

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

DATE/TIME	LOCATION	ATTENDEES
<p>Monday, August 22, 2022 9:00 a.m.</p> <p>Next Board Meeting Monday, September 26, 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, Daniel Gibbons (Vice Chair) - Holladay, Anna Barbieri - Taylorsville, Laurie Stringham - Salt Lake County, Scott Bracken - Cottonwood Heights, Scott Little - White City</p> <p><u>Participating Electronically:</u> Cyndi Sharkey - Sandy, Eric Barney – Magna (<i>left meeting at 10:37 a.m.</i>), Keith Zuspan - Brighton, Patrick Schaeffer - Kearns, Robert Piñon – Emigration (<i>arrived after Item 4.1</i>), Tessa Stitzer - Copperton</p> <p><u>Excused:</u> Diane Turner - Murray, Thom DeSirant - Millcreek</p> <p><u>District & Support Staff:</u> Pam Roberts, General Manager Rachel Anderson, Legal Counsel Renee Plant, Administrative Manager Paul Korth, Finance Director Ashely Ashton, Human Resources Manager Matt Ferguson, Controller/Treasurer David Ika, Operations Manager Catarina Garcia, Executive Assistant/Board Clerk Rae Groo-Parry, Operations Supervisor Dustin Bradshaw, Residential Refuse/Special Services Collections Manager</p> <p><u>Public:</u> Patrick Craig - Salt Lake County</p>

AGENDA

Call to Order: Sherrie Ohrn, Board Chair
Roll Call: Catarina Garcia, Board Clerk

1. **Welcome:** New Board Member Scott Little, White City Metro Council
 - 1.1. Oath of Office, Catarina Garcia, Board Clerk
2. **Consent Items: (Approval Requested)**
 - 2.1. June 27, 2022, Board Meeting Minutes
3. **Meeting Open for Public Comments:** *(Comments are limited to three 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, August 22nd, 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 4415 Expressing Appreciation for Retiring Board Member, Phil Cardenaz, Pam Roberts, General Manager and Sherrie Ohrn, Board Chair (**Adoption Requested**)
 - 4.2. Request Approval of Human Resource Policy Amendments Related to Pay Structures, Pam Roberts, General Manager and Ashely Ashton, HR Manager (**Approval or Direction Requested**)
 - 4.3. Review of the 2022, 2nd Quarter Financial Report, Paul Korth, Finance Director (**Information**)
 - 4.4. Annual Fraud Risk Assessment, Paul Korth, Finance Director (**Information**)
 - 4.5. Continued Discussions on Fee Increase as Part of the 2023 Budget, Pam Roberts, General Manager and Paul Korth, Finance Director (**Information/Direction**)
 - Review of the Increased Costs Since the Last Fee Increase in 2018
 - Updated Waste and Recycling Fee Comparisons

4.6. General Manager's Report, Pam Roberts (**Information/Direction Requested**)

- Status on the Salary Market Survey as Part of the 2023 Budget
- Initial Review: FTE and New Benefits that will be Proposed for 2023
- Food Waste Collection Pilot Status and Next Steps

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, September 26, 2022, at 9:00 a.m.**

- 2023 Proposed Budget and Fee Schedule
- General Manager's Report

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
Call to Order / Roll Call			
	Board Chair Ohrn called the meeting to order at 9:00 a.m. and Catarina Garcia conducted a roll call of the Members in attendance.		
1. Welcome			
1.1 Oath of Office	Board Chair Ohrn welcomed New Board Member Scott Little of White City Metro Township, Catarina administered Scott's Oath of Office and obtained his signature on the Oath.		Approved August 22, 2022
2. Consent Items			
2.1. June 27, 2022, Board Meeting Minutes	There were no questions or comments on the minutes.	Motion to Approve: Board Member Barbieri Seconded by: Board Member Stringham Vote: The motion passed with all present Board Members voting yes, except for Board Member Little, who abstained.	Approved August 22, 2022
3. Meeting Open for Public Comments (Comments are limited to 3 minutes)			
	Pam notified the Board that the District has been experiencing email server/connectivity issues and no public comments were received via email, noting that access was available to the WFWRD website. No members of the public were logged in for comment.		

