

**RECYCLING & WASTE REDUCTION DISTRICT
BOARD OF DIRECTORS MEETING
MINUTES
May 19, 2015**

Members Present: Council Representative Sue Lynch, Council Representative Karen Conover, Representative James Murphy, Commissioner Jeff Good, Commissioner Laura Blaney, Commissioner John Evans, Mayor Jim Snyder

Staff: Therese Davis, Dawn Garmon, Jeannie McCall, Donna Stuckert, Steve Dolak

CAC Members: Walt Breitinger, Neil Samahon

OTHERS: The District's Attorney Clay Patton, Tim Huizenga-Huizenga-Vermeer Equipment, Jesse Garber-Columbia Equipment, Curt Ellis, Sylvia Graham, John Schnadenberg-Town of Chesterton, Amy LaValley-Post Tribune

Council Member Lynch brought the meeting to order at 3:30.

Roll call of the **Board** was then taken.

APPROVAL OF MINUTES & FINANCIALS

Minutes – January 2015

Council Representative Conover made a motion to approve the minutes. **Mayor Snyder** seconded, motion carried unanimously with the exception of **Commissioner Evans** who abstained.

Financials – April 2015

Council Representative Conover made a motion to approve the minutes. **Mayor Snyder** seconded, motion carried unanimously.

OLD BUSINESS

User Fee Collection Agreement – Porter County Treasurer, Auditor and Commissioners

Ms. Davis stated that it had been the intention of the **District** to have the **Board** be the final entity to sign off on the proposed User Fee Collection Agreement reflecting the increase in the user fee. There was currently a User Fee Collection Agreement in place through the end of the year to fund the **District** at \$15/home. Mainly 97% of the **District** revenue stream was from the user fee. Due to the increase in the user fee and the fee now being assessed on business parcels, the staff worked with the Auditor and Treasurer as had been done in the past to change the fee on the tax bills and to establish a new agreement that reflected the change in user fee. **Ms. Davis** had presented the agreement to the Commissioners at their meeting, however, they had some concerns with the process. They tabled the signing of the agreement.

Mayor Snyder asked if action was needed by the **Board**.

Ms. Davis stated that the **District Board** would need to make a motion for the chair person to sign the agreement on behalf of the **Board**.

Mayor Snyder made a motion to approve the agreement and allow the chair person to sign the agreement on behalf of the **Board**. **Representative Murphy** seconded the motion.

Council Representative Lynch asked if there were any comments. **Commissioner Evans** stated that the **District** had put the cart before the horse and that the **District Board** should have signed the agreement first and then gone to the Auditor, Treasurer and Commissioners for signature.

Ms. Davis stated that this had been the process in the past and that the **District Board** had approved the concept when the user fee increase was passed. She further stated that, in the past, the **District** had worked with the Auditor and the Treasurer to reach an agreement then went to the Commissioners and **District Board** for approval. She also stated that there had been a time constraint if the **District** were to move forward with any of the things the **Board** had approved and decided to do this year.

Commissioner Evans stated that three years ago the Commissioners had instituted a process whereby no contract was signed unless it had been officially presented and signed by that **Board**.

Mayor Snyder stated that was what was being done today to move the process forward.

Council Representative Lynch asked **Commissioner Evans** what he then suggested.

Commissioner Evans stated that this is the proper way. He stated that the county was already collecting the fee and there was no agreement.

Council Representative Lynch stated that the **Board** had approved the fee increase and been moving on this path for a few months now and that board members could have expressed concern if they didn't agree with the process.

Commissioner Evans stated he didn't ever remember it being done in this manner. This was May and the first tax bills had been collected already and the five dollar increase was on that tax levy without this agreement being signed. He further commented that the all he was saying was the process wasn't followed. **Council Representative Lynch** asked what **Commissioner Evans** suggested. He stated that he believed it had to be approved here and then go back to the Commissioners.

The motion passed by a vote of four to three with **Commissioners Blaney, Evans** and **Good** voting against the motion.

Council Representative Lynch asked legal council to advise the **Board** on the collection.

