

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

DATE/TIME	LOCATION	ATTENDEES
<p>March 28, 2016 9:00 a.m.</p> <hr/> <p>Next Board Meeting April 25, 2016 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, Jim Bradley, Jim Brass, Aimee Newton, Kris Nicholl, Craig Tischner EXCUSED: Steve Gunn, Jenny Wilson</p> <p><u>District Staff:</u> Anthony Adams, Craig Adams, Mike Allan, Mark Anderson, Rachel Anderson, Bill Hobbs, Gaylyn Larsen, Stuart Palmer, Pam Roberts, Ken Simin</p> <p><u>Public:</u> Lance Allen, Nic Dunn, Dwayne Woolley</p>

AGENDA

Call to Order: Jim Brass, Board Chair

1. Consent Items: (Approval Requested)

- 1.1. February 22, 2016 Board Meeting Minutes
- 1.2. Conflict of Interest Disclosures

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

3. Business Items

- 3.1. Follow-up Item: Adopted District policy Related to Employee Benefits, Gaylyn Larsen (**Informational**)
- 3.2. Staff Requested Amendments to the Salt Lake County Resolution 4670 Creating WFWRD Related to Board Composition and Definitions on Services Fees, Pam Roberts (**Approval Requested**)
- 3.3. Continued Policy Discussion on Residential Fees, Pam Roberts & Stuart Palmer (**Direction Requested**)
- 3.4. Recommendations on District Policy Revisions for Early Retiree Health Insurance, Gaylyn Larsen (**Discussion/Direction Possible Adoption**)
- 3.5. 2015 Performance Measures and 2016 Goals, Mike Allan (**Informational**)

4. Requested Items for the Next Board Meeting on April 25, 2016 Meeting

- 2015 Financial Audit Report
- 2016 1st Quarter Financial Report
- Review Draft Amendment to the Salt Lake County Resolution 4670 Creating WFWRD
- Follow-up on Policy Discussion Related to Fees, if needed

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1. Consent Items			
1.1 February 22, 2016 Board Meeting Minutes (Approval Requested) 1.2 Conflict of Interest Disclosures (Approval Requested)	A listing of updated disclosures was shown.	Motion to approve by: Board Member Nicholl Seconded by: Board Member Bracken Vote: All in favor (of Board Members present) Motion to approve by: Board Member Newton Seconded by: Board Member Barbour Vote: All in favor (of Board Members present)	Approved March 28, 2016 Approved March 28, 2016
2. Meeting Open for Public Comments	(Comments are limited to 3 minutes)		
	No public comments.		
3. Business Items			
3.1. Follow-up Item: Adopted District Policy Related to Employee Benefits, Gaylyn Larsen (Informational)	<p>Gaylyn provided an overview of District policy regarding whether Board members qualify for health insurance benefits through the District. She stated that the policy identifies insurance benefits offered to only full-time, regular employees. Part-time and Seasonal employees are not currently eligible for health insurance benefits, but this policy could change if determined by the Board.</p> <p>Board member Bracken inquired about the possibility of offering health insurance benefits to part-time and seasonal employees if they made appropriate contributions. Gaylyn replied that this option is not currently part of our contract and we would need to renegotiate that benefit with our insurance provider. She added that with the new Affordable Care Act (ACA) laws, many of our seasonal drivers have had to obtain full-time employment elsewhere</p>		

