

**SUSTAINABILITY COMMITTEE MEETING
JUNE 8, 2011**

Chairwoman Minarik called a Sustainability Committee Meeting for Wednesday, June 8, 2011 at 6:30 PM in the Euclid Municipal Center Council Chamber.

AGENDA

PRESENTATION FROM WASTE ZERO

Res. (312-11) A resolution to reduce landfill waste by 50% over the next five years. (Sponsored by Councilperson Minarik)

Ord. (313-11) An ordinance implementing a "Pay-As-You-Throw (PAYT)" Program as of January 1, 2012. (Sponsored by Councilperson Minarik)

Members Present: Holzheimer Gail, Jones, Langman, Minarik

Excused: Scarniench

President Holzheimer Gail moved to excuse Councilwoman Scarniench. Councilman Langman seconded.

Yeas: Unanimous.

Others Present: Law Director Frey, Service Director Smith, Councilman Van Ho, Clerk of Council Cahill.

Chairwoman Minarik – We have two pieces of legislation, a resolution and an ordinance from last Monday. A resolution to reduce landfill waste by 50% and an ordinance to implement a Pay-As-You-Throw. The reason for the meeting tonight is because there's a lot of confusion and questions over what actually Pay-as-you-throw is. Mr. Mark Dancy of Waste Zero, which is headquartered in South Carolina, is here tonight to do a brief presentation, I don't know how brief, but he is going to give a presentation on the whole concept of pay as you throw utilizing bags. With that, Mr. Dancy, I will turn it over to you. During this presentation rather than ask questions throughout, write the questions down so we can see the whole process first because some of your questions maybe answered at the end.

Mr. Dancy – Thank you for having me, I appreciate the introduction and the invitation to come and chat with you. This is what I've done for the past 15 years, talk about pay as you throw, trash metering, unit based pricing for garbage, whatever name you want to call it, we've had lots of different ones over the years and lots of people look at it different ways. But that's what we do. We started with one town, over 15 years ago, they're still a customer today, we now work with close to 350 municipalities. Aside from one time last year that had a referendum and voted it out for a variety of reasons that had little to do with the success of the program, everyone of those customers is still doing pay as you throw today. I think that's a pretty high success rate. Ironically the town that voted it out is looking at re-instituting it in October of this year. We continue to grow, we're starting ten new cities for the July 1st fiscal year. It is a concept that is what we focus on and when we go through the presentation it will make a lot of sense to everybody here. As far as the questions go, if you really have a question, I don't mind you interrupting me, I just thought if we were going to have 50 people, it is easier to go through the whole thing.

The concept of pay as you throw is pretty simple. Like and I'll touch on this in the presentation, but like in late 1800's when Thomas Edison invented the light bulb it didn't take very long before they put in electric metering because they realized that not everyone consumed the same amount, it had a different variable cost based on what you used. The same thing with water meters, we researched water meters in the early 1900's, they started putting in water meters, now it is pretty much universally accepted that people pay for what they use and it is a better system. It conserves and allows the individual to make the choice as to how much they spend. Really pay as you throw is the same thing just with garbage. What we do is low tech, it is very simple to understand. I start out presentations at recycling conferences and when people don't know how it works, I just give the example of, if I opened up this bag and said this is a trash bag and Kristen has a water bottle and when you're done you can pay me \$1 for this bag to throw it in this bag, or I have a recycling bin and you can throw it in there for free, what are you going to do? If there's one person in the audience that wants to pay me a \$1 for the bag, that will be the first time or they're not being honest. Nobody wants to do that. It doesn't matter whether or not you care about recycling, you care about your \$1. That is what makes this program work is it is supply and demand. We interject price into the system and my background is economics, so the word elasticity. It is amazing what a small price will do to change behavior. With that I'll jump into the presentation and I will try to make it brief.

Explaining generally about what Waste Zero does, which I've already done so I will really make it brief here. Where we are with Euclid and you can correct me if I got some of these numbers wrong. Right now we're paying about, last year was \$39 a ton, this year is \$40 a ton. It looks like it is edging up. We work with towns that go as high as \$110-\$120 a ton. It is a significant cost but relative to the rest of the country it is not astronomical. For this region it is pretty typical.

The total tons disposed of, just under 20,000 last year. The number of households that J&J serviced was 16,700. Total cost of \$2,061,000. Hopefully those numbers are correct for the solid waste portion. Looking at those costs again as fixed and variable. Right now it is \$6.30 a household for every stop. That's a fixed cost depending on the contract and how long that goes. That's not going to change with pay as you throw. If we institute the incentive and residents react the same way they have with the other two million people that we

service every week, where they're garbage dropped by 43%, then the variable cost, the total cost would drop by 43% because the tons would drop by 43%. From a waste hauling perspective, that's a pretty good deal for the hauler as well because they are going to be picking up fewer bags for two reasons. One, people are using 43% less waste. Secondly people tend when the bag costs money to stuff it fuller. They're going to be handling fewer bags, we put weight limits on there for worker's comp issues and things like that. The routes get quicker, all those things are better, but you can't see that realization in savings as long as the current contract is in place.

At the end of the day, to touch on the last slide and we talked briefly about recycling costs, we're looking at three hundred plus thousand dollars in savings, which is \$25,000 in month in reduction to what we pay on the pass-through on the tipping fees. If those numbers are right, am I on the right track? If we reduce the tonnage by \$25,000 a month, the city would realize that savings.

Director Smith – That's correct. The contract we currently have in place with our waste hauler is per household and per ton disposed of.

Mr. Dancy – The per ton, if the city reduced it to zero, on the tonnage, they'd pay zero. I just wanted to make sure I had that right. That's a pretty significant savings. What is trash metering? We talked a little bit about electric and gas meters, we all accept that. We all accept water metering. The question is why, quick history, why didn't we do trash metering at the same time we did water metering and electric metering. If we think back to when everybody had their own local dump, the transportation costs to get it there were cheap, the regulations to dump were non-existent for the most part. It was a low cost item but over the past 25 years, nationally tipping fees have been going up twice as fast as CPI. The trend has been harder to find places to build landfill space. It's not that there's a limited amount of space, it is just that people don't want it near them. Even in South Carolina where we have a very rural area, the poorest county in the state just rejected a mega landfill that would take garbage from the northeast. That happens all the time. Those costs, you have a five year outlook in your current contract, so you're looking at the low forties and I don't expect that to change dramatically here, but that's why costs have gone up.

Now we have this increase in cost but no control on the usage. The mentality of everybody as residents other than those thinking I want to do the right thing by recycling, is I can throw away anything. That means yard waste even if it is not allowed; that means food waste. That means really heavy things that end up costing a lot when we take it to the scale and have to tip it. The thought process isn't, I need to save the city money, right because it doesn't matter how much you throw out, you pay the same amount. But the effect of you being in control of your own bill, just like Euclid has an opportunity to control its own bill here, is something that motivates people.

This was a picture taken here in Euclid, I hope that's not anybody's house here. Probably somebody cleaning out the house. If you drive down the street, you'll see some people with 3-5 bags and some people with one bag. Our average per household per week, two million people and we've been doing this over 15 years, is a little less than 1 ¼ to 1 ½ bags a week per household, a 30 gallon bag. We do offer programs with 13 gallon bags. We offer programs with 8 gallon bags. The cost would go down the less gallons you were using. We call that a senior bag because people who benefit the most from a program like this is the people who generate the least garbage, have the time to recycle and can get down to either no bag or an 8 gallon bag a week, they can control their cost very well. It is very popular once people understand it, amongst people recycling or who have the opportunity to control their garbage.

We've had all these successes with programs and what makes them work. They are all programs out there where cities try to do this on their own. There's a lot of information out there. We don't get paid as consultants, we just come in and explain what we know and if you want to take it and run with it, that's fine. There are certain things that are really important. Number one, the program has to be clear and easy to understand. We had a town, Maudlin, Massachusetts that had printed up material, we sent out sample bags to everybody with a packet explaining the rules for recycling in eight different languages because only 25-30% of their population speaks English. They reduced their waste by 51% year one. It has been between 49-50% every year since they started. That is one example.

It has got to be easy to understand. It has to be convenient and user friendly. This bag that I showed you, basically every store, whether it is a Mom & Pop store, chain grocery store, drug store, would carry these bags. The same place you go, 24 hour stores, whatever. You'd walk into the same store that you shop at now and buy bags at your convenience. It has got to be easy for the residents to use. They always got to be there. If that's the required bag for pick up, it has got to be there.

