

FINAL REPORT
Marin County Hazardous and Solid Waste
Management Joint Powers Authority

Organizational Assessment

Submitted electronically on August 18, 2021

**ZERO
WASTE
MARIN**

August 18, 2021

Ms. Liz Lewis
Interim Executive Director
Marin County Hazardous and Solid Waste JPA
c/o Marin County Department of Public Works P.O. Box 4186
San Rafael, CA 94913

Subject: Final Report – Organizational Assessment

Dear Ms. Lewis,

R3 Consulting Group, Inc. (R3) is pleased to submit the attached Final Report on Organizational Assessment for Zero Waste Marin.

The objectives of the Organizational Assessment were to:

- ◇ Research, analyze, develop findings, and prepare recommendations regarding the joint powers authorities' (JPA's) Board of Director's (Board's) structure and composition;
- ◇ Research, analyze, develop findings and prepare recommendations for future JPA staffing;
- ◇ Research, analyze, and develop findings regarding metrics including per capita funding levels for other similar waste and recycling JPAs;
- ◇ Conduct workshops with the Subcommittee and/or Board on best management practices in other communities and similar JPAs;
- ◇ Utilize our expertise to provide advice and recommendations on possible updates the 1996 Joint Powers Agreement; and
- ◇ Map out the next organizational steps the JPA could take to more effectively move towards its zero waste goals and objectives.

The attached Final Report contains our findings and recommendations.

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We appreciate the opportunity to be of service to ZWM and look forward to assisting you in next steps as they arise.

R3 CONSULTING GROUP



Garth Schultz | R3 Principal

1. EXECUTIVE SUMMARY

Background

The Marin County Hazardous and Solid Waste Management Joint Powers Authority (Zero Waste Marin, ZWM or JPA) is an agency consisting of all 11 incorporated cities within Marin (Belvedere, Corte Madera, Fairfax, Larkspur, Mill Valley, Novato, Ross, San Anselmo, San Rafael, Sausalito, and Tiburon) and the County (altogether, the Member Agencies). ZWM was formed to comply with the requirements of the California Integrated Waste Management Act (Assembly Bill 939, or AB 939) as a regional entity.

ZWM contracts with the Marin County Department of Public Works for staffing, administration, and program implementation. In 2006, ZWM adopted a goal to increase the diversion of materials from the landfill to meet an 80% diversion goal by 2012 and Zero Waste by 2025, ensure that resources are used to their highest potential, reduce upstream waste, and reduce Marin's ecological footprint. Despite ZWM's efforts the waste diversion rate continues to decline in Marin County – 66% in 2018, down from 75% in 2014. These trends are not unique to Zero Waste Marin – landfill disposal throughout California has been increasing since 2008, with commensurate decreases in calculated diversion rates statewide.

Other agencies with ambitious zero waste goals are similarly not on track for goal achievement. Many of those agencies have consequently reframed their goals to better align with realistic – yet still ambitious – reductions in landfill disposal and increases in diversion. Zero Waste Marin, likewise, has the option to reframe its goals to better reflect its scope of influence and responsibility. Many similar agencies have reframed their goals and adopted policies similar to those already in place in Marin. More ambitious programs are certainly feasible, and in place at other agencies; however, implementing those programs would require additional resources.

Because of the decreasing diversion rate and the current agency funding priorities, ZWM issued a Request for Proposals to engage a consultant to help them continue to make progress in reducing landfilled waste (the Zero Waste Feasibility Study Update) and recommend structural changes to the organization to improve institutional capacity and facilitate effective diversion programs (the Organizational Assessment). After a competitive process, R3 was engaged to assess the JPA organizationally and make recommendations related to increasing its effectiveness, clarifying its role, and preparing for implementation of the Zero Waste Feasibility Study Update.

This Report focuses on the organizational assessment; work continues on the Zero Waste Feasibility Study Update which includes information about potential new programs and the resources necessary to implement them.

Summary Assessment

Overall, ZWM is performing its core functions well, and the Board Members (comprised of the City/Town Managers from the Member Agencies) are happy with the performance of ZWM and the staff. The JPA is performing tasks which are similar to other solid waste JPAs in the region. However, we did find several governance areas that are not common and discovered structural issues that are keeping ZWM from operating at maximum effectiveness.

In terms of meeting structure, Member Agency and elected official involvement, and overall leadership – all are not typical when compared to other similar JPAs. Consequently, there is a general lack of communication and commitment that results in a lack of clarity of mission. The (separately provided) Zero Waste Feasibility Study Update is an opportunity to recommit to, and clarify the goals and objectives for, ZWM in the near and long term.

Further, the roles and responsibilities of key stakeholders including the Member Agencies, haulers, landfill operator and Local Task Force (LTF) are also not clear and agreed upon.

Key Findings

Engagement and Communication

Based on our stakeholder discussions and the detailed feedback from ZWM staff, the lack of clarity on the current JPA mission and objectives leads to a less productive agency and confusion regarding performance due to a lack of understanding and agreement on pre-determined goals and objectives.

Board of Directors meetings generally occur after the Marin Manager's Association meetings to promote greater attendance and engagement. However, attendance is still inconsistent, and Board Members are less focused because other meetings or priorities draw their attention. Of the other JPAs surveyed, every Board meets much more frequently (usually monthly), and their time during those meetings dedicated solely to their Board duties.

Elected official involvement may be helpful in prioritizing ZWM functions and allocating additional resources to regulatory compliance and other larger impactful programs.

Executive Director

Unlike the other comparable solid waste JPA agencies, ZWM has a part time Executive Director that is only allocated one-third of their time to managing ZWM. Further, in all the other cases, the Executive Director is an at-will employee that reports to the Board. In ZWM's case, the part-time Executive Director reports to their supervisor within the Marin County management structure, and that supervisor is responsible for the evaluation and compensation of the Executive Director.

