

City of Broken Arrow

Broken Arrow Citizens' Recycling Committee

Amended Minutes

April 24, 2017

The regular meeting of the Recycling Committee was held on Monday, April 24, 2017 at 5:30 p.m. in the City Hall Main Conference Room.

Present were:

Committee Members: Russell Peterson (Chairman), Michelle Bergwall, Tom Chatterton, Tom Hahn, E.J. Hardwick, Jim Hoffmeister, Johnnie Parks, Dawn Seing, Jill Spurgeon, Peggy Striegel, Chris Taylor, Becky Wood.

Absent were:

Committee Members: Scott Eudey

Resource Team: Graham Brannin, Russell Gale, Kate Vasquez (via Skype), Lee Zirk.

I. Call to Order

The meeting was called to order by Chairman Russell Peterson.

II. Roll Call

Roll call was conducted.

III. Approval of Minutes, None (March 13, 2017 and April 10, 2017 Minutes not ready)

Chairman Peterson stated there were no minutes to approve.

IV. Mayor Craig Thurmond

Mayor Craig Thurmond reported he recently procured a list of 6,500 most frequent voters. He said he sent out mailers and used the list to contact residents in various ways. He stated that when he spoke with resident voters there was a genuine interest in recycling and a majority of the general public supported the idea of recycling. He stated that the current trash service was appreciated and residents were worried about losing the quality of service. He said in his communications there was one resident who was new to the area who expressed a desire for carts; otherwise, the majority of residents expressed a desire to recycle, but to keep the bags, not switch to carts.

A member asked if the residents gave reasons for wanting to keep bags. Mayor Thurmond responded there were many reasons given: Carts are unattractive, require storage, have to be brought back in from the road after pickup, and currently after bag pick up the streets are clean. Mayor Thurmond said a few years ago there were Ward Meetings at which 200 people that attended with 185 against recycling and 15 for recycling. He said there was a Facebook post that went out recently which showed a majority of residents wanted recycling, wanted carts, but did not want higher fees. He expressed Ward Meetings, surveys, door to door contact and BA Buzz should be taken into consideration before decisions were made. The Mayor stated personally he was pro recycling and pro carts; however, residents' wants and needs should be considered first. He stated he was

surprised when connecting with the public how often citizens spontaneously brought up recycling as a recurring theme. He stated that most residents were interested in recycling; however, because the bag trash pickup was so well liked, switching to carts was going to be problematic. He stated the change to recycling needed to be done without raising rates as this was also a prevalent concern to residents. Mayor Thurmond summarized that Broken Arrow's residents desired recycling, did not want carts, and did not want increased sanitation fees. He looked forward to the Committee's future proposal for this matter.

V. Presentation by New Solutions

Chairman Peterson stated the main agenda item today was the presentation by New Solutions and gave them the floor.

Kate Vasquez asked if there was a visual aid for the presentation. Chairman Peterson said there was not.

Gary Percefull with New Solutions introduced himself and Jason Kannady, president of New Solutions. Mr. Percefull stated he was involved in business development and community relations. He stated New Solutions was a local company and used to be Tulsa Refuse, Inc. New Solutions had been following what was happening around Tulsa with great deal of interest and had been involved in initiation of recycling in another community in Tulsa County many years ago as a subscription program which turned into a complete program. He stated a few weeks ago he contacted Ms. Jill Spurgeon and asked if the Committee was interested in New Solutions' pricing, as a point of reference, because he had noted that Broken Arrow had contracted with Covanta which was part of the Tulsa Residential Refuse and Recycling Program. This led to an eventual invitation to attend a Committee Meeting. Mr. Percefull distributed a document outlining New Solutions general pricing.

Chairman Peterson stated the Committee wanted New Solutions to make a presentation today so the Committee would be better prepared with information for the recycling proposal. Mr. Percefull stated New Solutions just wanted the Committee to be aware of what the pricing would be should the choice be made to piggyback off an existing contract as Broken Arrow had done previously with Covanta. Mr. Percefull reviewed the pricing on the list provided. He stated in Tulsa there were many different rates since there were many premium services available. Standard curbside collection with once a week recycling and refuse load was \$6.86 per month. Green waste services, up to 15 bags or bundles per week, was \$0.86 per month. The combined rate that New Solutions charged was \$7.74 per month per household for the basic standard account without any premium services.

