

**CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
NOVEMBER 20, 2015
2104 W. LABURNUM AVENUE
RICHMOND, VIRGINIA**

MEMBERS/ALTERNATES PRESENT

Voting:

Robert C. Key (M-Chesterfield), Chair
Bill Hamby, Jr. (M-Prince George), Vice-Chair
J. Allen Lane (M-Henrico), Secretary
Mark Kukoski (M-Richmond), Treasurer
Stephen Chidsey, (M-Hanover), Past Chair
Lee Slöppy (M-Ashland)
Robert L. Dunn (M-Chesterfield)
Marcia R. Phillips (M-Chesterfield)
William E. Henley (A-Colonial Heights)
Dwayne Jones (A-Goochland)
Wayne Hazzard (M-Hanover)
Marcia E. Kelley (M-Henrico)
Robert C. Whiteman (M-Henrico)
Edward Watson (M-Hopewell)
William Riggelman (A-Petersburg)
Johnny Melis (A-Powhatan)

MEMBERS/ALTERNATES NOT PRESENT

Jennifer Schontag (A-Ashland)
Zach Trogdon (M-Charles City)
Matthew Rowe (A-Charles City)
Sheryl D. Bailey (A-Chesterfield)
Jeffrey T. Howard (A-Chesterfield)
Clay Bowles (A-Chesterfield)
Thomas Mattis (M-Colonial Heights)
David Lloyd (M-Goochland)
Michael Flagg (A-Hanover)
Randy Hardman (A-Hanover)
Arthur D. Petrini (A-Henrico)
William I. Mawyer, Jr. (A-Henrico)
Monique Robertson (A-Hopewell)
James H. Burrell (M-New Kent)
David Bednarczyk (A-New Kent)
Elliot Danburg (M-Powhatan)
Rod M. Compton (A-Prince George)
Lana Agostini (M-Richmond)
Johnnie Allen (A-Richmond)

Non-Voting:

Jon Clary (A-Henrico)

Staff:

Kimberly A. Hynes, Executive Director
Richard Nolan, Director of Operations
Ceresa Eckhout, Accounting and Financial Manager
Reginald D. Thompson, Operations Technician
Erica Long, Administrative Assistant

Guests:

Lou O'Boyle, Zelos LLC

With a quorum in attendance Chairman Robert C. Key (M-Chesterfield) called the meeting to order at 9:08 a.m.

CHAIRMAN'S AGENDA

Item No. 1: Public Comment Period

Chairman Key opened the floor for public comment. Without any requests to address the Board, he closed the public comment period.

Item No. 2: Minutes of the Regular Meeting of November 20, 2015

Chairman Key opened the floor for a motion to accept the minutes of the regular meeting of November 20, 2015 as submitted. A motion was made by Mr. M. Kukoski (M-Richmond), seconded by Mrs. M. Phillips (M-Chesterfield) and carried that the minutes of the November 20, 2015 Central Virginia Waste Management Authority (CVWMA) Board of Directors meeting be approved as submitted.

Item No. 3: Chairman's Report

Introduction of Accounting and Financial Manager

Mrs. Hynes, introduced Mrs. Teresa Eckhout to the Board of Directors. Mrs. Hynes informed the Board that Mrs. Eckhout joined CVWMA staff as Accounting and Financial Manager on November 19, 2015. Mrs. Eckhout, a Certified Public Accountant, has a lot of experience in governmental accounting, she spent seven years in the City of Chesapeake in the accounting division of human services. Mrs. Hynes asked members of the Board to take a few moments after the meeting to introduce themselves and welcome Mrs. Eckhout to the Authority.

Item No. 4: Strategic Planning Process and Update

Mrs. Hynes gave the Board an update on the strategic planning process. She reported that the Executive Committee met on November 9, 2015 and are still in the first stages of the planning process. Mrs. Hynes mentioned that they worked on the mission's statement and the vision statement, which is defined as a picture of what the future will look like. She also stated that the Committee started working on guiding principles, which Lou will go over.

