

**OPEN SESSION MINUTES
WINNEBAGO COUNTY BOARD OF SUPERVISORS
SOLID WASTE MANAGEMENT BOARD**

DATE: June 15, 2016

TIME: 9:00 a.m.

LOCATION: Sunnyview Landfill
100 W. County Road Y
Oshkosh, WI

PRESENT: Pat O'Brien, Chairman
Ken Robl, Vice Chairman (9:00 a.m. – 10:21 a.m.)
Paul Eisen, Secretary
Mike Easker
Jerry Finch
Gerry Konrad
Susan Locke
Doug Nelson

EXCUSED: David Albrecht

ALSO PRESENT: John Rabe, Director of Solid Waste
Kathy Hutter, Confidential Secretary
Kurt Pernsteiner, Facility Manager
John Fink, County Executive Assistant
Chuck Orenstein, Finance Director (9:00 a.m. – 9:31 a.m.)

1. Call to Order: P. O'Brien called the meeting to order at 9:00 a.m.
2. Approve Agenda: Motion to approve the June 15, 2016 agenda with an adjustment to move item 7 before item 6, made by K. Robl and seconded by J. Finch. Motion carried 8-0.
3. Public Comments on Agenda Items: None.
4. Announcements/Communications: J. Rabe explained to the Solid Waste Management Board (SWMB) that the recruitment and interview process for the Recycling Coordinator position vacancy has been suspended until the 2017 budgetary process is complete.

J. Rabe provided the SWMB with an agenda for the Tri-County Solid Waste & Recycling 3rd Annual Tri-County Board/Committee Meeting. The meeting will be hosted by Brown County (BC) Port & Resource Recovery in Green Bay on June 22, 2016 at 2:30 p.m. A SWMB meeting agenda has been posted in the event that a quorum of members is present, however, no SWMB business will be conducted at this meeting.

5. Approval of Minutes – June 1, 2016 Open Session: Motion to approve the June 1, 2016 open session minutes, made by J. Finch and seconded by K. Robl. Motion carried 8-0.
7. Discussion/Action – County Investment Options for Solid Waste Fund: J. Rabe explained to the SWMB that County Investments were last discussed at the April 6, 2016 meeting when board members asked C. Orenstein to research further Investment Options for the Solid Waste (SW) Fund. J. Rabe asked C. Orenstein to return and report his findings to the SWMB.

C. Orenstein presented the SWMB with Portfolio Analysis for splitting a portion of the SWMB Retained Earnings from the Winnebago County (WC) General Fund and investing in higher yield, long-term securities (up to 7 years). The investment scenario resulted in a maximum average return on investment ~0.5% higher than actual return on investment of SW Funds included in the County Portfolio (based on performance from the first four months of 2016). J. Rabe explained to the SWMB that the BC SW Board took an investment approach much like C. Orenstein's scenario and realized a similar increase in return on investment.

C. Orenstein stated that he is also in the process of restructuring the County Portfolio to invest a larger portion of funds into longer duration securities which has potential to improve investment returns for all County Funds.

Discussion ensued amongst the SWMB.

No action taken by the SWMB.

6. Discussion/Action – Proposed Solid Waste Management Board Meeting Schedule: J. Rabe explained to the SWMB that the amount of business related topics has declined to the point where essential agenda topics can be fit into one meeting per month. J. Rabe stated that staffing changes have also impacted the amount of time that SWMB Staff can dedicate to developing agendas, preparing minutes and completing reports for the current twice-per-month meetings. J. Rabe explained that in comparison, the BC SW Board meets once-per-month and the Outagamie County (OC) Highway and SW Committee meets twice-per-month (split meetings with both Highway and SW topics). J. Rabe asked the SWMB to consider adjusting meetings to a monthly schedule, with the understanding that an agenda packet will be prepared and mailed to SWMB members one week in advance and that additional, special meetings will be scheduled as needed.

Discussion ensued amongst the SWMB.

P. O'Brien suggested that J. Rabe cut back on less important meeting topics and distribute informational program updates to SWMB members through mailed reports/memos; SWMB members can review informational updates and request an agenda item if they feel a specific topic warrants discussion. Meeting dates that lack substantial discussion topics can be canceled.

No action taken by the SWMB.

