

**MINUTES
VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY**

**Cooks Corner County Complex
2911 General Puller Highway
Saluda, Virginia
December 11, 2015
10:00 a.m.**

IN ATTENDANCE:

Mindy Moran	Mathews County
Brian Woodward	York County
Tom Jones	City of Poquoson
Marcia Jones	Middlesex County
Chip McDonough	City of Hampton
John Horne	James City County
Dan Clayton	City of Williamsburg
Reese Peck	Essex County

ABSENT:

Tom Swartzwelder	King & Queen County
Ken Griffin	King William County

OTHERS IN ATTENDANCE:

Vernon Geddy III	Geddy, Harris, Franck & Hickman
Stephen Geissler	VPPSA
David Magnant	VPPSA
Lisa Polidori	VPPSA

Mindy Conner called the meeting to order.

1. PUBLIC COMMENT

No public comment was made.

2. SERVICE AWARDS

Mindy Conner and Steve Geissler recognized the following employees and presented each with a token of appreciation for their service to the Authority.

Wendy Halbig Dispatcher	5 Years Transfer System
Annette Moore Attendant/HHC Specialist	10 Years Convenience Centers
Kathryn Osborne Dispatcher	10 Years Transfer System
William W. Taylor Attendant/HHC Specialist	10 Years Convenience Centers

Ms. Conner also presented Executive Director Steve Geissler with a plaque in appreciation of his 25 years of commitment and service to the Authority.

3. MINUTES

Tom Jones moved that the minutes of the October 2, 2015 meeting be approved. Reese Peck seconded and the motion passed unanimously.

4. FY15 PROPERTY AND CASUALTY INSURANCE

John Newby of Commercial Risk Consultants presented the property and casualty insurance coverage summary for FY 15. Mr. Newby told the Board that all coverage continues to be with the Virginia Association of Counties (VACo). VACo is a member pool which is licensed and audited by the Commonwealth of Virginia, and provides broader coverage than anything that could be obtained in the commercial market. In summary Mr. Newby said that VACo was continually evolving and improving, and was the best option for VPPSA.

Mr. Newby pointed out the following:

- Equipment is valued at over \$5,000,000 and continues to have the greatest exposure for damage.
- General liability continues to be \$5,000,000 which is reasonable for an organization the size of VPPSA; deductibles continue to be low.
- Workers Compensation continues to be through the Virginia Association of Counties Self Insurance Association. They do a very good job and there is no one else that Mr. Newby would recommend.
- Auto liability is at \$5,000,000; Mr. Newby suggests that in the next year or so that Auto and General Liability be increased to \$10,000,000.

Mindy Conner asked if it would be good practice to seek a bid for insurance coverage. Mr. Newby replied that VPPSA was exempt from this requirement, and didn't think anything could

be found that would be significantly better than what was currently in place. However, if it was decided to increase the auto and general liability to \$10,000,000 coverage as suggested, it might be a good opportunity to obtain additional quotes.

Mr. Newby also reminded the Board that workers compensation was not a benefit, but a legal responsibility in case an employee is hurt. Steve Geissler said that this coverage is always required for any contractors VPPSA uses, but that sometimes it's an issue. Mr. Newby said that workers compensation was a definite must, and while he was sympathetic, this is a requirement that should never be compromised.

5. FY 15 AUDIT

Krista Edoff of Cherry Bekaert LLP, the Authority's new auditors, presented a draft of the Financial Statements for FY 15. Ms. Edoff referred to the Report of Independent Auditors page, and was pleased to report an unqualified opinion which is the highest level of assurance that can be given on a set of financial statements.

Ms. Edoff noted that Pension Liability had been added to the financial statement for FY 15 as is now required.

Members were encouraged to read the Management's Discussion and Analysis prepared by the VPPSA staff, which gives a good synopsis of the year's highlights and activities including Statement of Net Assets, Changes in Net Assets, and Summary of Cash Flow Activities.

Marcia Jones moved that the report be accepted and that distribution to member communities and other interested parties be authorized. Dan Clayton seconded and the motion was passed unanimously.

