

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

| DATE/TIME | LOCATION | ATTENDEES |
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| <p>May 18, 2015 6:00 p.m.</p> <hr/> <p>Next Board Meeting June 22, 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, Jim Brass, Jim Bradley, Scott Bracken, Sabrina Petersen, EXCUSED: Aimee Newton, Jenny Wilson, Coralee Moser, Patrick Leary</p> <p><u>District Staff:</u> Pam Roberts, Gaylyn Larsen, Stuart Palmer, Whitney Mecham, Rachel Anderson, Craig Adams, Adam Gardiner</p> <p><u>Public:</u> No members of the public present.</p> |

AGENDA

- Call to Order:** Dama Barbour, Board Chair
- 1. Consent Items: (Approval Requested)**
 - 1.1. April 27, 2015 Board Meeting Minutes
 - 2. Meeting Open for Public Comments:** (Comments are limited to 3 minutes)
 - 3. Public Hearing**
 - 3.1. Open Public Hearing on a Proposed 2015 Budget Adjustment to accommodate CNG Grant Funds and Adoption of New Fees Associated with Subscription Curbside Glass Program.
 - 3.2. Citizen Public Input (Public comments are limited to 3 minutes)
 - 3.3. Board Comments
 - 3.4. Close of the Public Hearing
 - 4. Business Items**
 - 4.1. Board Adoption of Resolution 4367 to adopt new fees associated with curbside glass subscription program (**Approval Requested**)
 - 4.2. Board Adoption of Resolution 4368 of opening and amending the 2015 Budget to accommodate CNG grant funds (**Approval Requested**)

4.3. Policy for Procurement Section of WFWRD Manual Related to Protests, Rachel Anderson, Legal Counsel (**Approval Requested**)

4.4. Policy for Salary Adjustments on an Employee's Change of Duties, Pam Roberts, Executive Director and Gaylyn Larsen, HR Manager (**Approval Requested**)

5. Informational Items

5.1. Management Recommendations after the Murray City Possible RFP Analysis, Pam Roberts, Lorna Vogt and Stuart Palmer (**Discussion/Direction Requested**)

6. Requested Items for the June 22, 2015 Meeting

- More Information from Staff on OPEB
- Reschedule or Cancel the July 27, 2015 Board Meeting
- Report from Zions Wealth Advisory

| TOPICS/ OBJECTIVES | KEY POINTS/ DECISIONS | ACTION ITEMS WHO – WHAT – BY WHEN | STATUS |
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| 1.Consent Items (Approval Requested) | | | |
| 1.1. April 27, 2015 Board Meeting Minutes | | Motion to approve by: Board Member Petersen seconded by: Board Member Bracken Vote: All in favor (of Board Members present) | Approved May 18, 2015 |
| 2. Meeting Open for Public Comments (Comments are limited to 3 minutes) | | | |
| | No public comments. | | |
| 3. Public Hearing | | | |
| 3.1. Open Public Hearing on a Proposed 2015 Budget Adjustment to accommodate CNG Grant Funds and Adoption of New Fees Associated with Subscription Curbside Glass Program | <p>Pam introduced the resolutions presented to the Board. One resolution is to adopt new fees associated with a new subscription service provided by the District for curbside glass collection. The program will begin in the North East quadrant of the District where we have had the most interest, including the Emigration township and Canyon Rim area. We anticipate the subscriptions to grow and we hope to offer the service District-wide in the next 5 years. The startup fee will be \$45 for the can and then \$8 per month for a once a month collection. Additional cans will have a \$45 startup fee and an additional \$2 per month.</p> <p>Board Member Petersen asked if the staff was confident that the \$0.25 is sufficient enough to cover our administrative costs.</p> <p>Pam responded that our costs are mostly fixed costs with this program so \$0.25 should be sufficient.</p> <p>Board Member Petersen asked how the area to receive the service first was chosen.</p> <p>Pam answered that it was based on requests from</p> | | |

