

BOARD OF TRUSTEES – WASATCH FRONT WASTE AND RECYCLING DISTRICT (WFWRD)
MONTHLY MEETING MINUTES

DATE/TIME	LOCATION	ATTENDEES
<p>Monday, October 23, 2023 9:00 a.m.</p> <p>Next Board Meeting Monday, November 13, 2023 6:00 p.m.</p>	<p>Public Works Building 604 West 6960 South Midvale, UT 84047</p>	<p><u>Board Members:</u> Daniel Gibbons (Chair) - City of Holladay, Anna Barbieri (Vice Chair) - Taylorsville City (<i>arrived at 9:07 a.m.</i>), Cyndi Sharkey - Sandy, Greg Shelton - White City, Laurie Stringham - Salt Lake County, Robert Piñon - Emigration Canyon, Scott Bracken - Cottonwood Heights, Sherrie Ohrn - Herriman City</p> <p><u>Participating Electronically:</u> Eric Barney - Magna, Patrick Schaeffer - Kearns (<i>arrived at 9:20 a.m.</i>), Thom DeSirant - Millcreek City, Tessa Stitzer - Copperton</p> <p><u>Excused:</u> Brett Hales - Murray City, Keith Zuspan - Town of Brighton</p> <p><u>District & Support Staff:</u> Pam Roberts, General Manager/CEO Paul Korth, Finance Director/CFO Hazel Dunsmore, Human Resource Manager Rachel Anderson, Legal Counsel Renee Plant, Administrative Manager Catarina Garcia, Executive Assistant/Board Clerk Matt Ferguson, Controller/Treasurer Shane Norris, Safety & Emergency Preparedness Coordinator Sione Tuione, Residential Recycling Collection & Sustainability Manager Justin Tuft, Residential Refuse & Special Services Collection Manager</p> <p><u>Public:</u> Patrick Craig - Salt Lake County (<i>arrived at 9:26 a.m.</i>), Abby Evans - Salt Lake County</p>

THE WASATCH FRONT WASTE AND RECYCLING DISTRICT
BOARD OF TRUSTEES MEETING AGENDA

To be held Monday, October 23, 2023, at 9:00 a.m. at the District Offices located at 604 West 6960 South, inside the Salt Lake County Public Works Administration Building Training Room. This meeting will also be held electronically via Webex. Public login is:

<https://slco.webex.com/slco/j.php?MTID=me8c09f4d4ab5ae6cf29f6ea11cfe5f0d>

Reasonable accommodations (including auxiliary communicative aids and services) for individuals with disabilities may be provided upon receipt of a request within five working days' notice. For assistance, please call V/385-468-6332; TTY 711. Members of the Board may participate electronically.

Call to Order: Daniel Gibbons, Board Chair

Roll Call: Catarina Garcia, Board Clerk

1. Consent Items (Approval Requested)

1.1 September 25, 2023, Board Meeting Minutes

2. Meeting Open for Public Comments

(Comments are limited to 3 minutes) Public wishing to submit a comment to the Board of Trustees may do so by submitting their comment to the Board Clerk at cgarci@wasatchfrontwaste.org before Monday, October 23rd, 8:00 a.m. All comments must include the name and address of the individual making the comment. These comments will be read at the meeting as if the individual were present. Public comments can also be made in person or via Webex during this time.

3. Business Items

3.1 Request Adoption of the Amendment to Renew the Interlocal Agreement with Salt Lake County for Administrative Services, Pam Roberts, General Manager/CEO **(Adoption Requested)**

3.2 2023 3rd Quarter Financial Report, Pam Roberts, General Manager/CEO, Paul Korth, Finance Director/CFO **(Information/Direction Requested)**

3.3 Tentative Adoption of the 2024 Tentative Budget and Fee Schedule, Pam Roberts, General Manager/CEO, Hazel Dunsmore HR Manager, Paul Korth, Finance Director/CFO **(Adoption Requested)**

3.4 Confirm the Date and Time for the Public Hearing to Allow Public Comment on the 2024 Budget and Fee Schedule Currently Scheduled for Monday, November 13th at 6:00 p.m., Daniel Gibbons, Board Chair **(Information/Direction Requested)**

3.5 General Manager’s Report, Pam Roberts (Information/Direction Requested)

- Recycling Survey Results
- Status and Updates on Staffing and the Apprentice Program
- Follow-up on Associated Costs for Merchant Fees and Bank Fees

4. Closed Session (If Needed)

The Board of Trustees 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 Monday, November 13, 2023, 6:00 p.m.

