

**Minutes of the Meeting of the Finance/Service Committees of Council  
Held in the Caucus Room of the Municipal Building  
On Monday, January 7, 2019**

The Chairman of the Finance Committee, Dennis McBride, called the meeting to order at 6:35 P.M.

**Finance Committee Members Present:**

Chairman, Ward 2 Councilman Dennis McBride

Ward 1 Councilman Bob Butkowski, Councilwoman-at-Large Tammy Holtzmeier

**Service Committee Members Present:**

Chairman, Ward 1 Councilman Bob Butkowski

Ward 3 Councilman Tony Moore; Ward 4 Councilman Scott Radcliffe

**Others in Attendance:**

Councilman-at-Large Brian Fischer; Law Director John Gasior; Mayor Bryan Jensen; Resident Larry Escalante; Council President Craig Witherspoon; Finance Director Bill Logan; Service Director Mike Farmer

**Discussion of Garbage Consortium Bid Results**

Mr. Butkowski began with the Exhibit E which was attached to the bid package. This was specific to the City of Avon; it listed our requirements for services that we asked the vendors to cover. All of our City properties as well as all of our parks are covered with this contract with any one of the vendors. Mr. Butkowski said that he took it one step further than what the consortium asked for and beyond our municipal buildings, he contacted the schools for their requirements so on the back side of Exhibit E, you will see all the school buildings and their requirements for weekly pickups. Also, for additional City pickups that we do, such as cleanup days, two 30-yard containers will be provided, one in the spring and one in the fall. You will see that stated in the second to last paragraph on the back side of Exhibit E. All of the vendors have accepted that they would cover all of this at zero cost to the City and zero cost to the schools. So that is about \$1 million dollars over a five-year period that the schools and the City will not be paying for these types of services that are covered. Mr. Butkowski said that he just wanted to point out what the vendors are willing to provide in addition to what the residential benefits would be.

Mr. Witherspoon asked if the schools are currently paying for their own pickups and Mr. Butkowski responded that currently the schools are on a month to month agreement with Republic, so they can opt out with a 30-day notice. Mr. Witherspoon asked if we had pulled out the figures if we decide to opt out the school system. Mr. Butkowski said that we could pull those out if we needed to but the School Supt. was on board to be included with us at no cost to them or no additional issues that would cost the schools.

Mr. Butkowski went on to the bid page. This bid went out to all the potential vendors within the area and we got responses from Kimble, Rumpke, and Republic and these are all on a per month basis. The Kimble bid actually has the administrative cost of \$1.27 per quarter that the consortium charges for the services that the consortium provides. The other two vendors have not included that cost. Rumpke and Republic offer three different size trash bins to choose from: 96 gallons, 64 gallons, and 32 gallons; Kimble offers the 96 gallons and 64 gallons. You can change the size once a year at no additional cost. There is a 64 gallon bin for the recyclables, which is basically what we have today from Republic.

Mr. Butkowski noted the bids for Republic: \$26.00 for a 96 gallon bin, \$23.40 for a 64 gallon bin, and \$21.06 for a 32 gallon bin. They did not bid out for the yard waste, even though that was a requirement for them for the City of Avon and the City of Avon Lake if they wanted our services. They chose not to bid out for the yard waste, which means technically they are out because they did not fulfill the bid requirements. They will not pick up yard waste because they say they do not have a place to put it. Right now they are taking it to Kurtz Bros. in Avon. One option is that we could eliminate the yard waste requirement and go with any one of these vendors; we would just have to put that yard waste in the trash to go to the landfill.

Mr. Butkowski said that Rumpke bids Alternate 1 and Alternate 2 did not include yard waste. Currently the townships have Rumpke covering them for municipal waste; they do not have a need for yard waste down in the townships like we do. Rumpke bid with the yard waste that met the requirements: their yard waste pickup would be between the months of March and December but at a cost of \$25.00 per month for a resident to do yard waste. Kimble's yard waste pickup would also be from March until December and be \$3.75 per month. Mr. Farmer added that right now Republic stops yard waste pickup the first week in December and it does not begin again until the next April. Mr. Butkowski stated that with the Kimble yard waste pickup, it is either "all in" or "all out". Everybody in the City would have to pay that \$3.75 per month whether they are using the yard waste or not.

