

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

DATE/TIME	LOCATION	ATTENDEES
<p>November 17 , 2014 9:00 a.m.</p> <hr/> <p>Next Board Meeting December 8, 2014 9:00 a.m.</p>	<p>Public Works Building 604 W 6960 S Midvale, UT 84047</p>	<p><u>Board Members:</u> Sabrina Petersen, Dama Barbour, , Patrick Leary, Aimee Newton, Jim Bradley, Sam Granato, Coralee Moser, Jim Brass, PHONE: Scott Bracken</p> <p><u>District Staff:</u> Pam Roberts, Lorna Vogt, Bill Hobbs, Gavin Anderson, Gaylyn Larsen, Whitney Mecham, Stuart Palmer, Craig Adams</p> <p><u>Public:</u> No one from the public attended the meeting.</p>

AGENDA

- 1. Consent Items: (Approval Requested)**
 - 1.1. October 27, 2014 Board Meeting Minutes (pgs. 2-21)
 - 1.2. Abatement/Refund Approval (pg. 22)
- 2. Meeting Open for Public Comments:** (Comments are limited to 3 minutes)
- 3. Agenda Items**
 - 3.1. 2015 Tentative Budget & Fee Schedule-Including Recommended Increase for Trailer Rental and No Monthly Fee Increase, Pam Roberts, Stuart Palmer and Gaylyn Larsen (**Approval Requested**) (pgs. 23-32)
 - 3.2. Review Cash Flow and Fund Balance (**Approval/Direction Requested**) (pg. 33)
 - 3.3. Recommendation to cancel the \$2.00, 2015 Fee Increase, Pam Roberts (**Approval Requested**) (pgs. 34)
 - 3.4. Confirm or change the time of the Public Hearing Currently Scheduled on December 8, 2014 at 6:00 p.m. for the 2015 Budget Adoption, Pam Roberts and Gavin Anderson
 - 3.5. Request for board meeting on December 8, 2014 preceding or following the Public Hearing (**Approval Requested**)
 - 3.6. Recommended Revision to policy 15.1. Service Charges Effecting Big Cottonwood Canyon Residents, Pam Roberts and Gavin Anderson (**Approval/Direction Requested**) (pg. 35)
 - 3.7. Additions to the Procurement Section of the District Policy Manual, Pam Roberts and Gavin Anderson (**Direction/Approval Requested**) (pgs. 36-39)

3.8. Request for a 2014 employee incentive award, Pam Roberts (**Approval Requested**) (pgs. 40-41)

3.9. Area Cleanup Tentative Schedule, Pam Roberts & Lorna Vogt (**Direction Requested**) (pg. 42)

4. Requested Items for the December 8, 2014 Meeting

- Nominations for 2015 Administrative Control Board Vice Chair
- Policy for Mid-Year Budget Review, Gavin Anderson
- Area Cleanup Schedule with Rotation
- 2014 Performance Measure Accomplishments

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1.Consent Items (Approval Requested)			
<p>1.1 October 27, 2014 Board Meeting Minutes</p> <p>1.2 Abatement/Refund Approval</p>	<p>Board Member Moser requested Board Clerk Whitney Mecham attach documents from Fleet’s presentation in October’s meeting minutes.</p> <p>Pam Roberts clarified that the actual abatement is for \$177 to remove the lien from a home that has been vacant since June 2012. Pam noted that we have not had another large abatement since July of this year.</p>	<p>Motion to approve with changes: Board Member Granato seconded by: Board Member Brass</p> <p>Vote: All in favor (of Board Members present)</p> <p>Motion to approve: Board Member Granato, seconded by: Board Member Brass Vote: All in favor (of Board Members present)</p>	<p>Approved November 17, 2014</p> <p>Approved November 17, 2014</p>
2. Meeting Open for Public Comments (Comments are limited to 3 minutes)			
	No comments.		
3. Agenda Items			
<p>3.1. 2015 Tentative Budget & Fee Schedule-Including Recommended Increase for Trailer Rental and No Monthly Fee Increase, Pam Roberts, Stuart Palmer and Gaylyn Larsen (Approval Requested) (pgs. 23-32)</p>	<p>Pam introduced the tentative budget by stating that Stuart will be highlighting any changes we have had since last month’s meeting and the request for the new FTE to accommodate the green and growth.</p> <p>Stuart stated that the biggest change on the budget since the last meeting was our revenue. We just received our contract for recycling and we have realized a 2.5% increase in tonnage and the revenue we will be receiving next year has dropped from \$20 per ton to \$15 per ton due to the world market. There are only 2 providers in the valley and Rocky Mountain is the best financial option.</p> <p>Pam stated that the floor used to be \$10, but has now moved up to \$15 so the minimum we will receive is \$15 per ton. Rocky Mountain anticipates that the prices will increase next year but we are budgeting for what we are being told right now.</p>	<p>Board Member Bradley and Board Member Newton arrived at 9:08 a.m.</p> <p>Board Member Leary arrived at 9:11 a.m.</p>	

