

BOARD OF TRUSTEES – WASATCH FRONT WASTE AND RECYCLING DISTRICT (WFWRD)
MONTHLY MEETING MINUTES

DATE/TIME	LOCATION	ATTENDEES
<p>June 27, 2022 9:00 a.m.</p> <p>Next Board Meeting August 22, 2022 9:00 a.m.</p>	<p>Public Works Building 604 West 6960 South Midvale, UT 84047</p>	<p><u>Board Members:</u> Sherrie Ohrn (Chair) - Herriman, Phil Cardenaz - White City, Diane Turner - Murray, Keith Zuspan - Brighton</p> <p><u>Participating Electronically:</u> Anna Barbieri – Taylorsville (<i>arrived during Item 4.4</i>), Cyndi Sharkey - Sandy, Daniel Gibbons (Vice Chair) - Holladay, Laurie Stringham - Salt Lake County (<i>arrived during Item 4.3</i>), Patrick Schaeffer - Kearns, Robert Piñon - Emigration (<i>arrived during Roll Call</i>), Scott Bracken - Cottonwood Heights, Tessa Stitzer - Copperton (<i>arrived during Item 4.4</i>)</p> <p><u>Excused:</u> Thom DeSirant - Millcreek, Eric Barney - Magna</p> <p><u>District & Support Staff:</u> Pam Roberts, General Manager Rachel Anderson, Legal Counsel Renee Plant, Administrative Manager Paul Korth, Finance Director Ashley Ashton, Human Resources Manager Matt Ferguson, Controller/Treasurer David Ika, Operations Manager Catarina Garcia, Executive Assistant</p> <p><u>Public:</u> Justun Edwards - Herriman, Patrick Craig - Salt Lake County, Jennifer Kennedy - Murray</p>

AGENDA

Call to Order: Sherrie Ohrn, Board Chair

1. **Welcome:** New Executive Assistant, Catarina Garcia
2. **Consent Items: (Approval Requested)**
 - 2.1. May 23, 2022, Board Meeting Minutes
3. **Meeting Open for Public Comments:** (Comments are limited to 3 minutes)
Public wishing to submit a comment to the Board of Trustees can do so by submitting their comment to the Board Clerk at CGarcia@wasatchfrontwaste.org before Monday, June 27th, 8:00 a.m. All comments must include the name and address of the individual making the comment. These comments will be read at the meeting as if the individual were present. Public comments can also be made in person or via WebEx, during this time.
4. **Business Items:**
 - 4.1. Adoption of Resolution 4414, Appointing Catarina Garcia as the District's Board Clerk, Board Chair Ohrn and Rachel Anderson, Legal Counsel **(Adoption Requested)**
 - 4.2. Review Properties Released from the May 2022 Tax Sale, Pam Roberts, General Manager **(Information)**
 - 4.3. 2021 Annual Comprehensive Financial Report (ACFR) Paul Korth, Finance Director **(Information/Acceptance)**
 - Squire & Company Executive Summary
 - Squire & Company Governance Letter
 - 2021 Utah Retirement Systems (URS)
 - 2021 Statement of Net Position
 - 4.4. Review Cash Projections and 2023 Fee Scenarios, Paul Korth and Pam Roberts **(Discussion and Direction Requested)**
 - Waste and Recycling Fee and Service Comparisons
 - 4.5. Continued Discussions and Follow-up on SCRP Services and Costs, Pam Roberts **(Information/Direction Requested)**
 - 4.6. Confirm, or Cancel the July 18, 2022, Board Meeting, the 3rd Monday in July: Board Chair Ohrn and Pam Roberts **(Discussion and Direction Requested)**

5. **Closed Session (If needed)**

The Board of Trustees 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, as provided by Utah Code Annotated §52-4-205

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 Monday, July 18, 2022, or August 22, 2022, at 9:00 a.m.**

- 2022 2nd Quarter Financial Report
- Continued Discussions on 2023 Fees
- Seasonal Container Reservation Program (SCRIP)
- General Manager's Report

