

MINUTES
VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY

Williamsburg Municipal Building
2nd Floor Conference Room
401 Lafayette St
Williamsburg, VA 23185
October 5, 2018

IN ATTENDANCE:

Bud Smith	Essex County
Jason Mitchell	City of Hampton
Grace Boone	James City County
Bobbie Tassinari	King William County
Pete Mansfield	Middlesex County
Tom Jones	City of Poquoson
Dan Clayton	City of Williamsburg
Brian K. Woodward	York County

ABSENT:

Thomas J. Swartzwelder	King & Queen County
Mindy Conner	Mathews County

OTHERS IN ATTENDANCE:

Vernon Geddy III	Geddy, Harris, Franck & Hickman
Stephen Geissler	VPPSA
Karen Plumley	VPPSA

1. PUBLIC COMMENT

No Public Comment

2. MINUTES: JUNE 1, 2018

Dan Clayton moved that the minutes of the June 1, 2018 meeting be approved. Brian Woodward seconded and the motion passed unanimously.

3. MINUTES: SEPTEMBER 10, 2018 SPECIAL BOARD MEETING

Bud Smith moved that the minutes of the September 10, 2018 Special Board meeting be approved. Brian Woodward seconded and the motion passed unanimously.

4. AUDIT FY 2018

Krista Edoff of Cherry Bekaert LLP presented a final draft of the Financial Statements for FY 18. Ms. Edoff noted that the audit included not only an audit of financial statements but also an audit of VPPSA's compliance with laws and regulations. Ms. Edoff reported an unmodified opinion on the financial statements which is the best opinion that can be given, and an unmodified opinion on the Authority's compliance with laws and regulations. Ms. Edoff also stated that there were no issues of internal control or non-compliance.

Ms. Edoff noted the "Emphasis of Matter" paragraph to highlight a new accounting standard that was implemented with regards to the group life insurance component of VRS. The group life insurance component is considered an Other Post Employment Benefit (OPEB). Ms. Edoff stated the new standard implemented requires the Authority to record the value of the OPEB on the face of the financial statements.

Ms. Edoff also noted some numbers within the financial statements estimated. The purpose for this is that certain items, such as the pension asset and the OPEB liability, are calculated by an actuary and there are assumptions within the calculations. A snapshot of these items is taken to estimate what will be paid to retirees in the future. These numbers are projected into the future then discounted to current day value. This process requires many estimates and assumptions for which the actuary is heavily relied on for both of these. These estimates can change from year to year depending on how investments perform on the stock market.

Ms. Edoff said that Cherry Bekaert was completely independent with regards to the Authority, there are no familial relationships etc, no reason to be biased. Also, there were no material adjustments proposed, and no disagreements with management.

Pete Mansfield moved that the report be accepted and that distribution to member communities and other interested parties be authorized. Bud Smith seconded and the motion was passed unanimously.

5. PROJECT REPORTS

Compost Facility

Steve Geissler reported that:

- There is ample material available and sales have been good despite some rainy weather.
- Staffing continues to be an issue with particular difficulty finding equipment operators.

Transfer System

Steve Geissler reported that:

- Staffing is an issue, particularly finding attendants.
- Approximately two months ago, Mr. Geissler, David Magnant, and Cecil Taylor discussed the continuing problem of employees smoking in undesignated areas at the sites. Since the start of operations, VPPSA has permitted smoking in small, designated areas but employees have been abusing the privilege. There had been reports that employees were smoking while residents were at various sites. The decision was made to make all sites completely smoke-free and a one month notice was given to all employees, by memo, letting them know of this decision. The main concern was the potential for fire as there have been fires at sites in the past, although it is not known if

any were caused by smoking. After the notice, three employees with approximately 50 years of service between them terminated their employment because of the smoking ban. Mr. Magnant counseled each employee as to the impact of their decision, in particular their VRS retirement, to terminate their employment but they each decided to resign. Regardless, we have hired some new attendants and smoke-free is the best solution going forward.

- There was an accident in King and Queen County with a roll-off truck. The driver was en route to the landfill on a secondary road. Another vehicle pulled out in front of the roll-off truck. The driver avoided hitting the other vehicle by swerving to the opposite side of the road which resulted in the truck eventually tipping onto the driver side. The other driver was cited and their insurance will be responsible for the repairs. The VPPSA driver was shaken but uninjured.

Household Chemical Collection

The City of Hampton event, scheduled for September 15, 2018, was cancelled due to Hurricane Florence. There is an event in the City of Poquoson on October 6, 2018. Residents of Hampton have been directed to attend the Poquoson event as there will not be a make up for the cancelled Hampton event. Bodina Wright, City of Poquoson, has worked closely with staff to plan for the anticipated increase in attendance.

Computer and Electronics Recycling

The City of Hampton event, scheduled for September 15, 2018, was cancelled due to Hurricane Florence. There is an event in the City of Poquoson on October 6, 2018. Residents of Hampton have been directed to attend the Poquoson event as there will not be a make up for the cancelled Hampton event. Bodina Wright, City of Poquoson, has worked closely with staff to plan for the anticipated increase in attendance.

