



Region 2000 Services Authority
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Date: April 23, 2025; 2:00 PM

Location: CVPDC Offices
828 Main Street, 12th Floor.
Lynchburg, Virginia 24504

Meeting Minutes

Members Present:

Greg Patrick, City of Lynchburg
Frank Rogers, Campbell County
Candy McGarry, Nelson County
Susan Adams, Appomattox County

Staff Present:

Alec Brebner
Sandy Dobyns
Patti Lassiter
Clarke Gibson

Others:

Johnnie Roark (alternate) Appomattox County
Phillip Kramer (virtual)
Scott Pasternak (virtual)
William (Bill) Hefty (virtual)
Bill Carwile (virtual)
Mike Lawless (virtual)
Mike Cline (virtual)
Elliott Ingle (virtual)
Sandy Glass (virtual)
Jeff Wells (virtual)
Clayton Stanley (virtual)
K Hardie (virtual)
Larry Hall (virtual)
Corey West (virtual)

1. Welcome

At 2:00 p.m., Chairman Greg Patrick welcomed and thanked everyone for coming.

2. Public CommentChair

Greg Patrick opened the floor to public comment. Jon Hardie, who joined the meeting virtually, asked to provide public comment.

Jon Hardie, 601 Colohan Road, Rustburg, VA, a member of the Campbell County Board of Supervisors addressed the board about the following topics:

- Reallocation of funds designated for Campbell County,
- Regulatory requirements of the commonwealth vis-à-vis revenue, and
- Campbell County's rejection of a larger landfill.

Mr. Hardie thanked the board for allowing him to express his thoughts.

- 3. Minutes of Regular Meeting, January 29, 2025 & Special Meeting March 12, 2025..Chair**
 Susan Adams made a motion to approve the January 29, 2025 meeting minutes, and Candy McGarry seconded the motion. Susan Adams stated that the minutes from the March 12, 2025, meeting required a contextual change, which has been made. Susan requested the following correction for the public record: "Susan recalled a total of approximately \$10 million."

Frank Rogers clarified that Campbell received just under \$8.4 million. He wants to ensure that it is not misunderstood to imply that Campbell was compensated for the capacity added to the Authority.

The Chair called for a vote for approval of the minutes. Susan made the motion. Candy seconded it. All were in favor. The January 29, 2025, and the March 12, 2025, meeting minutes were approved unanimously.

- 4. Personnel Retention and Compensation Study..... Chair & Staff**
 The Chairman requested Alec and Clarke to present the personnel retention and compensation study to the board.

Clarke introduced Brent Perdue with Burns and McDonald to give a presentation on the findings of the Compensation Study and the Retention Strategy that includes incentives for our employees to remain a part of Region 2000 for its remaining four years of capacity.

The Region 2000 Services Authority conducted a personnel retention and compensation study to address significant compensation gaps and improve employee retention strategies over the next four years. The study revealed that equipment operators' compensation is approximately 26% lower than the private sector, prompting proposed salary adjustments and bonuses totaling around \$3 million.

- The study included a compensation survey, retention analysis, and cost assessment of privatization.
- Equipment operators' compensation is about 26% lower than in comparable operations and 16% lower than in similar private-sector roles.
- Employee feedback indicated strong interest in monetary incentives, improved health insurance, and bonuses.
- Proposed retention strategies include salary adjustments, bonuses, and a final bonus package totaling approximately \$3 million over four years.
- Estimated costs of privatization are nearly \$13 million over four years, compared to \$10 million for the retention strategy.

Susan asked Burns and McDonald if they looked at years of service and if there are any employees eligible for retirement within this four—to five-year window?

Brent responded that yes, years of service were considered as part of the bonus structure. He is not aware of who is eligible for retirement, but that was not factored into the analysis.

Greg expressed concern about the recent market adjustments and emphasized the need to compare the salaries of equipment operators after these adjustments with those of similar employees within the city. The Chairman wants to ensure that the salaries the Board is proposing do not exceed the

pay scales of Lynchburg city employees. He anticipates that others around the table may have similar concerns.

Allison Eccarius from Burns and McDonald joined the conversation to discuss the comprehensive survey findings for specific positions. Allison went on to discuss the difference between the scenarios.

Greg asked if, in the study, regardless of tenure, do all employees in that position move to the same point?

