

A workshop meeting of the City Commission was held on May 17, 2011 at 5:00 p.m. in the Commission Chambers at the Municipal Administration Building. The meeting was called to order by Mayor Michael S. Carter.

COMMISSIONERS PRESENT: Jonathan Thornhill; John Paul Rogers; Betty Wojcik; Mayor Michael S. Carter.

COMMISSIONERS ABSENT: None. Commissioner Howell arrived at 5:09 p.m.

CITY REPRESENTATIVES PRESENT: Judith H. Delmar, City Manager; Albert C. Galloway, Jr., City Attorney; Clara VanBlargan, City Clerk; Jacquie Hawkins, Deputy City Clerk

Agenda Item 1. Roll Call

The PowerPoint presentation for Agenda Item 2 was having technical difficulties so they started with Agenda Item 3.

Agenda Item 3. Presentation of Proposal for Summer Tennis Program ✓

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Teresa Allen, Public Services Administrator]

QuickStart tennis is an exciting new play format for learning tennis, designated for kids ages 10 and under. It utilizes specialized equipment, shorter court dimensions and modified scoring tailored to this age group. This teaching format is supported by the United States Tennis Association.

[End agenda memo]

David Saltman distributed a resume to each Commissioner, gave an overview of his qualifications, and gave a presentation for the Summer Tennis Program as part of Michelle Obama's "Let's Get Moving" program, to be held at the tennis courts at Crystal Lake Park if approved by the Commission, with the following points:

- The program is geared for children ages 5-10 to develop an early interest in the sport.
- Children use a smaller racket, smaller courts, lower nets, and larger tennis balls, all provided by Mr. Saltman.
- It is at no cost to the City.
- Classes would go from June through August, each session four week long at twice a week: 30 minute classes for ages 5-6; 45 minutes classes for ages 7-8; and one hour classes for ages 9-10
- They will need to reserve two of the five courts Monday – Friday from 8:30 a.m. to 12:00 p.m.

Commission questions and concerns:

- Will the courts have to be repainted in order to change the dimensions? No. Removable lines are placed down on the surface for the older children and removed after each session. The youngest children play crossways on the courts so you actually can make two courts from one regular sized court.
- How much use is there during the summer? Monday, Wednesday and Friday mornings there is an early group that uses the courts under Norman Rainey. There are no other reservations as they are on a first-come-first-serve basis.
- Will this affect public use? No. Mr. Saltman's group would only be using two of the five courts.

By Commission consensus, Mr. Saltman was told to move forward with his program.

Agenda Item 2. Presentation of Parks Plan ✓

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Margaret Swanson, Planning and Development Director]

The Chairman of the Parks and Community Appearance Advisory Board, Heidi Gravel, will make a brief presentation of the Lake Wailes Park Plan at the City Commission's workshop on May 17.

The Parks Board was reinstated in 2007 and charged with several tasks, one of which is to develop recommendations for "maintaining and upgrading the park around Lake Wailes and nearby parks."

The plan addresses issues identified by the Board and makes a number of recommendations for management and improvements.

As stated on the title page of the plan, the plan will provide a guide for future actions and projects:

The Lake Wailes Park is the centerpiece of the city and the park system and a high priority for upgrade and care. The Parks and Community Appearance Board's recommendations for management of the park are presented here. The recommendations are general in nature and will provide a basis for specific actions and projects in the future.

[End agenda memo]

Ms. Swanson gave an overview of the Parks Plan and introduced Parks Board members in the audience: Jean Scott, Dan Davis, Marshall Whidden, and Heidi Gravel, Chair of the Parks and Community Appearance Board, who gave a PowerPoint presentation.

[Beginning of presentation]

The City Commission reactivated the Parks and Community Appearance Advisory Board in 2007 and charged it with preparing plans and recommendations for improving parks and public spaces, including a plan for maintaining and upgrading the park around Lake Wailes.

The plan developed by the Board is a general plan to provide guidance for the future management and upgrading of the park. It focuses on the uplands and defers to the Lakes Advisory Commission on management of the lake itself.

First Step

This plan is a first step, identifying issues and making general recommendations. More specific plans and projects will be proposed.

- A systematic maintenance program is being developed with the assistance of Beverly Pennington, Parks Division Manager, and Dan Davis, a Board member with extensive experience in parks maintenance.
- A parking improvement plan will propose the addition of unpaved parking areas for athletic events and festivals to reduce safety hazards and protect the resources of the park.

Centerpiece of City

Lake Wailes Park is the centerpiece of the city and the park system and a high priority for upgrade and care. The park is a tremendous asset. It provides unparalleled public access to 2/3 of the lake's frontage with a 2.5-mile pedestrian-bicycle trail.

