

**TOWN COMMISSION WORK SESSION
TUESDAY, APRIL 27, 2021
OAKLAND MEETING HALL
6:00 P.M.**

CALL TO ORDER

Vice Mayor Satterfield called the meeting to order at 6:05 p.m.

ROLL CALL

COMMISSIONERS PRESENT: Commissioner McMullen
 Commissioner Polland
 Commissioner Ramos
 Vice Mayor Satterfield
 Mayor Stark – arrived at 6:22 p.m.

COMMISSIONERS ABSENT: None

NEW BUSINESS:

Solid Waste Recommendation

Town Manager Koontz provided a presentation on the Solid Waste Franchise Agreement and Solid Waste Advisory Group recommendation. Please see attached PowerPoint for additional information.

A summary of the work session discussion was as follows:

- Work Session is to provide information on current service and the solid waste collection franchise agreement and to discuss next steps.
- The Town of Oakland Level of Services is currently 2x1x1 (4 times a week collection) with Tuesday and Friday being garbage collection, Wednesday being yard trash collection, and Friday being recycling collection. The Town of Oakland provides two recycling bins and residents provide their own garbage cans.
- The Town of Oakland currently has around 1250 customers and is being charged \$16.02 a month per customer for a total of \$192.24 per year per customer. The Town of Oakland charges \$16.95 per month per customer on the utility bills for a total of \$203.40 per year per customer.
- The Solid Waste Franchise Agreement originated with Advanced Disposal Services on February 1, 2015 for an initial term of 7 years ending on January 21, 2022. Advanced Disposal Services has now been acquired by Waste Management.
- The original agreement had a renewal options in Section 2.3 stating that "At the sole option of the Town, this Agreement may be renewed for one (1) additional term of three (3) years under the same terms and conditions as the Initial term, including amendments."
- The Town Commission approved the formation of the Solid Waste Advisory Group on October 27, 2020 with 6 approved members - Stephanie Berry, Blaine Dooley, Chair Ed

Kulakowski, Lori Newcomb, John Schmidt, and Steve Stanford. The group met 4 times between January and March 2021.

- In January 2021, the Town Commission approved a contract for Kessler Consulting, Inc. to assist with the process. Kessler Consulting, Inc. is an expert in Solid Waste Procurement for local governments and attended the Solid Waste Advisory Group meetings.
- The Solid Waste Advisory Group discussed several topics including:
 - The current service level and contract.
 - Waste Management assuming the contract from Advanced Waste Disposal.
 - The current state of the industry.
 - Escalating costs of new contracts for various jurisdictions.
 - Pros and cons of extending the current contract.
- The Solid Waste Advisory Group is making the recommendation to propose to Town Commission extending the solid waste contract per Section 2.3.
- Town Manager Koontz asked the Solid Waste Advisory Group Chair, Ed Kulakowski, to make a few comments which are below:
 - Chair Kulakowski recognized Stephanie Berry, Steve Stanford, and all of the advisory group members for their work getting to this point. He felt there was good discussion and input from all group members.
 - Chair Kulakowski stated that he feels the current level of service is adequate for all neighborhoods we have.
 - There was a lot of discussion about recycling and the need for additional recycling education for the residents.
 - Based on input from Mitch Kessler and Bethany Jewell from Kessler Consulting, he sees no benefit to going out with an RFP at this time since we have the option to extend the contract.
 - The only risk with extending the contract is that Waste Management is not enthusiastic about continuing the contract. There is a risk of poor performance but with liquidated damages in the contract, this should help mitigate the risk.
- Vice Mayor Satterfield thanked the volunteers for their service on the Solid Waste Advisory Group. He is also concerned as well about Waste Management because their past service was horrible. Advanced has done fairly well with their service. He asked if there was a clause in the contract requiring us to provide 18 months' notice in advance of the end date?
 - Town Manager Koontz said that no, that language was not in the contract and there is a very clear end date.
- Commissioner Polland stated that his main concern was with the recycling and that it was frustrating when the recycling is thrown in with the trash after making recycling efforts. He stated that abuse of recycling is not acceptable to him.
 - Vice Mayor Satterfield said that we really need to educate the residents on what gets recycled.
 - Town Manager Koontz said that when we sit down with Waste Management to discuss the contract extension, we will talk through expectations on all sides and then educate the residents.
- Commissioner Ramos thanked all of the volunteers that have been a part of the Solid Waste Advisory Group and said that we need to keep the group active as we go through this process in two to two and a half years. Commissioner Ramos stated that our past history with Waste Management has not been that good and that we had a good record with Advanced Disposal. He is concerned that the level of service will be lowered because

of the takeover however he also does not want to punish them because this time they might perform better.

