

# ADMINISTRATIVE CONTROL BOARD (ACB) – WASATCH FRONT WASTE AND RECYCLING DISTRICT (WFWRD)

## MONTHLY MEETING MINUTES

DATE/TIME	LOCATION	ATTENDEES
<p>August 23, 2021 9:00 a.m.</p> <hr/> <p><b>Next Board Meeting</b> September 27, 2021 9:00 a.m.</p>	<p>Public Works Building 604 W 6960 S Midvale, UT 84047</p>	<p><u>Board Members:</u> Anna Barbieri, Scott Bracken, Jim Bradley, Dwight Marchant, Sherrie Ohrn, Brint Peel, Diane Turner, <u>Participating electronically:</u> Daniel Gibbons, Catherine Harris, Kris Nicholl, Patrick Schaeffer, Tessa Stitzer, Keith Zupan. <u>Excused:</u> Phil Cardenaz</p> <p><u>District &amp; Support Staff:</u> Anthony Adams, Rachel Anderson, David Ika, Andy King, Paul Korth, Andrea Murdock, Renee Plant, Pam Roberts <u>Participating electronically:</u> Craig Adams</p> <p><u>Public:</u> Melissa Kotter (On Track Solutions), Jennifer Kennedy (Murray City Staff) <u>Participating electronically:</u> Justun Edwards (Herriman City Staff)</p>

### AGENDA

**Call to Order:** Scott Bracken, Board Chair

#### 1. Consent Items:

- 1.1. June 28, 2021, Board Meeting Minutes (**Motion & Approve**)
- 1.2. Resolution 4403 Recognizing Kay Dickerson’s Service as an Administrative Control Board Member (**Adoption Requested**)

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

#### 3. Business Items

- 3.1. Oath of Office for New Board Member Phil Cardenaz from White City Metro Township: Anthony Adams, District Clerk
- 3.2. WFWRD 2021 - 2<sup>nd</sup> Quarter Financial Report: Paul Korth, Finance Director (**Informational**)
- 3.3. Annual Fraud Risk Assessment Report: Paul Korth (**Informational**)
- 3.4. Report on the Costs for Phase II of the Salary Adjustments for Equipment Operators/Leads: Pam Roberts, General Manager; Andrea Murdock, Human Resources (HR) Manager; Melissa Kotter, Compensation Consultant (**Information/Direction**)

**3.5.** Status on the Request to the Salt Lake County Council to Reorganize WFWRD: Rachel Anderson, Legal Counsel; and Pam Roberts  
(**Information/Direction**)

**3.6.** Approval Requested for New Interlocal Agreement with Salt Lake County Parks & Recreation for WFWRD Collections Services: Pam Roberts and Rachel Anderson (**Approval Requested**)

**3.7.** Authorization Requested to Proceed with Sideload Truck Contract to Lock in 2022 Pricing: Pam Roberts and Rachel Anderson (**Authorization Requested**)

**3.8.** General Manager's Report: Pam Roberts (**Informational/Direction**)

- Properties Released from 2021 May Tax Sale
- 2021 Staffing Report
- Year-to-Date Statistics for the 2021 Area Cleanup Program

#### **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 reasonable 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:**

- 2022 Proposed Budget
- Update on Reorganization as a Local District
- Progress Report on Risk Assessment and Private Roads
- Proposed Food Waste Collection Pilot Program

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
<b>1. Consent Items</b>			
1.1 June 28, 2021, Board Meeting Minutes		<b>Motion to Approve the Minutes by:</b> Board Member Marchant <b>Seconded by:</b> Board Member Turner  <b>Vote: All in favor (no opposing or abstaining votes)</b>	<b>Approved August 23, 2021</b>
1.2 Resolution 4403 Recognizing Kay Dickerson's Service as an Administrative Control Board Member	Board Chair Bracken read the resolution.	<b>Motion to Approve Resolution 4403 by:</b> Board Member Peel <b>Seconded by:</b> Board Vice Chair Ohrn  <b>Vote: All in favor (no opposing or abstaining votes)</b>	<b>Approved August 23, 2021</b>
<b>2. Meeting Open for Public Comments</b>	(Comments are limited to 3 minutes)		
	No Public Comment		
<b>3. Business Items</b>			
3.1. Oath of Office for New Board Member Phil Cardenaz, from White City Metro Township; Anthony Adams: District Clerk	This action will take place before the next ACB Meeting.		
3.2. WFWRD 2021 - 2 <sup>nd</sup> Quarter Financial Report: Paul Korth, Finance Director ( <b>Informational</b> )	Paul provided a financial update through June 30, 2021. He commented that inflationary pressures have increased. The consumer price index (CPI) has increased 5.4% in the past 12 months. We are feeling this in areas within the organization.		

