

CITY COUNCIL STUDY SESSION

TO: Mayor and City Council
FROM: Mari E. Macomber, City Manager
SESSION DATE: January 4, 2010
TIME: 5:00 p.m.
PLACE: Second Floor Conference Room

We should be able to meet in the Second Floor Conference Room on Monday for the Study Session and will need to adjourn by 5:50 p.m. We are in the process of replacing carpet upstairs and hope to have access to the Conference Room.

AGENDA:

- **Public Information**
- **Trash Service Contract**

PUBLIC INFORMATION

The City of Kirksville provides a comprehensive approach toward public information. With the expansion of our website, citizens can now read Council Agenda and Study Session Packets on line. The City Council's Newsletters are available online providing not only summaries of various events and projects going on in Kirksville, but dates and times of meetings and upcoming issues of interest. The City also added textcaster in 2009, with plans to expand the service in 2010 and has used the reverse 911 system to inform residents of emergency situations, water main breaks, etc. Despite these efforts, it seems at times, that people are not as informed as they could be about things going on within the City of Kirksville.

At the last Study Session, the Council talked about the importance of getting information out to the citizens. This issue was brought up as a result of your discussions concerning the impacts of storm water on residents and properties throughout the community, and the need to begin a comprehensive approach to addressing these issues.

As a result of that conversation and before we get involved with the activities of the New Year, it would be a good to determine whether or not additional approaches should be taken to share information with the citizens. Regardless of the efforts, citizens have to be interested in what is going on, and we have seen over the years that citizens will come out to attend meetings on specific topics of interest.

Currently the City provides information to our citizens using the following methods.

- City's Web Site - enhanced
- Council Meetings – now taped
- Press Releases

- Public Notices and Announcements
- Cable Channel 3 – includes the taped City Council meetings
- Monthly Newsletter mailed to all water customers
- Meeting announcements sent out to all Media
- Council participates in a once-a-month local radio program
- City Manager participates in a once-a-month radio program
- Department Managers also have regular once-a-month radio programs
- Direct Mailings
- Required Public Hearings
- Public Meetings
- State of the City Address
- Presentations to local service clubs
- Reverse 911 System
- Textcaster
- Community Surveys
- Special Citizen Committees

The City had a full-time public information officer. This position was eliminated in 2004 due to budget constraints. Since that time, the responsibilities of that position have been shared largely by the Community Services Director with support from many other individuals within the organization. Three efforts the City used in the past to reach out the citizens were Coffee with the Council, Neighborhood Meetings and Dear Kirksville. All of these were eliminated several years ago. The audience at the Coffee with the Council was a captured audience who went to HyVee for breakfast. Some of them enjoyed receiving the information, while others were bothered by the disruption. It seemed like a lot of effort was made to prepare information, but the audience size was limited and the message was not always heard. The City also tried to have Neighborhood Meetings. The best attended was probably the meeting held at Brashear Park. We have found that we have better turn out when meetings are held to discuss specific items of interest – Weaver Development, trash service, smoke ban, sale of land at Hazel Creek, extension of Jamison north to Route P. The Dear Kirksville letters were editorials or letters written by the Mayor or Council to the citizens on a specific topic. A few examples of these are included in this Study Session Packet.

We contacted many communities to find out what they do to get information out to their citizens. Those that responded noted that our efforts were impressive and wanted to know more information about some of these methods. Only one community offered an additional program. The City of Cincinnati Ohio uses Twitter and Face Book. These are two areas that we have been exploring its use for our various operations.

Recommended Action:

The more citizen involvement we have the better our community will be. Using a combination of approaches is the best way to get information out, but we have to be able to rely on the citizens to take the initiative to read the information. Establishing citizen committees has been very helpful. Exploring Twitter and other social networking opportunities is something we are exploring. If the Council were interested in providing editorials to the local media, we could generate these when there are topics of great importance or ones that will impact all of the citizens. Finally, as far as the Coffee with

the Council and Neighborhood Meetings, we could look at reviving them in a combined format, if there was interest.

