

ADA COUNTY

COMMISSIONERS'
OFFICE
200 W. Front Street, 3rd Floor
Boise, Idaho 83702
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September 28, 2015

Vicky McIntyre
Ada County Treasurer
200 W. Front Street
Boise, ID 83702

Dear Vicky:

It is the Board of County Commissioners' duty under Idaho Statute to set the annual salaries of all county elected officials. We are in receipt of your merit pool allocations, including the allocation request for you in the amount of \$2,778, bringing your salary to \$95,377.

This allocation request will not be approved and your salary will remain at the rate of \$92,599. Our experience in the last year does not indicate that any upward adjustment is warranted given a number of administrative matters incurring significant costs to the county under your management. These matters include but are not limited to the following:

- Multiple personnel matters requiring significant county resource allocations, including but not limited to: multiple wage and hour matters, county introductory period policy inconsistency exposures, FMLA matters handled by you in a manner creating exposures, and multiple complaints regarding working conditions;
- Turnover of Treasurer's Office Staff has been incredibly high during your first four full fiscal years of tenure, coming in at 25%, 16.7%, 7.1%, and 48% for fiscal years, 2012, 13, 14, and YTD 15, respectively. It should be noted that Billing Services Staff are not included in the 48% turnover figure for the YTD15 data;
- Disclosure of employee information that is not public under Idaho Statute, including personal, personnel, and medical information. This has continued despite multiple engagements by county HR advising on this topic;
- Boise Food Company settlement;
- Tax delinquency matter with Civic Partners;
- Property tax bill envelope matter;
- Public Administration management concerns requiring multiple inquiries, review, and audit;
- Health and safety concerns for employees handling estates in the Public Administration function;
- Implementation of process changes adversely impacting your office and other offices, often at times without inclusion of appropriate county staff and without appropriate lead time;
- Your strained relationship across the county and with multiple stakeholders;

- Your lack of personal presentation of your statutorily required financial reports to us at open business meetings.

Your salary was set at the prior incumbents' salary when you took office. Unfortunately, the amount of additional county resources allocated to your office as a result of management issues has increased, and we cannot justify allocating these merit dollars under these conditions. It should be noted you indicated you have had challenges in this fiscal year due to the transfer of the Billing Services Staff. This change was made pursuant to your recommendation of such change, as contained in the attached document. You have been advised on multiple occasions your needs, if any, for additional staff may be submitted through the mid-year personnel action request process along with your business case supporting the request. To date, no mid-year personnel action requests have been submitted. Your budget submitted during the FY16 budget process included supplemental requests, meaning your budget was going to have additional allocation needs, and all such requests were approved by this Board. Your requests did not, however, include any requests for increased staffing. We did not, therefore, attribute any of the above stated matters to your stated staffing assertions. We feel it is important to note that HR staff and services have been offered on multiple occasions to conduct job audits, analysis and to assist you in building your business case, if applicable, and you have not accepted the multiple offers.

This Board has capped merit increases for all County department heads and elected officials to two (2) percent this fiscal year. Your three (3) percent increase request, aside from the above cited reasons, would not be granted. We are willing to review this matter for you in a future period, in approximately six (6) months time, provided there is measurable improvement in the management of your office.

It is our hope and expectation to see elimination of the negative references to your proposed Billing Services changes cease immediately. Should you feel you have a business need for increased staffing, a professional business case proposal should be submitted during the mid-year or during your FY17 budget proposals. We hope and expect to see better employee morale, lower turnover, longer terms of employment of new hires and better relationships with your staff and other county leaders and stakeholders. We also hope to see you and your office proactively coordinate any changes that impact other offices and departments with appropriate lead times. Further, we hope you will accept our multiple offers of a proactive engagement with county HR to address personnel matters, most critically on current matters of which pending meetings are being discussed between you, county HR, and county PA.

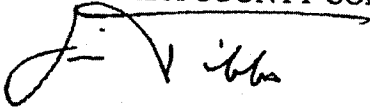
We hope to bring swift resolve to the ongoing challenges in your office related to staffing, morale, business integrity, and overall effectiveness.

