

EASTERN REGIONAL SERVICE BOARD

Minutes of Meeting #7

June 27, 2012

7:00 p.m.

Ramada St. John's, Matthew Room

In Attendance:

Harold Mallowney, Southern Shore
Vice-Chairperson/Acting Chairperson
Dave Aker, Mount Pearl
Ches Ash, Trinity Conception North
Bill Bailey, Clarenville & Isthmus
Walter Butt, Small Metro
Shannie Duff, St. John's
Woodrow French, Conception Bay South
Derrick Green, Bay Roberts
Sandy Hickman, St. John's
Sterling Willis, Paradise

Regrets:

Danny Breen, St. John's
Gerry Colbert, St. John's
Wally Collins, St. John's
Joy Dobbie, Trinity Bay South &
Isthmus East
Debbie Hanlon, St. John's
Tom Hann, St. John's
Sheilagh O'Leary, St. John's
Frank Galgay, St. John's
Bruce Tilley, St. John's

Guests:

Ken Kelly, CAO, Eastern Waste Management
Lynn Tucker, Program Coordinator, Eastern Waste Management
Kevin Power, Field Operations Officer, Eastern Waste Management
Sarah Morgan, Regional Coordinator, Bonavista Peninsula Regional Waste Management
Beulah Bouzane, Director, Policy & Planning Division, Department of Municipal Affairs
Andrea Kearley, Transparency & Accountability Consultant, Executive Council

1. Call to Order

Mr. Harold Mallowney, Vice-Chairperson/Acting Chairperson called the meeting to order at 7:00 p.m.

2. Adoption of Agenda

It was moved and seconded (W French/S Duff) to adopt the agenda as tabled.
MOTION #2012-037: Carried

3. Review of Minutes – May 30, 2012

It was moved and seconded (S Hickman/S Willis) that the minutes of the May 30, 2012 meeting are adopted as tabled.

MOTION #2012-038: Carried

4. Transparency and Accountability Presentation – Director of Policy & Planning Division, Department of Municipal Affairs

Mr. Mullaney introduced Ms. Beulah Bouzane, Director, Policy & Planning Division, Department of Municipal Affairs who is here this evening with her colleague, Ms. Andrea Kearley, Transparency and Accountability Consultant, Executive Council, to inform the Board of its required processes for planning and reporting under the *Transparency and Accountability Act*.

Ms. Kearley presented the following information:

Overview of Transparency and Accountability Act Information Session

Background:

- 2003 – Government committed that it would bring in a *Transparency and Accountability Act* to:
 - Provide the legislative framework for the conduct of fiscal policy;
 - Encourage better decision-making by the government; and,
 - Strengthen accountability.

Transparency and Accountability Act Highlights:

- Planning and reporting requirements of government entities
- Power to borrow/incur debt
- Accounting information
- Performance Contracts

Criteria for Inclusion:

- Government Department
- Crown Corporation
- Majority of board members are appointed by an Act, Cabinet or a Minister
- School Board
- Any entity Cabinet may, by regulation, designate as a public body
- Offices of the House of Assembly

Categorization:

- The Act provides Government the authority to establish categorization criteria and to categorize all government entities.
- Category 1 entities provide Strategic Plans based on Outcomes.

- Category 2 entities provide Business Plans based on Outputs.
- Category 3 entities provide Activity Plans based on Activities.

It was noted that Eastern Regional Service Board has been categorized as a Category 2 entity; therefore, plan to table a business plan.

Planning Expectations:

Outcomes	Outputs	Activities
<ul style="list-style-type: none"> • Decrease dependency on income support 	<ul style="list-style-type: none"> • Coordinate and develop policies and programs related to waste management issues 	<ul style="list-style-type: none"> • Advise the Minister on issues related to transportation in Labrador
<ul style="list-style-type: none"> • Decrease smoking rates 	<ul style="list-style-type: none"> • Provide professional, independent property assessments throughout the province 	<ul style="list-style-type: none"> • Conduct hearings to resolve appeals related to the provision of income support
<ul style="list-style-type: none"> • Reduce adverse impacts on the environment 		<ul style="list-style-type: none"> • Resolve complaints related to the disturbances caused by agricultural operations

Planning Requirements:

- All plans are for a three-year period.
- They must identify goals and objectives, considering:
 - The strategic directions of government;
 - Entity's mandate; and,
 - Fiscal resources.
- Identify performance-based measures specific to the goals and objectives.
- The Board is accountable for the preparation of the plan and for achieving the goals and objectives of the plan.
- Board Chairperson signs plan on behalf of the Board.
- Plans are submitted to the responsible Minister for approval.
- Plans are to be tabled in the House of Assembly by the responsible Minister within three months after the beginning of the first fiscal year of the period covered by the plan.

