

**CHITTENDEN SOLID WASTE DISTRICT
SOUTH BURLINGTON CITY HALL
MINUTES OF MEETING
May 24, 2006**

APPROVED COPY

PRESENT

BOARD MEMBERS:

Bolton	-----
Burlington	Steve Goodkind
Charlotte	John Hammer, III
Colchester	Dirk Reith
Essex Junction	-----
Essex	-----
Hinesburg	Lynn Gardner
Huntington	-----
Jericho	Bert Lindholm
Milton	Ken Nolan
Richmond	Mary Houle
St. George	-----
Shelburne	-----
So. Burlington	Paul Stabler
Underhill	Mike Weisel
Westford	Bill Leach
Williston	Mike Coates
Winooski	-----

STAFF:

Tom Moreau
Tony Barbagallo
Jim Ticehurst
Amy Jewell
Nancy Plunkett
Jenn Holliday
Lee Tuure
Thomas Melloni, Esq.

OTHERS PRESENT:

Frank Sadowski, Gallagher Flynn
Mike Halbfoerester, Northeast Waste Services
Tom Cook, North East Waste Services
Robert Sochovka

AGENDA:

1. Call to Order
2. Agenda and Public Comment Period
3. Green Up Day Recognition: All Cycle & North East Waste Services
4. Record of Motion
5. Approval of Minutes (March 22, 2006)
6. Finance
7. Pay Classification Plan & Benefits

8. FY'07 Budget
9. Recycle Bank Discussion
10. Landfill Design Discussion
11. Inclusion in CSWD Solid Waste Management Plan*
12. Program Updates
13. Other Business
14. Executive Session
15. Adjournment

*Item #11 discussed at the meeting following Item #8 (FY07 Budget).

1. CALL TO ORDER

Chairman Bill Leach called the meeting to order at 7:08 p.m.

2. AGENDA and PUBLIC COMMENT PERIOD

The order of the agenda was changed to allow action on the request for inclusion in the CSWD Solid Waste Management Plan (Item #11) to follow discussion of the FY'07 budget (Item #8).

Robert Sochovka of Northeast Waste Services announced the certification of their dump cell and the opening on 5/25/06.

3. GREEN UP DAY RECOGNITION

Tom Moreau noted approximately \$1,800 in services were donated each by All Cycle Transfer Station and North East Waste Services on Green Up Day. Tom Cook accepted the plaque of recognition presented by Bill Leach. The Board extended their thanks to both companies for the donation.

4. RECORD OF MOTION

Amy Jewell explained the change in the weighted vote from a total of 40 to 36 reflects the weighted vote of zero (0) for member towns currently without representatives on the board.

MOTION by Paul Stabler, SECOND by Mike Coates, to approve the Record of Motion as proposed.

DISCUSSION: It was noted a quorum would now be 19 votes and a majority of the quorum passes a motion.

VOTING: unanimous; motion carried.

5. APPROVE MINUTES

March 22, 2006

MOTION by Mary Houle, SECOND by Mike Weisel, to approve the 3/22/06 minutes as written. VOTING: unanimous; motion carried.

6. FINANCE

a) Finance Committee Report of Warrants

The warrants were approved by the Finance Committee. There were no questions from the Board.

b) Bank Balances as of 4/30/06

There were no questions from the Board.

c) FY'06 Budget Year-To-Date Update and Year-End Projections

Jim Ticehurst pointed out the figures project nearly a \$400,000 surplus for the year. Mike Coates extended appreciation to the Finance Committee and staff for their effort on developing the FY 07 budget.

d) PUD Transfer(s)

Tony Barbagallo explained the PUD transfer for legal fees associated with the Hinesburg Sand & Gravel lawsuit in the amount of \$10,660.99 which depletes the PUD legal fees line item. An average of \$51,000 plus legal fees for the last three months (should not be high because not much work is occurring) is anticipated. Mr. Barbagallo also explained the transfer of \$1,300 needed for the Drop Off Centers to cover the increase in diesel fuel costs.

