

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

DATE/TIME	LOCATION	ATTENDEES
<p>September 23, 2019 9:00 a.m.</p> <hr/> <p>Next Board Meeting October 28, 2019 9:00 a.m.</p>	<p>Public Works Building 604 W 6960 S Midvale, UT 84047</p>	<p><u>Board Members:</u> Scott Bracken, Jim Bradley, Jim Brass, Brad Christopherson, Kay Dickerson, Shireen Ghorbani (via phone until closed session / in-person during closed session and afterwards), Steve Gunn, Steve Hook, Dwight Marchant, Kris Nicholl (via phone), Sherrie Ohrn, Ron Patrick, Brint Peel, Patrick Schaeffer</p> <p>Excused:</p> <p><u>District Staff:</u> Anthony Adams, Rachel Anderson, David Ika, Andy King, Paul Korth, David Maumau, Andrea Murdock, Pam Roberts, Ken Simin, Sione Tuione</p> <p><u>Public:</u> Jill Fletcher (Trans-Jordan Cities), Marla Kennedy (Salt Lake County), Melissa Kotter (On Track Solutions), Mike Reberg (Salt Lake County), Keith Zuspan (Brighton)</p>

AGENDA

- Call to Order:** Brint Peel, Board Chair
- 1. Consent Items:**
 - 1.1.** August 26, 2019 Board Meeting Minutes (**Motion & Approve**)
 - 2. Meeting Open for Public Comments:** (Comments are limited to 3 minutes)
 - 3. Business Items:**
 - 3.1.** 2020 WFWRD Budget Goals and Priorities: Pam Roberts, Executive Director (**Informational**)
 - 3.2.** Review of the Current Salary Market Survey and Recommendations for WFWRD Employee Compensation: Melissa Cotter, Human Resources (HR) Consultant; and Andrea Murdock, HR Manager (**Informational/Direction**)
 - 3.3.** Proposed 2020 WFWRD Budget with the Recommendations for Employee Compensation from the HR Consultant: Paul Korth, District Controller (**Informational**)
 - 4. Discussion of Executive Staff Compensation - Closed Session:**

The Administrative Control Board will temporarily recess the meeting to convene in a closed session to discuss the character, professional competence of Executive staff, as provided by Utah Code Annotated §52-4-205.

5. Continued Business Items:

- 5.1. Board Discussion and Direction on the 2020 Proposed Budget (**Direction Requested**)
- 5.2. Review the Meeting Calendar for the 2020 Budget Adoption Process: Pam Roberts (**Direction Requested**)
- 5.3. Utah Association of Special Districts (UASD) Annual Conference on November 6-8: Pam Roberts (**Informational**)

6. Other Board Business: This time is set aside to allow Board members to share and discuss topics.

7. Requested Items for the Next Board Meeting on September 23, 2019:

- Tentative 2020 WFWRD Budget (Tentative Adoption)
- Set the Date for the Public Hearing for the 2020 Budget
- Review and Approve the Interlocal Agreements for Services
- Update on Negotiations for Salt Lake County Interlocal Landfill Services

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1. Consent Items:			
1.1. August 26, 2019 Board Meeting Minutes		Motion to Approve the Minutes by: Board Member Brass Seconded by: Board Member Ohrn Vote: All in favor (of Board Members present)	Approved September 23, 2019
2. Meeting Open for Public Comments	(Comments are limited to 3 minutes)		
	No public comments.		
3. Business Items:			
3.1. 2020 WFWRD Budget Goals and Priorities: Pam Roberts, Executive Director (Informational)	<p>Pam began by expressing her gratitude to WFWRD staff, Paul Korth, Anthony Adams, Rachel Anderson and David Ika for stepping up and meeting the District and the Board needs at the last minute when she was suddenly unable to attend the August Board Meeting.</p> <p>She also recognized Paul and Andrea for their work with our HR Consultant to evaluate salary market survey data and recommendations. WFWRD has experienced staffing shortages for several months, which has affected all WFWRD staff and programs.</p> <p>We want to be a competitive employer with a full staff, and we need to recruit and retain qualified individuals. Currently, we are short nine drivers and will also be requesting allocations for two additional drivers to address growth in the Southwest area and also growth with our Green Waste Program. Additionally, Area Cleanup remains understaffed.</p>		

Pam clarified that with competitive pay, it should not take too long to hire the needed drivers after the construction season ends. It takes up to three months for training and the drivers to get comfortable with the equipment.