Stuart stated that since our last meeting, the Zion's investment has been incorporated into the budget to improve the yield.

Pam stated that we made District history by opening an investment account in the PTIF last week with \$10,000,100. The extra \$100 was incorporated to decrease the fee from 0.15% to 0.125%

Stuart addressed Board Member Bradley's questions from the previous board meeting concerning other fees and revenues and Stuart was informed those are from the RDA, UDOT and sales tax funds which do not apply to special service districts.

Stuart began reviewing the 2015 tentative budget. Revenues will increase by \$150,000 compared to this year's budget.

Personnel: This budget does include a request to hire a new full time equipment operator July 1st to account for green and growth, reducing the \$50,000 that was used as a placeholder for wages due to the classification of our employees. It also includes a 2% COLA effective January 1st and a 2% merit effective on the employee's hire date. Board Chair Petersen asked if the requested amount includes Pam Roberts and Stuart Palmer. Stuart stated yes and Pam followed: If the Board approves the increase.

Stuart addressed a few specific line items:
We hired an FTE this year so we had to reduce the hours for temporary labor for next year.
Reduction of the weeks for area cleanup has also reduced the hours needed for temporary labor.
This tentative budget also includes the new health insurance increase of 4.34%.
The URS does not anticipate another increase for next year.
Overall there will be a little over 2% increase in personnel expenses from this past year.

Operating expenses include fuel, truck maintenance, disposal fees and cart replacement.

Fuel: we are seeing a decrease in fuel costs due to CNG conversion. CNG is about half of diesel costs.

Maintenance costs will increase due to a shop rate increase of \$2.50 per hour. The \$185,583 increase in total maintenance costs includes growth and green.

Three items have increased the disposal fees for next year: debagging from the landfill, \$0.35 per ton increase from the Health Department, and an anticipated 3% growth of waste going to the landfill. We are taking 88% of the waste to the Salt Lake County landfill or transfer station which keeps us within compliance with the inter-local agreement with Salt Lake County.

Cart replacement will increase due to growth and aging of the carts. IT services are anticipated to decrease because we are using less of the county software.

Building rental and shared building costs will be increased due to taking over more office space.

Attorney fees are estimated to be \$40,000 and we just recently went out to bid for services for next year.

Property insurance claims are handled by the Utah Local Governments Trust and we have estimated a 5% premium increase.

Pam stated that we have settled a lot of the leftover claims in 2014 and going into 2015 the claims will be covered by our insurance policy.

Depreciation will be going down due to 4 fewer trucks and changing from 47 months to a 51 months depreciation/rotation schedule for the trucks. We will be reevaluating that on a yearly basis.

The net revenue for 2015 will see an increase of \$458,399.

2015 Capital Expenditures – We have scheduled to replace 13 refuse/recycle side load trucks, 2 front end refuse trucks and 4 light duty trucks totaling a budgeted amount of \$4,424,011.

The net cash flow with capital purchases for 2015 will

be \$2,216,661.

Stuart stated that during our meeting with Board Chair Petersen last week we were asked to look at raising the trailer program fees by \$5.00 for both green waste trailers and bulk waste trailers.

Pam stated that it has been 3 years since the last increase for trailer rentals.

Board Chair Petersen stated that \$5 isn't pushing the fee too high but will help with the increasing costs of operations.

