

**MINUTES
VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY**

**Via Zoom Video Conference
9:00 AM
December 4, 2020**

IN ATTENDANCE:

Jason Mitchell	City of Hampton
Grace Boone	James City County
Thomas J. Swartzwelder	King & Queen County
Bobbie Tassinari	King William County
Bodina Wright	City of Poquoson
Dan Clayton	City of Williamsburg
Brian Woodward	York County

ABSENT:

Michael Lombardo	Essex County
Mindy Conner	Mathews County
John Koontz	Middlesex County

OTHERS IN ATTENDANCE:

John Newby	Commercial Risk Consultants
Vernon Geddy III	Geddy, Harris, Franck & Hickman
David Magnant	VPPSA
Karen Plumley	VPPSA

Brian Woodward called the meeting to order at 9:03 a.m.

Grace Boone read the following:

This meeting is being held virtually as a result of the state of emergency and pursuant to resolution 2020-01 previously adopted by this Board.

1. PUBLIC COMMENT

No Public Comment

2. MINUTES

Grace Boone moved that the minutes of the October 2, 2020 meeting be approved. The motion was seconded by Jason Mitchell and was passed unanimously.

3. FY 21 PROPERTY AND CASUALTY INSURANCE

Commercial Risk Consultants, Inc. prepared a summary of property and casualty insurance coverage for FY 21. John Newby of Commercial Risk Consultants presented the summary to the Board.

Mr. Newby stated that VPPSA changed insurance coverage at the beginning of FY 21 to VRSA after receiving a very competitive bid, which provided a substantial reduction in cost, versus VACO. Notable reductions were in automobile liability and worker's compensation liability. Mr. Newby reviewed the FY 21 limits and deductibles for each coverage provided by VRSA. Mr. Newby noted coverages whose limits would be affected once the Authority took occupancy of the vehicle maintenance facility in King and Queen County which include buildings and contents, and garage keepers.

Brian Woodward asked if there were any questions. There were no questions. No action was required.

4. PROJECT REPORTS

Compost Facility

David Magnant reported that:

- Incoming volumes increased after Hurricane Isaias and have not slowed since that time.
- The BMP retrofit project had an issue with the pond reaching its maximum saturation. Also, the sediment was deeper than anticipated and VPPSA is working with Stantec and EQR to determine what additional costs will be incurred to resolve this issue. Initial costs were estimated at \$53,000. Stantec and EQR are looking at all possible options to help lower the costs.

Transfer System

David Magnant reported that:

- Waste quantities are higher versus this same period in 2019 by approximately 500 tons.
- During the November oversight committee meetings, Tom Swartzwelder and Pete Mansfield requested a review of the current recycling on the Middle Peninsula. Mr. Magnant is gathering information at this time and will report back to the Board.
- The scheduled move date for the vehicle maintenance facility is December 17, 2020. An inspection for occupancy was held on Thursday, December 3rd. A couple of items were noted to be addressed and reinspection will occur either December 7th or 8th. It is hoped that a certificate of occupancy will be issued at that time.

Household Chemical Collection

David Magnant reported that:

- The last event for calendar year 2020 was held on November 21st.
- The weights were higher in the last part of 2020 due to COVID-19 and stay at home orders, resulting in residents having time to clean materials at their homes.

Curbside Recycling

David Magnant stated that:

- Although TFC Recycling has seen increased volumes overall for their organization, VPPSA has seen a reduction in volumes. This is partially due to the reduction of participants in James City County.

- James City County's volumes are higher per resident, indicating that those participating are enthusiastic about recycling.
- Misses are high but less than .5% overall.

David Magnant asked if there were any questions. There were no questions. No action was required.

5. SOLID WASTE MANAGEMENT PLAN UPDATE

The Solid Waste Management Plan (SWMP or Plan) was prepared for the Virginia Peninsulas Public Service Authority and its 10 local government members within the Authority's service area in accordance with the requirements and provisions of Regulations for Solid Waste Management Planning (9VAC20-130-10 *et seq.*, Amendment 1). The original plan was approved by the VPPSA Board of Directors May 15, 1990. In June of 2004, VPPSA contracted Joyce Engineering, Inc. to revise the SWMP.