Mr. Kelly asked about the strategic directions of government – are those available to ERSB? Ms. Bouzane responded that the department does have a list of strategic directions and that would be provided to ERSB.

Ms. Bouzane noted that since ERSB has been categorized, the expectation is that a business plan will be provided within the timeframe provided by government.

Annual Reporting Requirements:

- Each year entities are required to report on the preceding fiscal year.

- Planned results are to be compared with actual results and any variances are to be explained.
- Annual reports are to include audited financial statements as appropriate.
- Annual reports are submitted to the responsible Minister.
- The responsible Minister must present the report to the House of Assembly within six months following the end of the fiscal year.

Discussion ensued and it was determined that ERSB would need to submit a transitional report for next year (2013) and then a three (3) year plan for years 2014,2015 and 2016 or ERSB could submit a four (4) year plan to include all years. This timeline would ensure that ERSB is in line with all other entities.

Ms. Bouzane informed Board members that her department could facilitate a planning session this fall or whenever the Board is ready. She continued that her department would be available to answer any questions and to assist the Board in meeting its requirements under the Act.

Ms. Bouzane noted that plans for other entities can be found on Municipal Affairs website under Publications (<http://www.ma.gov.nl.ca/ma/publications/index.html>). This would be an excellent reference resource for the Board.

Power to Borrow/Incur Debt:

- Where an entity has the authority to borrow for the purpose of carrying on its day-to-day operations, written approval is to be obtained from the responsible Minister and the Minister of Finance.
- Where an entity has the authority to incur debt, written approval is to be obtained from the responsible Minister and the Minister of Finance.

Accounting Practices:

- All entities shall prepare their annual budgets using accrual accounting and cash-based information.
- All entities shall report required financial information in a manner consistent with generally accepted accounting principles.
- The Chair of a public body shall ensure that an auditor is engaged on a timely basis and that the audit is completed in a timely manner.

Performance Contracts:

- The *Transparency and Accountability Act* requires performance contracts between Chairs and CEOs, for public bodies.

Next Steps:

- The Board will be provided with support for the planning process through both the department and the Transparency and Accountability Office.
- Involves a planning session to determine the issues of focus and performance-based goals and objectives for which the Board will be held accountable.

- Currently anticipate a 2013 plan that will be one year in length. As your fiscal year is the calendar year, this plan will span January 1 to December 31, 2013.

Planning Requirements:

- Business Plan
 - Strategic Directions – Desired physical, social and economic outcome that normally requires action of more than one government agency.
 - Overview – General information and statistics.
 - Mandate – As per legislation.
 - Lines of Business – Programs, products or services delivered to external clients.
 - Clients – Person, group or organization that can place a claim on the organization’s attention and resources.
 - Values – Clear action statements that guide behavior.
 - Vision – Ideal state the organization is trying to achieve for its clients.
 - Mission – Time-limited (6 years), Measures and Indicators Identified
- Issues
 - Goals – Time-limited (3 years), Measures and Indicators Identified
 - Objectives – Time-limited (1 year), Measures and Indicators Identified

Again discussion took place regarding the Board’s requirements under the Act. It was agreed that the Strategy and Policy Committee would continue to work on the Board’s plan with information and assistance from Ms. Bouzane’s department.

5. Details of Recycling Reinforcement Campaign to be Launched in September – MT&L Communications

Mr. Mullaney asked Mr. Kelly to provide information regarding this campaign. Mr. Kelly referred members to the handout headed MT&L Estimate. He reported that this was not a part of tonight’s meeting package as he only received the information today.

The estimate outlines communications tactical options and cost estimates for Eastern Waste Management as follows:

- EWM Twitter Launch - \$3,500.00
- Community/Corporate Stewardship Recognition Program - \$6,000.00
- Truck Wrap - for two (2) trailers - \$40,000.00
- Recycling Package - \$2.20 per household
- School Contests - \$12,000.00
- Community Partnerships - \$5,000.00
- Website Re-Write - \$25,000.00
- Media Relations - \$3,000.00
- Speaking Engagement – Councils/Priority Groups - \$3,500.00

As Board members know, MT&L Public Relations has been engaged as the Agency of Record for ERSB with a budget of \$100,000.00 for one (1) year. There is approximately \$75,000.00 remaining in

that budget. Mr. Kelly suggested that this estimate be sent to Committee for discussion and decisions.