Pam stated that Bill Hobbs, the Trailer Program Manager, has recommended that it is better to raise the fee for the trailer program during a year when we are not raising the base monthly collection fee.

Stuart reviewed the 2015 Residential Fee Schedule in which we are recommending no change for the waste and recycling collection fees. Included in the budget is indigent relief which pertains to customers who qualify for Indigent Relief through the Treasurer's Office can receive a 50% reduction on the initial cart fee only.

There will be no changes to miscellaneous charges or additional fees. Included in these fees are certification which we did this last September for 13,000 of our residents (about 16% of our residents). We have only certified residents the last 2 years.

Pam mentioned that the number of residents we certify may go down this next year because we will be implementing late fees each quarter. We have notified our residents on our bills that we will be issuing late fees starting in 2015.

Stuart informed the Board that there will be no changes from the 2014 fee schedule for our pricing for special services accounts monthly rates. Pam stated that servicing Parks and Recreation is a break even account as we only charge what it costs to service them and try to incorporate the parks into our regular residential routes to keep costs low.

Board Member Leary asked the board if they had previously discussed raising the trailer rental fee. Board Chair Petersen responded that the board has not discussed this topic before and that it first came up in the pre-board meeting. She had wondered if the low cost for the green trailer rental negatively affects the amount of green waste subscribers due to comments she has heard from residents in Holladay.

Lorna stated that the majority of our residents don't seem to be affected by that because they don't have large properties to clean up.

Board Member Leary asked when we reinstated the green trailer rental program.

Lorna stated that we have always had the green but we discontinued the bulk rentals 1.5 years ago.

Board Member Leary requested more information on the trailer program, including if there is an impact on the green subscription program, the financial impact and if it's breaking even. He is concerned about raising the fee since we recently reinstated the bulk trailer rental not too long ago as well.

Pam stated that the trailer program does not pay for itself. The monthly fee subsidizes the trailer program.

Board Chair Petersen stated she doesn't like the idea that her fee is going towards paying for a program that other people choose to use so she thinks the trailer program should pay for itself, unless that would require a very large fee increase.

Pam stated that to make the program pay for itself would require a large fee increase and she will bring more information with data to the next meeting. We need an adoption of the tentative budget at this meeting but then we can also meet before the public hearing to make the final decision about the trailer fee increase. Since we will be proposing a \$5 trailer rental fee increase the public hearing must be held at 6:00 p.m.

Board Member Barbour stated that she doesn't agree with the idea that some residents are subsidizing other residents use of an optional program, however she does not favor any sort of fee increase this next year unless we are really losing money on the trailer program.

Pam stated that we have a revenue gain in operations so we technically are not losing money on the program, but if you isolate that specific program, it does not pay for itself.

Board Chair Petersen stated that she doesn't see this as a fee increase but as a rental increase. But even with this increase, the program will not pay for itself.

Board Member Brass stated that in Murray the cost of a green trailer rental is \$40 and he views that as a service. He thinks the bulk trailers fee is a little high but thinks the \$5 increase for green keeps us in line with other providers. As we look at the cash flow, we still have a problem so anything that mitigates that is a good thing.

Board Member Newton asked that we look into what the private sector companies charge for trailer rentals. She does not like the idea of having residents subsidize a voluntary program for other residents. She would rather increase the fee to bring that closer to program costs.

Board Member Brass stated that the 10 yard trailer is \$110 or \$120 to rent in Murray.

Pam stated that the majority of our bulk trailers are 18 yards. Private sector charges \$125 more than our cost but they generally provide a 20-30 yard container. West Jordan has a trailer rental program that is included in their monthly fee but is more limited in when you can receive your rental. South Salt Lake has a trailer rental program including green as well. Bill Hobbs said their green trailer is \$20 and their bulk is cheap because they are close to the transfer station and they don't pay

dumping fees.

Board Member Newton stated that she is willing to make a motion about the trailer fee increase.

Board Member Leary stated that he still thinks it's important to have the background and financial information before making the decision.

Board Member Moser agreed and stated it would be beneficial to send that information to the board members within the week so that they can review it before the next meeting.

