

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

DATE/TIME	LOCATION	ATTENDEES
<p>October 28, 2019 9:00 a.m.</p> <hr/> <p>Next Board Meeting November 18, 2019 6:00 p.m.</p>	<p>Public Works Building 604 W 6960 S Midvale, UT 84047</p>	<p><u>Board Members:</u> Scott Bracken, Jim Bradley (beginning at Agenda Item 3.2.1), Jim Brass (through Agenda Item 3.5), Brad Christopherson, Kay Dickerson, Steve Gunn (through Agenda Item 3.3), Steve Hook, Dwight Marchant (through Agenda Item 3.3), Sherrie Ohm, Ron Patrick, Brint Peel Excused: Shireen Ghorbani, Kris Nicholl, Patrick Schaeffer</p> <p><u>District Staff:</u> Anthony Adams, Craig Adams, Rachel Anderson, David Ika, Yael Johnson, Paul Korth, Andrea Murdock, Brooke Pirtle, Pam Roberts, Ken Simin, Sione Tuione</p> <p><u>Public:</u> Justun Edwards (Herriman), Marla Kennedy (Salt Lake County), Mike Reberg (Salt Lake County), Keith Zuspan (Brighton)</p>

AGENDA

Call to Order: Brad Christopherson, Board Vice Chair

1. Consent Items:

1.1. September 23, 2019 Board Meeting Minutes (Motion & Approve)

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

3. Business Items:

3.1. Approve Paul Korth, District Controller, as Alternate WFWRD Board Representative with Utah Association of Special Districts (UASD): Pam Roberts, Executive Director (Motion & Approve)

3.2. Review the Interlocal Agreements with Salt Lake County (SLCo): Pam Roberts (Informational/Direction)

- WFWRD Receiving County Administrative Services:
 - Fleet Maintenance, Fuel Information Technology/Phones, Surveyor Services, and Public Works Operations for Warehouse/Supplies & Shared Lease for Hooklift Trucks
- WFWRD and SLCo Interlocal Renewals:
 - a. Waste and Recycling Collections for County Agencies

b. Waste and Recycling Collections for County Parks and Recreation

3.3. 3rd Quarter Financial Report: Paul Korth, District Controller (**Informational**)

3.4. Tentative Adoption of the WFWRD 2020 Tentative Budget: Pam Roberts and Paul Korth (**Adoption**)

3.5. Set and Confirm the November 18th, 6:00 p.m. Public Hearing for the 2020 Budget: Pam Roberts (**Direction**)

3.6. Executive Director Report: Pam Roberts (**Informational**)

- Update on Delivering Municipal Solid Waste to Ace Intermountain Transfer Station
- Annual Leadership Retreat Held Wednesday, October 16th.
- Updates:
 - Shout-out to the ACB
 - 2019 Diversion
 - Annual Surveys
 - Service Improvements

4. Closed Session (If Needed)

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 reasonably imminent litigation, and the purchase, exchange, or lease of real property, or other legally applicable reasons 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 Next Board Meeting on November 18, 2019:

- Recognition for Retiring Board Members
- Review and Approve Updates to the WFWRD Policy Manual
- Adoption of the Interlocal Agreements with Salt Lake County
- Public Hearing to Hear Public Comments
- Possible Adoption of the 2020 WFWRD Budget
- Set Day and Time to Adopt the 2020 WFWRD Budget if Not Adopted in November

<p>Warehouse/Supplies & Shared Lease for Hooklift Trucks</p>	<p>to be finalized for approval at the November Board Meeting. The main change in this agreement is that the shared building/lease has been removed to its own, separate agreement, which will be drafted soon and hopefully available at the next meeting.</p> <p>Board Member Ohrn asked what is done to ensure that other County services are within market. Pam stated that the County has always come up as very competitive when comparing other vendors and their services.</p> <p>Board Member Bracken inquired if WFWRD funds were used to build the building or if we are part of the County bond. Pam confirmed that as the Sanitation Division, funds were used to fund the capital for the building, but those funds were paid back. WFWRD is not directly obligated on the bond for the building.</p>		
<p>3.2.2 WFWRD and SLCo Interlocal Renewals:</p> <p>b. Waste and Recycling Collections for County Parks and Recreation</p> <p>a. Waste and Recycling Collections for County Agencies</p>	<p>Pam clarified that this agreement is for us to provide collection services to County Parks and Recreation facilities. This is a two-year agreement that will provide approximately \$291,000 in revenue per year for WFWRD. She confirmed that not all County facilities are collected year-round. She added that we conduct inventories and service needs, and adjust billings, costs, and agreements as needed. Any disparities and needed adjustments would be promptly discussed with Salt Lake County.</p> <p>Board Vice Chair Christopherson confirmed that the original contract remains unchanged, but Exhibit 1 can be modified for costs and County service needs.</p> <p>The County Agencies agreement is a five-year term, but District staff reviews costs and fees each year. Any needed fee increases are brought to the Board and</p>	<p>Rachel will review the verbiage in the agreement and consider adjusting to allow more flexibility to adjust rates through upcoming negotiations.</p> <p>Pam will provide the full agreement, including the Exhibits, for services to County Agencies at the November Board Meeting.</p>	