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
Call to Order			
	Board Chair Ohrn called the meeting to order at 9:00 a.m. After Item 2.1, Rachel Anderson took a roll call of the members in attendance.		
1. Welcome			
	Pam introduced WFWRD's new Executive Assistant, Catarina Garcia who started June 06, 2022. She brings 24 years of experience working with a private engineering firm as their Executive and Administrative Assistant. Pam <i>did</i> have her take an Oath of Office. Catarina is Pam's appointee for the Board Clerk, and she asked the Board to support this and formally adopt the resolution.		
2. Consent Items			
2.1. May 23, 2022, Board Meeting Minutes	There were no questions or comments on the minutes.	Motion to Approve Consent Item: Board Member Zuspan Seconded by: Board Member Turner Vote: All in favor (no opposing or abstaining votes)	Approved June 27, 2022
3. Meeting Open for Public Comments (Comments are limited to 3 minutes)			
	No public comments.		

4. Business Items			
4.1. Adoption of Resolution 4414, Appointing Catarina Garcia as the District's Board Clerk, Board Chair Ohrn and Rachel Anderson, Legal Counsel (Adoption Requested)	Board Chair Ohrn expressed her excitement to have this critical role filled and the Board looks forward to getting to know her. Catarina expressed her happiness to be on board.	Motion to Approve Adoption Item: Board Member Turner Seconded by: Board Vice Chair Gibbons Vote: All in favor (no opposing or abstaining votes)	Approved June 27, 2022
4.2. Review Properties Released from the May 2022 Tax Sale, Pam Roberts, General Manager (Information)	Pam reviewed the three released properties, noting that two will still have attached liens. She reminded the Board that the Salt Lake County Property Tax Committee works with homeowners to set up payment plans. The third property has 100% relief from property taxes due to Disabled Veteran status. <i>It was only WFWRD's fees that were delinquent on this property.</i> Pam spoke with the Salt Lake County Auditor's Office and released the property from sale until she could work with the homeowner and explain that our fees are not included in property taxes. The fees were paid in full, the lien was removed.		
4.3. 2021 Annual Comprehensive Financial Report (ACFR) Paul Korth, Finance Director (Information/Acceptance)	<p>Squire & Company Executive Summary: Paul presented the summary and explained "Unmodified (clean) Opinions".</p> <p>Squire & Company Governance Letter: Paul shared that "material misstatement" is different from being perfect, and noted from a liability perspective, the Auditors do not review every transaction, they sample and test. WFWRD management is comfortable there are no material misstatements.</p>	Motion to Approve: Board Member Bracken Seconded by: Board Member Schaeffer Vote: All in favor (no opposing or abstaining votes)	Approved June 27, 2022

	<p>Significant Accounting Policies: This year we adopted a government accounting standard for leases. We have significant accounting estimates from actuaries for URS and OPEB numbers.</p> <p>Uncorrected and Corrected Misstatements: Paul explained one issue regarding overestimated sick time, and underestimated overtime.</p> <p>There were no questions, then Paul briefly reviewed the 2021 Statement of Net Position explaining the State Treasurer's pool is the Public Treasurer's Investment Fund, and investments are what is in our Zion's investment account. Accounts receivable is mainly from our sideload business, and prepaid expenses are mainly from two frontload trucks, and a couple of membership dues. Inventory is cans (green, recycle, and refuse). Under noncurrent assets he pointed out the new category for leased assets. Accounts payable and accrued expenses are what we owe vendors, and what we owe in salaries and benefits payable. Other current liabilities include worker's compensation. Paul compared our current liabilities of approximately \$1.5 million to our current assets of approximately \$16 million.</p> <p>2021 Utah Retirement Systems (URS): Paul reported that URS provides information to record journal entries, adjust liabilities and show expenses, typically around February. He reminded the Board that we were anticipating a negative number for 2021, however, we ended up with nearly a half million-dollar positive adjustment.</p>		
--	---	--	--