Staffing

Overall, the ZWM budget is consistent with other similar agencies and scope. Non-personnel costs are driven by the scope and mission and would be similar regardless of staffing model. Other Zero Waste Marin expenses are like JPAs with similar scope. However, while personnel costs are like those of the Member Agencies, Zero Waste Marin could achieve an expansion of staffing and/or programs by transitioning to the more typical model of JPAs (hiring and maintaining their own dedicated staff with a different retirement package). The current 4.75 FTE's are not adequate to accomplish the current functions of ZWM effectively – via this Assessment, R3 recommends staffing of 6.0 dedicated FTE's in order to maximize effectiveness and achieve current organizational objectives.

Recommendations

In describing our findings, we are presenting those that should be implemented regardless of the staffing model, followed by the recommendations regarding the staffing model.

Executive Director

ZWM should, as soon as possible, engage a full-time, at-will Executive Director either as a ZWM employee or a County employee depending on the Board's ultimate direction on the JPA structure. The Executive Director should serve at the pleasure of the Board, so their roles and expectations are as clear as possible.

Staffing

Like the Executive Director, we believe the remaining staff should be full-time dedicated to ZWM whether they remain County employees or employees of the JPA, and those staff should report to and be accountable to the Executive Director.

Upon the Board acceptance of the final update of the Zero Waste Feasibility Study (anticipated late Summer 2021) and anticipated subsequent agreement on goals and objectives, additional staffing and other resources should be increased to allow for an opportunity to ensure effective completion of those initiatives. Staffing should also be adequate to support the Executive Director and better engage the Member Agencies, other stakeholders, and the community.

Governance

As described throughout this Report, engagement with the Member Agencies, stakeholders and the community should be improved and clarified. One way this could be accomplished is to increase the involvement of the local elected officials. This could include having elected officials serve as Board Members or alternates (which can be considered on a case-by-case basis by each Member Agency, as is the case for Zero Waste Sonoma), increased briefings and presentations to Member Agency elected officials by ZWM staff, involvement on the Local Task Force (LTF), or creating subcommittees to meet with their Board Member and/or the Executive Director.

The role of the LTF also needs to be clarified and defined and used as a resource for ZWM and Member Agencies. Through the JPA agreement and the Public Resources Code, the LTF was initially given significant responsibility but over time, it has lost its focus and its current purpose is unclear.

Coordination

ZWM is perfectly situated to coordinate County-wide waste diversion activities to ensure that programs are not redundant, outreach and education communications are consistent and community outreach is conveying the same message. This does not mean that the JPA would necessarily be responsible for all waste diversion activities; for example, ZWM's Member Agencies currently retain responsibility over their solid waste franchises and it may not be advantageous or feasible for ZWM to take on such activities.

Staffing

Going forward, there are three potential models that could be implemented with the other recommendations described above:

1. Continue the current staffing agreement with the County; or,
2. Hire dedicated JPA staffing; or,
3. Dissolve ZWM and have the County assume current ZWM responsibilities and resources.

Although ZWM could continue the staffing agreement with the County and make changes to be more effective, the Board should consider transitioning to its own staffing model, as is the case for other similar solid waste JPAs. We believe the Member Agencies would be better served with the more common model of the JPA providing its own staffing with administrative support (legal support, human resources and finance) provided by its Member Agencies or private firms. County staff could be given the first opportunity for employment with the JPA if they so desired. As part of this transition, we would further recommend competitive benefits, but not participation in a pension system like CalPERS or 37 Act pension.

Overall, such a transition would likely take 6-12 months, and ZWM should consider engaging an interim executive director to independently manage the transition. Over time the transition expenses could be recovered through increased efficiency or a minimal rate increase (1-2 cents on the average residential customer solid waste rate).

2. FINDINGS AND RECOMMENDATIONS

Methodology

To perform our analysis, R3 staff met with ZWM staff multiple times to gather information about their perspectives on the issues involved. Of greatest concern shared by the staff was the need for the Board to make a greater commitment to understanding the role of ZWM, its importance in complying with State regulations, and the need to commit adequate resources to meet an agreed-upon set of goals and objectives.

In addition to ZWM staff, R3 met with each of the Board Members individually to better understand their perspectives about the functioning of the JPA. Input and perspectives shared by the Board Members are reflected throughout this Report.

R3 also met with the franchised solid waste haulers, landfill operator and LTF Chair and Vice-Chair. The private companies were generally supportive of ZWM but raised concerns about the amount the JPA budget impacts their fees. R3 has also met several times with the assigned Board Subcommittee to go over preliminary findings and approach and receive direction.

Comparison to Similar Solid Waste JPAs

In order to help evaluate ZWM, R3 prepared a comparative matrix (Attachment 1) of six JPAs and one special district in the region that exist to perform similar services as Zero Waste Marin. Some of the surveyed JPAs are much larger, others are similar in size, and some provide service to significantly smaller populations. The agencies annual budgets range in size from \$1.6 million to \$51 million and include:

- 1) Zero Waste Marin (Marin County)
- 2) Central Contra Costa Solid Waste Authority (central Contra Costa County)
- 3) Monterey Regional Waste Management District (MRWMD)
- 4) South Bayside Waste Management Authority (much of San Mateo County)
- 5) StopWaste (Alameda County)
- 6) West Contra Costa Integrated Waste Management Authority/RecycleMore (western Contra Costa County)
- 7) Zero Waste Sonoma (Sonoma County)

As a high-level evaluation of the overall costs, we compared the per capita costs for ZWM with that of other similar JPAs. Although it is not a perfect “apples to apples” comparison, our analysis does show that the overall ZWM expenses are not unreasonable, as shown in Table 1. The agencies with the largest per capita dollar figures, specifically RethinkWaste and MRWMD, both own and operate facilities, while the smaller agencies play more supportive roles like ZWM. Some agencies (such as CCCSWA) also fund their HHW program outside of their budget (unlike ZWM) which impacts the comparison.