Mr. Butkowski stated that Kimble would do a monthly bulk pickup of 2 cubic yards or less and they are describing 2 cubic yards as about the size of a Ford F150. And on another page, Kimble listed the cost for pickup of large and extra items for subscribers that do not have the unlimited service. The unlimited service costs an additional \$10.00 per quarter where you can put out every week as much as you want and that is on an individual basis. All the billing would be with the vendor; the City does none of that.

Mr. Butkowski said that, at the consortium meeting, a question came up about the \$3.75 "all in" or "all out" yard waste bid from Kimble, and that question was, what about those residents that never use yard waste pickup? They would not want to pay the \$3.75 a month because they do not use the yard waste pickup service. The potential answer could be for them to choose the unlimited quarterly pickup and that would be \$10.00 more per quarter, or \$3.33 a month. They could then put their yard waste in a black garbage bag and the hauler would take that to the landfill. And that way, it would be individual by individual so they would be paying for the services they would be using as opposed to everybody paying for services they might not be using.

Mr. McBride asked what our current charge was with Republic and Mr. Butkowski answered, it is currently \$22.00 per month and it is going to be going up. And Republic has no place to take yard waste after now; so that yard waste pickup will be eliminated if we stay with Republic today. Mr. McBride noted that if we selected Kimble, between the 96 gallon bin and the 64 gallon bin, and we make the yard waste mandatory, we are at or below Republic's new number. Mr. Butkowski said, yes, it would be \$24.37 if you have a 96 gallon bin with the yard waste. So \$24.37 will be the flat rate for the biggest can and everybody is paying for yard waste.

The question was asked about what the rate increases have been from Republic in the last couple years. Mr. Witherspoon said he did not think the rates went up in the last couple years. Mrs. Holtzmeier stated that the rates went up slightly with a cost inflation increase. Mr. Butkowski said, and again, they are adding on that recycling cost now because they cannot do the recycling as efficiently now as they used to. So those charges are going up with them. These bids are the fixed costs for five years with all these vendors.

Mrs. Holtzmeier stated that one of the questions that we need to get a better handle on is, do our residents want yard waste pickup, and if they do, do they have a strong preference about putting yard waste in separate bags where it becomes recycled vs putting it in trash or putting it out for unlimited bulk collection. Because there is some cost savings and some cost equality here with Kimble, because that is all we have talked about so far when we look at what we do with this yard waste.

Mr. McBride thought that we just need to make the decision and take care of the vast majority of the residents. Mr. Gasior said what if someone asks Kimble to remove the \$3.75 charge for yard waste pickup because they do not have any yard waste. Kimble would say, no, because they have a deal with the City. Then the person is going to be calling City Hall to ask about the deal that makes them pay \$3.75 a month. So contractually, what if they refuse to pay it, and then Kimble says then they would not pick up the rest of their garbage. Mrs. Holtzmeier pointed out the other option, which is the unlimited solid waste collection and that is \$3.33 a month. Mr. Gasior said, which is the safest thing to do. Mrs. Holtzmeier said, which begs the question - is there more concern over the bill or where the yard waste goes, and she thinks it is the bill. Mr. Butkowski stated that he has been in this for months now and has taken a straw poll and the feedback is that people do not care where the yard waste goes as long as it is off their front yard. Mayor Jensen felt that there is an obligation for the City to come up with an alternative site so the yard waste can be recycled, and he does not think the residents would have a problem with that. If it is unlimited and that is the best alternative, we need to do what is right for the environment also on top of it. Because even what we are seeing with Republic – when they say they are recycling, the truth is that they are really not recycling like they said they were as a lot of it is going to the landfill. We need to continue talking to outside resources as we have been, asking if there is a possibility to get this to a recycling place that is cost effective.

Mr. Gasior stated that you could start out with the optional, the \$3.33 per month unlimited, and then if the Mayor is able to come up with a plan to recycle the yard waste independently, maybe we can take that out of the equation, but again looking at the contract, you have to see the obligation. He said what we signed with Republic was always a Memorandum of Understanding and it always made him wonder about what kind of binding obligation that placed on Republic to pick up the garbage in the City when all we had was an understanding, but what did we really have to enforce that MOU? He is looking at this contract that we will be signing, and talking to the lawyer for the consortium, it is a lot like an MOU because individuals are contracting with the hauler. So if some people would say they are not going to pay the \$3.75 for yard waste pickup, is the hauler going to turn to the City and say we would have to make good on it? He does not know what the language in the contract says right now.

