

**CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
NOVEMBER 21, 2014
2104 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
James A. Jackson (M-Richmond), Treasurer
Steven Hicks (M-Petersburg), Director
Stephen Chidsey, (M-Hanover), Past Chair
Lee Sloppy (M-Ashland)
Robert L. Dunn (M-Chesterfield)
Marcia R. Phillips (M-Chesterfield)
William E. Henley (A-Colonial Heights)
David Lloyd (M-Goochland)
Wayne Hazzard (M-Hanover)
Marcia E. Kelley (M-Henrico)
Robert C. Whiteman (M-Henrico)
James H. Burrell (M-New Kent)
Elliot Danburg (M-Powhatan)
Lana Agostini (M-Richmond)
Mark Kukoski (M-Richmond)

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)
Thomas Mattis (M-Colonial Heights)
Dwayne Jones (A-Goochland)
Michael Flagg (A-Hanover)
Randy Hardman (A-Hanover)
Arthur D. Petrini (A-Henrico)
Jon Clary (A-Henrico)
William I. Mawyer, Jr. (A-Henrico)
Edward Watson (M-Hopewell)
Monique Robertson (A-Hopewell)
David Bednarczyk (A-New Kent)
William Riggelman (A-Petersburg)
Christopher Rapp (A-Powhatan)
Rod M. Compton (A-Prince George)
Johnnie Allen (A-Richmond)
Kevin A. White (A-Richmond)

Non-Voting:

Staff:

Kimberly A. Hynes, Executive Director
Richard Nolan, Director of Operations
Marc René, Finance & Administrative Officer
Nancy W. Drumheller, Public Information Coordinator
Reginald D. Thompson, Operations Technician
Erica N. Long, Administrative Assistant

Guests:

With a quorum in attendance Chairman Robert C. Key (M-Chesterfield) called the meeting to order at 9:01 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, the Chairman closed the public comment period.

Item No. 2: Minutes of the Regular Meeting of October 17, 2014

A motion was made by Mr. R. Dunn (M-Chesterfield), seconded by Mr. S. Chidsey (M-Hanover) and carried that the minutes of the October 17, 2014 Central Virginia Waste Management Authority (CVWMA) Board of Directors meeting be approved as submitted.

STAFF AGENDA

Item No. 4: Curbside Recycling Program

Mr. Richard Nolan, CVWMA Director of Operations, reported that 3,070 tons were collected in October and year to date, 11,647 tons have been collected. He mentioned the average set-out rate is 35% and the Authority received \$57,000 in curbside recycling rebate from TFC. Mr. W. Hazzard (M-Hanover) asked what attributed to the volume dropping in curbside recycling and Mr. Nolan explained that the packaging being used is lighter, for instance plastic is being used instead of glass. Also, newspaper continues to decline. Mr. Nolan added that Staff did a study on a front load program in Hanover and saw a 150lb drop from seven years ago. Mr. Nolan mentioned that some Home Owners Association's (HOA) such as Wyndam, have been using private collection other than CVWMA, for recycling. He added that CVWMA's set out rate is still going up and Staff continues to see more activity.

Mr. R. Whiteman (M-Henrico) asked which private company went into Wyndam, to which Mr. Nolan responded that County Waste offered that particular HOA carts for recycling along with trash pickup.

Item No. 5: Municipal Solid Waste (MSW) Program

Mr. Reggie D. Thompson, CVWMA Operations Technician, reported that in the month of October seven misses were recorded for County Waste in the Town of Ashland. In the Tri-Cities area there were 74 misses in Hopewell, 43 misses in Colonial Heights, and 81 misses in Petersburg for CFS. He added that the 81 misses recorded in Petersburg, is the lowest number of misses since 68 misses were recorded in January 2014. Mr. Thompson mentioned that on Wednesday October 29th, Staff had a quarterly meeting with CFS and the City of Petersburg, where bulk collections, leaf collection, and helping the City of Petersburg achieve their recycling goals was discussed.