4. Business Items			
4.1. Adoption of Resolution 4415 Expressing Appreciation for Retiring Board Member, Phil Cardenaz, Pam Roberts, General Manager and Sherrie Ohrn Board Chair (Adoption Requested)	Pam explained that it is customary to adopt a resolution expressing appreciation for retiring Board Members. She will also attend White City's Council Meeting to present the resolution to Phil Cardenaz in person.	Motion to Approve Adoption Item: Board Vice Chair Gibbons Seconded by: Board Member Bracken Vote: All in favor (no opposing or abstaining votes)	Approved August 22, 2022
4.2. Request Approval of Human Resource Policy Amendments Related to Pay Structures, Pam Roberts, General Manager and Ashely Ashton, HR Manager (Approval or Direction Requested)	<p>Pam introduced Ashely and Rachel to review the - proposed policy. Ashely shared an instance where an employee brought to her attention that they were performing the role of a Lead Equipment Operator, which position is compensated at a higher rate.</p> <p>Ashely and Pam worked with Melissa Kotter, Compensation Consultant, to conduct a salary market survey and incorporate differential pay into District Policy 9.9.3. Pay Differential for Acting-in Positions.</p> <p>The proposed verbiage was reviewed and noting this policy only applies to merit employees, and overtime is paid in addition to the \$1.50 differential pay per hour.</p> <p>Board Member Bracken expressed his concern that \$1.50 per hour will eventually become insufficient. Pam replied that while pay ranges move, this \$1.50 per hour is in addition to hourly wages.</p> <p>Board Vice Chair Gibbons agreed that in five years the \$1.50 per hour will be an insignificant delta and recommended the rate be determined on an annual basis.</p>	Motion to Approve: Board Member Bracken Seconded by: Board Member Barney Vote: All in favor (no opposing or abstaining votes)	Approved August 22, 2022

	<p>Board Member Barbieri inquired if the pay would appear as a separate line item on the employees pay stub when the hours are paid. Ashely confirmed yes, and it will also fall under a different pay code.</p> <p>Board Member Little agreed that the rate should be reviewed annually and inquired if WFWRD is limited by the number of people we can have in a certain position at any given time.</p> <p>Pam responded that anytime we add FTEs it is presented at the next budget meeting. WFWRD currently is authorized for 94 full-time employees (FTEs) in designated positions and she has the authority to reclassify positions if ever needed. Any budget increases or impact are brought to the Board and would continue to be brought before the Board.</p> <p>Board Member Little shared his concern that it could be used to move people into positions that aren't budgeted for or approved.</p> <p>Pam explained these are rare instances, mainly through the seasonal services of SCRP, leaf bags, and Christmas trees. She is not sure those issues would arise, however, they would be presented to the Board as necessary.</p> <p>Board Chair Ohrn understands concerns about the policy being abused so we must ensure there are appropriate checks and balances. She also understands valid concerns of the \$1.50 rate, however, it's easy to change when it's no longer equitable, and there must be a hard number in the policy.</p>		
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	<p>Paul noted it would be tied into the annual budget and provided in a year-end recap report.</p> <p>Board Chair Ohrn cautioned not incorporating too much flexibility as this is a budget issue.</p> <p>Pam explained that Melissa Kotter recommended \$1.50 or \$2.00 per hour, and she chose the more conservative amount. Board Chair Ohrn agreed this is a good starting point.</p> <p>Board Member Little agrees it must be tied to the budget and verbiage included in the policy when funds are budgeted for this use.</p> <p>Paul noted that it will fall under wages and salaries, and that sometimes it is difficult to fill positions. We also need to look at the big picture temporary employees vs. FTEs. There are numerous unfilled positions in this program so availability of funds hasn't been a concern. Sometimes WFWRD is under budget in one category and over in another.</p> <p>Board Member Barney agrees it is a good idea to compensate employees for the work they are doing and clearly defining what constitutes "additional job duties". He feels this could become a source of contention and inquired if our job descriptions are clearly defined.</p> <p>Pam responded that our job descriptions are very clear. Lead Equipment Operators have specific duties and the SCRP does need that Lead in the field to assist employees to navigate daily workloads. She then reiterated the time limit of a minimum of 45 days, but no longer than 180 days (6 Months), the</p>		
