

MINUTES

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY CITY OF CRESCENT CITY COUNTY OF DEL NORTE STATE OF CALIFORNIA

Special Session

Thursday August 21, 2014

2:00 PM

PRESENT: Commissioner Roger Gitlin, County, Chair
Commissioner Ron Gastineau
Commissioner Rick Holley, City, Vice-Chair
Commissioner Mike Sullivan, County, arrived 2:07 p.m.
Commissioner Mary Wilson, Public, Secretary/Clerk
Legal Counsel Martha Rice
Acting Director/Program Manager Tedd Ward
Treasurer/Controller Richard Taylor

ALSO PRESENT: Wilma Madden, PS Business Services
Clinton Schaad, County Auditor
Terry Supahan, Meeting Facilitator
Heidi Kunstal, Director of Community Development
Kathryn Murray, Crescent City Councilperson
Richard Miles, Del Norte Solid Waste Task Force Chair
Norma Williams, SEIU 1021
Tommy Sparrow, Recology Del Norte
Joel Wallen, Hambro/WSG
Wes White, Hambro/WSG
Gerry Hemmingsen, Del Norte County Supervisor

**2:00 PM CALL MEETING TO ORDER
PLEDGE OF ALLEGIANCE**

Chairman Gitlin opened the meeting in special session at 2:00 p.m. Chairman Gitlin led the pledge.

Chairman Gitlin announced that public comments would be taken at the end of the meeting following the workshop. Richard Miles complained that public comments should be heard as agendaized. Chairman Gitlin then announced that this change was done in consultation with legal counsel. Richard Miles then left. Mr. Lonsdale asked if public comment would be cut off at 4:00. Chairman Gitlin responded that it would not as 4:00 p.m. is a target for the meeting to end, not a definitive ending time.

PUBLIC COMMENTS: ANY MEMBER OF THE PUBLIC MAY ADDRESS THE SOLID WASTE MANAGEMENT AUTHORITY ON THE AGENDIZED ITEM ONLY. After receiving recognition from the Chair, please give your name and address for the record.

The following person(s) addressed the Authority: Comments were received during Item 1.

1. Discussion regarding Options 1 through 4 as presented in “Final Report - Assessment of the Del Norte Solid Waste Management Authority” (R3 Consulting Group, May 14, 2014), including the process and possible development of elements of a strategic plan for the Del Norte Solid Waste Management Authority. **

Mr. Supahan explained how he would be facilitating the meeting and indicated that a public comment period would be held. Mr. Supahan commented on his work on the Humboldt Waste Management strategic plan last year.

Commissioner Gastineau indicated that he did not want to talk about options 1 through 4 until the Authority has established goals and objectives/strategic plan. Commissioner Holley concurred. Commissioner Sullivan agreed as well, but added that the fiscal issues from a period of years need to be remembered. Commissioner Sullivan commented that the prior board completely ignored the recommendations of the ad hoc committee. Commissioner Wilson stated she felt they did need to have goals, but pointed out that the agenda is specific to options 1 through 4 in R3 report and not for discussion of a mission statement or goals. She added that the staff report in the agenda did not tell the whole story. Commissioner Wilson commented on how they reached the point of hiring R3 for development of their report. Commissioner Wilson added that she felt that development of a mission statement was necessary. Chairman Gitlin commented that he would have preferred to have input at the last meeting about strategic planning. Chairman Gitlin then asked the Authority's legal counsel, Martha Rice, to review the legal aspects of each option 1 through 4. Commissioner Sullivan clarified the full wording of option 1. Commissioner Wilson also commented on the full wording of option 1. Commissioner Holley then commented on page 2 of 26 of the R3 final report and read a portion of it. Commissioner Gastineau added that goal changes, more recycling for business for instance, will determine what staffing level is needed and that the Director should decide what staff levels are needed. Commissioner Sullivan pointed out that the Recology and Hambro contracts are not part of this discussion at this point. Chairman Gitlin commented on an e-mail he received from R3 earlier in the day that clarified the wording in their report for the commissioners.

Ms. Rice commented there were two main concerns, the MOU with the employees and the requirements in the Meyers-Milias-Brown Act. Ms. Rice indicated that option 1 refers to current staffing levels with both the Executive Director and Program Manager there is no legal impact with filling the Executive Director position. Ms. Rice then commented on option 2, which calls for eliminating two positions (the Executive Director and Program Manager) and creating a solid waste manager position. There is no issue with eliminating the Executive Director position as it is not covered by the MOU.

