

CITY OF SILVERTON
ENVIRONMENTAL MANAGEMENT COMMITTEE MINUTES
Drafted for approval; subject to changes and/or corrections

3:00 P.M.

August 20, 2019

The Environmental Management Committee of the City of Silverton met at the Silverton Community Center, Council Chambers on August 20, 2019 at 3:00 p.m. with Chairperson Smith presiding.

I. OPENING CEREMONIES – Call To Order & Roll Call

Chairperson Smith called the Meeting to order at 3:00 p.m.

Present	Absent	
X		Chairperson Dana Smith
	X	Vice-Chair Chris Mayou
X		Joe Craig
X		Jaime Fuhrman
X		Richard Freeman
X		Dawn Hemstreet
X		Emma Schaffers
X		Petra Schuetz, <i>Ex-Officio Member</i>
X		Republic Services; <i>Ex-Officio Member</i>

II. OPENING CEREMONIES Call to order; introductions of new and existing members.

III. APPROVAL OF MINUTES

Chairperson Smith called for a motion to approve minutes from the June 18, 2019 Regular Meeting. Member Hemstreet made a motion to approve; Member Craig seconded the motion. Chairperson Smith called for comments, none were announced. Minutes approved, all in favor.

IV. PUBLIC COMMENT

None

V. SCHEDULED PRESENTATIONS

None

VI. DISCUSSION/ACTION

Republic Services employees KJ Lewis, Municipal Manager; Jay Lawson, Operations Manager; and Travis Comfort, Contract Manager presented information from Attachment 1. They noted that Mr. Comfort will be acting as the ex-officio member for Republic Services. Ms. Lewis talked about the previous rate adjustment in 2016. Chairperson Smith asked Ms. Lewis to discuss how the presented rate information is different. Ms. Lewis said Republic is asking for a 12.3% rate adjustment due to a decline in rate of return since 2016, which is projected to decline more. The Committee reviewed the charts in the document. Member Hemstreet asked how Republic came to the projected 3.6 calculation. Ms. Lewis stated Republic's Finance Manager will need to be consulted for that information. Member Freeman asked about the difference between cost of operations in 2018 and 2019. Mr. Lawson said the difference is due to the franchise fee increase proposed by the City. Chairperson Smith asked if the expectation is that the rate adjustment will go into effect in November. Mr. Lawson and Mrs. Lewis said the assumption is October. Chairperson Smith said that if there are questions the Committee has today that remain unanswered, this will impact the City Manager's schedule.

Member Freeman asked if there is a percentage breakdown on usage comparison of container size. Chairperson Smith said the Committee has asked this before. She then asked about disposal and purchases costs. Mr. Lawson said a majority of costs are disposal fees. Mr. Lewis mentioned paying Covanta and Pioneer and having to pay to take materials to those companies; if they take items to their own facility it is an internal cost.

Member Fuhrman asked for PRC clarification; Mrs. Lewis confirmed those costs are all to companies owned by Republic Services. Member Fuhrman asked if they can separate disposal, composting and recycling costs. She then said the Committee has asked for this information before. Mr. Lawson said that the data can be provided for a breakdown of disposal costs of wet waste and recycling. Member Fuhrman asked for data on the costs of recycling, disposal and composting costs for Silverton only. Chairperson Smith noted that population increase might be impacting the numbers. Member Schuetz noted that there has been a significant population increase and it is projected to increase more in the next twenty years.

Member Craig asked for a breakdown of the increase in costs. He asked if this is why Republic is asking for 12% rate increase. Ms. Lewis said costs have increased and the rate of return has declined; they are asking for rate increase to get back to a 10% rate of return target. Member Fuhrman asked about the previous rate increase. Jay said rates were increased then due to a unit rate increase at Covanta. Mr. Comfort said the industry rate of return will always be a factor. He said the recycle market crash and increase cost of business are reflected in the rate increase. Chairperson Smith asked if Covanta and PRC costs have increased. Mr. Lawson said the Covanta costs have not. She asked him if they are paying PRC more. Mr. Lawson said they are paying PRC the same as everyone else is and he would have to research any increases that may have happened. He then said there could have been small increases at Covanta but he would need to research that. Chairperson Smith said the percentage increase is from all three of those pieces. Mr. Comfort asked if there is a list of information they have asked for in the past. Chairperson Smith told him they could start one.