	<p>Paul presented the Statement of Revenues, Expenses, and Changes in Net Position. Other revenues include late fees, new can deliveries, and CNG rebates. Recycling fees in 2020 were approximately~\$1.1 million and decreased to approximately \$330,000 in 2021. Board Member Turner inquired about the change in recycling fees. Paul answered that China used to take recycling, they, along with other countries, have discontinued that based on oversupply. He added the change forced domestic markets to open up and in the long run this will be a benefit.</p>		
<p>4.4 Review Cash Projections and 2023 Fee Scenarios, Paul Korth and Pam Roberts (Discussion and Direction Requested)</p>	<p>Pam referred to the Cash Projections and the Fee Increase Scenarios that Paul put together for this report. She noted that WFWRD has been talking to the Board, giving notice regarding the thought of a fee increase in 2023 to help account for increased inflationary costs. Labor and diesel fuel has gone up. She explained that we do benefit from using CNG for a majority of our fleet, however, that has increased slightly as well. She commended Paul for his work preparing the Cash Projections report and reminded the Board that in 2017 they approved a fee increase effective January 1, 2018. Because we bill three months in arrears, the cash benefit of this was received in April and May 2018. This was a \$2.25 per month fee increase moving from \$14.75 per month to the current \$17.00 per month. Pam then turned the time over to Paul to report on his findings.</p> <p>Paul reported that historically we have not hit budgeted expenses, spending on average 91% of the budgeted expenses in recent years. He put together this report based upon 95% of budgeted expenses each year as a conservative approach.</p>		

	<p>He stated that for 2022 generally budgeted expenses increased 3% with some exceptions, such as fuel expense increased 7.5%, maintenance expense increased 6%, and the budgeted cost of cans increased to \$75.00 per can. The bottom line is to remain flexible and reserve the right to change. The ending cash and investment balance WFWRD is projecting for year end 2022 is \$7.3-\$7.4 million. Most costs have increased across the board. Paul reviewed the cash projections through 2026 with fee increase scenarios in the amounts of \$2.00 per month, \$2.50 per month and \$3.00 per month with the cash projections for each amount.</p> <p>Board Member Cardenaz asked what percentage WFWRD is comfortable with. Pam replied that the Board previously set an informal policy/best practice to have a year-end cash balance of 20% of the annual budget, to err on the side of caution and to be conservative. Board Member Turner commented everyone is getting hit from all sides and there will be a lot of concerns.</p> <p>Board Member Stringham asked if we've considered a policy for "bigger bites". Pam responded that WFWRD has looked at scenarios such as \$1.00 per home per month, however, this doesn't provide the best time value of money. History has shown that at least \$2.00 per home per month gives us the best time value of money with \$2 million annual revenues. I am not sure that I would recommend more than that. However, we would like more to carry into the future and help to keep up with inflation. \$24.00 per year, is the minimum needed, moving from \$204.00 to \$228.00 per year.</p>		
--	--	--	--

	<p>Board Chair Ohrn noted there has been a lack of desire to increase fees, giving the perception WFWRD is constantly increasing fees. She would rather have a higher increase and stave off another increase for five years.</p> <p>Board Member Bracken asked if WFWRD is required or mandated by the State to get approval from every municipality. He stated the reason he is asking is that in the past when the Board approved a two year in a row increase and some were concerned with two consecutive increases rather than one.</p> <p>Rachel Anderson, Legal Counsel, answered that it is not a legal requirement to have each municipality sign off, it is an Operational/Board of Trustee's decision. Your vote is the vote of your Council. That is why you are here as a Board Member.</p> <p>Board Member Bracken asked Pam if we are at \$17.50 per month now. Pam replied that we are at \$17.00 flat.</p> <p>Pam moved to the 2021 Fee Comparisons showing each municipality's service level. Murray City, West Jordan, Sandy City, Draper City, South Jordan, and Riverton receive reduced tipping fees at the Trans-Jordan Landfill. WFWRD is the fourth highest, but with the highest service level.</p> <p>Pam noted that as Board Member Bracken indicated the Board approved increases of \$2.00 per month in 2014 and asked each council to also approve \$2.00 per month in 2015, after we had over 6,000 second garbage cans returned, we lost \$1,000,000 annual revenue.</p>		
--	--	--	--