However, the Program Manager could be covered by the MOU, so elimination of that position would require the bargaining process with the union. Ms. Rice then reviewed her memo dated August 20, 2014 with regard to the impacts for each option. Elizabeth Henry called a point of order that the public did not have copies of Ms. Rice's memo. Chairman Gitlin commented that it is inappropriate to reveal legal counsel communication without legal counsel authorization. Ms. Rice explained that it becomes public information at this point. Mr. Supahan suggested Ms. Rice just summarize the information in the memo. Norma Williams pointed out that a copy of the memo should have been provided to the union before the meeting and she will be taking the matter up with the union's legal counsel. Ms. Rice then continued with her summarization, indicating that the combination of the Administrative Assistant and Account Clerk positions into a single new position will require bargaining with the union as well. Ms. Rice commented that option 3 would not require bargaining with the union but would involve contract negotiation for salary and benefits. Commissioner Sullivan requested clarification as to which steps in option 2 also applied to option 3. Ms. Rice complied and commented that the MOU with the union has historically applied to the two management positions not specifically listed in the MOU. Commissioner Wilson stated that she had a copy of the 1994 MOU and a copy of a letter from the former Executive Director. Ms. Rice pointed out that once you indicate to an employee how they will be treated and begin doing so, the employer is then obligated to continue doing so. Ms. Rice then reviewed the option 4 legal impacts, indicating that privatizing would not be legal under California law in general law cities and counties. Commissioner Wilson questioned if the JPA was bound by that. Ms. Rice reviewed the applicable rules. Chairman Gitlin asked if the Costa Mesa case was fully adjudicated. Ms. Rice replied that it was not, and may never be as they are trying to negotiate. Ms. Rice then reviewed the applicable provisions for services that can be contracted out. Chairman Gitlin asked if option 4 was a viable option. Ms. Rice replied it was not legally viable at this point in time. Commissioner Wilson indicated she felt this was a good opportunity to discuss the R3 report. Commissioner Wilson commented on the expenses continuing to increase even though more recycling is taking place and less garbage is going across the scales. Commissioner Wilson added that garbage and recycling rates for businesses has increased. Chairman Gitlin commented on that the rules in place must be respected. He added that he wanted to have the Board operate in a lawful manner and there are parts of option 4 that are not legal. Commissioner Wilson commented again on the need to look at trends and the increase of recycling, the reduced scale revenue, and increased expenses such as payroll.

Commissioner Wilson then commented on the ad hoc committee notes with regard to the duties of the Executive Director and the handling of funds. Commissioner Wilson stated she felt that the Authority was overstaffed. Commissioner Holley commented on the complexities involving layoffs and referred to his experiences while working in Human Resources at the School District. Commissioner Holley added that he was not sure why options 2 and 3 are viable at this time since there is no lack of funds or lack of work at this time. Commissioner Holley continued that they are not bound strictly by the 4 options listed in the R3 report. Chairman Gitlin agreed they could use portions from each option.

Chairman Gitlin commented that \$29,000 is missing and the loss has not been identified as to how it occurred. Commissioner Gastineau indicated he understood what

Commissioner Wilson was saying, but that the R3 report is a snapshot in time. Commissioner Gastineau added that the R3 report will not necessarily still be applicable after changes in staffing are made and any decision on what direction the Authority takes. Commissioner Gastineau commented that the Sheriff's Department report was inconclusive as to where the money went, so they will likely never recover that cash. Commissioner Gastineau added that adequate staffing is necessary to enforce cash controls and needs to be a part of the overall strategic plan. Acting Director Ward commented on his concerns about the missing money and reviewed the procedures for cash controls that have been put in place and that surprise cash counts have come out to the penny. He added that staff has fully cooperated with the Sheriff's Department. Acting Director Ward also commented on recycling programs and the need to examine trends. Commissioner Sullivan indicated that he appreciated the cash controls put in place and the involvement of the Treasurer in that process.

Commissioner Sullivan added that even option 1 doesn't mean that the status quo remains and option 4 is not legally viable. Commissioner Sullivan continued that money did go missing, but current staff and cash controls have changed the handling of money. He added that he feels the authority should be a utility and that if it were a utility, education programs could be handled by Hambro and Recology. Commissioner Sullivan pointed out that management of money and monitoring of the landfill would still be handled by the Authority. Commissioner Sullivan added he did not feel that they had accomplished anything again during this meeting. Chairman Gitlin turned the meeting back over to Mr. Supahan. Mr. Supahan commented that in speaking to R3, they concurred that preparing the goals/strategic plan is necessary to move forward and implement changes.