<p>3.2. Staff Requested Amendments to the Salt Lake County Resolution 4670 Creating WFWRD Related to Board Composition and Definitions on Service Fees, Pam Roberts (Approval Requested)</p>	<p>so that they can obtain insurance benefits. This has made it more difficult in acquiring enough drivers for our seasonal programs.</p> <p>Pam indicated that the included letter is a formal request from her to obtain the Board’s approval to make the identified requests to the Salt Lake County Council.</p> <p>The first item addresses the WFWRD Board composition, and the desire for all six new municipalities to be allowed representation on the Board with the County Council deciding how they will manage their representation on the Board. Pam also provided an overview of the number of homes in each area/ neighborhood, emphasizing that we should not consider the size or population of the municipality as an indicator of their right to be represented on the Board.</p> <p>Board member Newton inquired about the number of the remaining unincorporated homes. Pam confirmed that the estimated total of homes within the South East Island area is 2,870. Pam added that to date there are 955 homes that have been annexed, or are undergoing annexation procedures with Sandy City. The number of homes that remain in the South East Islands are 1,915 and there will be 2,744 total number of homes that will need County Council representation. She confirmed that the WFWRD Geographical Information System (GIS) technician is working closely with Sandy City’s GIS technician to correctly identify all homes affected.</p> <p>Mark Anderson indicated that there is a state statute that may require three representatives on the Board, in addition to the city representation. The meaning of that statute is still being evaluated, but Mark wanted this disclosed before the Board in case that affects the County’s representation. Board member Bracken inquired as to the possibility of multiple municipalities requesting the same</p>	<p>Motion to approve Item #1 by: Board Member Newton Seconded by: Board Member Barbour</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved March 28, 2016</p>
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	<p>person to represent their municipality on the Board. Mark replied that it is a possibility.</p> <p>Board member Newton asked about the Municipal Services District (MSD) having representation on the Board. Mark stated that the MSD does not have rights to that effect.</p> <p>Board member Bradley asked if WFWRD joined the MSD, if the MSD Board would replace the WFWRD Administrative Control Board. Mark replied that the two organizations are different types of districts and could not be merged unless WFWRD became a Local District, rather than a Special Service District. "It would be like merging an elephant and a hippopotamus".</p> <p>Board member Newton requested that Mark and Rachel attend a County Council meeting to help explain what legislation needs to be changed to be able to move forward. Mark expressed his concurrence to the request, but said we should progress further to determine what we want to accomplish before that meeting. He and Board Member Bracken stated that we won't know most of this information until Millcreek and the other five municipalities have their elections in November.</p> <p>Board Chair Brass asked for approval for this section of the request letter, which is permission for Pam and Mark to work with the County Council legal counsel to draft an amendment which will allow representation of the additional municipalities.</p> <p>Pam continued with a request to clarify the definition of the annual service charge. Previously, WFWRD has defined this as the base rate of services. Our legal counsel has requested that this be defined by the County Council so that the Board has clarification on their authority for implementing the fees necessary to provide services.</p>	<p>Motion to approve Items #2-4 by: Board Member Newton</p> <p>Seconded by: Board Member Barbour</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved March 28, 2016</p>
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Pam further explained she would like to request of the Salt Lake County Council, that the requirement to obtain a majority of municipalities, in relation to any fee increase, be allowed by a letter of support rather than an official resolution from the governing bodies.

Additionally, Pam stated that WFWRD currently provides recycling collection services to the town of Alta through an interlocal agreement. The town of Alta is outside the jurisdictional boundaries of WFWRD. The town desires WFWRD to continue these services, so the request will be to allow a provision in the proposed resolution to clarify authority and allow these interlocal agreements with entities outside of the district's boundaries.

Board member Newton confirmed that any contract into which the district enters must make business and financial sense for the District. Board Chair Brass concurred with Board member Newton's comments. Board member Newton also asked if we have a cost formula for these situations to ensure that we are not losing money on these agreements. Pam replied that we do have those formulas in place to determine fees and costs.

Board member Bradley inquired as to who collects the refuse in the Town of Alta. Pam replied that a local, independent hauler services the Town of Alta and Snowbird. Board member Barbour asked why we are providing service to Alta with the risk of losing money. Pam clarified that WFWRD charges the Town of Alta the cost of services, so the town's fees will go up in correlation to our fees at the beginning of the year. Currently the discrepancy is financially manageable for this service at this time. Mike clarified that we are already servicing areas close to the Town of Alta that are within the boundaries, so it is not much additional time and expense to continue servicing them at this time, and, in fact, helps offset the costs to service the homes within the District in those areas due to economy of scale. Board member Newton

3.3. Continued Policy Discussion on Residential Fees, Pam Roberts & Stuart Palmer (**Direction Requested**)

commented that we should make sure that it is a financial benefit to WFWRD.

Pam summarized that WFWRD has experienced some expected and unexpected increased costs. This amount is currently around \$3 million annually. She also indicated that the trigger point to raise fees, of 5% in undesignated cash, has been reached. She requested direction from the Board as to whether it was their desire to suspend this policy, and/or look at alternatives.

One of the proposed alternatives from WFWRD staff, is what Pam feels is a manageable risk of delaying the replacement of six side load trucks scheduled for 2017. These new replacement trucks would then be added back into the normal purchase schedule over a three year period and ultimately move the “sweet spot” for replacement from 51 months to approximately 55 months. This would defer \$1.8 million and delay the need for a fee increase until 2018 barring any additional unanticipated increased costs.

Pam also indicated that the Area Cleanup program is experiencing challenges with driver recruitment and retention. This is primarily due to the mandatory health insurance requirement of the ACA. Many of our standard returning drivers have had to go and get permanent, full-time jobs to obtain this required health insurance. This has decreased our available hiring pool for seasonal workers. This also causes increased hours for our established seasonal workers, which would put us in a situation where we would be required to provide health insurance to these workers. More information will be researched and brought back to the Board in May. A couple of possible remedies would be to switch the program back to a four-day work week versus the current five-day, or to change the way that this service is provided to our residents and make it, for example, a reservation/request format.

Board member Bracken asked about moving the delayed \$4 million from Accounts Receivable into the Undesignated Cash category to help alleviate the trigger threshold. Stuart clarified that the \$4 million in accounts receivable is there for accounting purposes, but it is not cash that is available to be used and spent. It is very important to clarify the differences between revenue, accounts receivable and cash. WFWRD's fee setting policies are based on cash.