	<p>Pam shared that Chris Bell, Salt Lake City Waste and Recycling Director, confirmed the City is considering an increase in July for their next fiscal year. Salt Lake City has three cans included in their fee, garbage, recycling and green.</p> <p>Pam asked for feedback, also pointing out WFWRD is the sole landfill voucher provider.</p> <p>Board Member Sharky inquired if we have considered postponing an increase until we know more about the economy next year. We're proposing to go from the high-middle to the upper part of the pack, also noting that more services <i>can</i> be a difficult argument especially in the outlying locations in Sandy.</p> <p>Board Chair Ohrn noted that Sandy is subsidizing and receiving dividends/rebates from Trans-Jordan Landfill. Board Member Sharkey replied that Sandy has imposed a fee for bulk waste for city services, fending off a \$6.00 per month increase for WFWRD customers, and agreed this year all customers will receive the same increase regardless of provider.</p> <p>Board Member Turner reported Murray WFWRD customers were asked if they wanted to go to City services and the response was a resounding "no", due to all the services WFWRD provides. She mentioned that Murray may consider going completely with WFWRD and appreciates their services.</p> <p>No other comments.</p>		
--	--	--	--

<p>4.5 Continued Discussions and Follow-up on SCRP Services and Costs, Pam Roberts (Information/Direction Requested)</p>	<p>Pam reviewed customer feedback and the main concerns expressed including limited availability of containers. The previous cleanup was (124) containers every day in the street. SCRP, with current staffing, we hope to deliver (80) containers per day to the resident's driveway.</p> <p>The current plan allows service (containers delivered) to 11-13% of homes in our boundaries, which seems doable. Going forward our goal is to reduce overtime and we know that the number of trucks needed to lease from Salt Lake County has reduced from 16 to 10, which saves money that can be used for the proposed FTE drivers.</p> <p>Pam also discussed the trailer program, other municipality comparisons, and cost analysis.</p> <p>Board Member Shaeffer inquired about drivers not taking full trucks in Kearns. Pam assured the Board that Sione Tuione, and Rae Groo-Parry are expertly managing these services. She also noted the GPS on trucks and containers aid efficiencies as well.</p> <p>Board Member Piñon from Emigration Canyon observed the certainty that all districts and municipalities will have similar increases and is not opposed to go to \$2.50 per month. He advised not to base our decisions off fear of what other municipalities are doing and is comfortable defending this within his Metro Township.</p>		
---	---	--	--

	<p>Board Member Sharky noted Sandy already made a rate adjustment by reducing recycling to twice a month, reducing what would have been an additional \$2.45 per month. This was an incredibly painful transition and was not unanimous.</p> <p>Board Member Cardenaz feels \$2.50 is in the middle and seems reasonable. Board Chair Ohrn is leaning towards this as well.</p> <p>Pam noted the last increase of \$2.25 sustained WFWRD for five years.</p> <p>Board Chair Ohrn commended Paul for good management, looking at real costs and understanding how to make it sustainable.</p> <p>Board Member Piñon believes cutting services will be a major problem in his Metro Township and cautioned the Board to be vigilant as it would not bode well to save money by reducing services.</p> <p>Board Member Bracken echoed concerns with biweekly recycling services, especially due to increased on-line shopping/shipping.</p>		
4.6 Confirm, or Cancel the July 18, 2022, Board Meeting, the 3rd Monday in July: Board Chair Ohrn and Pam Roberts (Discussion and Direction Requested)	After discussion, it was determined to cancel the July 18, 2022 Board Meeting.	<p>Motion to Cancel by: Board Member Stitzer</p> <p>Seconded by: Board Member Gibbons</p> <p>Vote: All in favor (no opposing or abstaining votes)</p>	Approved June 27, 2022
5. Closed Session			
	No closed session required.		

6. Other Board Business			
	No other Board business.		
7. Requested Items for the Next Board Meeting, on Monday, July 18, 2022, or August 22, 2022, at 9:00 a.m.			
	<ul style="list-style-type: none"> • 2022 2nd Quarter Financial Report • Continued Discussions on 2023 Fees • Seasonal Container Reservation Program (SCRP) • General Manager's Report 		
Adjourn			
		Motion to Adjourn: Board Chair Ohrn Seconded by: Board Member Turner Vote: All in favor of those in attendance (no opposing or abstaining votes) Meeting end time: 10:22 a.m.	Approved June 27, 2022