

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

DATE/TIME	LOCATION	ATTENDEES
<p>September 27, 2021 9:00 a.m.</p> <hr/> <p><b>Next Board Meeting</b> October 25, 2021 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 (beginning with Agenda 3.1), Phil Cardenaz, Dwight Marchant, Sherrie Ohrn, Diane Turner  <u>Participating electronically:</u> Anna Barbieri (beginning with Agenda 3.1), Daniel Gibbons, Patrick Schaeffer, Keith Zuspan  <u>Excused:</u> Catherine Harris, Kris Nicholl, Brint Peel, Tessa Stitzer</p> <p><u>District &amp; Support Staff:</u> Anthony Adams, Craig Adams, Rachel Anderson, David Ika, Paul Korth, Andrea Murdock, Renee Plant, Pam Roberts  <u>Participating electronically:</u> Craig Adams</p> <p><u>Public:</u> Melissa Kotter (On Track Solutions), Jennifer Kennedy (Murray City Staff)  <u>Participating electronically:</u> Patrick Craig (Salt Lake County), Lisa Hartman (Salt Lake County)</p>

**AGENDA**

**Call to Order:** Scott Bracken, Board Chair

**1. Consent Items:**

- 1.1. August 23, 2021, Board Meeting Minutes (**Motion & Approve**)

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

**3. Business Items**

- 3.1. 2022 Proposed Budget and Fee Schedule: Pam Roberts, General Manager; and Paul Korth, Finance Director (**Information/Direction Requested**)
- 3.2. General Manager’s Report: Pam Roberts (**Informational/Direction Requested**)
  - Human Resources Updates
  - Update on Potential Food Waste Collections Pilot
  - Annual Permit Renewal for Solid Waste Hauling from the Salt Lake County Health Department
- 3.3. Status on the Request to the Salt Lake County Council to Reorganize WFWRD to a Local District: Rachel Anderson, Legal Counsel; Board Member Bradley; and Pam Roberts (**Information/Direction Requested**)

**4. Closed Session (If Needed)**

*The Administrative Control Board may temporarily recess the meeting to convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending, or reasonable imminent litigation, and the purchase, exchange, or lease of real property, or other legally applicable reasons as provided by Utah Code Annotated §52-4-205.*

**5. Other Board Business**

This time is set aside to allow board members to share and discuss topics.

**6. Requested Items for the Next Board Meeting:**

- 2021: 3<sup>rd</sup> Quarter Financial Report
- WFWRD Investment Accounts Report
- 2022 Tentative Budget for Tentative Adoption
- Status and Update on Reorganization as a Local District
- Possible Review of Proposed Food Waste Collection Pilot Program

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
<b>1. Consent Items</b>			
1.1 August 23, 2021, Board Meeting Minutes		<p><b>Motion to Approve the Minutes by:</b> Board Member Turner  <b>Seconded by:</b> Board Member Marchant</p> <p><b>Vote: All in favor (no opposing or abstaining votes)</b></p>	<b>Approved September 27, 2021</b>
<b>2. Meeting Open for Public Comments</b>	(Comments are limited to 3 minutes)		
	No Public Comment		
<b>3. Business Items</b>			
3.1. 2022 Proposed Budget and Fee Schedule: Pam Roberts, General Manager; and Paul Korth, Finance Director ( <b>Information/Direction Requested</b> )	<p>Pam clarified that this is a proposed budget; and based on feedback/input from the ACB, a “tentative” budget will be presented next month for tentative adoption.</p> <p>Pam announced a turnaround with the recycling markets. It is due to this that WFWRD has been able to manage the needed salary increases for our Equipment Operators this year. She commended the great staff that we have with WFWRD, and she thanked the Board for their continued support.</p> <p>We are not recommending an increase to our base fee, for services, for 2022. There are other fees which are being proposed for an increase and implementation of a new fee for 14-yard roll-off containers used for special and emergency clean-ups.</p> <p>Also, the same level of services will continue through 2022. The name for the Area Cleanup Program (ACUP) will be changing to memorialize the change in how the</p>		

service has been provided and it will continue in the future. Continuing with the reservation system provides the service to those who desire it while reducing the curbside mini landfills and the dangerous scavenging that can occur if those containers are in the streets.

Staff will also discuss possible improvements to the current program. Although salary increases have helped, we still cannot acquire the needed staff to return to the traditional way of conducting this program. Board Member Marchant inquired how many containers are used for the ACUP. Pam stated that we used 125 daily containers with the traditional program. With the reservation system, we can deliver up to 100 per day.

Melissa Kotter, Compensation Analyst, stated that she has reviewed projected salary/benefits budgets for 2022. The data she used comes from Employers Council, which has lots of data from Utah and other western states. Local and state-wide data was analyzed.