Item No. 6: Consideration of Resolution 15-06: Awarding a Contract for Collecting, Transporting, and Processing Used Electronic Equipment

Mrs. Kim Hynes, CVWMA Executive Director, requested to remove **Resolution 15-06** from the agenda and defer to the next Board meeting. She mentioned that there have been some concerns as of late, and Staff would like more time to discuss with the Technical Advisory Committee.

Item No. 6: Consideration of Resolution 15-06: Awarding a Contract for Collecting, Transporting, and Processing Used Electronic Equipment

Mrs. Kim Hynes, CVWMA Executive Director, requested to remove **Resolution 15-06** from the agenda and defer to the next Board meeting. She mentioned that there have been some concerns as of late, and Staff would like more time to discuss with the Technical Advisory Committee.

Chairman Key opened the floor for a motion to remove **Resolution 15-06** from the agenda. A motion was made by Mr. R. Dunn (M-Chesterfield), seconded by Mr. S. Chidsey (M-Hanover) and carried that **Resolution 15-06** be removed and deferred to the next Board meeting.

Item No 7: Operations and Program Statistics

Mr. Nolan mentioned to the Board that the program revenue number is up significantly year over year. He added that with some of the procurements conducted earlier in the year such as tracking some mixed paper, that jurisdictions are now delivering to vendors and Chesterfield now participating in the metal program have resulted in the increased revenue.

Item No 8: Technical Advisory Committee (TAC) Report

Mr. Nolan reported that the TAC met earlier in the month and covered the E-cycling contract and evaluated the performance of the emergency vendor. He added that the committee discussed the grant money for the City of Richmond, the DEQ meeting in Charlottesville, Virginia about regulations, and ended with a tour of County Waste's Material Recovery Facility (MRF) at Shoosmith.

Item No 9: America Recycles Day 2014

Mrs. Nancy Drumheller, CVWMA Public Information Coordinator, reported to the Board a recap of Staff's efforts to promote recycling and America Recycles Day (ARD). She thanked Lee Sloppy (M-Ashland), Pam Cooper (Chesterfield), Hallie Stephenson (Henrico), Monique Robertson (A-Hopewell) and Leigh Dunn (Goochland) for their time and support with the implementation of the recycling shows. As reported in previous meetings, Mrs. Drumheller added that Staff worked with Jonathan Austin, local magician and juggler to promote the importance of recycling. She deferred to Mr. L. Sloppy (M-Ashland) to share his feedback from the show he attended at Henry Clay Elementary school in Ashland.

Mr. L. Sloppy (M-Ashland) reported that the event was Awesome! Mr. Austin does a great job with the children. He also mentioned that it starts at the top when the Administration of the schools are involved it filters down to the kids. It was an amazing experience, and was worth every penny.

Mrs. Drumheller reported that Staff estimated that in a two week period, over 3,000 students were reached and over 7,000 educational materials were distributed during 12 performances at a local public elementary school located in Ashland, Chesterfield, Colonial Heights, Goochland, Hanover, Henrico, Hopewell, Petersburg, and Richmond. She added that Mr. Austin's messages included litter prevention, proper trash disposal and recycling. Mrs. Drumheller added that all of Mr. Austin's performances were well received. She informed members of the Board that if anyone would like to know the names of the schools that were given a show, she is willing to provide that information.

In addition, Mrs. Drumheller noted that Staff collaborated with Retail Merchants Association, Keep Virginia Beautiful and Keep Henrico Beautiful at the annual America Recycles Day (ARD) event held in the parking lot of Retail Merchants Association on Friday, November 14, 2014.

Mrs. Drumheller also reported that Staff had a great opportunity to provide a recycling presentation and use of the Authority's prize wheel with members of the Green Team at Bon Secours St. Francis Medical Center. She added that this group is willing to send out recycling messages in its monthly newsletter.