The Virginia Waste Regulations, Section 9VAC20-130-175.F, require solid waste planning units to update their solid waste management plans every 5 years with projections for the next 20-year period. VPPSA has provided minor modifications to the plan for the last three, required 5-year updates. The previous Executive Director submitted the plan and the DEQ has requested a more thorough update.

At the October Board meeting, the Board approved moving forward with an agreement with LaBella to assist VPPSA staff in updating the plan. Staff has received the first draft and is in the process of reviewing and updating the offered plan. The plan should be ready for review by the Board at the February 2021 meeting.

No action was required.

6. FY 22 BUDGET

Draft budgets were distributed to Board members for review in November.

The Transfer System Oversight Committee met on November 13, 2020 and reviewed the FY 22 budgets for Administration, the Transfer System, Convenience Centers, Landfill Disposal, Landfill Monitoring, and Middle Peninsula Household Chemical Collections.

The Compost Facility Oversight Committee met on November 18, 2020 and reviewed the FY 22 budget for Administration, Compost Facility, Household Chemical, and Landfill Monitoring.

All committees approved all budget proposals. All comments received during the meetings and communications with Williamsburg and James City County were incorporated into the budget proposal.

Following is a summary which was included with the budget presentation at both oversight committee meetings:

Administration

The proposed budget for FY 22 represents a decrease of \$23,499 or -3.3% compared to the budget for FY 21.

All salary line items include an allowance for a salary adjustment for FY 22 of up to 3%. The actual salary adjustment will be set by the VPPSA Board at the June 2021 meeting.

The proposed staffing remains unchanged and includes the following positions:

Full Time

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

Part Time

- Accounting Clerk

An increase in the cost for Health Insurance is anticipated for FY 22 as a result of the following:

- An increase of 8% has been assumed for health insurance premiums for FY 22.
- There are no anticipated significant changes in coverage for Administrative employees which would increase the employer share of health insurance premiums.
- Switching to Key Advantage 500 and Key Advantage 1000, from Key Advantage 250 and Key Advantage 500. It is anticipated that a change in plan offering will offset any increase in premiums.

Additional increases:

- Increases in consultant fees for Insurance and Audit services.
- Reduction in interest paid, interest rates have been lower and fund balances are lower as a result of constructing the VMF.

Significant Reductions:

- Salary's as a result of key personnel changes.
- Insurance premiums as a result of changing insurance providers from VACO to VRSA.

The Community Fee will remain the same at \$11,000 for FY 22

Compost Facility

The proposed budget for FY 22 represents an increase of \$14,063, or 1.2%, compared to the budget for FY 21.

Overall, the fees charged to the member communities represent an increase of \$18,891 or 2.7% compared to the fees charged for FY 21.

The revenue budget for User Fees has remained unchanged at \$100,000 for FY 22. The actual revenue for User Fees for FY 20 was \$139,000.

The revenue budget for Material Sales will remain unchanged at \$500,000 for FY 21. The actual Material Sales revenue for FY 19 was \$451,730.

All salary line items include an allowance for a salary adjustment for FY 22 of up to 3%. The actual salary adjustment will be set by the VPPSA Board at the June 2021 meeting.

Full time staffing remains unchanged for FY 22 and includes the following:

- 1 Compost Facility Supervisor
- 2 Operator III
- 2 Operator II
- 2 Operator I
- 1 Customer Service Representative

The budget also includes 832 hours for the Middle Peninsula Maintenance Mechanics to provide maintenance services at the Compost Facility. Maintenance activities at the Compost Facility have not always been completed in a timely manner since the mechanics primary responsibilities are for maintenance of equipment and vehicles for the Middle Peninsula and there is generally more work than available maintenance work hours.