Elizabeth Henry commented that R3 report has a flaw in that options 1 through 4 don't have a complete fiscal impact review. She added that Option 2 has been proven a failure as the fiscal impact has been greater without a director and tasks have been left undone. Ms. Henry stated she felt the Authority must hire a director before proceeding with setting goals. Mr. Supahan pointed out there is a sign-in sheet for speakers.

Norma Williams commented on behalf of union employees and felt that staff reduction would adversely impact operations. She added the Authority should hire an Executive Director to carry forward the Authority's goals as extra help and guidance is needed. Ms. Williams stated that option 4 is not legally viable. Ms. Williams added that the current MOU requires the Authority to work with the union and pointed out that the MOU is a legal contract and the union will respond if the Authority tries to break that contract.

Mary Beth Sampson read a statement expressing her belief that they need to hire an Executive Director to lead setting of goals and objectives and leading staff. Rita Schmidt, who is one of the gate staff, thanked her fellow gate staffers and management staff for their efforts. She also thanked Norma Williams for her efforts on behalf of the employees.

Victoria Dickey commented on the missing funds and understood the implementation of the cash controls. She added that she also understood the desire to avoid illegal options. Ms. Dickey indicated she did not want to see the staff harmed by the

Authority's actions. Ms. Dickey expressed her concerns regarding the staffing levels for management. She added that the Commission needs to protect the public from unnecessary cost increases.

Dale Condon requested the Commission maintain the existing staffing and service levels, adding that the rates are lower here than in adjacent areas. Mr. Condon expressed concern with the Tea Party affiliation of Commission members. He concluded by requesting the Commissioner hire an Executive Director and they drop the idea of outsourcing.

Andy Larson commented he was a member of the Tea Party, but was in favor of recycling. He added that the Authority needs a long-term management plan and that it needs to fund itself.

Felice Pace, resident of Klamath, stated he felt that many people were stuck in the past and that they need to move forward rather than rehashing the past. He indicated that with the new fiscal controls in place, there is no longer a money loss issue. Mr. Pace also indicated he felt the atmosphere was of being anti-worker, which is not conducive to a good work environment. He added that benefits for employees, even if contracted out, should be provided. Mr. Pace then read a portion of the R3 report with regard to staffing levels. Mr. Pace added that he would like to see the community have a robust recycling and waste reduction program.

Craig Strong commented that the Authority is not following the R3 report in that they need a mission statement and the setting of short and long term goals. He added they have already been operating under the option basically without a director and that staff is getting behind on required reports as a result. Mr. Strong commented on the fines the City and County were subject to prior to the formation of the JPA. He added that he did not feel option 2 was working. He stated the Authority needs to hire an Executive Director or a temporary Executive Director to work on a mission statement and short and long term goals. Mr. Strong added that it a goal to reduce the amount of waste being hauled. Mr. Strong also commented the present staffing level is having an impact on the handling of potential grants. Mr. Supahan commented on the process of developing goals and a mission statement and that it involves the public.

Robin Sutherland expressed frustration with the reference to puzzle pieces instead of a reference to building a house, wherein you begin with a foundation.

Eileen Cooper felt the current Board has damaged an excellent Authority and got rid of an Executive Director that was doing well. She stated she felt that the Commission had done a disservice to the community by not having that position and losing that vision. Ms. Cooper added that they need to have a dynamic Solid Waste Task Force with a vision for the community. Ms. Cooper also indicated they should have an ordinance in place that requires waste producers and commercial business to participate with the Authority in reducing waste.

Barbara Burke, Gallery of Arts & Culture, indicated she previously worked for the Small Business Development Center. Ms. Burke stated she felt they needed to stabilize

management and staff and establish a strategic plan and a business plan. Ms. Burke also commented on staff's participation in receiving grants and assisting entrepreneurship. Ms. Burke reiterated that a mission statement and strategic plan are necessary and commented on citizen concerns about waste management.

Patricia Black commented that she had hoped that the workshop would be more productive and that there are many people here that could be helpful in the planning process. Ms. Black stated that goals need to be established and that her goal is zero waste. She added that old landfills were unlined and hazardous, but they must look forward and not blight the community. Ms. Black expressed the hope that they would hold more workshops to develop concerns that become the strategic plan and they hold them at different times of the day so more people can attend.