It is well used. There is a constant stream of people on the trail and many vehicles parked in shady areas at lunch or for breaks during the day. Parties at the picnic shelters, and soccer games take place almost daily in good weather. The boat ramp is a lively spot, and the fish pier is popular with strollers as well as fishermen.

The horseshoe area near the fish pier is the site for special events throughout the year, including the art show and Pioneer Days. The new Barney's Dream playground at Kiwanis became an instant hit upon its completion.

Recent improvements

A number of improvements have been accomplished in recent years

- Urban Forestry grant – planted 30 trees along the trail across from Kiwanis Park
- Tree inventory study - funded by tree replacement funds assessed over 550 trees in Lake Wailes, Crystal Lake, and North Lake Wailes Parks. Recommendations of the study are being carried out by Parks personnel. This year a federal grant of \$18,000 will be used to prune up to 50 trees in the park.
- Boat ramp - improvements were completed in 2008 with a state grant, spearheaded by the Lakes Advisory Commission. Improvements included installation of a boat dock.
- A Rails-to-Trails grant extended the Rail Trail from Kiwanis Park to Buck Moore Rd.
- A skateboard park was added to Kiwanis Park in 2008, also with a state grant.
- Barney's Dream playground was completed by the Kiwanis Club in 2009 with funds from a Polk County Recreation grant and private donations with assistance from city crews.

Kiwanis Park Improvement Plan

A plan for improvements to Kiwanis Park, developed by the Parks Board, was approved by the City Commission and a grant application submitted to the state's FRDAP program. Unfortunately, only a few projects have been funded in the past few years. The application is in line for funding if the program is funded in future years.

The Board is working on ways to make some of the improvements in the absence of grant funding.

Recommendations

The Parks Board recognizes what a great asset the park is to the community and its recommendations are aimed at preserving and protecting what people love about the park.

- **Protect the character of the park – appropriate uses**

Areas along the lake side of Lakeshore Blvd. should be reserved for "passive recreation" uses such as walking, biking, bird watching, fishing, and picnicking. Active recreation such as team sports facilities should be accommodated in already defined areas such as the athletic complex at 7th St. and Kiwanis Park north of Lakeshore Blvd.

There needs to be consultation and coordination with the Lakes Advisory Commission on improvements or changes that will impact Lake Wailes and its shoreline.

- **Landscaping**

Preserve the park's open, flowing landscape, with grass and shade trees, following Olmsted's principles.

A low-maintenance plan for the landscape is recommended.

Formal plantings should be limited to key locations, such as the festival area at the fish pier.

Use plantings to camouflage facilities like lift stations and to define parking areas.

- **Tree protection**

Carrying out the recommendations of the 2008 tree inventory study is a priority. The study assessed the condition of 570 trees in the Lake Wailes, Crystal Lake, and North Lake Wailes Parks.

The value of the trees in the Lake Wailes park system is estimated at \$6 million.

The study found that trees are being damaged by mowers and vehicles that park too close, compacting the soil and damaging delicate hair roots. Mulching and planting around the base of trees and defining appropriate parking areas are key to protecting the park's beautiful trees.

An annual program of tree planting and maintenance is recommended by tree inventory study.

A successful program for park maintenance is difficult because of cut-backs in parks maintenance staff over the past few years.

The Tree Replacement Fund, established with payments from developers who clear trees for development, has been a good source for grant matches and plantings.

- **Festival area and special events**

The "horseshoe" area near the fish pier is the focal point of the Lake Wailes Park and the entire community. This is where many special events take place and special attention needs to be paid to its appearance and management.

The tree inventory study said that the trees in this area "are spectacular with many more than 50 inches in diameter." Protecting them is a high priority.

The number of vehicles parking off the pavement in the "horseshoe" area has been increasing. A dozen cars can be seen parked directly under trees at any given lunch hour.

Parking in undesignated areas is in violation of the City's Code of Ordinances, but enforcement is difficult. The Parks Board is working on a plan with the Public Works Department to designate more shady spots for parking and to protect trees with plantings and barriers.

Guidelines based on the management of the annual Arts Festival at the Lake have been used to improve the management of other special events. Developing a better map for clear designation of parking areas is a priority.

Adding a simple structure for the staging of performances should be considered for the future.

- **Control of vehicles**

Keeping vehicles from damaging trees, tearing up grass, and driving on the bike path are priorities.

Designating specific areas for parking, protecting trees, and enforcing parking regulations are recommended methods.

- **Parking areas**

A balance needs to be struck between providing adequate parking for people to access the park's facilities and protecting the resources of the park.

Paved areas at Kiwanis Park and possibly at the boatramp should be expanded to ease parking problems at these well-used areas. But for the most part, unpaved or pervious parking is recommended for new parking lots and overflow areas.

One issue is that isn't clear where it's legal to park and where it isn't. Clear designation of parking areas is recommended.