Chairman Peterson noted the document said the carts were provided by the city. Mr. Percefull stated that New Solutions did not provide the carts, only handled, distributed, exchanged if broken, stored the carts, etc. The City of Tulsa purchased the carts. However, if New Solutions were to provide carts it would be around \$1 per cart. Mr. Percefull went on to explain Tulsa paid for the carts through a trust. He thought Tulsa paid for a large amount of carts, but was still in the process of paying off some carts. Chairman Peterson asked if Tulsa found it necessary to work out financing for the carts. Mr. Percefull answered affirmatively that Tulsa had financed the carts. He stated he understood two municipalities piggybacked off of Tulsa's disposal contract with Covanta, Sand Springs and Broken Arrow. New Solutions noted this with great interest as it was felt this could also be done with the contract Tulsa had with New Solutions if Broken Arrow liked the service, pricing and terms.

VI. General Discussion and Possible Recommendations

A member asked if the bill was paid by the resident to the City, and the City paid New Solutions. Mr. Percefull responded residents of Tulsa using 96 gallon carts with basic pickup service paid the City \$15.42 per month out of which Tulsa paid \$7.74 to New Solutions, around \$1.00 for processing to Covanta, about \$1 and change for debt service for the cart bonds, and approximately \$1 and change for a fee in lieu of services which was a franchise fee that went to the City's general fund. A member asked if the City of Tulsa was making a profit.

Mr. Percefull stated he could not speak to that, but Tulsa did have a variety of fees charged to its residents included in the \$15.42 rate structure, such as dead animal pickup, use of roadway, use of public right of way, litter abatement, etc. A member asked if everyone in Tulsa was required to have a cart. Mr. Percefull responded the residents were required to have carts. A member asked if New Solutions would mind if Broken Arrow used bags instead of carts. New Solutions said no.

A member asked if Broken Arrow was to piggyback on Tulsa's contract with New Solutions would the contract have to be exactly the same. Mr. Percefull said that would be a question for legal. Casually he could say that for New Solutions bags might be even simpler to collect than carts. He said New Solutions was willing to have that discussion with Broken Arrow. New Solutions had two types of trucks, fully automatic trucks as well as traditional trash trucks with a man on back that could pick up bags. Trash and recycling was picked up on the same day, usually by the same crew in the same truck, picking up trash in the morning and recycling in the afternoon for example. New Solutions used Murph for recycling processing and there were no issues using the same truck for both recycling and trash. There were occasionally issues with residents using blue recycling carts as additional trash receptacles, but no issues with a truck being used for dual purposes.

A member commented that New Solutions solely picked up carts currently. Mr. Percefull stated that while Tulsa currently used carts, previously Tulsa's standard operation was twice a week collection in any receptacle a resident chose to use: carts, barrels, bags, cans, etc. New Solutions used to collect in this fashion without cart tippers; a bag system was something the company was familiar with. He stated Tulsa currently had a sticker system, used for extra trash and/or yard waste, where a resident purchased a sticker to place on a bag set outside the cart which New Solutions would pick up.

A member asked how many residents there were in Tulsa, and if New Solutions would honor the same pricing for a city of only 34,000, even though Broken Arrow was farther away from Covanta and farther away from the Murph. Mr. Percefull stated that Broken Arrow was not that much further than some of Broken Arrow's current routes in northeast and far east Tulsa.

A member wondered if Broken Arrow could choose which day trash service would be. Mr. Percefull said yes, and New Solutions would scale up in order to accommodate service to Broken Arrow.