- Public Hearing to Allow Public Comment on the 2024 Tentative Budget and Fee Schedule
- Possible Adoption of the 2024 Budget and Fee Schedule
- Reschedule or Cancel the December 25, 2023 Board of Trustees Meeting
- Recognition for Retiring Board of Trustees Members

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
Call to Order / Roll Call			
	Board Chair Gibbons called the meeting to order, and Catarina Garcia conducted the roll call.		
1. Consent Items (Approval Requested)			
1.1 September 25, 2023, Board Meeting Minutes	There were no questions or comments on the minutes.	Motion to Approve: Board Member Stringham Second: Board Member Sharkey Vote: All in favor (no opposing or abstaining votes).	Approved October 23, 2023
2. Meeting Open for Public Comments (<i>Comments are limited to 3 minutes.</i>)			
	There were no public comments.		
3. Business Items			
3.1 Request Adoption of the Amendment to Renew the Interlocal Agreement with Salt Lake County for Administrative Services, Pam Roberts, General Manager/CEO (Adoption Requested)	<p>Pam began by explaining that the District has been working with Salt Lake County since the separation.</p> <p>This agreement provides fleet services for fuel, maintenance, parts purchases, shared lease for hook lift trucks used for container delivery, and IT services. We are housed in their building with two bands. When WFWRD first separated, we conducted an analysis on cyber and IT security. The firm we worked with said Salt Lake County has one of the most robust and safe systems around, which is the reason we stayed with them.</p> <p>WFWRD also works with the Surveyor’s Office for our GIS systems. Andre Perov, our GIS Coordinator, works very closely with their team.</p>	Motion to Approve: Board Member Bracken Second: Board Member Shelton Vote: All in favor (no opposing or abstaining votes).	Approved October 23, 2023

	<p>Pam confirmed to Board Member Bracken that yes, this a three-year renewal with the same terms, and that Fleet is the largest portion of the dollars.</p> <p>Board Member Stringham disclosed that she is representing both parties in the agreement. Rachel Anderson confirmed that there is not a conflict of interest.</p> <p>There were no other questions or comments.</p>		
<p>3.2 2023 3rd Quarter Financial Report, Pam Roberts, General Manager/CEO, Paul Korth, Finance Director/CFO (Information/Direction Requested)</p>	<p>Pam opened with a shout out to Paul for his work and transparency in this report and turned the time over to him.</p> <p>Paul began his review of the Financial Report for the Nine Months Ended September 30, 2023.</p> <p>Total revenues increased \$2,778,000 from 2022 to 2023. The increase was primarily due to a \$2,119,000 increase in residential waste collection fees (primarily due to the fee increase), a \$231,000 positive change in gain/(loss) on investments, and a \$241,000 increase in interest income.</p> <p>The rates we are getting on investment returns are substantial, which is a plus compared to some of the negatives and challenges we are experiencing.</p> <p>We are on track to where we anticipated we would be in regard to total revenues. Another area that is up just over \$80,000 is green curbside fees. The program has picked up the last few years with subscribers. We hope they continue to renew their subscriptions.</p> <p>Paul explained that we provide repeat services which generate recurring revenue.</p>		

With no questions, Paul continued with personnel expenses for 2023 which increased \$627,000 from 2022, approximately 9.5%, primarily due to increased wages/salaries expense of \$467,000 (we increased hourly pay rates and increased employee headcount), increased retirement pension expense of \$76,000, and increased health insurance expense of \$74,000.

He stated that much of this was anticipated and is a bit below budget. Total personnel expenses are 67% of the total budgeted personnel expenses for 2023, which is what we expected year-to-date. As Paul has mentioned several times, there are still adjustments for the pension expense and OPEB (Other Post-Employment Benefits) that will come after our year-end. The adjustments last year were in our favor.

Regarding overtime, Board Member Stringham asked if we are at the point of being concerned about employee burn-out. Pam replied that we could have hit that point during the heavy season, but we are currently fully-staffed. The apprentice positions have been filled, which created three Equipment Operator (EO) vacancies. Those three vacancies are additional FTEs we requested for the Seasonal Container Reservation Program (SCRIP). Now that the SCRIP season has ended, there is no need to shift anyone over. Pam stated that we are moving to a lesser likelihood of employee burn-out, and thanked Board Member Stringham for the question.

Paul added that during the busy season, we ask EOs to come in on their day off and some of them really appreciate the overtime. We always keep safety in mind.

With no questions or comments, Paul continued on with Operating Expenses Highlights. The total operating expenses increased \$783,000 in 2023 compared to 2022. There were increases in fuel expenses of \$116,000, maintenance expense of \$221,000, landfill disposal fees of \$144,000, and vendor recycling fees of \$670,000. Truck lease expense decreased \$89,000, due to decreasing the number of hook lift trucks leased from 16 to 10, county interlocal shared building costs decreased \$99,000, and other expenses decreased \$73,000.

The decrease in county interlocal shared building costs is due to the timing of when we pay the bill for security services. Last year we paid \$104,000 in September. The Sheriff's Office provides on-site security and monitors the parking lots, the assets, and the building.

Looking at the total operating expenses at a high-level, we are at 79.63% of the budget. The timing of payments should be considered. We are also through our busiest time of the year with the SCRP. From a budget perspective, we are at 74.55% of total expenses. Paul watches that and always pays attention to it. He thinks we will be okay, but this is the closest we have been by far since he has been on staff.

Revenues less expenses are \$49,000 positive compared to \$1.3 million negative last year.