In conclusion, Mrs. Drumheller mentioned that the CVWMA website provided ARD information and several of the Authority's member jurisdiction hosted special collection events.

Item No 10: Public Information

Mrs. Drumheller mentioned that the November electronic newsletter was sent out and included articles on: Collections on regular schedule for Veterans Day Holiday; November E-cycling Collection Events; November 15 is America Recycles Day; and Thanksgiving Holiday to Delay Collections. She added that the newsletter was distributed electronically to over 1,100 email subscribers.

Mrs. Drumheller provided each of the Board members with a CVWMA scout patch. She explained to the Board that this program was developed by members of the Curbside Education Advisory Committee and can be implemented in all of the Authority's 13 member jurisdictions. She added that the great part of the program is that anyone wanting to earn this patch, must complete a project that enables them to give back something to the community. Mrs. Drumheller showed the Board, a picture of members of Pack 189 Wolf Den in Chesterfield County, who completed a reuse and recycle drive. They worked with Terra Cycle to recycle old glue bottles to earn the patch. She added that Staff has seen a lot of interest in the Scout Patch Program.

She reported that the 2015 CVWMA Recycling Schedule calendar is at the printer and is scheduled for bulk mail on December 26, 2014. She added that this is the largest educational piece that the Authority does annually and a jump in interest in recycling, as well as, call volume is expected.

Mrs. Drumheller informed the Board that Staff responded to 20 requests for the month of October, and of these requests, nine were for presentations and six were for educational materials. She added that the Authority had one media inquiry for a story Henrico and Chesterfield Monthly are doing on local convenience centers. In addition, she added that Staff worked four events, and estimated that they impacted 782 people with the distribution of 4,439 educational materials. Mrs. Drumheller added that Staff took R3 to Call Federal Credit Union Kids Run on Saturday, October 25th.

In conclusion, CVWMA website statistics continue to show a large volume of visits by the public. Mrs. Drumheller reported that analytic data stated that over 70% of the visits are from new visitors. She added that the top pages visited included CVWMA Programs, Location Pages, Curbside Collections, as well as Electronics Recycling.

Item No 11: Financial Reports for October 2014

Mr. Marc René, CVWMA Finance and Administrative Officer, reported that as of October 31, 2014, the Authority has a net income of about \$365,000 to date. He added that the Authority is in line with

budget projections as of October 31st. Mr. René mentioned that the \$10,000 sponsorship of the 2015 Collection Schedule has been sent.

Chairman Key opened the floor for a motion to accept and file the Financial Reports for October 2014. A motion was made by Mr. R. Dunn (M-Chesterfield), seconded by Mr. R. Whiteman (M-Henrico) and carried that the Financial Reports for October 2014 be approved, accepted and filed as submitted.

Item No 13: Consideration of Resolution 15-07: to revise and update the CVWMA Investment Policy

Mrs. Hynes informed the Board that CVWMA is requesting to update and revise the CVWMA Investment Policy. She mentioned that the policy has not been updated or revised since the initial implementation in November 2003 and she has found recently that the Authority is limited in the area of short term investments. Mrs. Hynes stated that the Virginia Code section references as well as the job title of the CVWMA's Investment Manager are out dated.

She mentioned that CVWMA Staff proposes and requests the Board's approval to amend the Authority's investment policy as follows;

- Designate the Investment Manager as the Finance and Administrative Officer, removing references to Deputy Executive Director.
- Update the Virginia Code Sections pertaining to the Virginia Security for Public Deposits Act.
- Revise #4 Authorized Investments to include Corporate Notes as an acceptable and authorized investments with the appropriate ratings requirements in accordance with the Virginia Code, which also revises the maximum maturity limitation from one year to two years.