We have also taken steps to save expenses on truck purchases, and keeping trucks longer than planned, but we do not want to continue this approach and keep trucks too long and get behind on needed replacement vehicles. Therefore, we are also planning to request two additional sideload trucks to match the growth needs of the District. Board Member Ohrn asked how long it takes to get a new truck. Pam clarified that it takes approximately six months to receive a truck after placing an order.

Pam reminded the Board about the increased recycling processing costs. The proposed salary market adjustments and the recycling processing costs would suggest a \$2.00 per home per month fee increase. It is a general practice to add in an annual increase in many District costs of approximately 3% while adding in an annual 1% for revenue growth.

Staff are not proposing a monthly fee increase for 2020. The only fee increase being proposed for 2020 is for the start-up fees on new accounts, increasing from \$50 to \$100, which will cover the cost of the new waste and recycle cans. The District will need to evaluate a monthly fee increase for the 2021 budget in order to sustain service levels.

There was discussion on Area Cleanup container placement and ratio of containers per homes. Pam confirmed that we have sustained one container per every seven households for this service. Even with this level we still have partial loads in the containers, so it does not show that an increase of containers is needed at this time.

Pam commended Andrea Murdock on working with our broker at NFP to gain a low 3.5% increase to the District's

<p>3.2. Review of the Current Salary Market Survey and Recommendations for WFWRD Employee Compensation: Melissa Kotter, HR Consultant; and Andrea Murdock, HR Manager (Informational/Direction)</p>	<p>health insurance premiums. Pam also clarified how the 2% performance merit and 1% cost of living allowance (COLA) are awarded to employees and when they are received.</p> <p>Melissa relayed her history in working with WFWRD’s pay plans since 2012, and the process to obtain accurate and current market data for WFWRD’s personnel. She indicated that our driver and customer service positions are currently below market salary levels. This is primarily due to the low unemployment rate, and also local competitors who are willing to pay higher salaries for these positions.</p> <p>She indicated that the ‘mid-point’ current market rate for our Equipment Operators, is \$44,460 annually (\$21.37 hourly). This is the 50th percentile rate for workers, and the median of the salary range. From here, a 40% salary range is determined. This analysis and market salary determination was conducted for every job classification for WFWRD. Melissa also clarified that there are certain positions where the 25th percentile is the minimum starting wage, but the positions still maintain a 40% salary range.</p> <p>Board Member Ohrn asked if this rate was only for base compensation, Melissa confirmed this was accurate.</p> <p>Melissa quantified the differences by stating that our current starting wage for Equipment Operator is \$17.65. The proposed starting wage for Equipment Operators is \$19.59, which is very competitive for this area. Pam reconfirmed that this is only an analysis for base salary, and an analysis with benefits is included in the proposed 2020 budget. Board Member Brass indicated that if we also advertise our great benefits, it could bring new drivers in the door more quickly.</p> <p>Melissa indicated that there are 39 employees currently below the market pay range, with this analysis, but it also</p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-30deg);">Approval</p>	
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<p>3.3 Proposed 2020 WFWRD Budget with the Recommendations for Employee Compensation from the HR Consultant: Paul Korth, District Controller (Informational)</p>	<p>means that there would be no employees above the maximum pay range if implemented. A compression analysis was also conducted to ensure that all employees' pay rates move equitably based on years of service within their job class while with the District.</p> <p>Pam stated that there are two proposed budgets for 2020, and the only difference between the two is personnel expenses. Paul confirmed that the proposed budgets for personnel includes all benefit expenses. The total proposed budget for personnel, with the HR Consultant's recommendations, is approximately \$8.57 million. The other budget lists personnel expenses at \$8.14 million. The exact difference between the two is \$433,580. The budgets include a 2% merit increase and 1% COLA, which matches what has been given in the past, and also the proposed two additional allocations for Equipment Operator.</p> <p>Board Chair Peel stated that because we have been understaffed this year, we have under-expended our projected 2019 Personnel budget amount. He added that if the Board approves the HR recommendations, the proposed increased costs can be funded for two years based on the funds remaining in the 2019 personnel allocation. This will get us to the point where we plan to implement a fee increase.</p> <p>Board Member Bradley asked what this proposal will do to our fund balance. Paul stated that we estimate to have \$10 million in our cash balance at the end of 2019. At the end of 2020, that will deplete to \$8 million. This includes the additional proposed personnel expenses and anticipated increases in recycling costs of \$65/ton. In 2021, the cash balance is expected to decrease to \$5 million without a fee increase.</p> <p>There was discussion regarding the timing of our fee increases, and it was confirmed that we only implement</p>	<p>Approval</p>	
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fee increases as needed and not annually. Board Member Schaeffer asked about the last fee increase. Pam verified that the last fee increase was in 2018. Board Member Bracken clarified the logistics involved to get a majority of municipalities to agree to a fee increase before implementation, and that staff must visit 13 separate municipalities, which takes a lot of time.