MOTION by Paul Stabler, SECOND by Dirk Reith, to authorize the transfer of \$10,660.99 from the PUD to Future Projects for payment of legal fees. VOTING: all ayes except one nay (Goodkind – Burlington); motion carried.

MOTION by Paul Stabler, SECOND by Dirk Reith, to authorize the transfer of \$1,300 from the PUD to the Drop Off Center budget for payment of related diesel fuel costs. VOTING: unanimous; motion carried.

7. PAY CLASSIFICATION PLAN & BENEFITS

Amy Jewell brought the Board up to date on the current status of the pay classification and benefit plan used by the District. Frank Sadowski with Gallagher Flynn Human Resource Services briefed the Board on the analysis report which looked at the competitive range for each position and benefits. It was found positions below Grade 14 were more competitive (i.e. above Grade 14, the positions had fallen; the market is valuing leadership and technical/professional positions more). Benefits were found to be competitive. The recommendation is to adjust the ranges upward and account for the rapid increase in value of executive positions or change the rating system to put positions in the appropriate range. The rating manual has been revised, and the character of supervision as a rated factor is included in the job description. The proposed changes were presented to the Finance Committee and Executive Board. Staff is requesting approval of the revised Municipal Position Rating Manual and grade changes as outlined in Attachment D.

Tom Moreau reviewed position “grades” and “steps” for salary purposes in the budget. Steve Goodkind questioned how a position identified as ‘noncompetitive’ was found to be within range in the grading process. Tom Moreau explained supervisor positions were upgraded (grade increase) except the Finance Manager position in order to be able to fill

positions. The current Finance Manager's salary was increased several steps. There are provisions for training so an employee can meet their job description. Presently, the District employs 32 FTE including eight managerial/supervisory positions. With part time hires, the number of employees is 46 (the FTEs remain at 32). The employees who leave the District do so mainly for professional reasons, not because of salary or benefits. Most employees remain with the District for well over 10 years. There was further discussion of employee qualifications and compensation. Frank Sadowski noted the position grade is locked, but step increases can compensate employee qualifications beyond those required in the job description. Also, if a potential new hire can do multiple tasks, a new position can be created.

Steve Goodkind asked about the source of the baseline data for the analysis: local municipal salaries and the New England Salary Survey. Mr. Sadowski noted there are not many governmental organizations in the survey. Both data banks give a comparison, but where an organization sets salary is a policy decision. Tom Moreau further explained the District is a small organization. A number of skills were merged into one position and that position was then rated. This makes it difficult for a direct comparison to other organizations. Amy Jewell added the job descriptions specify the minimum requirement. If an employee brings more to the job, that is addressed with 'step' increases in salary.

MOTION by Paul Stabler, SECOND by Ken Nolan, to approve the CSWD Municipal Position Rating Manual (Attachment C) as revised with the correction to #13 (Scope of Supervision) as originally drafted. VOTING: unanimous; motion carried.

MOTION by Dirk Reith, SECOND by Bert Lindholm, to approve the CSWD Rating Comparison (Attachment D) as presented. VOTING: unanimous; motion carried.

8. FY'07 BUDGET

Operating Budget

Tom Moreau reviewed several significant items, including Total Operating Expenses before any fund transfers (\$7,171,931 proposed to be expended which is an increase of \$202,905 or 2.9% over last year) and expenses that changed significantly up or down (as noted on Page P-1). It is recognized that the \$173,000 increase in Salary & Wages (Page C-1) is significant. The cost of benefits decreased mainly due to more employees choosing the opt out provision for health insurance and certain coverage changes. The Other Services program shows a decrease due to potential landfill expenses that will not reoccur in the operating budget. Facilities Management shows an increase due to the inflation clause in the MRF operations contract. MSW is down due to less tons being received at the DOCs. The CFC & Capacitor removal line item shows an increase (71%) because the material now has to be destroyed rather than recycled, though we will recover this expense with higher fees on appliances. Electronics Management increased due to the state mandate that televisions and most computer monitors are now considered hazardous waste and must be disposed of as such. Sludge Management shows an increase due to the contract inflation clause and a possible fuel surcharge. Trucking Services is