Mr. W. Hazzard (M-Hanover) asked Mrs. Hynes if the Authority quantified the increase of revenue expected to see from this resolution. Mrs. Hynes explained that the Authority has not quantified the increase of revenue, however, this will give the Authority flexibility to take advantage of higher yields in the future. Mr. W. Hazzard (M-Hanover) also asked if this will enhance the revenue stream by being able to be flexible. Mrs. Hynes agreed that when the rates do improve, it will help at that time.

Mr. W. Henley (M-Colonial Heights) asked how much cash does the Authority plan to invest, and Mrs. Hynes stated that the Authority invests about a million dollars each year. Mr. E. Danburg (M-Powhatan) asked who recommends the transfers to which Mrs. Hynes stated that the designated Investment Manager makes the recommendations.

Mr. M. René explained to the Board that as of right now the Authority is yielding .45% on a one million dollar investment with BB&T on commercial paper, and if the Authority was able to change that policy the Authority would be able to yield more than .45%. He also explained that the Authority is limited in what they can do as of now, however, if the Authority was able to yield a Single A rated SMP qualified stock or bond, they will be able to yield a much higher return to help the bottom line, which was suggested by their BB&T investment partner.

A motion was made by Mr. J. Burrell (M-New Kent), seconded by Mr. E. Danburg (M-Powhatan), that **Resolution 15-07** be approved as submitted.

Item No 13: 2015-2016 Proposed Operating Budget

Mrs. K. Hynes directed the Board's attention to the 2015-2016 Proposed Operating Budget that was placed at each station. Mrs. Hynes informed the Board that the CVWMA Bylaws requires the adoption of the Annual Operating Budget no later than December 31 for the ensuing fiscal period. Mrs. Hynes then encouraged the Board to contact the CVWMA staff during the upcoming weeks with questions or comments regarding the proposed budget. Mrs. Hynes reminded the Board that in order for the budget to be adopted, a 2/3rds affirmative vote would be needed, and if anyone was unable to be present, to contact their alternate or inform the Authority.

Mrs. Hynes reported that next year is a milestone year, as CVWMA will celebrate 25 years. She mentioned that as the Authority reflects on their many accomplishments and the many strides that have been made in the region since inception in 1990, there is one common theme which is regional collaboration. Mrs. Hynes added that she started when the Authority was just 5 years old and Mr. Bob Dunn (M-Chesterfield) was in his first chairmanship. She further expressed that it has been very rewarding to be a part of CVWMA from infancy, and have learned, and grown stronger as an organization because of the challenges and the bumps in the road. Mrs. Hynes stated that everyone should be proud of the accomplishments, and that after 25 years, the value provided to member governments and the community is priceless and CVWMA is one of the best examples of regional collaboration in the area.

Mrs. Hynes reported that the budget continues the goal and promise to provide valuable services in a cost efficient and effective manner to the Authority's members and to the public. She added that from a fiscal responsibility standpoint, Staff continually look for ways to reduce costs and generate revenue, for the Authority and for members. Mrs. Hynes reported that the overall budget is balanced at \$13,531,660; an increase of 1.9% from the 2015 budget. She reported that general operating assessments on the revenue side will remain the same at \$.48 cents per capita. She added that the population was based this year on the 2012 final estimates by the Weldon Cooper Center for Public Service, and the last 3 years Staff used the 2010 census data. Mrs. Hynes noted that because of the increase in population the Authority's operating assessment is increased by about \$15,000 next year.

She added that the program revenue is based on current and projected activity and contractual increases where applicable. Mrs. Hynes mentioned that the overall program revenue is reduced in the 2015 budget, predominantly due to the renegotiation of the curbside contract. She also mentioned that after one year under the new contract for the hauling and disposal from the nine convenience centers, the project fees realized are actually lower than anticipated in the 2015 budget.

Mrs. Hynes also reported that the public relations assessment, and the customer service assessment in the curbside fund are adjusted by the CPI as included in the service agreement. She mentioned that although recycling markets can be volatile, on average the revenue has been fairly consistent in the Drop off Fund. She added that Staff is still on track in this current fiscal year to exceed the revenue budgeted and have again budgeted conservatively in 2016.