TRASH SERVICE CONTRACT

Last year, the City held a public meeting to get input from citizens about changes Veolia wished to make to residential trash service. The City also conducted a survey to find out what the citizens wanted from their waste service provider. From this information, bids were sent out soliciting proposals from various vendors. The City received a response from one Vendor – Veolia.

Codes Administrator Brad Selby has reviewed their proposal and developed a list of issues that we have discussed at the staff level, and wish to discuss with the City Council before we meet with Veolia representatives.

Our current contract will expire at the end of March 2010. We are hopeful that we will have a new contract ready for Council consideration at the end of February. Included in this packet are talking points that we wish to discuss with the Council. These can be found on pages 8 – 12.

Recommended Action:

Review the talking point report and share comments and thoughts with staff on the direction of this service.

Attachments

- KTVO Editorial
- Dear Kirksville
- Staff Report Trash Service Proposal – Brad Selby
- Trash Service Proposal Talking Points

KTVO editorial

Water and Sewer Revenue Bonds

The City provides two of the most important services you receive – clean drinking water and treatment, and disposal of sewer waste. Providing superior, quality drinking water and the proper disposal of sewer waste is important to all of us.

The water and sewer operations demand regular maintenance and upkeep to meet the existing needs of our customers. These operations demand improvements to insure compliance with state and federal regulations, and they require expansion to meet the growing needs of our community.

On April 4, voters of the City of Kirksville will be asked to approve a \$7 million revenue bond for both water and sewer projects. Revenue bonds use the revenues received from the sale of water and sewer services to repay the debt. The City has identified necessary improvement projects for both services. Since the City does not have the \$7 million in cash, we must borrow the money. Before we can borrow this money, we must obtain the community support.

Revenue bonds are not something new to the community. You have shown your support for both water and sewer projects in the past. By approving this debt, the City is able to borrow low-interest loan money through the State of Missouri.

Is there a cost to you? No, by borrowing the low interest loan money, we are actually helping to reduce costs to our customers.

On behalf of the Kirksville City Council, thank you for your support and please remember to vote!

DEAR KIRKSVILLE

Dear Kirksville,

As the City's fiscal year draws to a close, as Mayor, I wanted to take this opportunity to share with you the successes that we achieved this past year, and our plans for continued success in 2005.

First, I can not emphasize enough the positive impact the City employees' efforts have made on achieving the goals that the City Council set this past year. The employees have been diligent in their efforts to continue to meet the needs of the citizens, while being good stewards of the taxpayers' money.

The City Council's top goal for 2004 was economic development. Our commitment to invest in additional jobs in Kirksville was supported through a three-year commitment to the Kirksville Regional Economic Development, Inc. (K-REDI). The City purchased the building at 3010 Industrial Road and efforts continue to market this building to industrial prospects. The Council also committed resources to support the efforts of Northeast Missouri Tire and Envoy in their efforts to expand into Kirksville.

Another Council goal was to complete major projects. Projects that were completed include: LaHarpe and Scott Street improvements, building a clearspan hangar and acquiring the needed land adjacent to the airport to meet federal requirements, finalized a new agreement for E911 services, and completed street improvements as a part of the 2004 street program.

Council also set a goal of increased efficiency in government. The City has implemented joint purchasing policies, evaluated a number of staff positions and reorganized when appropriate, and consolidated the recreation offices into the Aquatic Center.

Council's final goal was making progress with the annexation. All of the projects with the exception of the sewer have been completed and much of the sewer will be complete this year.

In 2004 the City Council was faced with a number of tough decisions. The water fund has been in a deficit situation in spite of a recent rate increase, long-term financial obligations such as the annexation and the construction of the fire station committed funds that are not available for our day-to-day operations. To take the City to the next level, the Council committed to continuing efforts in the areas of economic development and fiscal improvement. We have pledged to continue to work toward efficiency and completing projects in a timely fashion.