Overall, ZWM compares favorably to other agencies. With HHW expenses accounting for approximately half of the overall ZWM budget, there is comparatively little funding left for programs that have a direct impact on diversion. Not reflected here, the Zero Waste Sonoma Board recently approved a 30% increase (implementation under discussion with the Sonoma County and landfill operator) in their surcharge to develop new diversion programs, increase staffing and funding related to SB 1383, and build an additional HHW facility.

Table 1: Per Capita Spending Comparison

	Population	Annual Budget	\$ Per Capita
<i>RecycleMore (Contra Costa)</i>	236,000	\$ 1,925,000	\$ 8
<i>CCCSWA (Contra Costa)</i>	206,000	\$ 3,830,000	\$ 19
<i>MRWMD (Monterey)</i>	170,000	\$33,500,000	\$ 197
<i>RethinkWaste (San Mateo)</i>	435,000	\$51,500,000	\$ 118
<i>StopWaste (Alameda)</i>	1,511,000	\$34,000,000	\$ 23
<i>Zero Waste Sonoma</i>	494,000	\$ 7,800,000	\$ 16
<i>Zero Waste Marin</i>	259,000	\$ 4,200,000	\$ 16

There are many similarities among the agencies and a few notable differences between all or most of them and Zero Waste Marin as described below:

Governance

With the exception of ZWM, the other agencies primarily have elected officials as their Board Members. While there are likely efficiencies and expertise associated with the City and Town managers serving as Board Members, they may be outweighed by the fact that the elected officials would likely raise the profile of ZWM, report back to their agencies more frequently, thus raising visibility and providing more transparency and have more time and fewer competing day to day priorities. Elected officials are typically required to report back to their agencies on the activities of the JPAs in which they serve. This would improve communication and raise the profile of ZWM.

Meeting Frequency

All of the other agencies meet at least 9 times annually, with the ability to meet all 12 months if necessary. This frequency allows the Board Members ample time to spend on their agency activities, programs and budgets, and provides opportunities for more regular reports back to their jurisdictions. More frequent meetings give staff the opportunity to go into greater detail on issues like upcoming regulatory compliance which could have major impacts on all the agencies in the County.

Roles and Responsibilities

In our discussions with the Board Members and the other stakeholders in the County, there was some confusion or lack of clarity in terms of what role each stakeholder should be playing within the County. Some of the Member Agencies have an expectation that their franchised hauler is responsible for meeting state regulations and achieving their diversion goals. Members of the LTF were not clear as to what role they had within the County and how they could increase their involvement.

Stakeholder Feedback

Based on our interviews, it became clear that the mission of ZWM was no longer clear to the Board Members and stakeholders (LTF, Board Members, and haulers). Some thought the role of the JPA was to enact programs and lead the County-wide efforts to meet waste diversion goals, while others thought those roles fell to the private haulers and landfill operators. Others felt that ZWM could be playing a more active role within the leadership in the County.

Additionally, there were concerns over the real or perceived cost of the County staffing agreement and the value received for the cost, though those concerns were resolved by the Board based on receipt of R3's January 7 memorandum titled "Analysis and Comparison of Zero Waste Marin Staffing Costs" which is included herein as Attachment 2 and which was addressed during the February 25, 2021 ZWM Board

meeting. In that analysis, R3 compared the County staffing costs to those of its Member Agencies and determined that the County costs in total were not materially different than those of the Member Agencies. When the benefits provided by the County are accounted for, the service agreement was not unreasonable.

In addition to the Board Members expressed respect for ZWM staff, many Board Members also conceded that their own engagement in the JPA was not at the level it should be. As a result, the level of communication between ZWM and the Members was much lower than we would typically expect, particularly as it relates to the Executive Director position. Board Members acknowledged that JPA meetings were not always well attended despite their infrequency and when they did occur (and which are much shorter than typical solid waste JPA meetings).

The Board Member lack of engagement noticeably impacts morale and productivity of ZWM staff who have had difficulty getting clear direction. JPA staff did not feel the Board was committing the necessary time and resources to make ZWM more of a statewide leader in waste diversion efforts, especially given that a reasonable increase in expenses would have a minimal impact on rate payers.

Finally, the roles and responsibilities of stakeholders were no longer clear to the Board Members. Stakeholders include the cities, County, Special Districts, haulers, landfill operator, and the Local Task Force which was created to support the JPA. Of note, some members of the LTF felt the LTF's role was not clear, as they were originally formed as an advisory group to the JPA, but without any clear pathway or approach to providing advice to the Board on decisions or other considerations undertaken at the Board level.

Findings

Engagement and Communication

The lack of clarity on the current JPA mission and objectives leads to a less productive agency and confusion regarding performance due to a lack of understanding and agreement on pre-determined goals and objectives. Unlike other similar agencies, there is a lack of communication with the elected officials of ZWM's Member Agencies. It is common for other JPA staff to make at least annual presentations to the Member Agencies' elected officials and community members.

It is our understanding that the periodic Board meetings were moved to after the Marin Managers' Association meeting to promote greater attendance and engagement. However, based on our understanding of those meetings, attendance is still inconsistent, and Board Members are less focused because of competing priorities. Of the other JPAs surveyed, all meet much more frequently, and their meeting time is dedicated solely to their Board duties.

When the JPA began, elected officials typically served as Board Members. Over time as the work of ZWM became more routine as programs and public information were in place and the overall mission became more compliance oriented, City Managers became the regular Board Members. The City Managers in this role is very unusual in solid waste JPAs – City Council or Board of Supervisor members are typically appointed to these regional agencies with the responsibility of reporting back their activities and key issues to their home agencies. It does not appear that the City Managers are reporting back regularly or consider ZWM activities a high priority, particularly as it relates to the other matters they need to deal with day to day. However, elected official involvement may be helpful in prioritizing the JPA functions and allocating additional resources to compliance with State laws and other large, impactful program changes.

