

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

DATE/TIME	LOCATION	ATTENDEES
October 25, 2021 9:00 a.m.	Public Works Building 604 W 6960 S Midvale, UT 84047	<u>Board Members:</u> Keith Zuspan <u>Participating electronically:</u> Anna Barbieri, Scott Bracken, Jim Bradley, Phil Cardenaz, Daniel Gibbons, Catherine Harris, Dwight Marchant, Kris Nicholl, Sherrie Ohrn, Brint Peel, Patrick Schaeffer, Tessa Stitzer (beginning with Agenda 3.1), Diane Turner
Next Board Meeting November 15, 2021 6:00 p.m.		<u>District & Support Staff:</u> Anthony Adams, Paul Korth, Renee Plant, Pam Roberts <u>Participating electronically:</u> Craig Adams, Rachel Anderson, Scott Le Hew and Melissa Kotter (On Track Solutions) <u>Public:</u> <u>Participating electronically:</u> Justun Edwards (Herriman City), Patrick Craig (Salt Lake County)

AGENDA

Call to Order: Scott Bracken, Board Chair

1. Consent Items:

1.1. September 27, 2021, Board Meeting Minutes (**Motion & Approve**)

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

3. Business Items

3.1. Resident’s Request for Abatement/Refund for Incorrect Billing: Pam Roberts, General Manager (**Approval Requested**)

3.2. Request Approval for Container Specialist Job Class Salary Market Adjustment: Melissa Kotter, Compensation Consultant; and Pam Roberts (**Approval Requested**)

3.3. 3rd Quarter Financial Report: Paul Korth, Finance Director/CFO (**Information**)

3.4. WFWRD Investment Accounts Report: Paul Korth (**Information**)

3.5. Tentative Adoption of the WFWRD 2022 Tentative Budget and Fee Schedule: Pam Roberts and Paul Korth (**Tentative Adoption Requested**)

3.6. Status and Updates on the Request for the County Council to Reorganize WFWRD: Board Member Bradley; Lisa Hartman, Salt Lake County Associate Deputy Mayor; and Pam Roberts (**Information/Direction**)

3.7. General Manager's Report: Pam Roberts (**Information**)

- Recruiting and Hiring
- Managing the Ongoing COVID Pandemic

3.8. Set and Confirm the November 15th, 6:00 p.m. Public Hearing for the 2022 Budget: Pam Roberts (**Direction Requested**)

4. Other Board Business

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

5. Requested Items for the Next Board Meeting:

- Status on the County Council Response to the Request to Reorganize as a Local District
- General Manger's Report
- Public Hearing to Hear Public Comments on the 2022 Budget
- Possible Adoption of the WFWRD 2022 Budget
- Confirm, Reschedule, or Cancel the December 13th, 9:00 a.m. Meeting to Adopt the 2022 WFWRD Budget, Pending the Outcome of the November Public Hearing, and Any Other Items needed for the December Meeting.

6. Closed Session (If Needed)

The Administrative Control Board will adjourn the regular meeting to convene in a closes session to discuss the pending or reasonable imminent litigation, or other legally applicable reasons as provided by Utah Code Annotated §52-4-205.

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1. Consent Items			
1.1 August 23, 2021, Board Meeting Minutes		Motion to Approve the Minutes by: Board Member Nicholl Seconded by: Board Vice Chair Ohrn Vote: All in favor (no opposing or abstaining votes)	Approved October 25, 2021
2. Meeting Open for Public Comments	(Comments are limited to 3 minutes)		
	No Public Comment		
3. Business Items			
3.1. Resident's Request for Abatement/Refund for Incorrect Billing: Pam Roberts, General Manager (Approval Requested)	<p>Pam introduced a request from a resident to receive a refund due to incorrect billing. The requested refund is beyond the General Manager's authority of two years. To refund to the state's allowed maximum of four years requires Board consent/approval. The resident in question owns two separate properties, and they recently discovered we were incorrectly billing them for an extra garbage can at one of their properties since 2015. The overcharged amount, over the past four years, is \$804.00. The resident is requesting the full amount refunded since 2015, but the state's statute of limitations allows WFWRD to limit this refund to four years. Since the quarterly billing recently went out, we will withhold the standard \$51.00, so the total refund amount requested is \$753.00.</p> <p>Board Chair Bracken indicated that we have these situations arise occasionally. WFWRD has a responsibility to ensure correct billing, but residents</p>	Motion to Approve the Recommended Refund/Abatement by: Board Member Marchant Seconded by: Board Member Nicholl	Approved October 25, 2021