down because the Wood Depot operation is now being operated by the Burlington Electric Department. Printing shows a decrease because FY 07 is an off year for the biennial printing of the Comprehensive Guide. Recycling Bins show an increase because the cost of plastic is up. R&D shows an increase due to emphasis on organic and C&D diversion research, and seed money for RecycleBank. There is no funding in the PUD for election cost. The interest cost of the bonds down per schedule. On the revenue side, tip fees are up \$101,442 or 3% due to biosolids contractual increases and an increase in the charge for appliances. Sale of materials is down slightly (markets are softening) and CSWD no longer is selling the woodchips from the Wood Depot. State Grants are up due to a one time increase for handling electronics. Key changes on Page C-2 include a \$203,000 increase in expenditures (line 131), \$86,000 increase in revenues (line 167), and less money (\$110,000) put in reserves (line 179).

There was discussion of position grades/steps relative to salary. Tom Moreau explained if a position of Grade 14, Step 10 is moved up to a Grade 16, for example, the step would remain at 10 for salary purposes. Steve Goodkind objected to the comparison of a governmental organization to nongovernmental organizations in order to establish salary ranges. Budget scenarios showing budget less one step, less two steps, and less three steps were reviewed. There was further discussion of the type of organization the District is – small business or municipal government - and the qualifications of the employees that should be compensated. The Board agreed the District is well organized and managed. The employees are a valuable team with synergy and cross-training. Steve Goodkind suggested grades be adjusted within at least a 5% increase (system used by Burlington). Tom Moreau pointed out that system could be one of the scenarios presented; budget minus one step, two steps or three steps. Dirk Reith stressed the increases are not arbitrary. The intent was the salary amount is to be commensurate with the employee's contribution and expertise brought to the job.

Paul Stabler asked about the tonnages in the budget. Tom Moreau stated there will be a decrease in tonnage this year due to less C&D. The budget is set for tonnage needed to run the system. If more tons are received, then the Board can give direction on how to handle the surplus. Mr. Stabler asked about the assumption for the MRF tip fee. Tony Barbagallo stated the contract with Casella is still being renegotiated so the tip fees will remain as is for now. If the renegotiated contract is settled, then expenses could decrease and the net savings would be passed on as lower tip fees.

Bert Lindholm asked about the commercial recycling program. Nancy Plunkett explained the program with businesses will be combined with research relative to recycling. Participation in the commercial program will be measured to determine where there can be improvements. The community outreach program will also continue.

MOTION by Dirk Reith, SECOND by Paul Stabler, to approve the FY'07 Operating Budget as printed with Attachment F. VOTING: all ayes except one nay (Goodkind – Burlington) and one abstention (Houle – Richmond); motion carried.

Capital Budget

Tony Barbagallo reported the capital budget of \$7.1 million contains \$5.9 million in Future Projects mainly for land acquisition and some for permitting. Relocation of the Colchester Drop Off Center has been postponed until the town does its municipal complex. Relocation of the Drop Off Center in Hinesburg will be done when the town builds their town garage. The Drop Off Center in Burlington (on Pine Street) could be moved once the southern connector road is built.

Tom Moreau reviewed reserves at the start of the fiscal year and projected reserves at the end of the fiscal year. The budget shows what has to happen in order to buy land and permit the regional landfill site without having to borrow money. The reserves will be depleted with the intention to bond for the landfill construction and pay back the reserve accounts.

MOTION by Mike Coats, SECOND by Bert Lindholm, to approve the FY'07 Capital Budget as presented. VOTING: unanimous; motion carried.

Staff and Board members, Dirk Reith, Bert Lindholm, and Gene Cloutier, were recognized for their efforts with the budget.

9. RECYCLEBANK DISCUSSION

Staff reported information from RecycleBank is expected, but not yet received. Discussion was postponed until the next meeting.

10. LANDFILL DESIGN DISCUSSION

Tony Barbagallo reviewed the disposal forecast for the regional landfill projected out 40 years. The forecast shows revised waste disposal projections following further analysis and discussion by the Landfill Oversight Committee. The projections are based on population (circumferential highway forecasts are being used), per capita waste generation trends per R.W. Beck methodology, and increased diversion due to recycling, C&D processing, and organics diversion.