Paul then moved on to fuel expenses. This year fuel expenses have increased 12.35%. In 2021 fuel expense increased 8%, and it increased 9.3% in 2022. He also reviewed the cost per gallon for diesel and CNG. Diesel fuel at the end of 2022 averaged \$4.76 per

gallon and it has come down to \$3.79 per gallon through nine months of this year. The average cost of CNG has increased from \$1.91 per gallon in 2022 to \$2.31 per gallon in 2023. Paul also noted that 92% of gallons purchased for our fleet are CNG.

Board Member Ohrn commented that while she has asked before, she will ask again. It is interesting as we see the two lines come closer together, and we know full well that diesel vehicles are much cheaper to purchase than CNG, and in history the resell value has been much higher. The decision was made in part due to air quality. When she has pushed back and asked for stats, there really is no good data. It is just someone saying that is how it is. There has never been any proof because of the restrictions on diesel and those emission outputs. Is it really that much less? These are all the things we have to keep an eye on just to understand. She does not think it is ever a good idea for us to completely go one way or the other as our fleet is very diversified. We put money into the CNG filling station and hope we keep enough diversity in those two things and not make a total shift which could come back and bite us at the end.

Paul replied that it has been interesting with diesel over the last couple years that the cost of diesel trucks has increased relative to the cost of CNG trucks. The cost differential between diesel trucks and CNG trucks is not as high as it was two years ago. The other factor for diesel is that through the years they have made diesel engines much cleaner. From 25-30 years ago to today with all the additions and requirements they are much cleaner.

Board Member Stringham asked if we are still waiting on vehicles that we have not been able to purchase. Paul replied yes, and he would cover that later in the presentation.

Paul continued on to maintenance expense. In 2021 our total maintenance expense decreased approximately 3%, increased approximately 10% in 2022, and so far through this year have increased approximately 8%. As discussed in the past, there were challenges with labor and parts, but it seems things may be getting a little better.

Paul reviewed refuse tons highlighting that we are very close to last year's 93,162 tons. This year we are at 93,896 tons. At the beginning of the year, we took more tonnage to the Transfer Station which has since balanced out. That was due to weather and safety. We currently pay \$35.00 per ton to the Transfer Station, \$27.00 per ton to the Salt Lake Valley Landfill, and \$39.00 per ton to Trans-Jordan. We anticipate they will all increase fees \$2.00 per ton for 2024.

Board Member Bracken asked how many tons are in a typical load. Pam replied that it is a little less than eight tons for MSW (Municipal Solid Waste) due to bridge weights and legalities. We consider price and proximity to our routes for each facility. We receive the \$27.00 per ton cost at the Salt Lake Valley Landfill for meeting our 20,001 tons commitment. Paul added that it also varies depending on our service area each day.

Paul continued on with recycle tons. In 2020-2021 there was a decrease of 5% through nine months, a 3% decrease in 2022, and this year we are consistent, within a few tons of the same time last year.

He explained the vendor recycling fees per ton is a weighted average for both vendors. In 2021 we received money back and in 2023 we started the year paying \$80.00 per ton. We were paying \$60.00 per ton at the end of September.

Board Member Ohrn asked Paul where he kept his crystal ball. If we bounce back up high our budget will be iffy for the next few months. Paul replied that we adjusted the budget amount for 2024, and he will review it later in the presentation. We are historically high because this year we budgeted \$40.00 per ton. Hopefully we are not \$30.00 or \$40.00 above our adjusted per ton amount for the 2024 budget.

Board Member Bracken stated that in the big picture, it looks like so far this year we are about \$3.3 million for MSW. Recycling fees are about \$1 million. If potentially we were to change that because we are basically paying twice the amount per ton, we may be able to save \$400,000-\$500,000. Keeping the recycling program in place rather than starting and stopping it is wise. Cottonwood Heights received a complaint last week about why Cottonwood Heights does not pick up recycling at apartment complexes. He suspects it is because they are not happy about paying the extra fee for the complexes using a private company.

	<p>Pam added that it is interesting some residents are willing to pay but the property manager or owner will not make the change.</p> <p>Paul continued on to cash balances 2019-2023. We have stayed fairly consistent through the years. It includes all cash and investment accounts, and in September there was \$8.5 million. The numbers are cyclical and fluctuate when the revenues come in. For example, cash balances increase after the quarterly billings and collections. Last week the cash invested with PTIF (Public Treasurer's Investment Fund) was earning approximately 5% which is interest income. We have been more aware of rates and try to move any additional cash in the operating account to PTIF for four or five weeks then move it back. A 5% return on cash can be significant on large balances.</p> <p>Paul then explained the capital expenditures budget for 2023 which is \$5.3 million. There were 12 side load trucks ordered this year and we paid for two chassis and engines. We anticipate receiving the two side load trucks in November. We anticipate receiving the other 10 side load trucks next April-May.</p> <p>Pam replied to Board Member Bracken that the last time we received side load trucks was in 2021 and we are behind with 16 replacements. We ordered 12 side load trucks this year to make up for what we could not get last year. Board Member Bracken added that a quarter of the fleet has been deferred and we are keeping them longer. Pam explained that next year is our “catch-up” year if we can get them all, and that Paul would review that information next.</p>		
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Board Member Ohrn added that it also adds a trickle effect that in a few years when it is time to replace and there is a massive amount to replace rather than gradually replaced. Paul commented that our goal is to order eight every year to have a good balance in the aging fleet. We do not live in an ideal world. Pam added that we have had to pivot a lot.