It has got to be fair. I'm not a big fan of giving away free bags, sometimes people will say we want to give away free bags. I'm not a big fan of it. I like it if it is uniformly enforced across the board. We have some cities that choose to do that but it does have to be enforced. If somebody picks up the phone and calls a counselor and says I didn't put out the proper bags but I want my bags picked up. Those are the types of things that don't work to well. If it is enforced well and consistently everybody has to do it, they get it. From the ease, when you walk out on the curb and you look up and down the street and everybody has put, I made these yellow because your bins are yellow, a green bag and every single house has a green bag or two in front of their house and you've got a black bag; again it is not that complicated to understand. It really does work. Part of the beauty of it is it is so low tech.

We have to do as a supplier our job because everybody is going to expect the bag to be superhuman because if they paid \$1 for it, let's say as an example, they're going to expect \$1's worth of bag even though it is, and we can get into fee structure later, but it would theoretically be reducing the fee, \$108, the \$9 a month fee, but people are going to expect it to perform like a \$1 bag.

For municipalities, once you make a decision to go, it needs to be implemented. The education needs to be done quickly. With the program that we set up, there can be zero capital expenditure. We can do it on a gain share basis, we can do it any which way you want. We can do it on results. We even do guarantees of revenue and savings and things like that because we have so much history on how it works, that we're very confident in the success of the program.

The best thing to do after month one, when tonnage goes down and recycling goes up, get that information out to the newspapers so people start understand why they're doing it. Seeing the results. They'll see it personally first hand and when they see the numbers and garbage is down 45%, wow they see that in the paper, it makes a difference. The program has to be able to be measured immediately and it has to support your long term goals. What I would like you all at some point if you like this concept, think about does this fit in to what you want to do for long term for Euclid.

One of the important things is that the EPA says there's 7,000 cities that do pay as you throw programs. It is important to emphasize that they have a broad definition. If you have an 96 gallon can that you charge \$20 and a 64 gallon can that you offer to the residents at a dollar less; the EPA will lump that in as pay as you throw even though the economics don't make any sense. When they do their surveys they say 17-23% reduction in waste. We average 43. Interestingly the EPA did a study from 2009 to 2010 in New England where we have 90% of the business there. They got 49% reduction when they worked with our towns. The number we look at is 43 for most of our projections.

To show graphically, based on the households, the population, Euclid is averaging about 890 pounds, this is our standard slide, I didn't bring it for you all. 890 pounds per capita and that's based on the households and per capita per household and the tonnage disposed last year. We're projecting that our program will bring it down to 511 pounds per capita. What we're saying is that will happen in the first month and it will happen forever going forward. It won't take six months, it won't take a year, it will happen month one. The reason we show this slide is this is our history, this is what we see happen, the 10 programs that we're going to start in July, I know these are the results they're going to get. We talk about all the work that has been done over the last 30-40 years to educate to try to convince people to recycle. It has had an impact from 1100 down to 900 pounds but we can get down to 500 pounds in one month and we do all the time. As far as really making a difference and impact, this will do it.

I'm going to cover this fairly briefly but, what does Waste Zero do? Back in the early 90's we started out as a garbage bag manufacturer; thus we're into garbage bags. We sell to Kroger, Tops, people like that, private label brand garbage bags. In the early 90's we started working with towns that did pay as you throw and discovered over time that there were a lot of needs that municipalities had. It was a much more interesting business doing this than selling to retail stores, no offense to retail stores, but this is more interesting and there are more needs that municipalities have. What we do, step one, is getting to yes. That is trying to answer every question everybody has. What kind of program would work for you? We do all that stuff. We don't charge for that, we just do that. If you're interested we'll make proposals, if you like it, you like it, if you don't, you don't.

Step 2, there's always an RFP process or bidding process so we have to publicly bid and compete. Step 2 is the municipality does a bid. If we're the winner and you partner with us, what we do is actually manufacture in the US. We started out in the bag manufacturing business. We will set up all the retailers in town for you, whether they are chain retailers, or local retailers with systems to order with. They can call us, email us, whatever their system is. They'll order the bags, we'll drop ship one case or a pallet whatever they need whenever they need it, so the stores are always stocked. We do all the accounting for the town if the town so wishes. This is a la carte type of deal. There's no administrative work on an ongoing basis that has to be done by the city. What we do is every month we send a report. These are all stores that got bags, these are all the revenue, this is what was paid, this is the accounts receivable positions. We agree with the controller on what the collection procedures are and those types of things. Pretty systematic for us because we have nearly 2000 stores that we work with every week. Adding another 20 stores here would be part of our system for us.

What we realized with municipalities, these things are kind of a headache to try and figure out who is going to drive the bags over to the store, how we're going to bill them, how are we going to collect, all those types of things. We've been doing that for a long time. The net goal is, as we said in the beginning, less waste to the landfill saving the municipality money. More recyclables, hopefully; evening out your cost and making your fixed costs, your revenue increased to be spread over you fixed cost and hopefully make money there as well. In your case, what we would recommend is the \$9 a month fee be adjusted to whether it is \$4.50 a month or \$13.50 a quarter or zero, would all depend on how the bags were priced. But the net result, our recommendation would be that the revenue you get is the same or less than what you're getting now. So from a resident's standpoint collectively, the residents because you have a garbage fee, and you could adjust it that the residents wouldn't pay a penny more, in fact we would recommend that since we're going to see such a significant savings that they pay less if not year one, year two once you have confidence in the numbers. The bag prices can be adjusted to meet those goals and the fee can be adjusted at your discretion. It is not an increased cost to the resident, it should be a decreased cost to the resident. More importantly it gives the

resident the choice as to how much they spend. That gives them a lot more control and there are going to be the picture we showed with all the bags out in front, that person might not like it, but at the end of the day you can't argue that it is not fair. You pay for what you throw out just like you do with any other thing that you do in life. If you go and order two hamburgers and the guy next to you orders one, you pay twice as much generally, unless it is a buy one get one free.

We have a lot of experience doing all these things. I'm not going to go through these slides in detail. We've been doing this a long time, we have a lot of cities that we work with. We work with cities of all kinds of demographics. We work with cities up to almost 200,000 people. Many cities this size, 40,000-60,000 people very typical for us. All sorts of demographics. There's very little that we haven't seen. There are a lot of issues and questions that come up with specific people's circumstances. There are generally things that we've seen before.

The last thing would be that, as I pointed out, I came up here and I appreciate you time and I appreciate you all listening and I'll answer questions as long as you like, but we do this because we know it works. We're willing to get into arrangements where we make the bet that it is going to work because we know the results are always going to come. It is very predictable for us, even though it seems brand new to a lot of you. That's the presentation. Thank you.

Chairwoman Minarik – Councilman Van Ho, thank you for coming. My questions are day to day process because the concept looks like it makes sense. What do other cities do, the one that you showed of bags the complete length of the tree lawn, no that was not my house by the way. But, what do you do, we have a lot of renters in this city, especially on 222 here, you'll see the renter moves out on Saturday and if they're a good renter they put it on the tree lawn, but it may not get picked up until Wednesday. If they don't go buy the bags and they just buy Hefty bags or whatever and throw it out, how do other cities handle that when it is not really the landlord's problem that it happened? How do we handle that?

Mr. Dancy – First of all that's a great question and we were talking about it before the meeting because that is when it should come up particularly with a fee because the landlord presumably is paying the monthly fee. I guess, they may pass it through. In this case the renter is going to be responsible. I believe every city we have, the renter is responsible for the bags put out on the curb. Your point is, during that transition phase when someone cleans out and just leaves a big mess, my answer would be that sometimes I think if we know that's the case, that you can either ticket the homeowner, which is not particularly fair but is not totally unreasonable either, they chose the renter. But sometimes the city eats that group of bags and just takes them and does that clean up. That's the typical way they do it.

We would hope that we work with towns that are over 50% renters. Again I don't know your turnover here, but that is a great question because that is one that is kind of how do you handle it. That would be up to the city. I suppose from a compliance standpoint you could tell the homeowner that they're responsible for those bags, and that would be a decision in the ordinance. I like it to be fair and even but that's a tough one.

President Holzheimer Gail – Do other communities, you mentioned ticket, is that something that we could get a copy of how they do that? It makes sense to me if the city has to pick it up and they know this ahead of time and make it part of the rules that maybe instead of \$1 a bag we're going to charge you \$3 a bag if it gets left there and we'll ticket you. It gets put on, if it is a rental, they're not going to be able to renew their inspection if they don't pay it or whatever the case maybe.

