

DRAFT
CHITTENDEN SOLID WASTE DISTRICT
ZOOM MEETING
March 23, 2022

PRESENT

BOARD MEMBERS:

Bolton	-----
Burlington	Lee Perry
Charlotte	Ken Spencer
	Abby Foulk, alt.
Colchester	Liz Hamlin Volz
Essex	Alan Nye
Essex Junction	Alan Nye
Hinesburg	Doug Taff
	Rick McCraw, alt.
Huntington	-----
Jericho	Leslie Nulty
	Tom Joslin, alt.
Milton	Henry Bonges
Richmond	-----
Shelburne	Tim Loucks
So. Burlington	Paul Stabler
Underhill	Paul Ruess
	Dan Steinbauer, alt.
Westford	Katie Frederick
Williston	Kelton Bogasky
Winooski	Bryn Oakleaf

STAFF:

Sarah Reeves
Amy Jewell
Dan Goossen
Jen Holliday
Nola Ricci
Josh Estey
Michele Morris
Josh Tyler

OTHERS PRESENT:

Thomas Melloni, Esq.
Mike Casella, Casella Waste Systems
Tim Langlois, Casella Waste Systems
Kelsey McWilliams, Waste-d.com (Burlington)

AGENDA:

1. Agenda
 2. Public Comment Period
 3. Consent Agenda
 4. Ad Hoc Committee – Report from the Committee
 5. Household Solid Waste Survey Report
 6. MRF – Revenue Sufficiency Study
 7. Executive Session
 8. Other Business
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1.0 CALL TO ORDER and AGENDA

Chair Paul Ruess called the meeting to order at 6 PM.

There was a change to the meeting agenda. The Household Solid Waste Survey report was moved to April.

2.0 PUBLIC COMMENT PERIOD

None

3.0 CONSENT AGENDA

The Rover agenda item was removed from the agenda to be discussed in April.

The consent agenda was approved with the one change noted above.

4.0 MRF Review

Sarah Reeves introduced the MRF Project and stated that the Board action requested is to proceed to Bond for a new Facility. She reviewed the memo which included providing the case for a new MRF:

- Fulfill a desire to do more and to do better – Vermonters Like to Recycle and want to do more
- Project Site- Williston remains the best option
- Commingled Recycling Supply – Supply of inbound material is not currently in CSWD's control, but could be
- MRF Technology – cannot continue to sort recyclables manually and remain competitive
- Markets for sorted Materials – local markets are critical for long-term viability
- Economics – strong consideration should be given to self-operating a new MRF
- Mitigating Risk – Our members should not be burdened with CSWD debt
- Commitment to the MRF – The Board confirmed commitment to owning a MRF in 2018, 2020, and 2021
- Who we serve – CSWD's facility processes 53% of Vermont's Blue Bin recyclables
- Material Mix Factors – Improving paper and cardboard quality is critical to ensuring reliable marketability

- The great future is plastic – CSWD needs technology solutions to meet current and future market demands
- Site considerations – The existing MRF is undersized, and site constrained and offers no opportunity to grow while a new MRF corrects receiving, processing, and storage deficiencies, and allows for future growth. The new site was reviewed.
- Conclusion – The time to act is now so that CSWD can be set up for success for the next 30 years.

RESOLUTION^[SR1]

Moved by Paul Stabler, Second by Katie Frederick that BE IT RESOLVED, that the Board of Commissioners of the Chittenden Solid Waste District has determined that constructing a new Materials Recovery Facility in the Town of Williston, VT would constitute a public benefit and satisfy a public need, that is to allow all who reside in, work in, and visit Chittenden County to fulfill the state and local mandates to sort mandatory recyclables from the waste generated during the course of the day and keep such materials from being disposed in a landfill.