<p>3.2. Request Approval for Container Specialist Job Class Salary Market Adjustment: Melissa Kotter, Compensation Consultant; and Pam Roberts (Approval Requested)</p>	<p>also have a responsibility to verify that we are billing correctly, and notify us of any error.</p> <p>Pam thanked the Board for their support in recent salary adjustments for Equipment Operator positions, which has helped with recruitment and retention in that job class. Pam described the Container Specialist position and the roles for this job. This position does not require a CDL (commercial driver's license) license. These individuals deliver and repair our cans at a resident's property. They additionally have warehouse duties handling our can inventory. It has recently become difficult to hire and retain for this job class.</p> <p>Melissa confirmed that a salary adjustment was made for this position in 2020 and 2021, but it has not kept up with the current market as of October 1st. Recent data reviewed was from credible third party local and verifiable markets. For this position, we are competing with other companies like Amazon and UPS. An increase in this classification will also impact the wage for the temporary Area Cleanup (ACUP) positions. An adjustment will allow WFWRD to hire more qualified applicants and remain competitive in both job classifications. Melissa added that we need to make this mid-year adjustment to boost recruitment and have a larger hiring pool.</p> <p>Pam indicated that one of these positions was filled by an employee who transitioned over from the ACUP, but we still have one full-time employee (FTE) position to fill. The requested adjustment will increase the starting salary by \$2.00 per hour. She confirmed that our tentative 2022 budget includes this proposed salary adjustment. Paul added that it adds approximately \$12,000.00 to the annual salary budget.</p>	<p>Vote: All in favor (no opposing or abstaining votes)</p>	
--	---	--	--

<p>3.3. 3rd Quarter Financial Report: Paul Korth, Finance Director/CFO (Information)</p>	<p>Board Member Barbieri recommended considering this being broken into part-time positions or a job share opportunity. This could also open up to younger retired individuals who may not need benefits, but would like some part-time work. Pam stated that this is a good idea; and although we haven't targeted these positions to those demographics, we are very open if that is requested by applicants. Other Board Members concurred that it would be good to look into this option. Board Member Stitzer inquired if this salary adjustment would impact service fees for 2022. Both Board Member Peel and Pam confirmed that we will not be raising fees for base services in 2022 since we have managed the increased costs for salary adjustments through under expenditures.</p> <p>Paul reported that revenues have increased \$562,000.00, from last year, primarily due to increases in collection fees and a reduction in the loss on the sale of trucks. He added that the loss on truck sales will increase by year's end. We have \$25,000.00 in recycling revenues recorded this quarter.</p> <p>Total personnel expenses, for 2021, increased \$367,000.00 from 2020. This is due to increased wages and overtime pay. Health insurance expenses are also up due to a general rate increase, an increase in the number of employees, and more employees with family coverage. We have seen decreased expenses in other areas that have helped absorb these increased personnel costs. Board Vice Chair Ohrn inquired what is driving the increase in overtime. Paul answered that it is due to unfilled positions and COVID-related absences. Board Vice Chair Ohrn followed by asking if we are still tracking COVID expenses. Paul stated that we haven't tracked overtime specifically related to COVID, but we do track leave absences related to COVID.</p>	<p>Motion to Approve the Container Specialist Salary Market Adjustment by: Board Vice Chair Ohrn Seconded by: Board Member Marchant</p> <p>Vote: All in favor (no opposing or abstaining votes)</p>	<p>Approved October 25, 2021</p>
--	---	--	---

Operating expenses decreased \$855,000.00, compared to 2020. This is primarily due to decreased recycling fees, decreased depreciation expenses, decreased landfill disposal fees, and decreased truck lease expenses. These decreases have allowed us to defer raising collection fees to our customers. Board Chair Bracken added that this is the second year in a row that we've been able to postpone a fee increase due to decreased operating expenses. This report shows that WFWRD works diligently to increase efficiencies and reduce expenses before proposing rate increases. Paul commented that revenues less expenses is approximately -\$300,000.00 in 2021 compared to -\$1.3 million last year.

Paul reviewed trends in the number of customers, around 86,000, and levels of services. Fuel expenses increased 8% this year. Our sideload residential collection fleet is all CNG (compressed natural gas), and equates to 79% of our fuel expenses. Our remaining vehicles run on diesel, which is the remaining 21%. Maintenance costs are down 3% compared to 2020. Refuse tons are also down around 3% this year, though we recognize that 2020 was an abnormal year with people home more than usual. Pam confirmed that we are on track to fulfill our obligation to take at least 94,000 tons to county facilities this year.