Mr. Dancy – We can get you copies of other towns and how they've written that. I can also, if you want, do a survey of 10 towns your size and ask that specific question. The beauty of this is that everything is public information and people like to share how they've solved these problems. That's not an unusual question.

Councilman Van Ho – What's a normal charge I guess is what I'm looking at, not for the bag, but for once again, when somebody moves out and they're getting rid of a refrigerator or range or something like that. Is there an average type of charge that would happen there?

Chairwoman Minarik – That falls under the stickers, the hybrid program, which Waste Zero doesn't deal with that would be J&J or whoever. There's a sticker.

Mr. Dancy – The city would set the rate but I could get you examples of what other cities do for different types of items. Anything that would be a bulk item, wouldn't fit in the bag, would need to have a sticker and that's almost universal with pay as you throw programs.

Councilman Van Ho – It would also count for tree limbs that they would then need a sticker? We collect those now if they're bundled properly.

Mr. Dancy – Right now those going into, J&J takes those? I have to get back to you on that because ordinarily, I would think there's no compost option. They can be, I'll have to look into that, I don't know that. In many cities there's a compost option so that would fall under, be driven towards the compost or yard waste pick up.

Councilman Van Ho – That's basically all of my questions at this point.

Councilman Langman – Madame Chairman, thank you for doing the leg work for the presentation. This is very helpful and you should be congratulated on taking the effort. Mr. Dancy the reduction in tonnage, is that purely recyclables or is that also yard waste component?

Mr. Dancy – It is going to be a bunch of different things. Typically we'll say 30-50% goes into the municipal recycling stream, so your tonnage number we talked about earlier, if we drop 8,000 tons we're likely to get an additional 3,000-4,000 tons through the recycling system. When we talk about recycling and the other thing that is important to note and talk about tree limbs and things like that, in the municipal waste stream that 900 pounds per person per year that I eluded to, 35% of that is yard waste and food waste. It is very heavy. It doesn't matter that most places ban it, it still ends up tipping on the scales one way or the other. We see a lot of that go out. I don't have an exact number and obviously it varies from town to town, but part of it is that. Right now if you're deciding that you're going to throw all your grass clippings in your garbage, if you're paying for your bags, you're not likely to do that, you may leave it in your yard, you may find, again I don't know what is available from a yard waste standpoint. You're not going to put it in the bag. That maybe 50 pounds or 60 pounds. That can be a significant part of it.

The other thing is we see an increase in clothing. Clothing is 6 ½% of solid waste. When I say clothing I mean linens, clothing, textiles. You'll see a lot of people will take their stuff to the Goodwill. Councilwoman Minarik was saying there are a whole variety of options for recycling in different types of drives and what not that people don't take full advantage of. Some of it is going to go there, some of it is going to private recycling places. More and more places are trying to take electronics at private locations. The private places don't count into the municipal total. The municipal total I would expect to go up about 30-50% of the tonnage reduction. The rest is going to be those other things. Then things that people are going to intuitively think about, some of it, is not going to save the environment, but some people are taking advantage of the system by bringing their waste from work if they have small businesses. They may not have a commercial collection, but they're just loading into your cost stream. That's going to be 5% of the change, I'm just guessing.

Maybe some people are going to take theirs out, since they pay for a commercial dumpster and take it to their commercial dumpster. That is going to be some of it too. That's not an environmental savings but it is a cost savings to the city. Whether that's 5-10% of the total, I don't know but those are things that people often point out and I think it does happen.

Councilman Langman – In the program that's proposed, would we still handle the pick up of the recycling bags, what we are currently doing? Or would we contract with somebody else to pick up the actual recyclables?

Chairwoman Minarik – I think the city would maintain the recycle program.

Councilman Langman – If we did go with something like that Director Smith would we be able to handle the increase in tonnage?

Director Smith – Probably a little too early to make that statement here tonight. There's a lot of factors that I have some questions myself that I would like to review with you. There are some other factors that would have to go into it with the bulky items and what have you. I'm not really in a position to answer that at this point in time without knowing the clear understanding of the program and the expectations.

Councilman Langman – I'm asking for a hypothetical, if we increase what we currently recycle, is our trucks big enough to handle that sort of jump? In other words, our goals were a certain tonnage level, we're not there yet, we could get there through this program, could we handle it with the current capital fleet and current manpower?

Director Smith – The answer to that question Councilman, in my opinion would be that we do have capacity with the crew that we currently have and the equipment we currently have. To what extent, that is still going to be questionable because it is going to vary based on the expectations.

Councilman Langman – Finally Mr. Dancy, you mentioned education component. A lot of folks don't know anything about composting and why recycling is important. In past experience how easy or difficult is that to overcome that lack of knowledge?

Mr. Dancy – I would say easy and the main reason is that most of it isn't that hard. If we're talking about backyard composting, I'm using that word maybe in the wrong way. I'm saying if you take the catcher for the grass clippings off and you just leave it on your yard, I'm using that as composting. If you're talking about what goes into the recycling bin and what doesn't, it is pretty easy. The problem is most people who aren't motivated never look, or a lot of people aren't motivated to ever look. This is going to be the first time they are motivated to start trying to think about it. What we typically do is send out a bag and a flyer. At every subsequent purchase of bags they have a flyer that explains how to get the information off the web, what can be recycled, we can even put things on the bag that says what can be recycled. There's going to be a lot more talk about what can work, what won't work. What I will say is that in Springfield, Massachusetts they have a material recovery facility where recyclables come back from dozens of our communities. They've said specifically they have not extra residual like garbage ending up in the recyclables any more than the other towns that they work with. Somehow the education is working. My thought process is that right now we work on recycling education. We try and teach people through commercials, through information, through the internet, through whatever. If you take a hands on lesson, that's the most effective way to do it. Right now the hands on lesson that we teach every week is you can throw out as much garbage as you want, for free. That's the lesson we teach every week right now. So instead we're going to be teaching a lesson, no it has a cost to throwing away garbage and that is what drives people to figure out, now what do I have to do. There are these little decision points. Many people never get to it with recycling, they just don't. This kind of forces you to read what is already out there and look and ask your neighbor and to figure it out.

It has not been that big of a challenge. That said, letting everybody know where to get bags, that they have to do it, what is and isn't recyclable is our job at the outset. I will also say the first month, for Mr. Smith, is a little bit challenging. It is going to be a little bit J&J since they're out there doing the collection, but those folks got to know how to follow the procedures and what to do if somebody is not complying. The first week, not everybody is going to do it right. The second week more will. The third week, and by the fourth week you're usually 99% complying. It does take an extra effort to start out, once it gets rolling after the first month, it works.

Councilwoman Jones – Thank you Mr. Dancy for the presentation. Can you explain about the process with the bags in the stores and how the stores get involved in the bags? I wanted to know the other locations that you mentioned that have the bags in the stores, are they chain stores that may have different locations in different states and you would just be targeting that one location, are chain stores more apt to come onboard that program? Is it something in the contract that would say a store could not increase the price of the bags?

Mr. Dancy – the ordinance that would be written, if it is an ordinance, I maybe using the wrong language, would state what the retail price of the bag would be. The stores would be, if they wanted to participate would have to follow that pricing structure. The big stores have an ability to buy locally, they don't necessarily like to do it and I'm not going to mention any names since I'm on TV. They don't necessarily like to do it and sometimes it is a challenge but we work with those stores all the time. Drug stores, chain stores, mass merchants. We also work with the local stores. What we would probably do is meet with your controller as to what type of standards, credit limits and things like that we would set with the stores. The reason they want to participate should be because most of the things that aren't being recycled right now come out of their stores. For the logic of, they want to be green, most of them advertise that they want to be green, so they should want to participate for that reason. The second reason, if in fact it is the ordinance, every household in Euclid is going to have to buy these bags at some point in time. If they want people to walk through their store, and not to their competitor's, they need to carry the bags. That's generally how it works.

Councilwoman Jones – A store carries the bags, I'm a shopper coming into buy the bags. I'm paying the store for the bags. Is that a separate invoice that takes place or I can purchase the bags along with everything else?

Mr. Dancy – The store buys the bags in whatever quantities they ask for from us. At that point Euclid is realized the revenue from the fee. It is in the store's responsibility to keep track of their own shrinkage and loss and so forth and collect the money just like they would for milk or eggs or anything else. The transaction with the city is essentially happening when we deliver the bags in bulk to the store. That's why it is so simple is that it is like any other transaction to the store and to the resident. It is seamless, they're buying bags anyway. They're really not doing anything differently at all. The stores aren't doing anything dramatically different other than buying from a different vendor.

