

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

DATE/TIME	LOCATION	ATTENDEES
<p>March 27, 2017 9:00 a.m.</p> <hr/> <p><b>Next Board Meeting</b> April 24, 2017 9:00 a.m.</p>	<p>Public Works Building 604 W 6960 S Midvale, UT 84047</p>	<p><u>Board Members:</u> Dama Barbour, Scott Bracken (via phone through Agenda Item 3.2), Jim Brass, Kelly Bush, Kay Dickerson, Steve Gunn, Dwight Marchant, Kris Nicholl, Brint Peel, Joe Smolka, Craig Tischner, Jenny Wilson (via phone through Agenda Item 3.3) <b>EXCUSED:</b> Jim Bradley, Sean Clayton</p> <p><u>District Staff:</u> Anthony Adams, Craig Adams, Rachel Anderson, Mike Allan, Ryan Dyer, Rosemary Fasselin, Bill Hobbs, Cathy Jensen, Gaylyn Larsen, Pam Roberts, Jeffrey Sean Summerhays</p> <p><u>Public:</u> None</p>

**AGENDA**

- Call to Order:** Craig Tischner, Board Chair
- 1. Consent Items: (Approval Requested)**
    - 1.1. February 27, 2017 Board Meeting Minutes
  - 2. Meeting Open for Public Comments:** (Comments are limited to 3 minutes)
  - 3. Business Items**
    - 3.1. Resolution 4378 to Renew HealthEquity Flexible Spending Account Cafeteria Plan; Gaylyn Larsen, Human Resources Manager (**Approval Requested**)
    - 3.2. Open and Public Meetings Training; Mark Anderson, Legal Council (**Informational**)
    - 3.3. 2017 Operational Goals, Mike Allan, Deputy Director over Operations (**Informational**)
      - Updates on the Subscription Programs, Curbside Green Waste and Glass Collections; Jeffrey Sean Summerhays, Sustainability Coordinator
    - 3.4. Review WFWRD’s Other Post-Employment Benefits; Gaylyn Larsen and Pam Roberts, Executive Director (**Informational/Direction**)
  - 4. Other Board Business**

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

**5. Closed Session**

*The Administrative Control Board may temporarily close the Board meeting and convene in a closed session to discuss pending or reasonably imminent litigation as provided by Utah Code Annotated §52-4-205.*

**6. Requested Items for the April Board Meeting on April 24, 2017**

- Resolution Recognizing Retiring Board Member County Council Member Aimee Newton
- 2016 Independent Financial Audit Report; Keddington and Christensen, LLC
- 2017 1<sup>st</sup> Quarter Financial Report

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
<b>1. Consent Items</b>			
<b>1.1 February 27, 2017 Board Meeting Minutes</b>		<b>Motion to Approve the Minutes by:</b> Board Member Nicholl <b>Seconded by:</b> Board Member Peel  <b>Vote: All in favor (of Board Members present)</b>	<b>Approved March 27, 2017</b>
<b>2. Meeting Open for Public Comments</b>	(Comments are limited to 3 minutes)		
	No public comments.		
<b>3. Business Items</b>			
<b>3.1. Resolution 4378 to Renew HealthEquity Flexible Spending Account Cafeteria Plan; Gaylyn Larsen, Human Resources Manager (Approval Requested)</b>  <b>3.2 Open and Public Meetings Training; Rachel Anderson, Legal Council (Informational)</b>	<p>Gaylyn clarified that this was a “housekeeping” topic to have renewal documentation of our cafeteria plan, that is approved by the ACB, to ensure continued approval by the Internal Revenue Service (IRS). The two greatest benefits with this contract is to not have premiums taxed, and to allow flexible spending accounts to those employees wishing to have one. With an approved contract in place, we can continue to offer these benefits to WFWRD employees.</p> <p>Rachel Anderson provided training due to Mark Anderson being required to attend a different meeting. Rachel emphasized that this training fulfills this annual requirement from the Utah Open and Public Meetings Act.</p> <p>Board Member Barbour asked for clarifications on unofficial meetings with a situation in which she was speaking on the phone with more than one board member.</p>	<b>Motion to Approve Resolution 4378:</b> Board Member Brass <b>Seconded by:</b> Board Member Barbour  <b>Vote: All in favor (of Board Members present)</b>	<b>Approved March 27, 2017</b>