6. PROJECT REPORTS

Compost Facility

Attention was called to the minutes of the November 13 meeting of the Compost Facility Oversight Committee. David Magnant reported that:

- The facility is busy grinding leaves- they received about 327 tons in November. Leaves are now being received from Hampton, Poquoson and York. Last year a total of 990 tons of leaves were received, this year it's anticipated that the facility will receive about 1800 tons.
- Steve Geissler, Donnie Bonivich and Mr. Magnant are working together to find other options for debagging- as it's currently very labor intensive. They are also trying to minimize the amount of plastic debris which is generated by the process, or at least a way to contain it.
- The facility is purchasing vehicle 1109 from the transfer system, and vehicle 1106 will be auctioned.

Attention was called to the minutes of the November 18, 2015 meeting of the Middle Peninsula Transfer System Oversight Committee. David Magnant reported that:

- The project at the Epworth site in King William has been completed, and there is now a good field of vision when entering and exiting the site. The entrance is very neat, and attractive as well.
- Work continues on the Middlesex brush site, paperwork is being prepared for submission to VDOT.
- Preparations are being made to sell some of the older trucks, and once they are sold a new bid will go out for the purchase of new trucks.

Household Chemical Collection

Mr. Magnant said that numbers are up slightly, with 594 more vehicles attending this year than last, about the same as attended in FY 13. The number of cars has varied, but the weights have remained fairly consistent. The event in Poquoson was exceptionally well attended; Mr. Magnant commended Bodina Wright for her excellent job in promoting the event.

Computers and Electronics

The volume of items collected was up slightly from last year.

Drop Off Recycling

Current rates are down slightly at \$100 per ton for cardboard, and \$68 per ton for mixed paper. Metal prices are down and continuing downward, and are currently around \$55 per ton; Essex Recycling is at \$30 per ton.

Steve Geissler said that County Waste has agreed to continue to pay \$20 per ton for mixed recyclables.

7. AGREEMENTS FOR SOLID WASTE DISPOSAL SERVICES AND RECYCLING SERVICES

Beginning in April of 2012, VPPSA entered into agreements with the following for Solid Waste Disposal and Recycling Services:

- BFI Waste Systems of Virginia, LLC
- County Waste, LLC
- Waste Management Disposal Services of Virginia, Inc.

The agreements were all two year agreements, and all three were amended in April 2014 extending the terms an additional two years until June 30, 2016.

Waste from Mathews and Middlesex have been delivered to MPLRF in Gloucester (Waste Management) and wastes from Essex and King William have been delivered to the King and Queen Landfill (BFI Waste Services). All commingled recyclables collected by VPPSA have been delivered to County Waste.

Cost proposals for two year renewals were requested from all three companies. The payment schedule for the agreement with BFI remains unchanged. The pay schedule for the delivery of recyclables for the agreement with County Waste remains unchanged (including the \$20 per ton that County Waste currently pays for commingled recyclables). However, the fee schedule for the agreement with Waste Management has increased \$.25 to \$23.75 and \$23.50 per ton for delivery of less than and more than 27,500 tons per year respectively.

Marcia Jones moved that:

- The amendment to the Agreement for Solid Waste Disposal Services between VPPSA and BFI Waste Systems of Virginia, LLC be approved, and that the Executive Director be authorized to execute the Agreement.
- The amendment to the Agreement for Solid Waste Disposal Services between VPPSA and County Waste, LLC be approved, and that the Executive Director be authorized to execute the Agreement
- The Amendment to the Agreement for Solid Waste Disposal Services between PPSA and Waste Management Disposal Services of Virginia, Inc be approved, and that the Executive Director be authorized to execute the agreement.

John Horned seconded, and the motion was passed unanimously.

8. EXTENSION OF AGREEMENT FOR COMPUTER AND ELECTRONICS RECYCLING

VPPSA is currently in an Agreement with Versability (formerly The Arc of the Virginia Peninsula) for Computer and Electronics Recycling. The Agreement began in February of 2013 and was renewed in December 2014 and is in effect until January 31, 2016. VPPSA has received notice that in order to extend the agreement beyond January 2016, there must be an increase in the cost of services.