Executive Director

Unlike the other Agencies in our survey and JPA's in which we are familiar, only ZWM has a part time Executive Director with only one third of their time allocated to managing ZWM. Further, in all the other cases, the Executive Director is an at-will employee that reports to the Board. In the case of ZWM, the part-time Executive Director reports to their supervisor within the Marin County management structure

and that supervisor is responsible for the evaluation and compensation of the Executive Director. As a senior manager in the Public Works Department, the Executive Director is pulled in many directions and since most of their time is spent in the public works function. More importantly, because the Executive Director has only one-third of their time to both manage ZWM and its staff, as well as being the natural liaison to the Board Members, communication clarity has suffered.

Staffing

As demonstrated in Attachment 2, R3 found that the current ZWM service agreement with the County is for staffing services (rather than a time and materials contract) and does not require specific staffing model or designated personnel. The analysis found that the current ZWM budget, personnel expenses are divided similarly to other agencies between wages, medical benefits, pension, OPEB, workers compensation and Medicare. Overall, the analysis found that moving the staffing services agreement to a one of the ZWM Member Agencies would likely result in only minimal if any annual reductions in annual expenses.

Recommendations

Executive Director

ZWM should as soon as possible, engage a full-time, at-will Executive Director either as a ZWM employee or a County employee depending on the Board's ultimate direction on the JPA structure.

This change is likely to have the greatest possible impact of the organizational changes we evaluated. In the full-time role, we believe the Executive Director will have the ability to significantly improve communication with the Board Members and the elected officials in Marin as well as other stakeholders like the LTF and the private haulers and operators. This improved communication will lead to a higher profile and priority of the issues and a greater chance of increased funding.

The Executive Director should serve at the pleasure of the Board, so that their role and expectations are as clear as possible. Like Zero Waste Sonoma, it is possible to make this change and still have the Executive Director as a County employee, although it is not the most common approach.

Staffing

Like the Executive Director, we believe the remaining staff should be full-time dedicated to ZWM whether they remain County employees or employees of the JPA, and report to and be accountable to the Executive Director. Our discussions with the staff made it clear that they had other responsibilities that could take away from ZWM activities. This arrangement is unique to Marin, and we believe it limits effectiveness. Although ZWM could continue the staffing agreement with the County and make certain changes to be more effective, the Board should consider transitioning to its own staffing model.

Upon the adoption of the Zero Waste Feasibility Study Update, and agreement on future goals and objectives, staffing should be adjusted to full-time to allow for an opportunity to ensure effective completion of those initiatives. Staffing should also be adequate to support the Executive Director and better engage the Member Agencies, other stakeholders, and the community. The current 4.75 FTE's are not adequate to accomplish the current functions of ZWM effectively, and we recommend 6.0 dedicated FTE's to maximize effectiveness of ZWM given its current priorities and objectives.

Governance

As described throughout this Report, engagement with the Member Agencies, stakeholders and the community should be improved and clarified. One way we believe this could be accomplished is to increase the involvement of the local elected officials. This could include serving as Board Members or alternates, increased briefings, and presentations to the local agencies by staff, involvement on the LTF,

or creating subcommittees to meet with their City's representative Board Member and/or the Executive Director.

The role of the LTF also needs to be clarified and defined, enabling the use of the LTF as a resource for ZWM and Member Agencies. The desired LTF role should be clarified in the JPA agreement as appropriate and developed with the current membership. Through the JPA agreement and the Public Resources Code, the LTF was initially give significant potential responsibility but over time, it has lost its focus and its current purpose is unclear. Legally, as defined in the PRC, the LTF has significant input and responsibility:

Division 30, 40950 (c) To ensure a coordinated and cost-effective regional recycling system, the task force shall do all of the following:

- (1) Identify solid waste management issues of countywide or regional concern.*
- (2) Determine the need for solid waste collection and transfer systems, processing facilities, and marketing strategies that can serve more than one local jurisdiction within the region.*
- (3) Facilitate the development of multijurisdictional arrangements for the marketing of recyclable materials.*
- (4) To the extent possible, facilitate resolution of conflicts and inconsistencies between or among city and county source reduction and recycling elements.*

Upon agreement on future goals and objectives and adoption of all or some of the organizational assessment, R3 will provide a brief description of recommended changes necessary to the JPA agreement to bring it up to date with current best practices and consistency with the current mission.

Coordination

The JPA is well situated to coordinate waste diversion activities in the County to ensure that programs are not redundant, messaging is consistent and community outreach is aligned. This is an approach we are seeing with the other JPAs in our survey and others in which we are familiar. New resources would need to be provided to ensure the coordination is effective. Most of the smaller Member Agencies expressed concerns that they simply do not have the staffing or resources necessary to make sure they are following requirements and regulations and would welcome coordination and assistance from the expert staff of ZWM.

Staffing Model

Going forward, there are three potential models that could be implemented with the recommendations above. Table 2 summarizes the alternatives.