This Board and/or HR are willing to and can help address and/or coordinate assistance regarding any of the aforementioned issues. Please feel free to contact us for further discussion.

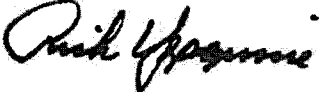
Vicky McIntyre
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Regards,

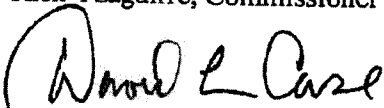
BOARD OF ADA COUNTY COMMISSIONERS



Jim Tibbs, Commissioner



Rick Yzaguirre, Commissioner



David L. Case, Commissioner

cc: Bethany Calley, Human Resources
Heather McCarthy, Prosecuting Attorney's Office



ADA COUNTY
TREASURER
TAX COLLECTOR, PUBLIC ADMINISTRATOR

200 W. FRONT
P.O. BOX 2868
BOISE, IDAHO 83701-2868

TREASURER: (208) 287-6800
FAX: (208) 287-6808

Vicky J. McIntyre
Treasurer

Lyn Call
Chief Deputy

January 17, 2014

Board of Ada County Commissioners
200 W Front Street
Boise, ID 83702

RE: Agenda Item 13.d - Consumer Price Index (CPI) rate increase to Republic Services

Dear Commissioners:

As administrator of the enterprise fund established to account for the receipts and expenses of providing waste collection services within unincorporated Ada County (which is defined in Ada County Ordinance 577 – Solid Waste Management, Section 5-2-3), I wish to give testimony in this open business meeting with regard to “Agreement No. 8705-2-14 - Amendment to Agreement Between Ada County And Allied Waste For Solid Waste Services Collection Contract”. I understand the purpose of this amendment is to approve a 1.987% Consumer Price Index (CPI) rate increase to Republic Services, effective February 1, 2014.

My concerns regarding this Amendment to Agreement #8705-2-2014 are as follows:

- Effective Date.** In the administration of the financial accounting for the Solid Waste contract, the Treasurer’s department utilizes Waste Account Management software (WAM). This software establishes reimbursement rates to the service providers under the contract (primary service providers being Republic Services, Ada County Landfill, Billing Services, & Administrative Expenses). Commercial accounts are billed monthly; therefore, a change in reimbursement rate could occur for these account holders effective February 1, 2014.

Residential customers, however, are billed quarterly, in advance, and have already been billed for February, March and April at the rates currently in existence. To initiate a rate increase to these customers effective February 1, 2014, the Treasurer’s staff would have to manually override each and every payment of 18,000 residential customers. My office does not have adequate resources to do this and maintain the statutory obligations required of the Treasurer’s office. We cannot meet the February 1, 2014 effective date for enacting the CPI increase for Residential service.
- Enterprise Fund Balance.** Our preliminary review shows that rate increases needed for services provided to both commercial and residential ratepayers, are greater than the CPI increase requested by Republic Services in order to maintain the enterprise fund.

According to our calculations, residential customer rates will need to be raised a minimum of 5.9%. The actual effective rate for residential customers will be greater than 8%, because of the effect of the additional sales tax that must be collected on the rental carts in the proposed amendment. Currently, standard residential customers are charged \$17.54 a month for service and 2 carts (including sales tax). In order to cover the proposed CPI increase and avoid depletion of the enterprise fund, which by definition must be self-supporting, the monthly residential service rate must increase to a minimum of \$18.58 per household per month.

3. **Rate Stabilization.** This minimum recommended customer rate increase required to meet current need will not be sufficient to maintain any "rate stabilization" for unincorporated Ada County residents going forward. It has been the desire and policy of prior Boards to avoid frequent "nickel and dime" customer rate increases, setting rates with an eye to future planning. We would hope to see that policy continue as our office is on the front line when customers express their frustration with frequently rising rates.
4. **Time.** With a rate increase of greater than 5%, the County is required to hold a public hearing. Time is needed to get this scheduled and the appropriate resolution drafted for Board consideration. This too speaks for a delay in action today on approval of the proposed contract amendment.
5. **Communication.** The Treasurer's Office is assigned responsibility as financial administrator of the Ada County Solid Waste Collection Contract under Ordinance 577 and can provide valuable input related to financial, procedural and customer relations issues associated with proposed changes to the Contract. I am disappointed that we were excluded from discussions that so dramatically impact the financial viability of the enterprise fund.