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| <p>3.2. Citizen Public Input (Public Comments are limited to 3 minutes)</p> <p>3.3. Board Comments</p> | <p>residents.</p> <p>Board Member Bradley suggested the Board keep the Public Hearing open in case any members of the public come in.</p> <p>No public comments were made.</p> | <p>Motion to close the Public Hearing at the end of the meeting: Board Member Bracken, seconded by: Board Member Petersen</p> <p>Vote: All in favor (of Board Members present)</p> | |
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3. Business Items

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| <p>4.3. Policy for Procurement Section of WFWRD Manual Related to Protests (Approval Requested)</p> | <p>Rachel Anderson stated that this policy was discussed in the February ACB meeting starting at 8.13.7. The laws require us to have an appeal procedure should someone have a problem during the procurement process. In February's meeting, the Board discussed a 2 step procedure where the protest officer (either Pam or a designee) would have the gatekeeper role. So if we receive a protest, there are four options: reject the protest if it is not compliant with protest requirements, if it is compliant with the protest requirements then you can either dismiss the protest, uphold the protest, or choose to schedule a hearing with the 3 member panel. We felt like this was the way to go so that if it is just a minor issue, Pam can decide how to handle it without having to involve Board members or it if it something she feels needs discussion, then she can move it on to the 3 member panel existing of the Executive Director, Controller and Board Chair. Once a protest is filed,</p> | <p>Motion to take the agenda out of order and postpone items 4.1. and 4.2. until the end of the meeting : Board Member Petersen, seconded by: Vice Chair Brass</p> <p>Vote: All in favor (of Board Members present)</p> | <p>Approved May 18, 2015</p> |
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| <p>4.4. Policy for Salary Adjustments on an Employee's Change of Duties (Approval Requested)</p> | <p>WFWRD has 30 days to issue a decision. If you don't issue a decision in 30 days, its deemed denied. This is one of the reasons why the Board was not included in having to make these decisions because the Board would have to meet within 30 days.</p> <p>After a decision is denied, the protester has a 7 day window to appeal to the State Procurement Policy Board. The appeal process is very difficult though. They are required to post a bond with a minimum of \$20,000 and increases with the value of the contract. If they lose their appeal and it's determined that their appeal was frivolous, they lose the bond. If they lose their appeal but it was deemed not frivolous, then they are given their bond back. The State Procurement Policy Board would be an informal proceeding within 60 days and the Board is required to issue a decision within 7 days after the proceeding. The protester can further appeal to the courts after that.</p> <p>Rachel stated that this policy should be sufficient in the case that a protest comes forward.</p> <p>Board Chair Barbour asked if we had a case like this before.</p> <p>Pam stated that we have not had anything protested to this level before. All issues have been resolved before something like this would have come forward.</p> <p>Rachel stated that this policy also gives Pam the authority to resolve the issues otherwise as well.</p> <p>Gaylyn Larsen presented a draft of a policy for salary adjustments on employee's change of duties. The need for this came about because we have drivers who would like to apply for lower level positions so that they can stay within the organization but would not have to deal with the more physically demanding aspects of being on a side load truck. We think this situation will arise whenever we have a container specialist position become available so we are looking to create a policy that will give them the opportunity but still maintain our classification system. This proposed policy will make it</p> | <p>Motion to approve: Board Member Brass, seconded by: Board Member Petersen</p> <p>Vote: All in favor (of Board Members present)</p> | <p>Approved May 18, 2015</p> |
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so we can handle everyone consistently if they would like to move positions within our organization. Because our ranges are based on the market, they are open ranges instead of graded or step ranges. If we choose a candidate that is in a higher level position, we would look at the midpoint between the two grades and if there is more than a 20% difference between the two grades, we would decrease that salary by 15%. If it's less than 20% between the two grades, we would decrease the salary by 10%.

Pam stated that another thing this policy does is that if an employee is promoted to a Lead position and then is not performing at the level needed, this policy allows us to take them back to their previous position and the salary that they would have had if they were still in that position. We have had 2 cases where this has occurred. Gaylyn stated that this was tested at the Utah Supreme Court with Salt Lake County on the law enforcement side and we won because we had a policy in place to do it this way. The one problem is that if we take someone's salary back the 10% or 15% and then the incumbents complain because they have been in the position longer but have a lower salary. But if we have a policy in place, we can handle those grievances accordingly.