Allison responded, "No, everybody's salary would increase based on that 29.18 weighted average." Brent explained that the employee's current salary would be adjusted by the proposed market adjustment, regardless of its current level.

Clarke mentioned that since January, when Campbell County did not approve the expansion, one skilled equipment operator submitted his resignation the following week for that reason. Then, about two weeks later, our environmental field technician also resigned.

Susan asked, "When are staff expecting or would like action on this particular subject?"

Clarke responded, "Our recommendation was to move forward immediately with the compensation plan increases, and then, if the Board would like to discuss the retention plan strategies, we could continue the discussion or implementation at the next meeting."

Candy asked the Chairman if the board could circle back after Burns and McDonald went through the pro forma. Greg was in agreement.

Brent introduced Philip Kramer, who presented the pro forma strategies to the Board. Philip explained the strategy that was used to design the rates. Based on the last meeting, it was assumed that 100% of reserved and future excess revenue will be allocated to the closure/post-closure fund. Then Burns and McDonald solved for the rates, so that heading into closure in January 2029, the Authority would retain a three-month operating reserve.

The financial pro forma presented various scenarios for the budget, highlighting the impact of retention strategies and privatization on member rates. The proposed member rate is \$35.44 per ton, reflecting a nearly 15% increase in revenue.

- The proposed member rate is \$35.44 per ton, which includes a nearly 15% increase in revenue.
- The budget includes a 3% salary increase effective July 1, subject to change based on the compensation study.
- The retention strategy would increase the operating reserve balance to about \$1.25 million in 2026.
- The privatization scenario would raise the member rate to \$38.28 per ton due to significantly increased costs.

Susan asked if it would be prudent to have some fund balance after closure. Clarke responded that he would maintain some type of fund balance for a few years to assist with closure, capping the landfill, and entering the post-closure period.

Greg asked if the pro forma made any assumptions for the potential disposition of the Bennett property.

Clarke responded, "No, other than paying back the loan we took from the closure fund. It doesn't include selling, leasing, or doing anything with the Bennett property."

5. Financial Report, FY 25, Q1-Q3 & Fiscal Year Budget Consideration Chair & Staff

The Chairman asked staff to present the proposed budget. Clarke stated that the landfill is increasing their tonnage projections by half a percent. Member tonnage increased to 71,265 tons, and market rate tonnage increased to 125,038 tons. Both of those are half a percent increase over this year. Revenue based on that is \$8,207,358. That's almost a 15% increase in revenue, and the expenses match revenue at 8,207,358.

The tipping fee that staff propose based on the proposed budget is a member rate of \$35.44 a ton, and the market rate is a \$10 differential at \$45.44. That member rate includes a separate line item that provides for the total annual cost of the fully implemented compensation study in retention strategies. That is included in the \$35.44.

Candy asked about the difference between the proposed fees and what was presented by Burns and McDonald. Clarke explained that the staff proposal is the actual numbers. Staff reconciles the pro forma budget with our actual budget; although, the numbers can fluctuate slightly. Since the formation of the Authority, the pro forma and member rate have consistently provided a reliable model for predicting our tipping fees throughout the life of this Authority.

Philip added to the discussion regarding the differences between the authorities' budget and the pro forma. Philip highlighted that on Line Two of the retention strategy format, the cost of service rate is set at \$35.60, which is quite similar to what Clarke presented. Burns and McDonald's strategy involves maintaining the same rate over the four years.

The Chairman asked Alec and Clarke to walk the Board through the next steps in order to properly notice, vote, and adopt a budget. The next step is to adopt a resolution that will notify the public and haulers regarding the proposed tipping fee. Alec included a draft resolution in the Board members' packet, which states the rates: \$35.44 for members and \$45.44 for market-rate haulers. Upon adopting this resolution, staff will advertise the proposed rate for a public hearing. The public hearing will take place at the Board's regular meeting in June. During that meeting, the Board will have the option to increase the tipping fees, with the maximum amount established by the proposed rates, effective from the start of the fiscal year on July 1, 2025. Once the public hearing concludes, the Board will have the opportunity to finalize the budget based on the discussions during the hearing.

Susan mentioned that the FY25 budget shows the 933,001.20 split to Campbell County and asked if that was for the entire year. Alec explained it was just for comparison. That piece was removed from the financial report provided for the to-date expenditures.

