</td>
<td>Board Members: Chair-Coralee Wessman-Moser, Vice-Chair Sabrina Petersen, Sam Granato, Patrick Leary, Scott Bracken, and Richard Snelgrove  Absent: Dama Barbour, David Wilde, Jim Brass</td>
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<td></td>
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<td>Public: LeGrand Bitter (UASD), Mark A. Anderson (UASD), Frank Nakamura (Murray City), Doug Hill (Murray City), Leslie Reberg (SLCO)</td>
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## Agenda

1. Consent Items: *(Approval Requested)*
   - **1.1** August 26, 2013 Board Meeting Minutes

2. Approval Requested: Executive Director’s Recommendations
   - **2.1.** 2014 Other Post Employment Benefits (OPEB), Pam Roberts and Gaylyn Larsen
   - **2.2.** Equipment Operator & Lead Equipment Operator Salary Equalization to be effective October 1, 2013, Pam Roberts and Gaylyn Larsen
   - **2.3.** Risk Management through the Local Governments Trust, Ryan Hatch & Greg Baumgartner, Member Services, Utah Local Governments Trust
   - **2.4.** Policy allowing executive staff to approve and refund customers who overpay annual fees, Pam Roberts and Gavin Andersen

3. Direction Requested:
   - **3.1** Discussion on Special Districts versus Local Districts, LeGrand Bitter, Executive Director and Mark Anderson, Legal Counsel UASD
   - **3.2** Proposed 2014 Budget, Pam Roberts and Stuart Palmer
   - **3.3** Residential Service Fee Increase Scenarios, Pam Roberts and Stuart Palmer

4. Informational Items:
   - **4.1.** Follow up on the Calendar for Municipal Contracts, Pam Roberts

5. Requested items for the next Board Meeting, Monday, October 28, 2013 8:30 a.m.
   - Town of Alta’s Waste Management Proposal, Guests from the Town of Alta
   - 2014 Billing and Collections Plan
   - Recommendations for Admin and Bank Fees

<table>
<thead>
<tr>
<th>Topics/Objectives</th>
<th>Key Points/Decisions</th>
<th>Action Items</th>
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1.1 Approve Meeting Minutes
The Board Meeting was called to order with a quorum in attendance. The Minutes from the Board Meeting on August 26, 2013 were presented and a motion was made to approve them.

Motion: by Vice Chair Petersen, seconded by Board Member Granato, to approve the Minutes from the August 26, 2013, meeting. Vote: Unanimous (of Board Members present)

Approved September 23, 2013

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<tr>
<th>2. Approval Requested: Executive Director’s Recommendations</th>
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<td>2.1 2014 Other Post-Employment Benefits (OPEB), Pam Roberts and Gaylyn Larsen</td>
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Per the Board’s request at last month’s meeting, Gaylyn gave a status briefing on Other Post Employment Benefits (OPEB). She noted we need to develop our own OPEB liability cost projection. Per Salt Lake County (SLCo), the District’s portion of OPEB is 2.1 million; we contributed $90,000 to the county’s OPEB and we have a balance of $440,000 that we brought to District funds. We currently have 64 eligible employees counted in our OPEB, and we recently lost 7 operators. Chair Wessman-Moser noted that each year the number will shrink if there is turnover. Gaylyn provided a list of recommendation/considerations to include:

- Recommend continuing the pay as you go method for this year and 2014. Gaylyn will develop strategies to reduce OPEB liabilities.
- Since there are less than 100 people on our insurance plan we don’t need to hire an actuary, but can hire an accountant to do our OPEB statements, and only have to prepare a new report every 3 years instead of every 2 years like larger government employers.
- Consider following trends of large employers regarding purchasing insurance through the individual marketplace, decrease deductibles and copayments for retirees, cut back on scope of coverage, create a Trust for OPEB funds, send funding into Health Retirement Account, etc.

Chair Wessman-Moser and Board Member Bracken asked questions regarding the hiring of an accountant. Board Member Snelgrove asked if we can analyze how we compare to other companies (like ACE) as we move forward. Gaylyn: she will explore that, but they may not be forthcoming with information. Chair Wessman-Moser: this will probably be covered when we do our study in 2014. Gaylyn believes the OPEB offerings are an employee retention piece for us. Board Member Bracken identified there may be some employees that want to see the OPEB benefit, but others may not necessarily want it depending on the position they hold.

Motion: by Board Member Bracken, seconded by Vice Chair Petersen to approve the OPEB recommendations presented. Vote: Unanimous (of Board Members present)

To be presented at the October Board Meeting:
- Gaylyn to provide information if possible about how our OPEB benefit compares to other sanitation companies.