Board Chair Barbour stated that these equipment operators who may want to transition to a lower paying position are valued employees.

Gaylyn stated that she has called around to different cities and asked for advice. This policy seems to be the best option because we keep our ranges intact. This also creates a situation where the current lower ranged employees know that any higher level employees that take the same position as theirs had to take a pay cut. Having the Board's approval is important so we can do it consistently in each situation.

Board Member Bradley asked what institutional knowledge are we trying to keep with drivers if they no

longer want to be equipment operators and want to be a container specialist?

Lorna responded that the drivers know our systems inside and out and know our customer service. If they move into a container specialist position, there would be no transition or training time required. The container specialist drive trucks, but no CDL is required. They are out delivering and repairing cans, working with the customers and with the drivers.

Board Member Bradley stated that he can see how employees may feel shorted if someone moves into the position and is getting paid more than them.

Pam responded that the other employee's seniority also comes into play in those situations.

Board Member Bradley asked if there is some other benefit for these employees that want to move to a lower position instead of this proposed plan. Perhaps they don't have to compete for the position or something like that.

Pam stated that we can reevaluate 9.3.2.1. and 9.3.2.2. but asked the Board to at least adopt part of it dealing with a demoted employee getting taken back to their salary of where they would have been if they had stayed in that position.

Board Member Petersen stated that she understands the benefit of retaining someone we have invested money into and trained, but she is concerned about the morale that this policy could present. Especially since it sounds like in the majority of these cases, the employee is voluntarily moving down to a lower paying position and if they are forced down they obviously are not performing at the level of the higher pay so she does not want to reward them when moving them down.

Gaylyn stated that it becomes difficult because we

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| | <p>would have to figure out a midpoint based on the pay when they started many years ago.</p> <p>Vice Chair Brass stated that 10-15% decrease in pay is a pretty large loss of income for these positions. These employees are choosing to downgrade after they have been working on heavy equipment for many years so it's not like a new employee is coming in and getting paid more. If the employee gets demoted, then they shouldn't be getting paid more than the others in that same position.</p> <p>Board Chair Barbour stated that in her experience it was beneficial to have an employee step down to a lower position and there ought to be a way for them to do it.</p> <p>Board Member Bracken stated that it seems that the Board is okay with 9.3.2.3. He stated he thinks 9.3.2.1. is workable, but with 9.3.2.2. it seems like if you take someone automatically at the starting range, could they go below the starting range of the job?</p> <p>Gaylyn answered that if there is a range, no one can go below it legally so maybe the policy should state something about the minimum of the range.</p> | <p>Motion to approve with additions to 9.3.2.2. stating that it cannot go below the minimum of the range: Board Member Bracken Seconded by: Board Member Petersen</p> <p>Vote: All in favor (of Board Members present)</p> | <p>Approved May 18, 2015</p> |
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5. Informational Items

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| <p>5.1. Management Recommendations after the Murray City Possible RFP Analysis (Discussion/Direction Requested)</p> | <p>Pam stated that we were tasked to look into what it would cost to service the additional 8,000+ homes in Murray city that we currently do not service in anticipation of the RFP that will be open in July.</p> <p>Lorna explained that this was looked at in several different ways. We focused on the core of our package: garbage, weekly recycling, and area cleanup and left out specific numbers for the trailer and cart programs because it's our assumption the Murray would retain the</p> | | |
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carts they already have. We also didn't look at Christmas tree and leaf collections. We focused on the incremental costs of operating in the break down, not including overhead or any other functions. This is assuming that we have the same fee of \$14.75 and that Murray would be doing the billing. The incremental costs shown in the Board packet are based on the fact that Murray garbage would have to go to Trans-Jordan which adds 60% in mileage, maintenance, and fuel as well as an additional 30% in labor but we would not have to pay any disposal costs. To service these additional 8,600 homes, we would need 7 more trucks that would work 5 days a week as a stand alone service area. If we used our cash that we currently have, it would cost us \$4.94 per home per month which brings the total up to \$16.25 per home per month which is above our current rate. This was looked at without the District subsidizing any costs. We also looked at loan options which would add an additional \$0.56 per home per month to help finance the costs of the 7 trucks. We assumed that green and glass would be handled at the same costs as the rest of the District. We also looked at a garbage only option. A weekly recycling option requires 3 trucks. We also looked at area cleanup as a separate program.