Attorney Patton stated that the fee had to be collected somehow and if not by this agreement with the help of the Auditor and Treasurer then the **District** would be responsible for collecting the fee. The agreement with the other offices was to keep cost

down. If there was not this agreement then that cost would be shifted over entirely to the **District** office. The **Board** would need to increase the budget to essentially fund a position to be responsible for collecting the fee. That was essentially what the result of this would be if the agreement were not signed off on by the **Board**, Commissioners, Auditor and Treasurer. So unless two of the three Commissioners change their mind, the fee would not be able to be collected unless a position were funded to do so, or other programs within the **District** office were set aside so someone within the office had that responsibility as opposed to their current responsibilities.

Council Representative Lynch asked what happens if the agreement goes back to the Commissioners and they don't sign the agreement.

Attorney Patton stated that the current agreement was in place till the end of the year for fifteen dollars to be collected on dwelling units.

Council Representative Lynch then asked what happens to the five dollars already collected and the twenty dollars collected on business properties.

Attorney Patton explained that the five dollars and the twenty dollars would have to be returned, taking up a lot of county employee time.

Mayor Snyder asked if the **Board** could move forward with a contract for the tub grinder contingent upon the approval of the Commissioners for the user fee agreement.

Attorney Patton answered yes.

Tub Grinder (see attached power point)

The **Board** then moved on to the tub grinder discussion. **Ms. Davis** gave a power point presentation. There were two respondents – Columbus Equipment with a Morbark 1300B for \$780,700, and Vermeer with a TG7000 for \$774,483.

Ms. Davis then explained the operation of each piece of equipment. She further explained the price comparison between the two pieces of equipment from the two vendors. The equipment was reviewed by herself, Steve Dolak – the **District** equipment manager, Portage Streets and Sanitation supervisor, the Valparaiso Public Works mechanic and the Public Works supervisor from Valparaiso. There were 8 categories of measurement established with a five point scale. The final recommendation was for the Vermeer TG7000. That was due to the ease of operation, rotating cab, cab height, grapple arm and boom reach was greater, belt width, debris shield was movable and always in place, ease of maintenance, closer vendor service location, and lower cost of operations.

Mayor Snyder made a motion to approve purchase of the Vermeer TG7000 with the contingency that the user fee collection agreement was signed by all parties.

Commissioner Blaney commented that in past discussions it had been stated that a grinder would cost about \$400,000.

Ms. Davis responded that when the budget was prepared \$650,000 was allocated. In the previous discussions **Mayor Snyder** had commented that the grinder Portage was reviewing was about \$400,000.

Commissioner Blaney expressed her concern that the five dollar increase would be used up by the purchase of a tub grinder,

Ms. Davis explained that the user fee increase was to be used toward the purchase of a grinder, but also many other needs. Some examples of which were additional HHW collections (up from 3 to 6), allocation for HHW volume increase with now taking paint and light bulbs, a building to store equipment, replacement of some of the roll off containers placed at various sites around the county for recycling (they were almost 20 years old), a used semi and two trailers, marketing and website overhaul, and a part-time educator.

She continued with an update to those needs. The **District** was leasing a commercial storage space instead of building a building to house the **District** equipment, a semi cab had been donated to the **District** by the Porter County Highway Department, the website overhaul was underway and cost reassigned to 2015 and removed from 2016 & 2017, an annual lease payment for grinder higher than originally anticipated (adjusted for 6 months in 2015 and increased the allotment in 2016 & 2017. The overall adjustments and new revenue netted additional \$86,000 over the next 3 years.

Ms. Davis continued that with the purchase of a tub grinder there were several benefits. Cost would be able to be controlled, as well as the frequency and quality of the grinding. It would benefit all of Porter County, not just the municipalities (ex. parks, highway, storm damage, disaster debris management, avoid controlled burns and produce a quality product). Further benefits were that it would free up municipal dollars now spent on grinding, the sharing of equipment just like with the approximately \$450,000 compost turner. The municipal users would share in the costs to operate (fuel, manpower, and assisting with the equipment). There were no written agreements in place with the municipalities to use and share in the operation cost of the grinder, but there have been verbal commitments.

Ms. Davis further that it was very difficult to a third party to grind in a timely manner and the cost had risen substantially, and it was not a refined grinding. The lack of grinding in a timely manner, or as needed, puts great pressure on the compost sites in Chesterton, Valparaiso, Boone Grove, and Portage. With so much unground brush it was hard to manage the sites and to keep some open.

In the past, the grinding company had also been, at times, paid to haul away some of the wood chips because there was too much material.