Paul stated that recycling tonnages continue to decrease, which has been a consistent trend. He also reviewed costs per recycling ton. In 2018, WFWRD switched from receiving revenue for recycling, to paying for recycling. This trend continued until this past August, when we started receiving revenues for recycling again.

	<p>The cash balances and capital expenditures were reviewed, including trucks that have been ordered/ purchased but have not yet been delivered, and our fuel island expansion. We also currently have \$2.2 million outstanding on certified accounts, with the vast majority being from 2021 certifications, which would come in by the end of the year, and help our cash balance.</p>		
<p>3.4. WFWRD Investment Accounts Report: Paul Korth (Information)</p>	<p>In response to a Board request, Paul presented WFWRD’s PTIF (Public Treasurers' Investment Fund) investment account information with Zions Bank/Zions Capital Advisors. It showed investment and interest earned amounts since January of 2020. Paul showed how the interest rate on our investments at Zions Capital Advisors has dropped from 2.24% to 0.51%. Our PTIF investments have shown a similar drop in the interest rates. He verified that there are benefits to having funds in both accounts.</p>		
<p>3.5. Tentative Adoption of the WFWRD 2022 Tentative Budget and Fee Schedule: Pam Roberts and Paul Korth (Tentative Adoption Requested)</p>	<p>Pam introduced the updated tentative budget. She reiterated that WFWRD has been able to absorb increased costs related to salary market adjustments for drivers to postpone a base fee increase for 2022. She also introduced a proposed name change to the Area Cleanup Program, to memorialize the permanently adopted change to this program. The new program name is proposed to be the Seasonal Container Reservation Program (SCRPP).</p> <p>The proposed budget includes a 2.0% COLA (cost of living allowance), and a 2.0% merit increase for employees or a \$1,500.00 Performance Incentive lump sum for each employee who has maxed out in their salary range. It also includes a 4.0% salary increase for all temporary and seasonal employees. WFWRD will</p>		

	<p>also instigate phase three of the compensation recommendations for previous related job experience for all remaining staff, which are currently being verified. This information, and the associated costs, will be brought back to the Board in January/February. Pam added that we have a very low increase in health insurance premiums at 2.3% and dental at 3.9%.</p> <p>We are still working on improvements to our website scheduling tool, and will be engaging with a new vendor for these enhancements. Community outreach and educational activities will continue with a new Sustainability Coordinator since Ethan Morris is moving on. Pam will cover this topic later in her report. WFWRD will continue to research ways to mitigate risks and reduce operational costs.</p> <p>Paul reviewed actual 2020 revenues/expenses, along with the adopted and estimated expenses for 2021 and updated preliminary 2022 budget numbers. Additionally, Paul reviewed the tentative cash projections through 2026. Our cash balance is projected to decrease over time, and shows that we should anticipate a fee increase for 2023. Our projected capital expenditures for 2022 include eight sideload trucks, three light duty trucks, and two frontload trucks – half of which will be paid for in 2021.</p> <p>Pam provided an overview of the proposed 2022 budget including:</p> <ul style="list-style-type: none"> • Increase the fee for new cans from \$50.00 to \$60.00 while discontinuing the \$10.00 stand-alone delivery fee. • Increase the New Home Startup Fees to \$130.00 to cover the costs for two new can 		
--	---	--	--

<p>3.6. Status and Updates on the Request for the County Council to Reorganize WFWRD: Board Member Bradley and Pam Roberts (Information/Direction)</p>	<p>purchases (garbage/recycling) (\$60.00 per can + \$10.00 delivery = \$130.00).</p> <ul style="list-style-type: none"> • Discontinue the Damaged Can Fee of \$70.00 for customer-caused damage of a can and combine all replacement can fees at \$70.00, except for normal wear-and-tear. • Increase the fees for a refurbished can from \$20.00 to \$35.00. Pam added that we have saved almost \$71,000.00 this year with new can purchases by using refurbished cans. • Add a fee of \$120.00 for a 14-yard roll-off container, requested by municipalities for cleanup events, which shall include the delivery of the container and up to two tons of disposal per container. Additional per ton fees will apply for amounts exceeding two tons as represented on the Fee Schedule. <p>Pam stated that Lisa Hartman, Salt Lake County Associate Deputy Mayor was planning on participating in this discussion, but she has not joined the meeting yet. Pam reviewed the report summary that she received from Lisa Hartman and forwarded to the Board on Friday. This report was sent by the Salt Lake County Mayor's Office in cooperation with the County Attorney's Office. Pam stated that she spoke with Board Member Bradley last Friday and he can discuss the topic today. There may be a reply or explanation of details needed, if directed by the Board.</p> <p>Board Member Bradley confirmed that this topic is not on the Salt Lake County's agenda until they complete their 2022 budget discussions and processes. He indicated that Lisa Hartman has spoken to all County Council Members regarding implications of WFWRD's</p>	<p>Motion to Tentatively Adopt the Tentative 2022 Budget and Fee Schedule by: Board Vice Chair Peel Seconded by: Board Member Cardenaz</p> <p>Vote: All in favor (no opposing or abstaining votes)</p> <p>The Board Clerk will post the Tentative 2022 Budget and Fee Schedule to the District's website for public review</p>	<p>Approved October 25, 2021</p>
---	--	--	---

