

**GRAND JUNCTION CITY COUNCIL
MINUTES OF THE SPECIAL MEETING/WORKSHOP**

July 17, 1995

The City Council of the City of Grand Junction, Colorado, convened into a special meeting/workshop session the 17th day of July, 1995, at 7:04 p.m. in the City/County Auditorium at City Hall. Those present were Linda Afman, Jim Baughman, David Graham, R.T. Mantlo, Janet Terry, Reford Theobald and President of the Council Ron Maupin. Also present were City Manager Mark Achen, City Attorney Dan Wilson, and City Clerk Stephanie Nye.

Mayor Maupin announced the item regarding the Older American Center's employee is on the consent calendar for consideration on July 19, 1995.

PUBLIC HEARING/FORUM ON TRASH SERVICE

Mayor Maupin stated comments will be taken on whether the City will use automated trash trucks, or should it go to privatization. This is a turning point in the City's trash collection. Public Works and Utilities Department will make a presentation concerning the provisions for trash removal. Public comments will be taken regarding the issue. Council does not plan to make a decision at this meeting. Budget plans for the next two years are beginning and these decisions need to be made for that purpose.

Darren Starr, Public Works Superintendent in the Sanitation Department, gave history on the City's past trash removal. Two years ago the City looked at refuse collection knowing some of its equipment needed to be replaced. In order to stabilize rates, keep rates reasonable and provide the best service to its customers, the City looked at high compaction trucks which were being charged by the cubic yard at the landfill. The more volume that could be put on the truck, the greater reduction in costs. However, in January, 1996, scales will be installed at the landfill, therefore compaction (cubic yards) will not make a difference. The City is now considering alternatives. Automation is one option. It would help with an aging work force, and hopefully reduce workman's compensation claims since the trash is not being handled by hand. It would also mean a reduction in manpower affecting the rates. Approximately 45% to 48% of the Solid Waste Fund is equated to labor. Operations such as these have been used in other cities. It is not new. Currently the City uses rear load trucks with two-man crews. One man drives the truck while the other dumps the containers. Automated collection is a one truck and one man operation. The container is purchased and maintained by the City, and provided to the customer. The container would be wheeled out to the collection point where the truck with a lifting mechanism on the side, reaches out, grabs the container, dumps it, then sets it back in the original location.

Mr. Starr stated larger containers can be used, therefore more trash can be dumped at one time, versus having to dump three cans by hand. The process takes approximately 13 seconds. The City plans to keep two of its rear load trucks for larger items and special needs. The public would contact the Sanitation Department

and their needs would be met. The City does not want to take away any service that it currently provides. The employees strive to serve the citizenry the best they can for the best dollars possible. Mr. Starr stated the trucks are coming up for replacement, and need to be replaced, or the result will be higher maintenance and repair costs. Bids have been put out on all equipment, which could be received in approximately 400 days. There has been discussion about other alternatives such as privatization, i.e. should the City be in the refuse business, or should a private company be doing it. He estimated it would take approximately three or four months to draw up a Request for Proposal on alternative trash collection operations.

Councilmember Afman asked if the department has given other thoughts to assisting the elderly by using smaller containers. Mr. Starr stated two different containers would be used, 60-gallon and 90-100 gallon. He displayed examples of the containers. There would be separate rates for each container and a senior citizen rate for the 60-gallon which would be \$1.00 less than a normal 60-gallon rate. Approximate rates would be as follows:

\$10.40 for 90 gallon
\$7.40 for 60 gallon
\$6.40 for senior citizens

Mr. Starr did not know the weight of each empty container.

The Solid Waste Fund for the City of Grand Junction is an enterprise fund, meaning the Sanitation Department is funded from its fees only. No subsidy is received from the General Fund, sales tax revenues, or other funds coming into the City. The Solid Waste Fund stands on its own. The department provides a residential service and a commercial service within that fund. Residential service in the City is provided solely by the department. The City competes with the private haulers for commercial business on a customer by customer basis. The City's residential and commercial rates are set annually by resolution and adopted by the City Council. Determination of rates is established by reviewing revenues versus expenditures on a ten-year budget basis.