Mrs. Hynes informed the Board that metal prices and oil markets have dipped recently, and oil prices have declined somewhat, as seen at the pumps, which is a good thing, however it also impacts revenue and even plastics recycling markets. She also added that with the renegotiation of the recycling contract, the Authority is now receiving a rebate for each ton of single stream recycling collected at the curb which is estimated at \$600,000 in revenue and expense in fiscal year 2016 based on current volumes. The revenue is passed on to participating jurisdictions 100%.

Mrs. Hynes mentioned that the Authority has included \$10,000 calendar sponsorship in the curbside program as a revenue, which was negotiated in the TFC contract to automatically be invoiced and to have their logo on the calendar. She also added that cart purchases in the curbside fund is estimated at about 100 per month or 1200 for the year.

Mrs. Hynes reported that investment income is budgeted at the same level as the previous year, however, the Authority added a purchasing card a few months ago under a new contract with BB&T. She added that this will allow the Authority to pay their large vendors by credit card and in turn will receive a rebate of 1% on total purchases. She mentioned that the Authority is currently paying some of their large vendors this way and have included anticipated revenue of about \$15,000 in the budget.

On the expense side, Mrs. Hynes mentioned that the budget provides for nine full-time and four part time positions which is an increase of .875 full-time equivalents (FTE) over the current budget. She also mentioned that with the resignation of our full-time Administrative Assistant/Customer Service Representative in February, the Authority made some changes to fill the gap in Customer Service and Administration. She noted that currently the call center is staffed with three full time including the supervisor receiving on average about 3500 calls per month not including peak times such as new programs, changing of contractors, or in times of inclement weather. With only three staff members, the Authority has found itself understaffed at times. Mrs. Hynes mentioned that Petersburg and Hopewell have added curbside recycling to their menu of services and Staff is gearing up for the implementation in Richmond that have and will generate more calls. She stated that the budget reflects the addition of a part time customer service representative to ensure there is coverage at all times.

She also mentioned that the budget also reflects a full time recycling education outreach specialist that will replace the part time position, the work load and expectation at CVWMA in the public information department have expanded significantly by adding two jurisdictions to curbside recycling in the last 18 months. Mrs. Hynes added that the upcoming implementation of the new program in Richmond and with the renegotiation of the Curbside Contract, there is an even bigger demand to increase recycling. She mentioned that the Authority struggled to keep up with the demands with only 1 and ½ staff members and in addition retaining dedicated, hardworking staff in a part time position has become more challenging. She added that the Authority believes the full time position will attract a more qualified and vested team member. She also mentioned that the budget includes a competitive salary and benefits and is supported mostly by the additional public education assessment moneys and the elimination of the part time position.

She mentioned that the budget also includes a 1.5% salary increase for staff and in the last several years, the average increase is included in the budget numbers. Staff will be coming back to the Board in May before the start of the fiscal year to reaffirm the salary increase and will have a better idea of where localities are with their budgets.

Mrs. Hynes reported that the budget also includes reclassification of one position and some funds in an effort to reduce some of the compression issues. She mentioned that six years ago the Authority conducted a personnel study and the study revealed that many positions at the time were paid at the bottom end or below their range regardless of their years of service and at that time the Authority was not able to fix the compression issues. Mrs. Hynes mentioned that now the Authority has newer employees at a higher point in their range than employees who have dedicated six, ten, and fifteen years to the CVWMA.

Mrs. Hynes mentioned that the budget includes \$40,000 in Capital Outlay and funds are included to replace the existing mini-van that is currently 10 years, which is the oldest of three vehicles, and has had some significant maintenance expenses recently. She noted that the van is used predominantly by the Public Information department for education and outreach efforts. She added that the Authority plans to utilize the State Contract for purchasing and would depreciate over seven years. In addition, Mrs. Hynes reported that funds are included for a multi-functional machine; (copier/printer/fax). The current machine is six years old, and a replacement cost of \$10,000, is included.

