

**SOLID WASTE AUTHORITY OF CENTRAL OHIO
BOARD OF TRUSTEES MEETING**



July 7, 2009

**Administrative Office Building
4239 London-Groveport Road
Grove City, Ohio 43123**

MINUTES

- 1. Call to order of the regular July 7, 2009 meeting.** Chairman Frick called the meeting to order at 2:37 p.m.
- 2. Mr. Cahill led the Pledge of Allegiance.**
- 3. Roll Call** – The Secretary called the roll and the following board members were present: Colleen Briscoe, Paula Brooks, Bob Clemons, Mark Kelsey, Jackie LaMuth, Bill Lotz, Vice Chairman Dave Bush and Chairman Brad Frick.
- 4. Approval of minutes for the June 2, 2009 meeting** – Ms. Brooks moved to approve the June 2, 2009 meeting minutes; seconded by Ms. LaMuth. Approved 8-0.
- 5. Commissioner Brooks presented a video of her trip to China, which included tours to solid waste facilities. One landfill she visited serves a city of 5 million people.**
- 6. Executive Session**

Resolution 78-09 to convene into executive session in accordance with Ohio Revised Code 121.22 (G)(3) to consider pending or threatened litigation.

Ms. Briscoe made a motion to convene into executive session; seconded by Mr. Kelsey. Approved by Roll Call vote 8-0. There will be no action taken on the subject of the Executive Session. The board members moved into Executive Session at 2:52 p.m. Mr. Bush made a motion to convene out of Executive Session; seconded by Ms. Briscoe. Approved 8-0. The board meeting resumed at 3:02 p.m.

- 7. Old Business**

Resolution 25-09 authorizing the Executive Director to modify the contract with Ohio Mulch Composting LLC for yard waste composting at the Roberts Road Composting Facility. (Tabled March 3, 2009) (To be defeated).

Albert Iosue presented information about the Ohio Mulch and Kurtz Bros. proposals to reduce the expenses of SWACO's yard waste programs. Mr. Iosue explained that the Kurtz proposal is the same as previously introduced to the board members. He presented three proposed alternatives from Ohio Mulch.

1. Alternative #1: True Competition

- Eliminate SWACO subsidy at all locations
- Allow competition to set the commercial price
- Charge no fee for residential yard waste
- Potential savings = \$1.8 million per year.

Staff does not recommend acceptance of Alternative #1.

2. Alternative #2: Level the Playing Field

- SWACO implements a gate rate, per ton for all commercial yard waste, for any participating yard waste diversion program equal to the highest current participant contractual payment.
- Non-participating commercial yard waste diversion participants may charge a fair market rate without submitting any fees to SWACO.
- SWACO extends contract period through 2018+ based on other SWACO agreements.
- Ohio Mulch will purchase SWACO scales at fair market value and provide scalehouse operations immediately.
- Ohio Mulch has agreed to modify their existing agreement to include:
 - Not participate in the commercial yard waste diversion program
 - Accept yard waste at additional facilities
 - Charge no commercial fee at Advance Avenue
 - Cap commercial fee at \$6 for first 3 years
 - Pay SWACO \$5 per ton for all municipal yard waste directed to or delivered to Advance Avenue by SWACO

Alternative #2 requires and will require rate hearings before implementation. Staff believes this would provide for significant savings to SWACO, potentially \$5,030,000 through 2018.

3. Alternative #3 Modified Proposal

- SWACO agrees to remove the \$6 commercial tip fee at Roberts Road only
- Ohio Mulch will charge a fair market price for commercial yard waste processing
- Annual municipal yard waste payment reduced from \$374,400 to \$300,000 through 2012.
- Ohio Mulch will purchase the SWACO scales at a fair market value
- In 2013 SWACO will pay Ohio Mulch \$5 per ton for municipal yard waste processing
- SWACO would extend their contract period through 2018+ based on other SWACO agreements
- Ohio Mulch would pay SWACO \$5 per ton for all municipal yard waste delivered to the Advance Avenue facility
- Potential savings = \$100,000 per year

Alternative #3 would provide a minimal savings to SWACO with a potential risk for processing municipal yard waste at \$5 per ton beginning in 2013. SWACO Staff does not recommend the acceptance of Alternative #3.

