

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

DATE/TIME	LOCATION	ATTENDEES
<p>August 28, 2017 9:00 a.m.</p> <hr/> <p>Next Board Meeting September 25, 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, Sean Clayton, Kay Dickerson, Steve Gunn, Dwight Marchant, Kris Nicholl, Joe Smolka (via phone), Craig Tischner, Jenny Wilson EXCUSED: Jim Brass, Brint Peel</p> <p><u>District Staff:</u> Anthony Adams, Craig Adams, Rachel Anderson, Rosemary Fasselin, David Ika, Cathy Jensen, Gaylyn Larsen, Pam Roberts</p> <p><u>Public:</u> none</p>

AGENDA

- Call to Order:** Craig Tischner, Board Chair
- 1. Consent Items: (Approval Requested)**
 - 1.1. July 17, 2017 Board Meeting Minutes

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

 - 3. Business Items**
 - 3.1. Government Finance Officers Association (GFOA) Award; Pam Roberts, Executive Director (**Informational**)
 - 3.2. Utah Business Magazine, 2017 Green Business Award; Pam Roberts (**Informational**)
 - 3.3. Released Properties from Tax Sale; Pam Roberts (**Informational**)
 - 3.4. Filling Approved Equipment Operator Allocations; Pam Roberts (**Informational**)
 - 3.5. Continued Discussion and Decision on Other Post-Employment Benefits (OPEB), Executive Director’s Recommendations; Pam Roberts (**Direction/Approval**)
 - 3.6. Revised Policy for Whistleblower Protection and Ethics Hotline; Rachel Anderson, Legal Council (**Adoption Requested**)
 - 3.7. Green Waste Debagging Fee at the Salt Lake Valley Landfill, Pam Roberts (**Informational**)

- The Salt Lake County Council’s Legislative Intent; Board Members Bradley and Wilson

3.8. 2017 Second Quarter Financial Report; Cathy Jensen, Controller **(Informational)**

3.9. Discussion on Implementing Fee Increases and New Fees for More than One Recycling Can as Part of the 2018 Budget; Pam Roberts; Cathy Jensen **(Informational/Direction)**

3.10. Opportunity for Board Training at the Utah Association of Special District’s (UASD) Conference, November 1-3; Anthony Adams, Board Clerk **(Informational)**

4. Closed Session

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

5. Other Board Business

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

6. Requested Items for the Board Meeting on September 25, 2017

- Proposed 2018 Budget and Fee Schedule

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1. Consent Items			
1.1 July 17, 2017 Board Meeting Minutes		Motion to Approve the Minutes by: Board Member Dickerson Seconded by: Board Member Bush Vote: All in favor (of Board Members present)	Approved August 28, 2017
2. Meeting Open for Public Comments	(Comments are limited to 3 minutes)		
	No Public Comments		
3. Business Items			
3.1. Government Finance Officers Association (GFOA) Award; Pam Roberts, Executive Director (Informational) Introduction of WFWRD’s new Operations Manager; Pam Roberts. (Informational)	Pam announced that WFWRD has received our first GFOA Award related to the publication of our 2017 budget. Pam wished to inform the Board of this award and give credit to Cathy Jensen, WFWRD’s Controller, for hers and her team’s work to be recognized by the GFOA. Board Member Marchant inquired as to the selection criteria for this award. Cathy indicated that the GFOA is present in the United States and Canada; and to receive this distinguished award, there is certain information, such as organizational goals and performance achievements that must be included and presented in a specific way and format. All organizations who apply for and meet the required criteria receive this award. Board Member Bracken confirmed that following the GFOA format makes budgets easier to read. Pam introduced David Ika, who was recently promoted from Supervisor to the Operations Manager. She clarified that the Operations Manager position was reclassified from the Deputy Director of Operations position. David		