Ms. Duff noted that the estimated work is in excess of the \$100,000.00 budget; therefore, these tactics may have to be phased in over several years. She noted that \$40,000.00 to wrap two (2) trailers may be excessive in her opinion.

Mr. Green noted that Eastern Waste Management (EWM) has been very weak in its branding and the trucks/trailers are basically the only things seen by the public – signage on those vehicles is necessary.

Mr. Kelly noted that signage will be affixed to the contractor's collection vehicles as well. This should assist EWM with its branding. He noted that Bristol Communications had done research in 2010 that showed that there is very little awareness of EWM. Signage will definitely assist in raising awareness in the public. He agreed with Ms. Duff that \$40,000.00 for the wrapping of two (2) trailers may be excessive but as noted by MT&L, the wrap may be scaled back to only a partial wrap and that would scale back the cost as well.

Mr. Aker noted that the discussion was supposed to be about raising recycling awareness but we are addressing branding.

Mr. Kelly stated that the communications tactical options tabled this evening addresses a mixture of components including raising awareness of the EWM brand and raising awareness of recycling programs.

Mr. Aker stated that he feels raising awareness of the EWM brand should be the priority.

Discussion took place regarding what activities should be priorities and what committee would address the Communications Tactical Options outlined by MT&L.

It was the moved and seconded (D Aker/S Hickman) that the MT&L document for Communications Tactical Options and Cost Estimates be moved to the Governance Committee for review and recommendations.

MOTION #2012-039: Carried

6. Committee Reports

a) Finance & Audit Committee – B Bailey

- i. MOU between Eastern Waste Management and the City of St. John's as operator of the Regional Integrated Waste Management Facility located at Robin Hood Bay (RHB) - see tonight's meeting package for Finance & Audit Minutes and the MOU document with issues raised by Committee members in 2009 and comments from City staff.

The discussion at the last Finance & Audit Committee meeting was that it has been noted that monies are spent at RHB with no input from ERSB and this is a concern. Members felt the Board has to have control over the operational spending. They acknowledged that they have no issues with the results of the decisions being made at RHB and that Board involvement may not change the end result; however, they feel that they should be at the table for the discussions and involved in the decision making. Decisions are being made and the Board is being informed after the fact such as the decision to increase the reserve fund from \$1 million to \$1.2 million, the decision to award the operational contract for the MRF, the long-term lease to the metal recycling company, etc. Under the Eastern Regional Service Board legislation, this Board is the body mandated to provide this service in the Eastern region. In addition, the Board is the body responsible to set the tipping fees at RHB and, therefore, should have input on all spending.

The original MOU document was drafted by City of St. John's staff and was based on the letter from the Minister of Municipal Affairs to the Mayor of St. John's, November 2007.

Mr. Kelly noted that a list of questions/comments was prepared by the Committee in 2009 and the City of St. John's has responded to those questions/comments – that document is in tonight's meeting package. A consensus needs to be developed and MOU put in place. He pointed out that it was noted at the Finance & Audit Committee meeting that the relationship between Eastern Waste Management and the City of St. John's is a 'client/customer relationship' with the control of RHB staying with the City of St. John's.

The main issue seems to be the relationship between this Board and the City of St. John's. City staff stated the following, *"RHB remains a City of St. John's facility and EWM's role with direct respect to RHB is to review and approve the budget, including the operating costs for EWM and the transportation costs for outlying municipalities."... "Full management and control of the RHB facility by the City of St. John's, with the exception of the EWM Board approving the budget each year."*

Ms. Duff noted that she did not think that the City views the relationship with ERSB as 'client/customer'.

Mr. Kelly stated that there is a roster of tipping fees at RHB that are not approved by EWM i.e. special waste, etc.

Basically, does the draft MOU correctly recognize the relationship between Eastern Waste Management and the City of St. John's? Should this Board be auditing RHB?

Ms. Duff asked for clarification – are we discussing financial auditing or operational auditing.

Mr. Kelly replied that he is suggesting an audit to see if the needs of Eastern Waste Management are being met at RHB. Both fiscal and operational audits need to be done – both assist in keeping the Board on track and ensuring that the Board attains its objectives.

Mr. Green stated that a cost-variance budget would be most valuable.

Mr. Ash said that this is a very important issue and this Board has to do its utmost to ensure that the relationship with the City of St. John's is a good working relationship. He represents residents in a sub-region where communities report waste management is an expensive part of their budgets. They have to be assured that we are all working to keep the waste management system as affordable as possible. At this time, there is a large surplus and that won't sit well with our communities. We have to be proactive in what we do. This is a big issue and he feels a full meeting is needed to address this issue.

