

City of Elko)
County of Elko)
State of Nevada)

SS May 23, 2011

The City Council of the City of Elko, State of Nevada met for a regular meeting beginning at 5:30 p.m., Monday, May 23, 2011.

This meeting was called to order by Mayor Michael J. Franzoia

Mayor Present: Michael J. Franzoia

Council Present: Councilman Jay Elquist via phone conference
Councilman Chris Johnson
Councilman Jim Conner
Councilman John Rice

City Staff Present: Delmo Andreozzi, Assistant City Manager
Shanell Owen, City Clerk
Don Zumwalt, Police Chief
Mike Hess, Landfill Superintendent
Ed Wynes, City Planner

PLEDGE OF ALLEGIANCE

I. PUBLIC HEARINGS

- A. Presentation on various proposed service level options in conjunction with the franchise agreement between the City of Elko and Elko Sanitation, and matters related thereto. **NON ACTION ITEM PRESENTATION ONLY**

On February 22, 2011, the City Council was asked to consider a request by Elko Sanitation to extend an agreement for the collection, transportation, and disposal of Municipal Solid Waste (MSW) between the City of Elko, and Elko Sanitation. With the request, Elko Sanitation proposed four (4) service level options including the addition of a residential recycling component.

The Council approved the request but expressed their desire to have a public hearing regarding the various options in order to give the public an opportunity to express their concern or support of the various options.

Assistant City Manager Andreozzi advised Josh Brown with Elko Sanitation and Margo Teague will be providing information related to recycling. Following those presentations Mr. Andreozzi indicated he will also provide information on the benefits to the City of Elko's Landfill infrastructure if we had some type of recycling component.

Josh Brown gave a brief presentation of the four options previously presented to the Council regarding recycling; see Exhibit 'A'.

Following the presentation Mr. Brown advised they expect to be able to divert eighty tons per month from their City of Elko customers once the program is up and running; eighty tons is a conservative estimate at this point. Mr. Brown believed a recycling program will make the City of Elko more attractive.

Mr. Brown indicated if the City Council decides to implement a recycling program as part of the contract they would like the "Roll Out" to be in the summer and fall months. In addition the rates presented were from the original presentation early in 2011; a lot has changed since then i.e. fuel rate, he would like to progress and move forward as soon as possible so he can still honor those rates.

Mayor Franzoia noted one proposal included a CPI index and not the other three.

Mr. Brown stated he would like to discuss that going forward but, as everyone is aware, that has been a very heated topic when it comes to rate increases with their contract. The annual CPI makes it much easier for them as a business to sustain.

Councilman Rice commented you have another revenue source with recycling.

Councilman Johnson questioned whether Mr. Brown was asking that instead of Elko Sanitation coming back on an as needed basis that any and all of these agreements would automatically be adjusted by CPI?

Mr. Brown advised that was not the case but he would like to discuss it. The current contract is written so that every two years they have the right to request a certain percentage of that CPI. He would like to discuss the option of putting that in annually; keep it to where they have to come before the Council with the request and go through the process.

Councilman Johnson requested verification Mr. Brown was not proposing an automatic CPI adjustment.

Mr. Brown verified he was not.

Mayor Franzoia questioned what will be done when the recyclables are delivered and payment is received.

Mr. Brown advised in their proposal they have built a very minimal return on the material; with regards to capital investment, keeping their margins similar to what they are at currently as well as the continued investment. Mr. Brown noted there will be significant cost with promoting this type of program so they have built in a small amount of return.

Councilman Rice questioned whether consideration had been given to the once per week pickup and if the container size would be sufficient to prevent overflow.

Mr. Brown advised there had.

Councilman Rice referred to the \$1.2 to \$1.3 million capital investment; when Elko Sanitation takes delivery on that investment will there be a sales tax return on that to the City.

Mr. Andreozzi advised if they take delivery in Elko County there would be.

Mr. Brown advised they will take delivery in Elko County.

Councilman Elquist noted the intent is to purchase side-haulers with all options; is that just an upgrade, a more efficient truck.

Mr. Brown advised it is the newer, updated equipment; it is more efficient, safe and cleaner for our community.

Councilman Rice questioned whether they had calculated any environmental savings by the elimination of one trip through town each week; those are important numbers in terms of Federal Regulation.

Mr. Brown stated he could not provide the information at the present time. As a corporation they have a company-wide initiative to decrease our carbon footprint.

Councilman Conner questioned how the proposed changes would affect those that have the smaller cans.

Mr. Brown advised they would still be able to use the small can for the garbage; however for recycling they would need to use the blue container for collection purposes. In addition, any senior rates would still apply.

Mayor Franzoia questioned why the timeline was so crucial.

Mr. Brown advised he would like to continue the process; he knows the amount of time it takes to roll these types of programs out and we are rapidly approaching our contract date.

Mayor Franzoia questioned the contract expiration.

Mr. Brown indicated June 30, 2012. The proposals were first presented in early February and now we are nearly half way through the year; if we wait until the end of the year it may be difficult to honor the prices.

Mayor Franzoia believed the further we get into this matter there was going to be more public interest. Outside of the status quo proposal all the others are going to have an effect on the citizens. Mayor Franzoia stated there was sufficient time to deal with the

issue. Mayor Franzoia also supported having further discussion after the new Council was sworn in.

Councilman Rice expressed support of whatever timing would make this work most efficiently. There is broad based support in the community for this.

Mr. Brown stated his intent was to hopefully have some type of approval prior to the election but he is willing to work with the schedule.