Table 2: Staffing Alternatives

Alternatives	Advantages	Disadvantages
Staffing Agreement with County	<ul style="list-style-type: none"> • No transition necessary • No learning curve for staff • County already involved with many aspects of solid waste system • County can assist with cash flow if necessary • County has most depth to backfill or provide additional support if needed • Dedicating staff full time would have small rate impact 	<ul style="list-style-type: none"> • Current staff have other responsibilities • Possibly less-effective than dedicated staffing model • County may have different priorities • Would need to develop a staffing MOU for ED
Hire Dedicated ZWM Staff	<ul style="list-style-type: none"> • Possibly more effective than current staffing model • Most common model for other JPAs • Independent of all other agencies • Allows for “fresh start” as ZWM goes to next level • Cost impact to rate base minimal 	<ul style="list-style-type: none"> • Would require costly and timely transition • A few costs unknown (rent and support services) • Collection of ZWM Fees and the associated cash-flow needs may be complicated
Dissolve JPA, County takes over current functions	<ul style="list-style-type: none"> • Eliminates additional meetings for Board Members • County staff familiar with issues 	<ul style="list-style-type: none"> • Member Agencies no longer have a vote • County and cities/towns/districts may have competing priorities • Will likely lead to even less public agency and community engagement • Funding could become competitive with other priorities • Not a common model for achieving waste diversion goals

To maximize effectiveness, we believe that ZWM would be better served with the more common model of the JPA providing its own staffing with administrative support provided by a Member Agency or private firms. These functions could include human resources and finance. As part of this transition, we would further recommend competitive benefits but not participation in a pension system like CalPERS or 37 Act. These programs are costing public agencies considerable portions of their general funds and regularly exceed 30% of wages. A competitive retirement program would include roughly 10% annual contribution to a 457 or similar program. Medical benefits should be comprehensive and include full family but be capped at the lowest reasonable amount which is often a Kaiser Permanente program.

These adjustments will offset the costs of moving the employees to full time, an increase of 1.25 staff, for a total of 6.0 dedicate FTE. County staff could be given the first opportunity for employment with the JPA if they so desired. Such a transition would likely take 6-12 months and include an interim executive director to independently manage the transition.

However, the staffing level should be determined based on agreed upon objectives and shared expectations as described in the Zero Waste Feasibility Study Update. If the Board takes on the additional responsibilities confronting ZWM, the JPA would likely need an additional staff above 6.0 FTE.

Implementing this change would result in a minimal impact on the ZWM fees but would provide ZWM adequate staffing for its likely future goals and objectives. Based on a six-month transition, the additional one-time costs would be approximately \$150,000 for an interim executive director, as well as consulting and legal support. Each additional month would cost about \$12,500. The transition costs would require a rate adjustment of a few cents per month at a minimum.

Item	Central Contra Costa Solid Waste Authority	Monterey Regional Waste Management District	West Contra Costa Solid Waste Authority	StopWaste	SBWMA	Zero Waste Sonoma	Zero Waste Marin
Member Agencies	Town of Danville City of Lafayette Town of Moraga City of Orinda City of Walnut Creek Contra Costa County (east)	Carmel-by-the-Sea Del Rey Oaks Marina Monterey Pacific Grove Sand City Seaside County of Monterey (North)	El Cerrito Hercules Pinole Richmond San Pablo Contra Costa County (west)	County of Alameda City of Alameda City of Albany City of Berkeley Castro Valley Sanitary District Dublin Emeryville Fremont Hayward Livermore Newark Oakland Oro Loma Sanitary District Piedmont Pleasanton San Leandro Union City	Atherton Belmont Burlingame East Palo Alto Foster City Hillsborough Menlo Park Redwood City San Carlos San Mateo County of San Mateo West Bay Sanitary District	Cloverdale Cotati Healdsburg Petaluma Rohnert Park Santa Rosa Sebastopol Sonoma (City) County of Sonoma Windsor	Belvedere Corte Madera Fairfax Larkspur Mill Valley Novato Ross San Anselmo San Rafael Sausalito Tiburon County of Marin
Board Members	12 2 per jurisdiction – an elected official or appointee	8 One member per jurisdiction – an elected official or appointee One at large member	5 3 – Richmond 4 - member per jurisdiction 1 – County of Contra Costa (non-voting) Members are elected officials	17 1 member per jurisdiction 1 County 1 for each Sanitary District Members are elected officials	12 1 member per jurisdiction 1 County 1 for Sanitary District (President) Members are elected officials except sanitary district	10 1 member per jurisdiction 1 County Members can be elected officials, appointees or staff from each Member Agency	12 1 member per jurisdiction Members can be elected officials or appointees
Voting Process	One vote per member	One vote per member	One vote per member except County seat	One vote per member	One vote per member	One vote per member	One vote per member
Board Meets	Monthly (9 times per year)	Monthly	Monthly	Monthly (10 times per year)	Monthly (10 times per year)	Monthly	As-needed (2-3 times per year)
Residential / Commercial Accounts (approx.)	62,000 / 3,000	47,000 / 6,200	25,000 / 5,000	370,000 SF/160,000 MF 18,479	93,000 / 11,000	Recology: 11,936 SF / 3,948 MF / 137,892 Comm SCRR: 31,477 SF / 266 MF / 786 Comm / Town 72 / Schools 30 Sonoma Garbage: 4,787 SF / 32 MF / 209 Comm	250,000 population
Annual Disposal Tons	119,000	220,000	156,000	920,503	180,000	376,586	100,000
CIWMB Diversion Rate PPD (Year)	61% (2018)	47% - 71% (2006)	57%	59% (2005)	Various (each Member Agency has separate diversion rate) Average of 66%	64% (2006)	67%
Diversion Rate by Tons Agency-Wide (Year)	61% (2019)	42% (2019)	50% (2018)	67% (2018)	51.49% (2019)	71% (2018)	64% 2017