<p>3.3 3rd Quarter Financial Report: Paul Korth, District Controller (Informational)</p>	<p>identified in the budget. Board Vice Chair Christopherson requested the full agreement for review.</p> <p>Paul reviewed the financial report through September 2019. Highlights included increased revenue due to growth and the increase of homes within the District.</p> <p>Board Member Hook asked if it was normal to disclose use of fund reserves as revenue for budget purposes in this report. Paul verified that this has been the traditional method in the past, and our external auditors have confirmed this is where it should be reflected to follow best practices.</p> <p>Paul commented that our overtime expenses have been high due to the unexpected loss in staff this year and have been partly offset by decreases in wages/salaries expense and temporary labor expense. The overall expenses in Personnel are below budget. Our operating expenses have increased compared to 2018 primarily due to the increase in recycling fees, increased depreciation expense, and the timing and recording of select costs.</p> <p>Board Vice Chair Christopherson asked if the depreciation expense has been adjusted due to the truck sales. Paul stated that the depreciation expense had not been adjusted as of the end of September, however, the depreciation expense for some of our trucks (as a result of the decreased salvage value) will be adjusted in the 4th quarter of 2019 and in future periods. Currently the District does not record salvage value for new trucks purchased. Paul added that we have five compressed natural gas (CNG) trucks that have been available for sale since last October. We have reduced the sale price a couple of times and currently have an offer for \$85,000 per truck for four of the trucks. There is also current interest in the fifth truck. It is important to understand the demand and value of these trucks for future sales.</p>		
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<p>3.4 Tentative Adoption of the WFWRD 2020 Tentative Budget: Pam Roberts & Paul Korth (Adoption)</p>	<p>Our revenues are \$19,000 less than expenses, but this disparity was expected. Board members discussed how the building rent/lease is presented and suspected there is a typographical error in the 2019 budget.</p> <p>Maintenance expense trends show average cost increases of 6%-8% in recent years, due primarily to labor costs and parts. However, this year we are coming back in line, close to 2018's numbers.</p> <p>Trends on recycle tonnages have decreased over the past three years. This is based on curbside tonnages collected. Pam added that we have numbers reflecting how much of the collected recyclable materials actually get recycled compared to being sent to the landfill. Board members indicated they would be interested in this information. Pam also confirmed that there is a direct correlation with educational efforts with the quality of recyclable materials collected. An area in Cottonwood Heights decreased their contamination by 5% with direct educational efforts.</p> <p>Pam began by thanking the ACB for their support to all WFWRD staff, and their support for competitive wages. This has already resulted in an increase in employment applications.</p> <p>Pam confirmed that we are not raising the monthly residential rates in 2020. However, we will need to increase rates in 2021, or reduce services, based upon the current cash projections.</p> <p>The only recommended fee increase, for 2020, is an increase from \$50 to \$100 for newly built homes, which will cover the cost of both cans for the residence. A \$10 delivery fee would still apply to the delivery of both cans.</p> <p>The 2020 budget requests the addition of two full-time Equipment Operators, to support the needs of the Green Waste Program and increased homes served, and also two</p>	<p>Paul will review shared building rental details to confirm accuracy of budget expense figures.</p> <p>Pam will present actual recycled numbers, per area, at next month's Board Meeting.</p>	
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additional side load collection trucks. Pam indicated that staff will conduct a review of our Area Cleanup Program next year to determine the best direction of that program in the future.

Paul described the revenue and expense categories in the proposed 2020 budget. The projected cash balance at the end of 2020 is \$7.6 million. Board Member Hook voiced his concern about the 2020 projections that show a \$3 million loss. Pam clarified that discussions regarding a 2021 fee increase would commence with communities after next year's first quarter.