Mrs. Lou O'Boyle, Zelos LLC reminded the Board the list of 10 guiding principles, which determine how you behave and run a business. She stated that she first wanted to get some thoughts from the Board on any principles that are not reflected on the list of guiding principles provided. Mr. W. Henley (A-Colonial Heights) stated that there was no focus on Environmental Stewardship. Mrs. O'Boyle asked the Board if they would like to add it to the list, to which they all agreed. Mr. Dunn (M-Chesterfield) spoke about adding "Mutual Cooperation" to the list, which Mrs. O'Boyle stated that it was added to the list. Mrs. O'Boyle then explained an exercise whereby Board members pick their top three most important principles the CVWMA should live by. Mrs. M. Kelley (M-Henrico) asked why choose only three items. Mrs. O'Boyle stated that by picking three, the Committee will see the things that were most important and to get a collective perspective from the Board. She stated that sometimes having a long list of things, makes it a little more challenging to figure out what you do as an organization to truly reflect those principles. Mr. Hazzard (M-Hanover) stated that trusted partner, culture of sharing and mutual cooperation are the same thing and could possibly be combined. Mr. Dunn (M-Chesterfield) stated with mutual cooperation he saw some differences. Mr. Hazzard (M-Hanover) suggested that mutual cooperation encompasses all three, however when it comes to strategic planning, there are three items that say the same thing.

Chairman Key stated that some are narrower concepts, some are broader concepts. For instance the word "integrity", could also include financial stewardship and environmental stewardship. He added that there needs to be integrity over both of those principles, and questioned if one of the principles could be Mutual Cooperation/Partnership or is that more than just one principle.

Mrs. O'Boyle asked if there was an agreement that was Mutual Cooperation is the higher term that would incorporate trusted partner. The Board agreed to take "trusted partner" off the list and add to "Integrity". After the vote, Mrs. O'Boyle stated that 'Customer Focused', 'Integrity/Trusted Partner', 'Mutual Cooperation', 'Environmental Stewardship', and 'Financial Stewardship' ranked highest. Now the Executive Committee will take this list and make sure that there is nothing missing. Sometimes there is a short descriptor that follows that and some of the other principles might be incorporated.

Mrs. K. Hynes thanked Mrs. O'Boyle and the Board for their input and stated that the Executive Committee will meet on November 30th at 2:00pm and again on January 4th to continue the planning process. At the next meeting the planning team will be finalizing the mission statement, working more on the vision, taking the current information just voted on and put them into a set of guiding principles. Chairman Key thanked everyone for their input.

STAFF AGENDA

Item No. 5: 2015 Comprehensive Annual Financial Report

Mrs. Hynes presented the 2015 Comprehensive Annual Financial Report (CAFR). The Authority's audit firm is Brown & Edwards and she added that the Authority received an unmodified opinion from the auditors, the highest and best audit rating. There were no material weaknesses found and one finding with the investments has since been corrected. There also is a copy of their internal control report, a standard report of any findings provided to each Board member. The CAFR format has not changed, it is presented in four sections, Introductory, Financial, Statistical, and Compliance.

Mrs. Hynes reported that the Introductory Section contains a transmittal letter to the Board of Directors that provides information on economic conditions and major initiatives of the Authority. She noted that this section includes a copy of the *Certificate of Achievement for Excellence in Financial Reporting* from the Government Finance Officers Association (GFOA), for the 2014 CAFR, which CVWMA received for the 18th consecutive year. She mentioned that the report also includes a listing of Authority Board members and Administrative staff, as well as the Authority's organizational chart.

Continuing, Mrs. Hynes reported that the Financial Section contains the auditors' unmodified opinion and managements' discussion and analysis summarizing financial activity for the year. This section also provides the financial statements for the Authority's major funds, which include the General Fund, Curbside Fund, Drop-off Fund, Municipal Solid Waste (MSW) and Waste Transfer and Disposal Funds. There is a new section, Required Supplementary Information all related to the newly required retirement information.