Kirksville's future is bright. In order for us to achieve our goals we must be fiscally responsible. In 2005 we will continue our efforts to bring jobs into the community, reduce the City's debt, hold a 20% restricted reserve in the general fund and build back reserves in the water and wastewater funds. We are committed to achieving these goals for the benefit of the citizens of Kirksville.

Debbie Masten, Mayor

DEAR KIRKSVILLE

Dear Kirksville,

As the City begins a new fiscal year, as Mayor, I wanted to take this opportunity to share with you our plans for 2005, and information that we had that required us to make some tough decisions.

We were faced with several liabilities that resulted from previous City Council decisions.

Annexation – increased landmass by 42%; required the extension of services at a cost of \$3.7 million; no formal plan to pay for the costs; 33 year payback.

New Fire Station – original renovation estimates between \$600,000 and \$650,000; finished renovation cost total \$1.4 million

Aquatic Center Operational Costs – council and manager were told daily admission charges to run facility should be set at \$8; admission rate set at \$2.50, 31% of estimated charge; no additional funding sources were identified to cover the expected losses.

Water Fund – June 2001 there was a little more than \$1 million in cash; one year later, we had spent that plus another \$268,000; a decision was made to expand planned plant improvements by almost \$1 million doubling the cost of the project.

These decisions left us with large bills to pay, and still the need and responsibility to pay for the day-to-day operations of the City.

Beginning in 2003 the Council made commitments to:

Invest in Jobs – approved a three-year commitment of \$100,000 each year to KREDI; purchased the Standard Register building, now called 3010; provided incentives and support to both Envoy and Northeast Missouri Tire to encourage expansion projects in Kirksville; offered support through K-REDI to a new company that has announced its selection of Kirksville creating at least 40 new jobs.

Infrastructure Improvements – asked for citizen support to approve a revenue bond issue to construct a water main to the airport, which was approved; completed major water and street work in the annexed areas; completed major improvements to LaHarpe and Scott Streets; funded the construction of a hangar building for the commercial air provider at the airport.

Efficient Government - implemented changes in the purchasing policies, approved reorganizations and staffing changes to improve service and eliminate costs; relocated offices allowing for the sale of excess property.

Kirksville's future is bright. Fiscal responsibility and Economic Development are still top priorities of the Council. In 2005 we will continue our efforts to create jobs, reduce the City's debt, hold a 20% restricted reserve in the general fund and build back reserves in the water and wastewater funds. We are committed to achieving these goals for the future of Kirksville.

Debbie Masten, Mayor

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

SUBJECT: Proposal for new Trash Contract from Veolia Environmental Services

STUDY SESSION MEETING DATE: January 4, 2010

CITY DEPARTMENT: Codes

PREPARED BY: Brad Selby, Codes & Planning Director

Several packets were sent out to vendors for submission of a Trash Services Contract. Veolia Environmental Services Company was the only company who submitted a proposal.

We have been looking at their proposal and have a meeting scheduled with them for this week, to negotiate and discuss their proposals and terms.

Basically, Veolia is offering to provide a 65 gallon tote to all citizens for a fee of \$10.47 per month, with weekly curbside pickups. A 2nd, lower tier price using a 32 gallon tote is available for senior citizens or disabled residents for \$8.67 per month.

A 64 gallon tote for recycling will be given to any citizen who requests it for their use. The recycling tote would be required for anyone who wants to recycle. Veolia is proposing that recycling would be picked up every other week instead of the current weekly pickup.

Curbside yard waste pickup would be offered as an option to all citizens for \$5.50 to \$8.00 per month, depending on the number of citizens signing up. A dumpster may be available for free dumping for those who wish to bring their lawn waste to it. This is to be negotiated.

One large household item will be picked up per week for each resident. An appliance pickup will be scheduled 2 times per year. Details not yet worked out.

Veolia is asking for several automatic increases in price for their waste services, automatic increases for the lawn waste pickups, and automatic increases for certain rises in the cost of diesel fuel. These will all be looked at to reduce the effect on citizens.

We will be discussing Veolia's proposal and the City's position regarding modifications to that proposal.