Board Chair Peel and Vice Chair Christopherson proposed that Board Members take on the responsibility of taking this information back to their respective councils for presentation and approval. This will relieve the enormous time burden placed on executive staff to visit municipal councils after hours. Pam verified that staff should be present at least to one of the meetings where the fee increases are discussed or proposed for accountability.

There was discussion on implementing smaller annual fee increases. Board Member Bracken and Pam recalled trying that unsuccessfully in the past, with municipalities directing the District to implement fee increases as needed. Board Member Brass suggested considering a five-year fee increase plan that would be approved once and cover the following five years of annual fee increases. The only concern with this option is the potential to get behind with maintenance or other costs.

Board Member Brass stated that employees with history and knowledge are priceless. Pam confirmed that many of our employees are experiencing burnout. Paul added that personal health and safety are negatively impacted by the staff vacancies.

Board Member Hook asked about the other post-employment benefit (OPEB) numbers. Paul stated that the figure in the proposed budget is based on last year's figures and copied forward. Pam stated that an actuarial study is currently being conducted which will provide more precise figures on this liability. The eligibility for this benefit for any remaining employees who transferred

	from Salt Lake County ended July 1, 2019. There will not be any additional employees added to this OPEB program. This amount could fluctuate based on the actuarial report, but the number of participants is capped.		
4. Closed Session:			
	<i>The Administrative Control Board will temporarily recess the meeting to convene in a closed session to discuss the character, professional competence of Executive staff, as provided by Utah Code Annotated §52-4-205.</i>	Motion to Enter a Closed Session by: Board Vice Chair Christopherson Seconded by: Board Member Bradley Vote: All in favor (of Board Members present) Motion to Return to an Open Session by: Board Member Brass Seconded by: Board Member Ohrn Vote: All in favor (of Board Members present)	Approved September 23, 2019 Approved September 23, 2019
5. Continued Business Items:			
5.1. Board Discussion and Direction on the 2020 Proposed Budget: Pam Roberts (Direction Requested)	<p>The Board gave direction for staff to budget Melissa’s pay plan as part of the 2020 Budget. Pam thanked the Board for their support for her and the entire WFWRD team. She stated that their willingness to make it happen means a great deal to her and the team.</p> <p>Board Member Bracken asked if we would utilize the under-expenditures in personnel immediately for affected job positions for new hires or wait until January. Pam explained that we would want to wait to advertise the new rate until the budget is implemented or we would encounter compression. This would mean new hires would make more than their counterparts who have been here for over a year. However, once the budget is approved in November or December, the new rates can be advertised. It was recommended by the Board to continue recruitment efforts and advertise the new pay rate as of</p>	Motion to Direct Staff to Incorporate the 2020 Pay Plan into the Tentative Budget by: Board Vice Chair Christopherson Seconded by: Board Member Patrick Vote: All in favor (of Board Members present)	Approved September 23, 2019