Steve Geissler reviewed the current Agreement, noting that aside from a \$100 fee per event, all approved items are accepted for recycling at no charge. In the proposed agreement, certain computer and computer related items, along with cell phones, would continue to be accepted at no charge. However, other computer and electronic items such as keyboards, printers, and small household appliances would still be accepted, but would carry a cost of \$ 0.10 per pound, and CRT type computer monitors would be accepted at a cost of \$5 each. Mr. Geissler noted that these costs are very similar to what other localities are currently paying.

Mr. Geissler suggested that the agreement be extended until June 30, 2016, which will allow the time and opportunity to do an RFP for services. Meanwhile, limits should be placed on which items will be accepted at VPPSA events. Also, a VPPSA employee should monitor the items being dropped off at each recycling event, to make sure they are being properly categorized. Mr. Geissler said that to follow this course of action, the budget for this project would need to be increased by approximately \$1000 per community. Changes will also have to be incorporated for the brochure, newspaper ads, and other publicity for these events.

Mr. Geissler noted that Versability has provided the best service of any electronics recycling contractor, and has been a very good partner. Also, Versability has a good impact on the community because their program provides employment for individuals with disabilities.

John Horne said that it's important to make sure that all materials collected are still being recycled. It was noted that these changes will also likely affect James City County's program, since Versability is also the contractor for electronics recycling at the Jolly Pond Convenience Center.

John Horne moved that the Executive Director be authorized to extend the agreement until June 30, 2016 consistent with recommendations in the memorandum which was provided to the Board Members (see attached). Dan Clayton seconded, and the motion was passed unanimously.

9. FY 17 BUDGET

Draft budgets were distributed to Board members for review on November 9, 2015. The appropriate budgets were reviewed by both the Compost Facility Oversight Committee and the Transfer System Oversight Committee, and also Williamsburg and James City County. Steve Geissler reviewed the budget proposal, which incorporated any comments received.

General

All salary line items include an allowance for a salary adjustment for FY 17 of up to 2.5%. The actual salary adjustment will be set by the VPPSA Board at the June 2016 meeting.

The budgets include payments for the employer share of retirement contributions to VRS for Plan 1, Plan 2, and the Hybrid Plan. The employer share for Plan 1 and Plan 2 was 6.45% in FY 15 and remains the same for FY 16. A rate increase of 10% has been assumed for FY 17. An employer share of 7.2% was used to estimate payments made to VRS for retirement for FY 17.

All project budgets have been prepared based on an assumed increase in health insurance premiums of 10%. It is expected that both the Key Advantage and the Cost Alliance programs will continue to be offered to all eligible employees.

Projects administered using contractors include an administrative expense of 6%. Projects administered using VPPSA personnel include an administrative expense of 12%.

Curbside Recycling

The proposed budget for FY 17 is based on the following:

- An estimated house count for Poquoson, Williamsburg and York County based on the actual counts for FY 15 and FY 16 and anticipated growth.
- The Agreement between VPPSA and County waste states that County Waste may petition for an annual adjustment to the unit price for curbside collection services, effective July 1, to reflect the general increase in the cost of operations, that shall not exceed 3%, based on the percentage increase of the "Garbage and Trash Collection" category, series CUUR0000SEHG02, of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available. Based on the index between April 2014 and April 2015, the unit rates increased on July 1, 2015 by just over 1% to \$1.48 per household per month and \$1.41 per household per month for York County. The index has increased 1% from April 2015 to September 2015. The budget for FY 17 has been prepared with a 2% increase over the FY 16 rates.
- An administrative fee of \$10,000 for James City County to compensate VPPSA for handling inquiries from James City County residents.

Drop Off Recycling

Based on the proposed budget, the estimated total cost for Drop Off Recycling for FY 17 will decrease by 3% compared to the budgeted figures for FY 16.

Collection cost will be \$207.49 per collection for FY 17, decreasing from \$216.66 per collection for FY 16. The budget is based on a total of 476 collections for FY 17.

Container rental will remain at \$62 per container per month for FY 17.