Mr. Kelly noted that when he attends meetings in the sub-regions, people express concerns about the surplus. We have to be accountable and to ensure that we are providing the best value for customers.

Mr. French stated that there are several fundamental issues here. He feels that the relationship between the Board and City of St. John's must be a 'business relationship' and thus a MOU is necessary. Audits regarding compliance would make sense once the MOU is in place. We need to get a clear understanding of the Board's role and that should form the basis of the MOU.

Mr. Green said that City of St. John's owns the physical site of RHB; however, this Board is financially responsible for what happens there.

Ms. Duff acknowledged that these are heavy issues that need to be resolved. From her perspective, the City sees itself as owner/operator. She stated that if there are any issues or concerns, the Board may bring in City staff for clarification, etc.

After much discussion, it was agreed that this item would be moved to another meeting for more discussion.

- ii. Surplus Funds – who retains and what are the parameters around the use of these funds (*Tipping Fee Stabilization Fund*)

Item deferred to another meeting.

b) Strategy & Policy Committee – C Ash

Reviewed Draft Service Policy Developed by Curtis Dawe: The service policy was discussed at the last Committee meeting and it will be brought to the Board meeting scheduled for September 2012 for discussion and/or ratification.

Strategic Plan Development – meeting with MMSB and issuing questionnaire to stakeholders: The Committee is proposing a meeting with MMSB to discuss the strategic plan of MMSB and the role of MMSB in the eastern region as well as representation on the Board of MMSB. This meeting is tentatively scheduled for the week of July 30th. It was noted that the Committee would like to have representation from the Board at that meeting – not just members of the Strategy & Policy Committee. In addition, the questionnaire that is going out to stakeholders is close to being finalized.

Asphalt Shingle Recycling – Economic Feasibility Analysis: Mr. Ash asked Mr. Kelly to provide information regarding this analysis. Mr. Kelly stated that AMEC has been engaged to do an economic feasibility analysis regarding asphalt shingle recycling at a cost of \$4,080.00 including HST. This study will determine if the amount of asphalt shingles generated annually would have the potential to support an initiative to grind the shingles and use them as a partial substitute for asphalt cement in road asphalt/pavement. The asphalt in shingles could provide cost savings as well as diversion of this material from the landfill. The fiber in the shingles may also provide additional strength for road asphalt.

Discussion took place regarding asphalt shingle recycling and what component(s) would make it worthwhile. Mr. Kelly informed members that the asphalt cement portion of the shingles is valuable. The engineering consultant also believes that the fiber portion of the shingle could also increase the tensile strength in the pavement.

Ms. Morgan asked if this initiative would include fiberglass shingles.

Mr. Kelly stated that he would clarify.

Ms. Duff asked who the stakeholders are that would be receiving a copy of the questionnaire being prepared by the Strategy & Policy Committee.

Mr. Ash replied that the stakeholders identified are all communities in the eastern region; Eastern School District; Eastern Health; MMSB; Joint Mayors/Councils; etc. The Strategy & Policy Committee has broadened the basis of the questionnaire to include a wide range of stakeholders so as to determine how best they can be serviced by EWM.

Mr. Aker questioned why Eastern Health and the Eastern School District would be stakeholders – is it because they are customers of RHB?

Mr. Kelly replied that EWM has been contacted by schools in the region regarding recycling programs for containers, etc. Schools have traditionally done a great job of recycling

beverage containers but are not recycling other containers or paper. This is something that can be addressed by EWM. In addition, medical clinics, etc. have contacted EWM regarding recycling programs.

Mr. Aker asked if EWM will be approaching the ICI sector – large organizations that traditionally look after their own waste disposal.

Mr. Mallowney stated that he feels we need to be as inclusive as possible. Everyone produces waste and, therefore, everyone is a stakeholder. We have to engage as many as possible.

Discussion took place regarding clarifying the role of EWM and ensuring that EWM is adhering to its mandate. Members felt that the mandate is to provide waste management services to everyone in the eastern region.

Mr. Mallowney stated that as Mayor of Bay Bulls he is delighted that EWM is in place to look after waste management services for the town – they are pleased that they are no longer in the waste removal business.

Mr. Willis informed members that the Town of Paradise had approached three elementary schools in the town and ran a contest for the students to name their “recycling mascot”. They have noted that these kids are taking the lead in promoting recycling in the town. He highly recommends working with the schools as this assists in promoting the overall recycling program in the community. Get the kids involved and the parents will follow.

Ms. Duff noted that schools have traditionally been involved in beverage container recycling as a fundraising source. What services can EWM offer them? In addition, does EWM have the resources and staff to provide more services?