Overall, salary increases are identified at 3.2%. A few industry-related sources indicated a 3.7% increase. She recommended WFWRD adopt a 3.5% overall increase, including the 2% merit increase and 1.5% COLA (cost of living allowance). However, she supports Pam's request for a 4.0% overall increase for 2022, due to market fluctuations and competition for employees.

Pam added that the studies do not include direct competitors (private waste haulers), which is one of the reasons she is requesting the higher increase. The cost difference between the 1.5% and 2% COLA increase is \$33,427.00. She also stated that she is requesting a 4.0% overall increase for our part-time and seasonal staff.

Board Vice Chair Ohrn inquired how much of an employee's salary goes toward their benefits. Paul Korth stated that it is about 30%. Board Vice Chair Ohrn also asked if employees can opt out of these benefits. Pam commented that employees can only opt out of health insurance benefits. All other benefits are required for the employees. Paul added that most employees accept the full benefits offered by WFWRD. Employees cannot opt out of these required benefits to increase their take-home pay.

Pam expressed her gratitude that WFWRD will only see a 2.3% increase in health insurance premiums from PEHP (Public Employees Health Program), despite the economic forecast showing a 7-9% increase. WFWRD offers great and competitive benefits for its employees with low deductibles. We are also continuing our program to compensate our current employees based on past related experience by including all remaining employees. Phase I and II included new and current Equipment Operators. Phase III includes all remaining staff. Once evaluations are conducted, proposals will be brought to the Board.

WFWRD currently has a part-time Safety Coordinator. Pam indicated that staff is currently evaluating the need for that position to become a full-time Safety and Emergency Coordinator. Recent emergencies have brought this additional need to light as we've tried to absorb those critical duties with existing staff. It is important that WFWRD is ready to respond to emergencies and natural disasters.

Pam addressed the issues for employees, mainly Equipment Operators, that are at the top of their salary range, and not eligible for a merit increase. We want to recognize these employees for their work. Melissa overviewed the recent compression matrix adjustments.

She recommended a lump sum merit performance at the time of their merit date, based on satisfactory performance. The recommendation for these employees is the lump sum of \$1,500.00. She indicated that we have 11 Equipment Operators in this situation at this time. Paul indicated that he would update this information for the tentative budget.

Pam reviewed the operational goals for 2022, including updated website tools for efficient trailer and container scheduling, and improvements to the container reservation program. She also noted that staff will recommend a name change to the ACUP during the October Board meeting. We will also focus on improved safety training, managing disposal costs and efficient loads, and recycling education.

Paul reviewed the revenues and expenses from 2020, and compared them to the budgeted and estimated figures for 2021, and then presented the proposed budget numbers for 2022, including the 2021/2022 variances. The proposed 2022 budget is currently \$24,355,504.00, which will include a \$3,038,988.00 use of our fund balance. The proposed 2022 budget includes a slight increase in charges for services, based on base services and Green Waste subscriptions. We anticipate a decrease in non-operating revenues for 2022. This is due to a projected loss on the sale of trucks. We expect an increase in almost every expense category, next year except recycling fees. Our personnel expenses reflect around 40% of our annual budget, and it is increasing due to consistent increases in the salary markets. We also projected a 7.5% increase in fuel and a 6% increase in fleet maintenance. We are budgeting \$30.00 per ton for recycling, which is currently higher than we are paying, but the markets for these commodities have been very volatile. Pam interjected that we will actually receive revenues for

**Paul will update this information in the 2022 Tentative Budget.**

recycling, for August, which we haven't seen in a few years.

Board Chair Bracken confirmed that we are estimating a \$495,417.00 use of our fund balance for 2021.

Our cash projections include our investments in the PTIF (Public Treasurers' Investment Fund). It is estimated that our cash balance will decrease from \$10.1 million to \$8.9 million at the end of 2021. Using the preliminary 2022 budget numbers, we show a decrease to \$7.2 million next year, with a continued estimated decrease of approximately \$2 million each successive year to 2026. This is due to increased personnel costs, inflationary pressures, and increased fuel expenses. Due to this, we will need to explore a fee increase for 2023.

For 2022 capital expenditures, we will purchase eight side-load collection trucks, three light-duty trucks, and two front-load trucks – which have already been ordered. All of these costs total \$3,234,267.

Pam reviewed the proposed changes to the 2022 Fee Schedule. The price to purchase curbside cans have increased due to petroleum going up in price. We want to increase the cost, on the Fee Schedule, from \$50.00 to \$60.00 per can. For ease in billing, we will also include the delivery fee into the cost for the cans. We want to discontinue the replacement cost for customer-caused damage of a can, and combine all replacement can fees to \$70.00 – which does not include repair/replacement for normal wear and tear on cans. Also, new home startup fees will increase from \$110.00 to \$130.00 – which includes a waste and recycling can, with the included delivery fee.

