

NEW RIVER SOLID WASTE ASSOCIATION
REGULAR BOARD MEETING MINUTES
April 10, 2014

The New River Solid Waste Association Board of Directors met in regular session on April 10, 2014 with the following members present:

Commissioner Mark Hartley, Chairman
Commissioner Karen Cossey, Vice-Chairman
Commissioner Doyle Thomas, Secretary/Treasurer
Commissioner Gordon Crews

Others present were: Darrell O'Neal, Executive Director
Perry Kent, Assistant Director
Melissa Waters, Chief Finance Officer
Lydia Greene, Office Manager/Admin. Asst.
Russ Wade, Board Attorney

Chairman Hartley called the meeting to order which was followed in prayer led by Chairman Hartley and the Pledge of Allegiance.

Chairman Hartley called for a motion on Agenda item #2, approval of the March 2014 Expenditures. Commissioner Thomas made a motion to approve the March 2014 Expenditures. Commissioner Crews seconded the motion. The motion carried unanimously.

Chairman Hartley called for a motion on agenda item #3, Approval of the Regular Board Meeting Minutes for March 13, 2014 and Workshop Minutes of April 1, 2014. Commissioner Cossey made a motion to approve the minutes for March 13, 2014 and April 1, 2014. Commissioner Thomas seconded the motion. The motion carried unanimously.

Chairman Hartley asked if there were any questions or comments from the public. There were none.

Chairman Hartley called for discussion of agenda item #5, Engineering Updates. Mr. Woolsey, Jones Edmunds, said that for Agenda Item 5A, IFB 14-01 Phase II Borrow Pit Access Construction Update, the mandatory pre-bid meeting held on April 3rd was attended by 7 potential

bidders and attendance at this meeting was required to be able to bid on this project. Mr. Woolsey said there was a site walk through after the pre-bid meeting and that the bids are due back to New River on April 22nd. Mr. O'Neal asked Mr. Woolsey if the review would be completed in time to have a recommendation for the board by the regular meeting on May 8, 2014. Mr. Woolsey replied that review would be completed by then and that the project would begin within 60 days of the notice to award. Mr. O'Neal added that this project had been delayed due to the wait for permit approval from Suwannee River Water Management District which has taken about 6 months longer than anticipated. Mr. O'Neal said that this access road and bridge will have to support all the truck traffic for the new borrow pit and future Phase II landfill activity.

Mr. Woolsey said that was the only item for discussion he had for the board.

Chairman Hartley called for discussion of Agenda Item #6, LGTE Project Update, Alan Beer, FEP. Mr. O'Neal said he had talked to Mr. Beer that afternoon who said that he did not have any additional updates since the meeting last week other than he was continuing to work on the agreement with Duke Energy and making sure that it was going to work for New River. Mr. Beer also said that he expected to hear from some of the other utilities including Disney's Reedy Creek at any time. Mr. O'Neal said he asked Mr. Beer to keep him updated and that if anything changed that he would let us know right away. Mr. O'Neal said that FEP understands the importance of the project and that he hopes that before we start working on a contract we are closer to having a PPA. Chairman Hartley said he is glad that Mr. Beer does come to the meetings and seems to be very interested in a project with New River.

Chairman Hartley asked for discussion of Agenda Item #7, Investment/Money Manager; Continue Discussion of Draft Investment Policy. Mr. O'Neal said this agenda item was to pick up discussions where it was left off from the Workshop on April 1st. Mr. O'Neal added that Mr. Wade had done an excellent job of preparing the legal portion for the draft of the investment policy. At the end of the April 1st workshop, the direction of the board was that they wanted input from a financial advisor as to the implications of the investment policy and making investment decisions. Mr. O'Neal said he had asked Matt Bryant, with Ameriprise Financial, to come speak to the board. Mr. O'Neal said at his request, Mr. Bryant had taken a look at the draft investment policy and understands that there are some

portions of the policy that needs to be filled in by the board. Mr. O'Neal said that Mr. Barber, Edward Jones, is also here tonight.