Board Member Sharkey asked if the funds we are saving are in an interest-bearing account or an investment account. Paul responded that we have funds in the PTIF and in Zions Investments and are getting a return/interest.

Board Member Sharkey commented that may be the only upside right now, and Board Chair Gibbons stated that the inflation on the new vehicles is likely outpacing any returns/interest.

Paul reported that we anticipate paying for two side load trucks this year and that 10 side load trucks will carry over to next year's budget. Three light-duty trucks were budgeted, and we had the opportunity to get four. Recently, we have not had the opportunity to get them e and we got them for a really good price. Two one-ton diesel pickups, and a couple of flatbed trucks for the trailer program. We are paying approximately \$55,000 each for one-ton diesel pickups. We knew at that point we would not receive all the side load trucks so we did it although it exceeded the budget for light-duty trucks.

Paul explained we purchased them through the State contract, and he is wondering when that price will increase. To get a one-ton F-350 diesel for approximately \$55,000 is ridiculously low. It is a

really good deal for WFWRD, and we have benefitted from the State contract.

We also purchased one used hook lift truck in the first quarter. We are not close to spending what was budgeted for capital expenditures in 2023 but are hopeful for next year.

Paul then reviewed the certification balances as of September 30, 2023. We certified more in 2023 primarily due to the fee increase. The years 2016-2018 outstanding amounts are all one resident who received an extension from the County. Pam commented that the good news is that it has been certified so WFWRD will eventually receive those amounts.

Paul continued with customer refunds for the 3rd quarter of 2023. There is \$6,000 for the quarter, which is rather low. Last quarter was \$27,000, and the first quarter was \$9,000. There is typically more in the second quarter as all customers receive a paper billing, and there was a fee increase this year which got some attention. \$6,000 is not a lot for refunds. Paul recalled one customer payment error was approximately \$1,000.

Vice Chair Barbieri stated that Paul is training them well. Paul replied that as he has previously stated, WFWRD appreciates the ability to quickly refund customer's money that was paid in error.

With no additional questions, Board Chair Gibbons thanked Paul for his great work.

<p>3.3 Tentative Adoption of the 2024 Tentative Budget and Fee Schedule, Pam Roberts, General Manager/CEO, Hazel Dunsmore HR Manager, Paul Korth, Finance Director/CFO (Adoption Requested)</p>	<p>Board Chair Gibbons explained to newer Board Members that we are seeking a tentative adoption of the tentative budget today, and the final adoption would occur at the annual meeting on Monday November 13 at 6:00 p.m.</p> <p>Pam stated she would report the narrative and Paul will report the numbers, as he does so well.</p> <p>Pam reported that last month the Board reviewed the proposed budget and not a lot has changed. To recap:</p> <p>WFWRD continues with current service levels that include:</p> <ul style="list-style-type: none"> • Weekly curbside garbage and recycling collections. • Seasonal Container Reservation Program (SCRIP) with the budget of 60 container deliveries per day based on the staffing level we are able to recruit and retain through that season. • Seasonal Services: The leaf bag program is currently underway, and in January, curbside Christmas tree collections will begin. • Landfill Vouchers now have a QR code that residents are transiting to, as well as still using the paper copies. • There are seven central glass collection sites. • Providing discounted trailer rentals for bulk and green. • Subscription program for green and glass which are a separate fee those who like to use the additional cans for recyclables. 	<p>Motion to Approve: Board Member Stringham</p> <p>Second: Board Member Shelton</p> <p>Vote: All in favor (no opposing or abstaining votes).</p>	<p>Approved October 23, 2023</p>
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Vice Chair Barbieri asked if there are unique QR codes for each city using the vouchers. Pam replied that it is not for every city yet, Taylorsville is the test site. Renee stated that we envision to roll-out a unique QR code for cities for code enforcement which will be unlimited and are separate from residential codes and can be tracked separately.

Vice Chair Barbieri asked if cities would be billed quarterly or yearly. Pam replied that because this is new, it is whatever works best, monthly or quarterly. We do not anticipate it will be a substantial amount and WFWRD will be very flexible. Vice Chair Barbieri added that this is a great program.

Pam continued that WFWRD has increasing costs we are going to try to manage. We are always looking at efficiencies and ways to improve, reduce miles, if at all possible, which is the biggest cost for side load trucks running from route to route.

The only thing added from last month is exploring the possibility of a new, more efficient database system. The one currently in place is from 2013 and can be cumbersome with timekeeping versus payroll. There are two systems which require substantial manual work. This has come to the forefront with our increased headcount.

We know that a Human Resource Information System (HRIS) is needed that will communicate with a payroll system, general ledger, and billing. Any RFP process would be brought to the Board and WFWRD would attempt to absorb the costs into the budget.

Hazel reported that two companies have approached us, and she has done a bit of exploration with them. An updated HRIS would be very beneficial. It is available in Caselle, but HR has a few specific needs.