Mr. Moore stated that we will be getting calls from people who want the yard waste and calls from people who do not want it. So if we just keep it simple, make it all in, it just makes it easier. Everyone wanted a more competitive bid and now we have a more competitive bid. In his opinion, they cannot come back and say, they do not want to pay \$3.75. They would still be paying less than it was with Republic. Mr. Gasior said, and they still have that option, the \$3.33, and then they can buy it on their own. Mr. Butkowski said, yes, the unlimited pickup and put it in the garbage; that is one way they could do it individually.

Mr. Butkowski stated that he and Mayor Jensen met with Kurtz Bros. this past week. We asked if they could or would be willing to take our yard waste and we discussed how much we are looking to do. He said that one of their reps called him today and he said that they are willing to take Avon's yard waste for a year. So they are trying to find alternative sites because of the issues they are having at their current facility. Mr. Butkowski said that he also contacted Joe Reitz from Avon Lake and discussed

locations. There will be a meeting on Wednesday with Avon, Avon Lake, and Kurtz Bros. to discuss those facilities. He said that the reason he brought this up is because Kimble is hauling all the yard waste out to Tuscarawous County at a large expense. If we can find a local place we might be able to save a few dollars on the yard waste collection for the residents in Avon. He contacted Meagan Moore, the lawyer for the consortium to talk to her about that and to see what that might do with our bid. But first we need to have a meeting with Avon Lake and Kurtz Bros. to figure out what we might be able to do.

Mr. Gasior asked if you do something like that and you do it for a year but it does not pan out for the next year, can you still get back into the Kimble deal at \$3.75 or \$3.33? Mr. Butkowski said that is one of the things he needs to talk about with Ms. Moore. Kurtz Bros. wants to lock in, though, for a longer term and when Mr. Butkowski asked if they would lock in for five years, they said absolutely, if they can find a better location. Mr. Gasior stated that you do not want to be precluded from having yard waste pickup because you did not opt for it now. Mrs. Holtzmeier said that she would be in support of five years, to match the consortium's bids. But we have to be careful that we are not going apart from the bid of the consortium. We are in with multiple groups if we join in these numbers that are here before us.

Mr. Logan asked if everybody in the consortium is going with one vendor and Mr. Butkowski said, no, these are the prices and each individual community can choose whatever option is best for them. Mr. Logan asked how Avon Lake was leaning and Mr. Butkowski said that Mr. Reitz is leaning towards Kimble. Right now, Avon Lake is with Republic and the rest of the consortium is all through Rumpke. Kimble is a huge company, bigger than Republic. They are on the east side, and they want to break into this west side market, and he thinks that is why they got really aggressive with their pricing.

Mr. Moore said that it sounds as if we are going to go with the consortium but he asked if there had been any talk of going back to Republic and Mr. Butkowski said that we can choose to go outside of the consortium. The consortium is looking to try and award these bids by the end of this month. Once the bids are awarded, if we do not join in that bid award, we can go out and bid these ourselves and see what we get, but if we then want to join the consortium, these are the rates that we are stuck with. We cannot determine or dictate or change anything from what is here right now.

Mr. Logan noted that this is a five-year price. Mr. Butkowski said, yes, the only thing that can fluctuate is the fuel surcharge. They will lock the fuel price when the bids are awarded and then from there, it may go up or down. For the consortium's last five-year contract, they had \$190,000. that was left over that they will redistribute to the communities. Mr. Logan asked if the fuel surcharge was built into the bids and Mr. Butkowski said, no, that was an add-on. Mr. Gasior asked if there was any agreement with Republic stating that if we recycled a certain amount, we would get some funds back. Mr. Butkowski said that he was told that if we leave Republic, that money is still available to us as long as we fulfilled those requirements that they put out for the recycling program. Mayor Jensen noted that even if we did lose that money, when you look at the \$120,000. extra that we were paying to Republic for recycling, we would still be to the positive by \$90,000.