She continued the presentation with the drawbacks being the cost and maintenance.

Commissioner Good stated that was one of his main problems with this whole thing. There were municipalities that charge recycling fees now and the **District** was also charging those fees. **Ms. Davis** was talking about sharing the equipment, but yet there were no written agreements on the compost sites, on equipment, there is nothing. Everything is done by a pat on the back.

Ms. Davis stated that there were written agreements for the compost sites.

Commissioner Good continued that if the **District** was to purchase the machinery, what would happen if it breaks down, are there shared expenses for that? That was an expensive piece of equipment to operate and likely to break down a lot. Those grinders are a big maintenance nightmare. He stated that for him to wrap his arms around it, he was having a real hard time because he didn't see the equity of purchasing the grinder and sharing services, especially when there were cities charging a recycling fee. It seems that the **District** was sort of getting hung out with the cost of the big equipment and all the headaches and liability that goes along with that. As a county commissioner he just didn't see the equity in it. It seemed the **District** was getting all of the headaches, all of the expense, just to have the others pay for fuel and a little bit of man power that they already have on those sites and then down the road building a building, a county building on a municipal piece of ground, he just was trying to figure out where all of that was going. There was really no plan in place and that was his biggest problem with all of this.

Commissioner Good continued that was one of the things he had seen sitting up there as a commissioner on this **Board** was that people kept bringing things to them that was not done in the proper order. That was how this discussion today had started. He had stated the very same thing in the commissioners meeting. His problem with this was that we were out meeting with this person and out meeting with that person and nothing was formalized and yet it wasn't going to be formalized until we get the money. That should be part of the business plan, that should be part of the presentation and he hadn't seen any of that. It was just here is an \$800,000 headache that the county was going to take on and insure and have all of the liability. That was just not how he looked at doing this thing. That was why he was having a hard time jumping on board with this thing. He didn't want to get in the grinder business. He didn't think that was what Porter County was wanting the District to do. He agreed that the fee was passed before he got here so this was his opportunity to speak up and say what was on his mind and that was simply what he was doing. All agreements about cost sharing, liability, etc. should be in place before purchasing of equipment. He was saying we didn't have agreements in place and that did not make good business sense to him.

Commission Evans asked if the **District** were able to use Portage's compost site.

Mayor Snyder replied, yes it does.

Commissioner Evans then asked if the Town of Chesterton did.

Ms. Davis stated that she thought what **Commissioner Evans** was asking was if the general public had access to those compost sites.

Mayor Snyder stated that they were working on getting it open to the public in Portage. Burns Harbor and Ogden Dunes bring them their yard waste on a regular basis.

Commissioner Evans stated that Portage's compost site had been up and running for almost five years now and in that time they were told that the community would be able to access that site at some point. He believed in that time this body and this group had made some overtures to assist Portage with composting operations at the site and we were told that we would soon be able to use that facility for the county, because the Town of Chesterton had to close theirs because it was over capacity. Portage used

Chesterton's site and they were there along with everybody else and it was defined as the north county site. The public has the ability to use Valpo's and the Boone Grove site in south county but we don't have anything in the north county, but yet we were supposed to spend \$800,000 and build a building and make sure that the machine was manned. He just didn't think there was any justification.

Commissioner Good explained that he would like a plan developed of what we are doing, where our site was going to be, what our hours are going to be, where our reach is, not just between Valparaiso and Portage, but for all of the communities and how are we going to put all of this together to where we know the hours are going to be posted to staff for those times. There was a lot of moving parts that went along with this. He stated he may be drilling down too much into this, but it just seemed to him that it was sort of willy-nilly and when you get to the point that you are going to go into debt \$800,000, that has a tremendous amount of liability, he believed you had to step back and look at it and say how can we tie this thing up and how can we firm it up so everybody could win. That was really where he was coming from.