Board member Bradley requested clarification on the delayed \$4 million. Stuart explained that this was a receivable due to the change in our billing policy last year to a quarterly billing cycle. This \$4 million cash delay is a receivable that was billed January 2016, and received as cash during the 1st quarter of this year. This will be a standard delay going forward with the quarterly billing cycle.

Board chair Brass voiced his support of delaying the truck purchases. We also provide many services for which we do not bill, and he suggested that we survey our customers for their opinions on which services they want and for which ones they will pay. Pam confirmed that she does want to engage our customers in this discussion, but would prefer to wait until she can come back to the Board in May with more information on Area Cleanup options as well as other ideas.

Pam reviewed some other areas of increased costs, including the increased costs of paying for recycling to be processed at \$15 per ton, which equates to \$1 per home per month, and the increase in the number of customers paying their bills online, which costs WFWRD more money to process than processing physical checks. Board member Bracken asked about the difference in costs of processing electronic payments. Craig Adams, Assistant Controller, answered that we pay 35¢-37¢ to mail out invoices to everyone. When customers pay online, it costs WFWRD

43¢ per transaction. For us to receive physical checks, it costs WFWRD about 17¢. Board member Newton asked about different transaction fees for customers who pay annually rather than those who pay quarterly. Pam confirmed that WFWRD staff has looked into those options, and our system is not set up to implement different rate structures, or convenience fees. Board member Newton continued that this type of system would have increased cost savings benefits. Pam replied that we are pushing our current software vendor to provide those options, but if they are unable to comply, we may have to consider changing software applications, which would be an additional cost.

Board chair Brass restated that there are many options that are being considered and proposed, and the Board is being asked for direction. The primary question is if we increase fees now or if we accept the proposal to delay the truck purchases and, in turn, delay the fee increase for another year. Board member Bracken concurred that a fee increase for 2017 would be “sticky”. Board chair Brass restated his support for the proposal provided by WFWRD staff to delay truck purchases and to look into Area Cleanup options. He does not think that changing policy to move around accounts receivables is a good idea.

Board member Bradley asked about smaller annual increases rather than larger increases at less frequent intervals. Board member Bracken stated that this is possible, but would still need approval by the municipal governing bodies. He added that the scenario provided last month showed that if we had done that in the past, we would still be having this discussion with a smaller cash balance. Pam added that a steady increase does not accommodate for large shifts in costs, as we have experienced this past year.

Board member Barbour asked about recycling fees, and how we can address recycling now being an expense.

<p>3.4. Recommendations on District Policy Revisions for Early Retiree Health Insurance, Gaylyn Larsen (Discussion/Direction/Possible Adoption)</p>	<p>Board member Bracken confirmed that the dumping fees for recycling are still less than dumping fees for waste, so it is still a financially better option. Board Vice Chair Tischner commented that he has seen the importance of recycling by visiting the landfill and seeing so much waste that could have been recycled. The current costs of recycling will be nominal compared to what we will be paying once we have to start looking for a new landfill.</p> <p>Board Vice Chair Tischner inquired about possible grants to help with costs. Pam and Mike confirmed that we have applied for applicable grants in the past, but not many exist. There are currently no active grants to which we could currently apply.</p> <p>Board member Bradley inquired if there are any other municipalities that separate their trash and recycling services and contract part of those services out. Pam asked for input from Lance Allen, from Waste Management who replied that there are some municipalities, such as Bountiful and Provo, which manage their own waste collection, but contract recycling collection out to private companies.</p> <p>Gaylyn commented that the proposed changes have already been implemented in our post-employment benefits package, but have not yet been officially documented. Specifically, these proposed changes address retiree health and dental insurance coverage who are still active participants in the program. This document also clarifies that these benefits are not offered to any employee hired or rehired after January 1, 2013. There are no changes in coverage in this document; it is only to clarify our current coverage for our participating retirees. She requested that these changes be formally adopted if there is no opposition from the Board.</p>	<p>Motion to adopt changes by: Board Member Barbour Seconded by: Board Member Bracken Vote: All in favor (of Board Members present)</p>	<p>Approved March 28, 2016</p>
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3.5. 2015 Performance Measures and 2016 Goals, Mike Allan (Informational)	Mike reviewed the performance accomplishments during 2015, emphasizing our focus on employee and customer service satisfaction.		
4. Requested Items for Next Meeting on Monday, April 25, 2016			
	<ul style="list-style-type: none"> • 2015 Financial Audit Report • 2016 1st Quarter Financial Report • Review Draft Amendment to the Salt Lake County Resolution 4670 Creating WFWRD • Follow-up on Policy Discussion Related to Fees, if needed 		
ADJOURN		<p>Motion to adjourn: Board Member Bradley seconded by Board Member Newton</p> <p>Vote: All in favor (of Board Members present)</p>	