Item	Central Contra Costa Solid Waste Authority	Monterey Regional Waste Management District	West Contra Costa Solid Waste Authority	StopWaste	SBWMA	Zero Waste Sonoma	Zero Waste Marin
AB 939 Reporting (HHWE, SRRE, EAR)	Individual Jurisdictions	Individual Jurisdictions	Individual Jurisdictions	Individual Jurisdictions	Individual Jurisdictions	JPA	JPA
Annual Budget (19/20 approved) Provide budget detail	\$3.83M including \$861k for diversion including \$75k for SB 1383	\$33.5M including \$15.97M wages, \$165k public ed., \$195k training, \$1.3M prof. svc., \$1,877M recycling proc. & \$140k other, ops, maint.	\$1.6M operating including \$325k reserves and \$350 OPEB reserves. \$225k earmarked for 1383 \$120k AB939	\$34M including \$10.6M for core Agency programs; \$7M for HHW program; \$5M pass through to member agencies and \$8.7 million externally funded energy projects	\$51.5M including \$47.7M payment for TS/MRF operations; \$2.4M administrative; \$0.5M member agency support & contract compliance; \$0.9M Public Education & Outreach	\$7.8M including \$5.4M for organic waste program (transfer transportation, and processing agreements); \$1.9M for HHW; and \$0.6k for Public Education & Outreach	\$4.2M including \$1.2M for zero waste programs; \$0.4M for state reporting; and \$2.5M for HHW program
Source of Revenue¹	Franchise Fees & Recycling Revenue	Tipping Fees	Tipping Fees	Tipping fees Residential fee on property taxes for HHW	Tipping fees and commodity sales revenue	Tipping fees	Fees paid by haulers and facilities on tons hauled or disposed
Proportion of ratepayer costs that contribute to JPA funding	3.3% (FY 2018-19) 5.1% (FY 2020-21)	NA – District not JPA. No stand-alone costs.	\$7.86 per ton out of total rate of \$106.26/ton 1.02% of 35g. rate	NA	2.83% (FY 2019/20)	\$5.40 of GW & MSW tipping fee 2020 Tipping Fees: Cities contracted with Recology MSW \$145.81/ton Organics \$87.64/ton Cities not contracted with Recology MSW \$141.66/ton Organics \$87.64/ton County (unincorporated) MSW \$141.19/ton Organics \$87.64/ton	2%
Agency Staff (# of full-time staff; # of outreach and ed dedicated staff)	Director and Staff (6) 2 public education	General Manager and Staff (145) 3 public education	Director and Staff (5) 3 public education	Director and Staff (currently 44; up to 50 authorized)	Director and staff (5 / 4 franchise compliance programs / 5 outreach fellows)	6 FTE 1 PT County contracted services, IT, Rental space, HR, Accounting)	4.75 FTE (and one school intern); not outreach and education dedicated staff
Staff Employer	Waste Authority	Waste District	Waste Authority	Waste Authority	Waste Authority		County
JPA Salaries are similar to MA salaries?	Calculated Similarly including pension, OPEB and other benefits	Calculated Similarly including pension, OPEB and other benefits	Calculated Similarly including pension, OPEB and other benefits	Independent report benchmarking salary ranges completed every 3-5 years.	Independent report benchmarking salary ranges completed every 5 yr.	JPA salaries are independent based on County job descriptions and salaries. WM Specialist 1 (\$65-79k) WM Specialist 2 (\$71-86k) Executive Director (\$110-134k) County Admin Staff (\$ 76-92k)	Yes (higher OPEB liability)

¹ These include dedicated sources of revenue. Revenue received through various grant programs is not listed, however most JPA's receive some funding through grants.

Item	Central Contra Costa Solid Waste Authority	Monterey Regional Waste Management District	West Contra Costa Solid Waste Authority	StopWaste	SBWMA	Zero Waste Sonoma	Zero Waste Marin
Employees are at-will?	Yes	No	Yes	Yes	Yes	Yes, All Union except Director and Co. Admin Staff	No
Publicly Owned Facilities	None	Yes	None	None	Yes (TS/MRF)	Yes	None
Issue Revenue Bonds	Yes	Yes	Yes	No	Yes	No	No
Facilities Owned by Waste Authority	1 – Buy Back & Drop off Center 1 – Green Waste Drop off 1 – HHW Facility	1 – Landfill 1 – MRF 1 – HHW Facility 1 – Composting 1 – Maintenance 1 - Administration (all on same site)	none	Land owned in Altamont Hills to be used as reserve landfill capacity if needed.	MRF & transfer station	HHW Facility (On County property)	None
Public & Agency Owned Facility Operations	Private	Operated by Waste District staff	none	None	Contracted	None, County owns Landfill	None
Privately Owned Facilities Within Jurisdictional Boundaries	2 – Landfills 5 – Transfer Stations/MRF 2 – Composting	PUBLIC 2 - Transfer Station, 1 - MRF & 1 - Composting	2 – Transfer Stations 1 – MRF 1 – HHW Facility 1 – Composting (all on same site)	2 – landfills 6 - MRFs 3 - Transfer Stations 1 - HHW facility 2 - Composting	1 – Landfill 1 – MRF 1 – Transfer Station 1 – HHW facility 3 – Composting facilities	1 - Landfill 1 – Composting (in negotiations with contractor to build facility) 1 – MRF 3 – C&D facilities 4 – CRV Facilities	1 – Landfill & Transfer Station 1 – MRF (2 used) 1 – Transfer Station 1 – HHW facility 3 – Composting facilities
Facility Designation (Flow Control)	Yes	Yes	Yes	The member agencies have but Authority does not	Yes; flow to JPA-owned facility	Yes, flow controlled in County, except Petaluma	No
Rate Setting/Approval	Collection/Post Collection	Yes	Post Collection	No	Collection/Post Collection	Residential Organics Tipping Fee	Budget assessment on haulers and facilities
Rates for Member Agencies	Yes	Post Collection	Post Collection	No	No	No	No
Closure & Post Closure Monitoring & Maintenance	Yes	Yes	No	No	No; hosting fee paid to San Carlos	No	No
Solid Waste Planning	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Public Education & Outreach	Yes	Yes	Yes	Yes	Yes	Yes	Yes (ad campaign)
Collection Franchise Agreements	Yes	No	No	No	No; but assist in administration	No	No
Facility Operating Agreements	Yes	Operated by District	Yes	No	Yes	No	No
Enter into Disposal Agreements	Yes	Operated by District	Yes	No	Yes	No	No
Enter into Processing Agreements	Yes	Operated by District	Yes	No	Yes (operating Agreement)	Yes (organics)	No
Permanent HHW Facility in region	Yes	Yes	Yes	Yes	Yes; program run by County	Yes	Yes
HHW Program Management	Yes	Operated by District	Yes	Yes	No	Yes	Yes
HHW Operating Agreements	Yes	Operated by District	Yes	Yes	No	Subcontracted	Yes