Mr. Bryant said that in looking at the draft investment policy and some of the categories and timeframes of what New River is doing he thought it might be helpful to talk through some of the issues and responsibilities in managing the money we have along with some of the challenges we are facing in the market right now. Mr. Bryant said there might be ways to help combat the challenges in the market by expanding the investment policy a little. Mr. Bryant said he understands the first issue is preserving current principal and second is managing risk going forward. Mr. Bryant said over the long run the bigger risk is inflation and keeping up with future costs.

Mr. Barber asked to make a comment and said that the investment manager decision will come down to price and service and that most of the bigger companies will be able to get performance as that is how they keep business. Mr. Barber said that our asset allocation is the most critical part of the investments and that he feels there are two ways New River could hurt themselves; the first is being too aggressive and having too much in stocks, the second is being too conservative like New River is now. Mr. Barber said he feels New River has some important decisions to make before ever getting to the point of hiring a financial advisor.

Mr. Bryant said that from what he understands the majority of our funds cannot be opened up to more options for investing and that the smaller portion of New River's funds is the portion that can be worked with investment-wise. Mr. O'Neal clarified that the accounts that are restricted by DEP regulations are Closure and Long Term Care.

Commissioner Thomas asked if a 5-year time would be better than what we are doing now. Mr. Bryant said that the timeframe should be based on when the money is needed and that the longer timeframe you have, the more choices the market would provide.

Mr. Bryant provided an overview of the market and types of investments and different types of fee based services and costs. He stated that the better the money manager, the more it may cost. Mr. Bryant added that the way to manage risk is through diversification. Mr. O'Neal asked if Mr. Bryant felt that a money manager was appropriate for the funds that New River has in order to make the decisions as to which investments need to be chosen based on the guidelines in the investment policy. Mr. Bryant said he felt New River needed an advisor to let us know what is appropriate based on our risk tolerance and investment timeframes. Mr. Bryant said he would be available to answer questions and would also be able to provide

verbage that would match up to portfolios for the investment policy and that his firm has teams that could provide assistance in these matters.

Mr. O'Neal said he feels the big issue is setting the goals and asked if Mr. Bryant would be able to help with setting goals for our investment policy. Mr. Bryant said that he would be able to help the board with that. Chairman Hartley said that is what he feels the board is looking for, help with setting up the policy. Mr. Bryant said that if the goals have been established for where we want to be and when, it can then be determined the rate of return needed to be able to get there and what percentage of our investments needs to be invested in the market to get to the goals. Commissioner Crews said that he feels we need somebody who can make good investment recommendations in order to get New River to where we know we need to be. Commissioner Cossey asked Mr. Bryant if he could help the board with that. Mr. O'Neal said that Mr. Bryant had agreed to come tonight to make a presentation to the board at no expense to New River and asked if we should discuss compensation. Mr. Bryant said due to his connection with the Ameriprise franchise, he would not be able to accept any compensation and is happy to do this. Mr. Bryant added that if we did an RFQ for Financial Consultant services he would not participate because he doesn't have a lot of institutional clients which requires a different kind of financial advisor. The board expressed their appreciation of his time. Mr. O'Neal added that as discussed with Mr. Bryant, every dollar we earn in interest will result in less tax dollars that will need to be paid in the future by our citizens.

Mr. O'Neal said he would like to suggest discussing next steps for the investment policy when the Finance Committee meets for the upcoming budget for FY 2014-15 which is held just prior to the regular board meeting for May. If everything can be worked out, action can be taken at the board meeting which follows. If it is decided more work on the policy was needed, we could go from there. Mr. Wade added that a consideration will be the effects of the LGTE project which will determine how much of New River's funds will be in investments versus how much New River will be investing in a LGTE project. Mr. O'Neal said that we also need to know if the gas project will come to fruition. Chairman Hartley added that a signed LGTE contract is the key. Mr. O'Neal said another big factor is our customer base and whether we will be able to continue our current contracts which will have as big an impact on future planning as anything else. Mr. Wade added that the investment policy can always be amended. Commissioner Hartley said our investment policy can allow us to do certain things with our investments but at the same time will not require us to do

anything. Mr. O'Neal asked Mr. Wade to clarify that the investment policy can be adopted by resolution and amended at our public meetings. Mr. Wade said that was correct.