She stated that the Net position decreased by \$28,617 from last fiscal year, mostly related to booking the retirement/ net pension obligation. There was a beginning Net Position of \$659,058, the prior year restatement by implementing the GASB68 reduced the net position/reserves by \$108,660. She stated that the beginning net position was \$550,398 after the restatement. The 2015 net income before GASB68 was \$53,801, and actually the retirement adjustment in the current year added income. Net reserves at June 30, 2015 is \$630,441 which is 4.7% of 2016 total budget and represents 58% of the administrative budget, which is a healthy reserve balance.

Mrs. Hynes reported that Net revenue from sale of mixed paper in the drop-off fund exceeded budget by \$10,000. She mentioned interest earned on investments, \$15,000 more than budgeted, due to Purchasing card implemented in the current fiscal year. By paying vendors with that card, CVWMA earned a 1% rebate back. There were some turnover in positions which affected the administrative expenses, which were lower than anticipated. Mrs. Hynes directed the Board's attention to page 10, to three line items that are new, one asset and two liabilities. First the deferred outflows represents the retirement contributions the Authority made in 2015, and she correlated to prepaid assets and has not yet been factored in to the actuarial evaluation. The second line item, the net pension obligation is the difference between the projected value of the assets and projected liability based on all of the actuarial assumptions. Net pension obligation at the end of June is \$38, 965. The other liability account is the net difference between the projected and the actual investment earnings. Each of these accounts could swing year to year, but are expected to smooth out over a period of time. There are increased disclosures as well. The new VRS disclosures added another 10 pages to the financial report. Mr. Hazzard (M-Hanover) asked if the Authority's liability went up due to picking up 100% of the liability. Mrs. Hynes stated that there is only employer and employee investments. The State does not contribute to the CVWMA's retirement. Chairman Key stated that as they track the adjustments over a number of years, everyone will eventually understand these new requirements much better.

Mrs. Hynes highlighted the financial activity. Revenues were flat. There were some significant reductions in the refuse program, saving the localities significant money with some recent procurements most significantly in Hopewell and in Ashland earning rebates. More participation in drop-off programs with delivered paper, and bailed OCC that has increased revenue in the material sales rebate and drop-off fund. Total expenses were flat with some decreases.

Mr. R. Whiteman (M-Henrico) asked if copies will go to all of the jurisdictions and if they will be on the website as well. Mrs. Hynys stated that copics arc sent to Chief Administrative Officers of each jurisdiction, as well as online.

A motion was made by Mr. R. Dunn (M-Chesterfield), seconded by Mr. M. Kukoski (M-Richmond), and carried that the 2015 CAFR be approved and submitted to the Virginia Auditor of Public Accounts.

Item No. 6: Residential Recycling Program Update

Mr. Rich Nolan, CVWMA Director of Operations, reported that in October 2015, 770 more tons were collected compared to October 2014, which is due to the City of Richmond cart program. He stated that the set out rate in Richmond increased to 46% from 28% pushing an overall regional set-out rate to 40%. He mentioned that there were 214 misses in Richmond, which is still somewhat high. Staff is working on education and issues with alley collection.

Mr. M. Kukoski (M-Richmond) asked if the entire city has carts, then why is the set-out rate not closer to 100%? Mr. Nolan stated that the set-out rate is based on carts that are tipped by the contractor. Mrs. Hynes stated that the set-out rate is an average of those that put out recycling compared to total eligible households. It doesn't take into account vacant homes or those that recycle less frequently. Mr. Nolan stated that in the future they are looking to have an automatic counter on the truck for every pickup to help get the set-out rate a lot more accurate. Mr. J. Clary (A-Henrico) asked if October is the first full month of collection. Mr. Nolan stated that this is the second full month of collection with the carts. Mrs. M. Phillips (M-Chesterfield) stated that by giving out free carts, inherently participation will go up. Mr. J. Clary (A-Henrico) asked if Mr. Nolan could give the general residual rate or contamination number. Mr. Nolan stated that he would find out that information. Mr. M. Kukoski (M-Richmond)

asked what the previous set-out rate was prior to the roll out of the new program. Mr. Nolan stated that the previous average set-out rate was 28%.