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Pam reported that since the rollout of the District’s Compensation Plan in July the market for equipment operators and lead operators increased. In the last nine months, seven employees in these positions have left the District. Gaylyn presented the District’s recommendation. As she has recruited, she became aware that the current market rate for drivers is $19.03 per hour. SLCo compressed all of their Grade 18 positions to Grade 20. Per the salary range for operators, we are behind 3.5%, and for lead operators, our salary is behind 4%. Similar sized employers are at 2% turnover, and we are at 14%. In the employee recruitment process, Gaylyn reported difficulty getting applications in, and some applicants don’t show up to interview. This is due to the lower starting pay. Executive management’s estimated cost due to turnover is over $10,000 per occurrence, and that may be grossly underestimated. It doesn’t include the cost of having managers out on the trucks to fill positions.

Pam noted that the District has many valued employees that are talking about leaving due to pay. Gaylyn highlighted our current pay plan and she showed where we would be moving if Board approved the recommendations. Pam: there are vacancies we would like to recruit for, and our team is already lean; they are ensuring there is as much efficiency as possible. Board Member Snelgrove: some turnover is good since it puts downward pressure on costs. He also stated that there wasn’t a challenge filling the two open customer service positions, and wondered if the Customer Service Reps. are overcompensated. Gaylyn: they are not overcompensated and the pay scale was closely evaluated for the customer service positions (which are in line with the pay range of other companies).

Board Member Snelgrove asked what the skill level is for our customer service reps; Pam stated that they need to be skilled with various computer systems, learning new databases, billing, and customer service. Board Member Bracken hopes that if the market adjustment is approved, the Board is not presented with more adjustment requests in the near future. Pam agreed, and clarified how hard executive management worked on the initial compensation plan, but it was outdated by the time it rolled out (due to an unknown upswing in the industry and the economy in general). Board Member Snelgrove asked about the equipment operator position requirements. Gaylyn: a CDL with class B, and two years of experience is necessary because we have technical

Motion: by Vice Chair Petersen, seconded by Board Member Bracken to approve the recommended salary equalization for Equipment Operators and Leads. Vote: 5 For, 1 Against (Board Member Snelgrove)
### 2.3 Risk Management through the Local Governments Trust, Ryan Hatch & Greg Baumgartner, Member Services, Utah Local Governments Trust

Pam introduced Ryan Hatch and Greg Baumgartner from Utah Local Governments Trust. They provided a briefing about their risk management firm. The Trust has 560 members, and they are the only risk management firm that covers districts. Their Board is made up of members. Ryan noted that a lot of people want to know how their insurance costs can be decreased. It is common for the Trust to give monetary compensation to those members with no claims; they also work to provide low premiums. The Trust provides online and in-person training, much of which is aimed at directors (75 regional trainings per month). They also have an app called My Trust, which can be used to monitor risk and send reports. If the District is covered by the Trust, all the open claims would carry over. Pam: Gaylyn will work with Jeff Rowley at SLCo to try and close as many open claims as possible. Right now our payroll manager spends time managing claims, and that is something the Trust would manage. Board Member Bracken asked how much we paid to be self-insured. Gaylyn: SLCo handled workers comp claims, AON offered the other insurance coverage. Stuart: the District pays SLCo $20,000 to handle claims. The Trust offers a premium guarantee on liability coverage. We have budgeted $340,000 for this coverage, and we would pay $291,699 with the new program.

**Motion:** by Board Member Snelgrove, **seconded** by Board Member Granato to approve new insurance coverage with the Local Governments Trust (effective January 1, 2014). **Vote:** Unanimous (of Board Members present)

### 2.4 Policy allowing executive staff to approve and refund customers who overpay annual fees, Pam Roberts and Gavin Anderson

Pam briefly explained how the recommendation would speed up the refund process for customers who have overpaid, and the authority to approve the refunds would not go beyond state statute requirements.

**Motion:** by Board Member Snelgrove, **seconded** by Board Member Granato to allow executive staff to process refunds for customers who have overpaid. **Vote:** Unanimous (of Board Members present)

### 3. Direction Requested
### 3.1 Discussion on Special Districts versus Local Districts, LeGrand Bitter, Executive Director and Mark Anderson, Legal Counsel UASD

Pam introduced LeGrand Bitter and Mark Anderson from UASD. LeGrand explained the current legislation as it relates to special service districts (SSD) and local districts (LD) because there has been some confusion between the two. Wasatch Front Waste is a SSD. Mark: explained how the SSD came about after the Utah constitution was amended. He provided political background on SSD’s; they are always under the control of the creating county or municipality. Mark noted that if the intention of SLCo when creating the District was to give up “control” then the change to a LD makes sense. He noted there were concerns expressed by SLCo regarding financial liability and oversight for Wasatch Front Waste. If Wasatch Front Waste doesn’t want SLCo to relinquish all control, then it doesn’t make sense to initiate a change to a LD. They are happy to help the District in making whatever decision they want to make as far as becoming a local district or remain a SSD.