Mr. Bryant stated that money could be moved in certain investment accounts within a week if needed. Mr. O'Neal said that is a good point and that we do need some flexibility for certain types of funds. Mr. O'Neal thanked Mr. Bryant for coming and that everyone here appreciated his time.

Chairman Hartley called for discussion of Agenda Item #8, Discuss Request for Proposals, RFP 14-01, to Interview for Financial Advisor to Manage NRSWA's Investment Funds. Mr. O'Neal said that an RFQ for Financial Advisor has been drafted and that at any point is ready to be published. Mr. O'Neal said that he could send a copy of the RFQ for Financial Advisor to the board members with the next board meeting package.

Chairman Hartley asked for discussion of Agenda Item #9, Discuss Approval of Financial Audit for FY 2012-13. Mr. O'Neal said that at last month's board meeting we received the financial audit from DDF, which could not be formally completed at that time due to some minor details that were pending. The completed financial audit is now ready to be voted on by the board.

Chairman Hartley called for a motion to approve the financial audit for FY 2012-13. Commissioner Thomas made a motion to approve the financial audit for FY 2012-13. Commissioner Cossey seconded the motion. The motion carried unanimously.

Chairman Hartley asked for any discussion under Agenda Item #10, Alachua County: Issues/Items. Ms. Palmi said that Mr. Hedrick, Public Works Director, retired last year and that Dave Cerlanek, County Engineer, has accepted that position. Ms. Palmi added that Alachua County has 2 old closed landfills that are 40 years old on property that Alachua County bought from a company and put 2 landfills on. The landfills were closed by the State of Florida and the property was sold back to the original company. The company is now giving the property back to Alachua County as both landfills are under consent order by DEP. Mr. O'Neal added that as discussed before, just because public landfills go through a closure period and longterm care period doesn't necessarily mean the need for monitoring is over. Ms. Palmi added this is a good example of the need to put away money for closed landfills for a very long time.

Chairman Hartley called for any discussion under Agenda Item #11, Attorney: Issues/Items. Mr. Wade said he had nothing further for discussion.

Chairman Hartley asked for any discussion under Agenda Item #12, Executive Director: Issues/Items. Mr. O'Neal said that he is preparing for next month's meeting to present the budget and that the Finance Committee meets prior to the regular board meeting at 5:30 p.m. Mr. O'Neal suggested that the Finance Committee meet at 4:00 p.m. on May 8th. The board was in agreement.

Mr. O'Neal said that Jason Clemons, Southern Lawn Care, has been our contractor for landscaping for years now and there is about 1 ½ acres by the old recycling area that New River has been taking care of until now. Mr. O'Neal said he would like to propose adding this acreage to the landscaping contract for an additional cost of \$109.00 per week. This will put the entire property on the same schedule which will make the whole place look better and receive the same services.

Chairman Hartley called for a motion to add the additional acreage to the existing landscape services contract for an additional \$109.00 per week. Commissioner Thomas made a motion to approve the additional landscape services for \$109.00 per week. Commissioner Cossey seconded the motion. The motion carried unanimously.

Chairman Hartley called for any discussion under Agenda Item #13, Board/Chairman: Issues/Items. The board members had nothing further for discussion.

Chairman Hartley asked for any further discussion. There was none. Chairman Hartley called for a motion to adjourn. Commissioner Cossey made a motion to adjourn which was seconded by Commissioner Thomas. The meeting was adjourned.