Addressing the parking needs at the park is a long-term process. The Board intends to develop a specific parking plan for improvements. Parking needs and safety at the athletic facilities at 7th St. are difficult issues that should be studied and addressed.

- **Pedestrian/bike facilities and safety**

Improving pedestrian safety at the athletic complex at 7th St. is a very important. Organization of parking areas and addition of pedestrian crosswalks need to be included in the parking plan for the complex.

Additional pedestrian connections between sidewalks in surrounding neighborhoods and the Lake Wailes Trail are needed. (Example: Bok Tower Blvd. has no sidewalk.)

Connecting the Lake Wailes Trail with the Trailway at Kiwanis Park is included in the Kiwanis Park improvement plan.

Regular maintenance of the bike path is recommended to keep this well-used facility safe and functional.

- **Signage**

Signage should be very limited to avoid cluttering the landscape and overwhelming users with information.

Well designed park signs at trail entrances and other focal points should be limited to the name of the park or feature.

Barriers as suggested above to prevent vehicles from entering sensitive areas of the park are preferred over "NO PARKING" signs.

As suggested by the Bicycle Pedestrian Advisory Commission, rules should be posted in key places in the park. Marking the bike path pavement with "keep right" and other safety rules will help reduce sign clutter.

Educational signage, such wildlife information displays, should be installed as feasible.

- **Maintenance**

The Board is working with the Parks Dept. to develop a systematic maintenance program for the lake park. Dan Davis, a Board member with extensive professional experience in parks management is volunteering his time on this project.

Regular training of parks personnel, annual tree trimming and plantings, and inspections of equipment will be part of the program.

Use of low-maintenance plants and facilities, and vandal-proof equipment are recommended, along with enforcement of park rules.

- **Funding**

Finding funding to maintain and improve the park system has become increasingly challenging with the economic downturn and the drying up of grant programs.

A number of options are available:

Recreation impact fees from new development can be used for capital projects in parks that serve the whole community such as the Lake Wailes Park.

The Tree Replacement and Sidewalk Replacement Funds can also be used. Preparing specific plans for park improvements ahead of time, such as the Kiwanis Park improvement plan, ensures that we're ready when a grant opportunity presents itself. Specific plans can also be used by service organizations who may be seeking projects to assist the community and for applications to home improvement stores that have community assistance programs. Using state contracts for equipment and materials can also sometimes save money. Volunteer efforts such as clean-up programs can be encouraged, and the institution of memorial tree and bench programs can be helpful. Periodic evaluation of user fees is recommended to ensure that City costs are reimbursed adequately. And the Parks Dept. budget is key to ensuring that the Lake Wailes Park, perhaps the greatest asset the City has, shines as it should.

[End of presentation]

Commission questions and concerns:

- **Will the Commissioners get a copy of the Plan?** Yes, after the Plan is finalized.
- **Is there a timeline?** No. The plan is a starting point and they will now start developing specific recommendations, some of them with budgetary issues and some needing grant funding.
- **What project will they be addressing first?**
 - **Tree maintenance and protection:** They are using the \$18,000 tree maintenance grant, of which \$2000 can be used for tree protection; and the \$6,000 approved by the City Commission from the tree replacement fund that will be used to further protect trees, purchase barriers, plants, and mulch.
 - **Parking areas:** They are working on a specific plan to better define the unpaved parking across from the football field and will identify other areas for parking at the Lake Wailes Park.
- **Can cement barriers be used to address the problem of people causing damage to the root systems of trees by parking under them?** Permanent parking at the Lake Wailes Park needs to be defined first. If they the parks board can come up with some overflow areas, they might be able to come up with some designs at very low cost.
- **Can railroad ties be used to mark off parking and no-parking areas without making it visually unappealing?** Parking under the trees at Lake Wailes Park has gotten worse and will be the first area they will look at, possibly by using some split-rail fencing. They also want to designate areas where it is permissible to park, hopefully some being in the shade. The same type of barriers can't be used for the two-and-a-half miles of waterfront because of the overwhelming cost and because it would not look nice. Ms. Swanson said they are considering using plantings as barriers and signs in some places etc. Once they determine where parking should be allowed, they can look at the enforcement issue more closely. Right now, people don't know where they can park and where they can't. Ms. Delmar added that they need to find a balance because of the amount of activity around Lake Wailes between Pioneer Days, the Art Show, ballgames etc, as people have to have a place to put their cars. We have to be careful to protect our trees but must be accommodating as well.
- **Have parks maintenance employees been asked not to hit the trees with their mowers?** Yes.

Commissioner Howell said she has seen long, narrow planters used as barriers in other places with breaks not wide enough for normal size cars to get through. Posted signs were not needed because people just knew they couldn't park there. She said she did not know how much maintenance would be required though.

