

MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
June 24, 2010 – 1:00 p.m.
San Carlos Library, Conference Room A
610 Elm Street, San Carlos, California**

1. **Roll Call: CTO 1:08 p.m.**
2. **Adjourn to Closed Session** - pursuant to Government Code Section Govt. Code Sec. 54956.9 Conference with Labor Negotiator: Unrepresented employees-(All employees except Executive Director who will act as the Negotiator).
3. **Report from Closed Session**
Nothing to report.

Regular Meeting: CTO 2:23 p.m.

4. **Public Comment**
None
5. **Approval of Consent Calendar:**
Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*
 - A. Adopt the May 27, 2010 BOD Meeting Minutes
 - B. Resolution Approving a Contract with Aaronson, Dickerson, Cohn & Lanzone for Legal Counsel Services for FY 2011
 - C. Resolution Approving Contract with the City of San Carlos for Accounting and Financial Services for FY 2011
 - D. Resolution Approving a Contract with HF&H Consultants, LLC for Annual Rate Review Services for FY 2011
 - E. Resolution Approving Contract with Jeffrey Scott Agency (JSA) for Continuation of Collection Services Education & Promotion Campaign Development & Implementation Support for FY 2011
 - F. Resolution Approving a Contract with Betsey Meyer for Public Outreach and Education Support Services for FY 2011
 - G. Approval of Contract Change Order with JRMA for Construction Support Services
 - H. Resolution Authorizing Update to 401a Retirement Plan Language
 - I. Receipt of Allied Monthly Metrics

Item 5E was pulled by Jonathan Gervais and 5F was pulled by Jesus Nava.

M/S Patterson/Nava approve Consent Calendar Items A, B, C, D, G, H, I.

Motion Passes 10-0-0-2 (Absent: Atherton, East Palo Alto)

6. **New Business:**
 - A. Resolution Approving Tipping Fee Adjustments Effective July 1, 2010

M/S Patterson/Moura accept staff recommendation to adjust tipping fees effective July 1, 2010.

Motion Passes 10-0-0-2 (Absent: Atherton, East Palo Alto)

Resolution No. 2010-22

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton				X	Menlo Park	X			
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary Dist	X			

- B. Resolution Adopting FY 2011 Budget

Discussion

Member Laura Galli asked if our reserve balance could be used to off set the rates in 2012.

Executive Director Kevin McCarthy explained that the reserves would only be used for unexpected events such as a decline in commodities and the board would have to give direction to do so.

Finance Manager Marshall Moran added that the Bond Covenant requires that we have a certain amount of revenue for coverage requirements.

M/S Patterson/Moura approve adopting FY 2011 Budget.
 Motion Passes 10-0-0-2 (Absent: Atherton, East Palo Alto)

Resolution No. 2010-23

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton				X	Menlo Park	X			
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary Dist	X			

C. Discussion on New Labor Agreements and the Impact on Member Agency Solid Waste Rates

Discussion:

Executive Director Kevin McCarthy informed the Board that since the board packet was posted he received a call from Evan Boyd informing us that Allied had a meeting with the Teamsters. There is a tentative agreement with the former machinists but the workers have not voted on it yet.

Speakers:

Teaque Paterson of Teamsters Local 350 informed the Board that officials from Local 350 were present and ready to listen. He stated that the union is unclear on what the Board would like to see happen in regards to the agreement with Allied.

Heyward Robinson, Council Member from Menlo Park, expressed his concern over the continued rate increases from Allied due in part to increases in labor cost. Mr. Robinson feels the proposed increases to salary and benefits are lavish in this economic market. Mr. Robinson informed the Board that Menlo Park City staff will not be receiving salary increases this year and next year there may be decreases to their benefits. The Cost of Living is the best employees are receiving right now. Mr. Robinson is concerned that rate payers who are the source of funds are not at the table and do not have a voice in regards to the labor agreements. Mr. Robinson added that Recology and SBR should also be a part of the discussion. He recommends the terms with the unions be as short as possible.

Member Patterson responded to Speaker Robinson that he agrees the rate payers should be at the table, but he does not have a recommendation as to how to do this as the negotiations are between a private contractor and a labor union. Member Patterson continued saying that he hesitates on moving forward and asked SBWMA attorney Jean Savaree to provide a framework in which we could have such a discussion.