Board Member Hook encouraged action to implement changes for 2020, and other Board Members concurred that it is too late to implement any fee increase for 2020. Board Vice Chair Christopherson indicated that WFWRD implements less frequent and larger fee increases rather than frequent and consistent fee increases, due to requests from municipal councils. Pam added that we charge less than it costs for our services because we compete with private markets.

Board Chair Peel suggested that WFWRD proposes a five-year plan to communities to impose smaller fee increases annually to better align our costs with revenues. Board Member Bracken stated that the District attempted that approach in 2013 with the increase for 2014 and 2015. The majority of the municipal council approved one year only.

Board Member Brass commented that our residents have stated that they want all of our services. These services come at a cost, and they are services that are not offered by competing collection service providers. Board Member Hook concluded that it is difficult to approve a budget, for 2020, that shows a \$3 million loss without a solution.

Board Chair Peel and Vice Chair Christopherson reemphasized the Board Member responsibility to educate

Motion to Tentatively Adopt the 2020 Tentative Budget by: Board Chair Peel
Seconded by: Board Member Bradley

**Approved
October 28,
2019**

<p>3.5 Set and Confirm the November 18th, 6:00 p.m. Public Hearing for the 2020 Budget: Pam Roberts (Direction)</p> <p>3.6 Executive Director Report: Pam Roberts (Informational)</p> <ul style="list-style-type: none"> Update on Delivering Municipal Solid Waste (MSW) to Ace Intermountain Transfer Station 	<p>and prepare their councils regarding this proposed fee increase for 2021, so that Pam and other staff do not have to attend so many community meetings for this topic. The earlier we begin the discussions, next year, the better it will be for all parties.</p> <p>Pam requested confirmation of the date and time for the Public Hearing for the 2020 Budget. Board Chair Peel directed that the monthly Board Meeting would be held immediately following. Pam reminded members that a quorum is mandatory to approve the budget.</p> <p>Due to time constraints, Pam publicly reviewed the information regarding municipal solid waste to Ace Intermountain Transfer Station.</p> <p>Pam reported that as of September 30, WFWRD has delivered 82.4% of its MSW to Salt Lake County facilities. The MSW to Trans-Jordan Landfill has increased due to the growth in the southwest section of the valley. This has resulted in a shift of 4% of MSW being redirected away from County facilities. This impacts our ability to meet the 85% commitment to the County.</p> <p>Board Vice Chair Christopherson inquired if we could shift to a tonnage commitment rather than a percentage requirement. Board Member Ohrn asked how we could obtain County budget information to determine how they came up with the 85% requirement for WFWRD. Board Vice Chair Christopherson indicated that even below 85%, the amount of tonnage we have delivered to County facilities has increased from last year.</p> <p>Board Vice Chair Christopherson inquired about the 2019 Leadership Retreat that was held on October 16th. Pam reported that the retreat was to allow each leader of the management team, including Anthony, to apply our Leadership Plan that we developed, with the guidance of</p>	<p>Vote: All in favor: Board Chair Peel, Vice Chair Christopherson, and Members Bracken, Bradley, Brass, Dickerson, Gunn, Marchant, Ohrn, Patrick. Opposed: Board Member Hook</p>	
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	<p>Pam Gardiol and their respective supervisors to the District’s Strategic Plan. The Plan focuses on six key elements: Organizational Culture, Employee Satisfaction, Customer Service, Loss Prevention, Environmental Stewardship and Financial Stewardship.</p> <p>Pam asked Paul to share his thoughts about the retreat since it was the first he has attended. Paul stated that he thought the individual plans are very beneficial to know where we want to be in five years as leaders and as an organization to plan for the future. He said he found it to be very beneficial for our organization.</p>		
4. Closed Session:			
	<i>No Closed Session</i>		
5. Other Board Business:			
	<i>No Other Board Business</i>		
6. Requested Items for the Next Board Meeting:			
	<ul style="list-style-type: none"> • Recognition for Retiring Board Members • Review and Approve Updates to the WFWRD Policy Manual • Adoption of the Interlocal Agreements with Salt Lake County • Public Hearing to Hear Public Comments • Possible Adoption of the 2020 WFWRD Budget • Set Day and Time to Adopt the 2020 WFWRD Budget if not Adopted in November 		
ADJOURN		Motion to Adjourn: Board Member Ohrn Seconded by Board Member Bradley	Approved

		Vote: All in favor (of Board Members present)	September 23, 2019
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