The next step in this process is to present a resolution at the August board meeting.

Tom Kurtz addressed the board, explaining that they have had an excellent relationship with SWACO in the past. He continued to explain that there are a dozen entities in the district that do not participate in SWACO's program and operate within the market system. He continued to explain that the Ohio Mulch proposal would cost their company. Mr. Kurtz said that his company's proposal would also produce savings to SWACO.

Don Leach spoke for Ohio Mulch, explaining that this process was a competitive process and Kurtz participated in the process. Both Ohio Mulch and Kurtz submitted proposals on the same day at the same time, based on the same ground rules.

Ms. LaMuth requested Resolution 25-09 be removed from the table; seconded by Ms. Brooks. Approved 8-0. Ms. Briscoe made a motion to adopt Resolution 25-09; seconded by Ms. LaMuth. Defeated 0-8.

8. New Business

Administrative Services Committee

Resolution 79-09 authorizing a contract with Lincoln Financial for short-term disability insurance (\$30,000).

Letitia Pleasant explained that this resolution provides SWACO employees short-term disability. Through competitive bidding, Lincoln Financial had the lowest bid. There is no additional cost over last year.

Resolution 80-09 Not used.

Resolution 81-09 adopting the Executive Director's 2009 Performance Goals.

Administrative Services Committee Chairman Bob Clemons presented the Executive Director's Performance Goals for 2009 as follows:

1. Achieve a balanced budget by the end of 2009, with revenues year-to-date in equilibrium with expenditures year-to date.
2. Implement an approach to improve performance results and value from contracted service providers based on the use of financial incentives such as commissions, fees, and rewards.
3. Develop an action outline of tasks and timelines to provide broad direction for the initiation of activities needed for development of infrastructure for future needs of SWACO.
4. Successfully recover up to \$1.9 million in previously authorized funding from the U.S. Department of Energy in support of the SWACO Green Energy Center.
5. Reduce SWACO expenditures through a reduction in workforce by 15%.

6. Identify and utilize sources of revenue to SWACO, other than landfill tip fees and charges, sufficient to fund core programs and activities needed to advance the mission of the organization.

Engineering, Operations and Compliance Committee

Resolution 82-09 authorizing a modification to the contract with Columbus Peterbilt for the purchase of parts and services for the SWACO fleet (\$100,000).

Joe Huston explained that this modification is for parts and services for SWACO fleet equipment. The contract is used on an as need basis and Columbus Peterbilt has provided a good service for SWACO.

Resolution 83-09 authorizing the Executive Director to grant three (3) Temporary Construction Easements to the City of Grove City for the Haughn Road construction project.

Conner Kinsey presented the next four resolutions which are for the City of Grove City, Haughn Road extension. There are three temporary easements necessary. The easements are 15' in width.

Resolution 84-09 authorizing the Executive Director to grant an Easement along the north side of Haughn Road to the City of Grove City for the purposes of allowing the City of Grove City to build the Haughn Road connector through SWACO property.

See the narrative on Resolution 83-09.

Resolution 85-09 authorizing the Executive Director to enter into an Easement Agreement with the City of Grove City for the purposes of constructing a drainage sewer along the Haughn Road connector through SWACO property.

See the narrative on Resolution 83-09.

Resolution 86-09 authorizing the Executive Director to grant an Easement along the south-east junction of Haughn Road to the City of Grove City for the purposes of allowing the City of Grove City to build the Haughn Road connector through SWACO property.

See the narrative on Resolution 83-09

Legislative & Legal Committee

Resolution 87-09 authorizing the Executive Director to enter into a Settlement Agreement with Danielle Pelfry for a scratched hood and cracked windshield (\$240).

Conner Kinsey explained that both resolutions 87-09 and 88-09 are for broken windows due to stone strikes.

Resolution 88-09 authorizing the Executive Director to enter into a Settlement Agreement with Mike Rehl for a cracked windshield (\$165).

See the explanation under Resolution 87-09.

