

CITY OF KENT
DEPARTMENT OF PUBLIC SERVICE

MEMO

April 30, 2009

To: Dave Ruller, City Manager

From: Gene Roberts, Service Director

RE: Citywide Trash Collection - Summary of Public Input

After review of the minutes from the public meetings of Wednesday February 25, 2009 and Wednesday April 8, 2009 sixteen questions and statements were identified. The following staff response is provided both as an executive summary and with supporting details for consideration by KCC.

1. **Assistance** to residents needing carryout service is provided in the Contract.
2. **Bag service pre-paid** can be decreased from bid amount of \$2.40 to \$1.85 per bag based on City distribution.
3. **Billing** by City could decrease cost \$0.50 per month when software is upgraded for residents selecting service other than per bag.
4. **City savings** for City facilities trash picked up will go from \$620 to \$506 monthly.
5. **Condo** issues resolved regarding how to deal with Condo Associations where Condos are built like duplex and triplex structures.
6. **Environmental** impact of decreasing diesel truck emissions will result in better residential air quality.
7. **Illegal dumping** can be minimized by records obtained and mandatory participation by all residents.
8. **Mandated trash can** usage will be enforced on a complaint basis and will not be required of all residents.
9. **Opt Out** is not recommended by staff and would require rebid of the program.
10. **Property owner** responsible for payment as required by ordinance for each residential unit.

11. **Putting people out of business** although not completely addressed for all companies currently working in City, allowances can be made for Kent based business.
12. **Selecting service** has two components, level of service and selecting service provider, both of which are addressed in the detail response
13. **Separate recycling** will continue under contract with Portage County except collection will occur same day as trash.
14. **Residential only** is based on special requirements in commercial waste streams not required of residential waste stream.
15. **Truck traffic** decreases by single hauler, making residential neighborhoods safer and extending pavement life.
16. **Volume generated** is averaged, no additional charge for reasonable intermittent overage.

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Detailed Response and Analysis

Assistance Resident

A resident advised that they work with seniors and asked if any assistance would be provided with respect to trash collection. The Contract states the following:

9.8.1.1. The Contractor shall provide carry out service for residential unit Subscribers who are handicapped, disabled, impaired or otherwise precluded from, or physically incapable of, placing the solid waste containers at the curbside. This Carry Out Service (Challenged) will not be advertised and is intended only to be offered to those requesting it and deemed truly deserving to receive such service. The City's Health Commissioner or his/her designee shall authorize those that qualify for this service and shall notify the Contractor in writing the name and address of those qualifying. The Contractor shall contact the Subscriber deemed qualified for Carry Out Service (Challenged) and make necessary arrangements for this service.

Bag Service Per-Paid

Discussion regarding bag service pre-paid centered on two specific issues, price and service.

Staff investigated the current service and pricing offered by Universal for purchase of pre-paid trash bags for curbside collection. The bags may be purchased at both Giant Eagle in Stow and Acme on East Main Street. The cost of the bags effective January 1, 2009 is \$21.50 plus sales tax (Stow 6.5% = \$22.90 and E. Main 6.75% = \$22.95). The Universal service requires residents to call Universal when they anticipate that they will require pickup.

After the public meetings staff met with Mr. Gary Vincent, General Manager, R & R Sanitation, regarding methods to decrease the bid price for pre-paid bag collection. Mr. Vincent provided that R & R Sanitation could pickup bags placed out for collection for the price of \$1.50 per bag. The City would need to accept the responsibility of purchase, distribution and sale of the pre-paid bags. R & R Sanitation would charge the City monthly for each pre-paid bag sold the previous month based on the City's records of bags sold. Staff understands that sales tax would not be required to be collected for the sale of pre-paid trash collection bags sold by the City.

Staff has investigated the cost to purchase the trash bags with the City's Logo printed on the bag. The cost varies from supplier to supplier and decreases based on the larger the quantity purchased from \$0.15 to \$0.25 per bag. Additionally staff recommends increasing the original \$0.05 per bag surcharge fee to \$0.10 to cover the increased cost for City staff time to distribute the bags. A recommended sale price of \$1.85 based on \$1.50 for collection, \$0.25 bag cost and \$0.10 surcharge fee, the cost can be adjusted based on the actual cost to purchase and distribute the per-paid bag service.