Councilwoman Jones – It would be the stores that would pay the city the money for the bulk bags that they buy?

Mr. Dancy – Yes, they could either do it through our accounting system where we'll set a bank account for you that would be your finance folks decision on how that's handled. If you didn't want to do the collections and the receivables and all that, we could do that for you. That's kind of a la carte, however you want to do it. That's where the transaction is really happening.

Councilwoman Jones – The ordinance would state the detailed information, so would the contract be with Waste Zero for the bags and then a contract with the city and the store as far as the payment?

Mr. Dancy – The way we typically do it is when a bid or RFP process and then as part of that we would make as a proposal an agreement with the stores and then the stores would agree to terms and conditions with the sale of the bag. I think typically that is between us and the store but it could be, again what we've found is because we're doing these things over and over and over again, that we can do them fairly quickly and fairly easily versus the number of people in the town that might have to get involved in a decision like that. Your legal advisor would say and your controller would set the rules and we would follow them. It would be our obligation to do that.

President Holzheimer Gail – Thank you Mr. Dancy it is certainly an interesting project and idea. Of the city's that you work with, do most of them have staff in their city administration or staff that are dedicated to this program in anyway?

Mr. Dancy – No.

President Holzheimer Gail – In the city's that you worked with, do you provide the accounting for most of them, would you say that's a more common option?

Mr. Dancy – Yes.

President Holzheimer Gail – The part that is tricky for me to think would be easy would be the enforcement and the education. That's the struggle and I don't know if you could give some examples or if we could talk through that a little bit in that transition process, if somebody puts the wrong bag at, J&J I'm assuming would be told to leave it.

Mr. Dancy – Our recommendation wouldn't be to leave it, but we could provide a notice to either put on the door or on the mailbox or wherever you'd want to put it. I never recommend leaving garbage on the curb, and some towns do that. But, that can be dicey because if the person is not there, you can have some real problems. We have a couple of different ways that we can help people track and I'm sure J&J has it to, is they can press a button with a GPS that flags the address; they have somebody out picking up the bags so it is not automated. They can put a sticker or notice but at some point in time the city has to come in if somebody is not complying and get a ticket. That happens and it is not frequent, but that went to one of my critical success factors, if you don't enforce it, it is not going work. If the ticket, I'll throw out a number, if it is a \$50 fine or \$100 fine, it is not going to take too many of those for people to, I've never heard of anyone winning, I've never heard of anybody appearing to fight the ticket. It has to be enforced. At the end of the day that's the one thing we can't, we try to do as many things as we can to make it simple, but it has to be enforced, it has to be a decision that this is the right thing to do. When you think about it, it is really the fairness to the other 16,900 people who are doing it right to enforce it on the person who is deciding that they don't want to do it right.

Councilwoman Jones – I have a question that goes along with that, other cities that already have this program going and maybe the starting stages of getting it enforced, now that we're in the economic times that we are where there are some vacant homes and someone leaves their black bags out in front of a vacant home and we go through the process and the homeowner gets ticketed for those types of bags if it gets to that point. How do other cities handle that type of thing? I know you mentioned enforcement, but this is a different type of enforcement where it is not that property owner, that person living in that household that left the bags out, but it is someone else who is leaving the bags out in front of that house. Is that the same type of enforcement?

Mr. Dancy – Two things, one is the rental switch kind of thing where somebody is moving out. The other one is what we call illegal dumping. I've never gone to an initial meeting where that is not asked. In my experience, it has not been a significant problem anywhere. That's to say it is not a problem or an issue at all. I have some DPW Directors that I work with who pride themselves on going threw the garbage of an illegally dumped bag and looking for names, receipts and things like that. I'm using the extreme but I have people that are very zealous. The vast majority of people don't have to do that and it has never been a significant problem, it has never risen to the point where anyone has considered not doing the program. If we go back to the beginning when we talk about \$300,000 a year in tipping fee savings and reducing waste by 40%, it comes down to if there are a handful of people that violate, are we going to let them stop this public policy? None of the towns have experienced enough of a problem to have that. If I talk to and I would love to give you all references and all that if we want to get to that point, to talk to other cities, but I think you won't find a city that says it has been a major problem at all. Most cities will say it is no problem at all; what you had before, you'll still have. It is typically bulky items, couches and things like that which get dumped in the woods and that type of stuff. That's more than bags.

President Holzheimer Gail – Of the communities that you worked with, is there a mix between some that provide their own waste collection as a municipal service? We contract ours out. Is there a difference in results in that situation?

Mr. Dancy – We work with all the major haulers, we work with, we actually provide some product for J&J. I've never seen any difference at all whether it is between those that do and those that don't. The community I cited earlier, Mauldin, they're folks in the administration and that's one of the fellas that actually rips bags open. They contract with a private hauler and they went from five routes a day down to three routes a day because of the efficiency. Private hauler should love this because it makes their job easier. You're not picking up 3-4 bags at every stop, you're picking up 1 ¼ to 1 ½ on average. It is a lot easier. They should love it, they should want to do these extra things that we're talking about here.

President Holzheimer Gail – I don't know if Director Smith would have this information, but I'm curious whether that would require any kind of contract change. We're paying per household. If we were asking them, I'm guessing they're not going to want to do our enforcement. If somebody put the wrong bag out, they're not going to want to get out of the truck, I don't know if we can give them the authority. Some of those things we'd have to look at, can they write the ticket for a house and put it on the door? My guess is they're not going to want to do that under the current contract but I don't know.

Chairwoman Minarik – Law Director, do you have any opinion on that?

Director Frey – We have a five year contract that has a per month household pick up fee. We have the per ton tipping fee and the terms and conditions are not only the contract but in the bid documents. We did not provide in those documents or in that bidding process to have the contractor do any kind of enforcement. It would clearly be a change in the contract and we would have to negotiate those changes with J&J and get an addendum to the agreement. Whether that would have a cost impact, I can't say. Whether we could fairly argue and they would accept that the reduction in the amount picked up per household more than offsets those enforcement costs, that's a good discussion and we would best to have some data to present. If you've worked with them, there maybe some acceptance already of the concept.

President Holzheimer Gail – The other question I had was back to yard waste. Do you in any cases have separate bags for yard waste versus other waste, grass clippings, things like that?

Mr. Dancy – The answer is yes, we have cities that chose to allow people to use clear bags for yard waste or something like that so you can identify what is inside of it. It is not the norm but there are towns that do that.

President Holzheimer Gail – I don't know if we're quite there yet, but you had mentioned guarantying results so that sparked my attention of course because part of our, certainly the garbage fee if we were to adjust that, remove that, that's some revenue that we have needed for two years. I don't know if you can talk a little bit more about that.

Mr. Dancy – There are two things that we can do on the revenue side. Absolutely we can guaranty based on the price of the bag, we'll do what we call a trash metering agreement where we'll guaranty a certain number. If your revenue slip below that number we'll make up the difference. We can look at different pricing structures. I'm not necessarily a fan, in fact I'm not a huge fan of totally eliminating the fee, I'd like some type of hybrid and that is where a guaranty would be really good for you because then you're assured of your revenue. In part because you have a contract that is based on a per stop, that's a long term contract. If we do better and we get down to 55% reduction, the revenue from the bags goes down. Depending on how it is priced, the offset in the reduction in the tonnage cost may not, it may start being a revenue loser for you even though you're saving money, it is saving the residents money which is great, but from the city's budgeting perspective, that could be a concern. The answer is yes, we could structure something that we will guaranty the financial that you'll hit the numbers from a budgeting perspective.

On the saving side we can guaranty a portion of the savings. Or we made a proposal the other day that we didn't execute but where we guaranteed a fixed amount but then we got what was over that, the town didn't like that particular proposal. If we're going to take risk, there's got to be some reward potentially for us as well. We can lay out a whole bunch of different numbers if we got to that point. At the end of the day, there's no question our costs will go down, we would do a guaranty on that and there's no question that we can based on the price of the bags predict the revenue.

President Holzheimer Gail – What is the average price per bag in other communities?

Mr. Dancy – I don't have a specific average but I will say many communities would do a \$2 large bag and large has many definitions but usually it is 30 gallons or so. \$1.25 for a small bag. Eighty-cents for a senior bag. I'm just throwing numbers out. It could be \$1.70 and .50. It just depends on how much you want to make sure

you get from the fee, how much you want to reduce the fee and how much you want to make fixed and how much you want to make variable. At the end of the day, no matter how it is priced if it is structured properly the residents as a whole spend the same or less collectively. That's the goal of the pricing structure. If you did \$2 a large bag, you would almost have to eliminate the \$108 fee, it would be close. I get nervous because you've got a per stop contract on almost 17,000 households that is fixed. Does that make sense?