<p>3.3 2017 Operational Goals; Mike Allan, Deputy Director over Operations <b>(Informational)</b></p>	<p>Rachel confirmed that this was not considered a public meeting, but it should not be used as a means to bypass the open meetings requirements, and added that no policy decisions can be made, or voted upon, outside of a public meeting.</p> <p>Board Chair Tischner asked about the acceptance of the ‘reply all’ option with emails. Rachel concurred that this is acceptable as well as part of normal communications with Board members. Board Member Bracken asked if those emails are subject to GRAMA (The Government Records Access and Management Act). Rachel confirmed that all Board-related emails are subject to GRAMA requirements.</p> <p>Board Vice Chair Gunn inquired if the reason for a closed meeting must be articulated. Rachel answered that a general category must be posted, but specifics are not required.</p> <p>Board Member Bracken asked if the Board could move to a closed session if it is not on the current agenda. Rachel confirmed that the closed meeting would need to occur at a future meeting.</p> <p>Board Member Smolka asked if there are restrictions on invitees to a closed meeting. Rachel answered that there are no restrictions, and any relevant person can be invited to attend a closed meeting.</p> <p>Mike presented the 2017 performance measures and goals. He stated that we will increase our outreach and provide customer service training to all District employees to increase our customer satisfaction rating. For increased employee satisfaction, the District will be focusing on skills and communications training for all employees as well as team-building opportunities. We will also involve more employees on decisions that directly affect them.</p>		
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Updates on the Subscription Programs, Curbside Green Waste and Glass Collections; Jeffrey Sean Summerhays, Sustainability Coordinator **(Informational)**

Mike added that we have a goal to obtain a 21% diversion rate for 2017. Board Vice Chair Gunn asked about the current diversion rate. Mike replied that we were at 20% diversion in 2016. He clarified that this measurement is by weight, not volume, and recyclable materials is generally lighter in weight than trash.

In response to the Green Waste goals, Board Chair Tischner asked if obtaining the subscription goal of 800 new subscribers would make the program self-sufficient. Mike replied that the program was already self-sufficient, and the fees collected pay for the costs to maintain the program.

Mike reviewed the financial stewardship goal. He stated that the operations team has started the re-route for 2017 to split collections for recycling and garbage. The goal is to reduce the number of miles traveled.

Board Member Bush asked how well the glass collection program was performing. Ryan Dyer, Recycling Manager, replied that 700 total tons were collected last year, with 95% of that tonnage coming from the public glass collection containers.

In support of our safety goals and accomplishments, Pam announced that Rhonda Kitchen, one of our Equipment Operators, will be receiving the Driver of the Year award from the National Waste and Recycling Association. Rhonda is the first woman driver to receive this award.

Jeffrey Sean Summerhays highlighted some expectations for our subscription programs. He announced the curbside glass recycling will be expanding into Taylorsville this year. Board Member Peel asked for the subscription rate for glass. Sean replied that there are about 1,100 glass subscribers within the District, with an expectation to add around 250 in Taylorsville.

Sean stated that the Green Waste Program currently has about 4,100 subscribers within the District. Board Member Dickerson asked for a definition of green waste. Sean replied that any organic material, except treated wood, fats or oils, and meat is acceptable in the green waste can. He added that nothing placed in the green or blue recycling can should be bagged. Board Member Dickerson commented that additional educational efforts need to be made to increase awareness of the regulations and benefits of these programs. Board Member Brass expressed interest in seeing the “take rate” for each of the communities that show the number of subscribers versus the available addresses.

Sean reviewed his outreach and education efforts he does each year for each community.

Board Member Marchant asked for clarification using plastic bags. Sean clarified that plastic bags are a problem in the green and the blue recycling can, but can be placed in the black trash can. Board Chair Tischner encouraged all board members to schedule a tour of the landfill and see their processes and what residents are dumping. Pam stated she could assist with scheduling these tours if board members notified her.

At 53 minutes into the meeting, both Board Members Bracken and Wilson needed to leave the discussion and ended their phone call.

Board Member Barbour stated that it is difficult for some residents to justify a green can due to small yards that generate small amounts of green waste, and we should encourage creative options such as multiple neighbors sharing a green can and enforce the economical savings for this program.

**Staff will research the “take rate” of the subscription programs by city/metro township and report back to the Board.**

3.4. Review WFWRD's Other Post-Employment Benefits (OPEB); Gaylyn Larsen and Pam Roberts, Executive Director  
**(Informational/Direction)**

Gaylyn reviewed the current Other Post Employment Benefit (OPEB) for WFWRD employees, and the recent history of legislative policies under the GASB rules on the management of retiree funds for health insurance benefits. She clarified that our OPEB liability only applies to employees hired before January 1, 2013. In 2015 the ACB decided to continue the pay-as-you-go policy to fund the OPEB accounts which includes paying for the current expenses as well as setting additional money aside for future retirees. Pam added that these funds are identified within the Cash Balance as "designated cash" in our financial statements. Gaylyn stated that there are other ways to mitigate this liability, and some options are provided in the board packet as samples of what other organizations have implemented.