Our revenues have increased \$264,000.00 from last year. This is due primarily to a \$127,000.00 increase in Curbside Green Waste fees. It also includes a reduction in the loss on the sale of trucks, and an increase in waste collection fees. Out interest income is down due to the continued low interest rate on our investments. A good portion of the miscellaneous income is late fees, which were not collected for three months in 2020 due to the pandemic. Paul added that WFWRD will continue to receive the compressed natural gas (CNG) fuel credit in 2021. This equates to around \$120,000.00 annually.

Personnel expenses are up \$198,000.00 from 2020, due to increases in wages and overtime. Health insurance costs have also increased by \$68,000.00. We have two additional staff members (full-time employees/FTEs) compared to last year at this time. These increases were expected.

Operating expenses decreased \$301,000.00 from 2020 due to reduced recycling fees and decreased depreciation expense. Increased fuel and container expenses offset this amount slightly. Average fuel costs are up around 16¢ per gallon. Overall expenses are down \$103,000.00. Revenues less expenses are -\$7,000 this year compared to -\$374,000.00 last year at this time.

Paul reviewed WFWRD's customer base and the growth over the past few years. Our Area Cleanup Program (ACUP) has incurred more expenses this year due to higher fuel costs and more days operating the program than last year with additional containers, which results in additional mileage and fuel. Pam added that we are not yet back to the number of containers delivered through the traditional program, due to continued staffing shortages. However, due to increased

	<p>operational efficiencies, we can deliver more containers per day than originally planned.</p> <p>We have a decrease in maintenance expenses so far this year, which was unexpected. It is possible this decrease is due to our newer trucks that may require less maintenance. We are continuing to review maintenance reports, but we expect these expenses to increase by the end of the year. Andy King, WFWRD Asset Manager, indicated that we have 20 of these new trucks and 36 of the older trucks.</p> <p>Refuse tons are down around 3% from last year. This follows an increase over the past two years. This year, we are using Ace Recycling &amp; Disposal as a waste disposal option for eight routes in Taylorsville. Due to seasonal fluctuations during the year, this expense category is best reviewed at year's end. For waste disposal expenses in June: Ace was \$32.00 per ton, Trans-Jordan was \$33.00 per ton, Salt Lake Valley Transfer Station was \$33.00 per ton, and the Salt Lake County Landfill was \$27.00 per ton. Paul added that transportation costs are not included in these disposal rates.</p> <p>Recycling tons have declined 7% this past year, compared to 2% drops in previous years. Recycling disposal costs have been very volatile over the past few years. In 2021, we started by paying around \$35 ton. In June, we were paying around \$15.00 per ton. Last month it decreased further to around \$5.00 per ton.</p> <p>Our current cash balance is at \$9.7 million. This is down slightly, but we are still in a good financial position. Our 2021 capital expenditures include eight side-load trucks, two front-load trucks, and two light duty trucks. Our CNG fuel island expansion has been</p>		
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<p>3.3. Annual Fraud Risk Assessment Report: Paul Korth (Informational)</p>	<p>completed, and we are awaiting the \$168,000.00 bill for that project.</p> <p>Board Member Marchant inquired about our investments in Zions Bank's and comparing those rates with the Public Treasurers' Investment Fund (PTIF). Paul confirmed that we receive a weekly PTIF report on the rate of return, and Pam added that Zions Bank provides a monthly comparison report. An in-depth comparison was conducted last year, and both were very comparable. Board Member Marchant requested a report on this information. Paul indicated that he could include this in his quarterly reports.</p> <p>Paul gave examples on how inflation is impacting the district. In November 2020, we ordered replacement recycle cans at \$50.00 per can. Last month these same cans cost \$61.00 per can. This is directly related to oil and resin costs going up. Board Member Barbieri asked if we are charging customers more for the cost of the cans. Pam stated that we have a fee of \$50.00 per can. She added that this is something we can bring back for our 2022 fee schedule if the board is desirous to adjust this fee. There is also a \$10.00 delivery fee for cans. Board Vice Chair Ohrn voiced her confidence that the prices would stabilize.</p> <p>Paul reported on the 2021 Fraud Risk Assessment for WFWRD. The evaluation is required to be presented to the governing board and submitted to the Utah State Auditor's Office. We had one category in which we answered no. This is in regard to individuals who accept payments being separate from those who can adjust customer accounts. We do have mitigating controls in place for this. A monthly activity report is generated and reviewed, then reported to the Controller, Finance Director, and General Manager. The reason for</p>	<p><b>Paul will provide the interest rate comparisons with the PTIF and Zions investment accounts</b></p>	
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<p>3.4. Report on the Costs for Phase II of the Salary Adjustments for Equipment Operators/Leads: Pam Roberts, General Manager; Andrea Murdock, HR Manager; and Melissa Kotter, Compensation Consultant <b>(Information/Direction)</b></p>	<p>the mitigating control is that we want our Customer Service Representatives to provide all services to our customers rather than needing to transfer them to various individuals.</p> <p>Based on our policies, processes, and internal controls, we believe that we have adequate separation of duties and internal controls in place to prevent fraud. Based on the assessment, WFWRD has a low risk of fraud.</p> <p>Board Chair Bracken indicated that the hiring market has been competitive, and we have been having difficulty hiring and retaining drivers. Several related industries are adapting and adjusting wages, which affect us. The ACB previously directed Pam to look into options to improve hiring and our pay structure. Phase I of this program was to allow the hiring process to include past experience directly related to driving our trucks. For new hires, this went into effect on June 24<sup>th</sup>. For Phase II, we are going to discuss expanding that benefit to include all current Equipment Operators and Leads. Pam added that the board had already approved salary market adjustments, which were implemented in May of this year and the philosophy of Phase II.</p> <p>Melissa commended Andrea and her team for their work collecting the needed information and releases from staff, which was used to validate the information provided by our drivers. She clarified that only prior experience <i>with</i> a commercial driver license (CDL) was considered for this adjustment.</p> <p>Andrea reported that we have had an increase in applicants with prior experience since we implemented the adjustments of Phase I.</p>		
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Melissa indicated that Phase II will continue the success of the Phase I implementation. One thing that was implemented was capping prior experience at 10 years. This means that a new employee would not enter above the 75<sup>th</sup> percentile. Several current WFWRD drivers have 10 or more years of experience.