	<p>was chosen for this position due to his strong leadership skills.</p> <p>David provided a basic introduction of his background, including his work in the garbage business for 13 years, and also in Network Administration prior to working at WFWRD.</p>		
<p>3.2 Utah Business Magazine, 2017 Green Business Award; Pam Roberts (Informational)</p>	<p>Pam stated that WFWRD was selected as one of the Green Businesses for 2017, directly related to transitioning our residential fleet to compressed natural gas (CNG). She and Sean Summerhays, WFWRD’s Sustainability Coordinator, participated in an interview which will be published. An awards ceremony will take place in October. Pam will notify the Board as she receives more specific information.</p>		
<p>3.3 Released Properties from Tax Sale; Pam Roberts (Informational)</p>	<p>Pam reminded the Board of their approval to release properties that were up for tax sale to allow the homeowners to make payments. The properties identified today are the specific ones that were released, but there is still a lien on these properties in case the homeowners default on their agreements.</p>		
<p>3.4 Filling Approved Equipment Operator Allocations; Pam Roberts (Informational)</p>	<p>Pam indicated that the Board approved up to two additional Equipment Operator allocations in the May 2017 ACB meeting, based on the applicant pool and District needs. She indicated that both indicators were met to fill the additional allocation.</p> <p>Gaylyn Larsen, WFWRD Human Resources Manager, stated that the need is due to five drivers on long-term leave. It was discovered that at least one day each week, there were 13 uncovered routes that other drivers would need to add to their own daily workload. This resulted in supervisors and managers going to drive routes in addition</p>		

<p>3.5 Continued Discussion and Decision on Other Post-Employment Benefits (OPEB), Executive Director’s Recommendations; Pam Roberts (Direction/Approval)</p>	<p>to calling drivers in on their days off to complete the day’s work while still leaving up to 3 uncovered routes. Pam added that it was not uncommon to have an uncovered route per day, which is easier to absorb with existing drivers, but with several uncovered routes it strains our resources and affects morale. Pam clarified that one route is one driver’s daily assignment, which is approximately 1,000 homes.</p> <p>Board Member Dickerson commented that he has seen collection drivers out at 5:00 in the evening.</p> <p>Board Member Marchant asked about the status of those on long-term leave and their expected return. Gaylyn stated that a couple are perusing long-term disability, being unable to obtain a medical return to work for non-work related injuries, or illnesses.</p> <p>Pam confirmed that this topic of discussion has been conducted with the Board and also with staff for several months. Her executive recommendation is to discontinue this benefit for employees eligible for retirement after July 1, 2019. Information to direct decision-making was obtained by the actuarial firm, Nyhart, which provided costs and liability estimates. Pam stated that there are eight WFWRD employees that qualify for retirement now, or in the near future that qualify for the OPEB benefit under this recommendation.</p> <p>She provided anonymous retirement statuses for the potentially affected employees, and commented that all of them are aware of the pending decision. Having these individuals retire under the current benefit, and then removing the benefit for future retirees, will reduce our liability from almost \$2 million to \$1.3 million. She added that the remaining 30 plus employees that would be affected by this change understand the need to remain</p>	<p>Motion to Accept Executive Recommendation to Discontinue OPEB after July 1, 2019 by: Board Member Bracken Seconded by: Board Member Dickerson Vote: All in favor (of Board Members present)</p>	<p>Approved August 28, 2017</p>
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<p>3.6 Revised Policy for Whistleblower Protection and Ethics Hotline; Rachel Anderson, Legal Council (Adoption Requested)</p>	<p>sustainable over time so we have an organization from which to retire.</p> <p>Board Member Bush commented about the difficult decision that this is, and commended Pam and staff on the proposal being presented compared to the original discussions. She voiced her support of this proposal.</p> <p>Board Member Dickerson stated that these benefits are changing across industries for similar reasons facing WFWRD.</p> <p>Board Member Bracken asked for confirmation that the total actuarial liability would be \$1.342 million, and that we currently have set aside \$800,000 towards this liability. Pam confirmed. Cathy added that all government agencies are required to identify these figures on their balance sheets beginning in 2018.</p> <p>Board Vice Chair Gunn asked about the difference in terminology of benefit versus plan. Gaylyn stated that in this instance, the terms are interchangeable.</p> <p>Board Member Bracken asked for clarification between the 2019 and the 2022 dates. Gaylyn replied that we copied the pattern from Murray City by giving 18 months notification so that eligible employees had time to prepare. The individual listed with the 2022 dates are their 30-year retirement date, but they are eligible to retire with the OPEB before July 1, 2019.</p> <p>Rachel stated that the distributed policy included the updates requested from last month's ACB meeting. The primary changes were that individuals could contact any board member by any means available, and also including the Utah State Auditor Office's contact information for anonymous reporting.</p>	<p>Motion to Accept Policy with Requested Revision by: Board Member Clayton Seconded by: Board Member Nicholl Vote: All in favor (of Board Members present)</p>	<p>Approved August 28, 2017</p>
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<p>3.7 Green Waste Debagging Fee at the Salt Lake Valley Landfill, Pam Roberts; Board Member Jenny Wilson, Salt Lake County Council (Informational)</p>	<p>Board Member Clayton requested striking “Utah” in front of State Auditor to eliminate common confusion of the office belonging to Utah State University.</p> <p>Pam announced that Salt Lake County Council approved the new fee for debagging green waste at the Salt Lake Valley Landfill. We will be paying an extra \$28 per ton for a total of \$44 per ton to have leaves processed for composting at the landfill. When under the County, the District did previously cover this costs, and it is a cost that the Landfill does need to recoup, which is why this fee is being implemented. Pam invited Board Members Bradley and Wilson to discuss the County legislative intent with approving this fee.</p> <p>Board Member Wilson stated that during the County Council discussion on this fee, better options were sought. Biodegradable bags were suggested, as well as improvements to the Landfill operations.</p> <p>Board Member Dickerson commented that previous reviews of paper or biodegradable bags have always been more expensive than plastic bags. Pam added that cost breakdowns on options are included in the materials presented to board members. Pam added that this issue was also discussed in the Board meeting last month, and the biggest challenge would be to change customers’ habits. It is possible, but could increase labor costs for one of our programs that is currently one of our lowest costing programs we offer.</p> <p>Board Member Wilson indicated that more sustainable options were discussed with the County Council with the understanding that a solution would not be immediate. They are open to creative solutions. Pam commented that Salt Lake City switched from curbside leaf bag collection to issuing a green can to their residents for green waste,</p>		
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and increased the monthly fees. The City also subsidized this process with an owner's dividend.