Mayor Snyder stated that he believed the commissioner had asked a question of him, the City of Portage and of **Councilmember Lynch**. He continued that he thought that Steve and Therese and everybody there would talk about where they had come from, where they were when they came into office. We were dealing with a disaster. The other issue was that the site was built on ground that had not been excavated properly, so they had now budgeted about ½ million dollars to go in and fix the site and make it larger. They also had the manpower and the things that they were getting ready to do to open it up to the public. They hoped to do that by 2016. But he knew it had been a burr in **Commissioner Evans** saddle, and it should be, but it had also been one in theirs coming in trying to take something that was broken and get it fixed and up and running in a formidable time. He thought it was very important that everybody remember that this isn't the county verses the municipalities. The bottom line was that 14,000 and some odd parcels in Portage pay the District fee for this, and that was why they made the decision purchase a grinder, because the municipalities had all agreed that this was going to be very beneficial not only to us, but to the county. We had run into this problem every year. They had talked to Therese about it. He was very pleased, every time **Ms. Davis** presents something to this **Board** and presents something to him as a Mayor, based on the other organizations that come to him, the **District** did a really good job, they do their homework and he believed the **District** had done a very good job in this case and he would be willing, after they had a vote here, to entertain a motion, or make the motion that the municipalities do not get to use it until they had entered into an agreement with the **District**. He thought that they had a pretty good amount budgeted, the Portage people had paid for that, the Valparaiso people had paid for that and so had the county people.

If the machine breaks on somebody's site; everyone pays into the fee, not just one organization. All Porter County residents pay into the fee, which includes every one of his residents, to buy this and to maintain it.

Ms. Davis stated that there were no written agreements in place, but the **District** did work on the agreement that addresses maintenance if there were equipment damage or failure due to the debris type on the site. There would be a walk through. That document had been worked up, but nothing was signed with Valparaiso, Portage, or Chesterton.

Commissioner Good asked if the **District** had gotten insurance quotes on the piece of equipment.

Ms. Davis said she believed so, but did not have that information with her and could not say for sure.

Mayor Snyder reiterated his motion. He had made a motion that the **Board** approve the recommended tub grinder with the contingency that all parties agree to the user fee collection agreement.

Representative Murphy seconded.

Council Representative Conover made the comment that until the Commissioners passed the user fee collection agreement, the **Board** really had nowhere to go on this. She recommended a motion to table the purchase discussion.

Mayor Snyder asked if there were a problem in tabling it.

Ms. Davis stated that the only problem was that the manufacturers needed to move on. They needed to market those pieces of equipment somewhere else if the **District** was not going to purchase the tub grinder. They were specialty pieces of equipment in general. They had been agreeable to wait to see how this was going to shake out, but after today they would go out and market their piece of equipment.

Mayor Snyder asked how long delivery would be.

Ms. Davis stated that if the piece of equipment were approved today, the **District** could be in operation in a week. Otherwise, it would be at least a couple of months.

Mayor Snyder then asked if the representative from Vermeer, who was in attendance, could hold the piece of equipment for the **District** for a month.

Tim Huizenga, Huizenga-Vermeer Equipment representative, stated that it was possible.

The motion was withdrawn.

Council Representative Conover made a motion that this be tabled until the Commissioners voted on the user fee collection agreement. **Mayor Snyder** seconded.

Council Representative Lynch asked **Commissioner Evans** if he would be bringing this up at the Commissioners next meeting on June 2, at 1:00 pm. He stated that it was already done.

The vote passed unanimously.

Attorney Patton stated that he wanted to clarify the \$20 user fee issue. The \$20 fee was approved by the **District Board**, so it was owed by all county taxpayers that it applies to. The current agreement that was in place through the end of the year was for \$15, but the \$20 was collected. To clarify what he stated earlier, the \$20 was collected but only \$15 was authorized to be collected. That then would entitle those taxpayers to a \$5 refund,

but at the same time the **Board**, this body, would have to collect that other \$5 through some other mechanism. Unless or until a new user fee collection agreement was put into place for future years, this body or **Board** would have to collect that \$5. So, to clarify that, taxpayers may be entitled to a \$5 refund from the tax billing, however they would still owe the money. He thought it would be up to the county attorney to see what way would be best to refund that amount to the taxpayers.

ANNOUNCEMENTS

Next **CAC** meeting – July 14, 2015 at 5:00 pm

Next **Board** (joint CAC) meeting - July 21, 2015 at 3:30 pm

There would have to be another meeting before then after the commissioners made their decision on the user fee collection agreement.

Ms. Davis asked **Commissioner Evans** if he would add the **District to** the agenda for June 2, 2015.

Commissioner Evans replied, yes.

ADJOURNMENT

There being no further business a motion and a second was made to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 4:32.