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	<p>pay differential would not happen for one day or even one week at a time.</p> <p>Board Member Zuspan asked what positions are eligible for differential pay. He also recommended we remove “such as” so the policy only applies to the three listed positions (Lead Equipment Operator, Supervisor, or Manager).</p> <p>Board Member Barney agreed the current verbiage is very open and vague. Pam agreed removing “such as” is a good change.</p> <p>Board Member Little inquired if this is only for existing positions. Pam responded that the proposed 2023 budget includes a request for three FTEs for SCRP and we are evaluating if one of those should be a Lead Equipment Operator.</p> <p>Board Chair Ohrn feels this will help bridge the gap until more data can be obtained.</p> <p>Pam stated WFWRD thinks this will be temporary, and that we currently have no avenue to compensate employees for performing additional job duties while we right-size our resources.</p> <p>Board Member Bracken reiterated the \$1.50 differential rate must be a separate budget line item and reviewed each year. He then moved to amend the policy.</p> <p>Board Member Stringham inquired if the policy could list a range, while Board Member Bracken prefers a set dollar amount.</p>		
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	<p>Rachel recommended the following verbiage:</p> <p>9.9.3. Pay Differential for Acting-in Positions.</p> <p>9.9.3.1. Merit employees are eligible for an acting-in pay differential when they are assigned to take on additional job duties of the following existing positions: Lead Equipment Operator, Supervisor, or Manager for a minimum of 45 days, but no longer than 180 days (6 Months).</p> <p>9.9.3.2. The District sets the pay differential in the budget of \$1.50 per hour above the respective employee's regular hourly rate of pay.</p> <p>9.9.3.3. At no time will the respective employee's rate of pay exceed the salary range of the position they are acting in.</p> <p>9.9.3.4. Overtime will be calculated at the rate of pay including the pay differential as applicable.</p> <p>9.9.3.5. The District will pay an employee retroactive to the actual start date of the assigned duties.</p>		
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<p>4.3. Review of the 2022 2nd Quarter Financial Report, Paul Korth, Finance Director (Information)</p>	<p>Paul reviewed WFWRD's Financial Report for the Six Months Ended June 30, 2022.</p> <p>WFWRD's total revenues increased \$145,000 from 2021 to 2022. The increase was primarily due to a \$99,000 loss on the sale of assets that was recorded in 2021. Also, in 2022 there were increases in residential waste collection fees of \$72,000 and green curbside fees of \$59,000, partly offset by an increase loss on investments of \$97,000.</p> <p>Moving on to personnel expenses. Total personnel expenses increased \$342,000 from 2021 mainly due to increased wages of \$303,000, with increased pay rates and an increased headcount. We anticipated an increase of personnel expenses as planned with our budget. However, we are currently under expenses at 43% of the mid-year budget.</p> <p>The big picture is residential waste collection fees are up, green curbside fees are up, and our investments didn't perform as well as prior years. Total revenue is \$11 million through six months.</p> <p>Paul explained there was not a lot of change in operating expenses, highlighting that the total operating expenses decreased \$13,000 in 2022 compared to 2021. The decrease was primarily due to decreased recycling fees of \$177,000, decreased can purchases of \$216,000, and decreased insurance expenses of \$80,000. The decreased expenses were partly offset by increases in fuel expense of \$65,000, in maintenance expense of \$117,000, county interlocal expenses of \$105,000 (new hook lift trucks), and in other expenses of \$173,000.</p>		
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	<p>The bottom-line number is (\$190,822).</p> <p>Fuel expense increased 12% from 2021 to 2022. CNG is up \$0.17 per gallon, diesel is up \$1.80 per gallon.</p> <p>Board Member Bracken asked for a breakdown of diesel fuel vs. CNG, and Paul agreed to include that in the next report to the Board.</p> <p>Maintenance expenses increased 5% in 2020, were relatively stable in 2021, and are up 7% year-to-date in 2022.</p> <p>Salt Lake County Fleet Services is anticipating an 8% increase in 2023, mostly in labor and parts (challenges with back orders).</p> <p>Board Member Little inquired if we are requiring more maintenance. Paul responded that it's mainly the costs that are increasing and we have increased the number of trucks we have. The average maintenance work per truck has not significantly increased. Paul noted our fleet is aging, even the make and model factor in. CNG used trucks do not resell as quickly as diesel trucks. In hindsight, with the delay in new trucks, it is good to have the aging trucks still active in the fleet.</p> <p>Paul then reviewed refuse ton comparisons between the different providers: ACE, Trans-Jordan, Transfer Station, and the Salt Lake County Landfill. Up 3% in 2020, down 3% in 2021, and down a little this year.</p>		
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	<p>Recycle ton trends have stayed consistent the past four years, with slight decreases happening every year.</p> <p>Recycle costs per ton with our two vendors (Waste Management and Rocky Mountain) show volatility. We went from getting paid \$10.00 per ton in 2018 to paying almost \$70.00 per ton in 2019, and now paying nearly \$20.00 per ton. The volatility is based on underlying commodities/markets and encourages us to keep a cushion in our cash balances.</p> <p>Paul moved on to review cash balances history 2018-2022. He explained these numbers include investments (PTIF through the State Treasurer and Zions) as they are very liquid, and accessible if needed. The main factors are when we pay for big trucks, and our billing cycle, noting the numbers are almost the same for 2021 and 2022. We paid \$1.33 million for our eight sideload trucks in May of 2021 and haven't paid yet this year. We will owe \$1.4 million to one vendor for eight sideload trucks once they ship to another vendor.</p> <p>Next Paul reviewed capital expenditures for 2022 highlighting the following:</p> <ul style="list-style-type: none"> • Eight Side Load Trucks: (\$2,745,144 original + \$63,656 increase approved by the Board) \$2,808,800 • Three Light Duty Trucks: \$145,123 • Two Front Load Trucks: (Pay \$340,000 in 2021 and \$344,000 in 2022) \$344,000. Spent \$342,994. Variance \$1,006 under budget. • Carry Forward from 2021: Two Light Duty Trucks \$92,800 • Total Budget \$3,390,723 vs. Spent \$342,994 		