Chairman Peterson inquired as to whether New Solutions received complaints from the citizens of Tulsa when the City of Tulsa initially switched from twice a week pickup with bags to once a week pickup with carts. Mr. Percefull said New Solutions received many complaints regarding the once a week pickup and it took several years to get the kinks worked out of the system; however, New Solutions in the City of Tulsa did provide twice a week pickup premium service with currently 4,200 subscribers to this service. Residents also had the option of purchasing an extra cart or using the sticker system, both of which are a more cost effective option than the twice a week pickup service. He stated that today residents of Tulsa appreciate the carts and would fight to keep them.

Chairman Peterson stated that regardless of the use of carts or bags the Committee would like to make a one day a week pickup recommendation to the council, covering a quarter of the city per day, reserving Wednesday as a day off unless needed. Mr. Percefull said New Solutions saw this as a good plan as it allowed Wednesday to be used to accommodate holidays instead of Saturday.

A member asked New Solutions if there was another way to acquire the carts aside from trusts and bonds. New Solutions stated Broken Arrow could obtain carts directly from them for approximately \$1 per cart per month. Whether to offer cart size options and the standard size of carts was discussed. Jason Kannady with New Solutions commented that offering various size trash receptacles and only a 96-gallon cart for recycling caused contamination problems.

Chairman Peterson asked if New Solutions had to pay a franchise fee. Mr. Percefull stated New Solutions did not pay a franchise fee, but the Tulsa Authority for the Recovery of Energy, who New Solutions contracted with, paid a fee in lieu of taxes, which Mr. Percefull viewed as a franchise fee.

A member asked if New Solutions would consider only picking up recyclables for Broken Arrow. Mr. Percefull stated not under this pricing scenario.

Mr. Percefull stated New Solutions was a local company with local trucks; their trucks used CNG, save a few small pickup trucks, and New Solutions had the largest CNG fueling station in the State of Oklahoma.

Chairman Peterson asked if New Solutions stored extra carts for the replacement of damaged carts. Mr. Percefull stated New Solutions stored approximately 6,000 to 7,000 extra carts on their property and distributed approximately 100 to 150 carts monthly as replacement for lost, stolen or damaged carts at no cost to the City of Tulsa.

A member asked if New Solutions was contacted when a resident missed their pickup. A member responded the City would be contacted in this case; not New Solutions. Mr. Percefull stated New Solutions fleet was outfitted with GPS tracking which recorded where the trucks had been. He stated the carts also had RFID chips which the trucks scan at every pickup. This helped keep track of what was picked up when and aided in customer complaints. Mr. Percefull stated that if a resident complained their trash was not picked up, and New Solutions could not confirm that it was, a truck would be sent out to do the pickup.

Chairman Peterson asked if New Solutions or the City set the schedule for pickup. Mr. Percefull responded it was a City ordinance which determined the time of pickup for each area.

A member asked how New Solutions handled elderly citizens' or disabled citizens' trash pickup. Mr. Percefull stated that in Tulsa there was no additional fee paid by the resident for back yard service for an elderly or disabled resident, meaning New Solutions would go get the cart, empty it, and put it back. He stated the City paid New Solutions the extra fee for the back yard service, not the resident.

Chairman Peterson asked if New Solutions did commercial or governmental pickup. Mr. Percefull replied New Solutions did not at this point. New Solutions' specialty was working with municipalities, not business to business.

A member asked if New Solutions would be willing to give preferential hire to Broken Arrow's current sanitation employees if indeed Broken Arrow chose New Solutions for sanitation services. Mr. Percefull stated New Solutions would definitely do this. He explained when Tulsa made the switch there was a similar situation and he thought no one was laid off as a result. All employees were able to be moved into new jobs in various areas. He believed that it would make New Solutions' job easier as well since Broken Arrow's current sanitation employees were familiar with the area. Mr. Percefull stated that whomever Broken Arrow chose to go with, New Solutions or not, most likely the new company would be more than willing to absorb the current Broken Arrow sanitation employees.

Chairman Peterson asked if New Solutions picked up in inclement weather and on holidays. Mr. Percefull stated pickup was only delayed if the City could not clear the roadways with snowplows and the City deemed it was dangerous. He stated trash collection trucks could get around pretty well in most conditions; black ice was the only condition that kept them off the roads.