Mrs. Hynes mentioned that a small amount of Contingency is budgeted to cover any unanticipated shortfalls in other areas, and all other expenses remain fairly consistent with the previous year. Lastly, from a policy perspective, Mrs. Hynes reported that the Executive Director has had the authority to transfer funds between line items up to \$1,000 and everything else must come before the Board. This budget recommends increasing that level to \$2,500. In addition, she added that the Executive Committee suggested that transfers should be able to be made between line items within each of the categories without having to gain approval by the Board. The budget resolutions for consideration reflect these policy changes.

Mr. R. Whiteman (M-Henrico) asked about the length of the lease with Brandywine. Mrs. Hynes replied that it is seven years beginning in 2012. In summary, Mrs. Hynes encouraged the Board to review the Proposed Budget in preparation of consideration at the meeting on December 12th.

Item No 14: Consideration of Resolution 15-08: authorizing the Executive Director to execute the proposed staffing additions in FY 2015

Mrs. Hynes reported that the 2016 Proposed Operating Budget includes the addition of a Part-time Customer Service Representative and a Full-time Recycling Education and Outreach Specialist to the Staff, which have been funded through various revenue sources as outlined in the Proposed Budget and savings currently realized in the Personnel and Fringe Benefits categories of the Budget. She added that the call volume and handling of email and web calls have increased in recent years, for a multitude of reasons. She mentioned that a part-time customer service representative position is included in the approved 2015 Budget, however the Authority made that position Full-Time after the departure of the Customer Service Representative/Administrative Assistant hybrid position and hired a part-time Administrative Assistant.

Mrs. Hynes also mentioned the workload and the expectations of CVWMA in recent months and years has expanded significantly in the area of public information and education/outreach for the residential recycling program. She added that the getting the right person in this position will lead to sound succession planning in the future. She noted that the 2016 Proposed Operating Budget includes sufficient funding for this position, and is supported mostly by additional public information assessment moneys and the elimination of the part-time position.

Mr. W. Henley (A-Colonial Heights) asked if the money to fund the new positions will be coming from personnel services. Mrs. Hynes responded affirmatively, the Authority will use savings in personnel services to fund the two positions.

A motion was made by Mr. S. Hicks (M-Petersburg), seconded by Mr. J. Burrell (M-New Kent), that **Resolution 15-08** be approved as submitted.

Item No 15: Administrative

Mrs. Hynes reported that there are a lot of great things going on. She mentioned moving forward with large recycling carts in Richmond and alley pickup. She added that it was a great session in Alabama and recognition of Richmond and the region. She reported that CVWMA has not received approval from The Department of Environmental Quality (DEQ) yet on the 5-year update to the Solid Waste Management Plan. Mrs. Hynes reminded the Board of the holiday reception after the December meeting and she plans to invite Trish McCullagh, CVWMA long time legal counsel.

Upcoming Meetings

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| Executive Committee | Tuesday, December 2, 2014 -- 2:00 p.m. |
| Technical Advisory Committee | Thursday, December 4, 2014 -- 9:00 a.m. |
| Board of Directors (Richmond) | Friday, December 12, 2014 -- 9:00 a.m. |

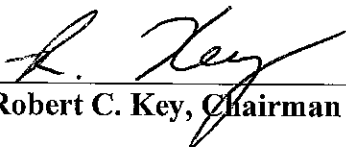
Old/New Business

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 9:56 a.m. The motion was made by Mr. R. Dunn (M-Chesterfield), seconded by Mr. E. Danburg (M-Powhatan) and carried that the November 21, 2014 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 21, 2014 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 12, 2014. Given under my hand and seal of the CVWMA this 12th day of December 2014.



Robert C. Key, Chairman