Mr. Witherspoon stated that, for the bulk, Kimble is putting a limit on what they will pick up as far as quantity at one time. As it stands now, Republic does not have a limit on what they will pick up. Mr. Moore stated that Republic does not have a limit on how much they will pick up but they do have a limit on the size and the weight. Mayor Jensen noted that Republic has never given us a hard time about how much they pick up. Mr. Witherspoon stated that he has seen them pick up what looks like the contents of an entire house on bulk pick up. So he would hate to see that all of a sudden, a new hauler

comes in and picks up half of the bulk stuff. Then the City gets a call and is asked what we are going to do for the other half of it. So that is a concern because, as he said, he has seen people put half their houses out and it has been picked up by Republic with never a question. We run into this in the spring and you wonder how they are ever going to pick up the entire City with all of this stuff out there but they manage to do it. Mr. Witherspoon said that he was not pro either company, but he was just saying be very careful with what we ask for with bulk pick up.

Mr. Butkowski said that Kimble is the only one that limited the bulk to 2 cubic yards and he does not know how they determine that 2 cubic yards. Mayor Jensen stated that the comparison between Kimble and Republic should be what we all feel comfortable with. They are both national companies and can handle our requirements. He said he just thinks you do not want to take any risks, or very little risk. So if you do it that way, Kimble is under what Republic would charge with everything the same, plus there is not a recycling charge. What is the risk? Mr. Logan said, and we do not pay for pickup at City buildings. For the City alone, that is \$150,000. a year for City facilities. Mrs. Holtzmeier said that we are absolutely going to look at the dollars and cents and make decisions accordingly but there is one thing that is not on these spreadsheets that we really need to look at and that is what the residents care about, which is customer service. Is it better or is it the same? You certainly cannot allow it to be worse and that means picking up the phone and being able to get a reasonable answer, being able to go online and pay your bill and look at your bill, and being able to get service to your home that is consistent. So we need to do a little bit more research specifically for Kimble because that is all we have talked about so far.

Mr. Witherspoon said that is a great point. He asked if it would it be prudent to call one of the cities that Kimble takes care of and just question what kind of service they provide. Do we have time to do that? Mr. Butkowski said, yes, absolutely. Mr. McBride said that, going back to the unlimited solid waste collection, one of his big issues is all the trash at holidays. We might be better off to make the unlimited waste collection option mandatory. It is less than the yard waste option and who cares if it goes in the trash? Mayor Jensen said that he still thinks it is important to be environmentally conscientious as long as it is reasonable. To him, from what they are hearing at City Hall, everybody wants that unlimited pickup. They do not want to have to worry about how much trash they put out so again, if the cost is below what they are paying today or what they would pay next year with Republic, the risk of having disgruntled residents is so much less.

Mayor Jensen said if we can come up with something that is reasonable for hauling the yard waste, he thought that Kimble is going to want to do that, especially for Avon and Avon Lake because we are going to be pretty much the only two communities in this area that are going to say we want the yard waste portion of it. Mr. Butkowski said that what Kurtz Bros. is charging to take yard waste is very inexpensive and these haulers do not want that stuff filling up their dumps. They want garbage because that is much more valuable to them than yard waste. Mr. Logan asked for clarification that if Kimble picked up the yard waste and Kurtz Bros. offered a location to be named, that Kimble would pick it up but take it to that location and that would be just the yard waste. Mr. Butkowski said, yes, that would be the goal. Mr. Witherspoon asked, and Kurtz Bros. said they would do that? They said that they would keep the yard waste open for another year? Mr. Butkowski said, yes, for Avon right now.

Mr. Butkowski stated, so we have some things to consider for the next week or so and try to make a decision by the end of the month. Mayor Jensen suggested having another meeting in two weeks before the next Work Session of Council. Before then, we will find out what we can about Kimble and get references.

Mr. Moore said that he saw the request for pickup was for Monday or Tuesday and he asked if one of those two days was going to be for sure. He said that is a big concern for a lot of residents, wanting that Monday or Tuesday back as opposed to being on Friday. Mr. Butkowski said that the pickup date was going to be determined after the bids were put together. We stated that we would prefer to have those collection days be earlier in the week as opposed to later in the week and they understood that. Collections might even be on multiple days through the week so if they miss a street on Monday, they might come back on Tuesday when they are picking up on other streets.

Mr. McBride asked when the Committee members wanted to meet again and it was agreed to set the date for two weeks from now.

Mr. McBride adjourned the meeting at 7:25 P.M.

Transcribed by Gail Hayden, Assistant Clerk of Council