Board Member Bracken stated that the revenue from the trailer program is about \$140,000. He asked what kind of impact this \$5 will have to help put this in perspective.

Stuart responded that it will increase revenue roughly \$6,500.

Board Member Bradley stated that an incremental change over time is better than a large fee increase all at once.

Board Member Brass agreed with this statement and said his citizens always request small increases each year rather than one large increase because it's easier to budget for that.

COLA AND MERIT INCREASE:

Pam stated that Gaylyn was great at obtaining information from the market that includes both private and public. Overall, we know that 2.5% COLA and a 3% merit increase is the average. We are only asking for a 2% merit and 2% COLA because we have such a rich benefits package but still want to make sure we are competitive in the market. The goal is to move our whole structure to help with retaining employees and the merit increase will reward employees who performed their jobs well.

Gaylyn stated that the study used was 90% private sector and 10% public.

Board Member Barbour asked what the average increases are for the public sector.

Board Chair Petersen decided that we will hold the public hearing at 6:00 p.m. and will meet as a Board at 5:00 p.m. to review/discuss the trailer rental fee increase.

Gaylyn responded that the study is not separated by private and public but that the public does tend to follow trends in other studies, which show an average of a 3% increase.

Board Member Newton stated that the County has proposed a 2.75% merit increase and no COLA increase.

Board Member Barbour asked how we compare in our benefit package to other private and public sector. Gaylyn responded that we tried to match the County's benefit package and although we weren't fully able to carry everything over, we are very much in line with what the public sector offers. Our pricing is a little less than the county but we are line with what is going on in the smaller cities.

Board Member Brass stated that he hasn't seen raises like these proposed in his work in the private sector and our benefit package is extremely better than what he has experienced in the private sector. He is in favor of the increases if they will help us retain employees.

Board Member Newton asked how many drivers we have compared to the rest of the staff and if it would be possible to only give raises to the drivers since we need their wages to increase to keep competitive in the market.

Pam responded that we have 52 equipment operators with a total of 80 staff. People providing direct support, including customer service, is about 80% of our staff since our administrative staff is kept so lean.

Gaylyn stated that in 2013 we asked for a market increase for our drivers but if you look at our stats for this past year you will see that we lost a large amount of employees this last year that were in the non-driver category so that is why we are asking for an increase for all positions. Next year we will be asking to do a market study to compare individual positions to make sure we are within the market.

Motion to approve the Tentative 2015 Budget with \$5 trailer increase: Board Member Newton

**Approved
November 17,
2014**

<p>3.2. Review Cash Flow and Fund Balance (Approval/Direction Requested) (pg. 33)</p>	<p>Pam stated that we will look at market every 3 years for individual job categories but this year we are looking at averages for COLA and merit increases. Pam believes that these particular increases this year will keep us competitive in the current market.</p> <p>Stuart confirmed that the merit increase will cost us \$31,000 and the COLA increase will cost us \$66,000. Pam stated that the estimated cost of turnover is \$10,000 per employee.</p> <p>Board Member Bradley asked for clarification of best practices at 5% or \$900,000 being based on operating expenses or total expenditures including personnel. Stuart responded it is based on total expenditures including personnel.</p> <p>Board Member Bradley stated that Jon Bronson at Zions recommends 10% and at the UASD conference they recommended 180 days worth of operating expenses. What should our best practices be set at?</p> <p>Pam stated that is a policy discussion for the Board. She feels comfortable with where we are at, barring that we don't have an emergency, but if that were the case, we would postpone purchasing trucks to fund an emergency until we got reimbursed by FEMA.</p> <p>Gavin Andersen stated Jon Bronson says 10% is his public stance and 20% is his private stance depending on your bond rating. The critical issue is that we have enough to carry on if there is an emergency.</p> <p>Board Member Brass stated that Murray does 25% but they do have large equipment regarding power, water and sewer. What is the emergency that would have the greatest impact on WFWRD?</p> <p>Board Member Moser stated that the biggest impact would not be a natural disaster but some sort of catastrophe that would affect our fleet, such as a yard</p>	<p>Seconded by: Board Member Bracken</p> <p>Vote: All in favor (of Board Members present)</p>	
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fire. Do we have local agreements with other municipalities that would help cover our fleet in those circumstances?