Consent Agenda

Mr. Koehler read the resolution numbers on today's consent agenda. Mr. Bush moved to adopt the consent agenda; seconded by Ms. Brooks. The consent agenda was adopted by roll call vote, Trustees Briscoe, Brooks, Clemons, Kelsey, LaMuth, Lotz, Vice-Chairman Bush and Chairman Frick voting aye. Resolutions 79-09, 81-09, 82-09, 83-09, 84-09, 85-09, 86-09, 87-09 and 88-09 were adopted 8-0.

Resolutions Removed from Consent Agenda

There were no resolutions removed from the consent agenda.

Board of Trustees Resolutions

The Board of Trustees did not add any resolutions to the agenda.

9. Board Discussion

- A. China Presentation by Commissioner Paula Brooks – the presentation was given at the beginning of the meeting.
- B. Trustee Process – Dave Bush
Mr. Bush discussed the process for board appointed trustees.
 - Members are notified three months prior to a trustees term expiration
 - Nominations are offered two months out
 - A board vote is taken one month out
 - Reappointed (or new) member takes their seatBoard members discussed. This would be a process adopted by the board.

10. Executive Staff's Report

- A. Pending landfill permit
Tom Ashton informed the board that the permit was issued yesterday and will be delivered to SWACO tomorrow. He then continued to explain to the board why SWACO made the changes to the landfill that necessitated the new permit. We now have 27 ½ years of landfill life instead of 25 years.

B. Status of out-of-district waste policy

Jack Stacy updated the board members on the status of the out-of-district waste. Letters to the haulers were sent on May 7, 2009 and the Executive Director has met with those haulers. As of today there has not been a hauler who took advantage of the new situation. There are no additional out-of-district volumes to bring to the board. We are about 4% below our budget and 3½% below the 2008 volumes. Mr. Mills explained that if SWACO continues to have a shortfall, the City of Columbus will have to make up the difference on the Trash Plant debt. And, if this continues, by the end of the year SWACO will need to make significant cuts.

The first option was to go to the haulers who take waste out of the district. The second option is to not give the waiver agreements to the haulers which allow them to take garbage out of the district. The waiver agreements are set to expire at the end of this year. We could bring a portion or all of the waste back to our landfill. This could happen for a set period of time or we could make this a permanent situation. Staff will come back to the board next month with a proposal. All of the major haulers were invited to today's board meeting so they could be involved. The board members discussed.

The Chairman entertained speakers from the audience. Kathy Trent from Waste Management addressed the board members, explaining the impact of not continuing the waiver agreements on the waste haulers. She told them that they want to continue working with SWACO; they understand the need for more volume but requested that SWACO also be sensitive to the needs of the haulers. Waste Management continues to look at the numbers and they would like to work out a scenario that will work for everyone. There are about 270 employees in the Canal Winchester facility, not all are transfer station employees. Mr. Frick asked Ms. Trent if she has any problems with SWACO auditing their numbers. She said she will ask management and will get back to SWACO next week. Mr. Frick continued to explore her option of bringing back a portion of the waste. She explained that Waste Management is interested in looking at the situation. She requested the board members keep everything equal; offering the same situation for all haulers. Board members continued to discuss.

Mr. Kelsey inquired about how much of the 350,000 tons going out of district we need to bring back? Mr. Mills explained about 60,000 tons would make SWACO whole and the budget would be met.

11. Staff Approved Contracts and Expenditures

12. Public Comment Period

- 13. Upcoming Meetings**
Joint Committee Meeting
Planning and Programs Committee
Engineering and Operations Committee
July 21, 2009 – 2:30 p.m.
SWACO Administrative Office Building
4239 London-Groveport Road
Grove City, Ohio

Administrative Services Committee
July 21, 2009 – 5:00 p.m.
Frick Law Building
1265 Neil Avenue
Columbus, Ohio

Audit and Finance Committee
To be determined

Legal and Legislative Committee
To be determined

Board of Trustees Meeting
August 4, 2009 – 2:30 p.m.
SWACO Administrative Office Building

- 14. Adjourn** Ms. Briscoe made a motion to adjourn; seconded by Mr. Lotz. The meeting adjourned at 4:55 pm.