Significant increases for Health Insurance will be realized for FY 22 as a result of the following:

- An increase of 8% has been assumed for health insurance premiums for FY 22.
- The number of employees choosing employee plus one and family coverage has increased over the last several years

To help offset the anticipated increase, the budget has been prepared assuming changing the plan offerings to Key Advantage 500 and Key Advantage 1000, from the previously offered Key Advantage 250 and 500 plans.

The proposed budget includes an administrative fee of 9.3%. The actual fees will be set by the VPPSA Board with approval of the budget at the meeting on December 4, 2020.

Significant reductions in expenses for the Compost Facility for FY 22 compared to the FY 21 budget are as follows:

- Workers Compensation - Changed providers
- General Liability Insurance- Changed providers

Significant increases in expenses for the Compost Facility for FY 22 compared to the FY 21 budget are as follows:

- Disposal - disposing of the processed plastic bags from the leaf debagging process.

The total monthly fee to the communities for FY 22 will be \$57,821. The total monthly fee will be allocated among the communities based on actual quantities delivered to the facility each month.

Curbside Recycling

The FY22 budget is based on the following:

- Estimated house counts based on house count as of November 2020.

- The Agreement between VPPSA and TFC Recycling states that TFC Recycling 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. This index was used for the Agreement with County Waste and based on recent experience an increase of 3% in the current unit price for collection of \$3.98 / cart / month was used for FY 22

- The processing fee of \$95 per ton will remain unchanged for FY 22

- Total annual material quantities used for estimation of processing costs are as follows:

- > James City County- 3,800 tons
- > Poquoson- 900 tons
- > Williamsburg- 700 tons
- > York County- 4,000 tons

- The budget includes an amount for additional services- which includes fees for requested services such as extra cart fees, multiple carts at townhomes, front load container services and long lane fees.

- The proposed budget includes an administrative fee of 4.6%.

Drop Off

The proposed budget for FY 22 is presented to identify the costs associated with this project provided to James City County and York County.

In this project VPPSA provides Comix Recycling, Mixed Paper Recycling and OCC Recycling utilizing roll off containers, trucks, a compactor for OCC and drivers from the Middle Peninsula Solid Waste System.

The Comix Container processing fee is bid yearly, the current processing fee is \$34.00 per ton through an agreement with Tidewater Fibre Corp (TFC). The Mixed Paper and the OCC rates are bid monthly to Mills and Material processors

The TFC facility for the Comix Material is located in Chester, VA and the sites used for Mixed Paper and OCC are awarded to the highest monthly bidder and the locations range from Suffolk to Richmond.

There is a rental fee for each compactor and container, there is a haul fee, an administrative fee. The material processing is billed based on actual revenue or costs per ton.

Rates for FY 22

Rental of roll off containers	\$ 66.00 per month per container
Rental compactor	\$400.00 per month per unit
Haul Rate	\$220.00 per haul
Administrative Fee	5.5% of Rental and Collection Fees

VPPSA will invoice monthly, based on the rental costs, haul fees, processing costs per ton, and the administrative fee. These estimated costs are based on recent history.

Household Chemical Collection

The total project budget for FY 22 represents an increase of \$25,264 or 7% over the total project budget for FY 21.

The schedule of collection events is unchanged for FY 22. 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 21.

Operations Budget

The proposed operations budget for FY 22 represents an increase of \$2,274 or 3% compared to the operations budget for FY 21.

All salary line items include an allowance for a salary adjustment for FY 22 of up to 3%. The actual salary adjustment will be set by the VPPSA Board at the June 2021 meeting.

Payments for Health Insurance will increase significantly for FY 22. This is a result of increases for the Transfer System and Convenience Center projects. The number of employees choosing employee plus one and family coverage has increased over the last several years. To offset the anticipated increase, the budget has been prepared assuming that changes will be made to the health insurance plans offered to employees, to Key Advantage 500 and Key Advantage 1000 from the currently offered Key Advantage 250 and 500.