The service to be provided would include pickup of the pre-paid trash bags weekly during collection of trash in each neighborhood which is the same as the current weekly pickup service provided to Kent residents. Residents electing to purchase pre-paid bags would only be required to use the number of bags based on their volume of service required.

This change in pre-paid bag service reduces the cost per bag from the current \$2.29 to \$1.85 a savings of \$0.44. Based on usage of 1-bag per week the annualized savings to Kent residents using the pre-paid bag service will be \$22.88. Analysis of bag versus one can service based on 1-bag per week at an annualized cost of \$96.20 versus 30-gallon trash can per week cost of \$110.40 per year, a savings for residents using one bag per week is calculated to be \$14.20 per year.

The reduced amount of the pre-paid bag is in keeping with comments made regarding trying to get people to think about recycling by decreasing the cost for low volume generator residents. This revised method of delivering pre-paid bag service is in keeping with Council's direction of providing all residents a reduced cost of trash collection.

Billing

The question was asked if the City would do the billing or the company. The current agreement provides for the contractor to bill on a quarterly basis for the services to be provided. This method makes the Contractor responsible for any bad debt. It was reported that R & R Sanitation accepts payment forms of cash, check, money orders, or credit cards over the phone

In the future with upgrades to the City's utility billing software it would be possible for the City to bill for trash collection services monthly as part of the City's utility bill. The City billing for trash collection would save approximately \$0.50 per month savings (\$1.50 per contractor quarterly billing costs) which would further decrease the cost to

deliver trash collection service to Kent residents. The City billing would be based on type of service selected and would match the same process used to bill for recycling. The savings that would be experienced when the City would start the billing process would be passed onto the residents.

City Savings

The question was asked regarding any City savings, for trash that is picked up at City facilities. The cost for City facilities trash collection will go from \$620 monthly to \$506 monthly. Additionally City facilities trash collection will occur on Fridays providing the benefit of having the trash hauler in Kent five days a week, so the Health Commissioner has them available for special trash collection circumstances.

Condo Associations

The question was asked about some of the new neighborhoods with Condo Associations that have a single trash hauler under contract. Staff has been advised by the Condo Association current service provider that they would allow the Condo Associations out of their current contract.

Staff evaluated the unpredicted Condo Association (Condos built similar to a triplex, versus the typical Condo built like an apartment building). R & R Sanitation agreed that the Contract language did not address this specific residential unit type and were willing to work with the Condo Association to find an amicable solution.

After the council meeting staff and a representative of R & R Sanitation met with Mr. Alan Henderson, representing the Lakes of Franklin Mills Condominium Association, to discuss their situation. Terms were reached between the Association and R&R, which included providing the Lakes of Franklin Mills Condominium Association weekly single can pickup service for the rate of \$8.00 per month, billed monthly to the Condo Association for all Condos on one invoice. Pickup will occur at the drive entrance to each Condo unit.

Staff discussed the similar issue with Mr. Nelson Madden, Cottage Gate Condominium Association President and has arranged to meet with the Condo Board on Saturday June 13 to discuss the best option for them. They can remain R&R customers with the Condo Association paying monthly or they can go with the City and pay quarterly. The Cottage Gate Condominium Association has agreed to discuss their trash collection and will work with the City and R & R Sanitation to select a City service best suited to their Condo owners' needs.

Environment

The issue regarding improving the environment is supported by a single trash hauler system. A decrease both in noise and air pollution will be experienced based on the

decrease in truck traffic resulting in an increase in neighborhood aesthetics and impacts in a positive way human health.

The current multi hauler collection system provides many trash haulers working in the neighborhoods resulting in an obvious waste of energy resources. It was reported by a resident that the “increased truck emissions cause respiratory problems and forms of dementia. The increased traffic results in an unnecessary carbon footprint to provide the same level of service which will be experienced from a single hauler system.”

Illegal Dumping

The issue regarding illegal dumping will decrease when all residents are mandated to obtain some level of trash service. The City being able to have records regarding each residential property’s participation level will assist the Health Department in minimizing illegal dumping and correcting individual property exterior trash problems.

Mandated Trash Cans

The question regarding mandated trash can usage was asked. Staff explained when there is a complaint staff will require usage otherwise no street by street mandatory trash can usage will be included in the program. In neighborhoods where trash bags are not broken open and trash is not blown all around, the use of bags will be unregulated however; at a residence where bags are found broken open and trash blown around the resident will be required to use trash cans with secure lids.

