

**Minutes of the Meeting of the Finance/Service Committees of Council
Held in the Caucus Room of the Municipal Building
On Tuesday, January 22, 2019**

The Chairman of the Service Committee, Bob Butkowski, called the meeting to order at 6:34 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:

Mayor Bryan Jensen; Resident Pat Jankowski; Resident, Larry Escalante; Law Director John Gasior; David Justus, Sales Director, Kimble; Don Johnson, Kimble; Councilman-at-Large Brian Fischer; Finance Director Bill Logan; Council President Craig Witherspoon; Service Director Mike Farmer

Presentation from Kimble Recycling & Disposal, Inc.

Mr. Johnson said he appreciated the opportunity to be here this evening and the time that Mr. Butkowski has given him on the phone. He knows that Kimble is not a household name in Lorain County. Kimble is a family business, headquartered in Dover, Ohio. They began as farmers; the senior Mr. Kimble wanted to expand his horizons and in digging, found a vein of coal on their property. Before long, he had a mining business, a clay business, and an aggregate business where he had limestone. He started in the 1940's with digging and by the mid-fifties, it was large enough that he wanted to fill it in and so it became a landfill. In 1969, it became an Ohio EPA-approved landfill and still is today. They use the best available technology and have had a great track record running the landfill. The Kimble family was never in the hauling business to pick up trash until major corporations came out and bought small companies in the Dover/Canton/Akron area, and instead of taking waste material to the Dover landfill, they wanted to take it to their own landfill. So in 1993, the Kimble family bought a hauling operation in Cambridge, Ohio, and today the business has expanded to include transfer stations in Cambridge, Carrollton, and Canton, the large landfill in Dover, and a state of the art single-stream material recovery facility in Twinsburg. There is also a recycling facility in Canton and a compost operation in Dover. At that site we take in yard waste and make mulch and we also take the soil we make from our mining operation and reclaim the land; we also utilize material from our compost site to reclaim land that we have strip mined. For the hauling operations that we would use to provide service in Avon, we have a new facility that we are going to open in Liverpool Township, Ohio, near Valley City, which is 20 miles away from Avon.

Mr. Johnson said that the Ohio EPA transfer station permit for the Liverpool operation will be ready midsummer. Until then the trash and recycling materials will be taken to our Twinsburg site, and compost material will be taken to our Liverpool site because you can offload compost material and put it into trailers. It would be put into 100-yard trailers and transported to our Dover compost site. We have some spare trucks that we would be using for Avon and if we get the award, we will order new trucks immediately. Until then, it will be a combination of renting trucks and utilizing the spare trucks that we have in our fleet. As for our workers, it can be challenging starting up new contracts, and we are not going to take brand new employees and throw them into Avon. We are going to take some experienced workers

and also some people that may be a little bit green, but have gone through the 4 to 5 week safety program that we provide. For the heavy times of the year with the yard waste collection, we would have rear-load style trucks with two people on them. There is full maintenance of the trucks at Twinsburg, Canton, and Dover. For large maintenance at the Liverpool site, what we do now is ferry or transport trucks to Twinsburg until we have a larger maintenance staff on site at Liverpool. If something is necessary or needs to be done in the field here in Avon, maintenance vehicles and mechanics would be sent out.

Mr. Johnson stated that in regard to managers and supervisors, the General Manager of Operations for Kimble has been in the industry over 30 years and we have supervisors that support the day to day collection needs, which is important to keep things going the right way. We are very good at that; our supervisors are very experienced. When we get into a municipal contract the first thing that we do is we have a meeting with the administrators and office staff within the city and we give them the cell phone numbers of all of our supervisors and managers and tell them the best way to communicate throughout the day if there is a problem on the service side. There is email which is seen by the General Manager of Operations, the Operations Manager, and all the supervisors so if there is anything that is going on that needs attention, it gets attention at that time as soon as we receive the email. And we have computers on all our trucks which are very helpful to monitor what is going on, and the route sequence is in the computer. We also print out paper copies of what the routes are just in case the computer goes down. Our customer service is very important to our organization and as part of what he does as Director of Sales, Mr. Justus also coordinates with customer service to all the different operations within the Kimble companies.