The Transportation Fee in the amount of \$12,000 will be paid by the 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.

The operating budget as presented includes an administrative fee of 9.3%.

Disposal Budget

The proposed disposal budget for FY 22 - which are best estimates based on recent history - represents an increase of \$22,990 or 9% over the disposal budget for FY21. We had significant increases in the disposal portion of this project. It is possible that COVID-19 quarantine measures prompted residents to tackle home cleanup projects.

The disposal budget includes an administrative fee of 4.6%.

Landfill Monitoring

The budget figures were compiled by LaBella based on their understanding of the work that will be required to be completed in FY 22.

An administrative fee of 4.6% is included in the draft budget.

Middle Peninsula Household Chemical Collection

VPPSA alternates the collection events to continue to provide residents in each community the opportunity to dispose of their unused household products that are not accepted in landfills at various locations on the Middle Peninsula.

This budget was reviewed at the Oversight Committee to be held on November 13, 2020.

Middle Peninsula Solid Waste System

The proposed combined budgets for FY 22 for Transfer System, Convenience Centers and Landfill Disposal for Essex, King and Queen, King William, Mathews and Middlesex represent an increase of \$98,500 or 3%, in the fees paid by the counties compared to the combined budgets for FY 21.

All salary line items include an allowance for a salary adjustment for FY 22 of up to 3%. The actual salary adjustment will be set by the VPPSA Board at the June 2021 meeting.

There are no changes proposed to transfer station and convenience center operating hours.

There are no other proposed staffing changes.

Significant increases for Health Insurance will be realized for FY 22 as a result of the following:

- An increase of 8% has been assumed for health insurance premiums for FY 21.
- The number of employees choosing employee plus one and family coverage has increased over the last several years

To offset the anticipated increase, the budget has been prepared changing the plan offerings to Key Advantage 500 and Key Advantage 1000 from the Key Advantage 250 and 500 offered in FY 21.

The operating budgets as presented include an administrative fee of 9.3%. The disposal budget includes an administrative fee of 4.6%.

Transfer System

The proposed budget for the Transfer System for FY 22 represents an overall increase of \$35,870 or 2% compared to the budget for FY 21.

The operating schedule for the Transfer Stations will remain unchanged. The staffing proposed for the system remains unchanged and includes the following:

Full Time

- 1 Supervisor- Solid Waste Operations Coordinator
- 10 Attendants
- 8 Drivers
- 2 Maintenance Mechanics
- 1 Maintenance Supervisor
- 2 Dispatchers

WAE

The budget includes funding for approximately 2,700 hours of WAE employees- Convenience Center Attendants. The attendants will provide the following:

- Staffing Transfer Stations when Transfer Station Attendants are working Household Chemical Collection Events
- Working as second attendant at Transfer Stations that require staffing by two attendants
- Staffing Transfer Stations when Transfer Station Attendants are on Annual Leave or Sick leave

- Site maintenance activities such as grass cutting
- Mixed paper collections

Significant reductions in expenses for the Transfer System budget for FY 22 compared to the FY 21 budget are as follows:

- Insurance related expenses - Switching insurance providers will result in lower costs.
- Salaries will be reduced as a result of higher paid employees retiring.
- Communication Services- based on recent experience

Significant increases in expenses for the Transfer System budget for FY 22 compared to the FY 21 budget are as follows:

- Oil and antifreeze recycling- based on recent experience
- Comix material costs, commodity pricing changed from a revenue to an expense.
- Increases as a result of the new maintenance facility several line items, including wastewater, electric, building and grounds.
- Health Insurance- significant increase in employees choosing employee plus one and family coverage.
- Recycling - Tires- Limited processing options are available, and the nearest processor has significantly increased unit costs.
- Tires- repair and purchase- based on recent experience, increase in tire costs
- Vehicle Maintenance and repair - based on recent experience.

The basis for allocation of variable costs associated with waste hauling- fuel, vehicle maintenance and tire repair and purchase - is the total number of miles expected to be traveled based on the number pulls for waste, white goods tires and drop off recyclables and the distance from the site to the disposal facility or recyclables processing location.

