

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

DATE/TIME	LOCATION	ATTENDEES
<p>May 22, 2017 9:00 a.m.</p> <hr/> <p><b>Next Board Meeting</b> June 26, 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, Jim Bradley, Kelly Bush, Kay Dickerson, Steve Gunn, Dwight Marchant, Brint Peel, Joe Smolka, Jenny Wilson  <b>EXCUSED:</b> Jim Brass, Sean Clayton, Kris Nicholl, Craig Tischner</p> <p><u>District Staff:</u> Anthony Adams, Craig Adams, Rachel Anderson, Mike Allan, Cathy Jensen, Gaylyn Larsen, Pam Roberts</p> <p><u>Public:</u></p>

**AGENDA**

**Call to Order:** Steve Gunn, Board Vice Chair

**1. Consent Items: (Approval Requested)**

1.1. April 24, 2017 Board Meeting Minutes

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

**3. Business Items**

**3.1.** Follow-up on the Other Post-Employment Benefits (OPEB) Restructuring Options; Pam Roberts, Executive Director; Gaylyn Larsen, Human Resources Manager (**Informational/Direction**)

**3.2.** Review of Request for Proposals for Independent Fee Study; Pam Roberts (**Informational/Direction**)

**3.3.** Recycling Educational Efforts and Strategies; Pam Roberts (**Informational/Direction**)

**3.4.** Initial Discussion for New Personnel; Pam Roberts; Gaylyn Larsen; Cathy Jensen, District Controller (**Informational/Direction**)

**4. Other Board Business**

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

**5. Requested Items for the May Board Meeting on June 26, 2017**

- Recognition for 2017 National Waste & Recycling Association Driver of the Year, Rhonda Kitchen
- Follow-up on Fee Study Request for Proposals
- Report on Efforts to Improve Employee Work Satisfaction
  - Leadership Strengthening
- 2016 Utah Local Government Trust's Trust Accountability Program (TAP) Award Presentation

<b>TOPICS/ OBJECTIVES</b>	<b>KEY POINTS/ DECISIONS</b>	<b>ACTION ITEMS WHO – WHAT – BY WHEN</b>	<b>STATUS</b>
<b>1. Consent Items</b>			
1.1 April 24, 2017 Board Meeting Minutes		<b>Motion to Approve the Minutes by:</b> Board Member Peel <b>Seconded by:</b> Board Member Barbour  <b>Vote: All in favor (of Board Members present)</b>	<b>Approved May 22, 2017</b>
<b>2. Meeting Open for Public Comments</b>	(Comments are limited to 3 minutes)		
	No Public Comments		
<b>3. Business Items</b>			
3.1. Follow-up on the Other Post-Employment Benefits (OPEB) Restructuring Options; Pam Roberts, Executive Director; Gaylyn Larsen, Human Resources Manager <b>(Informational/Direction)</b>	Gaylyn restated that the 2016 Nyhart evaluation showed that we have a current liability of \$2.1 million for retiree benefits. \$1.2 million is for active retiree benefits, and \$900,000 for current employees who qualify for this benefit. We already have \$800,000 set aside towards this obligation. If we fund this at the same amount as was done in 2016, at \$72,000, it would take five years to fund the current retirees and an additional 12.5 years to fund the future retirees. She emphasized that this is a current projection, and the amount of liability can change from year to year based on external market factors. Board Member Bracken asked if this liability was for all future retirees. Gaylyn clarified that this only applies to employees hired before January 1, 2013. Some have already retired, but there are still 8 current employees that could retire within the next five years who qualify for this retiree benefit. Board Member Peel asked if the five years was a reasonable time frame. Gaylyn replied that under the Accounting Standards, we do not have a requirement of when we must be fully funded. Our requirement is to show the liability on our statements and that we are	<b>Motion to Have Staff Conduct a More Thorough Fiscal and Legal Review:</b> Board Member Peel <b>Seconded by:</b> Board Member Bush  <b>Vote: All in favor (of Board Members present)</b>	<b>Approved May 22, 2017</b>

making strides to meet our obligations. Board Member Barbour expressed her concern on how this uncertainty could impact us in the future. She stated that we have delayed a discussion and decision on this issue for too long.