- Chair Kulakowski stated that we will need to hold Waste Management accountable to the contract.
- Mayor Stark said there is definitely a need to reeducate the residents on recycling. At this point, given all the information and wanting to keep the level of service and rates where they are; an extension makes the most sense.
- Commissioner McMullen asked Mitch Kessler what the increase differentials have been and what he believes we will be seeing for the next contract term in 3 years?
 - Mitch said that the increases for cost of equipment, specifically truck prices has doubled. Insurance rates have continued to go up and the cost of labor has gone up as well as a reduction in the availability of labor.
 - Mitch said they are not seeing anything less than 20% in increasing costs and more likely 50-100% increases.
 - Mitch said that he believes that costs will continue to increase however it is hard to tell as it depends on acquisitions, mergers, etc.
 - Mitch did say since we are considered a "tuck in community" where waste disposal trucks are all around out area, that might help us out in the future as far as costs when we go out for an RFP.
- Commissioner McMullen stated that we really need to start now talking about potential future cost increases among ourselves and with the residents.
 - Town Manager Koontz said he totally agrees and that in the future one of the compromises might be a reduction in service to try to keep cost increases down. Even that might not result in much cost savings so you might end up with increased costs and a reduction in services in the future.
- Mayor Stark stated that the reason we created the Solid Waste Advisory Group was to talk about how to make it better as well as to contain costs and look at recycling options.
- Commissioner McMullen said that he thinks the points that Mitch made are very interesting with why there are cost increases and those are things outside of our control. We have a great public information officer who can help get this messaging out along with recycling education. Other places are much stricter on recycling.
- Mayor Stark said that she does not think we do the best job at recycling.
- Commissioner Ramos stated that we need to start preparing the residents now on what this might look like at the contract end. There may be increased costs and/or reductions in service and hopefully the Solid Waste Group can stay onboard and help us going into that next assessment as well as assisting with education so there is not sticker shock or a surprise if services get reduced.
 - Vice Mayor Satterfield said that he agrees, and we need to make sure everyone is aware that with the 3-year extension that we will have had ten years without significant increases.
 - Town Manager Koontz said that we need to start earlier next time maybe like 18 months out and involve the public more in the discussions. Everybody should know what is happening when the next RFP hits the streets.
- Commissioner McMullen said that we definitely need to start telling the story which includes getting out information regarding the budget in ways that are easy for the residents to understand like graphs.

- Mayor Stark said she believes that things will be changing in these next three years including recycling.
- Town Manager Koontz stated that he was thankful Kessler was helping us through this process and that we had such an engaged advisory group and that he learned more through this process. He stated that he believes we have a longer-term contract with Kessler so hopefully they can help us through the RFP in a few years and we will reengage the Advisory Group as well moving forward especially around recycling education for the residents.
- Commissioner McMullen asked about how recycling would affect the costs overall.
 - Mitch Kessler said that when our contract first started, recycling was going for about \$130-\$140/ton. Today it is about \$60/ton. He said the good news is that the cost is going up right now and is up to about \$70/ton. Hopefully by the time we go out for the RFP it will be up even more. The higher the price the solid waste contractor can get for recycling, the less they should be charging to continue picking up recycling from residents.
- Town Manager Koontz said it is his hope that Waste Management will be a good partner with the town through the extension of the contract. The action item to officially ask for an extension of the contract is on the regular agenda under consent.

ADJOURNMENT

Mayor Stark adjourned the Work Session at 7:42 p.m.

TOWN OF OAKLAND:



MICHAEL SATTERFIELD, VICE MAYOR

ATTEST:



ELISE HUI, TOWN CLERK



Solid Waste Franchise Agreement Worksession

APRIL 27, 2021

Purpose

PROVIDE INFORMATION ON THE CURRENT SERVICE AND SOLID WASTE COLLECTION FRANCHISE AGREEMENT AND DISCUSS NEXT STEPS



Town of Oakland Level of Service

- Service Collection
- 2 X 1 x 1 (4 times a week collection)
 - Tuesday – Garbage Collection
 - Friday – Garbage Collection
 - Wednesday – Yard Trash Collection
 - Friday – Recycling Collection



Town of Oakland Level of Service

- Residents provide their own garbage cans
- Town provides two recycling bins

Town of Oakland

- Estimated 1250 Customers
- Cost \$16.02 per month per customer
 - \$192.24 per year
- Town Charges \$16.95 per month per customer on utility bill
 - \$203.40 per year

Solid Waste Franchise Agreement

- Contract originated with Advanced Disposal Services
 - Acquisition of Advanced Disposal Service has been completed by Waste Management
- Commencement Date – February 1, 2015
- Initial Term 7 Years
- Terminates – January 21, 2022
- Renewal Option – Section 2.3
 - **“At the sole option of the Town, this Agreement may be renewed for one (1) additional term of three (3) years under the same terms and conditions as the Initial term, including amendments.”**

Consultant and Solid Waste Advisory Group

- Commission approved the formation of the Solid Waste Advisory Group on October 27, 2020
 - Approved 6 members
 - The group met 4 times
 - January 29th, February 12th, March 12th, and March 26th
- Commission approved contract for Kessler Consulting, Inc. on January 12, 2021
 - Expert in Solid Waste Procurement for local governments
 - Attended the Solid Waste Advisory Group meetings

Solid Waste Advisory Group

- The group discussed several topics
 - The current service level and contract
 - Waste Management assuming the contract from Advanced Waste Disposal
 - The current state of the industry
 - Escalating costs of new contracts for various jurisdictions
 - Pros and cons of extending the current contract
- Recommendation
 - To propose to Town Commission extending the solid waste contract per Section 2.3
 - **“At the sole option of the Town, this Agreement may be renewed for one (1) additional term of three (3) years under the same terms and conditions as the Initial term, including amendments.”**