8. Discussion/Action – 2016 Retained Earnings Allocation: J. Rabe presented the SWMB with the proposed 2016 Retained Earnings Reservation as follows:

<u>Description</u>	Fund Goal Authorized By SWMB <u>2015</u>	Fund Goal Proposed to SWMB <u>2016</u>
Designated Emergency Funds:		
Regulatory Compliance	\$1,000,000	\$1,000,000
Remediation/Liability	500,000	500,000
Litigation	200,000	300,000
Interim Construction	1,000,000	1,200,000
Operational	---	---
Capital Outlay	500,000	500,000
Future Landfill Airspace Development/R&D Planning	4,000,000	6,000,000
Operational Cash Flow	1,500,000	1,500,000
Rate Stabilization – Solid Waste	---	---
Debt Service - Recycling	1,400,000	1,100,000
Surplus for Future Solid Waste Transportation	3,600,000	4,000,000
Research & Development Planning	800,000	---
Snell Road Landfill Long-Term Care >20 years	6,500,000	6,500,000
Sunnyview Landfill Long-Term Care >40 years	2,500,000	2,500,000
Landfill End Use/Beautification	1,000,000	1,400,000
Snell Road Landfill Preventative Maintenance	---	---
Sunnyview Landfill Preventative Maintenance	---	---
Total Reserved	<u>24,500,000</u>	<u>26,500,000</u>
Balance as of December 31	\$24,784,093	Est. ~\$26,500,000
Current Surplus/(Deficit)	\$284,093	---

J. Rabe explained that the 2015 Financial Report showed a December 31 balance of \$24,784,093 in the retained earnings fund. J. Rabe further explained that 2016 Budget plans for similar operational costs with a significant increase in the estimated retained earnings balance due to an Escrow Account adjustment from January 2016.

J. Rabe suggested that the following fund goal changes could be made to meet future needs:

- Increase “Litigation” from \$200,000 to \$300,000.
- Increase “Interim Construction” from \$1,000,000 to \$1,200,000.
- Combine “Future Landfill Airspace Development” with “Research and Development (R&D) Planning” and increase the combined amount of \$4,800,000 to \$6,000,000.
- Decrease “Debt Service - Recycling” from \$1,400,000 to \$1,100,000.
- Increase “Surplus for Future Solid Waste Transportation” from \$3,600,000 to \$4,000,000.
- Increase “Landfill End Use/Beautification” from \$1,000,000 to \$1,400,000.

Discussion ensued amongst the SWMB.

Motion made by P. Eisen and seconded by J. Finch to accept the proposed 2016 Retained Earnings Reservation as presented by SWMB Staff.

G. Konrad and M. Easker requested that the proposed 2016 Retained Earnings Reservation be reconsidered for discussion/action at a later date.

Motion and second withdrawn.

No action taken by the SWMB.

9. Discussion/Action – Financial Cash Flow Analysis Update: J. Rabe explained to the SWMB that P. Eisen requested a comparison of the current Financial Cash Flow vs. the WC Lifecycle Financial Analysis prepared by Foth Infrastructure & Environment (Foth) in 2013. J. Rabe presented the SWMB with an updated draft Financial Cash Flow Analysis. J. Rabe reviewed 2013-2029 (actual and projected) operational Revenues and Expenses, Retained Earnings Balances and Tipping Fee Rates with the SWMB. J. Rabe indicated that SW expenses are well managed yet Staff expect to see declining revenues as landfill gas flows are depleted and transportation (hauling) expenses increase. Staff will continue to evaluate the draft Financial Cash Flow Analysis and will present a finalized copy to the SWMB at the 2017 Budget Workshop Meeting.

Motion made by J. Finch and seconded by K. Robl to accept the Financial Cash Flow Analysis Update as presented by SWMB Staff.

Discussion ensued amongst the SWMB.

Motion and second withdrawn.

No action taken by the SWMB.

10. Discussion/Action – 2017 Budget Table of Organization & New Position Requests: J. Rabe presented the SWMB with a draft 2017 Table of Organization and explained that it is based on current staffing and operational needs for core SW work functions. J. Rabe reviewed the proposed changes and indicated that internal requests for Labor Allocations and New Positions for the 2017 Budget are due on June 30, 2016.

Discussion ensued amongst the SWMB.

No action taken by the SWMB.

11. Discussion – Landfill Gas Operations Update: J. Rabe explained to the SWMB that four of the five engine/generators continue to be run during peak power use times and engine maintenance is scheduled around downtime in effort to maximize landfill gas (LFG) revenues. WPS/Highway Revenues are \$261,859 for May 2016. Projected revenues are \$2.9M for 2016 and are on pace to exceed the 2016 budgeted revenue of \$2.6M.

Discussion ensued amongst the SWMB.

12. Future Agenda Items: P. Eisen requested a closed session agenda item to discuss the future of the SW Department and retained earnings. M. Easker requested a Container Rental & Lease Program update on a future agenda.
13. Set Next Meeting Date: The next SWMB meeting date is scheduled for July 6, 2016 at 9:00 a.m.
14. Adjournment: Motion to adjourn made by J. Finch and seconded by S. Locke. Motion carried 7-0. Meeting was adjourned at 10:56 a.m.

Respectfully Submitted,

Kathy Hutter
Confidential Secretary

Approved by SWMB – July 6, 2016