

MINUTES
DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY
CITY OF CRESCENT CITY
COUNTY OF DEL NORTE
STATE OF CALIFORNIA
Special Session, Thursday May 08, 2014 @ 3:30 PM

PRESENT: Commissioner Ron Gastineau, City
Commissioner Roger Gitlin, County, Chair
Commissioner Rick Holley, City, Vice-Chair
Commissioner Mike Sullivan, County, arrive 3:39 p.m.
Commissioner Mary Wilson, Public, Secretary/Clerk
Legal Counsel Martha Rice
Treasurer/Controller Richard Taylor
Acting Director/Program Manager Tedd Ward

ABSENT: None

ALSO PRESENT:
Wilma Madden, PS Business Services
Tommy Sparrow, Recology Del Norte
Joel Wallen, Hambro's/WSG
Kathryn Murray, Crescent City Council

3:30 PM CALL MEETING TO ORDER

Chairman Gitlin called the meeting to order at 3:33 p.m.

3:30 PM PUBLIC COMMENTS:

The following person(s) addressed the Authority: Bill Lonsdale, Crescent City resident, asked about the current status of the final report from consultant R3. Chairman Gitlin replied that he had called R3 last night and they are waiting for comments from Commissioner Sullivan and, upon receipt of those comments, the report will be made public.

1. GENERAL SOLID WASTE AUTHORITY MATTERS

1.1 Discussion and possible action regarding proposed budget for fiscal year 2014/2015 and schedule a public hearing for June 11 for final adoption. 022102

Acting Director Tedd Ward reported on the proposed budget. He commented on the additional Water Quality monitoring that needs to be done this year, in addition to the standard annual testing, at the landfill this next year – it needs to be done every 5 years, which accounts for the

increased cost in that expense line item. Mr. Ward indicated that this is a balanced budget. Commissioner Wilson asked if Mr. Ward had had a chance to review the questions she had e-mailed. Mr. Ward responded that he was unable to open her attachments. Commissioner Sullivan commented that he also was unable to open them. Chairman Gitlin mentioned there was a difference of \$45,800 in revenue between the budget and the report from the outside auditor. Treasurer Rich Taylor responded that he met with County Auditor Clint Schaad and they were able to identify the differences. Chairman Gitlin then commented on the \$74,000 salary difference between the outside auditor and the County Auditor. Mr. Taylor responded they worked on that item also, but had not yet finished their review. Commissioner Holley commented that expense line item 20151 was a big change from prior year. Mr. Ward responded that it was due to the deletion of a membership expense of \$6,000 with the Regional Council of Rural Counties Environmental Services Joint Powers Authority, which will save money, but also eliminates a relatively low-cost technical assistance and lobbying/advocacy resource for the Authority. Commissioner Wilson commented on the items they reviewed in committee, such as that franchise fees are down, as are the tonnage fees. Commissioner Wilson added that the additional testing expenses are at least \$30,000. Mr. Ward indicated that the report by the outside auditor recommends raising rates, but this budget does not include any additional revenue increase beyond the CPI-based rate adjustments required under the Transfer Station Operations and Collections Franchise agreements. Commissioner Wilson commented on the need to include costs associated with retiring staff to comply with state regulations. Commissioner Sullivan mentioned on how the County handled the requirement a couple of years back (OPEB). Rich Taylor remarked on the OPEB. Chairman Gitlin asked when the last rate increase took place. Mr. Ward replied that July, 2011 was the last overall rate increase, but there is a consumer price increase percentage each year. Mr. Ward indicated he could review the rate structure if the Board gave such direction. Chairman Gitlin asked to what Mr. Ward attributed the decrease in tonnage. Mr. Ward replied that it was not a significant drop, but he attributed some to the change in the amount of construction debris. He added that also, 2011/2012 included some additional tonnage from tsunami debris. Commissioner Holley asked if there were any other sanction they face in under-funding OPEB. Mr. Taylor responded there were none. Mr. Ward indicated he could work with the County Auditor to set up a separate line for this item. Commissioner Wilson commented they could set a goal for funding the OPEB obligation. Mr. Ward stated that was one of the reasons an increase in rates was recommended by the outside auditor. He added that the payroll cost is slightly less since the Director position is still vacant and would be refilled at a step A. Commissioner Sullivan asked if PERS was funded at 100% for employees over 5 years. Mr. Taylor indicated that there is a different percentage rate depending on the employee that is in the compensation report, but he did not recall the specifics. Mr. Ward remarked that the changes to PERS contribution recently negotiated between the County and the County's Employee Association does not affect Authority employees, as the Authority's employment agreement was modeled on the previous County employee agreement. Commissioner Sullivan indicated that State law does require an employee contribution. Chairman Gitlin suggested waiting to the next meeting to discuss employee benefits. Commissioner Wilson asked again about the difference between the County Auditor's figures and the outside auditor's with regard to payroll. Mr. Taylor reiterated he was still working with the County Auditor to identify the difference. Commissioner Wilson commented that she came up with some differences when reviewing the County Auditor figures. Mr. Taylor stated that