Mr. Johnson said that residents can communicate directly to our customer service by email or phone calls, so there is good communication and once the communication is gotten to customer service, it then goes to the dispatch. The dispatch coordinates all of the follow-up and we are extremely strong on that.

Mr. Johnson stated that they do the cart delivery themselves. By February 14th, the implementation plan has to be given to Meagan Moore, attorney, and Michael Greenberg, consultant, for the Lorain County Consortium, so the whole boilerplate plan of service will be presented to them on the 14th. On or about March 13th, we would send out an introductory letter to the residents, with information about cart delivery, guidelines for service, and service options. Before sending that letter, we would meet with the Service Director or someone in the City to discuss things that the City might like to include in the letter. When we had the opportunity to bid this, there was a page in the bid specs for a community to select a preferred day for collection. To do the preferred day just for Avon and Avon Lake, we would have had to buy 27 brand new trucks to pick up trash and 15 to 18 more trucks to provide the recycling and yard waste service. So in our proposal, we have multiple-day services that we are proposing and we are very good at communicating that in our introductory letter. In terms of public education, we will work with the City in any means that you would like to get the word out and continue to get the word out because the education does not stop when we send out the introductory letter; it is ongoing.

Mr. Johnson added that right before the contract starts, he would put together a scope of services off from the bid specifications and what they are supposed to do and that goes to the customer service staff. They then have a file that they can refer to, a script for the services that are to be provided. That same script goes to our Operations Manager and staff. And if customer service cannot answer a question, they will find the answer and get back to the caller.

Mayor Jensen stated that from the City administrative part, we are going to funnel everything through one person but hoping that those calls will be minimal. If everything runs smoothly and the communication is correct, it will not take very many calls. We would like calls to go to Kimble first and if

residents do not get satisfaction from customer service, then they would call the City. We hope that the Service Director will have very little to do with it but we are certainly ready as a community to help if there is something that goes on that you might need help with. In the past, we have had workers go out on the weekend if something came up with a dumpster, etc. and we will go and pick stuff up if something gets to that level. The Mayor said, from his standpoint, communication is the utmost important thing to do; if we can get the word out to the residents, most of them are understanding. When a resident does not get the correct communication, that is when the frustration comes in. So he thought that having someone in the City to contact and email back and forth quickly alleviates people being upset. Our initial fear in the City right now is the changeover. If Kimble is awarded the contract, how do we make that as smooth as possible as far as dropping off the new carts, and picking up all the old ones in a timely manner?

Mrs. Holtzmeier said, in our City, every individual household contracts with the provider, so in your introduction, how would you onboard those new accounts and how would a resident start the service with you? Mr. Johnson explained that the City of Avon went out for bid for an exclusive subscription service provider. So if Kimble is given the award, we would have the exclusive rights to provide service to all of the single family residential units within the City of Avon. We will do an introductory mailer letter to each one of those residential units. We would introduce ourselves as Kimble and the services that we would provide and tell them that they are automatically signed up as a 96 gallon rubbish/64 gallon recycling customer. If they would like to have the smaller 64 gallon size for rubbish, with a different rate, that will be listed as well. And then they would have the ability to either call in or email in to choose the 64 gallon, and we would make the appropriate note and then when carts are delivered, we would deliver the chosen cart. Mrs. Holtzmeier stated, so it is an all opt in; they have all been automatically opted in unless they opt. Mr. Johnson responded that, as an individual, it is not mandatory that they have the service but they cannot call up another provider to pick up their trash. Mrs. Holtzmeier noted that we do have some households that do not use garbage service; they only use recycling. She said she would imagine if you do not already have a Republic garbage can, if you were dropped off a Kimble garbage can with the assumption that you are going to start paying for it now, we might get some pushback on that. Mr. Johnson said, we can add to the letter, "if you want to opt out of the service, call Kimble and say you do not need the service because of whatever reason." And we will just not deliver them a cart. Mrs. Holtzmeier said we may have to work on the options but she guessed overall, the onboarding is that a resident is in unless they tell Kimble otherwise and so it is up to the individual household to make that contact outward. Mr. Johnson said that was correct.