<p>3.2 General Manager’s Report: Pam Roberts (<b>Information/Direction Requested</b>)</p> <ul style="list-style-type: none"> <li>Human Resources Updates</li> </ul>	<p>During the past two years, we have had several community requests for the 14-yard containers used for the ACUP, for special or emergency cleanups. We are proposing to formalize this rental option for \$120.00 per container, which will include the container rental and disposal for up to two tons. For anything over two tons, the customer would be charged those costs pending the dumping facility for which the container is delivered.</p> <p>Board Chair Bracken emphasized that the official approval of the tentative budget will take place at the October ACB Meeting, but a motion can be made for this proposed budget so staff can make the needed adjustments to come back before the Board.</p> <p>Andrea reviewed what vaccinations are provided to all employees each year. Our annual Flu Clinic will take place on October 8<sup>th</sup>. We had hope for the COVID vaccine to be available, but there are not enough employees for the onsite vaccine. These vaccinations are provided onsite by the Salt Lake County Health Department.</p> <p>Andrea provided follow-up information regarding employee turnover, for the past few years. In 2020, we did not have much employee turnover due to the uncertainties caused by the pandemic. In 2018 and 2019 we saw a 30% - 40% turnover rate in our staff. Currently, for 2021, we are seeing between a 17% - 23% turnover rate. Pam stated that she believes the Board-approved salary increases has helped to recruit and retain good employees. Andrea added that most of</p>	<p><b>Motion to Approve the Proposed 2022 Budget, including the 2.0% COLA and 2% Merit Increase for staff by:</b> Board Member Marchant</p> <p><b>Seconded by:</b> Board Member Cardenaz</p> <p><b>Vote: All in favor (no opposing or abstaining votes)</b></p>	<p><b>Approved September 27, 2021</b></p>
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<ul style="list-style-type: none"> <li>Update on Potential Food Waste Collections Pilot</li> <li>Annual Permit Renewal for Solid Waste Hauling from the Salt Lake County Health Department</li> </ul> <p>3.3 Status on the Request to the Salt Lake County Council to Reorganize WFWRD: Rachel Anderson, Legal Counsel; Board Member Bradley; and Pam Roberts <b>(Information/Direction Requested)</b></p>	<p>the turnover occurs in the spring, when construction projects pick up.</p> <p>Pam stated that there have been delays in getting the Food Waste Collections Pilot started. We are anticipating a potential startup in the spring of 2022. Momentum Recycling, the sponsor of the program, is still working out logistics and costs before they can launch their first pilot in Salt Lake City. Details should be available at the January or February ACB Meeting. Board Member Cardenaz requested additional information about this program.</p> <p>WFWRD goes through an annual permitting process with the Salt Lake County Health Department. We receive an annual permit to operate as a waste hauling organization.</p> <p>Board Member Bradley stated that Lisa Hartman, Associate Deputy Mayor, has completed her impact study related to WFWRD’s proposed reorganization. The Mayor’s Office is now setting up meetings with each of the Salt Lake County Council members to discuss the findings. After that occurs, the item will be placed on the County Council agenda. He estimated that this issue will not occur until after the current budget discussions.</p> <p>Lisa Hartman added that the County’s Legal Department has suggested renegotiating the lease to add rent going beyond the current expiration of 2028, and the administrative services contracts to ensure they “transcend personalities” with Pam and Kevyn Smeltzer, PW Division Director. Board Vice Chair Ohrn asked if the County’s findings would be shared</p>	<p><b>Pam will send the requested information to Board Member Cardenaz.</b></p>	
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	<p>with the WFWRD Board. Lisa confirmed that their findings will be made available after they have been shared with the County Council members.</p> <p>Pam also confirmed the great working relationship that exists between WFWRD and Salt Lake County Public Works, Fleet, and Salt Lake County Information Technology (IT).</p>		
<b>5. Closed Session</b>			
	No Closed Session		
<b>6. Other Board Business</b>			
	No Other Board Business		
<b>7. Requested Items for the Next Board Meeting</b>			
	<ul style="list-style-type: none"> <li>• 2021: 3<sup>rd</sup> Quarter Financial Report</li> <li>• WFWRD Investment Accounts Report</li> <li>• 2022 Tentative Budget for Tentative Adoption</li> <li>• Status and Update on Reorganization as a Local District</li> <li>• Possible Review of Proposed Food Waste Collection Pilot Program</li> </ul>		
<b>ADJOURN</b>		<p><b>Motion to Adjourn:</b> Board Vice Chair Ohrn  <b>Seconded by</b> Board Member Marchant</p> <p><b>Vote: All in favor (of Board Members present)</b></p>	<p><b>Approved  September 27,  2021</b></p>