Pam stated that we have explored local agreements with Draper, Salt Lake City and private haulers. In talking to private haulers in the past, they would prefer we hire them in the case of an event where our fleet is affected. Lorna stated that we have also looked into renting garbage trucks. The challenge would be getting them here.

Gavin stated that these are called mutual aid contracts and Public Works is actually in the middle of solidifying a mutual aid contract and we could possibly add ourselves onto that contract.

We will also need to put a private contract into place for fuel supplies during an emergency.

Board Member Moser stated that it is also part of FEMA best practices to have mutual aid agreements outside of our state.

Board Member Moser asked where we are comfortable in regards to the best practices to keep in our reserves. Board Member Bracken stated that the 180 days doesn't seem like a viable option for a special service district that might have a lot of capital equipment. Stuart stated that at the end of 2014 we will have a projected \$8.1 million in our undesignated cash reserves.

Board Member Moser stated that we can always suspend capital purchases but then we would need to allow for more additional maintenance. We need more information on what would happen if we suspended capital purchases any one of these years. She thinks we should aim for 10%.

Board Member Granato asked what the penalty is with Zions if we need to withdraw the money we just invested.

Board Chair Petersen gave direction to research a mutual aid contract in the case of an emergency and bring back information the first part of next year for direction from the Board.

<p>3.3.Recommendation to cancel the \$2.00, 2015 Fee Increase, Pam Roberts (Approval Requested) (pgs. 34)</p>	<p>Stuart replied that there is no penalty for withdrawal and it is part of the fund balance. We can pull the entire balance within 72 hours without a penalty.</p> <p>Board Member Bracken stated that the fund balance we are currently carrying is significantly higher than it needs to be. If there is a compelling reason why we need to keep 6-9 months in the bank to cover potential problems but he is unsure what that would be.</p> <p>Board Member Bradley asked if Board Member Bracken is comfortable with the 5%. Board Member Bracken stated that 5% seems really low and would be more comfortable with 10% or 20%.</p> <p>Board Member Brass stated that the 25% mentioned previously was because Murray gets the majority of its revenue from property and sales tax so a worst case scenario is different than a special service district. As long as our trucks aren't affected, we would be okay.</p> <p>Gavin stated that we also need to factor in what could happen if our fuel supply was cut off.</p> <p>Board Member Bradley asked if we ever under-expend.</p> <p>Stuart stated they this year we project to under-expend \$800,000 which goes into the fund balance.</p> <p>Board Member Bradley stated that we either stick with 5% or we look for a revenue increase.</p> <p>Option 2 has a large fee increase in 2017 and options 3 & 4 have more incremental fee increases built in.</p> <p>Board Chair Petersen stated that she and Board Member Moser will need to take the cancellation back to their cities since they passed the increase.</p>	<p>Board Member Moser motioned to adopt a minimum cash balance of 20% and follow proposal #3. seconded by: Board Member Newton</p> <p>All in favor (of board member present)</p> <p>Motion: Board Member Moser, seconded by Board Member Granato</p> <p>All in favor (of board member present)</p>	<p>Approved November 17, 2014</p> <p>Approved November 17, 2014</p>
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<p>3.4. Confirm or change the time of the Public Hearing Currently Scheduled on December 8, 2014 at 6:00 p.m. for the 2015 Budget Adoption, Pam Roberts and Gavin Anderson</p>	<p>For the cities that adopted the fee increase previously, that will need to be rescinded. Gavin confirmed that it could be done after the first of the year.</p>	<p>Confirmed for 6:00 pm. on December 8th.</p>	
<p>3.5. Request for board meeting on December 8, 2014 preceding or following the Public Hearing (Approval Requested)</p>		<p>The board meeting will be held preceding the public hearing at 5:00 p.m. (Board Member Newton will be absent)</p>	
<p>3.6. Recommended Revision to policy 15.1. Service Charges Effecting Big Cottonwood Canyon Residents, Pam Roberts and Gavin Anderson (Approval/Direction Requested) (pg. 35)</p>	<p>Gavin Andersen addressed the board and stated that we have discovered that this policy will need to include forest service lease land as well. Be aware of the last “or” in the policy that acts as a qualifier for the 50% reduction on its own. The forest service lease land may be in Big Cottonwood Canyon or Emigration canyon.</p> <p>The final wording will read as follows: “Service fees may be reduced to fifty percent of the regular charge if the property is located within the Big Cottonwood Canyon service area, or is within Forest Service Lease Land, the property is vacant and not accessible during the winter months, or district services are seasonally suspended.</p>	<p>Motion to approve: Board Member Leary, seconded by: Board Member Brass</p> <p>All in favor (of board member present)</p>	<p>Approved November 17, 2014</p>
<p>3.7. Additions to the Procurement Section of the District Policy Manual, Pam Roberts and Gavin Anderson (Direction/Approval)</p>	<p>Pam stated that the copy in the packet is a draft and we can do a final adoption at the December board meeting once it has been refined. This is under the recommendations of the Utah Association of Special</p>		