Pam then reminded the Board that WFWRD is proposing a fee increase for the Town of Brighton residents of \$2.00 per home per month. She has been communicating with Board Member Zuspan and plans to attend their November Council Meeting. He has done a great job communicating the need for the fee increase, and Pam wants to ensure they hear it directly from her. It will also include Big Cottonwood Canyon residents.

Last month staff also proposed a 4% COLA (Cost of Living Adjustment) increase with a 2% merit increase for employees' annual anniversary dates. For employees at the top of their range, continue with the lump sum payment (which is taxed as income). There are also increased wages for all seasonal/temp staff, the majority of which are on the SCRIP, and the addition of one CDL Equipment Operator. We may postpone hiring for that position because we currently have three vacancies and are heading into the slow season. This is being evaluated by the Operations team. We have a very tight budget and if there is not an immediate need, it would be postponed.

Board Member Ohrn stated that we are always in competition for CDL drivers and looking for ways to recruit them with things like salary and culture. Her only experience is in government and our competition is the private market. She asked if the private market is also experiencing the same challenges with retaining drivers or if they are providing an incentive that we are

unaware of. Are we stacking up to the competition? If so, is there another way to retain employees with something besides salary?

Pam responded that benefits are a big piece of our compensation package, getting into the URS (Utah Retirement System), and understanding that younger generations may not see that as a value. Private haulers offer a sign-on incentive and one of our major recruiting plus is our Monday through Friday work schedule. Drivers work four tens and are allowed overtime as we need it. There is a rotating day off, so every EO has a four-day weekend within a five- to six-week time period. There is also vacation and sick leave. Our benefits package is really robust and draws people in.

Pam explained that when Melissa Kotter, Compensation Consultant, reviewed this year's salary markets, 5% was the max increase being offered. Pam is asking for 6%, which the Board did not even blink at, and she is appreciative.

We are above what others are doing and are hopeful it will sustain us because every year, around mid-year, we hit a lull with recruitment and hiring. This year we did rather well with the current vacancies, Hazel Dunsmore, HR Manager verified that there are 10 applicants in the wings for equipment operators. There is more supply than demand because this is the time of year when construction companies are slowing down.

Pam has found that people who come in from private haulers and construction really love our work schedule. We also offer an efficiency incentive for

equipment operators who get paid 40 hours even if they work 36. This is another big draw.

Board Member Ohrn asked if that is something we are marketing. Is our marketing robust enough? She understands that with younger people it is just about putting food on the table. It may not be that they do not understand the benefits of the URS, they just cannot apply it in their lives when they are trying to make ends meet. Construction was slow even through the summer this year, and many private industries do not offer COLAs.

Pam added that with people that come in from private industries, our equipment, although aging, is very well maintained and it runs. If our truck is down, operators are assigned another piece of equipment to complete their routes. In private hauling, they are sometimes paid for only what is picked up. WFWRD has a steady paycheck, and a steady job.

Board Member Bracken asked how often we have a truck in the field that goes down. Pam replied that it is not very often we have to send a tow truck. Mechanical issues are handled on the road quickly, and can happen daily, especially in the heat. Not every truck, but possibly on average one truck per day during the heat.

Pam confirmed to Board Member Bracken that there is a crew that goes out and does the repairs and it is very rare that a truck is down for hours at a time in these cases.

At this point in the meeting Board Member Barney commented through Webex that the online participants had lost audio. Abby Evans with Salt Lake County confirmed this. Board Member Barney then text Pam to notify her. It was discovered that the recording equipment had been disconnected for several minutes. Renee reconnected the audio and Board Chair Gibbons asked Pam to quickly recap from the last point that the online participants heard that included:

- A 4% COLA and 2% merit increase, continuing the one-time lump sum incentives for employees at the top of their pay ranges.
- Adding one CDL Equipment Operator allocation, although hiring may be postponed based on operational needs.
- Negotiating a 12% health insurance premium increase down to 9.65%.
- Traditional plan deductibles have never been increased since the separation from Salt Lake County. They will now be \$750.00 single and \$1,500.00 family, increased from \$500.00/\$1,000.00.
- No change in URS plan rates.

The time was then turned over to Paul who reviewed the 2024 Tentative Budget that included Actual 2022, Adopted Budget 2023, Estimated Current Year 2023, and the Tentative Budget 2024.

He explained there were a few budget adjustments from the last report in September that included:

- A \$50,000 increase in revenues for non-residential fees, mainly front load services.

- Personnel expenses increased approximately \$50,000 due to the increased dollar amount of employee awards, which also includes other benefits.
- Vendor recycling fees increased \$143,500, which is \$7.00 per ton. We talked about a \$5.00 per ton increase at the last meeting then received a notice from one vendor that their base rate was increasing.
- Paul rounded the numbers to the nearest hundred.
- OPEB and URS adjustments are provided by the actuaries in February. There could be adjustments for 2023. There is also a meeting this week with URS to discuss the rates that we submit to them each pay period. They are on a different fiscal year, 07/01-6/30, whereas WFWRD is 01/01-12/31.