Director Frey – Have any of these communities, I'm assuming we're not unique in a per stop contract, the contract that has the per stop and tipping variable. Do any of the communities that you work with have that fixed stop cost as either a monthly charge or an annual charge that is paid by all the residents and then have a very low per bag fee? If this were at \$6.30 per household, all 16,000 households would pay that \$6.30 per month. In our case we're doing it as an assessment on property taxes. They would all pay that and then that variable per ton tipping fee would be the bag charge. Are you set up like that any place?

Mr. Dancy – What you're saying is extremely logical to tie the fixed cost to the fixed fee and the variable cost of the tonnage disposal to the bag revenue. The answer is that is very logical but no, normally people don't do it that way. People have their own different ways of deciding how they do things. But from a logic standpoint that makes sense. It still enough of an incentive even if the bag cost is very low, but I do think we like to have the cost of the bag high enough that it is a trigger point where people are actually going to change behavior. You don't want it to low.

Director Frey – Typically the communities that you work with, typically recover the entire cost of their garbage collection through this?

Mr. Dancy – If it is a garbage like you have ...

Director Frey – We're not collecting the whole cost of our garbage collection in our annual assessment.

Mr. Dancy – The answer is that would always be my recommendation that you structure something that covers the whole cost. That would be my recommendation. When you have to come back to the general fund at a certain period of time from a public perception standpoint, that makes it sound like the program isn't working, when in fact it just may have been set up wrong mathematically from the start. Our job is to try to help make sure that you all don't do that but at the end of the day people make decision for a variety of reasons from a pricing standpoint.

Director Smith – I would like to thank you as well for coming out tonight and giving some insight into the program. A few questions, I did a little bit of research earlier this morning on the pay as you throw and we've had some other discussions on it. I would just like to touch base on the math to begin with and then maybe get into the numbers a little bit. It certainly appears a lot of the effort has been or at least a lot of your reference in your website is associated with Massachusetts so that's kind of where I focused because you seem to refer to them quite a bit. Where we're currently at and this number wasn't offered by Director Frey, the number is actually \$108 per year and then there's a reduction for seniors, \$2 equating to \$84 per year. When the statement was made that that doesn't cover our cost our actual fixed cost would be about \$123 per household per year. That's basically where we're at.

Utilizing some of the figures you had indicated, one bag per week on average seemed to be a fair number give or take maybe slightly more. Fifty-two weeks in a year, that would bring us to \$78, just doing the straight math. That would not include any bulk items whatsoever and that would not include any yard waste or anything of that nature, as far as \$78 goes.

When I checked with Mauldin and I spoke to the Public Works Director this morning, he was complimentary of Waste Zero. He said you have definitely helped facilitate their community in getting their program moving along. A couple of the things he told me that were a little concerning, when we got into the program, he stated when they began the program they required 8 compliance officers to get the program underway. He did not give me, nor did I ask him, maybe I'm remiss there as to the timeline when that number has been reduced. He told me the current staff associated with the program is one compliance officer, one hearing officer and then some part time supervision. Basically two plus personnel associated with the program. When they have an issue with someone leaving a bag out that is improperly tagged or overweight, it is a \$300 fine in the mail and that's the position of the compliance officer to physically go out, photograph the bag, weigh the bag and then it is handled through the mail. Does that sound accurate because that is what they had shared with me?

Mr. Dancy – What I would say is the man hours that these people spend, I don't believe those are full time positions. He may disagree, was it Bobby Knox that you spoke to?

Director Smith – I believe it was the Public Works Director, I have his name jotted down back at the office, but he was the representative from the website.

Mr. Dancy – I don't believe that anyone has full time people doing that. Back to the eight people, I think I said the first month you're going to have to commit some resources. We would certainly be willing to contract out to help you do that, but the first month people need to be followed up on to make sure they're complying. If you said 8 people, they have about 20,000 homes so they're a little bit about your size, a little bit bigger. I think they over did it, if I can say that. I don't know any time that has a full time person doing that, that would be new to me. The \$300 that's their choice, you could make it whatever.

Director Smith – I would tend to think if you had a hearing officer, a person specifically hired to be the hearing officer that they must have some regular concerns, I'm assuming that.

Mr. Dancy – I think if we got the number of incidences, if they have a full time position, then he's probably not that busy.

Director Smith – Fair enough, I can confirm that. When I went to the website and I just went to the Massachusetts municipalities with the pay as you throw program, as of November 2010, I'm sure you're familiar with that. They list, if my math is correct when I go through about 127 communities that are utilizing some type of pay as you throw program. I certainly agree with your initial comments where you said the EPA is very broad in what they define as a pay as you throw program. I'm from Trumbull County, a little southeast of here, that community that I live in is listed as a pay as you throw. I have 96 gallon bin and if it is empty, if I have bags beside it, it makes no difference, I still pay the same fee, but they have me listed. I understand and I certainly agree with it.

When we look at the list of 127, I think I got it from your website, there is a link, so if anyone had an interest, of those 127 communities, it looks like \$70 actually have the fee in place in addition to the bag cost. Some of the fees I was a little surprised by the amount. The only reason I'm saying that and I won't go through them all and I'll just give a quick snap shot, the fees ranged from \$50, \$25, \$138, \$180, \$30, \$170, \$74 for six month, \$80 that was a reduction in Dartmouth. The list goes on and on. There's some reductions for seniors I noticed. \$175, \$275. If I'm understanding the spreadsheet correctly, that's in addition for stickers for the bulk items and that's in addition to the cost of the bags.

Mr. Dancy – Correct. That goes to my point of a question that was asked earlier. I don't know why some towns do the way they do things. Sometimes they actually have more revenue, they include more things than the Public Works Dept. and certainly the cost structure is a little bit different in that area. Again, you can see one is at \$30, one is at \$280. We don't make that fee. That's totally up to the council, but it just illustrates my point earlier, I don't always understand why the fees are set where they are.

Director Smith – I know Mauldin indicated they're not quite covering all of their cost but hopefully and they just suggested that would be their goal, but they're not there at this point in time. The one point is the \$108 looks pretty good at this point in time when you consider the fees, that range on average, \$75-\$100 give or take being conservative on the bags, that's \$78. It would seem there is some expense associated with that. It would appear that there will be some potential for administration cost and/or hearing cost and I haven't factored in any of the bulk item cost. What I did do is pick out some of the communities, a lot of the ones listed here have a much smaller household count than the City of Euclid does, so I just started to highlight some of them. You might be familiar and you might be representing a lot of these communities, it was the Mauldin community, Amherst. One of the other keys is where we're a little different, when we talk about the yard waste and the weight associated with the yard waste. I didn't do a specific count, but it would assume that about 80% of these communities have their own transfer station. Part of the process is where the resident is actually required to make a delivery to the transfer station. Many times they have to purchase a sticker and put on the rear window. If they sell the vehicle they have to peel it off or purchase a new sticker and the stickers become part of the fee process. There would seem to be some challenges associated with that on the frequently asked questions, what do I do if I sell my car; what do I do if I have a different car that I want to take to the transfer station. We don't have capability here. We don't have an operating transfer station at this time. That would be another issue associated with the cost.

Mr. Dancy – The majority of the towns in New England because they don't have County government, every little town has their own government. The majority of towns probably do have transfer stations, smaller towns. If you take the majority of people, so towns that have 20,000-50,000 people, they are much more like the model that you have here. Those are the ones that I would compare you to. If I was going to give you a list of 10-20 people to contact like you did Mauldin, to pick and chose who you want to talk about exactly the good research that you're doing, I wouldn't give you towns 4,000 people and a transfer station because it would not apply.

The other thing I want to make clear is that I'm not being critical of your cost structure at all. \$123 per household is good compared to some that are \$300 and up it is terrific. I'm just suggesting that we can reduce the tonnage.

Director Smith – I appreciate you coming out and I appreciate the information, I just want to be sure that Council has a very clear understanding of the program when they make a decision on considering the implementation of something like this. I do believe the one key component is the transfer station and obviously those would be costs associated with manning that, much like all of these communities, that is certainly a cost that doesn't necessarily show up in all the spreadsheets is what I'm saying.