Gaylyn showed some options that have been adopted by other organizations in addressing their OPEB liabilities. She described four ways that organizations are addressing this issue:

1. Pay as you go – this is the system that we are currently following. Additionally, we are paying extra to cover future liabilities.
2. Increase the eligibility time required to access the retirement eligibility. These retiree benefits, however, last for the remaining life of the retiree.
3. Provide five years of post-retirement insurance, or to age 65. This option turns a long-term liability into a short-term liability, and is a popular choice with organizations. Weber County School District recently changed their OPEB from a life-time benefits to an eight-year benefit.
4. Cash pay-out. This is also a popular option because it is also a short-term liability that can be immediately calculated.

Board Member Bush asked if we would be encountering problems by changing expected retiree benefits for employees. Gaylyn stated that we could provide enough notice to allow the current affected employees time to make a retirement decision before changes were implemented. Board Member Bush continued that we will need to make a decision quickly so that enough time is given to the employees who will be affected by this decision.

Board Vice Chair Gunn asked what the legal implications would be on changing this policy. Gaylyn stated that the currently retired employees are grandfathered into the

existing system. The current 42 active employees are the ones that this will affect. Rachel Anderson, legal counsel, added that there are no employment contracts in place to legally tie us down to a policy. Gaylyn added that employees work under whatever policies are current at the time, which occasionally change; but since this is such a large benefit, and one that employees expect, we should give them as much lead time as possible. Rachel added that there might be a question of vested rights to retirement benefits. Changing this benefit doesn't appear to be illegal, since many districts are changing their policies. It will be a tough decision to find a compromise that is beneficial to the employees and the District as well.

Board Member Bracken stated that a change is necessary if we are unable to maintain the expected level of benefits. We need to fix this soon, rather than wait until it becomes a financial catastrophe. Board Member Wilson stated that even without an official employment contract, there is still a moral contract of expectations when an employee is hired. As a result, we need to be very careful before we make an adjustment to this benefit.

Board Vice Chair Gunn asked for a financial overview if we did not change the benefit structure. Gaylyn stated that the current projection of that obligation is estimated at \$2.1 million, from the Nyhart evaluation. Pam added that as these eight retirees transition into retirement, the amount that we budget for retiree insurance will increase. Board Member Bracken commented that we have so far met our retiree obligations, and if we can continue to do so, that would be great. However, if we can't meet these obligations in the future, we need to make a decision. Board Member Bush stated that we should not change our policy, and echoed Board Member Wilson's comment that we have a moral obligation to fulfill the expectations for the retirees. Board Member Barbour stated that we do need to check on any legal ramifications of changing this policy. She also stated that the public are the ones paying

for us to stay in business, and if we price ourselves out of the competition to meet this obligation, we won't exist to provide this service.

Board Member Marchant asked for clarification on the options the retirees would need to make if we gave them the 18 month notice of a change. Gaylyn reiterated that the specific time frame is flexible, and employees would be informed that a change would occur at a specific point in the future. If the qualifying employees decided to retire before that point, they would qualify for the existing benefits.

Board Member Dickerson commented that many companies have had to reduce or eliminate their retiree benefits due to the expense.

Board Member Bracken emphasized that each individual will view any change on a personal level. What we need to do is be as fair as possible to everyone with the budget that we have. We may not want to go out to the public and state that we are changing their retirement program, but we also don't want to go to the public and say that we have to raise fees just to pay these increasing retirement costs. We have to find that balance as a Board, to make this decision.

Board Member Barbour stated that she wants to know the legal ramifications of the decision to change this policy, and the financial impact to our customers, and discuss this issue further next month with that information. She added that we need to be as fair as we can afford to be.

Gaylyn clarified that those who retire, within the timeframe we assign, would still receive the lifetime benefits. Their liability would be added to the \$1.2 million retirement liability. She suggested that we contact Nyhart and request they provide some scenarios with more

Pam and Gaylyn will contact Nyhart to generate multiple scenarios to establish expenses for each. Rachel will conduct a legal review on changing this policy.