Mrs. Holtzmeier said the other part that she wanted to find out about was Kimble's billing and invoicing. Mr. Johnson said that invoicing is done quarterly and it is for prior service so a billing would go out the last week in June for April/May/June. If a resident/occupant does not make payment within 30 days, they get a letter, saying they need to make payment or at 45 days their service will be suspended and if payment is not made by the 45th day, they will be getting a certified letter stating that their services are suspended and service will be terminated at the 60th day and at that point, we go out and pick up the carts. Mrs. Holtzmeier asked if folks can elect to go to Kimble's website to make their payments online or will you accept their ACH payment if made through their own financial institution? Mr. Johnson answered, yes. Mrs. Holtzmeier then asked if they have the means, through the website, to look up their account history and to verify their payment or their past due status if that would be the case. Mr. Johnson said, yes, if they are registered on the site and they have some access to that. Anything that they have a question about, we have the customer service that answers 7:00 A.M. - 5:30 P.M. during the week and 7:00 A.M. -noon on Saturday.

Mr. Butkowski asked if residents would be able to opt out of yard waste pickup. Mr. Johnson noted two things: recycling markets are probably about the worst they have been since he has been in the business so Kimble bid accordingly and was very aggressive in the number that they put out there for the garbage and recycling rate. And as far as composting, there are compost sites that are being closed down often so what Kimble put together we feel is a phenomenal yard waste rate for you. It is a per month rate of \$3.75 per month and for them to offer it at that rate, it is everybody is in. Whoever subscribes for the garbage gets recycling, and whoever signs up for garbage and recycling gets the yard waste in terms of participating with the invoice. Everybody is in. No, they do not have to put yard waste out if they do not want to or they can put it out whenever they want to for whatever reason. You can put out up to 2 cubic yards of yard waste each week and that is a fair amount; that is like a bed of a large pickup truck. The other thing that we put in our bid, the bulk collection, is not just one week out of the month; the resident sets out their bulk item whenever they want during the month. They are allowed up to 2 cubic yards of bulk material one time during the month. We have computers on our trucks and so a driver will know when an address has put out their monthly bulk items. If they want to have a second bulk collection, we have included a rate page that will be affixed so if people want more service, they can call in.

Mr. Butkowski then asked if a resident's bill would be broken out by the size of the municipal waste cart plus the yard waste or would it be one number, meaning the \$20.62 for the 96 gallon cart plus the \$3.75 charge for yard waste. We will call that \$24.00. Will the customer get a bill for \$24.00 per month then or would it be a bill that is broken out at \$20.62 and \$3.75? Mr. Johnson said that they can structure it whatever way the City would like. Mr. Butkowski said the reason he asked is because today, the consumer only gets one bill for approximately \$22.00. Change is always difficult and when this change takes place and the consumer sees that now there is a separate charge for yard waste and they might not even be using the yard waste service, that causes questions and if we could simplify it, it helps. Mr. Johnson said they can do that; it makes it much easier for them.

Mrs. Holtzmeier stated that Mr. Johnson had said that there was a certain amount of bulk that could be put out for collection. What happens if a resident is not sure of the measuring of the bulk and it is put out and it is over the limit? Do they get an assessment or do they get a warning? What is the protocol on that bulk going over the permitted amount? Mr. Johnson said that the drivers will use their judgment and if it is over a little bit or kind of out of line, they will pick it up but then they will leave a tag on the cart and state that the limit is 2 cubic yards for bulk and to please stay within those needs the next time. Mr. Fischer stated that he did not know what 2 cubic yards is and he did not think anybody else knows either. Mr. Radcliffe said that, just for reference, he put out two large sofas, a chair, about six black garage bags, and a whole bunch of other stuff and it all disappeared today. He noted that sometimes there are situations where people have floods and the basement is being emptied. Mr. Johnson said that 90% of the time, unless it is a move-out, drivers would pick up what Mr. Radcliffe described.