Board Chair Wessman-Moser: questioned whether the Board should look into becoming a LD at this time. Board Member Snelgrove: how much would the change cost? LeGrand: the biggest out of pocket cost is to the have survey done. It will also take the time for Pam, legal counsel, and the Board to work on, and that cannot be quantified. As things are now, the county could disband the Administrative Control Board and appoint their own Board. If that is a concern, then it would be worth pursuing. Pam recommended revisiting this consideration next year, unless the Board thinks otherwise.

Gavin Andersen: we need to watch the legislature for a election possible change as that could affect the Board’s decision to move forward. Board Chair Wessman-Moser recommended the discussion be postponed until the county council and CFO can review.

Per Pam’s and the Board’s recommendation, further discussion and a decision whether to pursue become a local district will be postponed until a date yet to be determined.

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### 3.2 Proposed 2014 Budget, Pam Roberts and Stuart Palmer

Pam: The focus of the 2014 budget was to look at the expenditures going forward. The cost of doing business is going up (healthcare, FTE’s, fleet maintenance fees, service growth in District, URS rate increase). She is working with the administrative team to present the Board with a billing process proposal going forward. Of note, the Landfill Council is recommending a $5 per ton increase, as they will see a revenue shortfall as well. She is proposing a $50 charge for a new refuse can, and no charge for a refurbished can. Stuart’s report noted that the District has been netting approximately $109,000 on each truck sold per the current market value of a three year old truck. We are looking at a shortfall of $2 million going into 2014. Revenue is solid, and there is no change from last month’s proposal. Chair Wessman-Moser asked when a decision would be made by

To be presented at the October Board Meeting:

Pam will provide:
- An employee compensation increase history from 2013/2014 for cities, county, districts and private haulers.
- Suggested reductions in expenditures for 2014, including maintenance, carts, truck replacement, landfill cost increase, etc.

2014 Budget items for follow-up at October 28 Board meeting
the landfill council and county councils to approve the increase so we can work with concrete numbers. Pam reported that the discussions should take place in the next couple of months. She and Stuart also reported that second can returns increased exponentially in 2013 – leading to a revenue loss of over $700,000 per year. Pam explained the green waste program, and noted that there will be an estimated 2000 ton decrease in waste going into the landfills, which will reduce the garbage tonnages and hopefully help lower costs.

Doug Hill from Murray City was asked by Jim Brass to present on his behalf. He reported that there is concern about the proposed 2014 budget. Doug believes there are controlled costs that are continuing to escalate related to employee’s wages.

Chair Wessman-Moser requested more clarity on the potential landfill increase, and other unknowns before a decision is made. She asked how long the Board could wait to approve the 2014 budget. Gavin noted that it could be approved as late as December and any fee increase into 2014 if necessary. Pam provided the public meeting date schedule. There needs to be one public hearing and a Board meeting to discuss a fee increase. They can be held the same day.

Board Member Bracken: requested a comparison of compensation for employees from last year. Chair Wessman-Moser suggested staff come back with more information on the unknown expenses. Board Member Snelgrove: concerned about giving a merit/Cost of Living Allowance (COLA) increase. Stuart: operating expenses are 3% in costs (including merit/COLA). The Board requested to see a proposed budget without the proposed 3% COLA/merit increase. Board Member Leary asked about the cost for additional FTE’s and 1 truck. Stuart: Due to an increase in homes and mileage, there is a need for the additional truck and FTE’s.

Chair Wessman-Moser: requested Pam and Stuart provide a compensation history, and the changes above.

3.3 Residential Service Fee Increase Scenarios, Pam Roberts and Stuart Palmer

The majority of the municipalities and county councils need to approve a fee increase for the District before the Board can authorize any increase.
### ROUND TABLE

Board Member Granato asked about the Emigration Canyon container site. Pam: we are working on securing a contract for construction, but a guardrail must be installed prior to construction starting. Patrick: the guardrail process has been sped up as much as possible with SLCo engineering and operations. It will be completed by Winter.

Board Member Snelgrove: asked why the cash on hand wouldn’t go up for 2014 if depreciation is a non-cash expense. Stuart: part of the cash goes down because of purchasing trucks and equipment.

### 4. Informational Items:

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<tr>
<th>4.1 Follow up on the Calendar for Municipal Contracts, Pam Roberts</th>
<th>The calendar is attached to the meeting packet; there was no further discussion at this time on this item.</th>
</tr>
</thead>
</table>

### 5. Requested items for the next Board Meeting

- 2014 Proposed Budget
- Town of Alta’s Waste Management Proposal, Guests from the Town of Alta
- 2014 Billing and Collections Plan
- Recommendations for Admin and Bank Fees

### Adjournment (10:45 am)

Motion to Adjourn Meeting

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