Item No. 7: Municipal Solid Waste (MSW) Program

Mr. Reginald Thompson, CVWMA Operations Technician, reported that County Waste had another good month. Only ten misses reported in Ashland in October. County Waste continued to show improvement in Chesterfield with the tax relief trash collection program. Mr. Thompson mentioned that in the last three months, the misses have gone from 307 in August to now 55 misses for the month of October. In addition to the trash collection, he mentioned that County Waste provides two weeks of leaf vacuum service to 28 tax relief customers; one in November which started this week and service is going well. He added that over half the resident's eligible for leaf vacuum service are participating in it. CFS' service is getting back to normal with 46 misses recorded in Colonial Heights, 70 in Hopewell, and 86 in Petersburg. He added that CFS received their shipment of trash carts and they are now current with cart deliveries.

Item No. 8: Operations and Program Statistics

Mr. Nolan directed the Board's attention to the program statistics. He mentioned that there has been an increase in the safe garage program, and commodity pricing is down except mixed paper and OCC. He mentioned that steel pricing is \$60 a ton, and \$200 a year ago. Mr. Nolan added that on October 17 there was an e-cycling event held in Richmond that collected 16,000 pounds of e-waste. Henrico had an event October 24 which was well attended with 9,302 pounds collected. Chesterfield held an e-cycling pick up that collected 26,719 pounds. Hanover had an event where 40 hard drives were shredded.

Item No. 9: Technical Advisory Committee (TAC) Report

Mr. Nolan reported that there was a DEQ listening session for Solid Waste Planning Regulations, which was well attended with the Richmond PDC in attendance as well. He stated that he took a lot of notes and shared CVWMA suggestions. Mr. Nolan mentioned that at the November 5th TAC meeting there was a presentation on Bio Diesel. He mentioned that the next meeting is on December 3, 2015 and expects TFC to present a proposal on renewing the processing portion of the drop-off contract.

Item No. 10: America Recycles Day (ARD) – November 15

Mrs. Hynes, reported that Staff is working with two local networks on digital messaging as well as an annual contest to promote ARD and the importance of recycling. She stated that the focus of campaigns is collection day, accepted items and rewards program (where applicable). Two media interviews are scheduled: Virginia This Morning (WTVR CBS 6) to air November 13 and the noon News on WWBT NBC 12 on November 11. Mrs. Hynes mentioned that ads, social media, Curbside Email Reminder e-blast website will all promote recycling. Staff posted the ARD toolkit and resources on the website and are promoting this information as well as locality events to the public on a regular basis.

Item No. 11: Public Information

Waste Reduction News

Mrs. Hynes reported the October electronic newsletter included articles on CVWMA Recycling & Trash Collections on Regular Schedule for Columbus Day, Fall Electronic Recycling Collections, November 15 is America Recycles Day, and CVWMA's Recycling Wizard. The newsletter was distributed electronically to 1,145 email subscribers.

Promotion and Outreach

Mrs. Hynes reported that Staff responded to 32 requests for the month of September, and of these requests, 15 were for presentations and 14 were for educational materials. In addition, she noted that Staff participated in two events, and had one media story. Staff impacted an estimated 501 people and distributed 9,933 educational materials.

Website Statistics, Social Media, and Curbside Email Reminder

Mrs. Hynes informed the Board that the CVWMA website continues to be a good resource. She reported that for the month of September, data shows 13,310 unique visitors visited 27,112 pages. Top pages viewed after the Homepage include the collection schedule, electronics and curbside program pages. She mentioned that 116 email subscribers signed up for the Curbside Email Reminder during the month of August, bringing the total to 23,332 subscribers as of September 30, 2015.