James City County will pay a rental fee of \$375 per month for the corrugated cardboard compactor at the Tewning Road Convenience Center.

Staffing for FY 17 will be budgeted as follows:

Transfer System Supervisor	5%
Solid Waste Operations Coordinator	5%
Roll Off Driver #1	37.5%
Roll Off Driver #2	25%
Dispatcher #1	5%
Maintenance Mechanic	5%

Line Item 53500, Equipment Replacement includes \$42,000 to contribute funds to an Equipment Replacement Reserve Fund for the Drop Off Project. These funds will be used to replace containers as needed.

Transportation Fees, Line Item 58100, includes funds to be transferred as revenue to the Transfer System Project. The total figure of \$36,000 covers the costs of operating the roll off vehicle for the year including fuel, insurance, tires and vehicle repair and maintenance.

Line Item 58400, Operating Fees, includes \$8,000 to be transferred as revenue to the Transfer System Project. This amount covers the operating costs related to the driver and operation of the field office including uniforms, medical exams, safety programs and equipment, office supplies and telephone expenses.

The budget includes anticipated revenue for FY 17 from the sale of commingled containers and mixed paper in the amount of \$74,707. The revenue estimate is based on anticipated quantities of recyclables to be collected and contractual or anticipated unit costs for the sale of the recyclables. The counties will receive all revenue received from the sale of commingled containers and mixed paper through credits applied to monthly invoices. Actual revenue received and credited to the Drop Off Recycling Project in FY 15 was \$73,209.

Household Chemical Collection

The total project budget for FY 17 represents a reduction of 7% over the total project budget for FY 16.

The schedule of collection events is unchanged for FY 17. Collection events will be held in James City every other month from February to October. Collection events will be held in Hampton and York every other month from March to November. One collection event will be held in Poquoson in October for FY 17.

Operations Budget

The proposed operations budget for FY 17 represents an increase of 1% compared to the operations budget for FY 16.

The Transportation Fee in the amount of \$10,000 will be paid by Household Chemical Collection project to the Transfer System project to cover the cost of vehicle operation including fuel, vehicle maintenance and purchase and repair of tires.

Disposal Budget

The proposed disposal budget for FY 17 - which are best estimates based on recent history - represents a reduction of 9% over the disposal budget for FY 16.

Landfill Monitoring

The initial budget figures have been compiled by Joyce Engineering based on their understanding of the work that will be required to be completed in FY 17.

Computer and Electronics Recycling

VPPSA entered into an agreement with the ARC of the Virginia Peninsula – now VersAbility Resources – to provide computer and electronics recycling services in February 2013. Versability has recently provided notice that an increase in fees will be necessary to continue providing the service.

A Request for Proposals will be issued and a new agreement for computer and electronics recycling will be in place before July 1, 2016.

The annual cost for computer and electronics recycling for FY 17 will increase by approximately \$1,000 per locality to \$2,038 per year.

Compost Facility

The proposed budget for FY 17 represents a reduction of \$19,308, or 2%, compared to the budget for FY 16.

Overall, the fees charged to the member communities represent an increase of 4% compared to the fees charged for FY 16.

The revenue budget for User Fees will remain unchanged at \$100,000 for FY 17. The actual revenue for User Fees for FY 15 was \$98,400.

The revenue budget for Material Sales will be reduced to \$480,000 for FY 17. The actual Material Sales revenue for FY 15 was \$417,000.

The budget includes staffing as follows:

- 1 Compost Facility Supervisor
- 2 Operator III
- 2 Operator II
- 2 Operator I

1 Customer Service Representative

All positions are full time.

The budget also includes 624 hours for the Middle Peninsula Maintenance Mechanics to provide assistance at the Compost Facility.