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	<p>Paul explained the (8) sideload trucks that we ordered last year still haven't shipped from Peterbilt reminding the Board we used one vendor for the engine and chassis and another for the box and refuse/recycling equipment. The (2) frontload trucks are in use and there is no activity on the (2) light-duty trucks order.</p> <p>Pam reported WFWRD was told that we are "a small fish in a big pond". Vendors tend to prefer to fill larger orders from customers who are willing to pay more. We anticipate chassis will be completed in the next couple months then shipped to have the bodies attached by the vendor for the bodies of the trucks.</p> <p>WFWRD had the opportunity to purchase Chevy light-duty trucks instead of Ford, changing specs to flatbed, for an additional \$10,000 per truck. We are still working under the State contract following procurement policies, and do not anticipate exceeding budget. However, if we see that we may exceed what is budgeted, staff will ask the Board for a budget adjustment with a budget hearing.</p> <p>We <i>do</i> need to pay a little more and get at least (2) trucks replaced to continue our quality of service without driving the trucks into the ground. The good news is that used light-duty pickup trucks fare well at auction and we are hoping to see \$30,000 per truck. Pam assured the Board we are being creative while meeting the needs of our customers.</p>		
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	<p>With no questions, Paul moved on to the next topic of certification balances as of June 30, 2022. These are past due amounts that WFWRD provides to the County each fall to go out on property taxes. The amount is over \$2,000,000 each year 2017-2021.</p> <p>He then discussed refunds for the 2nd quarter of 2022, defining these as what is actually paid out, not adjustments to accounts. These include customer payment errors, amounts paid at the same time as the title company, billing errors, and Xpress Bill Pay (trailer-related), totaling \$15,263. He assured the Board that WFWRD strives to move quickly to refund our customer's money.</p> <p>With no questions or comments, Paul concluded his report, Board Chair Ohrn commended Paul again and thanked him for doing such a great job with these critical responsibilities.</p>		
4.4 Annual Fraud Risk Assessment, Paul Korth, Finance Director (Information)	<p>Paul reviewed the assessment, explaining that the Utah State Auditor's Office requires an annual evaluation of an entity's fraud risk and separation of duties. The evaluation must be presented to the entity's governing board and submitted to the Utah State Auditor's Office.</p> <p>Paul proceeded to explain "mitigating controls" that WFWRD implemented in 2020 regarding Customer Service Representatives taking payments with the ability to adjust accounts. The mitigating control is that a monthly report is generated and reviewed by a different employee.</p>		

	<p>He then explained that regarding promoting a fraud hotline, we have always had this best practice and recently provided a link on our website within the Policy Manual under the “About Us” page. To ensure we promote the link, we have added a direct link on the bottom of each page of the website: https://wasatchfrontwaste.org/</p> <p>WFWRD Management considers the District a relatively small organization, and explained that in some <i>smaller</i> organizations, there have been many issues with internal controls and basic separation of duties.</p> <p>Based on existing policies, processes, and internal controls the management of WFWRD believes that there are adequate separation of duties and internal controls in place to minimize the risk of fraud. Based on the Fraud Risk Assessment Scorecard provided by the Utah State Auditor’s Office and completed in 2022, the District has a “low” risk for potential fraud.</p> <p>Board Member Stringham noted that this has been a concern for over 20 years, stating a major case of \$1.5 million that occurred over 10 years.</p> <p>Paul expressed that we want employees to view this as not only a protection to WFWRD, but to them personally as well.</p> <p>Board Chair Ohrn commended Paul for being so thorough.</p>		