The original design of Phase II was to cap everyone at 15 years at the 90<sup>th</sup> percentile. This was due to the desire to not redline any employees at the maximum salary.

After further evaluation, staff felt that those long-term employees should be valued for their time and experience. Additionally, other providers are willing to pay the maximum salary to these drivers and new hires with that experience. Although we can never be a leader in the market with pay, we certainly do not want to lag behind.

It is requested that the board approve the change in the compression matrix to allow going to the maximum range, and to give new hires and current employees the maximum benefit of their experience. This adjustment will equate to an additional \$30,000.00 annually, approximately. Pam further clarified that the \$121,000.00 figure and the 90<sup>th</sup> percentile of the range are what were already approved by the board, in May, for Phase I and Phase II.

Board Member Marchant stated that it is very appropriate and necessary to stay within market rates. Board Member Peel added that WFWRD has a better benefits package than private haulers, and we should magnify the value of those benefits to staff. Melissa stated that it is not just direct competitors, but the overall market. Two of our drivers left the state because they could no longer afford to live here.



<p>3.5 Status on the Request to the Salt Lake County Council to Reorganize WFWRD: Rachel</p>	<p>Paul stated that a budget adjustment will not be needed for this proposed salary adjustment, since we have not been fully staffed this year, the recycling markets have improved, and we are paying less for recycling to be processed. Board Chair Bracken commented that this salary adjustment would be retroactive to the June 20<sup>th</sup> implementation date.</p> <p>Board Member Bradley stated that this is an appropriate move. He asked about the reasons staff has left for other jobs. Andrea stated that this year is similar to 2019 (with 2020 as an outlier due to the pandemic). Our turnover was around 30% in 2019. She did not have statistics for 2021. Pam commented that we will also work to train our drivers effectively so that we can retain them.</p> <p>Board Member Bradley inquired how this proposal compares to other private or municipal waste haulers. Melissa stated that markets are measured at the 50<sup>th</sup> percentile, with employees at market when they reach year five of employment. We are currently lagging in the 7-to-9-year range. Including prior experience will help address this gap. Additional reviews should be conducted in 2022 to make any additional adjustments to remain competitive. Andrea confirmed that the market evaluation is only based on salary and not including benefits.</p> <p>Board Chair Bracken notified the board that there will be a Phase III that will include administrative staff salary adjustments.</p> <p>Pam thanked all board members who attended the August 3<sup>rd</sup> Salt Lake County Council Meeting to discuss this topic. At this meeting, WFWRD staff was</p>	<p><b>Motion to Approve the Proposed Phase II Salary Adjustments by:</b> Board Vice Chair Ohrn  <b>Seconded by:</b> Board Member Turner  <b>Vote: All in favor (no opposing or abstaining votes)</b></p>	<p><b>Approved August 23, 2021</b></p>
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<p>Anderson, Legal Counsel; and Pam Roberts (<b>Information/Direction</b>)</p>	<p>tasked to prepare more information for the Mayor’s Office and the County Council regarding certain topics. One was the landfill agreement. A question that arose is the type of local district to which WFWRD will reorganize – which would be an “improvement district.”</p> <p>Rachel stated that we are continuing to work to where everyone is comfortable. She confirmed that there are various types of local districts, and the improvement district type is the only one that would allow the board composition to remain as currently organized, which is appointed members from each municipality and the county. She is in touch with the county’s attorneys to ensure they have all needed information. We have also confirmed with the county council that our agreements will remain in force.</p> <p>Pam provided the details on our Interlocal Agreements with Salt Lake County, the terms, details, and associated costs for each service/ entity. To emphasize the importance of the Salt Lake County transfer station and landfill, a service map was displayed identifying all municipalities served by WFWRD, and the disposal locations and the proximity in relation to the communities.</p> <p>Board Member Bracken asked what collections will look like 10 years from now. Pam stated that there will be an added location for the new Trans-Jordan Transfer Station, with their landfill eventually closing and converting into another transfer station. Trans-Jordan’s waste will then be trucked to the Bayview landfill in Elberta, Utah.</p> <p>Board Member Peel requested additional clarification on why an improvement district is our best option. Rachel compared how other types of local districts have</p>		