The budget includes adjusting pay ranges as follows:

Customer Service Representative	\$11.50 per hour to \$18.98 per hour
Operator I	\$11.75 per hour to \$19.39 per hour
Operator II	\$13.00 per hour to \$21.45 per hour
Operator III	\$16.50 per hour to \$27.23 per hour

The proposed budget for FY 17 includes the following significant cost reductions compared to the FY 16 budget:

- Equipment Maintenance and Repair – based on recent history and anticipation of purchase of new loaders
- Fuel – based on recent usage and reduced cost per gallon
- Host Fees – lease payment for FY 16 was less than budgeted as a result of the operating agreement executed in November 2012

An increase of \$6,000 is included for Colorant Purchases based on anticipated needs due to demand for colored mulch.

The line item for equipment replacement has been reduced from \$240,000 to \$210,000 which includes \$120,000 for the purchase of new equipment – such as loaders, screens and grinders – and \$90,000 to supplement the existing facility maintenance reserve fund to use to repay funds to be borrowed to repave the site and purchase a new supervisor's office / meeting room.

The total monthly fee to the communities for FY 17 will be \$48,198. The total monthly fee will be allocated to the communities based on actual quantities delivered to the facility each month.

Middle Peninsula Solid Waste System

The proposed combined budgets for FY 17 for Transfer System, Convenience Centers, Landfill Disposal and Drop Off Recycling for Essex, King and Queen, King William, Mathews and Middlesex represent an increase of 2% in the fees paid by the counties compared to the combined budgets for FY 16.

Transfer System

The draft budget for the Transfer System for FY 17 represents an overall increase of 1% compared to the budget for FY 16.

The budget includes no changes to hours of operation or staffing at facilities.

The budget for FY 17 includes staffing as follows:

Full Time

- 1 Supervisor – Solid Waste Operations Coordinator
- 10 Attendants
- 8 Drivers (7.375 FTE – one driver charged 37.5% to Drop Off Recycling and a second driver charged 25% to Drop Off Recycling)
- 2 Maintenance Mechanics
- 2 Dispatchers

WAE

The budget includes funding for 2,900 hours of WAE employees. The Convenience Center Attendants will provide the following:

- Staffing Transfer Stations when Transfer Station Attendants are working Household Chemical Collection Events
- Staffing Transfer Stations when Transfer Station Attendants are on Annual Leave or Sick leave
- Site maintenance activities such as grass cutting
- Mixed paper collections

The budget includes adjusting pay ranges as follows:

Roll Off Vehicle Operator	\$15.00 per hour to \$24.75 per hour
Roll Off Vehicle / Trailer Operator	\$16.00 per hour to \$26.40 per hour
Swing Driver	\$18.00 per hour to \$28.05 per hour
Lead Driver	\$19.00 per hour to \$29.70 per hour
Maintenance Mechanic	\$19.00 per hour to \$29.70 per hour

Significant reductions for the Transfer System budget for FY 17 compared to the FY 16 budget are as follows:

- Fuel – Fuel use has been consistent over the last several years with a slight reduction. VPPSA vehicles have logged between 420,000 and 480,000 miles over the last four years. Fuel costs per gallon have decreased significantly.
- Tires – repair and purchase – New tire purchases are reduced when new vehicles are purchased. New tires are used for steering tires and recaps are used on the rear of the trucks.

Significant increases for the Transfer System budget for FY 17 compared to the FY 16 budget are as follows:

- Equipment Replacement – In accordance with the action taken at the October 2015 Board meeting contributions to the Equipment Replacement Fund will increase from \$90,000 to \$115,000 with a corresponding reduction in annual contributions to the Convenience Center Equipment Replacement Fund
- Communication Services – addition of Network Fleet vehicle tracking system

The basis for allocation of variable costs associated with waste hauling – such as fuel, vehicle maintenance and repair and tire repair and purchase - is the total number of pulls for waste, white goods and tires made by VPPSA for each county.

Transfer System - Line Item Number 43000 - White Goods Revenue

The revenue budget for the sale of scrap metal and white goods will decrease from \$75,000 for FY 16 to \$50,000 for FY 17 based on current market conditions. Actual revenue for FY 15 was \$92,000.

Transfer System - Line Item Number 44400 – Hauling Fees

Hauling fees will be charged to HRSD and the Town of Tappahannock for hauling sludge from the treatment plants to the landfills. VPPSA is currently providing hauling services at three campgrounds in Middlesex County. Other miscellaneous hauling revenue, such as hauling tires for York County will be credited to this line item. Approximately \$49,000 was received in hauling revenue for FY 14.