Mayor Carter said around the Pram Fleet building people are parking right in front of the no parking signs. He said there was also a safety issue with cars driving over the bike path.

Commissioner Rogers complemented the presentation and said he hopes to work with them on finding solutions.

Agenda Item 3. Discussion of Contract Negotiations with Florida Refuse, Inc.

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Dorothy Pendergrass, Finance Director]

The City Commission will discuss the negotiated contract amendments offered by Florida Refuse in connection with the renewal of Florida Refuse's solid waste collection and disposal services franchise agreement.

RECOMMENDATION

Staff recommends that the City Commission take one of the following actions:

1. Reach consensus that the negotiated contract amendments offered by Florida Refuse are acceptable. Staff will draft an amended solid waste franchise agreement for consideration at the June 7 commission meeting.

Or

2. Reach consensus that the negotiated contract amendments offered by Florida Refuse are not acceptable. Staff will prepare the documents necessary to enter the competitive bid process for selection of a contractor for solid waste collection and disposal services and present a Request for Proposal to the Commission for review at the May 17 meeting.

BACKGROUND

A. Evolution of the City of Lake Wales solid waste and recycling franchise agreements.

Prior to 1991, solid waste services were provided by the city's sanitation department. In order to privatize these services, the City Commission approved a five-year contract, with Browning Ferris Industries (BFI) on May 21, 1991. This firm was approved by the City Commission after extensive research and evaluation of the six bids received. The City Commission chose to address recycling services at a later date.

On May 7, 1996, City Manager David Greene reported that the 1991 franchise agreement with BFI would expire on July 31, 1996. Staff met with BFI representatives on several occasions and, on March 26, 1996, concluded negotiations on a proposed contract extension that was considered to be mutually acceptable. The contract included several changes and covered an eight-year term, expiring on 9/30/2004. The contract was approved by the City Commission.

On July 14, 2001, Mr. Green reported that Florida Refuse had become the city's provider of solid waste services due to the merger of BFI and Florida Refuse Inc. The amendment included expanded services, alternative administrative responsibilities, a stabilized fee structure for administrative services and the franchise fee. The contract term was for five years and three months, expiring on 09/30/06. The contract provided for three additional three-year term extensions.

On October 1, 2002, City Manager Tony Otte reported that staff had concluded negotiations on a proposed contract amendment which included elimination of the 10% administrative fee on residential billing, an increase in commercial franchise fee revenue from 10% to 12.5%, elimination of the requirement for bundling yard waste, and a rate increase for residential and commercial customers. The initial contract term expired on 09/30/06 and provided for three additional three-year term extensions.

On August 3, 2004, the City Commission approved the addition of curbside recycling for \$0.90 per customer per month. The initial contract term expired on 09/30/08 and provided for three additional three-year term extensions.

On February 7, 2006, the City Commission approved a solid waste fee increase of \$2.01 per month for residential customers, \$2.00 per month for commercial cans, and 27.27% per month for commercial dumpsters based on the change in the cost of doing business relating to the December 2005 closing of the East Polk County Landfill.

On August 5, 2008, the City Commission approved once per week automated or semi-automated pick-up service and annual solid waste price adjustments based June's CPI or 2½% whichever is greater. Other items approved included fuel cost adjustment, totes, annual clean-up, unlimited routine yard trimming collection and discounted rates offered to commercial recycling. The term of this contract will expire on 09/30/11 and there is a provision for two additional three-year extensions.

On April 9, 2009, the City Commission approved a \$0.30 per month pass-through reduction in residential customer costs due to a fuel adjustment decrease.

On July 20, 2010, the City Commission approved a \$0.30 per month rate increase adjustment to Florida Refuse, effective October 1, 2009. The City Commission approved the staff recommendation that the cost increase should be absorbed by the City without a pass-through increase for residential customers.

In January of 2011, in accordance with the franchise agreement, Florida Refuse notified the City in writing of their intention to renew the agreement if both parties could mutually agree upon terms.

On February 1, 2011, City Manager Judith Delmar informed the City Commission of Florida Refuse's interest in negotiating a new contract. The City Commission appointed Ms. Pendergrass to negotiate for competitive pricing, improvements in customer service, improved response time relating to customer complaints, and other areas identified by City Commissioners. These negotiations were conducted through April 20, 2011.