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<p>4.5 Continued Discussions on Fee Increase as Part of the 2023 Budget, Pam Roberts, General Manager and Paul Korth, Finance Director (Information/Direction Requested)</p>	<p>Paul introduced the analysis he put together over the last five years to illustrate the actual cost increases since we are asking for a fee increase. He then reviewed the increased costs since the last fee increase in 2018 and showed the comparison of 2018-2022 select cash expenses (less green and special services), which is focused on the major categories for the last for years. These include wages and overtime, fuel, maintenance, disposal fees, and recycling.</p> <p>He continued to explain that recycling increased, then decreased, but he still felt that it is important to include as part of the cost analysis. In 2018 there were \$4.2 million in wages and overtime, and a projected increase to \$5.8 million in 2022. Paul stated that he went back and looked at wages to see how they have increased over time. For example, in 2018 our starting wage for equipment operators (2/3^{rds} of our workforce) was \$17.34 per hour. So far in 2022 this was increased to \$24.19 per hour, a 39% increase over four years, which is almost the exact same percentage of the overall increase. Other employees have also received wage increases, but he specifically looked at the equipment operators since they are, by far this is the biggest component of that. Board Member Bracken reiterated that they are two-thirds of our workforce.</p> <p>Board Member Stringham inquired if these are wage discrepancies, and Paul answered that we have made appropriate adjustments over time.</p>		
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	<p>Pam then explained that Melissa Kotter included years of job-related experience and education in the compression matrix, which moves an employee to a higher percentile of their salary range and a higher wage to compensate for that experience.</p> <p>Board Chair Ohrn commented that she is impressed and has never served on a Board or organization that does it better than WFWRD.</p> <p>Paul stated that we've also gone from the \$17.34 that was the minimum of the range and that was where everyone started at that wage in 2018. That doesn't work anymore especially for people with experience. We have made the needed adjustments to compensate appropriately.</p> <p>Paul explained that although overtime increased minimally, the main driver is our base wages. This also includes overtime and temporary labor. That would include SCRP.</p> <p>We anticipated increased fuel and maintenance expenses. Disposal fees have been relatively stable, not increasing as much as anticipated.</p> <p>The projected increase totals \$1,851,832, not including a projected cost increase of \$307,792 for (8) sideload trucks. Paul reiterated that these comparisons are main categories only. This is an annual projected increase of \$25.07 per home, calculating to slightly over \$2.00 per home per month.</p>		
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	<p>Pam noted that the Board approved our last fee increase in 2017 for the 2018 calendar year of \$2.25 per home per month. In 2019, even though we had a \$1.2 million expenditure for recycling, we had over \$1,000,000 underspent in personnel expenses due to having been understaffed, which is really a double edge sword.</p> <p>Board Member Barney asked how many homes were served in 2018 vs. 2022. Paul replied approximately 85,000. Paul explained this is not based on new growth, but the cost of labor and maintenance, noting we added green as a fee-based service. Pam reiterated this is not a direct correlation to adding homes.</p> <p>Board Member Bracken calculated there has been a 14% increase over the last four years, averaging 3.6% per year, which is just a little higher than what has historically been projected for each year with 3% as he recalls.</p> <p>Board Member Little asked if it would be possible to, when we propose the fee increase, include a calculation of cost savings and innovative measures taken to reduce costs and offset some of the increased costs. With the current state of inflation, even our customers are reducing their household expenses. It would be easier to look at the numbers and explain why the increase is needed.</p> <p>Paul also noted that some things are difficult to quantify, although adding cameras to the trucks has reduced insurance claims. Sometimes you can get hard numbers and sometimes it's more quantitative.</p>		
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	<p>Board Member Barbieri noted that WFWRD has quantified these strategic measures in prior reports and commended Management for doing a very good job explaining them.</p> <p>Board Chair Ohrn commented that we have had this discussion as a Board relative to fee comparisons, listed in order of high to low and the services provided. The question we need to continue to address to the Board is “do we want to continue the provide this level of service?”. Because this is the cost. In previous surveys, customers have never wanted to decrease services. They were more amenable to keep the current level of service and pay a little more per month. One option is to explain why a cost reduction would result in a service reduction.</p> <p>Board Member Little inquired if the proposed increase is rationalized or influenced by other Municipality increases, which is rather irritating. Board Chair Ohrn agrees 100%, and explained that is never the intent, this is to show where we are in comparison with others, and that our fees are based on the services we provide, which is generally more than other municipalities.</p> <p>Board Chair Ohrn then reiterated other Municipalities subsidize through other fees and this is not a direct comparison, rather one more of broccoli and peaches. We do not want the perception that because other Municipalities are increasing fees, we are simply following suit.</p>		