<p>5.2. Review the Meeting Calendar for the 2020 Budget Adoption Process: Pam Roberts (Direction Requested)</p> <p>5.3. Utah Association of Special Districts (UASD) Annual Conference on November 6-8: Pam Roberts (Informational)</p>	<p>January 1, 2020. Pam agreed and staff will begin this practice.</p> <p>Board Vice Chair Christopherson inquired if we utilize part-time drivers into full-time positions. Pam indicated that this has been attempted unsuccessfully in the past when we experienced increased accidents and incidents. Board Member Brass identified ongoing construction projects going on throughout the valley, and stated that he doesn't see that industry slowing down anytime soon.</p> <p>Pam reviewed the current ACB meeting calendar for the rest of 2019. She indicated that the tentative adoption of the tentative budget occurs in October. The formal adoption of the budget generally occurs after the public hearing meeting in November or December. She clarified that the Board has historically cancelled the December ACB meeting if there are no public comments regarding the budget in November, and the budget is adopted at that meeting.</p> <p>Pam added that the pre-Board meetings generally occur 10 days before the ACB Meeting. Rachel added that these pre-Board meetings are vital because of the legal requirement for the Board Chair to set the agenda for the meetings.</p> <p>Pam notified Board Members that the annual UASD Conference will be held, in Layton, on November 6-8. WFWRD is willing to sponsor Board Members' registration fees if any members wish to attend.</p> <p>Board Chair Peel indicated that November's Pre-Board Meeting will be rescheduled to accommodate this conference.</p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-30deg);">Approval</p>	
<p>6. Other Board Business:</p>			

Board Chair Peel asked about the status with Ace Recycling & Disposal. Pam explained that we have been taking eight routes of municipal solid waste (MSW), each Thursday, to Ace to determine time and cost efficiencies – which have been verified. We have been continuing negotiations with Salt Lake County to reduce our requirement to take 85% of MSW to County facilities.

Effective August 1, 2019, we were to reduce the number of routes going to Ace from eight to two routes to help ensure we could meet the 85% requirement. It recently came to Pam’s attention that we have drivers that selected Ace due to traffic congestion and their later hours of operations especially during this time of staff shortages. Drivers have been working past 5:00 to make sure we collect the waste each day.

If we continue with the two routes, we will only reach around 81% to the County facilities. If we stop altogether, we will hopefully reach 83%. Pam is proposing that we temporarily stop all deliveries to Ace. Board Chair Peel pointed out that we will still deliver more waste to County facilities in 2019 than the 85% that we delivered in 2018.

Pam added that congestion issues, at the County Landfill, have also caused Area Cleanup drivers to go to Trans-Jordan Landfill. This is also pulling intended MSW away from County facilities.

Board Member Bradley asked if it would be helpful if the County facilities are open later than 5:00 p.m. Pam confirmed it would help, and that continued negotiations with County representatives are occurring.

Rachel stated that there is not an identified penalty for breaching the 85% requirement. She also confirmed that it is expensive for the District to have this requirement. Board Member Brass emphasized that all parties need to balance all of our needs

The Board directed Pam to temporarily stop deliveries to Ace so that WFWRD can honor the requirement and obligation we have with Salt Lake County.

	Pam did confirm that Salt Lake County Landfill has released all tonnage requirements for Green Waste, and has announced that they will open the Transfer Station on the Saturdays after Thanksgiving, Christmas, and New Year's Day, to help with our collections and disposal needs. Board Vice Chair Christopherson added that the County has worked with us in the past for economies of scale for Landfill deliveries.		
7. Requested Items for the Next Board Meeting:			
	<ul style="list-style-type: none"> • Tentative 2020 WFWRD Budget (Tentative Adoption) • Set the Date for the Public Hearing for the 2020 Budget • Review and Approve the Interlocal Agreements for Services • Update on Negotiations for Salt Lake County Interlocal Landfill Services 		
ADJOURN		Motion to Adjourn: Board Member Bradley Seconded by Board Member Brass Vote: All in favor (of Board Members present)	Approved September 23, 2019

Pending Board Approval