B. Residential solid waste/recycling contract fees.

| Service Period | Provider Charge | | Total Fee |
|-------------------|-----------------|-----------|-----------|
| | Solid Waste | Recycling | |
| 10/01/02 09/30/03 | 10.82 | N/A | 10.82 |
| 10/01/03 09/30/04 | 10.82 | N/A | 10.82 |
| 10/01/04 09/30/05 | 11.14 | 0.90 | 12.04 |
| 10/01/05 12/31/05 | 11.31 | 0.90 | 12.21 |
| 01/01/06 09/30/06 | 13.32 | 0.90 | 14.22 |
| 10/01/06 09/30/07 | 13.32 | 0.90 | 14.22 |
| 10/01/07 09/30/08 | 13.32 | 0.90 | 14.22 |
| 10/01/08 09/30/09 | 13.99 | 0.95 | 14.94 |
| 10/01/09 09/30/10 | 14.34 | 0.97 | 15.31 |
| 10/01/10 09/30/11 | 14.69 | 1.00 | 15.69 |

| Proposal Options: | | | | | |
|-------------------|-------------------|-------|------|-------|---|
| 1 | 10/01/11 09/30/12 | 11.79 | 1.00 | 12.79 | Elimination of alley use; every other week recycling. |
| 2 | 10/01/11 09/30/12 | 12.07 | 1.00 | 13.07 | Elimination of alley use; every week recycling. |
| 3 | 10/01/11 09/30/12 | 13.10 | 1.00 | 14.10 | Continued alley use; every week recycling. |

Percentage Reduction:

| | | | |
|--------|-------|--------|---|
| 19.74% | 0.00% | 18.48% | Elimination of alley use; every other week recycling. |
| 17.84% | 0.00% | 16.70% | Elimination of alley use; every week recycling. |
| 10.82% | 0.00% | 10.13% | Continued alley use; every week recycling. |

Staff recommends Option #2, which provides for elimination of alley use where physically possible.

This proposal would lower the contract fee for solid waste/recycling from \$15.69 to \$13.07 (\$2.62 monthly/\$31.44 annual reduction). This option is expected to alleviate some of the damage caused by the large solid waste vehicles in the alleyways.

If approved, personnel from both the City and Florida Refuse would begin implementation during FY 2011'12, but the new contract fee would become effective for service provided October 1, 2011. In instances where there are concerns relating to the safety, health, or welfare of the community the alleys would continue to be used. Staff expects an initial adverse reaction from the public if this option is selected because some customers will be required to move their totes to the front of their property.

While Option #1 offers the lowest monthly contract fee of \$12.79 (\$2.90 monthly/34.80 annual reduction), it establishes a biweekly schedule for recycling pickup with a 64-gallon cart provided to customers for recycling purposes. Staff expects an adverse reaction from the public if this option is selected because customers would only have a recycling pickup once every two weeks. Plus if a cart was skipped or missed, the customer would have one month of recyclables on their property unless they call to report the incident. The difference in pricing between Option #1 and #2 is \$0.28 per month (\$3.36 annual).

Option #3 would allow for continued use of the alleyways but would lower the contract fee from \$15.69 to \$14.10 (\$1.59 monthly/\$19.08). The pricing difference between Option #2 and Option #3 is \$1.07 monthly (\$12.36 annual).

Comparison of surrounding cities' residential curbside service fees indicate that the City's proposed residential rates of \$17.79 (\$12.79 + \$5.00), \$18.07 (\$13.07+\$5.00) or \$19.10 (\$14.10 + \$5.00) would

be comparable to the prices and costs realized within the surrounding community. Detailed comparison data has been provided in **Attachment A**.

C. Discussion of residential curbside municipal service fee.

- Prior to 2002'03, the City charged BFI/Florida Refuse a 10% "Administrative Fee" for billing residential customers for curbside service. This fee was used to fund direct and indirect costs to the City associated with the service. The annual projected revenue generated by the Administrative Fee from 1995'96 through 2002'03 ranged from \$73,000 to \$149,849.
- Ordinance 2002-21 adopted on September 25, 2002, eliminated the 10% administrative fee on residential curbside service, but residential rates still included a component sufficient to provide the General Fund a recurring revenue source for coverage of both direct and indirect solid waste costs as well as other expenses of the General Fund. From 2002'03 through 2010'11, annual projected residential curbside service fees in excess of the contract fee costs ranged from \$162,794 to \$285,530.
- For FY 2010'11 budgeted "Garbage Collection Fees" revenues (Budget document, page 2) of \$1,151,904 exceed appropriated "Contract Services – Waste Disposal" expenditures of \$866,374 (page 44) by \$285,530. The budgeted direct and indirect allocation costs total \$202,966 (page 44) with \$82,564 remaining in the General Fund to fund other expenses.
- Solid waste revenues in excess of contract fees (\$285,530) for FY 2010'11 are equivalent to \$5.18 per month per residential curbside customer. In essence, there is a "municipal service fee" included within the rate paid by the public for residential solid waste collection. This municipal service fee provides an essential funding source necessary to cover both direct and indirect costs associated with solid waste services. The allocation methodology currently used includes costs associated with the City Commission (5%), City Manager (5%), City Clerk (5%), Finance (10% of select salary costs), Street Operations (50% of select operational costs), and Utility Billing (33.33%).