Paul responded to Board Member Stringham that yes, we remit an amount every pay period to URS which is a percentage times each employee's pay. After year-end, it is an actuarial adjustment number rather than actual dollars paid. It still shows as an adjustment but is not a cash expense.

Paul continued on to 2024 tentative capital expenses that include four new side load trucks, three new light-duty trucks, one hook lift truck for the SCRCP, and one cabover truck used for container delivery and repair.

Originally the amount was \$2.2 million, but the carry-over from 2023 includes the full cost for eight side load trucks and the bodies for two side load trucks. If all equipment is received next year, the total is \$6 million. Paul reminded the Board that we under-expended the last few years in this category.

Board Member Sharkey asked if the inability to get trucks is causing us to rethink our future replacement schedule and keep trucks longer, and what impact it would have on maintenance expenses.

Paul replied that we looked at that a few years ago and conscientiously chose to keep a sample of trucks longer to gather maintenance data. Historically we were selling trucks at five to six years. We looked at private hauler practices, costs, and sales prices, and it made sense to keep them longer. Maintenance costs were unknown, and we were keeping trucks longer before any supply chain disruptions. We wanted to test and sample what maintenance costs would be. So far, maintenance costs do not seem to be increasing at an unusual rate for older trucks. What is the optimal age to keep a side load CNG truck? Is it 10 or 12 years, eight and a half? We are looking at that and Pam stated that our oldest trucks are nine years old from 2014).

When Paul first started work at WFWRD, he learned that we were buying diesel side load trucks for \$220,000, using them for five years, and selling them for \$110,000. That is a lot different from buying CNG side load trucks for \$300,000, using them for five years, and selling them for \$50,000. WFWRD agrees the preference is to buy eight side load trucks every year. Maintenance expenses are still to be determined.

Paul also noted that older trucks are not used as much, mainly for an occasional breakdown, but newer trucks are preferred, which is why maintenance costs are lower. Board Member Ohrn commented that this also keeps the mileage lower on older trucks.

Board Chair Gibbons commented about the carryover numbers that while numbers for next year are somewhat general and rounded to the nearest hundred, the price for carry-over vehicles from 2023 end in \$802 and \$720. He assumed they are invoice prices that are locked in and asked if they would charge more if markets increased.

Paul replied yes, they are invoice prices, we are not anticipating increases, but it can happen. The equipment we have paid for this year so far has matched up with what was agreed to.

Pam stated that WFWRD will place the equipment orders for 2024 when the tentative budget is adopted to secure the allocations. Paul commented that side load trucks are approximately 10 months out. They do not make them and put them on a lot, they are made with an end-user in mind and a commitment in place.

Paul reviewed the tentative expenses by category. Personnel, disposal fees, maintenance, fuel, and vendor recycling fees are the largest categories.

He also explained the tentative cash projections that list the actual numbers for 2020-2022, the estimated numbers for 2023, the tentative budget numbers for 2024, and the projected numbers for 2025-2027. The numbers have been updated based on the three changes to the tentative budget. He also changed operational expenses to 98% of the budgeted/projected amounts based on where we are this year. We are getting close to the budget expenses this year and hope it is conservative.

	<p>We are projecting a \$10.5 million ending cash and investment balance for 2023. Next year the projected balance is \$5.3 million, and \$1 million is the projected balance for 2025. This is assuming we receive the trucks that we ordered.</p> <p>Paul explained that the percentages are cash over operational expenses ratios, and the net OPEB liability is the number we get from the actuary. He is using what we were provided last year, and we keep cash on hand to cover this. OPEB is for retirees and has decreased by two participants this year. This benefit ended in the past and there will be no new participants. We anticipate the liability will decrease, but it also depends on medical costs.</p> <p>Pam commented that the net OPEB liability falls under restricted cash that Board Member Bracken mentioned at last month's meeting, and accounting for that drops the cash balance approximately one million. She then continued on with the tentative 2024 fees overview that includes:</p> <ul style="list-style-type: none">• Residential fees for the Town of Brighton/Big Cottonwood Canyon increasing \$2.00 per home per month.• Special services fee increases for front load services for collections at city halls, county facilities, etc., have increased 10% for garbage and 18% for recycling containers to account for the increased recycling processing fees. That is why there is a difference between garbage and recycling increases. Recycling on front load has been historically a lower fee, so we are increasing it to help cover the processing costs.		
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- County facilities fees increased and depend on the division's use. Some divisions were at a 9% increase, others were almost 50%, depending on use. This also accounted for the increase in revenues.

At this point in the meeting, Board Chair Gibbons confirmed that the online participants still had audio.

Pam moved on to the fee schedule explaining that the red numbers reflect any increases.

She replied to Board Chair Gibbons that yes, with Board Member Zuspan out of town, that she, Matt, and Paul met with Board Member Zuspan a few months ago and reviewed the actual costs and revenues. She also noted that we service the businesses that use our compactor as well as front load cans. Their fees will increase as well to equal out the revenue and expense. Board Member Zuspan spoke with the Mayor and Council, and they are well aware this is coming. Pam will make a personal visit to one of their Council meetings in November.

