

Environmental Quality Committee
February 18 2014
Summary

Stinnett called the meeting to order at 11:05 AM. All committee members were in attendance except Gorton. Kay also attended.

1. January 28, 2014 Committee Summary

On a motion by Akers, second by Clarke the January 28, 2014 Committee summary was approved unanimously.

2. Material Recovery Facility (MRF) Audit

Bruce Sahli reviewed the internal audit findings and recommendations for the Material Recovery Facility. Charlie Martin responded to and provided a status of each recommendation. Unless otherwise noted EQ/PW agreed with the recommendation.

Recommendation # 1 The MRF should be considered for assignment to a separate Enterprise Fund

Martin stated that a decision regarding creation of an enterprise fund should rest with the administration and council.

Henson stated that it was critical that proper financial standards and accounting processes were in place in order to determine financial viability.

Recommendation # 2 The MRF operation needs an exclusive management team

Martin stated that rather than a Deputy Director, he is investigating bringing in a Plant Manager to manage the operations

Myers stated that a Plant Manager may be able to take over role of the BRRC. In response Martin said everything should be considered.

Recommendation # 3 The MRF needs an accountant

Lane addressed accounting principles and systems. In response Martin stated that accurate accounting was critical. He stated that appropriate linkages between operational costs and recycling production costs need to be strengthened. Martin staffed that this position should answer to Finance.

Recommendation # 4 MRF security issues

Martin stated that a staff has been designated as "Safety Officer" who reports directly and is held responsible by Solid Waste Director.

Recommendation # 5 Excessive overtime incurred by certain MRF employees
Martin stated that a Plant Manager should better address operational needs including overtime. He stated that the Acting Director has started to use the last 2 hours of the operational shift to properly address plant maintenance.

Recommendation # 6 CAO # 40 violations identified
Myers discussed segregation of financial duties. He asked how we are holding divisions accountable to these CAO policies. In response Sahli stated that the Internal Audit Office is in the process of reviewing previous audits to determine compliance.

Akers discussed the need for proper accounting protocols and processes.

Sahli discussed the root cause of the late deposits.

Martin stated that the implementation of the policy seemed to be inconsistent over time.

Recommendation # 7 Risk Management Issues
Myers discussed the need for appropriate follow up from management. He discussed concerns about liability and vulnerabilities.

Henson discussed the need for follow up and compliance assurance.

Hamilton stated that her office is developing a follow up mechanism that will hold management accountable.

Sahli commented on enforcement and follow up.

Recommendation # 8 MRF contractors providing services should be monitored for compliance

Recommendation # 9 Updated contracts with BRRC and other affiliates needed

Recommendation # 10 Monthly commodity reports discrepancies

Recommendation # 11 Production reports should be reinstated

Recommendation # 12 Additional issues

Mossotti discussed the need for improved management.

Lane stated that the MRF is a multi-million dollar enterprise that has been mismanaged, with inadequate accounting and cost control systems. He recommended that a new enterprise be created with proper management and accounting controls.

Scutchfield discussed the need for better management controls and the need for transparency.

Henson stated that any opportunity for making the government more efficient should be applauded.

Stinnett discussed the need for improved management. He stated that the lack of communication and transparency fostered this mismanagement. He requested that the Administration bring a written action plan that the acting Waste Management Director can present back to the Committee.

Martin stated that he will be giving regular updates to both Hamilton and Sahli as well.

3. Tree Canopy Survey

John Saylor introduced Jenni Gullick from Davey Consultants.

Gullick reviewed the purpose, findings and recommendations of the tree canopy survey. She stated that this was the first canopy survey completed for any city within Kentucky.

Gullick stated that the survey can be used to identify preferred tree planting priority locations. In addition it can provide staff as tool to manage and track tree canopy changes over time.

Gullick stated that the Urban Tree Canopy area was 24.6% for Lexington's Urban Service District. This was an increase of 5.4% from 1994-2012. She noted that the national average is 27%.

Gullick stated that the canopy area by Council district was between 18%- 32%.

The survey identified canopy needs by priority. The very high need category needs 1,223 acres of canopy; the high priority is 4,833 acres; the medium priority is 5,868 acres; the low priority is 3,689 acres; and the very low priority is 427 acres.

Gullick stated that 84% of the need was on private property and 14% was on public property.

Susan Plunger discussed next steps, including the development of an Urban Forestry Management Plan; Public/Private Partnerships and Independent Coordination.

Clark discussed the need for a coordinated urban forestry plan. He noted that the Urban Forester was in one Department but the arborist and staff were in another Department.

Lane discussed comparable canopy rates and the ash bore disease.

Farmer discussed the urban forest and its impact on leaf collection.

Akers discussed methods to increase the canopy rate in the 2nd District.

In response to a question from Akers, Plunger discussed the development and implementation of the Urban Forestry Management Plan.

In response to a question from Akers, Saylor discussed the Reforest the Bluegrass efforts.

Myers discussed the canopy cost calculator. In response to a question from Myers, Gulick stated that for every \$ 1 invested in tree canopy the community gets a return on that investment of \$ 4.

Stinnett discussed the need for a coordinated and consolidated urban forest effort. In response to a question from Stinnett, Plunder stated that the Management Plan should be completed by the end of the year.

4. Monthly Financials

Stinnett addressed the monthly financials. He stated that O'Mara would address the LexServe collection rate at the next meeting.

5. Items Referred

No action taken.

The meeting adjourned at 1:10 PM.