Requested) (pgs. 36-39)

Districts to adopt our own procurement policy to identify the thresholds that work best for our special district.

This draft includes what has been working for us well so far.

Gavin stated that we need to make it clear that Pam is the purchasing agent and she has authority to delegate that to other management staff. Paragraph three is important because it deals with the Board on conflicts of interest during the procurement process. Paragraph 4 deals with the bidding process, including exceptions like emergencies or sole source. We need input on paragraph 5 dealing with dollar limits. We have a blanket \$50,000 that requires a competitive bid market. An annual cumulative threshold of \$30,000, single small cost purchases of \$30,000, multiple items from a single source with a \$30,000 maximum. Items 3.8-3.11 deal with greater dollar amounts and how formal the process needs to be. Anything over \$50,000 requires a formal bid process.

Pam stated that the \$50,000 limit helps expedite the process. We recently sent out a solicitation for legal services under Gavin's recommendation, rather than a formal bidding process since it is a \$40,000 maximum amount. We have 3 firms that we are interviewing and will select from this next week.

Board Member Bradley asked Board Member Leary if the County's is comparable. Board members agreed that a new policy was just adopted and will need to be reviewed by our board members.

Gavin stated that a decision does not need to be made at this meeting and he can look at how it compares to the County.

Board Member Bradley asked for clarification on the prohibited acts. Gavin responded that there are 3 state statutes. This version is a little different from the city and the county codes due to being a special district and

3.8. Request for a 2014 employee incentive award, Pam Roberts (**Approval Requested**) (pgs. 40-41)

is based on a State Employees Officers Ethics Act. They are basically common sense avoiding the appearance of impropriety such as restriction of price-fixing gifts.

Board Member Bradley asked if it is a violation as a private citizen to offer or for the employee to receive. Gavin said both are a violation but with a value greater than \$50.

Pam wanted to mention that as part of this policy any procurement coming up would be brought to the Board through the budgeting process.

Pam addressed the Board regarding an incentive award for 2014 and stated that the only year she has not asked for an incentive award was last year because our employees had received market adjustments to their wages and we did not realize savings with a restructuring of routes last year. We made adjustments in 2014 and we have realized savings.

Total cost of the curbside program has been \$110,000 but through improving efficiencies and maximizing our capacity, we have absorbed the costs of this additional program by making adjustments to the area cleanup program and combining residential and garbage routes to maximize capacity.

Board Member Bradley asked how many employees we have.

Pam answered that we have 80 employees.

Board Member Bradley asked if we would be better off building it into the wage if everyone will get it.

Board Member Moser said there are qualifications built in for employees so not everyone will receive the \$500.

Board Chair Petersen said there are benefits in rewarding efficiency and innovation.

Direction for board members to bring back what their cities do.

Pam stated that the first year we did an incentive award was in 2007 and each employee could get up to \$800, another year \$300, so it has ranged depending on the year based on what has been saved.

Board Member Newton stated that some could argue that the ability to look at new and more efficient ways of doing things would be figured into their merit increase. How would we defend this additional incentive award?

Pam stated that she would say that this incentive award is based on 2014 over and above actions done by our employees. With this incentive award there is still an addition \$48,000 in savings from efficiency. It is also part of the under-expend in personnel by year-end.