Item No. 12: Financial Reports for October 2015

Financial Reports for October 2015

Mrs. Hynes reported that as of October 31, 2015, the Authority has a combined net income of about \$405,000 year to date. She noted that the financial activity is consistent with previous months and the Authority continues to remain within total budget in all funds as of October 31.

Chairman Key asked if there were any questions on the financial reports and opened the floor for a motion to accept and file the Financial Reports for October 2015 as submitted. A motion was made by Mrs. M. Phillips (M-Chesterfield), seconded by, Mr. R. Dunn (M-Chesterfield) and carried that the Financial Reports for October 2015 be approved and filed as submitted. She added that Mrs. Terry Eckhout, Accounting and Financial Manager, will be presenting the financial report for November 2015.

Item No. 13: 2016 – 2017 Proposed Operating Budget

Mrs. Hynes reported to the Board that Staff prepared the proposed budget, for Fiscal Year 2017 to be adopted by December 31st for their review. She will mail the proposed budget to Board members not present. She mentioned that there are some changes in the format of the report, but essentially is similar to previous years. She stated that the next fiscal year budget is balanced with \$14,608,965 in revenues and expenses, an 8% increase over the 2016 operating budget. Program revenues and corresponding expenses are estimated based on current and projected activity and contractual increases where applicable. Revenue from the sale of recyclables have been estimated conservatively and administrative expenses have increased an overall .7%. Staff prepared this budget with the ultimate goals of providing a high level of services to members in a cost effective and efficient manner.

The annual Operating Assessment remains at \$.48 per capita since 1997. Contractual revenues and expenses are budgeted based on projected activity and inflation where applicable. The Customer Service and Public Relations Assessments are increased by inflation and the budgeted increase is \$.001 per household per month. The sponsorship of the calendar in the Residential Recycling Program is included at \$10,000. Modest revenue and expenses for cart purchases are also included based on current sale activity. Interest income is budgeted similarly to the current fiscal year and includes the purchasing card rebate.

Continuing Mrs. Hynes indicated that the 2017 Proposed Operating Budget provides for 9 full-time staff and 4 part-time staff with no new positions budgeted. The budget includes an average 2.5% salary increase for staff, which will be reaffirmed in May 2016. CVWMA's contribution to the Virginia Retirement System will be reduced from 8.69% to 4.75% in fiscal years 2017 and 2018. This budget

also includes capital outlay of \$35,000 to replace an aging well-used vehicle and to enhance and upgrade the customer service web based application and database. In addition, \$5,000 is included in the Drop-Off Recycling Fund for container decaling as deemed necessary. The budget is balance with an \$8,000 contingency.

She reminded the Board that the budget must be adopted by December 31 in accordance with the Bylaws and a two-thirds affirmative vote is required to pass the budget. She encouraged the Board to review the draft budget over the next few weeks and contact her with any questions. The 2017 proposed budget will be on the December Board meeting agenda for consideration.

Item No. 14: Administrative

Mrs. Hynes mentioned the 25th anniversary Board meeting, on December 11th will be at the Jefferson Hotel, and reminded members to RSVP. Chairman Key recognized Mrs. Stephanie Breaker, CVWMA Customer Service Supervisor, and her team for providing call center resources to a population of over 1.1 million customers. Their hard work and dedication is much appreciated by the Board.


Old/New Business

With no further business to come before the Board, Chairman Key opened the floor for a motion to adjourn the CVWMA Board of Directors meeting at 10:21 a.m. The motion was made by Mr. R. Dunn (M-Chesterfield), seconded by Mr. R. Whiteman (M-Henrico) and carried that the November 20, 2015 Board of Directors' meeting be adjourned.



CERTIFICATE

I, Robert C. Key, Chairman of the CVWMA, certify that the foregoing minutes are a true and correct copy of the minutes of the November 20, 2015 regular meeting of the Central Virginia Waste Management Authority (CVWMA) Board of Directors. These minutes were adopted at a CVWMA Board meeting held at 9:00 a.m., December 11, 2015. Given under my hand and seal of the CVWMA this 11th day of December 2015.



Robert C. Key, Chairman