Board Member Stringham asked where the dividing line is for Big Cottonwood. Pam replied that she believes it is just below Cardiff Fork where there are approximately 15-18 homes still in the unincorporated county. The homes are between Storm Mountain and Cardiff. Lambs Lyon is an HOA and billed separately.

Then Pam explained that WFWRD is asking to abolish District pricing to ensure equality and reduce confusion and administrative work, to some degree.

	<p>She pointed out that municipalities that use the 14-yard roll off for resident clean up or code enforcement will remain at \$125.00, however, the tonnage will be limited to one ton. Anything over one ton will be charged the respective fee we are charged by the landfill we deliver to.</p> <p>WFWRD is also requesting to add associated fees for mattresses, tires, and refrigerators.</p> <p>Board Chair Gibbons then asked for tentative adoption of the tentative budget as presented.</p>		
<p>3.4 Confirm the Date and Time for the Public Hearing to Allow Public Comment on the 2024 Budget and Fee Schedule Currently scheduled for Monday, November 13th at 6:00 p.m., Daniel Gibbons, Board Chair (Information/Direction Requested)</p>	<p>Board Chair Gibbons confirmed the date and time of the meeting, and Pam confirmed that electronic participation is allowed and available for all participants, including members of the public.</p> <p>Board Member Bracken stated that he would not be present at the meeting.</p>	<p>Staff will post notices.</p>	<p>The Board confirmed the date and time.</p>
<p>3.5 General Manager’s Report, Pam Roberts (Information/Direction Requested)</p> <ul style="list-style-type: none"> - Recycling Survey Results - Status and Updates on Staffing and the Apprentice Program - Follow-up on Associated Costs for Merchant Fees and Bank Fees 	<p>Pam began her report with updates from the recycling survey WFWRD launched to gain resident’s input. Costs are increasing and we want to sustain our service levels.</p> <p>The introduction to the survey stated that the Board had met and wanted to continue on with current service levels of weekly garbage, weekly recycling, courtesy container SCRP, leaf bag, Christmas trees, and trailer rentals.</p> <p>Pam explained that the entire survey is on the homepage of the WFWRD website for those who want to review the details. The highlights include (rounded numbers):</p> <ul style="list-style-type: none"> • 93% of overall respondents are satisfied with recycling services, 		

- 93% report that recycling is important,
- 83% have confidence in knowing what is accepted in their blue recycling can, which Pam feels is a good confidence level, and
- 95% support weekly recycling. This is the first time we have asked about weekly recycling.

There are also reports for each community. Magna and Kearns were 92%, but overall and by majority there is 95% support for weekly recycling.

Pam continued with staffing level updates. We were fully-staffed, then hired apprentice positions, all of which were internal. One of which (Jason Walk) is still in his 6-month new-hire probationary period. He came to us with training experience, having provided CDL and DOT training in the past. He rose to the top of the candidates, and there were some very stellar internal candidates. It was a difficult selection process.

Our trainers are Fred Pacheco and Daniel Burgener, and Jason Walk is the coordinator. The two apprentices as previously reported are Lori Jolley and Jesus Becerril. These leave three vacancies and as mentioned, we may or may not fill them all.

Pam then introduced and welcomed Justin Tuft who joined our team as the Residential Refuse & Special Services Collection Manager on Wednesday, October 11th. He brings 21 years of industry experience with Rocky Mountain Recycling and most recently eight years as their Transportation Director.

Justin introduced himself and stated that he started as a driver, quickly worked his way to the office, dispatched for a year, moved up to fleet manager over

11 western states, then worked his way up to the Director of Transportation. There were 65 drivers under his direction.

Board Members welcomed Justin and thanked him for joining the team. Pam noted that he is also very familiar with our GIS and GPS and is the Manager over the largest part of our services with the curbside garbage program. She has no doubt he will help improve efficiencies.

Pam moved on to merchant and bank fees, which was a question from the last Board Meeting. She gave a high-level review stating that prior to WFWRD's creation in 2013, the annual fees for waste and recycling collection services were collected through the property tax notice. In November of 2012, staff were notified that the new organization would be required to bill each property owner for our service fees. WFWRD's billing system went on-line in 2014. She explained that we still have certification and lien rights and nearly 14,000 accounts have been certified in 2023 for \$2.5 million. We do not pay any fees for that service. We receive the penalty fees and are first on the list when properties are certified. This is a nice benefit because we need to keep our services going.

She went on to say that the other way we bill is to mail a statement to everyone in April for the first quarter fees. Some residents are set up on auto-pay with Xpress Bill Pay. We pay a fee for that, as well as \$0.49 per transaction. The total fees are roughly between \$265,000 and \$270,000.

We receive 1% of payments in cash, there are also checks, and lockboxes. Those are when a resident mails their check to Zions. It can be easily processed if they include a payment voucher. Otherwise, research is required at a higher cost.

Credit card payments are very popular and have increased over time.