Anticipated revenues are as follows:

Transfer System – Line Item Number 43000 – White Goods Revenue

Actual revenue from the sale of scrap metal and white goods for FY 20 was \$98,000 down \$30,000 from previous years. Prices received for the sale of scrap metal and white goods have been decreasing over the last several years. Anticipated revenue for FY 22 is \$85,000.

Transfer System - Line Item Number 44400- Hauling Fees

Hauling fees will be charged to the Town of Tappahannock for hauling sludge from the treatment plants to the landfills. VPPSA has provided hauling services at three campgrounds in Middlesex County for many years. Hauling fees for drop off recycling in James City County and York County are also credited to this line item. Other miscellaneous hauling revenue, such as hauling tires for York County will also be credited to this line item. Approximately \$73,000 was received in hauling revenue for FY 20.

Transfer System – Line Item Number 44700- Used Battery Recycling

Actual revenue for used battery recycling was \$2,542 for FY 20. The budget for FY 22 includes \$3,500 as revenue for used battery recycling.

Transfer System – Line Item Number 44750 – Corrugated Cardboard Revenue

All revenue received from the sale of corrugated cardboard collected through the front end collection system and drop off recycling collections will be credited to this line item.

Total revenue for corrugated cardboard recycling through the Middle Peninsula Solid Waste System and drop off collections was down from \$56,000 in FY 19 to \$44,000 for FY 20. We anticipate \$45,000 in revenue for FY 22.

Transfer System – Line Item Number 44800- Operating Fee

Payment in the amount of \$3,000 will be made from the Household Chemical Collection 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 44810- Vehicle Maintenance Fees

VPPSA will provide vehicle maintenance services for King and Queen County vehicles in FY 22. Based on the number of vehicles in the County fleet, it is estimated total fees charged to the County for FY 22 will be \$50,000.

Transfer System – Line Item Number 49100- Mixed Paper Revenue

All revenue received from the sale of mixed paper collected through the mixed paper recycling program and the drop off recycling collections will be credited to this line item.

Total revenue for mixed paper recycled through the Middle Peninsula Solid Waste System and the drop off recycling collections was more than \$6,500 for FY 20.

While there is some optimism in the mixed paper market, there is still uncertainty in the market as a result of actions taken by China to limit or possibly ban imports of recyclables.

The revenue budgets for Mixed Paper Recycling for FY 22 have been set at \$8,000

Transfer System – Line Item Number 49300- Transportation Fee

Payments in the amount of \$12,000 will be made from the Household Chemical Collection Project to cover the cost of vehicle operation including fuel, vehicle maintenance and purchase and repair of tires. In addition, the Computer Recycling project will contribute \$10,000 for the use of the roll off vehicles.

Transfer System – Line Item Number 49500- Container Rental

A total of \$26,000 was received as revenue for rental of containers for cardboard recycling, waste hauling from campgrounds in Middlesex County and drop off recycling for James City County and York County.

The budget for FY 22 includes \$26,000 as revenue for container rental.

Convenience Centers

The proposed budget for the Convenience Centers for FY 22 includes a significant increase of \$47,722 or 6.3% compared to budget for the Convenience Centers for FY 21.

There are no proposed changes to the operating hours and staffing levels for FY 22. Operating hours for FY 22 are presented on page13. The budget includes the following:

Full Time

- 1 Supervisor- Transfer System Supervisor
- 12 Attendants

Part Time / WAE

The budget includes funding for 7,800 hours of Part Time and WAE employees. This time will be split between one part time employee and eight WAE employees. These employees, for the most part, serve as attendants at convenience centers throughout the five-county system.

The increase in the FY 22 budget is attributed to salary adjustments and the increase in the minimum wage. A significant increase is also expected for tire recycling. There are limited processing options available and the nearest processor has significantly increased unit costs. Oil and antifreeze processing costs and the cost for processing comix materials has contributed to the overall increased costs.

