



MINUTES
Regular Meeting of the Board of Directors
Thursday, November 16th, 2017 - 9:30 am PST

Offices of Van Ness Feldman PC
719 2nd Avenue, Suite 1150
Seattle, WA 98104

Conference call number: 1-563-999-2090 Access code: 755212#

Directors Present:

Gregg Chason, P & F USA, Inc.
Beth Johnson, Dell
Mary Jacques, Lenovo
Brandon Seegmiller, HP
Eduardo Molina, Apple
Ken Lowe, VIZIO
Eric Gilbert, Acer America
Dinah Rhee, Samsung
Madeline Smith, LG
Chipper Hervieux, Dept. of Ecology
Radi Simeonova, Department of Commerce – WA State
Dan Phillips, 4th Dimension Computers and Technology

Also Present Were:

John Friedrich, Executive Director, WMMFA
Scott Barker, 3R Technology

Directors Absent:

Mark Dabek, RE-PC

1. **Call to order** – *Gregg Chason*
The meeting was called to order by Mary Jacques at 9:32 AM
2. **Approve minutes of the: September 7th, 2017 regular meeting of the Board (Board vote)** – *Mary Jacques*
Mary asked those present if there were any suggested corrections or changes to the draft meeting minutes as provided. On a motion by Beth Johnson, seconded by Gregg Chason, the minutes of the September 7, 2017 meeting were approved unanimously.
3. **Report on year to date 2017 operational and financial results and discussion** – *John Friedrich, et al.*
 - A. Pounds by CEP totals
 - B. Financial reports
 - C. Cost and volume trends
 - D. Unpaid past due manufacturer's invoices to date

Executive Director Friedrich directed those present to reference documents and explained that WMMFA volume year to date was down approximately 17% from last YTD. He explained that expenses were also down by almost the same percentage amount and said processing and transportation expenses were up slightly due to changes in the transport and processing network due to adjustments in volume assignments amongst processors in order to reflect action in response to processor violations and penalties. Director Friedrich stated that he expected these volume trends, and therefore lower cost trends to continue into 2018 – provided there were no legislative changes that would increase expenses to the WMMFA. John then reviewed the WMMFA members past due report and said uncollected amounts were typical for this point in the collections cycle. He said that he expected the balance dues to be collected within the near future.

4. 2018 Q1 proposed budget with annual projections (Board vote) Volume and Budget Projections– *John Friedrich*

John Friedrich asked board members to refer to the Q1, 2018 budget document within their reference documents. John stated the budget had line item explanations and most line items represented decreases based on lower anticipated volume. John also said that he would probably reduce staffing by 1-part time position in the first quarter of 2018 if volume's continued downward. He also projected lower miscellaneous and outreach expenses. There was no further discussion about budget details and on a motion by Gregg Chason, seconded by Mary Jacques, the Q1 2018 budget was approved unanimously as written and provided by the director.

5. Discussion of legal counsel for 2018 (Board vote) *John Friedrich and Board Members*

John Friedrich provided a brief history of the WMMFA's history with legal firm Van Ness as represented by Marlys Palumbo. Mary Jacques also detailed some points of consideration for maintaining Van Ness Feldman as legal counsel for the WMMFA. On a motion by Mary Jacques, seconded by Ken Lowe it was approved unanimously that Van Ness Feldman would be legal counsel for 2018.

6. Discussion of accounting firm(s) and type of audit/review for 2017 financial statements (Board vote) *John Friedrich to present options for Board discussion and vote*

The Executive Director provided the history of the WMMFA's *Audit* and *Review* schedules since inception year 2008. John described the difference between an audit, a review, and an accountability audit by the state. John disclosed that the Authority has had no Audit/Review recommendations since start up. John stated that he felt the Audit did not offer any more value than the Review, based on his experience with creating the statements and the sampling of source documents as required with each. John also said that he discussed options with the WMMFA CPA firm, Moss Adams as well and suggested that a board member could contact them to discuss. He also praised the State Accountability audit's focus on material compliance and internal control deficiencies. He did remind the board that a full audit could be requested by the board at any time for any reason. Gregg Chason also mentioned that the WMMFA had a Financial Review and a State Accountability Audit in 2016. Based on a motion by Gregg Chason, seconded by Dinah Rhee the board unanimously approved a Review by Moss Adams LLP, CPA's for the 2017 financial statements.

7. Proposed Standard plan revisions (non -significant) November 2017 (Board vote) and discussion of required Standard Plan re-submission for years 2019-2023 – *John Friedrich, et al.*

The Executive Director explained the history of the WMMFA's "Standard Plan" and why he was suggesting the two non-significant changes to the WMMFA Standard Plan within the next few weeks. One of the changes allowed for a manufacturer's invoice issuance "cut off" amount based on market share of participants at the level of .003% market share. The change would mean that the WMMFA would not invoice members with less than .003% market share as provided by Ecology because of the perceived reliability of the data at that level and difficulty in collecting the amounts in comparison to staff time required to collect. The other suggested change presented by Friedrich was the addition of an illustrative example of how the WMMFA chooses to allocate volumes among processors – as an enhancement to what was already written within the Standard Plan. There was discussion about the Authority's environmental and financial obligations to both citizens and plan service providers alike. After John addressed some of the suggestions and indicated he would implement suggested minor changes to the proposal Gregg Chason made a motion to approve the

Standard Plan revisions. Mary Jacques seconded the proposed and on a unanimous vote the suggested changes, with the minor changes suggested by board members, accepted by Friedrich, were passed.

8. Annual review of Flex Plan - *John Friedrich*

John Friedrich advised the board that the WMMFA no longer had any manufacturer “Flex plan” participants within our program. John gave brief description of what the Flex Plan was and how it worked. It was pointed out by Friedrich that the design of the Flex plan was to allow a manufacturer to satisfy their share obligation of pounds, in part, by collecting CEP pounds on their own behalf and receiving an invoice credit from the WMMFA.

9. WMMFA Management KPIs’ performance to goal 2017– *John Friedrich*

The director referred the board to the Executive Directors historical performance base KPI document as self-completed by him. John advised the board that it could be used as an evaluation tool for management on an annual basis.

10. WMMFA elected from within Board positions – nominees (Board vote on nominees at January 2018 meeting) *Discussion TBD based on nominees available*

John provided the list of the names and titles of all of the existing executive committee members and their respective positions as Chairperson, Vice Chairperson, Secretary, Treasurer, and, Member at Large. He stated that elections for these positions would be held at the first meeting in January amongst the nominees available at that time.

Matters to discuss at future meetings:

Legislative Review
Government Satisfaction Surveys – update

The Executive Director said that he was not aware of any legislative proposals at this point. He also stated that there were no informational updates on the Government Satisfaction Surveys discussed at the last meeting.

The meeting was adjourned at 10:10 am.