To answer some of the questions that had come up. Once again so Council has an understanding on the way the bulky items have been priced, doors and this is just one community and you can tell me when to stop, I'll just give you a snapshot. Doors, rugs, \$10. Mattresses from \$10 to \$20 for queen or king size. Appliances without Freon, \$15. Refrigerators, freezers, air conditioners \$25. The annual sticker to utilize the transfer station, this was Amherst was \$75 per vehicle. The bags would be on top of that. These were right off the website, it was very convenient to get to. Some of the transfer stations were actually a base rate. They just charged a flat fee if it was a car, if it was a truck and one city was \$10, base rate for six months was \$80 in one of the communities.

Chairwoman Minarik – Why are you bringing up transfer stations because we're not utilizing them?

Director Smith – As far as a lot of the comparisons when I went to the Waste Zero website, a lot of the comparisons are associated with Massachusetts. Some of the links were directly tied to the Massachusetts Department of Environmental Protection. A lot of the cost is we know the yard waste is heavy. Those communities are requiring the recycling of the yard waste, but to do it, the resident must deliver it to the transfer station. That is how the cost would factor in, that would still remain a cost to our program.

Director Frey – The point is that wouldn't be a part of what we would be charging, presuming the person wouldn't use the bags, buy the bags to throw away yard waste, these communities have a yard waste alternative but they charge for it. We just recognize that if we go to those steps, we're charging a separate fee and it makes sense, it is consistent with this concept where we're charging a separate fee for the use of that recycling facility, short of, as Mr. Dancy said, you leave the clippings in the yard or you do your own composting on your property. If we are trying to drive that behavior that this stuff is not going to a landfill, those communities have a cost that they're residents pay for that.

Chairwoman Minarik – I think even if we were to, say down the road, do three pick ups in the spring for yard waste, one in the fall, if the city absorbed that, we would still have to take it and till pay a processing fee, so there would be a cost in addition to man power and probably have to buy another truck. I understand all of that.

Mr. Dancy – I think you're accurate in that most towns that we work with do have some form of yard waste collection. It is generally not every week, it is generally periodic as you cited. Or, they may have a transfer station. Off the top of my head, I don't know if there are places that offer nothing with regards to that. It is something to look at, I don't know. I expressed a little bit of surprise when the question came up earlier because most towns do have some form of yard waste collection that is offered.

Director Smith – If you have any more questions on the bulky items I have a complete list of the communities and the cost per item. I can forward that or summarize it.

Councilman Langman – Director Smith, you might know this, what do some of our near neighbors do, like Cleveland Heights, Westlake. I'm pretty sure Westlake has their own composting program for yard waste of some type?

Director Smith – I'm not sure.

Councilman Langman – What about Cleveland Heights, I know they have a separate yard waste collection program?

Director Smith – I know what different communities do but I couldn't pinpoint which ones do and do not.

Councilman Langman – Another thing we have to consider is that currently the recycling program is being covered by the grant. When that grant runs out, we'll have to absorb those costs if we're not earning money on that. As we go forward we should keep that in mind that we're going to have to do something to increase our tonnage of recyclables. From the latest figures, it is not heading in the proper direction. We need to factor that in as we move forward. Madame Chair since you did bring us this idea and Mr. Dancy and this firm to our attention, what are your intentions, what do you think we should do next with the information we've heard tonight?

Chairwoman Minarik – I would like to see something on the June 20th agenda. I truly believe this Council has to make a decision by June 20th. Are we going to extend the tax or the fee for another five years; are we going to reduce it or eliminate it, that means massive layoffs. Or, are we going to implement a pay to program. We have three choices. The Mayor has indicated he needs to know this month what we're going to do. I throw it out to the council, what do you think is the best way to go?

Councilman Langman – I don't think you can make a full decision based on what we've heard tonight on the level of the fee whether we reduce it or not. That decision, I won't say is separate, but you do have factor in that we do need to make the decision while we work on the program all the variables. We may come to some compromise position on the fees, while we work on this. It is like an interim basis. I know some council members want to extend it for a year or two years versus the five, that should be part of the discussions. I'm not sure that the program right now can be the driver of the level of fees. Good start, we need to pursue it, but again, that can't be the sole driver of the levels we set. Thank you.

President Holzheimer Gail – I agree, I was going to make a similar comment. I think the consensus that I've heard from council is not the five year certainly, one year possibly two years, while we're pursuing the Ad Hoc committee. I think this has merit to pursue and my question to Mr. Dancy is you had mentioned the next step would be a proposal, then a bidding process. How long does something like that take? The proposal that you would give I would assume would explain everything that your firm would be able to do, help us outline a process to implement, come up with what works best for our community and how to implement that. I'm assuming there would be a cost to that. The bidding would be for the bags?

Mr. Dancy – There would be a cost for a proposal, I'd be more than happy if Mr. Smith would share any information with me and some time and go through some questions so I can get all the details. The yard waste is a good question that I wasn't prepared for, walking in the door today. We could do a matrix of some structures of revenue and savings projections and all that to try and get something that would be concrete enough to, where we'd feel comfortable saying we know that's the number you're going to hit, or this is a percentage of the number that you're going to hit, that we're willing to back. That process will take a matter of 3-5 phone conversations back and forth until I could get all the information that we would need, then we'd write something up. We certainly wouldn't charge for that. The longer term process, it has to go through a public bidding process, you'd have to bid, typically people bid for a package of services but however you would do it. We go from just making bags to doing the whole process it is ala carte, whatever you think is best. People bid it at different levels. If we're a selected vendor, generally we like to have 8-10 weeks before we started with bags on the street. If that gives you an idea of how long, I don't know how long you're bidding and reading process goes. Once we've got the go ahead for us, we do this all the time, so it is systematic. Your residents have to be, there's got to be press releases and that type of thing to make sure people understand what is going to happen. Some people like three months to explain it to get the word out there. I don't think you do. If you wait too long, people forget so you've got to agree, act and implement within a reasonable timeframe so people are prepared for it. They may not love it day one but they get the hang of it very quickly.

President Holzheimer Gail – Is there a better time a year to start?

Mr. Dancy – Not really. We typically start after fiscal year starts from a revenue standpoint, but we do start ups all the time. Avoid holidays, so if it was January 1, we wouldn't want to start on January 2. July 4th, you move it back.

President Holzheimer Gail – I would be in favor of going ahead and getting a proposal. I think it is too early to make a concrete decision not knowing what that proposal is going to entail. I don't think the city is in a position to add extra tasks or have our current personnel doing a lot of extra work. We are going to have to look at hiring the expertise to do the education, to do the initial, a lot of the work that would need to happen for the start up.

Chairwoman Minarik – There is a book the State of Massachusetts has put out on how you get the community, all the steps. One of the big things is a citizens committee. My thinking was that a citizens committee could be formed, similar to Memorial Park, similar to the Dog Park. They spend 8-12 weeks working together, going through all the different scenarios and determining what is best for the people of Euclid, what's fair, what's environmentally sustainable, what is economically sustainable. To Director Frey, do we have a drop dead date that we need to know about extending that tax before the Mayor starts thinking about?

Director Frey – We have to send the assessments down to the County in September. The last date we can act to do that is the first meeting in September.

Chairwoman Minarik – That is what gets the money upfront, as soon as the bills go out we collect the money.

Director Frey – If we don't send out the assessments in September we miss that tax year and we're back to the borrowing.

Chairwoman Minarik – Is it possible, we get a citizens committee together, we start working this through the summer and come August we meet again?

Councilman Langman – You definitely need to keep going on the process, you can't wait and then make a decision. I'm not sure the timeframes are harmonious. We can see it really depends on how much progress we were to make on a proposal. I did want to ask a couple of questions, Director Frey, if we engage Waste Zero in helping us develop a proposal would that then spoil their ability to bid on any other aspects of the potential program?

Director Frey – Not necessarily. The Council has the authority to waive bidding to engage individuals on a per task basis. If they were to develop a proposal for instance, develop the proposal and we went out later and bid for bags. Unless that proposal was so written that it would only favor their bag as the suitable supplier, that wouldn't necessarily prohibit them from providing it. If they wrote the bid specs, if you will, in such a way that they could be the only successful bidder, clearly there would be a problem with that.

Councilman Langman – That is something to keep in mind. Mr. Dancy a question for you, we have several large apartment complexes and some smaller ones that are not on our waste stream, private haulers. Has your company done any work in that particular area?

Mr. Dancy – Every multi-family unit that's got its own private contractor we consider commercial. It would be like any other commercial establishment. The answer is, once you get to a situation with dumpsters, we don't have a method of accountability. The process, we've come up with some clever ideas, but we've never implemented anything. The answer would be no. Commercial has its own set of challenges and residential is a different animal.