Councilman Elquist commented the subject of recycling had been discussed during both of his campaigns; it isn't a new subject. We are elected to make decisions and move forward; this is what is before us today and we have an obligation to make a decision and not put it off.

Councilman Elquist continued and advised dropping the trash pickup to one time per week just puts us on par with nearly every other municipality out there. Councilman Elquist stated he has enough information to move forward; he supports recycling and is willing to implement option one. Like every decision we make, we are going to have people for and against it; but it seems there are more people interested in this.

Mayor Franzoia stated there is no turning back once the decision is made.

Mr. Brown questioned whether there were regrets with any of their contracts in the past.

Mayor Franzoia advised we are changing a method that we have been doing for forty years. His concern is that when you change the methodology and the public realizes what happens they are totally surprised by it. Mayor Franzoia expressed concern there was not more public input or attendance at tonight's meeting.

Mayor Franzoia stated his belief that as you make a change the easiest way is to do it in small steps; it is easier for people to buy into.

Mr. Brown advised that is why multiple options on recycling were presented. Mr. Brown believed we should move forward. If recycling is the main concern then let's discuss option three and four.

Mayor Franzoia noted when the City changed the methodology on snow removal, changing it from the middle of the street to the side, it didn't cost anyone any money but; it saved the taxpayers a lot of money because we only moved it once instead of twice.

Councilman Rice advised one of the reasons for that decision was we had data that showed us it was a good decision; based on proven research. Ms. Teague will present us with that same sort of data; it has peer reviewed and been through an institutional review process. They aren't just numbers; it is real data.

Mr. Andreozzi advised at some point in time we definitely will need to bring back the contract for the Council to adopt. Staff can make some adjustments to the contract but will need some direction so we can craft that based on the level of service.

Mayor Franzoia advised you can't have a contract without having the identified proposal in there. Everything can be done tentatively then it can come back to the Council for approval.

Sue Craft stated her belief the decision was made at the last meeting; Mr. Andreozzi had asked the question "which direction do we need to go?"

Mayor Franzoia advised the Council made no decision on which way to go.

Ms. Craft commented previously Mr. Andreozzi had asked "should we look at the proposal to add recycling or not; and she thought the Council's recommendation was to go with, at least, the proposals that added recycling.

Mayor Franzoia clarified the proposals did include recycling.

Mr. Andreozzi verified there was discussion.

Mayor Franzoia stated there was discussion but no action was taken; if we had then we wouldn't be here tonight.

Councilman Rice commented he had made a motion at that meeting to approve option one; that motion failed. There was further discussion to address the issue as we are doing now.

Mr. Brown acknowledged the motion failed and the decision was to hold a public hearing for further feedback from the public.

Mayor Franzoia advised Staff to bring this item back at the next meeting as an action item. At that time there can be further discussion on the contract and what verbiage needs changed i.e. CPI; prior to sending it on to our legal counsel.

Mr. Brown advised he was flexible on any proposed changes.

Mr. Andreozzi noted at the previous meeting there was further discussion on a desire by the City Council to give the public an opportunity to see all this and show either support or opposition.

Mr. Brown questioned whether it was advantageous to the City to keep bring this back time and time again.

Mayor Franzoia advised regardless; there are still two meeting to get through. The Council has to approve one of the proposals, look at the verbiage changes and agree with

it; then have it reviewed by legal counsel before coming back for final approval by the Council.

Mayor Franzoia advised government doesn't work as fast as you think; like private enterprise.

Mr. Brown stated he was well aware of that.

Mayor Franzoia indicated, at this time, he liked the second option as it was a small step.

Audrey White expressed an interest in hearing the data on recycling compiled by Ms. Teague.

Margo Teague provided the results of her community assessment regarding recycling; see Exhibit 'B'. Following the presentation Ms. Teague indicated her recommendations were comparable to what Mr. Brown proposed; 1) We have a curbside and a drop off facility to take care of people that are not Elko Sanitation customers 2) We make it as easy as possible with the two carts and weekly pickups 3) Voluntary program 4) Accept the maximum materials and 5) This be a collaboration.

Mayor Franzoia requested clarification on the recyclables.

Mr. Brown advised plastics 1-7, cardboard, aluminum, metals, paper, newspaper, office packs, phone books and magazines; it does not include glass or plastic grocery bags.

Mayor Franzoia questioned whether the drop off points would be free.

Mr. Brown verified that was correct.

Mr. Andreozzi gave a brief presentation on the history of the landfill and whether or not recycling was beneficial to the landfill and the rate payers; see Exhibit 'C'.

Following the presentation Mr. Andreozzi expressed strong support of a recycling program.

Mr. Brown informed they have received numerous comments regarding the idea; all of them positive. There is an idea in the community this has already been approved; people are calling in or stopping by asking when they are going to get their recycle cart.

Mr. Andreozzi advised he too has heard positive comments; but there has been some concern about rate increases.

Mr. Brown referred back to a question from the Council that should someone not want to participate can they elect not to pay for it? Mr. Brown advised unfortunately there is not enough volume here to offer a subscription-based service.

Mayor Franzoia believed the Council clearly understood the program and rate structure.

Ms. Craft indicated she recycles everything possible and believed the cart sizes needed to be switched. Ms. Craft believed the community is ready for recycling.

Lisa Becker spoke in strong support of a recycling program.

Councilman Johnson thanked everyone for the information. This is a complicated process and he valued the fact the Council was taking the time to discuss this. Councilman Johnson spoke in support of option one.

**** No action was taken on this item.**

ADJOURNMENT

There being no further business, Mayor Michael J. Franzoia adjourned the meeting.

Mayor Michael J. Franzoia

Shanell Owen, City Clerk