Shelley Kessler of the San Mateo Central Labor Council reminded the Board that the negotiations between Allied and Local 350 are private negotiations between a private contractor and a labor union. Ms. Kessler continued by saying that there are appropriate ways for a JPA (Joint Powers Authority) to be involved, and if Allied wants to have Recology at the table in these discussions that is their choice.

Evan Boyd of Allied Waste informed the Board that they are welcome to sit in on the negotiations if that is what the Board sees fit. In addition, Mr. Boyd invited elected officials to sit in on the negotiations. Mr. Boyd feels that Allied has done what they could to keep the Board informed of the progression of the negotiations.

Teaque Paterson of Teamsters Local 350 responded to comments made by Council Member Robinson. Mr. Paterson disagrees that the union contracts are “lavish” and stated that the contracts are well within what other haulers are offering, and lower than some.

Attorney Jean Savaree informed the Board that they are free to state questions and concerns in the negotiations between Allied and the labor union but that the SBWMA is not party to the negotiations.

Member Brian Moura stated that the actions taken by Allied may have a strong impact on our internal costs. Member Moura feels that it is important to be a part of the discussions; that the sharing of information be transparent.

Member Ray Towne asked how much of the rate increases will be impacted by the agreement with the unions?

Executive Director Kevin McCarthy responded that until the union contracts are signed there will be nothing to report. In addition rate applications from Recology and SBR are due in July; rate applications will be updated in September.

Member Larry Patterson asked members of the Board if they were interested in participating in the negotiations between Allied and the unions.

Chair Jim Porter recommended that we wait for further direction from our legal counsel.

Member Phil Scott inquired on the time frame of the negotiations.

Even Boyd responded that the union workers would be voting the following week on the proposed agreement. The official document will be sent to the union tomorrow. He further informed the Board that meetings with clerical staff for their agreement have been set for July 1st and July 8th.

7. Staff Updates

a) Update on Allied Contract Compliance

b) Shoreway Construction Update

Discussion:

Member Larry Patterson asked if staff felt confident that the adjustments made to the schedule will be done in time to get the project back on track?

Project Manager Hilary Gans informed the Board that construction on the Transfer Station is now happening simultaneous to construction on the MRF building. By making this adjustment and running the construction simultaneously he is confident we will be back on schedule.

c) Recycling and Outreach Programs Update

d) Preview of Upcoming Board meetings

Approval of Consent Calendar – Items E and F

E. Resolution Approving Contract with Jeffrey Scott Agency (JSA) for Continuation of Collection Services Education & Promotion Campaign Development & Implementation Support for FY 2011

F. Resolution Approving a Contract with Betsey Meyer for Public Outreach and Education Support Services for FY 2011

Discussion:

Member Jonathan Gervais expressed concern over the amount of the contract with JSA; he felt \$570,000 was a lot for the campaign, especially the \$10,000 for social media. Mr. Gervais acknowledged that he is new to the Board and wanted to get the opinions of other board members who were more familiar with the campaign.

Project Manager Monica Devencenzi explained that the total budget for the campaign is between \$800,000 to \$900,000 and it will run over several fiscal years. Ms. Devencenzi clarified the \$225,000 of the \$570,000 is a carry over from FY 2010. Ms. Devencenzi explained that social media is a new technology for us and we wanted to have the capacity to fully support the

campaign. She continued by saying we will probably not use the full \$10,000 that is budgeted.

Executive Director Kevin McCarthy added that the entire campaign budget is less than the City of Oakland which has a service area similar in size to the SBWMA. Their roll out was similar to ours and cost them \$1.2 million.

Member Brian Moura stated that he is a member of sub committee of the Board that is overseeing the campaign. He noted that the committee is closely watching all aspects of the campaign. To date the campaign has been very effective and well received by the public.

M/S Patterson/Moura approve Consent Calendar Items E and F.

Motion Passes 10-0-0-2 (Absent: Atherton, East Palo Alto)

8. Board Member Comments

None

9. Adjourn: 3:07 p.m.