Again discussion ensued with members agreeing that the questionnaire would determine the needs of stakeholders and decisions may be made following the responses received.

Mr. Kelly stated that ERSB/EWM currently collects garbage from 18,000 households every week. Any information that stakeholders can provide regarding what we are currently doing and/or how we could provide a better service, etc. would be very beneficial.

Mr. Mallowney stated that the questionnaire will go out and further discussion will take place once we have the results.

c) Governance Committee – H Mallowney

Mr. Mallowney reported that the Governance meeting has not yet had a meeting with the Minister. Meetings have been scheduled and cancelled by the Minister’s office on four (4) occasions.

Members expressed great disappointment. This Board met for the first time in November 2011 and has done due diligence to date in regard to its duties; however, members expressed frustration with the lack of a meeting with the Minister as well as with the remuneration issue.

Discussion included:

- Members upset that the remuneration levels being used by government are twenty (20) years old.
- Several members questioned if they should go to their respective MHA regarding this issue to request support for a meeting with the Minister of Municipal Affairs.
- Other members stated that they feel disrespected by the Minister's office.
- Several members stating they are thinking of resigning if a meeting cannot be scheduled soon.
- Members noted that any remuneration paid to them comes from the tipping fees paid at the Regional Facility and not from government funding.
- It was noted that the motion to remunerate members has been adopted. Should they request that the cheques be prepared?

Following discussion Mr. Mullooney stated that the Governance Committee will try one more time to schedule a meeting with the Minister. If the meeting cannot be scheduled in a reasonable time, a decision will be made to prepare cheques to members at the rate adopted.

7. Correspondence

- a) Letter from Minister French regarding OTR tires: Mr. Kelly directed members to a copy of this letter included in tonight's meeting package that it's okay to landfill "off the road" (OTR) tires.
- b) Letter from Town of Whiteway: The Town of Whiteway had sent a letter expressing concern that the Cavendish landfill was continuing to accept shingles and construction materials after it was supposed to be closed. Mr. Kelly reported he has been informed that Cavendish is no longer accepting any materials as a Waste Recovery Facility will be opening in the area soon. They had accepted these materials in the interim as there was no other way for residents to dispose of these materials.
- c) Letter sent by ERSB to Joint Mayors of Trinity-Bay de Verde: A copy of the response sent to the Joint Mayors is included in tonight's meeting package. Again, they had written ERSB regarding the Cavendish landfill accepting shingles and construction materials. The letter directs the Joint Mayors to the Department of Environment and Conservation as they regulate landfills and Service NL regarding the concerns expressed about illegal dumping.

- d) Letter from Bonavista Peninsula Regional Waste Management: Mr. Kelly introduced Ms. Sarah Morgan, Regional Coordinator for Bonavista Peninsula Regional Waste Management (BPRWM). Ms. Morgan reported that they have been informed that they will be using the Regional Facility at Robin Hood Bay as per the relationship outlined in the letter from the Minister to the Mayor of St. John's in November 2007. The BPRWM has been trying to get a regional service board established; however, they foresee formidable obstacles in regard to providing waste services on the Bonavista Peninsula due to serious economic and demographic challenges. The average age for the region is 50.6 years with an average household income of \$24,600.00. This data was collected before the two major fish plant closures in the area. The region includes 47 communities with only nine (9) municipalities; seven (7) local service districts that include 16 communities; and the remaining 22 communities have no formal governance structure whatsoever. In addition, there is a high incidence of non-payment of service fees. Basically the region is one made up of "widows living alone" – a region of 8,000 people living on low incomes. Ms. Morgan stated that they are looking for assistance in providing a cost-effective service to the residents of the Bonavista Peninsula and would welcome any opportunity to discuss this matter.

Mr. Bailey stated that he feels that the Bonavista Peninsula should be included with the eastern region and serviced by EWM.

Mr. Kelly noted that EWM has provided services to all sub-regions and cannot see any reason why EWM could not assist the BPRWM.

After discussion it was decided that this request would go to the Finance & Audit Committee for discussion and costing. EWM will get back to BPRWM regarding what assistance will be provided to them.

8. Next Meeting

The next regular meeting of the Eastern Regional Service Board will take place on Wednesday, September 26, 2012 at 7:00 p.m. at the Ramada St. John's.

9. Adjournment

It was moved and seconded (S Willis/W Butt) to adjourn the meeting at 9:10 p.m.

MOTION #2012-040: Carried

*Prepared by:
Lynn Tucker
July 6, 2012*