Councilmember Afman asked if the automated trash collection operation in Montrose has been monitored as far as customer satisfaction. Mr. Starr responded that the City of Montrose said it was difficult in the beginning. It is difficult to accept change after years of the same operation. The Montrose officials also said that if they would try to take the system away now, they would get the same resistance as they did when they instituted the automated system.

Mr. Starr stated the City would still have alley pickup, but try to have it all on one side of the alley.

Councilmember Terry asked if there were any options in rates available for someone who uses trash bags versus the automated container. Mr. Starr stated at this point the City is open to other options. Originally, the City was considering a 30-gallon container which was not feasible. He stated the department will still try to accommodate customers that need small can service. He reaffirmed that the department is service oriented.

Councilmember Afman asked if the City's monthly charge is currently the lowest in the community. Mr. Starr stated Triple G charges \$9.00, BFI charges \$6.70 (under contract with the Cities of Palisade and Fruita) and the City charges \$9.10.

Councilmember Theobald asked if the Grand Junction area residents pay \$6.70 to BFI. Mr. Starr stated \$13.50 is charged by BFI for customers in the unincorporated areas.

Councilmember Afman felt containers with wheels are helpful for the elderly.

Councilmember Baughman asked how the department assumed the City is going to automated trash collection. Other members of Council noted discussions have taken place at ice cream socials as well as open meetings on the subject. Mr. Starr stated City Council has looked to Staff to be innovative and keep costs down. That is what started them looking at automation, along with workman compensation claims running approximately \$200,000 for one back injury. The department feels there are features which are advantages for both the customers and the City. That is the process that has gotten the department to this point.

Mayor Ron Maupin stated he has received the following comments from citizens:

1. The employees - they like the work they do and the helpfulness they provide.
2. The annual Freshazadazy Program helps many people with their yards by hauling off large items. They have asked if the program will remain with an automated system.

Mr. Starr stated the Freshazadazy Program will continue. It will be utilized more and has been run by the Street Department in the past. The program will be enhanced. The department does not want to regress from services that are currently being provided.

Mr. Starr stated the new purchase prices for the equipment will be \$147,000 per truck, and \$700,000 for 10,000 containers. No money will be requested out of the General Fund. Some debt service will be requested for the containers only. The savings from the personnel costs will make the payments on the debt service. The loan will possibly be from the General Fund. Mr. Starr was confident he could repay from the enterprise fund without raising

rates.

Mr. Starr reported the following percentages of costs of the rate:

1. 45% to 48% is labor costs
2. 19% to 22% is landfill costs
3. 8% adjustable

The costs would be 10 to 15 cents more per month if the City were a private provider.

Four trucks would be purchased. Currently the City uses 7 rear load trucks for residential and 4 front load trucks for commercial collection. Commercial business has been automated and paid by volume for years. The automated trucks are approximately \$30,000 more than the conventional rear load truck. The life expectancy of a rear loader is eight years. The fair market value of the entire fleet of trucks is low. There is a lot of used equipment on the market. Trucks are traded in on new trucks. Councilmember Graham asked if the City were to go out of the business of trash collection, would it affect the price of the City's equipment. Mr. Starr did not know.

Councilmember Terry asked how many workers are currently on Mr. Starr's staff. Mr. Starr stated there are 11 full time rear load workers and 3 commercial workers with an average age of low 40's. The projected reduction in workers would be 4. He stated the 4 workers would be eligible to transfer to other departments, and the City would do its best to try to place them in other positions if there are openings.

Councilmember Baughman felt that if the City chooses to privatize, one of the requirements should be that the contractor assume the City's workers.