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	<p>Board Member Barney shared that Magna Metro Township is building 1,000 new homes in the next few years (three master-plan Ivory Homes, two started and one in planning) and inquired about the cost of setting up services, and if there will be additional fees for setting up larger areas.</p> <p>Pam responded that most the new builds in Magna are on private roads and in private developments, which is outside of our scope of services, but it is correct in that other new homes up to a four-plex on public roads will increase our operations. A cost analysis to bring on a new home has not been done in recent years, but it is doable and will vary by area, depending on the distance from our current location in Midvale and the dumping facility closest to the area. She also noted that Paul's analysis illustrates that our current fee of \$17.00 per home per month per home simply does not cover our costs with what shows over a \$2.00 per home per month cost increase.</p> <p>Board Member Bracken remarked that some cans are included in the sale of homes. The significant costs are where you need to add trucks and drivers (fleet, payroll, etc.). Hopefully, most of those costs are offset by the fees.</p> <p>Board Chair Ohrn noted that over time, as inflation hits us (3.5% per year), we must bump that up and roll it in and anticipate it as the cost of service per home, i.e., buying equipment.</p> <p>Pam clarified that the point of the updated Waste and Recycling Fee Comparisons illustrations is to show that costs have increased industry-wide.</p>		
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	<p>Comparisons are strictly garbage and recycling collection services by Municipality, and that WFWRD is not the only one feeling the impact of inflation, and somehow, we must cover those costs.</p> <p>As Pam reviewed the comparisons, she reminded the Board that during the June Board meeting the Board reviewed fee increase scenarios and discussed a possible \$2.50 per home per month fee increase to keep up with the rising costs for WFWRD to provide services. As anticipated, other entities are increasing their fees to keep up with inflationary cost increases.</p> <p>The listing highlights the Cities* that either raised their fees or implemented a new fee as of July 1, 2022. WFWRD is shown in comparison to the current fees, with the discussed \$2.50 per month increase/\$7.50 per quarter/\$30.00 annual increase (\$19.50 per month/\$58.50 per quarter/\$234.00 annually).</p> <p>*Salt Lake City, West Jordan, Sandy City, Bluffdale, South Jordan, Midvale, and Riverton.</p> <p>WFWRD is not the only one feeling inflation. Tipping fees at the Trans Jordan landfill have increased to \$37.00 per ton, and those in the Trans-Jordan membership pay half that. Salt Lake City and Salt Lake County receive a per ton dividend from the Salt Lake Valley Landfill. The County uses those funds in their general fund. Costs have increased industry-wide.</p>		
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	<p>Pam explained that a \$2.50 increase per home per month would equal \$19.50 per home per month, noting that Salt Lake City withheld fee increases for seven years prior to 2021. Then they imposed an increase of \$3.00 per home per month, then an additional \$4.00 per home per month as of July 2022. Delaying a fee increase now would result in a larger increase in the future because we would lose that time value of money.</p> <p>Board Vice Chair Gibbons commented that the \$2.50 number is not disconnected from any reality. For example, in 2018 our expenses were \$12.5 million, now \$14.4 million projected, an increase of 13.1%. He likes the idea of taking expenses and extrapolating what the fee increase would be to meet them. The \$2.50 per home per month amount appears closely tied to actual expense increases since 2018.</p> <p>Board Member Bracken remarked on WFWRD's services comparisons. We need to emphasize landfill vouchers and explain why we're doing things the way with are with SCRP. Add in curbside green and we are almost the same in every category as Salt Lake. He personally likes the green waste services option, and that glass is a fee-based optional service. Our customers have repeatedly said they like our premium services such as Christmas Tree pick-up and the leaf bag program.</p> <p>Board Chair Ohrn noted that WFWRD has done a really great job and done everything possible to reduce costs by looking at different avenues, like utilizing the closest dumping facilities.</p>		
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	<p>Board Member Little agreed that the message we need to share with residents include what we are doing this to make it more economical, and we need their help.</p> <p>Board Member Barbieri inquired again about “bits vs. bites” and having reviewed the proposed scenarios at the June Board Meeting.</p> <p>Board Chair Ohrn recalled almost having to impose a fee increase two years ago and again, WFWRD adopted different policies and efficiencies to stretch the last fee increase longer.</p> <p>Although not in the packet, Pam shared the Cash Projections 2022-2026 and the fee increase scenarios presented in June. Paul explained to project cash, we use beginning cash and investment balance, add revenues, subtract expenses, adjust for non-cash depreciation, and subtract capital expenditures, which provides the ending cash and investment balance.</p> <p>For 2022 we are expecting \$7.3 million by year-end and anticipate it will decrease significantly over the next two years, referred to as a cash burn rate.</p> <p>We also look at cash over operational expenses and our net OPEB liability, an actuary number we record.</p> <p>Paul continued with the importance of seeing the big picture. Cash will continue to decrease throughout the year. He will update the data with July actual numbers to see where we stand.</p>		