Councilwoman Jones – This is more of a question/comment. Right now the way the fee structure goes for rental properties, single family, duplex or the small multi-families, that fee right now is for the tax assessment. A renter may not realize that they're still getting part of that fee because the landlord chooses to increase their rent by that fee structure. With this process, it is going to be the actual person living in that property that will be purchasing the bags and taking care of whatever the enforcement fees or anything like that is. It would definitely need a strong education part not only for the tenants that live there but for the landlord as well as the turn over for new tenants come in. I like the idea if we kept the same fee structure for one more year while we work through this process, however amount of time it takes. I know Law Director Frey you said that has to be submitted by September to get it on the tax assessment. If we come up with a pay as you throw program that we decide to implement, we want to implement by the end of the year, we can rescind that by December is that correct?

Director Frey – I believe that is correct. I believe there is an ability to remove an assessment from the taxes. I'm not sure when you're doing that on a wholesale basis like you're suggesting how feasible that is with the county. That is something as part of this process would need to be determined. The reason we need to give them the lead time that we do is because it is such a volume to add. I'm assuming to remove is a similar task. It is one thing to send that volume to the county assess and then say Council person Van Ho is exempt for some reason from that assessment to send a specific letter rescinding that assessment. That's pretty easy. I don't know whether removing all 16,000 assessments would be quite so simple.

Councilwoman Jones – To do an assessment, is that a fee the city pays overall?

Director Frey – We pay the county some percentage, I don't recall what that is, for the collection of our assessments. There is some small percentage that we pay to them for collecting those for us.

Councilwoman Jones – I just want to throw this out as an idea, if we come up with a proposal and we figure out what all the other fees would be for bulk items and things like that in whatever amount of time we need to do that, is it an option that we want to put it on the ballot in November to either go with the, to keep the current fees that we have or go with a pay as you throw. We probably have enough time to get some proposals and education. I don't know if we have enough time, just thinking it is an option we may want to think about as well.

Director Smith – My one question was associated with the bulk items when we're talking about the proposal. I know your company doesn't necessarily do that, but do you work with someone, would that be part of the proposal? Are we talking an independent proposal to address the bulk items?

Mr. Dancy – We could do a joint proposal with a sticker company. We just don't work with stickers directly. We could do that and again you've already looked up and gotten a list of the different pricing structures. I don't know what, but we could do the distribution of the stickers and all, that's not an issue to store so people have them readily available rather than having to come to town hall. We could certainly make it part of our proposal if that needed to be in it.

Councilman Van Ho – I think the concept is great but I agree with the Councilwoman that we probably need to put our fee structure in for another year. The other caution that I would have is that we let Director Smith or someone knowledgeable who would not in any way be able to bid or propose on this. If you let Waste Zero write the specs and they get the contract whether it was all above board or not, there's going to be a perception of inside, they had some type of an advantage. If we take the time, as you always tell me when I want to push something through, we need to take the time to do this right because it is so much a percentage of our budget that if we screw this up we automatically just start laying people off in huge numbers. If we can get it up and running in six months, I'm sure nobody is going to get to upset if we take the last six months of the fees off of their taxes.

Chairwoman Minarik – It is more complicated than here's the program, let's pass it and I understand that. My thinking was, would you recommend we put together a citizen's committee because we do have people who are interested. We set a timeframe as to when to come back to Council with recommendations, is that what you think?

Councilman Van Ho – I think the best way would be to let Council digest what we've heard. Have a meeting, let Director Smith give us his thoughts in greater detail, is this a good idea or is it not. Then set up the, if we can get broad based support on council to do this, then go from there. Set up your citizens committee that you're talking about and go from there. Go through the competitive bidding process, that would be a recommendation and it will take maybe a month longer than it would if we just set up the committee.

Chairwoman Minarik – Let's hold our thoughts. Anybody from the audience would like to come up and speak at the mic and give us your thoughts and impressions.

Director Frey – First of all, did you suggest it was 45 gallons per week per individual in a household. Per household total. So a typical household is going to put out about 45 gallons a week of trash, bagged trash.

Mr. Dancy – A little bit less but roughly. I've talked so much I don't want to talk any more but there is in Massachusetts since we've talked a lot about Massachusetts and several other states, well Massachusetts specifically, they have a State contract with written specs that there are three companies that are all approved vendors through the State. I don't know if that helps in the bidding process but you can certainly use their specs and that might make at least part of the process easier.

Director Frey – I know you're a bag manufacturer, why not cans?

Mr. Dancy – Just from a perception standpoint. If I can use an 8 gallon bag this week and a 13 gallon bag next week. I'm going to try to use the least I can. It is a psychological thing. If I have a 96 gallon can, I'm going to fill it up. That said, we work in towns that have 96 gallon cans and automated containers with bags inside, I'm not going to get into that complicated discussion. Your town is fairly simple compared to a lot of the things we do. The smaller the unit, the more control the individual has, the more likely they are to respond to the pricing stimulus.

Director Frey – One of the reasons I'm asking that is because we do have an alternate is our contract that allows for the automated. It is cheaper typically to be expected. In those communities that use that automated picker with the bags inside, you've got that thing coming up, how do you make sure you've only got?

Mr. Dancy – Single driver looks in the camera, the same way he presses the button.

Director Frey – So there is a technology that would allow some type of auditing.

Mr. Dancy – The results are dramatically different.

Mr. Christopher Michael Litwinowicz – 21970 Morris Ave. Can I get five minutes on one resolution and five minutes on the other? Or is it five minutes total since you have two?

Chairwoman Minarik – It is five minutes total.

Mr. Litwinowicz – I'll take the first two minutes on Resolution to reduce landfill. By starting the recycling program back and purchasing of fiscal year budget, you're actually going to hit your 50% over the next five years. At the same time, we have three established businesses that our government grant ran. One is Empire on Babbitt; one is on 260th and one is on the coastal border of Cleveland and Euclid on St. Clair and 185 which is Nottingham. On this resolution I expect or the voters expect that all of council, you would want to reduce it because we pay a fee. You're here to get the fees down.

Concerning the fees, I'm not going to go into detail, but the citizens are really upset about the trash. I'm going to pass my time and just go into the other ordinance. The pay as you throw to stay on topic. This is a business man and I can press up a bag too. But some of the residents are going and low income housing in Euclid. So the residents really do not have, how much is the charge fee right assessed to the property value, \$6.35? \$9 a month. His fees right now with bags is a \$1 per bag.

Chairwoman Minarik – It is whatever we want to set it at.

Mr. Litwinowicz – Think about it. A garbage can will fill up 4 bags, 5 bags if you squish it. People have to cut their grass, you already have ordinances telling these people that they've got to pay \$10-\$20 for someone to cut it. I oppose and the citizens oppose this ordinance. You'll see more and more people on this ordinance moving out of the city of Euclid for trash. It is bad enough Cleveland picked it up and now that we picked it up. At the same time, this ain't a campaign issue, but that's something I wanted to discuss with the city next year, regardless of what happens.

As far as to encourage the lifestyle to reduce, reuse and recycle, everybody should do it. But we shouldn't be penalized on a bag that actually says City of Euclid, correct? At the same time even if the city rated a quarter per bag just for instance, we already have an establishment where we can make money. Getting back on to the ordinance, what is the total number that we pay for fees if it is not assessed? If we're looking at this being an asset, how much is the trash every year pay? We have to pay as a city but we pay only a percentage and we have it put on our property tax. The total number is the capital budget for what we have to spend for recycling/trash. When you're asking them to reduce the waste, you're actually recycling a lot of this stuff. It pays in hand. At the same thing, we have the capability of picking up metal but they do not pick up metal and they have the capability, if they're going to enforce your program I would induce that we would use the local recyclable places that's in Euclid as established in the city that they can get paid for that metal. With 15 seconds left, the citizens don't really approve to pay for bags when they're \$1.19 for 50-100 of them. It is like a sandwich bag. Thank you.

Chairwoman Minarik – Any other comments?

President Holzheimer Gail – This is probably a silly question, but people could these bags in their own can and they would still get picked up, correct? I'm thinking we always take ours out and put them in the garage in the garbage can and we can still pull the garbage can out, if it had two bags, I'm still buying two bags, but it is in a garbage can, that wouldn't matter?

Mr. Dancy – The idea of our program is to make it simple, user friendly. The way your system works right now would work ideally with a bag program. The answer is yes. If you hid black bags underneath it, it would be the same thing as putting it in your neighbor's yard.