Curbside Recycling

Steve Geissler stated he will discuss curbside recycling later in the meeting under agenda topic number 7.

6. LEGAL SERVICES

Steve Geissler said that the law firm of Geddy, Harris, Franck & Hickman has provided general legal services to the Authority since origination of the organization. The proposal to provide legal services for FY 19 was presented, and it was noted that the proposed fee is the same fee as for FY 18.

Brian Woodward moved that the proposal be approved; Tom Jones seconded and the proposal was passed unanimously.

7. PROPOSALS FOR CURBSIDE RECYCLING SERVICES

VPPSA received a letter from the attorney for County Waste stating their intent to discontinue curbside recycling services at the end of November 2018. A special Board meeting was held on September 10, 2018 to discuss this matter. After the special Board meeting, Vernon Geddy, attorney for VPPSA, sent a letter to County Waste explaining VPPSA's position. An RFP for Curbside Recycling Services was issued in August 2018 requesting a start date of July 1, 2019 as the current contract expires June 30, 2019. On September 26, 2018 Jay Zook, Vice

President of County Waste, hand-delivered a proposal in response to the RFP and it was accepted. On September 28, 2018 a letter was received from the attorney for County Waste stating they would honor the terms of the agreement.

Two proposals were received in response to the RFP – TFC Recycling and County Waste. Under the Procurement Act, VPPSA is permitted to keep the contents of the proposals confidential until an award is made. VPPSA staff will conduct additional investigations and evaluate the proposals. One of the offerors will be recommended for continuation in the procurement process.

Steve Geissler read the following recommended action:
Appoint a Committee consisting of one representative from Poquoson, Williamsburg, James City County and York County.

Authorize the Committee to select an offeror to proceed in the procurement process and negotiate and approve an Agreement for Curbside Recycling Services.

Authorize the Executive Director to execute an Agreement for Curbside Recycling Services after approval of legal counsel.

The agreement, with pricing and conditions established, will be contingent on approval by Poquoson, Williamsburg, James City County and York County.

Brian Woodward moved that the recommended action be accepted. Grace Boone seconded and the motion was passed unanimously.

8. FY 19 BUDGET PLANNING

Steve Geissler presented the following schedule for the preparation of the FY 20 Budget.

Distribute Draft Project Budgets to Board Members

November 2

(Draft Budgets for Community Review) Distribute Budgets for:
Curbside Recycling
Landfill Monitoring
Computer Recycling
Compost Facility
Transfer System
Convenience Centers
Landfill Disposal
Household Chemical Collection - Middle Peninsula
Administrative Services

Middle Peninsula Oversight Committee Meeting

November 9

Review Budgets for:
Landfill Monitoring
Transfer System
Convenience Centers
Landfill Disposal
Household Chemical Collection - Middle Peninsula

Administrative Services Compost Facility Oversight Committee Meeting	November 21
Review Budgets for: Curbside Recycling Household Chemical Collection - Peninsula Computer Recycling Compost Facility Administrative Services	
Distribute Draft Budget in Board Meeting Package	November 30
Budget Approval at Board Meeting	December 7

Mr. Geissler noted that meetings with the City of Williamsburg and James City County would be scheduled individually for the purpose of reviewing the budget. No major changes in the budget are expected with the exception of Curbside Recycling which is unknown at this time. The final budget will be included in the December Board Package, for approval at the meeting December 7, 2018.

9. EXECUTIVE DIRECTOR'S REPORT

Steve Geissler reported that David Magnant attended Wastecon in Nashville, Tennessee. There were a number of sessions and discussions on recycling. Mr. Magnant attended the MRF summit while at Wastecon. Many presenters discussed the long-term forecasts for the recycling market. The consensus was optimistic for the future due to positive steps being taken in the market, especially with mixed paper. Mr. Geissler stated that the market will most likely never return to \$100 per ton for mixed paper but that it is improving with rates increasing from \$2 a few months ago to now \$20. Mr. Geissler said that due to China's requirements for product with essentially no contamination, MRF operators like the product received from VPPSA because the centers are manned and the product is inspected when it is received at the centers.

Steve Geissler reported that the Compost Facility Supervisor, Kim Beachum, attended a composting school in Maryland. Mr. Beachum reported to staff that the training event was very worthwhile.

Steve Geissler reported on the administrative staff. Lisa Polidori is retiring in October and Karen Plumley will move into the position of Office Manager. Andy Bittenbusch was hired as the new Accounting Technician, bringing a lot of accounting experience with him.

10. OLD BUSINESS

Jason Mitchell stated that, before the end of the year, the Board needs to conduct a performance review of the Executive Director, Steve Geissler. Mr. Geissler will forward his most recent performance evaluation to the Board. Mr. Mitchell will then contact the Board members to determine a date and time to conduct the performance review.

11. NEW BUSINESS

No new business

Jason Mitchell announced the date of the next Board meeting and meeting was then adjourned.

12. NEXT MEETING DATE

December 7, 2018
9:00 a.m.
Cooks Corner Office Complex
2893 General Puller Highway, Saluda

Respectfully Submitted,

Brian Woodward
Secretary/Treasurer