	<p>requested reorganization. Existing concerns are stated in the letter from the County Mayor's Office. Board Member Bradley added that the County action on this is not reasonable until at least January.</p> <p>Board Member Peel asked WFWRD's legal counsel if there were any red flags in this report and the conclusions. Rachel Anderson replied that she did not see any concerning issues. Two of the three conclusions are resolved in the earlier body of the memo. She pointed out that they are concerned that we would withdrawal areas of the unincorporated county.</p> <p>Board Member Peel stated, and Rachel confirmed, that there is a stable and lengthy process for anyone to be removed from our service area, so this is also addressed in our bylaws. There is a lengthy list of conditions before any area can be withdrawn. All parties are protected regarding this concern.</p> <p>Board Member Bradley added that the conclusions did not equate to service concerns, but situations that the County Council needed to ensure before moving forward, as part of their due diligence, including ensuring that services would continue for our people.</p> <p>Board Vice Chair Ohrn indicated that the stated conclusions would exist whether WFWRD reorganized or not. Pam added that this may have come about as a concern when it comes to private roads. There is a difference between our statutory obligation to service homes that are on public roads versus homes that are outside of our jurisdiction or authority. These would be homes on private roads regardless of their location in incorporated municipalities or not. Board Chair Bracken identified one of the primary reasons for our desire to reorganize was to not need the County</p>		
--	--	--	--

	<p>involved in regard to boundary changes. The last situation was with the annexed portion of Sandy City</p> <p>Rachel stated that the third conclusion, regarding future lease agreements, is something we are certainly interested in continuing, though she does not want this topic to delay reorganization steps. Board Member Peel inquired what the re-organization has to do with the lease. Board Member Bradley stated that the County needs to clarify the ownership of the building. Rachel added that we asked for that to be clarified in the lease agreement and we were told at that time that the County couldn't commit for any future councils. Now the County wants to clarify. Board Member Bradley stated that he didn't see that the lease should get in the way of the re-organization, but he hasn't spoken with the other County Council Members. Board Chair Bracken stated that the intent is for WFWRD to stay where we are and continue with the lease with Salt Lake County.</p> <p>Board Member Bradley stated his opinion that the conclusions would not be impacted by the District's organization status. He added that he is opposed to the District's reorganization, and it is a move that is unnecessary. However, the County Council wants WFWRD to succeed and continue with the excellent services we continually provide. He stated that he presumes that the Council will want to move forward.</p> <p>Board Member Peel stated that he just didn't want these conclusions to slow the process to re-organize down.</p> <p>Board Chair Bracken requested that Board Member Bradley meet with Lisa Hartman to confirm that we have matching understanding on these steps. Board Member Bradley also indicated that he would forward any questions from Board Members directly to Lisa Hartman. Board Vice Chair Ohn suggested the</p>		
--	--	--	--

	<p>possibility of a December Board Meeting, if the budget is adopted in November, but there are still some issues that need to be discussed on this topic, in December.</p> <p>Rachel reviewed a couple more points, clarifying that WFWRD is already a political subdivision of the state, and WFWRD already has the authority to impose fees, owning and leasing property, etc. Anything owned by the District, would continue to be owned by the District; nothing would change in this manner.</p> <p>Pam asked Rachel to review the concern about WFWRD expanding services. Rachel stated that in the manner of expanding services, WFWRD was created to provide sanitation services. It would be a lengthy process to change our services to include, for example, water and sewer services. WFWRD cannot simply start providing services outside of our charter. Also, WFWRD cannot provide a service that is already provided by another similar entity.</p> <p>Board Member Peel provided clarification that we requested the improvement district type to keep the Board structure, and Rachel confirmed.</p> <p>Board Member Bradley mentioned that the reason why this was a conclusion is the possibility for WFWRD to compete with the County. Board Chair Bracken stated that if the County divested themselves from landfill services, WFWRD would work cooperatively with the County if we were to take that on. He added that he doesn't see that happening.</p> <p>Rachel stated that she agrees that the questions being raised by the County are necessary and need to be explored. Board Chair Bracken agreed.</p>		
--	--	--	--