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To: Garrett Toy, Zero Waste Marin Board Chair
Elizabeth Lewis, Zero Waste Marin Executive Director

From: Garth Schultz, R3 Consulting Group, Inc.
Scott Hanin, Independent Consultant

Date: January 7, 2021

Subject: Analysis and Comparison of Zero Waste Marin Staffing Costs

R3 is engaged by the Zero Waste Marin Joint Powers Authority (ZWM-JPA) to conduct an organizational assessment of the ZWM-JPA, including an analysis of alternative staffing models. In service of that objective, R3 completed a high level analysis of the current cost of services provided by Marin County to the ZWM-JPA via the staffing services agreement between the parties. We also analyzed and compared our findings for the ZWM-JPA to those of similar entities/authorities. This effort was based on R3's extensive knowledge and experience working with similar organizations and waste reduction agencies. This memorandum presents the results of our analysis.

Findings

The current ZWM-JPA staffing services agreement with the County is for staffing services (rather than a time and materials contract) and does not require any specific staffing model or designated personnel. To evaluate cost of services provided by the County, R3 focused on the personnel costs and particularly the benefits as those are specific to the County. Zero Waste Marin's annual budget is approximately \$4.2 million with approximately \$859,000 for staffing, including a 15% overhead charge on each employee. The remainder of the budget is for Household Hazardous Waste (HHW) services, diversion programs, public information, agency support and other miscellaneous expenses which would be similar in any staffing model depending on the specific activities undertaken.

Table 1: JPA Budget Summary

Personnel	\$ 858,743	20.5%
HHW Programs	2,299,576	55.0%
Programs & Public Info	932,300	22.3%
Other/Agency Support	89,251	2.1%
TOTAL	\$ 4,179,870	100%

To do a high-level evaluation of the overall costs, we compared the per capita costs for Zero Waste Marin with that of other similar JPA's. Although it is not a perfect "apples to apples" comparison, it does show that the overall ZWM-JPA expenses are not unreasonable, as shown in the table on the following page. The agencies with the largest per capita dollar figures, specifically RethinkWaste and MRWMD, both own and operate facilities while the smaller agencies play more supportive roles like the ZWM-JPA. Some agencies (such as CCCSWA) also fund HHW expenses outside of their budget (unlike the ZWM-JPA) which impacts the comparison. Overall, the ZWM-JPA compares favorably to other agencies.

Table 2: Per Capita Spending Comparison

	Population	Annual Budget	\$ Per Capita
RecycleMore (Contra Costa)	236,000	\$ 1,925,000	\$ 8
CCCSWA (Contra Costa)	206,000	\$ 3,830,000	\$ 19
MRWMD (Monterey)	170,000	\$33,500,000	\$ 197
RethinkWaste (San Mateo)	435,000	\$51,500,000	\$ 118
StopWaste (Alameda)	1,511,000	\$34,000,000	\$ 23
Zero Waste Sonoma	494,000	\$ 7,800,000	\$ 16
Zero Waste Marin	259,000	\$ 4,200,000	\$ 16

In the current ZWM-JPA budget, personnel expenses are divided similarly to other agencies between wages, medical benefits, pension, OPEB, workers compensation and Medicare. The chart below describes current ZWM-JPA personnel costs per the staffing services agreement with the County.

**Table 3: Zero Waste Marin Personnel Breakdown
 (Based on Current Staff Allocations)**

Personnel	Amount	Percent of Wages	% of Total JPA Budget
Wages	\$ 491,587		11.8%
Medical	87,994	17.9%	2.1%
Retirement	125,355	25.5%	3.0%
Post-Retirement Benefits	35,394	7.2%	0.8%
Workers Comp	8,849	1.8%	0.2%
Medicare	6,882	1.4%	0.2%
	\$ 756,061	53.8%	18.1%

At 18%, ZWM-JPA personnel costs are low compared to public agencies and most service-based organizations where personnel costs often exceed 70%. This is largely due to contracting for services, most notably HHW and public information and education.

To see how the ZWM-JPA compares to other similar agencies, non-salary expenses were adjusted as if the current employees at their current salary were located within one of these other agencies. Because agencies have differing compensation policies, we have held salaries constant in the comparison to focus on the benefit line items that would be impacted with a potential change in “host agency”.

**Table 4: Comparative Benefit Impacts of Differing Agencies
 (Based on Current Staff Allocations)**

Category	ZW Marin	San Rafael	Novato	CCCSWA	SBWMA	Recycle- more
Salary	491,587	491,587	491,587	491,587	491,587	491,587
Medical	87,994	106,077	125,742	86,492	97,872	103,138
Retirement	125,355	177,893	96,190	57,742	49,159	76,501
Post Retirement	35,394	7,923	-	-	-	-
	\$740,330	\$783,480	\$713,519	\$635,821	\$638,618	\$671,226
		5.8%	-3.6%	-14.1%	-13.7%	-9.3%

As a reminder, personnel costs shown above are based on the current allocations of staff time (which ranges from 30% to 100%, depending on the staff person). Based on a comparison with the two largest of the ZWM-JPA member agencies (San Rafael and Novato) and personnel budgets for other similar waste reduction and recycling JPAs, R3 finds that staffing costs via the County staffing services agreement are similar in all areas, except for retirement pension and retiree medical costs, which are somewhat higher than comparable agencies.