Greg proposed to revisit this issue and is open to holding a special meeting in May for a more in-depth discussion, especially after Lynchburg City's HR budget team reviews and compares the compensation study to the city's.

Frank emphasized his support for thoroughly vetting retention strategies and considering compensation adjustments but could not support this proposal as it currently stands. The calculations are based on withholding funds to Campbell, when the Board should be genuinely assessing tipping fees, ensuring that everyone is paying their fair share. Until the Board addresses that, Frank cannot support a rate structure that unfairly places the burden on Campbell County.

Frank mentioned that if the Board reconvenes in May, there is only so much the Board can discuss in an open session. Frank encourages the staff and the Chairman to discuss how detailed the Board

should get on this topic. The Board may touch on some uncomfortable issues, and if it becomes too specific, our organization might struggle to keep that information under wraps for long. Therefore, everyone is encouraged to submit their questions to staff so the Board can understand what can be addressed in either an open or closed session.

The Chairman stated that out of our 17 employees, half of them are in unique job titles, and the only class of employees that has any sort of volume is the equipment operators. If the Board goes anywhere beyond doing a consistent, general percentage increase for anyone, the Board would, in essence, be talking about individual employees.

Mr. Hefty acknowledged the Board could go into closed session to talk about specific salary increases for those individual employees by position, but not if you're doing an across-the-board salary increase for a class of people, which would be the heavy equipment operators.

The Chairman stated that he believed a special meeting should be held in May to discuss compensation in more detail.

6. Resolution Setting Forth Preliminary FY26 Solid Waste Disposal Fees Chair & Staff
Susan brought a motion to the Chairman.

MOTION: Susan made a motion to adopt the resolution setting forth the proposed FY26 budget and set the public hearing for 2:00 pm, Wednesday, June 25, 2025. Candy seconded the motion.

The Chairman asked for any discussion. Frank stated that the rates proposed are low based on the transfer of funds due to Lynchburg and Campbell into the closure/post-closure account. Frank objected to the resolution but does encourage the Authority to raise rates sufficient to pay the cost of service, to implement a retention strategy, and to pay Lynchburg and Campbell. There were no other comments.

Three were in favor of the motion; one was opposed. The motion passed.

7. Organizational Reports Director's Report.....Clarke Gibson

- Capacity Report
Clarke presented the annual capacity report, which has been completed and is required by the DEQ. After confirming the findings, staff anticipate reaching our full permitted capacity in January 2029.

Frank asked if that marks the landfill's maximum capacity. Clarke responded yes.

Frank asked if there will be a tapering in the amount of waste the landfill can accept as the close date approaches or whether the landfill would continue to accept the current volume until the last day. Clarke responded that the landfill will accept as much waste as it can until then.

- Solid Waste Management Planning
Clarke discussed that every locality in Virginia is required to submit a solid waste management plan. Region 2000 has a joint plan with the members of our Authority, but individual counties or cities have the option to submit their own plans. Additionally, two counties that are not part of the authority may collaborate to submit a joint solid waste management plan. These plans must be updated every five years, and this is the Region 2000 plan's fifth year.

Clarke went on to explain how a solid waste management plan must include the following:

- A transfer station coming online in each locality to receive solid waste,
- Conditions at the Region 2000 landfill that would slow traffic in and out due to space constraints as capacity declines, and
- Potential for a regional solid waste management plan to exist beyond 2029, when each locality is managing its own waste.

▪ **Odor Complaint Report**

Clarke informed the Board that since the last meeting, he has received 5 complaints from 2 addresses.

▪ **Tonnage Report**

Clarke reviewed the tonnage report with the Board and stated that to date, the landfill is quite a bit ahead of last year, but numbers are falling back in line with the previous years. To see fluctuation is not unusual.

Susan made a motion to the Chairman.

Motion: Susan made a motion to hold a special-called meeting on Wednesday, May 28, at 2:00 p.m. to discuss the salary retention study. Candy seconded the motion. Three were in favor, and one was opposed. The motion passed.

8. Adjournment.....Chair

Susan Adams moved for adjournment, and Candy McGarry seconded it. All were in favor, and the meeting ended at 3:28 p.m.

June 25, 2025
Date Approved

AKJ Bulman
Signature Attest