Perhaps it is time for the Board of Ada County Commissioners to amend the ordinance and solid waste contract to assign financial administration and billing of solid waste collection customers to the Solid Waste Department whose staff reports directly to the Board. Should this be your decision, I would recommend this transfer occur prior to April 1, 2014, in order to facilitate the next residential billing cycle. This would also allow time for the necessary communication to the residents of unincorporated Ada County of a rate increase and new contact information.

Given the concerns stated and the fact that discussions regarding this and other contract issues have been between the Board, the Director of Solid Waste Management and Republic Services and have not included essential input from the financial administrator standpoint, I respectfully request that the Board delay action on agenda item 13.d pending review of the information provided by my office and more comprehensive planning for future billings has been addressed.

Respectfully submitted,



Vicky McIntyre
Ada County Treasurer

**ADA COUNTY BILLING SERVICES
RATE PROJECTION OVERVIEW
PROPOSED 5.9% RATE INCREASE**

INDIRECT EXPENSE per customer per month (estimating 18159 average residential customers and 521 average commercial customers for a total of 18680 customers).

FIXED COSTS

Professional Services	\$ 5,508.00	
Legal Services	\$ 5,000.00	
Administrative Fee (Audlt)	<u>\$ 10,195.00</u>	
	\$ 20,703.00	

Divided per 18,680 customers times 12 months. \$ 0.09

VARIABLE COSTS

Postage per piece	0.460	
Envelope Cost per piece (#9 & #10)	0.050	
Statement Printing per piece	<u>0.120</u>	
Total cost of billing per customer	0.630	
Residential 72,638 billings	\$ 45,760.68	\$ 0.21

TOTAL INDIRECT EXPENSE \$ 0.30

DIRECT EXPENSE per customer per month

Allied Waste monthly fee	\$ 13.33
Landfill average monthly fee	\$ 3.25
Treasurer's Administrative Fee	<u>\$ 0.75</u>
TOTAL DIRECT EXPENSE	<u>\$ 17.33</u>

Actual monthly residential expense per customer \$ 17.63

REGULAR RESIDENTIAL RATES

	Increase with Current Rate	Suggested 5.9% Rate Increase
Residential Rate	\$17.00	\$18.00
Actual Monthly Cost	<u>\$ 17.63</u>	<u>\$ 17.63</u>
Monthly Gain/(Loss) Per Regular Residential Customer	(\$0.63)	\$0.37
Total Monthly Gain/(Loss) for Regular Residential Customers	(\$10,000.11)	\$5,813.89

Customer paid Sales Tax above and beyond current rate	\$0.54	\$0.58
Actual Rate Paid by Customer Increases by over 8%	<u>\$17.64</u>	<u>\$18.58</u>

SENIOR RESIDENTIAL RATES

Senior Residential Rate	\$13.99	\$14.69
Actual Monthly Cost	<u>\$15.47</u>	<u>\$15.47</u>
Monthly Gain/(Loss) Per Senior Residential Customer	(\$1.48)	(\$0.78)
Total Monthly Gain/(Loss) per Senior Residential Customers	(\$3,470.60)	(\$1,829.10)