Mr. Percefull stated that the City of Tulsa determined which holidays would be observed by New Solutions. The current practice was no pickup on the holiday; City pickup was pushed forward one day and New Solutions would pick up on Saturday to compensate. A discussion was held regarding the necessity of Saturday pickup in Broken Arrow.

Chairman Peterson asked if New Solutions had a performance bond with the City of Tulsa. Mr. Percefull stated New Solutions did have a performance bond with the City of Tulsa along with various insurances. He stated the way New Solutions bid out with Tulsa qualified the contract to be piggybacked in some circumstances. He stated that the business part of the contract had been handled by the City of Tulsa and this was available to Broken Arrow, just as Covanta's contract had been available to Broken Arrow. He stated that the City of Tulsa had many public records which could be reviewed to determine if Broken Arrow's needs would be met by New Solutions.

Kate Vasquez asked New Solutions to address special circumstance services, such as emergency response, special events, festivals, collections from governmental building, etc. Mr. Percefull stated those items were not in New Solutions' contract with Tulsa which strictly covered collection and transportation of residential refuse and recycling. He stated the City of Tulsa still operated 3 or 4 City Sanitation Department trucks for this purpose and contracted separately with other companies as well. He stated that if the City of Tulsa had an emergency situation which was an "all hands on deck" scenario, New Solutions was there to assist.

Ms. Vasquez asked about outreach and education funding. Mr. Percefull stated there was no specific fee charged by Tulsa for this, but it was built into the rate structure. He stated the TARE board was considering raising its internal budget for public education and outreach from \$350,000 per year to about \$650,000. He stated this was almost entirely aimed at recycling contamination issues.

Ms. Vasquez asked if the City would have access to their trash records including tip reports and tonnage amounts to accurately record progress. Mr. Kannady responded every truck used in the City of Tulsa had a unique ID number and all gave a report at the end of the day which included tonnage. He stated it was important for New Solutions to have this information as well, so yes New Solutions could easily generate a report for Broken Arrow which contained this information. Mr. Percefull stated this was a practical matter for New Solutions. Mr. Kannady stated New Solutions provided this information to the City of Tulsa, as well as GPS location records which ensured New Solutions was staying within Tulsa's city limits.

Chairman Peterson commented when New Solutions initially began trash service in Tulsa there was a lot of controversy. He asked if the citizens were now pleased with the service. Mr. Kannady stated there was controversy with the change over, and he stated Broken Arrow could consider changing the city over slowly, one district at a time. Chairman Peterson stated the Committee had considered starting in one location to assess feedback. Mr. Percefull stated that New Solutions provided a pilot program in Tulsa where 6 different neighborhood associations agreed to be "guinea pigs" for a year's duration. New Solutions provided a cart for trash and a recycling tub which was picked up once a week. Mr. Percefull stated the experiment received great feedback which prompted the City of Tulsa to move forward with the changes. He stated that New Solutions was willing to do something like this in Broken Arrow.

A member asked if New Solutions would be interested in absorbing Broken Arrow's current truck fleet. Mr. Kannady stated that New Solutions was working toward using only CNG fuel, but it could be considered. Mr. Percefull stated that New Solutions had purchased surplus trucks from the city of Tulsa in the past. He also recommended selling Broken Arrow's trucks at a surplus auction. He stated Broken Arrow's trucks would be desirable at auction.

Chairman Peterson asked if there were any more questions for New Solutions. There were none. New Solutions thanked the Committee for having them and left the meeting.

VII. Questions from Committee Members

Chairman Peterson stated it was very important the Committee narrow the current proposal list down to two options during the next two Committee meetings. He stated the Committee's goal was to go to the City Council with a single option of choice, but list the merits and disadvantages of other options for the City Council's

consideration. He stated once the list was narrowed to two items, he and the staff would create a report and the Committee would meet to critique the report. Following this the final draft would be created and presented to the City Council. He reminded the Committee that it was important to provide the Council, the ultimate arbiter, with options. He stated the Committee needed to keep in mind these changes were all very big changes for residents of Broken Arrow.