Board Vice Chair Gunn asked if this was just for health insurance benefits. Gaylyn stated that dental is also included. Board Vice Chair Gunn followed with an inquiry on how these benefits are paid. Gaylyn answered that we pay our portion of the benefit directly to the insurance provider in the amount of approximately \$90,000 for current retirees as part of the annual budget. Staff also set aside approximately \$80,000 that is recommended by our actuarial consultant, NyHart with the goal that we will set aside a total of \$1.9 million to fulfill this total obligation.

Board Member Barbour requested confirmation that we have 17 retirees currently participating. Gaylyn confirmed this is correct, adding that eight of the 17 participants are with the Medicare supplement and the remaining are on the Public Employee Health Plan (PEHP) insurance plan as our regular employees.

Board Member Peel asked if we could move the reserved funds into a separate account. Gaylyn replied that this is possible, but would need to be set up with trustees and would reduce WFWRD's operating cash balance.

Board Member Nicholl asked if there were any recommendations for board members to consider in ways to cut costs. Gaylyn answered that a few recommendations are listed in the board packet for consideration; and based on direction, WFWRD staff could price out these options for evaluation. Gaylyn added that several organizations around the valley have taken similar steps to these listed recommendations. She mentioned that the local school districts have been required to eliminate OPEB, due to its draw on State funds, by “buying out” this benefit to qualifying employees. Additionally, the City of Murray offered this benefit to employees who would retire within 18 months before the benefit was eliminated. Board Member Brass added that they have also implemented payouts for accrued sick leave, and that these were both options taken in lieu of laying off employees. Gaylyn also stated that Weber County recently changed their benefit by allowing their employees who retire to keep their current insurance level for the next five years, with a 25% reduction each of the following years for a total of eight years of benefits. Unified Police Department (UPD) evaluated a cash value on their OPEB.

Cathy stated that we put in around \$80,000 into the assigned fund each year plus the pay as you go for the current retirees. She added that we have the option of funding the full amount for this program into a trust, or continuing paying as we go, and we are doing a combination of assigned fund, and pay as you go so if an emergency arises we can use those funds. We are discussing this topic now because as our operating cash goes down, we are going to encounter a large OPEB assigned cash balance, further reducing operating cash.

Board Chair Tischner requested an evaluation of what other organizations have done with their OPEB programs with the savings that each of them have recognized. Board

**Staff will survey other organizations that have implemented OPEB restructuring and bring**

	<p>Members Bush and Nicholl agreed. Board Chair Tischner added that we need to consider what is in the best interest of our employees, but also need to consider the impact to the organization.</p> <p>Board Member Barbour added that we need to be fair and do everything possible to keep our promises, but we need to consider options.</p> <p>Board Member Dickerson commented on his own experience as a retiree with his employer. He stated that employers are simply not able to keep up with the cash outflow to provide 100% of benefits to retirees. Businesses need that cash to be able to continue to operate long term. Pam added that government has shifted in that many government entities are within pay scale market for their active employees, so salary levels have improved for employees.</p>	<p><b>back savings that each entity experienced to the Board.</b></p>	
<p><b>4. Other Board Business</b></p>			
	<p>Board Vice Chair Gunn asked how we can educate our customers about the waste disposal issues we are discussing. He suggested this to be discussed at our next meeting. Board Chair Tischner suggested that a plan be developed at the next Pre-Board meeting.</p>	<p><b>Staff will add the topic of the Board discussion related to educating their constituents about the challenges within the waste industry and increasing subscriptions for green and glass.</b></p>	
<p><b>5. Closed Session</b></p>			
	<p><i>The Administrative Control Board may temporarily close the Board meeting and convene in a closed session to discuss pending or reasonably imminent litigation as provided by Utah Code Annotated §52-4-205.</i></p>	<p><b>Motion to move to Closed Session:</b> Board Vice Chair Gunn  <b>Seconded by</b> Board Member Barbour  <b>Vote: All in favor (of Board Members present)</b></p> <p><b>Motion to return to Open Session:</b> Board Vice Chair Gunn</p>	<p><b>Approved March 27, 2017</b></p> <p><b>Approved March 27, 2017</b></p>

		<b>Seconded by</b> Board Member Brass	
		<b>Vote: All in favor (of Board Members present)</b>	
<b>6. Requested Items for the April Board Meeting on April 24, 2017</b>			
	<ul style="list-style-type: none"> <li>• Resolution Recognizing Retiring Board Member County Council Member Aimee Newton</li> <li>• 2016 Independent Financial Audit Report; Keddington &amp; Christensen, LLC</li> <li>• 2017 1<sup>st</sup> Quarter Financial Report</li> </ul>		
<b>ADJOURN</b>		<b>Motion to adjourn:</b> Board Vice Chair Gunn <b>Seconded by</b> Board Member Nicholl	
		<b>Vote: All in favor (of Board Members present)</b>	