RESIDENTIAL CUSTOMER ANNUAL LOSS

Yearly Gain/(Loss) per Total Residential Customers (\$161,848.54) \$47,817.46

CODE	CURRENT COMMERCIAL RATES							PROPOSED COMMERCIAL RATES						
	Allied	Treasurer	Landfill	Billing Services	Customer Rate	Average Customer Count	Estimated Monthly Revenue	*Allied	Treasurer	Landfill	Billing Services	Customer Rate	Average Customer Count	Estimated Monthly Revenue
1900 10Y ROLLOFF	108.58	5.00	55.00	4.42	173.00		0.00	110.73	5.00	55.00	2.27	173.00		0.00
1990 10Y ROLLOFF-C&D	117.46	5.00	110.00	9.54	242.00		0.00	119.78	5.00	110.00	7.22	242.00		0.00
1995 10Y RENTAL/MONTH	58.01			7.99	67.00		0.00	60.16			6.82	67.00		0.00
2000 20Y ROLLOFF	108.58	5.00	110.00	8.42	232.00	8	07.38	110.73	5.00	110.00	6.27	232.00	8	50.18
2010 20Y CONSTRUCTION	117.46	5.00	220.00	9.54	352.00	12	114.48	119.78	5.00	220.00	7.22	352.00	12	88.60
2020 20Y ASBESTOS	185.89	5.00	600.00	94.11	1,085.00		0.00	189.57	5.00	800.00	90.43	1,085.00		0.00
2030 20Y RECYCLE-WOOD	111.53	5.00	55.00	8.47	180.00		0.00	113.74	5.00	55.00	6.26	180.00		0.00
2081 20Y R/O W/L ADDL	31.34			3.66	35.00		0.00	31.96			3.04	35.00		0.00
2095 20Y RENTAL/MONTH	68.13			8.87	77.00	17	150.79	69.48			7.52	77.00	17	127.88
2500 25Y ROLLOFF	108.57	5.00	137.50	8.93	260.00		0.00	110.72	5.00	137.50	6.78	260.00		0.00
2510 25Y CONSTRUCTION	117.46	5.00	275.00	9.54	407.00		0.00	119.78	5.00	275.00	7.22	407.00		0.00
2520 25Y ASBESTOS	185.88	5.00	1,000.00	114.12	1,305.00		0.00	189.56	5.00	1,000.00	110.44	1,305.00		0.00
2530 25Y RECYCLE-WOOD	111.53	5.00	68.75	15.72	201.00		0.00	113.74	5.00	68.75	13.51	201.00		0.00
2585 25Y RENTAL/MONTH	73.25			10.75	84.00		0.00	74.70			9.30	84.00		0.00
3000 30Y ROLLOFF	108.58	5.00	185.00	8.42	287.00	7	58.94	110.73	5.00	185.00	6.27	287.00	7	43.91
3010 30Y CONSTRUCTION	117.46	5.00	330.00	9.54	462.00	2	19.08	119.78	5.00	330.00	7.22	462.00	2	14.43
3020 30Y ASBESTOS	185.89	5.00	1,200.00	134.11	1,525.00		0.00	189.57	5.00	1,200.00	130.43	1,525.00		0.00
3030 30Y RECYCLE-WOOD	111.53	5.00	82.50	8.97	208.00		0.00	113.74	5.00	82.50	6.76	208.00		0.00
3091 30Y R/O W/L ADDL	31.34			3.66	35.00		0.00	31.96			3.04	35.00		0.00
3095 30Y RENTAL/MONTH	68.13			10.58	91.00	12	128.96	62.01			8.99	91.00	12	107.87
3500 35Y ROLLOFF	108.58	5.00	192.50	8.92	315.00		0.00	110.73	5.00	192.50	6.77	315.00		0.00
3510 35Y CONSTRUCTION	117.47	5.00	385.00	9.53	517.00		0.00	119.79	5.00	385.00	7.21	517.00		0.00
3520 35Y ASBESTOS	185.89	5.00	1,400.00	155.11	1,748.00		0.00	189.57	5.00	1,400.00	151.43	1,748.00		0.00
3530 35Y RECYCLE-WOOD	111.53	5.00	96.25	9.22	222.00		0.00	113.74	5.00	96.25	7.01	222.00		0.00
3595 35Y RENTAL/MONTH	84.00			12.00	95.00		0.00	85.66			10.34	95.00		0.00
4000 40Y ROLLOFF	108.58	5.00	220.00	8.42	342.00	2	16.84	110.73	5.00	220.00	6.27	342.00	2	12.54
4010 40Y CONSTRUCTION	117.46	5.00	440.00	9.54	572.00		0.00	119.78	5.00	440.00	7.22	572.00		0.00
4020 40Y ASBESTOS	185.89	5.00	1,800.00	174.11	1,965.00		0.00	189.57	5.00	1,800.00	170.43	1,965.00		0.00
4030 40Y RECYCLE-WOOD	111.53	5.00	110.00	8.47	235.00		0.00	113.74	5.00	110.00	6.26	235.00		0.00
4091 40Y R/O W/L ADDL	31.34			3.66	35.00		0.00	31.96			3.04	35.00		0.00
4095 40Y RENTAL/MONTH	90.41			11.59	102.00	1	11.59	92.20			9.80	102.00	1	9.80
5000 RECYCLE HAULING	111.53	5.00		8.47	125.00	1	8.47	113.74	5.00		6.26	125.00	1	6.26
9000 MONTHLY MIN SVC		5.00		0.00	5.00		0.00		5.00			5.00		0.00
9011 APPLIANCE	27.89			2.11	30.00	2	4.22	28.44			1.56	30.00	2	3.12
9012 APPLIANCE-FREON	55.05			3.65	59.00	3	11.85	56.14			2.86	59.00	3	8.58
9020 LID-LOCK INSTALL	39.96			3.04	43.00	0	0.00	40.75			2.25	43.00	0	0.00
9050 ADD'L SERV/HOUR	15.22			1.78	17.00	1	1.78	15.52			1.46	17.00	1	1.46
9055 ADD'L SERV/HOUR	182.69			13.31	196.00		0.00	188.30			9.70	196.00		0.00
9300 REINSTATE-RES	20.77	5.00		2.23	28.00		0.00	21.16	5.00		1.82	28.00		0.00
9310 REINSTATE-BINS	41.54	5.00		3.46	50.00		0.00	42.36	5.00		2.84	50.00		0.00
9320 REINSTATE-ROLLOFF	89.23	5.00		6.77	81.00		0.00	70.60	5.00		5.40	81.00		0.00
9400 DELIVERY-BIN	21.26			1.72	23.00	18	30.96	21.70			1.30	23.00	18	23.38
9500 DELIVER-ROLLOFF	35.44			1.56	37.00	12	18.72	36.14			0.86	37.00	12	10.31
9550 RELOCATION-ROLL	35.44			1.56	37.00		0.00	36.14			0.86	37.00		0.00
9600 RETURNED CHECK		20.00			20.00		0.00		20.00			20.00		0.00
9650 OVERWIGHT COSTS					0.00		0.00					0.00		0.00
9980 CERT FEE				125.00	125.00		0.00				125.00	125.00		0.00
FIXED COSTS							(48.89)	.09 PER CUSTOMER PER MONTH						(46.81)
VARIABLE COSTS							(328.23)	.63 PER CUSTOMER PER MONTH						(328.23)
Estimated Billing Services Monthly Revenue							1,953.07	Estimated Billing Services Monthly Revenue						1,359.03
Estimated Billing Services Annual Revenue							23,436.84	Estimated Billing Services Annual Revenue						16,308.32