Reductions in Health Insurance is realized with the change in offered plans and liability insurance with the switch in providers.

Landfill Disposal

Budget estimates for landfill disposal reflect anticipated waste quantities based on recent experience.

Disposal rates for FY 22 have been established as a result of a procurement effort completed in February 2018.

The budget for FY 22 has a \$700 increase.

Vehicle Maintenance Facility – Middle Peninsula

Payments will be used to replenish the Transfer System and Convenience Center Equipment Replacement Funds which provided funding for the development of the Vehicle Maintenance Facility.

The Boards of Supervisors from all five Middle Peninsula counties committed to making these payments for five years.

Since the budget had been reviewed previously with all Board members, Mr. Magnant asked if there were any questions and stated that he would address the budget line items if necessary. Jason Mitchell said it was not necessary to address the line items but asked Mr. Magnant to address any significant changes in the budget. Mr. Magnant stated the significant changes were health insurance, the property and casualty insurance, and the change in the lowest hourly wage to \$11.00 per hour to meet the State of Virginia's minimum wage increase to take effect on January 2022.

Brian Woodward asked if there were any questions. Mr. Woodward asked what impact there would be on VPPSA if the budget were not to be approved at the December 2020 Board meeting. Mr. Magnant stated if not approved there would not be a significant impact on VPPSA. However, VPPSA would not be able to provide firm pricing to the member communities if the budget were not to be approved. Mr. Magnant stated the VPPSA budget is typically approved at the December Board meeting so that member communities have figures to provide to their respective Board of Supervisors or City Councils for their budget process. Mr. Magnant stated that there would be no anticipated changes to the VPPSA budget if not approved at the December Board meeting.

Mr. Woodward asked what the desire of the Board was with regards to approving the VPPSA FY 22 Budget. Bobbie Tassinari moved that the budget be approved as presented. The motion was seconded by Jason Mitchell and was passed unanimously.

7. EXECUTIVE DIRECTOR'S REPORT

Brian Woodward asked for David Magnant to provide an update on the candidate search for the Director of Operations position. Mr. Magnant stated that two interviews are to be conducted the week of December 7, 2020. There are two candidates: Mr. Jeff Blevins of Page County and Ms. Lynn Shematek of York County.

8. OLD BUSINESS

No old business

9. NEW BUSINESS

David Magnant previously sent a memo to each Board member requesting their support of a \$500 bonus for each staff member. Mr. Magnant stated that the solid waste and recycling sectors had been identified in March 2020 by the Department of Homeland Security's Cyber Security and Infrastructure Security Administration as essential sectors. Both sectors had also been identified by the State of Virginia as essential in all emergency orders issued at the state level. Mr. Magnant stated that the Convenience, Transfer, and Compost Facility personnel are in job positions that do not allow them to telework and that the desire is for the Board to support a one-time bonus for staff given their work during the COVID-19 pandemic. Mr. Magnant stated that no additional funds would be required as the monies were already in the system.

Mr. Magnant asked for approval from the Board to provide staff with a one-time \$500 bonus. Brian Woodward asked if there were any comments from the Board. Mr. Woodward stated that eligible York County employees will be allowed to buy back one week of vacation time as a form of bonus to the employees. Grace Boone stated that James City County will be providing a 2% performance increase. Ms. Boone also stated that General Services raised their hourly rate to \$12.79 for convenience center staff based on market research and difficulty hiring qualified staff. Dan Clayton stated that the City of Williamsburg provided a 2% increase in July 2020.

Dan Clayton moved to approve the one-time \$500 bonus. The motion was seconded by Jason Mitchell and was passed with six "yay" votes, one "nay" vote, and no abstentions.

10. NEXT MEETING

**Via Zoom Video Conference
February 5, 2021
9:00 a.m.**

Brian Woodward adjourned the meeting at 9:48 am.

Respectfully Submitted,



Thomas J. Swartzwelder
Secretary/Treasurer