<p>3.2 Review of Request for Proposals (RFP) for Independent Fee Study; Pam Roberts <b>(Informational/Direction)</b></p>	<p>precise associated costs. Rachel added that she would do a more thorough legal review.</p> <p>Pam indicated that at least seven firms reviewed the RFP online. Only one submitted a proposal. The proposed fee study is very thorough, and the cost is more than we anticipated. She and Cathy met to discuss the RFP and came up with a couple of options. We could go back to the firm and ask them to refine the scope to align more to what information we need, or we could provide the information internally. We have provided this information internally in the past and our calculations have worked. This was an opportunity to have an independent firm provide recommendations.</p> <p>Board Member Barbour commented that she is very confident that internal staff can create accurate projections, and feels that we do not need an independent firm to provide this information.</p> <p>Board Member Bracken stated that the support of an independent study would be more for other city/municipal council members who must approve a fee increase, along with the support of constituents, who may not be confident with internal numbers. Board Member Bradley stated that if the internal study has the documented methodology and the numbers, it will speak for itself; and would be more efficient than having a third party provide that information.</p> <p>Board Member Smolka commented that if we are needing to implement a fee increase for 2018, having an independent firm conduct a study may not give enough time for proper evaluation.</p> <p>The Board determined that internal staff should continue to provide this information.</p>	<p><b>Motion to Approve Staff to Conduct the Fee Study Internally:</b> Board Member Smolka <b>Seconded by:</b> Board Member Barbour</p> <p><b>Vote: All in favor (of Board Members present)</b></p>	
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3.3 Recycling Educational Efforts and Strategies; Pam Roberts  
**(Informational/Direction)**

Pam provided an overview of current education and public outreach efforts for Recycling and Green Waste. She indicated that our Sustainability Coordinator, Sean Summerhays, visits libraries and community events to provide educational materials to the public. We participate in community parades and cleanup events. We also have two Quality Assurance Inspectors who are on the streets every day educating our customers about proper recycling. She stated that we will be adding a recycling guide in both mailing and online billing statements.

Board Member Bush asked if we have done elementary school education. Pam replied that we have provided classroom education for elementary schools, and it is the younger generations that are educating and pressuring the adults into proper practices. Pam added that she feels we can do more in the future.

Board Member Bracken invited WFWRD to participate in their community's annual celebrations on the weekend of July 22<sup>nd</sup>. Board Member Marchant identified incorrect dates listed on our schedule for the Venture Night Out events.

Board Vice Chair Gunn commended these educational efforts and reiterated that board members should also educate their communities at town hall meetings and invite WFWRD staff to assist when able.

Board Member Dickerson commented that there is some ambiguity on the recycling guide by stating that no grocery bags are allowed, but paper grocery bags are acceptable. He also asked about shredded paper. Pam answered that we have moved away from a "do's and don'ts" list and focused on what is acceptable, and if it isn't on the list it shouldn't go in the blue bin. There are many unique exceptions, but listing all of them would be too confusing. She clarified that shredded paper is

<p>3.4. Initial Discussion for New Personnel; Pam Roberts; Gaylyn Larsen; Cathy Jensen, District Controller <b>(Informational/Direction)</b></p>	<p>acceptable in a transparent plastic bag, but if it is in a paper bag, it all falls out and it becomes unrecyclable. She reviewed WFWRD's updated website and recycle page, and commented that we changed our Recycle Guide to align with what other Valley-wide organizations are doing. Our Green Waste Guide follows a similar format.</p> <p>Pam showed WFWRD's Service Flyer and indicated that this is another document that we take to community events to try and educate customers on all of our services. We are making great effort to educate our customers that we will come and repair their car.</p> <p>Pam stated that we are more fully realizing that we are in a driver shortage, and it is a nation-wide shortage. We are in a situation where we are struggling to let our drivers take vacation. We also have four drivers out on their own, or worker's comp medical leave, which is a higher number than previous years. This results in shortages and "uncovered routes" and it creates a drop in morale for all drivers.</p> <p>Gaylyn has been working to get qualified drivers on staff. However, the turnover rate has been higher than expected. Pam showed where we have added full time driver allotments in the past few years, associated with growth of population and programs. We currently have 40 daily routes, and 56 drivers, who all work 4/10 schedules, which means only 80% of these 56 drivers are available each day. We typically have six relief drivers daily, but with four out on medical leave, that is down to two.</p> <p>Pam commented that we brought on a new driver allocation that was approved July 2016, but we waited until January 1, 2017 to hire that new FTE since we didn't have the need last July. Even with adding one in January, we are still experiencing shortages. She requested approval to add an additional full time Equipment</p>	<p><b>Motion to Approve Hiring Up to Two New Full Time Equipment Operators. One to be Hired Immediately, and the Other Based on Need, in Which the Board Will be Informed of Such Hiring:</b> Board Member Bradley <b>Seconded by:</b> Board Member Bracken</p> <p><b>Vote: All in favor (of Board Members present)</b></p>	
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Operator position to help support daily operations, beginning July 1.