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	<p>their board organized. With the way that the ACB is currently organized, with appointed elected officials from each municipality, and the desire to maintain that organization, the improvement district option is best for WFWRD.</p> <p>Pam announced that she had a meeting with Deputy Mayor Catherine Kanter, Associate Deputy Mayor Lisa Hartman, and Board Member Bradley's Policy Advisor Robert Sampson. The meeting was to share information and address any questions or concerns. All assured Pam that it seems that the council's desire is to move forward, and they are just doing their due diligence. Board Member Bradley added that the county council will move forward if the proposal protects the assets and investments of the county and landfill, and the taxpayers.</p> <p>The next step is the passing of a Salt Lake County resolution with the intent to allow this transition. After that, there will be a 35-day public comment period, then finally a public hearing and a new resolution that confirms the transition. WFWRD would then need to submit plat maps and other required documentation to the Lieutenant Governor's Office for finalization.</p> <p>In regard to the service map, Board Member Peel inquired about the need to annex properties into the service area after the Metro Township annexed the land from Kennecott. Rachel confirmed that since those properties are on land previously unincorporated, they default into our service boundaries.</p>		
3.6 Approval Requested for New Interlocal Agreement with Salt Lake County Parks & Recreation for WFWRD Collections Services:	Pam reviewed the costs identified in this agreement renewal. The Parks & Recreation Department has approved the costs with a projected annual price increase for the five-year term of the agreement. This	<b>Motion to Approve the new Interlocal Agreement with Salt Lake County Parks &amp; Recreation by: Board Member Marchant</b>	<b>Approved August 23, 2021</b>

<p>Pam Roberts and Rachel Anderson (<b>Approval Requested</b>)</p>	<p>will still need to go before the county council for approval, since it is an Interlocal Agreement. This agreement is also for five years rather than two, as was done previously. Pam added that all of the parks are incorporated into our residential side-load routes to increase efficiencies and help keep costs low.</p>	<p><b>Seconded by:</b> Board Member Barbieri</p> <p><b>Vote: All in favor (no opposing or abstaining votes)</b></p>	
<p>3.7 Authorization Requested to Proceed with Sideload Truck Contract to Lock in 2022 Pricing: Pam Roberts and Rachel Anderson (<b>Authorization Requested</b>)</p>	<p>Pam explained that we can save \$24,000.00 if we sign a contract to lock in 2022 pricing, in preparation for additional truck purchases later this year. The price increase is due to increased costs of steel. Andy King confirmed that this would only be for the truck bodies and the arm. The truck chassis will not increase in costs. Rachel added that we do not yet have an approved 2022 budget. As a result, approval is requested to enter into this contract to lock in the pricing. The purchases will then be incorporated into, and paid for, from the 2022 budget.</p>	<p><b>Motion to Authorize Sideload Truck Contract Pricing by:</b> Board Vice Chair Ohrn <b>Seconded by:</b> Board Member Bradley</p> <p><b>Vote: All in favor (no opposing or abstaining votes)</b></p>	<p><b>Approved August 23, 2021</b></p>
<p>3.8 General Manager's Report: Pam Roberts (<b>Information/Direction</b>)</p> <ul style="list-style-type: none"> <li>• Properties Released from 2021 May Tax Sales</li> <li>• 2021 Staffing Report</li> <li>• Year-to-Date Statistics for the 2021 Area Cleanup Program</li> </ul>	<p>Pam reviewed the residential addresses that were approved for the release from tax sale for outstanding WFWRD fees, in May. The identified properties have made arrangements with the Salt Lake Tax Committee for repayment.</p> <p>We were fortunate to have some bus drivers help out temporarily with our ACUP.</p> <p>The ACUP service ratio in Kearns &amp; Magna was just over six homes per container. Pam also reviewed the many benefits of the revised ACUP rather than the traditional format. She confirmed that the final area will</p>		



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Pending Board Approval