The following citizens gave comments:

1. Jim Emery, 1610 N. 20th Street, stated he does not know any of the people who work with the trash collection system. He was concerned about keeping Grand Junction clean. He lived in another City that decided to go to private trash removal, and it was stated the rates would remain the same. The private company restricted the customers to a certain number of barrels, and anything above that would cost extra. People began to allow the trash to accumulate. Citizens would use commercial dumpsters on the weekends which was more costly for the businesses. He would like to see the City be the trash pickup source in Grand Junction.
2. Steve Star, 2824 Orchard Avenue, has observed trash operations throughout the United States. In other areas he has observed 3-4 man crews on a truck and you could see they were bleeding the taxpayer. Here in Grand Junction that is

not the case. He has watched the 2 workers on the truck and they do their job. He feels the City's operation is a success. There are situations where cities have gone to private collection. They were offered great contracts, but all of a sudden the costs of collection go up to the taxpayer. When the City gives up its trash collection system, it gives up control. The City will be taking a loss on its current equipment. He feels the private trash haulers are in the business to make money and he does not want them to make their money off of him. He pleaded with Council to keep its system. He has observed an automated system in Glendale, Arizona and was impressed. He feels the City needs to get away from the lifting and hazardous waste problems.

For the record, it was clarified that Steve Star is not related to Darren Starr. The last names are spelled differently.

3. Mark Abbott, 399 W. Valley Circle, stated he has no curb or gutter in his area (The Ridges). He feels the current system is very good. When you have new systems there are more gadgets to break down. He is opposed to the automated system for two reasons:
 - a. The containers are big. How are the containers going to be cleaned by the elderly at least twice a month. They will become unsightly and smell bad. He does not think the City will save enough in costs from employee reduction when it pays more for the trucks and maintenance. A little might be saved over a ten-year span, but at what expense. Grand Junction is a great city and should be kept that way.
 - b. He has currently adopted a street in The Ridges. When people are told they are going to have to pay more for the larger containers, they are going to buy the smaller container and it will overflow. More streets will need to be adopted and kept clean. He opposes the automated system because in the long range a very beautiful city will be trashed out.

Mayor Maupin clarified that no one will have to buy the containers. There will be an extra monthly charge for a larger container.

4. Dean Craig, owner of United Waste Systems in Grand Junction, stated anyone that works trash trucks works very hard. There are two methods of automation, semi and fully. The containers are very sanitary and can be cleaned very easily. The elderly can take them out easily because they are on wheels. There is no need to lift anything, just pull it. Most companies take care of the elderly by providing special services. The fully automated trucks being used today are state of the art trucks and work very well. They are very

efficient. He has been using semi-automated trash containers since 1980 and is just now beginning to replace the containers. Another advantage is that the system tends to prevent animals from getting into the containers. He suggested that once the automated system is started, the City will never stop it because it is so convenient. The containers are replaced at no cost to the customer. He is currently handling approximately 6,000 to 7,000 90-gallon containers. He handles Parachute and a lot of the surrounding areas. A problem with a fully automated system is that the containers are sometimes stolen or misplaced.

Councilmember Graham questioned Mr. Craig as to the City providing these containers or setting up a program for them to be developed. He wondered if that would be a viable situation no matter which way the City goes regarding the other alternatives. Mr. Craig felt Darren Starr is heading in the right direction by going with a containerized system. The City or the contractor would supply the containers to the customers so they would no longer have to purchase garbage cans. If the work was bid out to private contractors the specifications would state the level of service expected by the City. Over the last few years there have been rate increases, but most are because of the federal government regulations that have been imposed on the industry. Overall, the cost per pick-up has stayed reasonable. When landfill fees, in some cases, have gone from zero to \$25 to \$100 per ton, it does affect rates. Trash haulers, private or public, have had to raise their rates to meet the new regulations.

Councilmember Theobald asked Mr. Craig if Council were to bid this out privately, whether it's segmented or not, would he be open to bidding on a fully automated system. Mr. Craig said he would, possibly on the semi-automated. He feels the City should leave that open to the individual company that wants the contract. The City would specify how it wants the containers used, and leave the handling up to the contractors, as long as the level of service is the same. Mr. Craig stated in order to keep everything competitive and to make sure the City has the best rates available, sectoring the City out into three zones, with each private company serving one zone only, would be the most feasible. He stated he would like to hire the current City employees because they are experienced workers and know what the job entails. His firm provides a 401K plan for all employees, pays 100% of their health insurance, and pays them what they think is a fair wage. All routes are completed no matter what happens (truck breakdowns, etc.). His firm does not honor all of the holidays that the public sector has to honor. Therefore, his firm is more efficient in that way. Skipping one day's route means the workers have to work that much harder to catch up. He encourages the containerized method. Mr. Craig's corporate headquarters is located in Grand Junction.