Ms. Lewis said costs have increased across the board in the past three years. Chairperson Smith said this is not apparent in the bar graph. Mr. Lawson said he believes the graph is being misinterpreted. He specified that Page 9 is data from Page 8 put in a graph form. Mr. Lawson talked about the disposal and recycling purchase increases since 2017. Member Hemstreet asked if depreciation is related to value of equipment. Mr. Lawson says yes; trucks and equipment. Chairperson Smith said the only difference on expenses is the franchise fee which the City has requested. Member Fuhrman asked about why the franchise fee revenue has gone down 6%. Mr. Lawson said the fee is paid on gross revenue, which was less in some years. Chairperson Smith asked if people have stopped getting things hauled. Member Hemstreet asked why the number is different. Member Fuhrman noted that population has gone up. Mr. Lawson said revenue comes from residential, commercial and industrial and industrial can be down quite drastically.

Member Hemstreet asked if Bruce Pac is an industrial user. Mr. Lawson said Bruce Pac is considered commercial; residential is plastic can, commercial is front load, industrial is drop box. Member Fuhrman asked who the industrial users are. Mr. Lawson said most are temporary such as construction projects. Member Fuhrman asked who the permanent industrial users are in Silverton. He said most of the drop boxes are temporary. Member Fuhrman cited the 14-15% population change over the last few years. Ms. Lewis asked if this change is based on households or people. Member Fuhrman said regardless of which it is there should be a change in residential use. Mr. Lawson said the biggest change in general is industrial. Ms. Lewis asked Member Fuhrman if she wants to know the number of residential, industrial and commercial pickups. Member Fuhrman said yes. Mr. Comfort said they will look at whether or not there are permanent industrial users in Silverton. Chairperson Smith said it sounds like the industrial sector is not a big market in Silverton. Mr. Lawson said he does not want to speculate but will run a report.

Member Freeman asked about variation in commercial users including grocery stores. Chairperson Smith said as long as Republic isn't justifying a rate increase with fluctuations from temporary industrial. She said she didn't know how Republic could speculate on a rate of return by using temporary users. She said this would be asking residential and commercial permanent users to subsidize those fees. Mr. Lawson explained that the rate of return is the same for all usage. Chairperson Smith said Republic is normalizing the rate of return and applying it to every sector. She said the different types of users don't have the same expenses.

Ms. Lewis asked how Republic can project customers from year to year. Mr. Comfort said all types of users have mixed costs, for example the call center. Chairperson Smith said in the bar graph it appears disposal fees have increased but not mixed costs. Mr. Comfort said they have both gone up. He indicated that the type of graph used was not the best choice for the type of data included. Mr. Lawson said this is the same packet they have used for twenty years. Chairperson Smith said yes, and last time there was a big discussion by the Committee. Ms. Lewis said their financial person looked at the 2016 rate packet and used it as a model. Mr. Comfort said they (indicating Republic employees present) are all new.

Member Fuhrman said she has asked for a waste stream analysis for several years. Ms. Lewis asked if she wants an audit of contamination rates. Member Fuhrman said no, she wants to know what is coming out of the community, which is standard data reported to the EPA. Mr. Lawson said Republic reports to DEQ for thirteen cities as a business unit. Chairperson Smith said the Committee can't make good recommendations when they don't know what people are putting in or not. Mr. Lawson said he thought one was recently done. Ms. Lewis said they did a random contamination sample recently. Ms. Lewis said it was an audit on contamination in recycling and that Silverton is doing well. She said she would like to bring the person who did the study to a meeting.

Member Hemstreet said the jump is gigantic and asked about the rate increase in 2016. Chairperson Smith said the increases varied; yard debris carts were one fee. She said the thing that was driving that rate increase was Covanta so they tried to reduce solid waste by increasing recycling and food waste in yard carts. She noted the smaller carts got a smaller increase and as you went up larger carts there were larger increases to incentivize less waste.

Member Fuhrman asked what the preliminary audit findings are. Mr. Comfort said the audit report has not been finalized. Ms. Lewis specified which materials are included on the included graph and noted Keizer has higher rate of contamination than Silverton. She said Silverton is doing a great job of educating the public. Member Fuhrman asked if Republic still charges fees for contaminated recycling. Mr. Lawson says yes, he would have to run a report for when and where. Chairperson Smith said when recycling first changed people could call in and they were credited unless they were repeat offenders. Ms. Lewis said they could let the Committee know how many people have been fined. Member Fuhrman asked if the policy has changed. Ms. Lewis said no. Mr. Lawson said the process is that the driver won't dump the cart, they will leave to allow customer to remove that contaminated materials. He said the second offense will result in a fine. Member Hemstreet asked if they randomly choose places to audit. Mr. Lawson said if the lid is closed the driver can still see contaminated items with the camera. He said drivers are out of trucks a lot for glass and will look in bins. He noted that if lid is not closed they often spot Styrofoam.