Board Member Bradley stated that it looks like if we win this contract, it would cost \$0.85 per home per month more to service them due to the capital costs and them being an owner of Trans-Jordan. Since our costs of servicing other areas within the District get subsidized just because of their locations, why not absorb the cost of Murray.

Pam responded that absorbing the costs of Murray would make sense if they annexed into the District but since this would be an interlocal agreement it would be different.

Board Member Bradley suggested we introduce the idea of annexation to Murray.

Vice Chair Brass stated that Murray City Council would have discussions with the citizens. Currently Murray has lower rates but they don't have all of the services that WFWRD provides. There is a council member that wants the service package that WFWRD has but that council member lives within the District. He is unsure if Murray would seriously entertain the idea of annexation into the District.

Board Chair Barbour stated that her concern is that if they don't annex, it doesn't fit within our business model. There will be changes after the elections in November so the Board needs to look ahead and we don't want to set a precedent that goes against our model. If we did a 5 year contract with Murray, that is an expensive capital investment for only a 5 year contract. Submitting a bid to Murray sets a precedent that we need to evaluate if we want to set.

Pam stated that she is concerned about submitting a bid for a contract.

Board Member Bradley agreed with this because this opens us up to having contracts with different cities when that is not how the District is set up.

Board Member Petersen stated that she has no interest in subsidizing a 5 year contract. If they are willing to annex in then we can absorb those costs and expand the District within our business model. Board Member Bradley agreed.

Vice Chair Brass stated that the only way this will work is if Murray decides to annex in because of the costs of the capital trucks and it only being a 5 year contract.

Stuart also mentioned that the sweet spot on the truck replacement schedule is 4 years and if we have to stretch that to 5 years, we are concerned about maintenance costs and decreased sales value of the trucks.

The Board directed Pam to talk to Doug Hill and the Mayor of Murray city about the option of annexation.

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| <p>Continued Public Hearing</p> <p>Close Public Hearing</p> <p>4.1. Board Adoption of Resolution of 4367 to adopt new fees associated with curbside glass subscription program (Approval Requested)</p> <p>4.2. Board Adoption to Resolution of 4368 of opening and amending the 2015 Budget to accommodate CNG grant funds (Approval Requested)</p> | <p>Pam stated that we received money through the CNG grant and need the Board's approval to spend the money accordingly.</p> <p>No public comments were made.</p> | <p>Motion to reopen Public Hearing: Board Member Petersen, seconded by: Board Member Bradley</p> <p>Vote: All in favor (of Board Members present)</p> <p>Motion to Close Public Hearing and open the WFWRD Board Meeting: Board Member Petersen, seconded by Board Member Bradley</p> <p>Vote: All in favor (of Board Members present)</p> <p>Motion to adopt Resolution 4367: Board Member Petersen, seconded by Board Member Brass</p> <p>Vote: All in favor (of Board Members present)</p> <p>Motion to adopt Resolution 4368: Board Member Bracken, seconded by Board Member Petersen</p> <p>Vote: All in favor (of Board Members present)</p> | |
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5. Requested Items for Next Meeting on Monday, June 22, 2015

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| | <ul style="list-style-type: none"> • More Information from Staff on OPEB • Cancel the July 27, 2015 Board Meeting • Report from Zions Wealth Advisory • November Election possible outcomes | <p>Board Member Petersen will be absent at the June 22nd and July 27th meetings.</p> <p>The Board decided to cancel the July 27th ACB meeting but since the cancellation was not scheduled on the May agenda, it will be addressed at the June 22nd meeting.</p> | |
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| ADJOURN | | Motion to adjourn: Board Member Petersen seconded by Board Member Bradley Vote: All in favor (of Board Members present) | Approved May 18, 2015 |
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