



**Regular Meeting of the Board of Directors
Thursday, November 16, 2023 - 9:30 am PST**

**WMMFA
4900 9th Avenue NW, Suite 206
Seattle, Washington 98107**

MINUTES

Board Members Present:

Madeline Smith, LG
Jane Kang, Samsung
Mark Dabek, RE-PC
Kim Fox, Lenovo
Melissa Mallory, Dell
Gregg Chason, Funai Corp. Inc.
Eric Gilbert, Acer America
Joyce Thung, VIZIO
Kristyn Rankin, Apple
Cintia Gates, Microsoft
Luis Vargas, HP
Blake Nelson, Dept. of Ecology

Also Present Were:

Peter Thermos, Executive Director, WMMFA

Board Members Absent:

Radi Simeonova, Department of Commerce

1. Call to order – *Luis Vargas*

The meeting was called to order at 9:32 am by Luis Vargas. Luis also welcomed new member Jane Kang of Samsung to the WMMFA board.

2. Approve minutes of the September 28, 2023, regular meeting of the Board - **(Board vote)** – *Luis Vargas*

Luis Vargas addressed the board regarding the minutes of the September board meeting, asking if there was a motion to approve the minutes which were provided in the November 16, 2023, board meeting reference documents. On a motion by Madeline Smith, seconded by Melissa Mallory, the minutes of the September meeting were approved unanimously.

3. Report on October operational and financial results – *Peter Thermos*
A. Pounds by CEP totals
B. Financial reports

- C. Unpaid past due manufacturer's invoices to date
- D. Restitution account balance and future expenditures

The Director referred to the board reference documents that provided YTD October pound and financial information and stated that 1 million pounds had been collected in October. Total collection in October was down 15% from September and approximately equal to October 2022. He added that collections through October were down 5% from the same period in 2022.

October expenses were about 14% over budget. This was due primarily to a reduction in the budget that was applied to reduce financial reserves. The cost per pound in October was \$0.500 which was an increase of 31% from September and 2% above October 2022. Thermos added that October expenses included the last week of September and there were no structural changes to program costs. Year-to-date cost per pound at the end of October was \$0.406. Financial reserves decreased to negative \$78K in October.

Thermos stated that past due invoices were minimal. Some past due invoices were not listed in the aging because the companies involved had historically paid all of their invoices and are expected to pay any that are outstanding.

The Director also stated that no restitution funds were used in October.

4. Review / Audit type and format for 2024 (**Board vote**) – *Peter Thermos / Board*

Thermos referred to page 10 of the meeting reference documents which outlined the various options for audits. He noted that the audits that were completed in 2023 for FY 2022 were the State Accountability Office (SAO) Audit and the financial compilation by accounting firm Moss Adams. The financial compilation primarily focuses on converting cash-based financial statements to accrual, which helps protect WMMFA finances by ensuring that no irregularities are occurring in the transition from the previous year. He indicated that there were more complex and expensive audit options but the financial compilation is an adequate process for the organization. The State Accountability Audit reviews sampled invoices and other documents to ensure that WMMFA is following its policies and contracts. Thermos continued that the minimum would be to complete only the SAO audit every other year, but he stated a preference of completing both the SAO audit and the Moss Adams compilation every year. The accountability audit ensures that our finances are protected and enhances stakeholder confidence in the program. Kristyn Rankin made a motion that we conduct both the SAO accountability audit and the Moss Adams compilation as we had done in 2023. The motion was seconded by Mark Dabek and the vote was unanimous in favor.

5. Q1 2024 proposed budget with annual volume and budget projections (**Board vote**) – *Peter Thermos*

The Director asked the board to turn to page 11 of the reference documents, and to the green-shaded column on the left, the Q1 2024 draft budget. He noted that, although all program costs for the year have been projected in the budget, the vote would only be for the first quarter of 2024.

Thermos continued that the budget had been developed by starting with 2023 actual costs through October. The last two months of the year were estimated, using averages for the first 10 months of 2023. Since total collected weight was down only 5% from the same period of the previous year, the collected pounds for 2024 were projected to be equal to total estimated pounds collected in 2023. Cost increases that are expected due to inflation were added. Increases in fuel and labor costs were expected to continue to drive up collection, transportation and processing costs in 2024. Outreach costs were \$70K in 2023 and the same amount was budgeted for 2024. Wages went up by 1.5% to cover small hourly wage increases. Since the financial reserve was in the negative and is expected to be further reduced in the last two months of the year, a \$300K reserve allocation was added in Q1 2024.

Gregg Chason made a motion to approve the Q1 2024 budget which was seconded by Kristyn Rankin and the vote was unanimous in favor.

6. Discussion of legal counsel for 2024 (**Board vote**) – *Peter Thermos and Board Members*

Thermos noted that our primary attorney at VanNess Feldman, Marlys Palumbo, had started the process of retiring in 2022 and turned over our account in 2023 to attorney Clara Park at VanNess Feldman. Marlys indicated that it would be possible for her to advise Clara should the need arise. The Director stated that, although interactions with the new attorney Clara park had been minimal, he recommended staying with Clara and VanNess Feldman as the primary law firm for WMMFA. Thermos added that VanNess Feldman had special expertise in environmental law which made it a fairly expensive attorney to use. Thermos asked if he could use a less expensive attorney for basic legal needs, should they arise. Gregg Chason indicated that he thought that would be ok but the Director should seek approval from the executive committee before using an attorney other than VanNess Feldman. On that basis, a motion to continue to use VanNess Feldman as the law firm for WMMFA was made by made by Gregg Chason, seconded by Madeline Smith and the vote was unanimous in favor.

7. WMMFA elected from within Board positions – nominees (Board vote on nominees at January 2023 meeting) – *Madeline Smith*

Madeline stated that votes on board positions would be held at the January board meeting. Board members interested in taking on a new position should contact either the director or herself to let us know.

8. Matters to discuss at future meetings – *Peter Thermos*

- a. Standard Plan 5-year update – The Director stated that the plan update had been reviewed by Ecology and returned with questions and edit requests. None of the requested changes involved fundamental changes to the program or the plan that was submitted. Thermos was working through the edit requests and the plan update would be re-submitted to Ecology in the coming days.
- b. Total Reclaim – Thermos stated that Total Reclaim had indicated that they intend to register with Ecology as a processor for E-Cycle Washington sometime in the coming months. Thermos reminded the board that Total Reclaim had been sold and the previous owners had no equity or affiliation with the company.

Adjourn meeting – the meeting was adjourned at 10:00 am.