A member stated he approached approximately 15 residents in his neighborhood and discussed what the Committee was proposing. He stated residents were interested in recycling, but the residents stated they would not recycle if carts were used. Discussion ensued with the following points: No one was required to recycle. Making recycling available was more important than requiring the use of carts. Storage of recycling in a cart in the garage was as convenient, if not more convenient, than storage in a bag in the garage.

A member suggested the Committee put together a survey, inclusive of age groups and location within Broken Arrow, to allow the populace to weigh in on the Committee's tentative recommendation. She stated the information gathered from the survey could be used to fine tune the final recommendation to the City Council.

Chairman Peterson stated he felt the community would fully accept recycling in some form since curbside recycling was easier than taking it to the Murph. He thought it would come down to bags versus carts. He stated the Committee could do a survey, but a survey had already been conducted and negative feedback was received regarding carts.

A member stated she thought the survey may not have been conducted with enough information regarding the benefits of carts. She stated that financially the use of carts benefitted Broken Arrow as it eliminated bag expenditure and in general made the City "greener."

Chairman Peterson stated that in the next two meetings the Committee would fully discuss these concerns, and narrow the options down to two or three things. He stated the decision that needed to be made was bags versus carts. The third party provider was almost a side issue since the City Sanitation Department or a third party provider could do the pickup.

A member stated that third party pickup versus City Sanitation pickup should be included in the proposal as well since third party pickup may be the more economical option.

A member stated whatever recommendations the Committee made in the presentation the Committee needed to provide information which explained why each decision was made. Chairman Peterson agreed this was important.

Chairman Peterson stated one fact he brought away from the presentation by New Solutions was that the people in Tulsa very quickly adjusted to the once a week pickup, and only a small percentage of them elected to have the twice a week pickup option. He stated if Tulsa could get used to it Broken Arrow could get used to it. He appreciated the Committee would be able to pass this fact along to the City Council and the citizens of Broken Arrow since the switch to one day a week pickup was going to be a challenge.

A member stated he was surprised to read in the survey taken previously that 47% of people in Broken Arrow had purchased and used carts already. He believed it would not be as difficult a transition to switch to carts. Councilor Parks stated the Committee's recommended changes were never going to please everyone. He stated the Committee needed to do what was good for the City, good for the community, good for the environment, and what was good for the majority, but to make the transition as smooth as possible and keep as many residents as possible happy. He stated the Committee could consider an option which used carts for 90% of the residents, but allowed the 10% of residents who desired to continue to use bags.

Chairman Peterson stated at the next Committee Meeting the economic impact of the options and whether each option would raise the current sanitation fee needed to be considered and discussed in greater detail. A member stated she felt after hearing New Solutions' presentation the current sanitation fee may already be high enough to cover the cost of whichever option the Committee supported. Chairman Peterson reminded the Committee that the carts were a \$4 million dollar investment alone. He stated at the next meeting a pie chart which displayed the breakdown of the existing sanitation fees would be reviewed to determine if there was room to absorb the new cost. He continued to discuss the variables involved in the possible finance of carts and options for waylaying these costs.

Kate Vasquez cautioned the Committee against comparing the rate New Solutions provided to the current fee charged by Broken Arrow for pickup as the New Solutions rate was incomplete. A member stated the Committee understood the fee charged by New Solutions was only part of what the City of Tulsa charged its residents for sanitation. Chairman Peterson stated it was understood that switching to a third party did not eliminate the need for Broken Arrow's involvement in various administrative jobs related to Sanitation.

Chairman Peterson asked if there were any additional questions. There were none.

VIII. Adjourn

Chairman Peterson reported the next two meetings were scheduled for 05/01/2017 and 05/15/2017 at 5:30 PM.

MOTION: A motion was made by Dawn Seing, seconded by Peggy Striegel.

Move to adjourn.

Motion carried unanimously.

The meeting was adjourned.