Mike Tompkins stated he wanted to see the current administration and staff supported.

Kathryn Murray commented on appreciating the analogy to building a house, and that construction requires a contractor and that they should refill the Executive Director position and move forward and that they no longer have the fiscal issues of the past.

Bill Lonsdale commented that the public record was not complete in that it does not include the memo from legal counsel, which perhaps could be included with next agenda. Mr. Lonsdale complimented Commissioner Wilson on the work she has done researching missions statements and that her research should be distributed to the public as well. Mr. Lonsdale added that the e-mail from R3 that Chairman Gitlin mentioned should also be made public. Mr. Lonsdale asked Mr. Supahan, the facilitator, how the information collected today would be made available to the public. Mr. Lonsdale added that they need to come to a consensus between the Board and the public as to whether the Authority moves forward as the best that it can be or that it be changed to a utility. He added they also need a community consensus regarding fairness of rates and stated he felt that if they start charging for recycling, it will not work out well. Mr. Lonsdale commented that Commissioner Wilson is the public representative and needs to represent private people as well as commercial business.

Janet Gilbert commented she would like to see a fiscal analysis prepared for each of the options and find models where work has been contracted out and how well that has worked and the costs involved, as this has an economic impact to the community. Wes Nunn indicated he thought establishing a mission statement was a good thing. He acknowledged that public input is difficult, but there is a Solid Waste Task Force that could hold the workshops to receive input on items for the mission statement.

Commissioner Sullivan stated he felt they need to have a plan as to moving forward – even the possibility of a utility. Commissioner Sullivan commented that he has both commercial recycling as well as residential recycling and did not feel that only commercial business should pay for recycling. He added that did not want to see it completely privatized and felt the JPA was the appropriate management tool. Commissioner Sullivan stated he would like to see a list of what the Authority does to be able to available to the public. Commissioner Sullivan also commented on that not all grant money received stays here locally. Commissioner Sullivan then stated that the

Sheriff's Department report concluded the \$29,000 was not missing, but that it was embezzled. While they have moved forward and have cash controls in place, the fact remains that the \$29,000 was embezzled under the former Executive Director's watch. Commissioner Sullivan indicated that he wants to establish a mission statement and work on staffing levels based upon that mission statement.

Mr. Supahan thanked everyone for their participation. He also thanked Ms. Kunstal and Ms. Mayer for their assistance in noting the public's comment points on the boards for viewing. Chairman Gitlin then closed the public comment period. Commissioner Gastineau indicated he had no further comments. Commissioner Holley commented he felt they had a positive situation here in that no one is unhappy with the JPA. He expressed the hope that development of a strategic plan would take less than the year Humboldt took to develop theirs. Commissioner Holley added that they should have an Executive Director to help shepherd through the strategic plan development process. Commissioner Wilson expressed appreciation for being able to talk about the report and wished they could get into it in more depth. Commissioner Wilson added that even the R3 report acknowledged that there was no desire among the City, the County, or the public to do away with the JPA. Commissioner Wilson reviewed concerns in the R3 report about management, cost controls, costs and use of staff resources. Commissioner Wilson stated she felt they were working towards similar goals and that R3 did a fine job on their report. Commissioner Wilson thanked the public for their participation. Chairman Gitlin commented that the R3 report makes recommendations and one recommendation is that the JPA not be dissolved. But, he added, the R3 report is a collection of suggestions and recommendations, not firm changes. Chairman Gitlin commented that the R3 e-mail he mentioned earlier discusses the differences between it being a utility or not and asked staff to make it available to the public. Chairman Gitlin stated he wanted rates to be fair and more equitable between public and commercial rates, but would like to see rates go down. Chairman Gitlin indicated they would have a discussion on the September 10 regular meeting with regard to setting a future workshop date, hopefully in September, that Mr. Supahan can facilitate. Chairman Gitlin stated he felt that hiring an Executive Director now would not be right before establishing a mission statement or strategic plan.

*Note: Commissioner Sullivan left the meeting at 4:20 p.m.

ADJOURNMENT

Adjourn to the next regular meeting of the Del Norte Solid Waste Management Authority scheduled for 3:30 PM September 10th, 2014 at the Del Norte County Board of Supervisor's Chambers, 981 H Street, Suite 100 in Crescent City.

There being no further business to come before the Commission, the Chair adjourned the meeting at 4:29 p.m. until the next special meeting on September 10, 2014.

Roger Gitlin, Chair
Del Norte Solid Waste Management Authority

Date / /