Veolia Trash Proposal

Clarification and Talking Points

Trash Collection

- * 65 (64?) gallon cart provided for all households - OK
 - holds twice as much as current
 - promotes recycling
 - but - \$10.47 is a 61% cost increase
- * 32 gallon cart provided for senior citizens or disabled if requested
 - determination of disabled (may not be a concern for us as price will be less, but amount of trash reduced also)
- * Additional 65 gallon cart availability for excesses - OK
 - billed by Veolia
- * Proposal says all trash must be *bagged?* before being placed in the cart.
 - Is this a change from the public hearing a year ago?
- * We need to spell out the maintenance agreement for totes in the Contract
- * A 2.5% cost of living increase proposed by Veolia
 - no proof of increased costs or justification would be provided
 - would be on the 2nd, 3rd, 4th, and 5th year of the contract.
 - City can not agree to these terms.

Recycling

- * 64 gallon recycling tote provided to residents who request it - OK
- * Every Other Week is not enough for some people. Needs to be an every week pickup.
 - City would negotiate on this.
- * Usage of cart is mandatory for recycling - City agrees.
- * What happens if people can not get all their recycling in the cart?
- * Veolia will use recycling packer trucks.

Yard Waste

- * Veolia proposes one 20 yard open top container to be placed at Public Works
 - we currently have a 30 yard container most of the time
 - 22 free dumps per year may not handle all of the annual yard waste
 - City does not want to be charged the \$225 for ANY additional loads
 - City will provide large signs stating plastic bags NOT permitted.

- City cannot guarantee that no plastic bags will be in the container.
- To make sure no bags get in the container, possibly the roll off container could be located at Veolia's Centennial street facility?
- * Yard waste subscription services program looks acceptable as far as monthly basis, signups, bio-degradable bags, or loose in cans, etc., except:
 - Rates are too high
 - The 2.5% cost of living increases are not acceptable.

Household Items - 1 per week

- * One large household item picked up per week. City agrees.
 - Cost is included in monthly trash fees.
 - List of items to be agreed upon before Contract, and published ahead of time for citizens.
 - to be of a size and weight that one man can load
 - Does Not include commercial establishments.

List of Items Not Collected

- * Batteries, tires, liquids, construction, demolition, etc. City agrees.

Appliance Pickups - 2 pickups scheduled per year

- * Pickups to be scheduled in advance with the city and advertised by Veolia
 - Dates to be specified in the Contract on the months for pickups to be done.
 - City requires the option to substitute one of the annual pickups with an outside independent vendor, who would pickup all appliances for free, with no charges to City or to citizens of Kirksville.
 - Freon appliances \$20.00 - w/o Freon appliances \$10.00 - This cost should be reduced.
 - City participates in the selling of stickers, unless the alternate vendor is used.
 - Price changes on the \$20/\$10 costs should not be allowed during terms of contract.

Monthly list of Collection Customers - AND payment by 10th of month

- * The City can provide an e-mailed list monthly of the list of collection customers.
- * Payment by the 10th of the month is not clear. What the City CAN do:

Example:

 - January water/trash services period ends on March 31.
 - Bill is sent out following week
 - Customer receives bill and has until April 20 to pay.
 - If not paid, delinquent notice is sent out April 21/22
 - Delinquent notice payment is due by May 1
 - If not paid, water turned off May 6

- Payment is made to Veolia approx. 1 week later
 - Veolia is still paid on number of accounts billed.
 - Monthly payments are modified by accounts not paid, and by accounts that are collected late, or collected for previous months.
 - Once accounts are finalized, city's franchise fee is deducted and check cut to Veolia.
- * Payment can be made to Veolia within 50 days (most of the time earlier) of the end of the billing period.
 - * City proposes a change to Section 11-57 (7), which is the same as #7 (g) of the current contract: (Sections to be deleted have a strikethrough and sections to be added are in **bold print**):

The city will remit the monthly contract fee to the hauler once each month for every residential unit covered by this agreement with an active water meter in service for at least half the month, ~~less a negotiated percentage for delinquencies, and exclusive of contractor payments for partial month service.~~ **the cost of accounts that are written off due to non-collection. If the written off accounts are collected at a later time, they will be added back in to the contractor's payment amount, less the cost of the collection fees. The Contractor will not receive payment for any residential unit that has been in service for less than half the month.** The city will not charge an administrative fee to the contractor for billing and collection, other than the franchise fees stipulated by ordinance.