Board Member Bracken asked if WFWRD and Salt Lake City are the primary users of the Landfill. Pam confirmed this with the addition of smaller contributors, such as West Valley City and South Salt Lake. Board Member Bracken asked if these other entities will also see this fee increase. Pam answered that with South Salt Lake's arrangement with the Transfer Station, they pay no fees; but West Valley City, and definitely Salt Lake City, will need to increase their fees, but it will not be directly related to this debagging fee. However West Valley City does not have a leaf bag program.

Board Member Bracken stated that providing 80,000 green waste cans with additional drivers to collect them would not be a feasible alternative.

Pam also provided the information that Transjordan Landfill does not debag their green waste, and that all bagged green waste goes directly into the landfill. Midvale provides curbside leaf bag collection, which is delivered directly to the Trans Jordan tipping face. Bluffdale provides green waste cans, but all of their collections for all commodities go to Utah County.

Board Member Wilson asked if other biodegradable options were reviewed. Pam stated that other options were considered, and Ashlee Yoder, Sustainability Manager at the Salt Lake Valley Landfill, is going to test some of the paper bags to ensure their grinder can process them.

Board Member Wilson confirmed that the County Council's intent was to keep options open to find a long-term and sustainable solution that is reasonable for all partners.

<p>3.8 2017 Second Quarter Financial Report; Cathy Jensen, Controller (Informational)</p>	<p>Board Member Bracken voiced his concern that it is more expensive to process leaves than everyday garbage, and is very supportive of finding a long-term solution. He asked what the cost is for WFWRD’s leaf bag program. Cathy answered that it is currently around \$156,000 annually, with this new debagging fee. Pam added that it will be about 16¢ per home, per month. Cathy confirmed this monthly estimate is spread out over the entire year.</p> <p>Board Member Wilson commented that it would be interesting to contact Salt Lake City to learn if their system is working, and evaluate its feasibility for our customers. Pam stated that she is happy to follow-up with the City.</p> <p>Cathy reviewed the second quarter finances. She highlighted that changes in the recycling commodities market mean that we will receive revenue from Rocky Mountain Recycling, but have not yet received all of the funds expected. She also stated that costs related to the installation of our compressed natural gas (CNG) fuel line were taken from the expected tax credit, so our credit that was deposited was around \$10,000. She added that additional tax credits are expected in coming years. Board Member Bracken asked if the funds come directly to WFWRD. Pam answered that the infrastructure is managed by Salt Lake County, so the tax credit is sent to them. They then forward the credit to us.</p> <p>Cathy stated that personnel costs are currently below average, but it is expected to come back to expected levels as the Area Cleanup Program concludes.</p> <p>Board Member Bracken asked if the CNG fueling station is booked as an asset for us, or if it is the County’s because they also use the facility. Pam confirmed that the CNG fueling station is used exclusively by WFWRD, and</p>		
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<p>3.9 Discussion on Implementing Fee Increases and New Fees for More than One Recycling Can as Part of the 2018 Budget; Pam Roberts; Cathy Jensen (Informational/Direction)</p>	<p>Cathy added that we do list it as an asset since WFWRD paid for the installation costs.</p> <p>Board Member Marchant asked for clarification on which landfill we utilize, and how we maintain efficiencies based on contract requirements. Pam confirmed that our Interlocal Agreement with Salt Lake County requires us to take 85% of our bulk waste and 75% of green waste to the Salt Lake Valley facilities. This arrangement is currently the most efficient and cost-effective, but could change with a potential fee increases at the Transfer Station. In that case, we would want to renegotiate this required percentage.</p> <p>Board Member Barbour asked about maintenance costs if we extend the time we keep our collection vehicles. Cathy indicated that we don't have a lot of data, but we do not expect much increase since we perform all of the required preventive maintenance tasks.</p> <p>Board Member Marchant requested information on number of customers and billing per city, with information on how we come up with the numbers.</p> <p>Cathy showed the current breakdown of costs per customer, per service. She emphasized the \$1.6 million cost of the Area Cleanup Program with thoughts on how to make it more cost effective, such as contracting through the cities, switching to rental containers, providing landfill vouchers, or eliminating the program entirely.</p> <p>Cathy overviewed the costs of the leaf bag program and clarified that the \$156,000 costs does not include personnel costs. She added that the Christmas Tree Collection and Box Collection Programs cost about \$18,000 annually.</p>	<p>Pam and Cathy will collect household and billing information for Board Members.</p>	