5. Tom Matthews, 2112 Chipeta, stated he was allowed to use one

of the 90-gallon trial containers. The lid is not easy to open and does not stay open. It's a long reach. He suggested the City look at its options seriously. The automated system is a wonderful program. He suggested a staggered program. The rates are going to be dependent on a volume base. Volume based and recycling are going to be a major portion of the trash over the next years. If the City decides on privatization throughout the City, he suggested it be done on a competitive basis very much the same way it is done with commercial businesses. It allows the individual customer paying the bill to make the decision, not the City. He has seen three trash services at three different houses within one block in Lakewood, Colorado. It is competitive and a money making proposition. If the City chooses sectoring, he suggested the City not allow a single vendor, and not section the City. He suggested it be done on an individual basis with accountability required.

City Manager Mark Achen thanked Mr. Matthews for volunteering in the City's trial program.

6. Bill Putnam, 627 Sage Court, complimented the sanitation department workers for their good work. He pointed out he is a small volume operation which needs to be considered when considering 90 gallon containers. He agreed with Mr. Matthews that a new program is going to be heavily influenced by recycling. He has participated in the recycle program since its inception, and thought that volume and weight based charges would be appropriate to encourage more recycling.
7. Adele Hennigan, District Manager for BFI, Western Slope of Colorado, discussed the automation process. She noted some statistics of interest.
 - a. In 1993 Albuquerque, New Mexico, went to an automated system and were able to save over 10 routes from their previous system, with an annual savings of approximately \$75,000;
 - b. They increased their customer satisfaction to 92% in the first year with the automated collection. When they first decided on the automated system, they had approximately 30% opposition in their customer base;
 - c. In 1993 Sandy City, Utah, went to an automated collection system and saved 3-1/2 routes and increased their customer satisfaction index to well over 80%;
 - d. In May, 1995, Centerville, Utah, (currently using an automated system) did a customer service survey of all the services provided by the City, with a result of garbage collection ranking second only to the police

protection.

- e. In 1992, Rochester, New York, changed their system completely from the 2-man rear load collection to an automated collection system. They saw a twice-fold increase in their productivity. They were then able to offer recycling to their customers which Ms. Hennigan felt was very important. They were also able to offer bulk goods collection, senior citizens special services, and residential trash collection with no increase in their manpower. They also saw a 93% customer satisfaction index.

BFI does automated collection. An automated collection service can show savings of 40% in the operation which would then allow the reassignment of personnel to other areas within the city (asphalt paving, pothole repair, sewer repairs, parks and other recreation jobs, etc.) with the same manpower. It is safer for the personnel. The insurance and injury savings will be dramatic. The containers and service can be standardized to the customers, which makes volume based pricing much easier. There are some disadvantages including the container expense (\$50-\$70/container), retrofitting existing trucks or purchasing new trucks. It will be time consuming in the planning stages. The service area will have to be audited to see what kind of service is in demand.

Based on BFI's experience, contracting operations with automated collection, the capital outlay is minimal for the City because the contractor can be required to provide all of the containers and all of the vehicles. BFI's contracts with Fruita and Palisade have stayed the same for approximately ten years. The costs can be controlled by a contract. There is minimal administrative involvement from the City. The contractor can be required to do all the billing and accounting. The profits can be increased to the City directly through the productivity of the private hauler. The contractor can use the vehicle to service other areas and other contracts. The City would not be required to pay all the expenses related to the vehicles if they are used in other areas. An automated container does have a lid on it and the contents is less likely to be disturbed by animals and strewn around the neighborhood.