there are some adjustments that the County Auditor still needs to make, as there were several pages of recommendations in the outside auditor's report. Mr. Taylor added that he is waiting until all the adjustments are posted before he reviews the information and comments on the differences in numbers. Mr. Ward commented that some of the grants are used to pay a portion of salaries and some are for other items such as advertising and they are applied differently. Commissioner Sullivan asked if they could have a breakdown on the payroll costs. Mr. Ward reviewed staffing and payroll costs. He indicated he could put together a detailed review. Commissioner Sullivan then asked that expense line item 20291 be deleted from the budget. Mr. Ward explained that it could be deleted, but it is very difficult to add a line item back in mid-year. He added that it was safer to leave it in with no expense budgeted. Chairman Gitlin asked when that line item was last used. Mr. Ward responded that he was not sure and again reviewed possible issues that could incur commission reimbursable expenses. Commissioner Holley commented that training was a possibility. Chairman Gitlin commented that they could attend training as a member of the Board of Supervisors or as a City Council member. Commissioner Gastineau pointed out that Commissioner Wilson wouldn't qualify for reimbursement of her expenses. Chairman Gitlin inquired about the expense line item 20151 for liability insurance and commented that there have been no claims for a leaking landfill. Mr. Ward commented that the outside auditor does recommend they have landfill liability coverage. Mr. Ward also commented on the research they did into that type of coverage. Chairman Gitlin commented on having met with the Trindel representative as well on this issue. Mr. Ward remarked that the contents of the external auditor's report, their recommendations, and staff responses will be reviewed again at the next meeting. Commissioner Wilson asked about the salary cost for step A for the Director position. Mr. Ward responded he did not have the payroll cost sheet with him, but would include it in future budget documents. Commissioner Wilson asked for further clarification on salary. Mr. Ward replied that will e-mail the salary breakdown from County Auditor to each Commissioner. Mr. Lonsdale stated that it was confusing to listen to them discuss documents that have not been made available to the public. Commissioner Sullivan asked about the employee and management life insurance costs. Mr. Ward could not provide the detail other than it came from the County Auditor. Chairman Gitlin indicated that payroll costs would be made available to the public. Commissioner Sullivan asked for clarification with regard to the life insurance costs. Commissioner Holley commented that not taking action today could impact time frame issues for submittal to the City and the County for their review before its final adoption June 11. Commissioner Wilson stated she was not comfortable acting on the budget until her questions are answered. Mr. Ward pointed out that without an adopted budget before July 1, no expenses can be paid after July 1. He added that a special meeting could be held for finalization of the budget if the June 11 date can't be met. Chairman Gitlin called for a motion to adopt the preliminary budget. There was no motion to adopt preliminary budget. Further discussion of the budget can be included in the agenda for the regular meeting on May 21. Mr. Lonsdale complimented the Commission for their participation in the budget process. Mr. Lonsdale also commented on use of both terms "difference" and "discrepancy" earlier in the meeting, with regard to the same issue. He cautioned the Commission on use of the proper term, as the two terms have different meanings. Mr. Lonsdale indicated he felt the County Auditor should have been present for this meeting. Mr. Ward pointed out that Mr. Schaad was asked to be here, but he had a conflicting meeting at which he had to be present and which was scheduled prior to this meeting. No action was taken.

2. ADJOURNMENT: Adjourn to the next scheduled meeting of the Del Norte Solid Waste Management Authority scheduled for 3:30 PM May 21, 2014 at the Del Norte County Board of Supervisor's Chambers, 981 H Street, Suite 100, Crescent City.

There being no further business to come before the Authority, Chairman Gitlin adjourned the meeting at 4:43 p.m. until the next meeting scheduled to May 21, 2014.

Roger Gitlin, Chair
Del Norte Solid Waste Management Authority

Date / /

ATTEST:

Mary Wilson, Secretary/Clerk of the Board

Date / /