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Cathy stated that if we did not eliminate or change any programs, and did not implement a fee increase for 2018, it would not allow long-term sustainability of the organization. If we only extend the life of our collection vehicles, we could sustain through 2018 but there is a compounded effect, and it will be increasingly more difficult to sustain the level of services despite current changes to increase operating efficiencies and decrease costs.

Board Member Marchant asked if there are any specifics on plans to reorganize the programs to increase efficiencies. Pam stated that reorganizing the Area Cleanup Program is the one that would make the biggest financial impact since we had already restructured garbage and recycling routes in 2016 and 2017.

She reviewed the 2016 Customer Satisfaction Survey results which asked about support for a \$2 per month fee increase to sustain current service levels. 59.9% of the respondents indicated that they would support the needed fee increase. Pam continued with other questions on the survey that asked what program, or programs, they would support changing to decrease costs.

Area Cleanup and Weekly Recycling were options, but those are also programs that keep us competitive. She requested that Board Members identify what they consider as competitive: costs per home or level of service. She showed a comparison of costs based on the level of services of WFWRD with other valley municipal providers. She stated that with a \$2 monthly fee increase we will still be the provider with the most services, but we will also be one of the more expensive providers for those services.

Board Member Marchant recognized that a high percentage of residents supported a change or elimination of the Christmas Tree Collection Program, and added that

an educational element would need to be included to inform residents that a change to this program does not create a large financial impact. Board Member Bradley commented that the same would be for the Leaf Bag Program. He asked what residents may do with leaves or Christmas Trees. Pam suggested that many residents may elect to eliminate the program because they do not use or need to dispose of real Christmas Trees, or have many leaves for disposal. Residents may also be putting them in their garbage cans, or reusing for fire wood, or composting.

Board Member Barbour stated that the benefits of the Leaf Bag Program to the municipalities need to be communicated, including the Environmental Protection Agency (EPA) regulations in keeping them out of storm drains. Board Member Bradley added that we have a responsibility to not only provide a cost-effective service, but to also quantify the value of providing esthetic communities through our services. He doesn't want us to reduce our services and believes that our costs for providing a sanitary community are reasonable.

Board Chair Tischner commented that being fee-based is a challenge because we can price ourselves out of the market. A possible alternative would be to have the municipalities pay for the Area Cleanup service, which would in turn reduce the fees residents would need to pay to WFWRD. Although it may be viewed as semantics, municipalities have access to additional funding sources through taxes which WFWRD does not have. Board Member Marchant stated that he prefers the fee-based system, where residents pay for what they receive. Board Chair Tischner then suggested a silo approach to determine how much each city is paying for each service, and which are subsidizing the others. Board Member Barbour indicated that it would be a wash overall. If cities ended up paying for the Area Cleanup Program, they would have to increase taxes somewhere to compensate,

which would end up back on the residents. Board Member Bush added that the new municipalities are still working to establish their operating budgets.