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	<p>Pam recapped that the Board set a policy for a year-end cash balance of 20% to sustain, and the \$4.8 million projected for 2023 does not quite cover three months of expenditures.</p> <p>Board Member Bracken feels that number should be higher, and we would have to take some Draconian steps to keep providing some service.</p> <p>Pam continued that looking to the future the 5% year-end cash balance will hit closer to 2024, thus, the proposed fee increase is to try to sustain WFWRD in 2023 and going forward.</p> <p>She explained that WFWRD is continuing to evaluate compensation, salaries, wages, cost increases in fuel, and maintenance, and will describe more in her General Manager's Report how we propose to right-size our resources to shift expenses.</p> <p>In September we will request direction on a \$2.50 monthly fee increase. If the direction is to proceed and get out to the Municipalities and start educating, that is what we'll do.</p> <p>Board Member Barbieri expressed that she feels everyone expects that when they see our trucks go by, and knowing what gas costs, she doesn't think a \$2.50 increase will be a tough sell, getting their garbage picked up for \$17.00 per month per home is a real steal.</p>		
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	<p>Board Chair Ohrn agrees that people expect it too, the challenge will be the burden everyone is already feeling. Understanding it and accepting it are two different things. We can't predict what gas prices will be in 2025, maybe they'll go down and the \$2.50 may sustain us longer than we'd hoped.</p> <p><i>Pam noted that Board Member Barney left the meeting at 10:37 a.m.</i></p> <p>Board Member Sharkey commended Pam and the Administrative Team on doing such a great job managing the budget conservatively during these tumultuous times, managing money the best we can, noting they deserve recognition, and expressed her appreciation.</p> <p>She accepts that an increase is indicated. In June we debated what the appropriate increase might be and is curious if there have been any changes since then in the projections. The most exacerbating factor has been fuel which is trending down nicely.</p> <p>She then inquired if there are trend lines in CNG and diesel that would indicate any improvements, and that possibly our projections may change. In June WFWRD Administration seemed acceptable to a \$2.00 rate increase and she felt it was the Board Members guiding toward the \$2.50 mark. She asked if the economic outlook, even with uncertainty, (there are some things that are trending) and is curious from Administration's perspective if there is a clearer glide path, is anything clearer that would lead us to recommend one versus the other.</p>		
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	<p>Pam responded that WFWRD met with Salt Lake County Fleet Services to discuss projections for 2023 costs for maintenance and fuel. Currently they are anticipating a possible 8% increase for shop rates, noting their rates are very competitive and lower than private companies. We also save money on transport by having Salt Lake County Fleet Services on premises.</p> <p>When Pam recommended a very conservative \$2.00 per home per month increase, she was thankful that the Board discussed a \$2.50 per home per month increase, especially after WFWRD’s meeting with Fleet. We don’t anticipate that trucks, parts, and shipping will decrease.</p> <p>Paul asked Salt Lake County Fleet Services about the supply chain, and their response was “It’s bad.”, and they feel it will not improve for at least a year.</p> <p>Paul anticipates we will be around 8% increase for maintenance, we are currently reviewing salaries and wages, and truck purchases will continue to rise as well.</p> <p>Board Member Sharkey thanked Pam and Paul for their input.</p> <p>Board Member Little noted that on an annual basis, fuel prices tend to dip this time of year, possibly due to less demand.</p> <p>Pam thanked Board Member Sharkey for the compliment, stated she has a great Team, the support of the Board is very beneficial, and expressed her appreciation to them as well.</p>		
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	<p>Board Chair Ohrn asked what direction is needed from the Board. Pam responded that we feel we have enough information, questions have been answered, and will begin preparations for a \$2.50 per home per month increase for Board approval. We will also be prepared with salary market adjustments for recommendations, fleet, and other items as discussed.</p> <p>Board Chair Ohrn thanked the Board for their input, questions, and direction.</p>		