Opt Out

The question regarding some residents being able to Opt Out was not provided for in the contract as bid and would require the contract to be rebid. There is provided in the contract a minor opt out section for those people who have businesses located in close proximity to their residence and pay for trash pickup at their business, as they are not mandated to buy residential trash service if they are paying for commercial trash service.

Regarding being “stuck” with R & R Sanitation providing bad service, staff advised that the simple fact is no one resident will have to deal with bad service as the contract provides for specific levels of service and collectively the voice of many sounds louder than the voice a single customer. The City will act collectively as the advocate for quality service.

Staff reported that in 1965 the City attempted a single trash hauler program with the ability for residents to opt out. The program failed because the second year all other companies went house to house and under bid the City’s low bidder who refused to continue the service with so little participation. After the City’s contractor refused to continue the service the prices returned to the previously charged amount by the trash haulers and everyone lost out on the reduced price received from the City’s low bidder.

At one public meeting a resident stated in the 1970s, there was no universal pickup or recycling, and people still burned their trash in their back yards. He said with the Air Pollution Control ordinance, Council enacted a requirement for trash pickup. He said there was a great deal of objection and controversy. He further stated there may be some controversy with this plan as was with the recycling plan however people followed the request from the City and twenty or so years later the cultural fabric of Kent has grown to accept recycling no different then they will accept a single trash hauler. The resident further stated said that an 'opt out' provision would not be of any benefit, adding if people opt out, the entire system will collapse and will result in there being no benefit nor low cost associated with a single hauler that will benefit the majority of Kent residents.

Mr. Decenzo, Waste Management, stated that no other communities that he was aware of have an opt out provision. Mr. Decenzo further stated that when bidding a citywide trash collection service it is difficult to estimate the price necessary to charge to provide for the cost to collect trash and administer the program when there is an opt out clause so the bid cost approach typical service cost which minimizes any savings.

Property Owner Responsible for Payment

The question was asked who would be charged for trash collection, the resident (renter) or the property owner. The ordinance mandates that the property owner pays to provide the service however; the property owner may pass the cost onto the resident renting the property. Each residential property unit would select their required service level and pay the resulting fee.

Putting People out of Business

The statements made regarding putting people out of business as a reason not to support a single trash hauler system has two parts which need to be addressed. First, the trash haulers have advised that when they loose business in one area they typically pickup business in another area.

Second the issue of a local Kent based small business was originally recognized as being at risk of loosing some of their business. In discussing this issue with the owner his concern did not center on a potential loss of residential customer business but in loss of his commercial customers. The current Citywide trash collection contract does not include commercial customers and as such does not impact the commercial customers of the local Kent based small hauler. The local hauler indicated that he only provides service to approximately eight residential customers and the majority of his business is servicing downtown commercial customers.

In understanding the local trash hauler's concern the City did not include the collection of trash from the downtown trash containers as part of the Bid documents. The possibility remains that all or a portion of the trash collection service provided for the downtown trash containers could be transferred to the local hauler to offset his loss of residential customers if the hauler elects and can properly respond to the trash collection downtown.

The local hauler will not lose any of his commercial business as a result of the citywide residential trash collection service.

Selecting Service

Public statements regarding resident's ability of selecting service has two components. First, the issue of electing the level of service is provided for in the contract and City ordinance. The language provides for service levels from per bag to unlimited service, addressing the issue relative to volume generated by each individual residential unit.

Additionally, provided by the language in the contract, additional service of collection of large items for all subscribers regardless of level of service elected is provided. For residents electing unlimited service large item collection is included without an additional fee.

Second, is selecting a service provider. The selection process used to determine the low bidder for trash collection is no different than the bid process used to obtain the best contractor to complete sewer, water main, street and sidewalk maintenance contractors. Governments for centuries have provided services to their residents by bidding services for the collective benefit of the majority. Further governments have provided police and fire protection because collectively it is cheaper and safer for government to provide this service as compared to individual residents providing these services individually.

As a final note regarding individuals selecting their trash hauler the vast majority speaking to this issue stated that they had called around to obtain the best price and that they have the ability to "fire" the trash hauler that does not provide adequate service. Staff has demonstrated that the process of selection through the bidding has reduced the price residents are paying for trash collection and collectively the voice of many will correct service inadequacies.