Board Member Barbour stated that WFWRD needs to remain competitive. If a city can get their collection services cheaper from the private sector, they will have no incentive to stay with the District. Board Chair Tischner added that this means we need to start getting creative.

Board Member Wilson commented that we often struggle with local control versus regional efficiencies. She voiced her concerns that we will create additional burdens on our residents and the cities' operations by shifting responsibilities onto them. The reason we are here is because of the economies of scale that WFWRD provides to its customers. Board Member Bradley agreed that collective services provide better efficiencies. Board Member Nicholl added that educating residents on those types of changes would be particular difficult and confusing, especially in cities, like Sandy, which have multiple service providers.

Board Chair Tischner stated that more ideas need to come before the Board for consideration. He added that taxes have the benefit of being claimed on taxes, whereas fees do not. He stated his confidence that the City of Herriman, in particular, could come up with \$20,000 to subsidize the Area Cleanup Program. Board Member Bush stated that the new municipalities could also eventually be in a position to subsidize, but not currently while they are in flux. Board Member Bracken commented that moving funds would not be effective. If the cities were tasked to come up with funds to supplement programs, they would immediately begin discussions to determine if they wanted to keep the program, which could create additional challenges and complexities for the organization and other municipalities.

Pam clarified that the areas further away from the landfills or transfer station are naturally more expensive due to time and mileage. Board Member Bracken asked if that could be quantified. Cathy stated that preliminary data does confirm this, and that we have a new driver data entry system that will help provide data to provide specifics on costs per area.

Board Member Bush recommended the cities determine the level of services to provide to residents. She provided the example of Kearns changing to bi-weekly recycling collection, due to the demands that she sees in the community. Pam stated that this would be possible and we could look into it, but it would erode the economies of scale discussed earlier.

Board Chair Tischner restated that we need to come up with creative options, and we can't continue to delay this conversation. He added that we will also be needing to discuss a fee increase next year as well, and the year after. We need to stay ahead of the game and work to keep our costs down to remain sustainable in the long term.

Board Member Bracken asked for confirmation on whether WFWRD could assess a tax. Pam confirmed that it could be possible, but the County would have to implement it on our behalf, which would then need to pass a vote from District residents.

Pam restated that the requested direction is on proposing a \$2.25 per month increase to the base fee for 2018, increasing it from \$14.75 to \$17.00. Additionally, the proposal of an increase of \$2.00 per month for each additional garbage can. This decision is appreciated in next month's board meeting since a 2018 tentative budget is required for tentative adoption in October. She added that the fee increase to the additional garbage cans is to help encourage greater use of the recycling and green waste cans. She also stated the proposal to raise green

<p>3.10 Opportunity for Board Training at the Utah Association of Special District's (UASD) Conference, November 1-3; Anthony Adams, Board Clerk (Informational)</p>	<p>waste fees, was dependent on the potential need to add collection trucks to the program. She confirmed that extending the life of our collection trucks will occur regardless of the level of implemented fee increase.</p> <p>Board Member Bracken requested separate breakdowns of operational and capital expenses. Pam confirmed that this would be created for the September meeting. Board Chair Tischner stated that we would continue these discussions at the next board meeting with this information, and requested all board members to continue thinking of ideas for sustainable long-term solutions.</p> <p>Anthony announced that the UASD would hold its annual conference on November 1 through November 3. Specific training and certification for Board Members is available on November 1st. He confirmed that WFWRD would cover registration costs for any board member wanting to attend this conference, and requested that interested board members contact him or Pam by Friday, September 8, so that he can process the registration forms.</p>	<p>Cathy will provide a breakdown of operational and capital expenses for Board Members for the next meeting.</p>	
<p>4. Closed Session</p>			
	<p>No Closed Session</p>		
<p>5. Other Board Business</p>			
	<ul style="list-style-type: none"> • Board Chair Tischner invited board members and WFWRD staff to the new Herriman City Hall open house on September 22nd. He will forward the email notification to Pam, who can pass it on to other board members. 		
<p>6. Requested Items for the Board Meeting on September 25, 2017</p>			

	<ul style="list-style-type: none"> Proposed 2018 Budget and Fee Schedule 		
ADJOURN		Motion to adjourn: Board Member Bradley Seconded by Board Member Clayton Vote: All in favor (of Board Members present)	