Member Schuetz did a time check and encouraged the Committee to start looking at components they would like to see for recommendations to the City Manager. She said there will be a draft agreement for City Council work session in September. Chairperson Smith said the franchise agreement is different than the rate adjustment. Member Schuetz said the purpose of this discussion is not to be negotiation but rather to answer questions. Member Fuhrman asked what the role of the Committee is; they haven't received data and cannot make a recommendation. Member Schuetz said rates aside the franchise agreement is broader. Chairperson Smith referred to the Silverton Municipal Code for Committee purpose.

Question 1- Customer service location (local customer service center). Is the EMC ok with Republic having a business office in Woodburn?

Chairperson Smith asked if there were a wide variety of services within Oregon or are they relatively stable across communities. Ms. Lewis said communities all pretty much have the same services. Member Hemstreet asked if there is a call center in Salem. Mr. Lawson said calls are split between Woodburn and Corvallis and if the system is down calls go to corporate.

Mr. Freeman noted he doesn't see a need for a local office. Chairperson Smith said for a business office she agrees but for call service you get wrong answers when you call out of state. Member Freeman said Woodburn sounds pretty close. Chairperson Smith said she wants to maintain people who know what Silverton's services are. Member Fuhrman said the more local the better and also many people work 8 am to 5 pm so maybe evening hours should be included. Chairperson Smith said the Republic website is an issue; she would like to see Silverton's information set up like a microsite. Ms. Lewis said Corvallis is set up like this and she will look into the option.

Question 2 - Reduced recycling options. Are there any other services we would like Republic to provide – i.e. recycling at least one time per week?

Member Freeman said recycling site at the shops was helpful and asked if it is still there. He said it wasn't open when he drove by. Mr. Lawson said containers only were out of site but it is still there. Chairperson Smith asked about adding tubs back in to the collection site. Ms. Lewis said they are not able to collect them yet but they hope to find a solution. She said Pioneer has to have a market and there may be a trickle down. Chairperson Smith said when markets close or open the Committee would like to know, and asked if it would be something that could be a trial basis or just automatically included in comingle. Mr. Lawson said it is on a case by case basis. Chairperson Smith asked if it is a Marion County mandate for Republic to take items to Pioneer, most of county goes to Garten. Mr. Lawson said that the county bases what is accepted or not off which products are accepted by drop sites. Chairperson Smith said that Garten takes shredded paper but Republic does not. Mr. Lawson says yes, but it cannot be comingled. Chairperson Smith said that Pioneer was still accepting tubs at one time but Garten wasn't. Ms. Lewis asked Chairperson Smith if she has lobbied the county commissioners. Member Fuhrman said she thinks the county does a really good job of educating the public but they have to get haulers approval first. Ms. Lewis said it is different from county to county but she will pass on feedback. Member Fuhrman said the county has been hung up by haulers in presenting information to customers. Chairperson Smith said there was a lot of conflicting information for a while.

Chairperson Smith mentioned people wanting to see more regular big yard pick-ups in spring and fall. Ms. Starner noted that Public Works has been initiating the dates for leaf haul scheduling, not Republic. Member Hemstreet asked if Republic takes e-waste. Mr. Comfort said yes. Chairperson Smith asked for confirmation they don't take confidential shredding. Mr. Lawson confirmed.

Question 3 - Poor education/confusion with acceptable materials/penalties assessed. What would the EMC like to see from Republic for outreach?

Member Hemstreet would like to see recycling containers to have stickers. Chairperson Smith asked if they will be stuck on. Ms. Lewis said yes and noted they are being printed. Member Fuhrman said recently she didn't know if something was accepted or not. Chairperson Smith said people may be throwing the items out. Mr. Lawson said he is surprised at the some questions that are still asked. Ms. Lewis said stickers will be helpful.

Question 4 - Lack of availability of multi-size recycling containers. Would the EMC like to see different size recycling containers at various prices for people to be able to tailor their service?

Chairperson Smith asked if Republic charges for recycling. Mr. Lawson said no, they do have different sized carts but it does not impact rate charged. He said they always give everyone a 90 gallon can to encourage recycling. Member Hemstreet said maybe it would be an incentive to recycle if there were a fee. Chairperson Smith said she is a dedicated recycler and does not fill her cart up anymore. She asked if Republic would consider a rate reduction for smaller recycling cart. Member Freeman said he would not change the recycling fees, that he would like different fees for a 35 gallon trash cart versus a 90 gallon, that the fees shouldn't be the same. He said there should be an incentive to use the smaller trash can.