<p>4.6 General Manager's Report, Pam Roberts (Information/Direction Requested)</p>	<p>Pam began her report on Salary Market Survey as Part of the Proposed 2023 Budget.</p> <p>Melissa Kotter, Compensation Consultant, is conducting a salary market survey analysis. She and WFWRD staff will present the information and recommendations to the Board Officers during the September 15th Pre-board Meeting. Melissa will explain her methodologies, and 2023 compensation recommendations will be presented during the September 26th Board meeting.</p> <p>Pam then reviewed Staff's Evaluations of Needed FTE (Full Time Employee) as Part of the Upcoming Proposed 2023 Budget.</p> <p>WFWRD Administration has conducted an analysis and would like to right-size our resources by shifting our current costs for overtime and truck lease costs to FTE requests.</p> <p>The request will be for five additional FTEs; three equipment operators for SCRP, and the two administrative/operations positions listed below:</p>		

	<ul style="list-style-type: none"> • Safety and Emergency Planning/Preparedness Coordinator. (Currently part-time.) These responsibilities have shifted to Pam, David Ika, our Operations Manager, and our Supervisors. We need help. The position has expanded due to all the safety trainings we need in place (twice a month with employees, as well as attending Monday Tailgate Meetings). Administration feels this position is justified. • Data Specialist and Program Support. (Currently part-time.) We have considerable amounts of data entry spread out through the organization. The current position is mainly supporting SCRP. The need is to expand District-wide, reviewing all programs, collecting data. This position would report to Renee Plant, our Administrative Manager. <p>She then asked Renee to expand on our vision and concept. Renee explained the current position is helping SCRP with scheduling, routes, etc. We discovered we have information from tonnage reports to operations reports that our Teams need daily. We have numerous reports with similar information and the process needs to be streamlined. We envision a MIS “portal” that will allow the Operations Team access to current information, improving efficiencies, and allowing them to get out and manage and be more involved in day-to-day operations.</p>		
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	<p>Pam then explained the costs for equipment operators will be offset in part by reducing the number of hook lift trucks leased from SL County Operations (from 16 to 10, due to understaffing), and a cost shift from management/driver overtime to salaries.</p> <p>Cost data from transitioning from part-time to full-time will be presented at the September Board Meeting. We intend to keep labor cost increases to a minimum.</p> <p>With no questions from the Board, Pam continued her report on the Summary of Health Insurance Status and 2023 Quotes.</p> <p>Pam, Ashely, and Paul met with PEHP (Public Employees Health Program), WFWRD's health and dental insurance provider, who instructed them to budget for a 5% (maximum) increase. We do receive a yearly premium rebate for good performance related to our health insurance claims. This year the rebate is \$41,298.</p> <p>Pam reviewed the following increases that will be included in the 2023 budget proposal:</p> <ul style="list-style-type: none"> • Health Insurance: 5% premium increase = \$64,703.00 annual increase. 2022: \$1,294,069.00 - 2023: \$1,358,772.00. • Dental Insurance: 5% premium increase = \$4,483.00 annual. 2022: \$89,660.00 – 2023: \$94,143.00. 		
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	<ul style="list-style-type: none"> • Staff Wish to Add New Supplemental Benefits Related to Well-Being and Emotional Support. This includes replacing the current EAP (Employee Assistance Program) with a more robust program allowing employees more access to resources. The intent is to help employees cope with challenges they are faced with (reduce the use of sick leave). Also, adding Teladoc® (reduce trips to the emergency room, saving on claim costs). Total increased costs = \$19,538.00 <p style="text-align: center;">Total increased costs 2022 to 2023: \$88,724 less the rebate \$41,298 = \$47,426 for these programs.</p> <p>Pam then described the food waste pilot that is being provided through Momentum Recycling. WFWRD has been evaluating sponsoring the service, like green and glass. The Team feels it's so early and we don't have a lot of information. Pam's recommendation is to let Momentum run with it. There is the option to collaborate and contract with them once we have more concrete data.</p> <p>Board Chair Ohrn requested questions or comments.</p> <p>Board Member Little asked if there is a cost to WFWRD. Pam replied that there is currently no cost to us, and reiterated Administration feels it is too early to partner with them. Board Chair Ohrn agreed we need to wait.</p>		
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	<p>Board Vice Chair Gibbons agrees that to throw this big unknown amid even trying to contemplate a rate increase, not knowing exactly what the startups and logistical expenses are going to be long term, we need to go very slowly.</p> <p>Pam thanked the Board for their insight and recommendations.</p>		
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, September 26, 2022, at 9:00 a.m.			
	<ul style="list-style-type: none"> • 2023 Proposed Budget and Fee Schedule • General Manager's Report 		
Adjourn			
		<p>Motion to Adjourn: Board Member Barbieri Seconded by: Board Member Bracken</p> <p>Vote: All in favor (no opposing or abstaining votes)</p> <p><i>Meeting end time: 10:59 a.m.</i></p>	<p>Approved August 22, 2022</p>