<p>3.7 General Manager’s Report: Pam Roberts (Information/Direction Requested)</p> <ul style="list-style-type: none"> Recruiting and Hiring Managing the Ongoing COVID Pandemic 	<p>Board Member Harris expressed her surprise that Board Member Bradley is opposed to this action, especially since all the other entities in WFWRD have signed off on the change. Board Member Bradley stated that he finds it unnecessary if nothing else. He will support it if the County Council decides to move it forward.</p> <p>Pam announced that our HR Manager, Andrea Murdock has moved on to be the HR Director for Westminster College, which is a great opportunity for her. Our Sustainability Coordinator, Ethan Morris, has accepted another career opportunity outside of WFWRD. She praised the work and contributions of both these employees. Pam indicated that these two positions are recognized as potential steppingstones for employees to gain experience and move on to other opportunities.</p> <p>Pam announced that our Controller, Craig Adams, is retiring in February. She, again, praised the contributions that Craig has provided to the District with developing our billing database, accounts receivable and accounts payable. Recruitment efforts have been under way for these positions.</p> <p>We currently have four Equipment Operator vacancies, for which we are continuing to recruit. Salary increases, approved earlier this year, have definitely helped to hire and retain these employees. We also still have one Container Specialist position.</p> <p>WFWRD was hit with a spike of COVID cases recently, requiring several staff members to be off. Fifteen employees were impacted within three weeks. The majority have come back to work and are doing well. Pam stated that other organizations are providing</p>	
--	---	--

<p>3.8 Set and Confirm the November 15th, 6:00 p.m. Public Hearing for the 2022 Budget: Board Chair Bracken (Direction Requested)</p>	<p>incentives for employees to be vaccinated. She asked for direction if she could explore incentive options for WFWRD staff and come back with options for the Board's consideration.</p> <p>Board Chair Bracken stated that he would like to hear from the Board on this topic, adding that he is not opposed to an incentive. Board Member Gibbons spoke in favor of exploring options, especially in respect to recent COVID cases among staff.</p> <p>Board Member Barbieri concurred and voiced her favor of an incentive if it isn't punitive somehow. She added that she would like more time to spend on these types of issues that Pam is dealing with to support staff. She also added that the Board is spending a lot of time regarding removing ourselves from Salt Lake County and we need to make a decision and move forward. Board Vice Chair stated that she would like to explore this option. She would only be opposed if it was punitive to those that do not get vaccinated. No Board Member voiced any opposition.</p> <p>Board Chair Bracken reminded Board Members that the next Board Meeting will be in the evening. He verified that he will be present, in person, at the anchor location since it is a public hearing. WebEx options will be available for Board Members if they wish to participate electronically.</p>	<p>Board members gave direction for staff to explore options for vaccination incentives and report at the next meeting.</p>	
<p>4. Other Board Business</p>			
	<p>No Other Board Business</p>		
<p>5. Requested Items for the Next Board Meeting</p>			

	<ul style="list-style-type: none"> • Status on the County Council Response to the Request to Reorganize as a Local District • General Manager's Report • Public Hearing to Hear Public Comments on the 2022 Budget • Confirm, Reschedule, or Cancel the December 13th, 9:00 a.m. Meeting to Adopt the 2022 WFWRD Budget, Pending the Outcome of the November Public Hearing, and Any Other Items Needed for the December Meeting 		
6. Closed Session			
		<p>Motion to Close the Open Session and Enter into a Closed Session: Board Member Peel Seconded by Board Member Bradley</p> <p>Vote: All in favor (no opposing or abstaining votes)</p> <p>Motion to Adjourn the Closed Session and Return to the Open Session: Board Member Barbieri Seconded by Board Member Peel</p> <p>Vote: All in favor (no opposing or abstaining votes)</p>	<p>Approved October 25, 2021</p> <p>Approved October 25, 2021</p>
ADJOURN		<p>Motion to Adjourn: Board Member Barbieri Seconded by Board Member Peel</p> <p>Vote: All in favor (no opposing or abstaining votes)</p>	Approved October 25, 2021