Board Member Bradley asked if we are paying overtime to drivers to cover the routes. Pam confirmed that we are paying overtime. Gaylyn added that when we have uncovered routes, the drivers must stay longer to collect the cans on those routes. She added that over the past four years, we have averaged 6.8 driver vacancies each Monday in May. So even with our relief drivers, we still have uncovered routes. Recently we have had some Mondays with four uncovered routes, which means that managers and supervisors will help cover those routes and drivers are coming in on their days off to help.

Board Member Bradley commented that the information provided estimates 1,200 new homes that will need service this year. He feels that we need the correct numbers of drivers that will eliminate overtime. With the additional homes paying fees, the costs for additional drivers could become neutral.

Board Member Peel asked what the salary range was for Equipment Operators. Gaylyn replied that the current range is \$17.17 to around \$22.00 per hour. Board Member Bush asked if one driver would be enough to offset the current need. Pam replied that one would be helpful starting in July, and the current plan is to request an additional driver allocation for 2018.

Board Member Peel asked how many homes we would have to add to cover the costs of a new driver. It was determined that 348.7 homes cover the costs, if those homes' fees only went to the new driver costs. Pam added that we should be receiving an unexpected payment for recycled materials for up to \$100,000, and will also be receiving a compressed natural gas (CNG) tax credit of approximately \$45,000.

	<p>Board Member Bradley proposed authority to hire two drivers: one additional driver immediately, and an additional one as needed. He stated his desire to allow flexibility to hire qualified talent when it is found. Board Member Peel concurred.</p> <p>Cathy stated that changes to the budget must be discussed in a public meeting since we are an Enterprise Fund, and must have a Resolution approving a change in the budget. Pam added that a Public Hearing is only needed if there is an increase to the budget, and with the amount of turnover we have, it may not impact the budget and we typically underspend for salaries. Rachel clarified that a public hearing is not necessary because we are an enterprise fund, but it must be a Resolution item that is signed, if there is a need to increase the annual expenditures.</p>		
<b>4. Other Board Business</b>			
	<p>Board Member Marchant stated that he received an email from fellow Millcreek Council member Cheri Jackson regarding the glass recycling bin on Wasatch Blvd. There have been complaints that people are dumping glass in the middle of the night, causing a lot of noise and waking residents.</p> <p>The request was to either relocate the bin or find a way to mitigate the noise problem. Pam stated that this issue has been identified before. The challenge is that there are limited locations to place a glass collection site, so the only option in that regards is to simply remove the container. Board Member Bradley suggested putting up a sign stating hours of use.</p> <p>Pam and Board Member Bracken indicated that a sound wall would be expensive and would not be effective. Board Member Bracken suggested looking into a container that would not create as much noise. Board Member Marchant indicated that he would report back to</p>		

	<p>his Council that relocation is not an option. We will create a sign and they will attempt to discern who is using the site at night and request they stop using it after hours. Board Member Bush also recommended posting signs stating that the site is under video surveillance, as a deterrent.</p> <p>Board Vice Chair Gunn inquired about the possibility of riding with the drivers. Pam welcomed Board Members to participate in a ride-along. Anyone interested should contact her to arrange it. She encouraged any ride-along to be scheduled when we were in the members' respective areas.</p>	<p>WFWRD Staff will create and post hours of use signs on the glass collection container on Wasatch Blvd.</p>	
<p><b>5. Requested Items for the May Board Meeting on June 26, 2017</b></p>			
	<ul style="list-style-type: none"> <li>• Recognition for 2017 National Waste &amp; Recycling Association Driver of the Year, Rhonda Kitchen</li> <li>• Report on Efforts to Improve Employee Work Satisfaction <ul style="list-style-type: none"> <li>○ Leadership Strengthening</li> </ul> </li> <li>• 2016 Utah Local Government Trust's Trust Accountability Program (TAP) Award Presentation</li> </ul>		
<p><b>ADJOURN</b></p>		<p><b>Motion to adjourn:</b> Board Member Marchant  <b>Seconded by</b> Board Member Bradley</p> <p><b>Vote: All in favor (of Board Members present)</b></p>	