INDIRECT EXPENSE per customer per month (estimating 18159 average residential customers and 521 average commercial customers for a total of 18680 customers)

FIXED COSTS		
Professional Services	\$5,508.00	
Legal Services	\$5,000.00	
Administrative Fee (Audit)	\$10,195.00	
	<u>\$20,703.00</u>	
Divided per 18,680 customers times 12 months		\$0.99
VARIABLE COSTS		
Postage per piece	\$0.46	
Envelope Cost per piece (#9 & #10)	\$0.05	
Statement Printing per piece	\$0.12	
Total cost of billing per customer	<u>\$0.63</u>	
Commercial 6252 billings	\$3,938.76	\$0.63

ANNUAL REVENUE

Estimated Billing Services RESIDENTIAL Annual Revenue	\$42,059.38	Estimated Billing Services RESIDENTIAL Annual Revenue (\$161,500.62)
Estimated Billing Services COMMERCIAL Annual Revenue	<u>\$23,436.84</u>	Estimated Billing Services COMMERCIAL Annual Revenue
	\$65,496.22	<u>\$16,308.32</u>
		(\$145,192.30)

ANNUAL REVENUE WITH PROPOSED 5% RESIDENTIAL RATE INCREASE

Estimated Billing Services RESIDENTIAL Annual Revenue	\$47,817.48
Estimated Billing Services COMMERCIAL Annual Revenue	<u>\$16,308.32</u>
	\$64,125.78