President Holzheimer Gail – I think it is worth pursuing. I like the idea of a citizens committee that can look at it. Part of their goal or objective is whether bags are the best option or a can. I know other communities just do the tagging program where you buy a tag to put on your bag. It is important for us to know, when we started the garbage fee discussion this was when the pay as you throw was initially brought up, instead of, a more fair and equitable way to collect some fees for garbage. For example, if it is \$1 a bag, some people will pay more. I'm going to assume if we're going to go to this route we would get rid of the garbage fee. I'm not sure we could do both and justify it. That's my opinion, I think it is one or the other. Typically our family, we have a family of five, I would probably have two bags a week. I won't get into our garbage habits. For me, I'm going to come very close or maybe be over what I'm currently paying. I think there's more issues than just the cost. We also have to look at our long term garbage fees. We're going to assume that the tipping fees are only going to go up and from an environmental standpoint, less going to the landfills, those are all important issues and considerations as well. We get more money the more we recycle. If this also encourages recycling, that's additional income. I don't want anyone to think this may cost you less, it may not cost you less. It may if you're a single person or you have very little garbage, it may. That's all to be determined. It has merit to look at for a number of different ideas other than just the cost.

Chairwoman Minarik – I don't want people to get the impression this automatically is less expensive than the current garbage tax. It all depends on if you're willing to change your lifestyle. This is a booklet from Solid Waste District. It is 84 pages of where you can donate stuff to. Who is taking what and where you can send it

to. Let's 84 pages of stuff that you can get away that you won't have to throw away. It is a matter of mentally changing your mind. If you don't, you will pay more.

President Holzheimer Gail – I'm not sure, we're talking about two different things with the proposal. I'm not talking about them writing specs. I'm considering more of an RFP process to come up with a proposal of where we might go. I'm not sure whether we're looking specifically for specs. We're looking for a proposal of how we would implement this program and perhaps whether, I don't know if bidding is the right word, an open request for proposal process might be something the committee would look at.

Chairwoman Minarik- Would you like to meet again then soon to finalize all this?

Councilman Langman – I think we're going to have to. Without some assistance we're not sure what to put into a good proposal. A long time ago when we were looking for proposals on health insurance consultants we did talk to a few people to get a sense of how to structure it so we get the best responses to our RFP.

Chairwoman Minarik – Mr. Dancy, that is what you can do is help us with how to structure a proposal?

Mr. Dancy – Our concern is, the Service Director did a lot of research, there's a lot of research out there that is very helpful. From our standpoint what we want to make sure is that we explain from the towns that we've worked with what their success has been and how it has worked. Obviously your citizens committee or whatever can come up with whatever proposal they want. But there are programs out there, there are ways to do it, like Trumbull county as an example. You could look at Trumbull County on the EPA's website, it says they do pay as you throw. They do not. You can call them and say this is an example of pay as you throw and it is not. We want to make sure that if you do something, you do something effective. Along with clearly from a business perspective we'd love the business, but from a larger picture our company is interested in having success stories. We had a very large city recently that asked us to participate in a consulting project, we turned it down. We said we would help them for free because at the end of the day if they did a program and it failed, it would be on the national news and what we fight for every day, we'd have a black eye. Our perspective is we'd rather see you do it right and lose than see you do something that is called pay as you throw, isn't successful and it doesn't do us any good to see that. I don't know the answer. We'd help you in any way that we can. Whatever is legal we'll follow, we do it everyday. We're comfortable doing whatever you all think is the right avenue. We're more than happy to share any information that we have with you. The best source is our customers, calling them and asking them a million questions, you'll get everything answered.

Councilman Van Ho – You mentioned the State of Massachusetts has this under a State contract. I would think one of the real things that would give us a jump up would be to get a copy of that, circulate it out to council and give it to Director Smith.

Chairwoman Minarik – They do have a 74 page booklet that I downloaded, I'll send it to everybody. It does talk about how do you deal with community, all that stuff. It was designed to help municipalities implement these plans.

Councilman Van Ho – If they have a contract, if it is like the State of Ohio's contracts, they actually make a contract with three.

Mr. Dancy – They have three approved vendors.

Councilman Van Ho – The cities can just jump right in and say we're going on the State of Ohio contract. It would also give us an ability to look at it. If we talked to other people, the Devil is always in the detail in this kind of stuff. We'd be best served to get a copy of that State of Massachusetts contract, let Director Smith and his people take a look at it in detail and say, this sounds great or here is some of the problems that we see. You get into RFP's we're at a disadvantage. If we sit down and negotiate a contract with him, he's the expert and we're novices.

Chairwoman Minarik – I do have a concern, you know I'm for, PAYT. I get the impression Director Smith that you're not. My concern is would you be fair in helping us implement a plan?

Director Smith – I would always be fair, that's my whole job. When we were here and we were talking I know the comment was made about the personnel associated with the program and I think you're under the impression it would be minimal. When I checked with Mauldin, the information that was related to me was slightly different and that's the type of hidden costs I want to have a clear understanding. When we talk about the fees and this isn't anti-pay as you throw program, but on the Massachusetts site, 70 have a fee in addition to the bag fee. If there's no fee, the bags cost more. That is how it is reflected here. When we talk about the dumping, if there's any issues with dumping, this is just a straight forward math, 13% of the communities and

then it is a decision on enforcement and how much staff would be required for that. My function as far as making a recommendation is going to be based on the people I talk to, much like with the J&J contract. I believe they had 20 references, I contact each and everyone, they gave me their opinion and I did the spreadsheet and made the recommendation. Any recommendation I make is going to be based on the numbers and the conversations I have. I'll document the people I talk to, I'll document the amount of people they have working on the program, what the fees are, what the challenges were and then we can make a decision collectively. I'm not sure we're on necessarily the same page though, the contract you have with the State or the three vendors have, that is specifically for the purchase of the bags, or did I miss understand? Is that for more of a professional service?

Mr. Dancy – It includes logistics, our end of it does. It is primarily bags, different sizes, pricing all of that. From the advantage standpoint that you mentioned, it is true to a certain extent that since this is what we do everyday. From the other side of it, every price we have is public information. Our service is fairly similar to what we do with all those towns and you can ask all of them what we charge. I don't know that it is, they are all public contracts.

Director Smith – As far as the State contract that's associated with the supply?

Mr. Dancy – Supply and what we have is a price for the bulk services, I believe it is three cents a bag for all the additional services on top of the bag prices that they have and that's in the contract.

Chairwoman Minarik – So you are open minded to this?

Director Smith – I'm open minded to any suggestion. I think what would be very beneficial is if we do have those conversations you have a clear understanding of what our current facilities have to offer. Maybe that will shed some insight as far as is the current \$108 when you start to talk about fees, bag costs and bulk items, where the City of Euclid will land. Maybe that would be a good time to have the citizens committee and move forward once we arrive at a number jointly.

Chairwoman Minarik – That sounds like a plan. We'll have the two of you get together then and the timeframe would be three weeks, two weeks?

Director Smith – I have a lot of my information and I know you have a lot of your information. I guess maybe to address some of your concerns if you're worried anti-pay as you throw, I think Mr. Dancy is pro-pay as you throw, and hopefully we'll be able to come to a joint number and either something like this is viable or we're going to arrive at a conclusion that it is not or we're going to have a stalemate and we'll present the facts and go from there.

Chairwoman Minarik – How much time do you need?

Mr. Dancy – It is just a matter of going back and forth with three or four iterations of questions, until I get the information I need to put together. A couple of conference calls, I'm traveling tomorrow, after that I'm okay.

Chairwoman Minarik – We'll meet again after, give me a timeframe.

Director Smith – A lot of that is going to depend on his time schedule. I have a lot of information readily available I can continue to do some follow up calls that I'd like that opportunity first. As I do gather information I can say this is what I found out from this community or what I've got from the website and go from there. I can gather that information by the end of next week.

Mr. Dancy – As soon as you're ready to talk, someone will be available to talk to you.

Chairwoman Minarik – We'll get back together in say 3-4 weeks to hear. I don't think you need to fly back in.

Mr. Dancy – I like Ohio, I was raised here, not in Euclid but Ohio.

Chairwoman Minarik – I think we have a plan, the next step anyway. With that, does anyone have any further comments or questions? Thank you so much.

Mr. Dancy – Thank you very much for having me, I appreciate your time.

Councilman Langman moved to adjourn. Councilwoman Jones seconded. Yeas: Unanimous.

Meeting adjourned.