Board Member Bradley believes in paying employees as much as you can but if people just do their job do they get this bonus? Is it really creating an incentive to do more than your job requires?

Board Member Barbour agrees that our people need to be paid well. If we weren't giving a merit increase this year she would be more willing to approve this incentive award because it will probably be the same people receiving these. Also since we are looking at fee increases over the next few years she is concerned about giving this extra money to the employees.

Pam stated that we do have an incentive program built in to be eligible for \$480 each year if they are safe each month.

Board Member Moser stated that she likes that this is rewarding innovation and giving back some of the savings to the employees. She also believes the \$500 payout will mean a lot more to the entry level employee so this gives a benefit to the ones who really need it. Since it is also just based on this year's numbers, it is not policy and can be done or not done in future years rather than building it into the budget.

Board Member Brass doesn't want this to become an expectation. A one time reward for innovation and savings shouldn't be seen as a problem because if we don't see savings next year then we don't incorporate it. If we have people looking into ways to save us money, why would we not encourage that?

Board Member Newton stated that she appreciates what our employees do and she agrees with what we are doing regarding safety awards. Her problem is that we are rewarding something that a team created to more efficiently reduce the number of miles traveled, she doesn't know if that is something those employees implemented qualifies for an incentive to give them extra money. She also has a hard time knowing that we just implemented a fee increase last year and now extra money is being given to the employees rather than going back into the fund balance. She feels like it isn't as transparent this way.

Board Member Leary asked if perhaps the award should go towards the team that implemented the new routes rather than across the board.

Lorna responded that it really was an across the board effort as employees had to actually drive it and come back with input and suggestions over 2-3 months to refine the routes. It was the employee's inputs that really created the savings. One employee asked Lorna if anything comes back to them for doing all of the great stuff they worked on.

Board Member Newton asked how many people that was.

Lorna responded that it was all 52 drivers plus managers supervisors, and area cleanup crews.

Pam stated that the actual dollar amount spent on this award would be less than \$40,000 because Pam will not be included in this either.

<p>3.9 Area Cleanup Tentative Schedule, Pam Roberts & Lorna Vogt (Direction Requested) (pg. 42)</p>	<p>Board Member Bracken says that a bonus goes a long way with employee morale compared to it being built into a wage. He is supportive of this practice.</p> <p>Board Member Leary stated that he think it should go to the drivers as we expect our managers to be looking into innovative practices as part of their jobs.</p> <p>Board Chair Petersen stated she would extend that to the supervisors as well for implementing and working closely with the operators in working it out.</p> <p>Pam requested that we extend it to the customer service team as well for dealing with the calls due to the restructuring of the routes. Customers were confused on why their garbage was being picked up later than in the past.</p> <p>Board Member Bradley proposed an idea of doing a tier base bonus as an added effect of retaining people for a longer period of time.</p> <p>Board Chair Petersen does not want to see it rolled in the budget and is in favor of bonuses.</p> <p>Pam stated that this is tentative and we will come back with a more finalized schedule next month. Board Member Moser requested that the updated schedule be mailed to the board members before the December board meeting.</p>	<p>Motion to approve: Board Member Bradley to approve the \$40,000 from under-expend to use at Pam’s discretion giving it to those who need it the most, and put it on the agenda for a policy discussion for next year’s budget. Seconded by Board Member Bracken.</p> <p>OPPOSED: Board Member Barbour, Board Member Newton IN FAVOR: Board Chair Petersen, Board Member Bracken, Board Member Leary, Board Member Moser, Board Member Bradley, Board Member Brass, Board Member Granato.</p>	<p>Approved November 17, 2014</p>
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4. Requested Items for Next Meeting on Monday, December 8, 2014

	<ul style="list-style-type: none"> • Nominations for 2015 Administrative Control Board Vice Chair • Policy for Mid-Year Budget Review, Gavin Anderson • Area Cleanup Schedule with Rotation • 2014 Performance Measure Accomplishments 		
ADJOURN		Motion to adjourn: Sam Granato seconded by Coralee Moser Vote: All in favor (of Board Members present)	Approved November 17, 2014