Transfer System - Line Item Number 44600 – Used Oil Sales

Actual revenue from the sale of used oil was \$3,936 for FY 15. The budget for FY 17 includes \$4,000 as revenue from the sale of used oil.

Transfer System - Line Item Number 44700 – Used Battery Recycling

Actual revenue for used battery recycling was \$2,369 for FY 15. The budget for FY 17 includes \$3,000 as revenue for used battery recycling.

Transfer System - Line Item Number 44750 – Paper Recyclables Revenue

All revenue received from the sale of paper recyclables collected through the front end collection system and the mixed paper recycling program will be credited to this line item. Actual revenue was \$59,000 for FY 15. The revenue budget for Paper Recyclables Revenue for FY17 has been set at \$60,000.

Transfer System - Line Item Number 44800 – Operating Fee

Payment in the amount of \$8,000 will be made from the Drop Off Recycling Project to cover additional operating costs including telephone, uniforms and safety equipment. Fee also covers cost of repair and maintenance to containers.

Transfer System - Line Item Number 49300 – Transportation Fee

Payments will be made from the Household Chemical Collection Project and the Drop Off Recycling Project to cover the cost of vehicle operation including fuel, vehicle maintenance and purchase and repair of tires. Transportation Fee in the amount of \$10,000 will be paid by Household Chemical Collection project to Transfer System. Transportation Fee in the amount of \$36,000 will be paid by Drop Off Recycling project to Transfer System

Transfer System - Line Item Number 49500 – Container Rental

Actual revenue for container rental was \$12,234 for FY 15. The budget for FY 17 includes \$10,000 as revenue for container rental.

Convenience Centers

The draft budget for the Convenience Centers for FY 17 represents a reduction of 1% compared to the budget for FY 16.

There are no proposed changes to the staffing levels for FY 16. The budget includes the following:

Full Time

- 1 Supervisor – Transfer System Supervisor
- 12 Attendants

Part Time / WAE

The budget includes funding for 10,150 hours of Part Time and WAE employees. This time will be split between two part time employees and eight WAE employees. These employees, for the most part serve as attendants at convenience centers throughout the five-county system.

In accordance with the action taken at the October 2015 Board meeting contributions to the Equipment Replacement Fund will decrease from \$50,000 to \$25,000 with a corresponding increase in annual contributions to the Transfer System Equipment Replacement Fund

Landfill Disposal

Budget estimates for landfill disposal reflect anticipated waste quantities based on recent experience. The budget assumes an increase of 2% over the weighted fee of \$22.65 per ton for FY 16.

Middle Peninsula Household Chemical Collections

Budget estimates are based on providing two collection events in FY 17 – one event at the Regional Airport in King and Queen County and one event at the Hartfield Volunteer Fire Department in Middlesex County – and previous experience at collection events on the Middle Peninsula.

Administration

The proposed budget for FY 17 represents an increase of \$32,250 or 5% compared to the budget for FY 16.

The budget includes staffing for the following positions:

Full Time

- Executive Director
- Director of Operations
- Recycling Coordinator / Safety Officer
- Office Manager
- Solid Waste Assistant

Part Time

- Accounting Clerk

As a result of a competitive procurement, a new firm was selected to provide the financial audit for FY 15. The agreement includes a fee of \$24,000 for FY 17. The significant increase over the budget figure for FY 16 is due to the additional requirements for the VRS audit.

The Community Fee will increase from \$10,250 to \$10,500 for FY 17.

James City County has requested an adjustment to the Household Chemical budget, so the figures presented will change slightly.

John Horne moved that the FY 17 budget be approved as presented for distribution to member communities. Reese Peck seconded and the motion was passed unanimously.

Steve Geissler will send out budget summaries next week.

The meeting was adjourned.

10. NEXT MEETING DATE

February 5, 2016
Williamsburg Municipal Building
2nd Floor Conference Room
401 Lafayette St
Williamsburg, Virginia