Regarding the conceptual design of the landfill, a draft visual impact assessment was done and the final height of the landfill is felt to be acceptable by the landfill oversight committee, the executive committee, the consultants and staff. However, more information on the height of the first phase (mid-level or interim) is needed. More innovative thinking is needed with regard to the tree plantings to make the plantings appear more natural. With regard to sand management, the facility will be designed assuming no settlement with Hinesburg Sand and Gravel. A revised economic model with a goal of maintaining a \$20/ton differential between the landfill tip fee and the transfer station tip fee is still being worked on. The total number of truck trips for till removal must be determined. It has been deemed not acceptable to truck 4 million yards of material off the site. Taking 15% of the combined landfill truck trips and the Hinesburg Sand and Gravel truck trips is an acceptable cap of truck trips until the till is removed. Staff is investigating off-road haulers versus on-road haulers. Other design factors being considered include the landfill depth. Cells 1 & 2 will probably remain low as in the first conceptual design. The floor elevation of cells 3, 4 and 5 will be higher.

The minimum landfill life will be as long as permit-able and with a \$20/ton tip fee differential. Wetlands mitigation will be necessary. Once the revisions are finished and the second conceptual design is approved by the Board (this summer), the public input process will be initiated. Mr. Barbagallo noted to revise the conceptual design meant amending the contract with Shaw Environmental at a cost of \$46,610.

Steve Goodkind asked about balloon payments on the bonds. Thomas Melloni stated the District's charter allows flexibility to pay off bonds (graduated payments).

It was explained Cornerstone Environmental (working on the landfill project) is a recent off-shoot of Shaw Environmental.

11. INCLUSION IN CSWD SOLID WASTE MANAGEMENT PLAN
MOTION by Dirk Reith, SECOND by Mike Weisel, to return to the request for inclusion of a categorical disposal facility in the CSWD Solid Waste Management Plan from being tabled at an earlier Board meeting for deliberation/decision.
VOTING: unanimous; motion carried.

Staff noted the Town of Milton supports inclusion of the stump dump in the Solid Waste Management Plan.

MOTION by Dirk Reith, SECOND by Bert Lindholm, to approve the resolution to include in the CSWD Solid Waste Management Plan the categorical disposal facility operated by Ted Beaudoin at 262 Middle Road, Milton, accepting 150 tons per year of stumps, brush, untreated wood, concrete, brick, and masonry. VOTING: unanimous; motion carried.

12. PROGRAM UPDATES

The Board received written briefs on programs/projects at the District. There were no questions.

13. OTHER BUSINESS

The Board signed a corrected resolution (name spellings) recognizing the employees who assisted a couple in finding a diamond ring in over 10 tons of trash.

14. EXECUTIVE SESSION

MOTION by Paul Stabler, SECOND by Mary Houle, that the Board of Commissioners of the Chittenden Solid Waste District go into Executive Session to consider pending civil actions, contract negotiations, and personnel issues where premature general public knowledge would clearly place the District, its member municipalities, and other public bodies or persons involved at a substantial disadvantage, and further, to seek and discuss the advice of attorneys on various legal issues where premature public knowledge could adversely affect the outcome of such civil action against the District, and to permit staff and the Solid Waste District attorney(s) to be present for this session. VOTING: unanimous; motion carried.

The Board entered Executive Session at 10 p.m.

MOTION by Paul Stabler, SECOND by Mary Houle, to adjourn Executive Session and reconvene the regular meeting. VOTING: unanimous; motion carried.

Executive Session was adjourned and the regular meeting reconvened at 10:10 p.m.

15. ADJOURNMENT

MOTION by Dirk Reith, SECOND by Mary Houle, to adjourn the meeting. VOTING: unanimous; motion carried.

The meeting was adjourned at 10:12 p.m.

M.E.Riordan, Recording Secretary

I agree that this is an original copy of minutes and they have been approved by motion of the Board of Commissioners at the _____ meeting held in _____.

Mike Coates, Secretary/Treasurer