BE IT FURTHER RESOLVED, that the Board of Commissioners of the Chittenden Solid Waste District hereby directs the Executive Director to initiate the process to submit a bond authorization request to the voters of Chittenden County, VT for their approval to allow the Chittenden Solid Waste District to issue bonds in an amount not to exceed \$22,000,000 for the purpose of constructing a Materials Recovery Facility in the Town of Williston, VT.^[SR2]

Discussion:

Discussion was held on how the new bottle bill may affect materials seen at the MRF. Jen Holliday referenced the DSM study performed for the state, which focused on the impact of the bottle bin on the MRF, and the bale sorts done separately by CSWD. The study estimated that if the bottle bill were to expand today, with the inclusion of wine bottles, we would see a decrease of tonnage at our MRF by about 3500 tons, 3100 of which would be glass. This is one of the reasons we want to focus on improving our fiber capacity, to offset this loss in tip fee revenue from glass.

Support was expressed for the MRF by various Board members, saying the MRF is a great opportunity to get people thinking about and educated regarding the problems of waste. Paul Stabler and Ken Spencer expressed their “wholehearted support for this project”, highlighting the results of the recent waste compensation survey, which showed Chittenden County residents to be the best in the nation on diversion of recyclables. Furthermore, several towns, including the town of Underhill, has made their support for this project clear to the Board commissioners.

Leslie Nulty asked the impact of the current bottle bill on revenue from materials sales. Jen Holliday responded that 500 tons of lost PETE would be about \$167,000 per year. Leslie asked about the elasticity exercise on Table 4, which includes revenue and costs, but not financing costs. She said the board needs to know what we're anticipating for financing costs. She also said that additional work needs to be done to factor in inflation that is affecting labor and construction costs. Sarah Reeves spoke with Vermont Municipal Bond Bank, which ran a schedule for CSWD that is referenced in the packet. The bank ran the schedule for us at their current rate, looking at 25 years, borrowing \$22 million, and the debt service payment per year would be about \$1.2 million on 2-2.5% interest. If we wait too much longer the interest rate will rise. There is information in the packet about the question of what point we would be able to pay the \$1.2 million debt service and not have to

subsidize. In every instance but one, CSWD will generate enough revenue from the MRF to consistently make that payment.

MRFs being used as examples for the proposed CSWD MRF were also discussed. Staff expressed their criteria for reviewing MRFs. All MRFs surveyed were chosen for their similarity in terms of mix of materials, size of facility, tons of materials processed, and climate conditions. Staff agreed to share links to some YouTube videos of MRFs "in action" to demonstrate the processes at these facilities.

Sarah Reeves also shared a recent community survey conducted by CSWD, which showed an approval rate for a new MRF of 61% of respondents, indicating public support for this project.

Board members requested financial information indicating why the District has not operated the MRF, instead favoring Casella to manage the facility. Josh Tyler and Sarah Reeves shared a spreadsheet of MRF financial data from the past five years. While the graph does show gross revenue, we don't know what their costs are exactly. However, it does show our processing fee; the split of profit, revenue, and sale of commodities; Casella and CSWD's "take home" revenue at the end of the year.

Leslie Nulty expressed concern for known inflation costs that will affect interest rates and construction costs. She noted that with a \$1.2 million cost for annual debt service, we have a very narrow margin of about \$50,000, which is de minimis. She requested that in order for the Board to carry out their fiduciary responsibility they will need to see a revised set of numbers that includes inflationary adjustments, particularly construction and financing costs. Sarah Reeves responded to this question, showing that the information causing concern was shared to show how low a commodity rate could go while CSWD still met the debt service obligation. Sarah also discussed different opportunities to increase revenue, and the importance of grant revenue in funding the new MRF, sharing that "there has never been this amount of money available for projects like this".

There was a follow up discussion about the bond bank structure of the loan. Sarah will get clarification from the bank. Additionally, the Board will have another opportunity to look at the budget of this project. The process will be to get approval, go to grantors, and put together a financing package. This will go to the Board ahead of going to the voters; the timing will be in the next few months, with July or August as the latest date.

Clarification regarding the cost-benefit analysis compared to the elasticity table were discussed; Josh Tyler shared that staff looked at including internal staff, current market material rates, and operating costs.

Concerns about raising a tip fee were addressed, specifically regarding the rate increase for communities that do not use the MRF. However, Bryn Oakleaf notes in her statement of support for the MRF that owning or operating our own facility would mean greater influence on tip fees and other features of the MRF.