Comparison of surrounding cities' "municipal service fee" included within residential rates:

(Per month, per residential service)

| | <u>FY 2010'11</u> |
|---------------------|-------------------|
| Polk County | 0.37 |
| Haines City | 1.00 |
| Mulberry | 1.06 |
| Lake Hamilton | 1.16 |
| Davenport | 1.52 |
| Frostproof | 5.00 |
| * Lake Wales | 5.18 |
| Polk City | 5.58 |
| Eagle Lake | 6.50 |
| Dundee | 6.96 |

Staff recommends that the municipal service fee component of the residential rate for solid waste collection be reduced to \$5.00 for FY 2011'2012 and that the City implement a five-year pricing freeze relating to this component of the residential rate.

1. Comparison of the City of Lake Wales to Polk County.

- The City has an average of 4,500 residential solid waste customers and Polk County has 140,000 residential solid waste customers.
- The City's contract fee includes tipping fees, which based on tonnage and tipping fees, are estimated at \$4.50 per resident per month.

| Line | Cost Description | City of | Polk County | Difference |
|------|-----------------------|------------------------------|----------------|------------|
| | | Lake Wales FY 2010'11 (A) | FY 2009'10 (B) | |
| 1 | Franchise agreement | \$ 8.57 | \$ 7.96 | \$ 0.61 |
| 2 | Tipping fees | 4.50 | 4.50 | - |
| 3 | Municipal service fee | 5.00 | 0.37 | 4.63 |
| 4 | Customer Costs | \$ 18.07 | \$ 12.83 | \$ 5.24 |

Note:

- A) Line 1 and 2 costs are combined within the City's proposed \$13.07 franchise fee offered by Florida Refuse. These costs are not listed separately within the contract. Staff has calculated tipping fees based on the tonnage and customer count. The County has an annual assessment of \$100.00 and \$54.00.
- B) Polk County franchise and tipping fees for FY 2010'11 are currently unknown. Polk County's franchise agreement allows for annual increases up to 5% based on several external indexes.

E. Commercial solid waste contract rates.

Comparison of commercial rates, per cubic yard:

| | <u>FY 2010'11</u> | <u>FY 2011'12</u> |
|---------------------|-------------------|-------------------|
| Haines City | 4.94 | 5.05 |
| Fore Meade | 5.00 | 5.50 |
| Mulberry | 6.05 | 6.18 |
| Dundee | 6.24 | 6.38 |
| Davenport | 6.29 | 6.43 |
| * Lake Wales | 8.75 | 6.50 |
| Frostproof | 6.71 | 6.82 |
| Eagle Lake | 7.60 | 7.60 |
| Polk City | 7.51 | 7.77 |

Commercial rates are proposed to be reduced from \$8.75 to \$6.50 (reduction of \$2.25 or 25.71%) per cubic yard, effective October 1, 2011. This reduction is expected to result in a cumulative annual savings to commercial customers during FY 2011'12 of \$289,082, based on historical data. This reduction is expected to result in an annual reduction of \$34,700 in the City's recurring revenue from franchise fee sources.

F. Negotiated Options Available.

Staff concluded good faith negotiations with Florida Refuse on April 20, 2011. The following options are offered to the City Commission consideration:

- 1) **Option 1- Contract Fee:** The contract fee for residential curbside service with alley pickup eliminated where possible and recycling picked up on a biweekly basis would be \$11.79 solid waste and \$1.00 recycling service.
- 2) **Option 2 – Contract Fee:** The contract fee for residential curbside service with alley pickup eliminated where possible and recycling picked up on a weekly basis would be \$12.07 solid waste and \$1.00 recycling service.
- 3) **Option 3 - Contract Fee:** The contract fee for residential curbside service with continued use of the alleyways and recycling picked up on a weekly basis would be \$13.10 solid waste and \$1.00 recycling service.
- 4) **Commercial Contract Fee Reduction:** Commercial customers would see their rates reduced from \$8.75 to \$6.50, per cubic yard, effective for FY 2011'12. This reduction is expected to result in a cumulative annual savings to commercial customers of \$289,082, based on historical data, and an annual franchise fee revenue loss to the City of \$34,700. This revenue loss will trigger the need to find an alternate funding source, to reduce recurring annual operating expenditures, or to reduce capital outlay.
- 5) Florida Refuse will not collect commercial or residential customers prior to 6:00 a.m.
- 6) Florida Refuse will provide compost bins upon request.
- 7) Florida Refuse will continue to support City events.
- 8) Contract fees will only apply to actual services rendered per residence ("actual service" will be linked to the status of utility service at the residence; i.e., utility service on "vacation status" or disconnected for any reason is not considered to be "active;" solid waste collection service will not be considered to have been rendered while the utility account is not on active status.)
- 9) Florida Refuse has requested a seven-year renewal. Staff recommends a seven-year contract.
- 10) Florida Refuse will provide access and training on "InfoPro" software which will allow City staff to directly enter customer complaints into the Florida Refuse computer system. This system will also allow staff the ability to track the progress and results of customer complaints.