(End of proposed changes.)

- * Currently, the City is not Receiving Payments for the 3% Franchise Fee on commercial accounts collected by Veolia.

County, State, or Federal Legislation

- * City agrees that if County, State, or Federal legislation changes regarding solid waste collection and any waste items currently being picked up are declared toxic or hazardous, the Contractor's obligation to collect the items shall end.

Legal Holidays

- * List of legal holidays is acceptable to City.
 - Veolia's responsibility is to advertise and remind citizens of changes to the pickup schedules and to communicate any major changes of the trash or recycling process.

Rate Adjustments from Time to Time

- * Rate adjustments are not acceptable to the City. Contracted rates and terms must be observed.

Fuel Surcharges

- * For diesel above \$3.25 per gallon, the City will be charged an extra .1% of the rate for every 1 cent increase in average diesel prices.
- * No surcharge will be billed if the price for the prior quarter is \$3.25 per gallon or less.
- * City's position:
 - The above formula needs to be simplified.
 - The base rate needs to be \$3.75 per gallon (City has other entities with contracts for diesel fuel, and the base rates are higher than \$3.25 per gallon)
 - the web site <http://tonto.eia.doe.gov/oog/info/wohdp.diesel> is actually <http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp> . This is a working website.
 - If diesel prices are considered, they should be based on the Midwest Price, not U.S.

Franchise Fees

- * City agrees that Franchise Fee for new contract will be 4%.

Section 11-88 of Current Contract

- * Section 11-88 of the City's ordinance (which corresponds to Section #39 of the current city contract with Veolia) states: (proposed deletions have a ~~strikeout~~ and proposed additions are in **bold print**):

~~The starting date of the contract and commencement of service shall be upon the date of award of the contract. The term of the contract shall run from April 1, 2010 until March 31, 2015. Either party may elect to terminate this contract [article] at the end of the first year of the term of this contract [article] by giving the other party one hundred twenty (120) days prior written notice of its intention to terminate the contract.~~

Either party may terminate this CONTRACT upon the breach of the other party, if the non-breaching party has given written notice of the violation(s) and the violation(s) continues unremedied for sixty (60) days after such notice. This contract may not be terminated as a result of causes beyond its reasonable control such as change in government regulation, strike or labor action, extraordinary weather conditions, etc., unless continuation of the contract would be unlawful.

If, and to the extent that Contractor is precluded from performing its duties and obligations under this Agreement due to an uncontrollable circumstance such as an Act of God, authority of laws, lockouts, labor disputes, riots or other causes beyond its control (a "Force Majeure Event"), Contractor shall be excused from performance hereunder to the extent that its performance continues to be precluded by such acts and during such time shall not be considered in default.

(End of proposed changes.)

Residential 5-day Pickup Service

- * Veolia proposes to go to a 5-day residential trash pickup service. This involves splitting into 5 sections instead of the current 4 and of Veolia communicating this change to the public in advance of any route modifications and of providing maps to the city of the changes. City is in agreement.

Stickers for Excess Trash

- * Needs to be discussion of any continuation of the sticker program?
 - How do residents dispose of excess trash without calling for special pickups?

Times for Allowing Residents to Change Type of Service (going from 64 to 32 gallon totes or vice versa)

- * Need to clarify when and how many times per year this change will be allowed.
- * City proposes once per year in January, or when there are “extenuating circumstances”.

City Dumpsters

- * Need to confirm with Veolia that any new trash contract will continue to provide free dumping of all the city’s dumpsters at current existing city facilities, or any dumpsters that we will reasonably require for the terms of the contract.