Payments can be taken over the phone by Customer Service Representatives, and protections are in place. In researching convenience fee practices by other Districts, Pam could not find one that currently has them in place. She spoke with Kearns Improvement District (KID) who used to have a convenience fee, however, they stopped. Their staff were processing payments internally and when they shifted to using vendors that are under State contract, the vendors are limited to what they can charge. KID discontinued convenience fees and passed the costs on in their regular fees.

At this time, our preference is to continue our current processes and ensure we account for that when we come to the Board next year when exploring a fee increase for 2025.

Board Member Ohrn commented that some people may subsidize for the fees but very few because the majority of people pay by credit card.

Board Member Sharkey commented that it seems to be coming ubiquitous. For example, there is a 2% upcharge to pay your property taxes by credit card. Sandy Cindy bills for Waste Management services which includes a fee for credit or debit cards.

Board Member Bracken stated that people are just beginning to realize there have been swipe fees on credit cards forever, and merchants are getting less revenues, and instead of just passing them on, they are tacking on the 2, 3, 4%. On the flipside, who really uses credit cards that do not offer points, miles, or rebates...

Board Member Sharkey stated that because she is so frugal, when paying a bill online with EFT or ACH with no fee, or a credit or card with a fee, she always chooses the first one every time. She asked if there was an advantage for us to want to encourage people to use EFT or ACH. Is there a benefit or incentive to us to want to provide that?

Board Member Shelton commented that when a payment is processed, there is a cost of labor associated with it. Whether it is someone in an office stamping a check and entering it into a billing system, or someone in Chicago who is contracted and charging a fee for the labor expense.

As a WFWRD customer, Board Member Shelton is always looking for a free payment method as well. "You are asking for money but are going to charge me for the payment?" At what point do we say it is the cost of doing business? It is convenient for the customer but less convenient for WFWRD? What is the preferred payment method for WFWRD to keep costs low? Board Member Shelton sends his payment through his bank's bill pay, they mail an actual check. WFWRD has to research his check unless, like the power or mortgage company who receive it the next day having made it electronic from the bank's bill pay system.

Board Member Barney stated that he has been in banking for the last 25 years. As a company, WFWRD will be paying for a service whether it's an interchange fee on a credit card, processing checks at the bank, or receiving ACH or EFTs. It is a matter of where the fee is being paid and will never be an apples-to-apples comparison. One merchant provider to another will be different. He cautioned WFWRD from shying away from credit card interchange fees and going to ACH as there is likely a charge on the bank account for every EFT, ACH, and check that is processed. That is typically how commercial checking accounts work. It is up to WFWRD's finance team to delve into that, but nothing in banking is free because there is an associated cost.

Board Member Ohrn added that there is even a cost associated with cash payments.

Pam agreed that there is a cost to everything.

Board Member Shelton recommended WFWRD determine their preferred method, the cheapest process, and give a little break to those that want to participate. Everyone else would incur a fee. Or just decide that it is the cost of doing business.

Pam replied that she prefers considering it the cost of doing business, and we are not sure how much more administrative work would be generated to implement a convenience fee. We have not delved into this for a while because we were so lean administratively. We are still rather lean and agrees with Paul and Matt that a change is not needed right now. She stated that we as staff always welcome the questions and re-evaluating.

	<p>Board Member Bracken commented that from a customer’s perspective he would rather have the choice.</p> <p>Vice Chair Barbieri added that there is comfort and consistency from payments we take from customers, and feels it is wise to conclude it is the cost of doing business. It will also keep changing because its new, as it has with her own online business.</p> <p>Board Member Shelton replied that it is technically the same, merchants are just changing how they are collecting the fees. Based on the business size and price of merchandise, one will work best for each business. But how much time do you want to spend figuring that out?</p> <p>Vice Chair Barbieri commented that because we are putting our cash into investments, to possibly consider a sweep account. The sweep account makes up for some of the merchant fees for her business.</p> <p>Paul replied that it is a good idea to look into a sweep account, and he has used them in the past. We do transfer funds manually to PTIF for the returns.</p> <p>Board Member Shelton commented that a lot of online banks offer a 4% on savings. He has several accounts and uses the envelope system for budgeting for his small business. He receives \$30.00-\$40.00 per month in interest, which he considers an easy dinner.</p> <p>Board Chair Gibbons concluded that WFWRD continue with the status quo and possibly explore other options in the future.</p>	<p>Staff will look into a sweep account for the working capital account.</p>	
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4. Closed Session (if needed)			
	No closed session needed.		
5. Other Board Business			
	There was no other Board business.		
6. Requested Items for the Next Board Meeting on Monday, November 13, 2023, at 6:00 p.m.			
	<ul style="list-style-type: none"> • Public Hearing to Allow Public Comment on the 2024 Tentative Budget and Fee Schedule • Possible Adoption of the 2024 Budget and Fee Schedule • Reschedule or Cancel the December 25, 2023 Board of Trustees Meeting • Recognition for Retiring Board of Trustees Members 		
Adjourn			
	Board Chair Gibbons then entertained a motion to adjourn.	Motion to Adjourn: Vice Chair Barbieri Second: Board Member Ohrn Vote: All in favor (no opposing or abstaining votes). <i>Meeting end time: 10:45 a.m.</i>	Approved October 23, 2023