Not part of the negotiations, but also offered to the City Commission as an option for consideration is the following:

- 11) **Residential Curbside – Municipal Service Fee:** The City is currently collecting \$5.18 per month on residential curbside services in the form of a municipal service fee. Staff recommends for FY 2011'12 that the municipal service fee component of the rate for residential curbside service be reduced to \$5.00 and that the City implement a five-year pricing freeze relating to this component of the residential rate. This is not part of the contract fee.

FISCAL IMPACT

Negotiated Options - Fiscal Impact

| | <u>Pass Thru Monthly Customer Saving</u> | <u>Pass Thru Annual Customer Saving</u> | |
|--------------|--|---|--|
| 1) Option #1 | 2.90 | 34.80 | Elimination of use of alleyways. Every other week recycling. Anticipated customer complaints |
| 2) Option #2 | 2.62 | 31.44 | Elimination of use of alleyways. Every week recycling. Anticipated customer complaints. |
| 3) Option #3 | 1.59 | 19.08 | No change in service. Normal customer relation. |

4) Commercial Franchise Fee Reduction

A reduction from \$8.75 to \$6.50 per cubic yard would result in an annual loss of recurring revenue in the amount of \$34,700.

5) Florida Refuse not beginning collection services prior to 6 a.m. does not have a measurable fiscal impact.

6) Florida Refuse provision of compost binds upon request does not have a measurable fiscal impact.

7) Florida Refuse continued support of City events has a fiscal impact equal to the market value of the services provided.

8) Clarification of the contract fee being only applicable to actual services rendered per residence has a fiscal impact equivalent to \$45,000 per year.

9) Florida Refuse request for a seven-year contract does not have a measurable fiscal impact.

10) Access and training on "InfoPro" software to assist in processing customer complaints does not have a measurable fiscal impact.

Non-negotiated Option - Fiscal Impact

11) Residential Curbside - Municipal Service Fee

A pricing freeze at \$5.00/month would result in a reduction in annual recurring revenue of:

| | |
|---------|-----------|
| 2011'12 | \$ 16,200 |
| 2012'13 | 23,220 |
| 2013'14 | 30,780 |
| 2014'15 | 38,880 |
| 2015'16 | 47,520 |

| | Pass Thru Monthly Customer Saving | Pass Thru Annual Customer Saving |
|---------|--|---|
| 2011'12 | 0.30 | 3.60 |
| 2012'13 | 0.43 | 5.16 |
| 2013'14 | 0.57 | 6.84 |
| 2014'15 | 0.72 | 8.64 |
| 2015'16 | 0.88 | 10.56 |

[End agenda memo]

Ms. Pendergrass reviewed Agenda Item 4.

Concerns discussed:

1. Term Limit Too Long- Suggestions:

- a. A four-year contract. That would affect the price. Like with car payments, the longer the term the lower the price. If they shorten the term, which they can do, the cost will increase to residents.

2. An eight-year term, revisited in four years with two two-year options. Mayor Carter said there were too many unknowns that could change, such as the expected increased recycling, and that in four years there even could be solar powered trucks, Mr. Talbot said that it could be done, but that would push the price up because only four years would be guaranteed. He added that the City can ask for a decrease any time it can prove a decrease in cost to Florida Refuse.
3. The City keeps having to pay for new equipment: Commissioner Howell said that during the last negotiations, Florida Refuse bought new trucks with the front and rear loaders, new totes and recycle bins. Now, we would have to pay for the new natural-gas powered trucks. Every time we negotiate we have to pay for something new. Mr. Talbot said that every time they negotiated a price with Lake Wales since 2008, the price went down and they got new technology. Commissioner Howell said the price went down the last time because we went from two pickups a week to one. Her suggestion was to keep what we have now and pay no additional money.
4. Handling of Complaints:
 - a. Mr. Talbot said one of the services they are now offering is a web-based version of their operating system. If someone calls City Hall with a complaint, staff can type the complaint into the system and Florida Refuse gets a work order. City staff can check the status of any work order at any time without having to call or email Florida Refuse.
 - b. Commissioner Howell said that someone at City Hall would still have to receive the complaint calls and Mr. Talbot said that was their choice.
 - c. Ms. Pendergrass said all complaints they receive are sent directly to Florida Refuse and the city employee only handles issues not successfully resolved by Florida Refuse. If the issue is not resolved through the city employee, the complaint goes to her. She then contacts Jean Bredbenner from Florida Refuse, and typically it gets resolved quickly. Commissioner Wojcik explained the horrible problem that had occurred with Woody's Restaurant and asked if some type of customer savings would be offered to customers that go through things like that. Mr. Talbot said by ordinance he could not lower the rate for someone but he said a deal was offered to the restaurant owner and he explained.
5. Garbage Totes Left at the Curb: Commissioner Howell asked if it could be put it in the City's Code that trash totes have to be stored against the houses or in the alley except on collection days. City Manager Judith Delmar said it was currently in the Code that after the trash is picked up it has to be removed from the curb. She said enforcing that is a code enforcement issue not Florida Refuse.
6. Alleyway Pickup:
 - a. If they do implement a change it will take six months to a year because they first have to make sure there are no safety or health issues involved.
 - b. Some of the complaints were that residents just had to go through the last batch of changes and have everything worked out and they don't want to have to change again. Ms. Pendergrass said change is always difficult so we can expect to get some complaints.
 - c. Some alleyways that have been closed to pickup may have to be reviewed again for reasons discovered afterwards.
 - d. Mayor Carter said that the alleyways were originally designed for garbage pickup. Ms. Delmar said they were at the time but they were not constructed for the newer, heavier trucks we have today that tear up the alleys. Mr. Talbot said the trucks they presently use can hold 15 tons, which causes the damage, so they are going to invest in a new truck that will stop working when the load gets to 10 tons.