Mr. Moore stated that recycling was one of the biggest problems we had as the communication was very poor and everybody was really unhappy about how that all rolled out. He asked what Kimble does for communication on the recycling to market and what the education process is. He said that he was still a little confused about what is recyclable. Mr. Johnson said that he will make the assumption that Kimble will get the contract and they are recycling; they are doing it at the rates we discussed this evening and all of a sudden the recycling markets just go really bad. It is written into the bid specifications that the successful contractor petition the communities that they have service to negotiate an increase so we would sit down with the Mayor to explain what is going on and ask for his help. Mr. Moore said again that he was still unsure about what to put into the recycle bin and there has been conflicting information. Mr. Johnson stated that the lids on their recycling bins have an actual picture of what items are accepted

in the program. Also, the introductory letter that we send out to everybody states the “do’s and don’ts” of recycling; it is an attachment to the introductory letter. We also would ask that the City put something like that on your website. Annually, we send out a piece to educate the residents on recycling.

Mr. Radcliffe asked, as Kimble is working to expand out this way, do they plan to reach out to businesses here in Avon as well as surrounding communities for business-based pickup? Mr. Johnson responded that, yes, they will do that. They have had an eye on growth in Lorain County for a period of time. Mr. Radcliffe then asked if Avon would be one of Kimble’s larger municipal contracts with approximately 8,000 households and 24,000 residents. Who else is Kimble servicing that they would have experienced the type of problems that volume of households could generate? Mr. Johnson said that he would not call them problems; it is just opportunity. He then mentioned communities that Kimble services that are similar in size to Avon or larger: Euclid has 16,665 houses, Garfield Heights has 11,000, Barberton has almost 10,000. Mr. Radcliffe said, so it is not a new thing for Kimble to service a city the size of Avon in this capacity, either on the residential side or the commercial side.

Mr. Witherspoon noted that, in regard to yard waste, Mr. Johnson had mentioned there was a limit of 2 cubic yards, or about the size of a pickup truck bed. How many of the brown bags would he say there were in 2 cubic yards because that is what we do; we put the yard waste in brown bags. Mr. Johnson responded that he would venture to say that is anywhere between 12 to 14 bags.

Mr. McBride had several questions: he said that Mr. Johnson had stated that it would be 3 – 5 months for Kimble to purchase the new trucks. So is Kimble going to be operating on rentals for up to 6 months? What does Kimble do with adding new residents? Avon does not have the explosive growth that we once had but that could change, and we are still in the low 100s of new homes each year. Also, he thought there was an option for unlimited bulk pickup and what does that cost? His opinion is to have 100% pick up of yard waste and 100% of unlimited bulk, with one flat rate.

Mr. Butkowski asked if Kimble would be interested in providing the service of hazardous waste pickup (paints, etc.) in conjunction with the large roll-offs that they have already agreed to in the bid package. Mr. Johnson responded that Kimble was very good at solid waste but their individuals are not trained for hazardous waste collection. With hazardous waste, you can handle everything operationally perfectly and make a mistake just on the paperwork and you are in big trouble, so we would rather not get involved with hazardous waste.

Mr. Johnson then said, to answer Mr. McBride’s questions, a growth of 100 new homes per year is not going to be critical. If they need to add a half a truck or a full truck to the contract as time goes on they have done that before. If a resident does want unlimited pickup, they do have that option but it is at \$30.00 a quarter or \$10.00 a month, so they would go from the \$24.37 to \$34.37 and then they do not have to worry about it and can put bulk out weekly.

Mr. Johnson asked about the contract timeline for the City and Mr. Butkowski said that by the end of this month, the consortium needs to get the bid responses back from all the communities that are involved with the consortium. Mr. Radcliffe said that it is on the Work Session agenda tonight for discussion. Mr. Butkowski added that this is a Work Session this evening and our regular Council meeting would be next Monday and at that time hopefully we will be voting to make a determination. Mr. Johnson asked if there would be legislation drawn up for that Council meeting and Mr. Gasior said that he was going to be talking to the Mayor probably tomorrow to find out how we would enter into the contract. We would like to

have the contract signed by Kimble and then presented to Council as to what you are proposing to do and then, by vote, Council would authorize the Mayor to enter into that contract.

Mr. Butkowski adjourned the meeting at 7:29 P.M.

Transcribed by Gail Hayden, Assistant Clerk of Council