Question 6 - Additional topics that may be of interest for discussion.

Member Freeman asked about a contingency plan if Covanta goes down. Mr. Lawson explained that they do have a contingency plan and costs would not be increased during an event such as this. He said all fee increases have to be approved by Council. Member Freeman asked if the franchise agreement refers to the contingency plan. Mr. Lawson said not specific to Covanta but that no rates can change without Council approval. Mr. Comfort said they are obligated to stick to approved fees no matter who they send waste to.

Question 7 – Annual industry analysis shared with the EMC on ways to recycle more and improve efficiencies.

Chairperson Smith said she would like to have more proactive information provided to Committee by Republic. She said she would like to know what is happening in the world and what recourses Republic is looking in to. Member Hemstreet indicated she would like to see a local waste stream analysis too; that it is crucial to have this information. Chairperson Smith said she thinks this should be mandatory, at the very least ahead of any rate change requests, and to adjust educational materials. Mr. Lawson said typically rate changes are every two years. Chairperson Smith said an annual waste stream analysis is needed.

Question 8 - Equitable tiered rate chart for business and residential.

Chairperson Smith said equitable rate charts is a priority for one of the Councilors. Ms. Lewis asked if that Councilor thought businesses were being charged more. Chairperson Smith said when they come back with rate structure they will need more information on commercial rates as well.

Question 9 - Does the EMC want to go back to source separated materials?

Member Hemstreet said this will complicate things for people. She said if rates are being increased in relation to mishandling they could talk about that but that Silverton seems to be doing a good job. Member Craig said there are not a lot of different products to recycle anymore. He said he didn't see the use in multiple containers. Chairperson Smith said she thinks that paper is getting contaminated and thrown out and maybe there isn't much paper in recycling containers anymore. She said she initially thought they should pull paper out but maybe not. Member Hemstreet asked if paper could be added to a side bin if it is getting thrown out. Ms. Lewis said they would go in to same truck either way.

Question 11 - Would the EMC like to see more specific penalties for breach of contract?

Member Fuhrman and Chairperson Smith said yes.

Question 14 - Would you like to continue the yard debris program?

Chairperson Smith said yes and she would like continue the food waste program. Member Freeman said he didn't know you could put food waste in yard debris cart. Chairperson Smith said a sticker on the recycle cart and green bin would be good. Member Freeman said he had

trouble contacting Republic when he moved to Silverton. He asked about an audit on who is moving in or out.

Question 15 - Would you like to solidify the annual leaf haul program which Republic currently has the ability to approve or deny?

Member Fuhrman and Chairperson Smith said yes and Chairperson Smith noted she would like to add a spring haul as well. She asked if Saturday recycling is in the agreement. Mr. Lawson said yes.

Member Craig asked if they would talk about the rate increase at the September meeting. Member Schuetz indicated that yes, they could continue the conversation then.

Ms. Lewis said she would like to bring another employee in to talk about the Recollect app that Silverton residents could use. Member Hemstreet asked if it is for Marion County. Mr. Lawson said the app is for haulers across the U.S. and users can put their address in to pull up information. He said that haulers in Marion County have started to use the app. Ms. Lewis said she hopes this will help with public information. Member Hemstreet said it could be added to the Republic website. Ms. Lewis said Republic would like to pilot a senior student sustainably scholarship. She said the community would write criteria and go through selection process and Republic would write the check. She said they could talk about it at a later meeting.

VII. COMMITTEE COMMUNICATIONS

Member Craig said he will not be able to attend the September meeting.

Member Fuhrman said harvesting is going on and the Oregon Food Bank will no longer accept gleaned food which has opened opportunities for Silverton. She said Silverton is the only community around which is able to take the large amounts so far. Member Hemstreet asked if it is open to the public to pick up. Member Fuhrman said they give it away at church events. Member Hemstreet asked if there was a mailing list. Member Fuhrman said she puts it online.

Chairperson Smith said she would like to hear from the environmental club. Member Schaffers said she is a co-founder and that this year they focused on ivy at the Senior Clean-up Day event. Chairperson Smith said Member Schaffers could help develop the scholarship criteria. She then mentioned the Drop Box Derby event which supplies drop boxes for construction sites then holds an event for artwork construction out of salvages materials. She said this year will be the third annual event and the event occurs on Labor Day.

VIII. ADJOURNMENT

The Meeting adjourned at 4:40 p.m.

Respectfully submitted,

/s/ Chelsea Starner, Public Works Coordinator