- e. Ms. Delmar said there are alley issues all over town and they will have to be looked at case-by-case to determine if it is in the best interest to continue alley pickup at that location and it is in our contract that we can do so.
7. The 2.5% Automatic Yearly Service Fee Increases: Mayor Carter said that 2.5% a year would amount to 16% increase to customers over the life of the 7-year term. Ms. Delmar said that the rate is set by the Commission and was a budgetary issue. Ms. Pendergrass said that each year the ordinance for the rate increases comes before the City Commission and adjustments can be made at that time. She said she wanted to make sure the Commission realizes that there is a municipal service fee.
8. Tipping Fee: The tipping fee to the customer would be reduced over time if the amount of waste decreases. Ms. Pendergrass said that there is a clause stating if the cost to Florida Refuse for doing business decreases the City has a right to request a reduction in price and no reasonable request can be denied. Staff will therefore track the tonnage every month and when it drops significantly they will ask for a reduction in cost to the customer. She said another clause in the contract states that if the recycling increases, the amount of the average increase would return as a rebate check. Right now it is at a rate of \$25 a ton but she plans to ask Florida Refuse to make that closer to the actual cost of the tipping fee, which is now \$36.
9. Recycling: Commissioner Wojcik said the Commission should discuss what they can do to encourage more people to recycle in order to lower the tonnage and recoup that savings. Mr. Talbot said Florida Refuse could help with that.
10. Pay As You Throw Program: Ms. Pendergrass explained the three different size and cost levels in the proposed county's program but explained that the cost difference is between the county and the residents, and has nothing to do with the provider. The County estimates that 70% of the customers will be at the higher price range using the 95 gal tote, but that like with the water prorating system that the city now has that has resulted in less water being used, it may encourage more recycling because the more you put in the recycle bin the less garbage space you would need. She said the City could decide to go with that type of program but it could not be done overnight because it would take time to start up. Ms. Delmar said that if the Commission wanted to go to a pro-rate system that would be determined by the Commission and not Florida Refuse because their fee is for total tonnage.

Mark Talbot, General Manager, said they used every means of modern technology available to them to lower costs, such as their newly purchased, natural gas powered trucks with 50% less cost to run than diesel fuel, and their new facility that is processing recyclables, which will be marketed to keep the price down. He said they were the only private solid waste company that's available to do this kind of business in Polk County. So if the City decides to go out for bid, a company from outside the county would have to set up operations, provide containers etc. which would be very expensive. He gave the example of terms for a car purchase; if you stretch the term out you can get lower payments. He said that Ms. Pendergrass was an excellent negotiator for the City and Florida Refuse is happy with the contract, though at a much lower fee than they originally intended.

Mayor Carter asked why there was not an option for the Commission to vote to continue negotiations with Florida Refuse to talk about the issues that are still concerns instead of voting to accept it as it is, or go out to bid if not fully accepted. Ms. Pendergrass said they could continue the negotiations. It had been set up that way so that if the Commission decided to go out for bid, there would be time to go through the process.

Ms. Delmar said the options they will be voting on at the following City Commission meeting were:

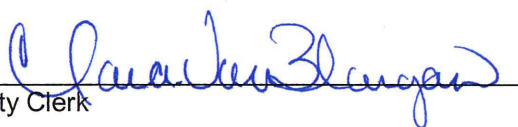
1. Continue negotiations with Florida Refuse and come back at the next meeting with a contract
2. Approve the RFP process to go out for bid

There being no further business, the meeting was adjourned.



Mayor/Commissioner

ATTEST:



City Clerk