Finally, concerns regarding changing or lessening the revenue raising capabilities of the MRF were discussed. Sarah responded that the topic of funding capital projects will require a lot of conversation, but that the MRF is no longer subsidizing the remainder of CSWD to the degree it once was. The ODF in particular was noted as a department that is raising funds; and throughout the conversation focused on Drop Off Centers between Board and staff this year there are additional opportunities to adjust for raising revenue.

After a question regarding whether the creation of a new MRF would help or hurt CSWD's bargaining position with Casella, a decision was made to move into Executive Session. Due to a potential conflict of interest, Williston Commissioner Kelton Bogasky recused himself from the conversation.

7.0 Executive Session

MOTION by Tim Loucks, SECOND by Leslie Nulty, that the Board of Commissioners of the Chittenden Solid Waste District go into Executive Session to discuss contract negotiations 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 to permit approved staff, other invited interested parties, and the Solid Waste District attorneys to be present for this session. VOTING: One Nay, Winooski; All Ayes otherwise; motion carried.

The Board entered executive session at 7:44 p.m.

Executive Session was convened at 7:45 PM.

MOTION by Alan Nye; second by Leslie Nulty. VOTING: unanimous; motion carried to exit Executive Session at 8:52 PM.

Following the Executive Session, a Leslie Nulty motioned to Move the Question. [SR3] VOTING: One Nay, Shelburne; All Ayes otherwise; motion carried. Debate closed.

There was a roll call vote held on the Resolution:

The Roll Call Voting results were unanimous "Ayes"; RESOLUTION approved.

Bolton – Vacant
 Burlington – Lee Perry - YES
 Charlotte – Ken Spencer - YES
 Colchester – Liz Hamlin-Volz - YES
 Essex Town – Alan Nye - YES
 Essex Village – Alan Nye- YES
 Hinesburg – Doug Taff- YES
 Huntington- Vacant
 Jericho – Leslie Nulty – YES
 Milton – Henry Bonges – YES
 Richmond- Vacant
 Shelburne- Timothy Loucks – YES
 South Burlington – Paul Stabler – YES
 St. George-Vacant
 Underhill – Paul Ruess – YES
 Westford- Absent
 Williston – Kelton Bogasky – YES
 Winooski – Bryn Oakleaf – YES

4.0 Ad Hoc Committee – Report from the Committee

The work of the Ad-Hoc committee was detailed; and the language of the statement of Total Compensation Philosophy was introduced. There will be a motion tonight to accept this wording and to

incorporate it into the Personnel Policy Manual. Furthermore, work on benefits and pay and step scale were given to the Finance Committee for review for potential inclusion in the FY23 budget.

Ken Spencer asked about the recommendations that were not being followed; is there anything that can be added to the discussion about why these recommendations decided not to be followed. Amy Jewell responded that we noted that the uncertainty around some of the changes, and the amount of work needed to enter the new steps and pay grades. The current system allows for more flexibility. Lee Perry asked if Gallagher Flynn allows for any tiering of positions, which was not in the scope of the request of Gallagher Flynn. Paul Stabler noted that the committee realized we have attractive benefits; and that now is not the time to rework the benefits to the detriment of employees to be recruit and retract employees.

Liz Hamlin – Volz wanted to share her thanks to Amy for navigating the committee and including laypeople in the committee to a robust, easy discussion of benefits.

Voting was held on the following two resolutions:

BE IT RESOLVED that the Board of Commissioners approves the Total Compensation Philosophy as presented which will be included with CSWD's Personnel Rules and Regulations. MOTION by Lee Perry, seconded by Bryn Oakleaf that the Board approves the resolution. VOTING: unanimous ayes, measure passes.

BE IT RESOLVED that the Board of Commissioners disbands the 2021-2022 Compensation Review Ad-Hoc Committee. MOTION by Kelton Bogasky, seconded by Alan Nye. VOTING: Unanimous ayes, measure passes.

8.0 ADJOURNMENT

MOTION by Paul Stabler to adjourn the meeting; second by Alan Nye. VOTING: unanimous; motion carried.

The meeting was adjourned at 8:53 PM.

Becky Johnston, 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 Williston.

Amy Jewell, Secretary