

**DeFuniak Springs City Council
Workshop Minutes
Council Chambers
November 2, 2020**

The following members were present: Mayor Bob Campbell, Mayor Pro-Tem Robert McKnight (Seat 2); Councilmember Todd Bierbaum (Seat 1); Councilmember Kevin Crystal (Seat 3); Councilmember Henry D. Ennis (Seat 4), and Councilmember Wayne Graham (Seat 5), arrived at 4:22 p.m. Also, present: Mell Smigielski, City Manager; Carisse LeJeune, Deputy City Manager; Debra Gibson, Finance Director; and Maryanne Schrader, City Clerk.

Mayor Bob Campbell called the workshop to order at 4:00 p.m.

2. Waste Management Contract Discussion

City Manager M. Smigielski went over the sales tax figures and mentioned we received \$1.88 million in revenue and sent \$1.88 million to the County (the County gives us \$8.50 per can at \$239,164.50). He went over the County Interlocal Agreement mentioning the agreement cannot be changed until 60 days before end of the fiscal year.

City Manager M. Smigielski explained commercial pick up is 40% of our business and costs us about \$8 per can for residential, with \$189.16 per commercial customers. He went over several scenarios of how much the city charges versus what Waste Management charges. He added the tipping fee is paid for by the sales tax. If we did not have the Interlocal Agreement, we would have to pay the tipping fee per ton at \$366,000.

City Manager M. Smigielski went over the County audit on surtax but the County finance person was out this week, so he did not have certified information to compare.

Councilmember R. McKnight voiced concern about the customer level of service and distributed pictures from his observations. The pictures depicted bags surrounding the cans. He mentioned the Waste Management contract emphasized commercial dumpsters but did not address the residential excess that do not fit into the cans. He added our city employees provide a better level of service than the proposed contract, as they do pick up the excess trash bags.

Councilmember T. Bierbaum voiced concern about paragraph 14 regarding the terms to terminate the contract, as long as Waste Management meets the bare requirements. He suggested adding the ability to terminate within at least the first twelve months, if we are unsatisfied for any reason. He is concerned about being able to request extra pickups, when needed. He added there is nothing in the contract that Waste Management must provide the invoices in a certain time frame and suggested reporting with a 45-days maximum. He also voiced concern about the city fielding calls regarding complaints and concerns. He questioned the cost per can at the landfill and whether the contract was based on the city getting the tipping fee. He suggested a strong public information campaign upon approval.

Councilmember K. Crystal commented on requiring a dedicated customer service person to handle issues and mentioned in Section 4, he would like to see a re-bid option in five years.

City Attorney Clay Adkinson advised an out-clause earlier in the term of the franchise. He mentioned performance terms, and it is an exclusive franchise, so there is a lot of flexibility in the terms. His biggest concern was the cancellation provision. He also mentioned whether it should be contingent with the interlocal agreement with the County.

Councilmember K. Crystal asked who would handle the recycling part. He suggested all parties involved meet and discuss the details.

Public Works Director Craig Drake added his department picks up the excess garbage placed beside the cans.

Ron Bell, Waste Management, said his company is in a “gag” order by the way the RFQ read, so Waste Management cannot negotiate until the city generates the contract. However, he explained the Walton County contract states that for \$11, they can place their own cans out. Residents can add extra carts, but they have to pay for it. Regarding the surtax, the City opted not to join the contract explaining the \$8.50 was agreed on in 1984, for the fee paid per resident. The County wanted to receive the benefit to the commercial dumpster collection. Regarding customer service, on page 5 of the response of the RFQ, Eric Graves would be the representative. He added with public education, after the contract is awarded, Waste Management would do a mailout to all customers. During the first 90 days, it is typically when the majority of problems are seen. Waste Management could add a dedicated page on the website. Waste Management had to put in a bad debt service charge, as the city is a utility and has leverage. He added after the city generates the contract, negotiations can begin.

H. Ennis mentioned the customers are accustomed to the level of service they receive now with the pickup of extra bags.

Mr. Bell said a lot of what is placed in the cart is dependent on where the dumping area is located. He added the County pays for and sponsors the local Hazmat to drop off paint cans and other hazardous waste.

Mr. Bell said the RFQ was just a qualifier to meet qualifications. The recycling was based on one pick up a week. It was quoted \$28.00 a month, which is at 1994 rates with a CPI at 2.85 percent.

Mr. Bell mentioned they prefer front load as it is cleaner and more efficient. The recycling is problematic because the market is down. Contamination is also an issue.

Other comments in addition to customer service and billing charges, excess garbage, and the level of service terms of the contract from the Council was to negotiate with the County for the surtax revenue, as well as options and expense of the City leasing a truck.

Mr. Bell said Waste Management would prefer a six months lead time to order automated front loader trucks, however, nothing can be ordered until they have a signed contract. He added right now, the loaders are rear loaders.

Mr. Bell mentioned there is a lock bar on the dumpsters to avoid illegal dumping.

Mr. Bell said the contract for the city is \$2 lower than surrounding cities with the same level of service. He added there is a two percent franchise fee. If disposal was added, the rate would go up. He added Waste Management can be more efficient at two days a week for residential and added if the driver has to pick up extra bags, as it takes more time.

Councilmember W. Graham said as long as we can get the same level of service, he is for the contract.

In response to Councilmember R. McKnight, Public Works Director C. Drake replied a lease for a truck is about \$10,000 a month. He added the truck has to be clean before it is returned. He added a new truck is about \$200,000 and there is a long wait for delivery.

Council agreed there was consensus on what they wanted in the contract.

Mayor Campbell excused himself at 5:09 p.m.

Public Works Director C. Drake said Waste Management would hire employees, if they can pass the background check.

City Attorney Clay Adkinson suggested Council provide recommendations to the city manager for him to compile and get back to the Council.


City Manager M. Smigielski asked that the recommendations be forwarded to him by the end of the week.

Mayor Campbell returned at 5:13 p.m.

In response to Councilmember T. Bierbaum, Mr. Bell will send a comparison to the city manager.


Mayor Pro-Tem R. McKnight adjourned the meeting at 5:15 p.m.

Approved:



Mayor Robert "Bob" Campbell

Attest:



Minutes taken by Maryanne Schrader, City Clerk
Proper notice having been duly given