Public agencies are generally members of the California Public Employees Retirement System or 37 Act County Pensions. The differences in expenses are largely driven by retirement related costs, including actuarial funding policies. San Rafael and County of Marin are members of MCERA (37 Act), with different funding methodologies relative to CalPERS, for which Novato is a member. For example, Novato does not provide OPEB benefits to new employees. The County and San Rafael fully fund OPEB costs, including paying down unfunded OPEB liability consistent with its actuarial analysis. Novato issued pension obligation bonds to pay for its unfunded pension liability. For agencies that offer pensions, the costs are based on factors such as employer cost, employee contributions and any pension obligation bonds, as well as required pension funding policies (e.g., discount rate, length of unfunded liability amortization, smoothing policies, etc.), and differ significantly. Additionally, each agency has different contributions for medical benefits. Based on this comparison, moving the staffing services agreement to a member agency of the current ZWM-JPA would likely result in only minimal annual expense savings.

To reduce costs more significantly, the ZWM-JPA could hire its own employees and provide a defined contribution account (e.g., 457) rather than a defined benefit pension plan. If the ZWM-JPA were to do so and contribute 10% towards a 457 or similar account, there would be savings in addition to eliminating post-retirement benefits or unfunded liabilities. Employees could contribute additional amounts as allowed by law. Although it would be much less in value than typical public agency pension plans, such an approach would be competitive with private sector organizations and non-pension public agencies.

The table below shows the potential savings from changing the retirement model as just described. While potential savings could exceed \$100,000, they only account for approximately 2.8% of the ZWM-JPA budget. It is also important to note that, if such a model were pursued by Zero Waste Marin, then the type and level of staffing would change from the current allocated staffing model because staffing would not be shared with other agencies, as is the case in the current County staffing agreement.

**Table 5: Potential Savings from Change in Staffing Model
 (Based on Current Staff Allocations)**

	Current	“Private” JPA	Savings
Retirement	\$ 125,355	\$ 49,159	\$ 76,196
Retiree Medical	\$ 35,394	\$ -	\$ 35,394
			<u>\$ 111,590</u>

If the ZWM-JPA were to hire its own staff, as shown above, estimated savings shown above could be instead used for additional staffing and services with no rate impact to ratepayers. For context, however, the following illustrates that the ZWM-JPA budget, as related to residential customers, accounts for less than 2% of the typical ratepayer’s monthly bill. It should be noted that any agency budget should be informed by the mission of the agency and the objectives it desires to achieve.

Table 6: Sample Marin Residential Rate Impacts

Hauler	2020 Monthly Residential Rate	ZWM-JPA Portion	% of Total Monthly Bill
Bay Cities Refuse	\$42.06	.51¢	1.3%
Marin Sanitary Service	\$44.73	.57¢	1.2%
Mill Valley Refuse	\$47.29	.35¢	0.7%
Recology	\$36.19	.69¢	1.9%
Tamalpais CSD	\$60.89	.45¢	0.7%

Given that the potential savings from changing the staffing model is an estimated 2.8% of the amounts shown above, the actual rate reduction related to personnel cost savings would only be between 1-2 cents per customer per month. It is important to consider this small rate impact and that no savings goes back to the member agencies directly (i.e., no general fund impacts) when evaluating these options. In looking at the potential savings of the ZWM-JPA hiring its own staff rather than continuing a service contract with the County, the Board will need to balance the cost savings with the potential impact to the County relationship, the disruption to current staffing, likely one-time expenses related to an interim executive director, and possible human resources and/or legal expenses that may result from a change to other staffing models.

It appears that minimal savings could be achieved were central services to be provided by any other current member of the JPA. Contracting out would appear to be the only option to affect any material level of savings.

Other Observations Related to ZWM-JPA Staffing Costs

- The County’s 15% overhead offsets administrative support cost for human resources, accounting, and maintenance do not appear unreasonable, but potentially could be reduced through contracting out with private firms or member agencies.
- Staffing salaries are difficult to compare due to differing responsibilities but appear generally competitive with other similar agencies.
- Lack of dedicated staffing in the current services agreement may lead to less productivity and cost effectiveness due to the inherent nature of competing priorities for staff that split time between

ZWM-JPA and County duties. Under the current model there is limited accountability as County employees are evaluated by and report to County staff, not the ZWM-JPA. Staff have similar responsibilities related to the unincorporated County areas which is their direct responsibility. This is especially true for the Executive Director position which only has 30% of time dedicated to the ZWM-JPA; allocation of ED time is not known to be the case in any of the other similar JPAs R3 reviewed. Further, it is typically the role of the Executive Director to communicate with Board Members and member agencies, which can only be conducted at minimal levels with only a small portion of dedicated time for the ZWM-JPA. We do however acknowledge the complexities associated with a County Civil Service system and these rules and restrictions would need to be evaluated further to implement several personnel changes utilizing the current staff. It should also be noted that those interviewed as part of this process have uniformly professed respect and appreciation for the level of competence of current agency staff.

- Overall, the ZWM-JPA budget is consistent with other similar agencies and scope. Non-personnel costs are driven by the scope and mission of the ZWM-JPA and would be similar regardless of the different staffing models. Other Zero Waste Marin expenses are like JPAs with similar scope; except for SB 1383 compliance costs which have been recently added to other JPA budgets.

Limitations

During stakeholder interviews, some concerns were raised about the cost of the provision of staffing services by the County. This memo is only intended to provide a high-level comparison of ZWM-JPA costs and that of other organizations to allow Board Members to review and consider the issue in more detail. Later, R3 will provide recommendations related to the organizational structure and its impact on expenses once Board members determine what the mission of the agency should be, and what Board membership would best constitute appropriate and transparent direction to staff to achieve the agency's mission going forward.