Separate Recycling

Question regarding separate recycling were asked specific to the cost of recycling in addition to the cost of trash collection and would collection of recyclables be at the same time. Presently the City of Kent by agreement with Portage County Solid Waste District has recyclables collected in Kent and will be unchanged with citywide trash collection except for coordination of collection so that both trash and recyclables will be collected on the same day.

Residential Trash Collection Only

Questions regarding residential only trash collection and why schools and/or businesses would not have the same waste hauler as residences were asked. Staff's analysis of this issue early on in this process presented the recommendation not to include commercial type trash collection accounts based on the facts that some businesses may need two

pickups per day and some may have special or hazardous waste requiring special collection and disposal requirements not typically found in the residential waste stream.

Single Hauler

Several comments were presented regarding single hauler service versus having multiple haulers working in the City. Staff's investigation was started as an outcome of previous discussions with Kent City Council regarding neighborhood quality of life issues. The investigation uncovered the largest benefit as safety resulting from the decrease of heavy truck traffic in neighborhoods. Additionally the increased aesthetics of Kent neighborhoods would be experienced as trash and recycling containers would be in the public right-of-way only one day a week versus the current typical, most days per week.

One resident commented that "it gives all the strength in numbers, that collectively we can negotiate good rates benefiting most of the people." The resident further stated that "in speaking with friends in other communities that have managed trash service that they feel it works well."

One resident asked how having one trash company will eliminate the problem of animals getting into trash and make people more conscientious about how they act regarding disposal of their trash. Staff responded that part of the answer will be found in the information which will be obtained relative to the service at each location which the City currently does not have. By example is the level of service being requested by a residential property unit sufficient to support the actual waste stream being generated by the resident or how is the trash being placed at the curb, are trash cans needed. By working with the individual residents and explaining/educating each regarding trash disposal several of the current problems may be corrected. The current process of multiple trash haulers provides little control over the process and by going to a single hauler more control will be gained which could preempt some of the existing problems. Currently staff has to wait for the trash to show up before anything can be done and people get mad because of the mess in the neighborhoods a single hauler will allow for the ability to preempt some of the problems by knowing the day of the week the trash is to be picked up.

Additionally staff pointed out that with a single trash hauler, there would be a truck in the City daily available to address problems. Currently the City must pay a hauler for special trips to correct problems observed by staff and the one hauler method would decrease the fee paid by the City and the response time to address special problems.

Service Transition

Questions were asked regarding transition from the current multi hauler to a single hauler working within the City of Kent. Tony Decenzo, Waste Management, stated that if a customer of Waste Management requested changing service that Waste Management would prorate a refund to the date of transfer but was unsure what other companies do.

The issue of transition is provided in the contract documents where by all residents can continue with their current trash hauler until their next billing cycle at which time they are required to transfer to the City's trash hauler.

Regarding individuals which buy their bags at the grocery store for pre-paid pickup will equally be permitted to use their pre-paid bags until they are gone and then be required to use the City's pre-paid bag system.

Truck Traffic

Statements were made and questions were asked regarding truck traffic. Staff stated that there would be less neighborhood truck traffic which would equal increased neighborhood safety and extend pavement life.

To support staffs analysis a study by the Minnesota Department of Transportation was sited in which it was determined that one trip by a trash truck equals fifteen hundred trips by autos. Engineers use as a rule of thumb that each home generates 10 automobile trips per day and that on a typical street of twenty homes, each house making ten trips daily with their auto would total fourteen hundred trips a week on the street. This means that a single trash truck impacts the roads more than all of the auto traffic created by those living there. The decrease in trash truck traffic is one method of extending the time between required repairs of the streets now and in the future resulting in decreased cost to maintain City streets.

The additional benefit of reducing the number of trash haulers operating on neighborhood streets was pointed out by a resident stating "the decrease of the carbon dioxide released and the air pollution affects the community, other communities, and all over the world. It is a nice way to act locally, and make a difference in our own community and for the entire world."

Volume Generated

A question regarding volume generated by a residential customer on a week to week basis was asked, by example if someone has one can per week, but on occasion, has extra trash, would there be extra charge. Per R & R Sanitation if there is an occasional extra bag, there is no extra charge however; if someone purchases the one-can service, and has more than one can each week they would be required to purchase an increased service level.

Cc: Bill Lillich, Safety Director
John Ferlito, Health Commissioner
file

Citywide Trash Collection - Response to Public Input

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