8. Steve Bachelor, manager of the BFI operation in Salt Lake City, Utah, stated BFI currently serves approximately 32,000 customers in fully automated systems in the Salt Lake City area. He submitted information on the automated system. BFI recently converted the Sandy City community of 22,000 homes from a manual collection system to an automated system. The routes were reduced from 9 to 5-1/2 a week, resulting in a substantial savings in terms of improved productivity. In addition, a garbage truck is a dangerous piece of equipment. The fewer trucks on the street is a great benefit. Trucks

do break down. A broken truck is better than a broken back of a worker. Forty-four workers compensation claims were filed in the year prior to the automated system. The first year with the automated system only 2 claims were filed. The newer trucks are state of the art with modern technology to provide safety for the City. Mr. Bachelor stated his 78 year old mother and 5 and 10 year old daughters can handle the container. He recommended the City go with an automated trash service.

Ms. Hennigan noted that she would leave two tapes and a packet of information for Council to review regarding statistics of cities that have converted to an automated system.

9. Lisa Bower, 210 Orchard Avenue, stated she had a 200-foot gravel driveway and was not convinced the containers could be easily rolled out to the pickup point. She did not want to see the City save money at the cost of another man's job. She felt raising rates to accommodate added expenses would be reasonable. She also noted that the \$.25 million worth of containers would now become trash also.
10. Kurt Lures, Pasco, Washington, part of the tri-cities, was in Grand Junction on vacation. He stated Pasco has used an automated system for approximately six years. Costs are very stable and the system is very clean. The City requires the contractor to also provide rear-end pickup to people who need the flexibility or may not want to change. As an example, Mr. Lures lives in a duplex and it is cheaper for the duplex to have four containers out than for each of the residents to pay for the separate system. He named other Washington cities using the automated system which are completely satisfied. The systems are very efficient. He encouraged Grand Junction to switch to an automated system. The cities of Pasco and Kennewick have private suppliers, and the City of Richland is operating in-house.
11. Ray Cosby, 319 W. Highland Drive, opposed the automatic system because of the extra service currently being provided by the workers.
12. Steve Biddle, Loma, a five-year city employee of the Solid Waste Division, was concerned about customers dumping batteries, freon from freezers, oil, and other hazardous materials in the containers. These items will pollute the landfill if undiscovered. He suggested taking the question of automated trash system to a vote of the people and find out what they want. He believes the jobs of the current trash workers will be secure if the people of Grand Junction are asked what they really want.
13. Bob Baughman, F Road, stated the City should not be in the

trash business. The City is covered by private interests that will do the job as cheaply as the City, probably less.

He discussed fixed rates on the part of private haulers. There is no assurance that the City's trash rates will remain the same. The City will not pick up his trash at his home. If he takes the trash to the street which is 250 yards away, then it will be picked up. He understands from the private haulers they will come to his doorstep and pick up his trash.

That is a favorable factor to Mr. Baughman. He recommended the City consider seriously getting out of the trash business.

14. Linda Villa, 1134 Rood Avenue, thanked the City for its trash service and all the things it has done in the City, including work in the Riverside area. She commended the City. She stated her parents have good rapport with the trash workers and have never had any problems. Some have even come back after hours to help her parents. She thanked the City for such workers.

That concluded the public comment. Mayor Maupin stated Council will take all comments under advisement. He also solicited written comments.

RECESS

The President of the Council declared a recess at 8:35 p.m.. Upon reconvening at 8:49 p.m., all members of Council were present.

REVIEW OF JULY 19, 1995, CITY COUNCIL AGENDA

The Consent Items on the July 19, 1995, agenda were reviewed. Consent Item #9 regarding a part-time position for the Older American Center was moved from the Consent Agenda to the Regular Agenda for full discussion on July 19.

OTHER BUSINESS

Councilmember Terry suggested retired City employees receive a personal letter from the Mayor upon retirement.

Councilmember Graham requested to meet with City Attorney Dan Wilson prior to the evening's executive session.

Councilmember Baughman questioned the lease fees at the Airport. Councilmember Theobald suggested Councilmember Baughman attend the Airport Authority Meeting to be conducted at 5:15 on Tuesday, July 18, 1995, for more information.

ADJOURNMENT

It was moved and seconded to adjourn the meeting into executive

session at 9:15 p.m. to discuss proposals from the Mesa County Economic Development Council.

Stephanie Nye, CMC
City Clerk