

Roseville Public Works, Environment and Transportation Commission Meeting Minutes

Tuesday, May 25, 2021, at 6:30 p.m.
City Council Chambers, 2660 Civic Center Drive
Roseville, Minnesota 55113

*Pursuant to Minn. Stat. 13.D.021, Public Works, Environment
and Transportation Commission members, City Staff, and members of the
public participated in this meeting electronically due to the
COVID-19 pandemic.*

1. Introduction / Roll Call

Chair Wozniak called the meeting to order at approximately 6:30 p.m. and at his request, Public Works Director Marc Culver called the roll.

Present: Chair Joe Wozniak; and Members Michael Joyce, Jarrod Cicha, Bryant Ficek, Nancy Misra, and Youth Commissioner Jana Lynch

Absent: Member Shane Spencer, (Excused)

Staff Present: Public Works Director Marc Culver; and Environmental Specialist Ryan Johnson

2. Public Comments

None.

3. Election of Vice Chair

Chair Wozniak indicated a new Vice Chair needs to be elected as well as appointing a new member to serve on the Ethics Commission due to Member Huiett resigning. He asked for any nominations.

Chair Wozniak opened the floor for nominations.

Member Ficek nominated himself for Vice Chair.

Member Misra arrived at the meeting at 6:35 p.m.

Chair Wozniak asked if there were any other nominations. Being none he closed nominations.

Motion

Member Ficek moved, Member Cicha seconded, appointing Member Ficek as Vice Chair of the PWETC.

Ayes: 5

Nays: 0

Motion carried.

Chair Wozniak asked if anyone wanted to volunteer to be on the Ethics Commission. He noted Member Joyce was previously on the Ethics Commission for 2020. He asked if Member Joyce was interested in continuing as the representative.

Member Joyce indicated he was interested in continuing as a representative.

Chair Wozniak closed nominations.

Motion

Member Joyce moved, Member Cicha seconded, appointing Member Joyce to the Ethics Commission.

Ayes: 5

Nays: 0

Motion carried.

4. Approval of April 27, 2021 Meeting Minutes

Comments and corrections to draft minutes had been submitted by PWETC commissioners prior to tonight's meeting and those revisions incorporated into the draft presented in meeting materials.

Vice Chair Ficek indicated on page 3, line 105, the word "hand" should be changed to "hang."

Motion

Member Ficek moved, Member Joyce seconded, approval of the April 27, 2021 meeting minutes as amended.

Ayes: 5

Nays: 0

Motion carried.

5. Communication Items

Public Works Director Culver indicated Mr. Freihammer was not at the meeting due to a new addition to his family recently.

Mr. Culver provided a brief review and update on projects and maintenance activities listed in the staff report dated May 25, 2021.

Chair Wozniak noted the City was not selected as a host site for a GreenCorp member for the upcoming year. He indicated the City still has Will Ristow working with the City until August. He also explained there was discussion at the City Council about organized trash collection. That is something he has brought up to the Commission at least once and it was an interesting discussion and took input from the public. The Council voted to not consider it any further at this time with their reasons why. He thought it was interesting and encouraged the Commission to review that item.

6. Partners in Energy Update

Mr. Culver introduced this item and introduced Mr. Mike Holsinger. He noted the City was accepted to participate in the program.

Mr. Mike Holsinger introduced his team: Ms. Yvonne Pfeifer, Mr. Jake Sedlacek, Ms. Dierdre Coleman, and Ms. Morgan Weck.

Mr. Holsinger presented the Partners in Energy update.

Chair Wozniak thanked Mr. Holsinger for the detailed and somewhat surprising presentation. He indicated he would like to hear from the three members of the Energy Action Team present.

Mr. Johnson explained the Energy Action Team was a great experience. He thanked Mr. Holsinger, his team and Excel. He indicated he was impressed how well the team worked out. He reviewed some of the things discussed with the Action team and indicated he was very happy with the plan and was looking forward to seeing how it all moves forward.

Member Misra indicated she was not able to attend some of the meetings due to a conflict, but the energy burden came up very early in the meetings and was key in every one's mind to make this move forward the way it did. She thought that was very important and valuable. She thought the people at Xcel and the staff with Partners in Energy certainly had a really good understanding of the City's particular situation and the demographics with the issues Roseville specifically faces. She thought that helped a lot in focusing the energy of the group. She thought it was well done.

Mr. Culver explained he intentionally tried to not get too involved with the group because he did not want to be too much of an influence on the direction and

outcomes. He was pleasantly happy and surprised with the outcomes that the group came up with, particularly the energy burden item. He knew the group was going to be talking about the CO2 reduction and energy efficiencies and renewable energy, but he was also surprised by the numbers on the energy burden side. He thought as the group talks more about inclusion and equity and other initiatives and efforts in the community, that will be an important aspect to carry into the energy action plan; to make sure that the City is bringing everybody into this and everybody can be a part of this effort. He thought it will be interesting to see what the Council and community reaction is to this. He noted the City took advantage of this program to fast track an energy action plan for the community due to pressure from the residents and he thought this was a really good opportunity for them to fast track some of these efforts to give them some focus items to start working on.

Member Joyce thought this was great work for the stakeholders and team and he thought it was great to see. He wondered, compared to the City's baseline goal of this communitive impact of achieving this, what was the percentage of reduction in CO gases listed.

Mr. Halsinger indicated he did have some notes on that. He indicated greenhouse gas emissions reduction is approximately eighteen percent. In terms of energy savings, the energy savings would be done thirteen percent and dollars saved would be down fifteen percent.

Member Joyce asked if there was a breakdown of usage, multi-home, single family, and business.

Mr. Halsinger explained there are separate goals for the commercial/industrial category as well as residential. Multi-family is a sticky one because some multi-family units are classified as commercial/industrial premises and others are classified as residential properties. It is very difficult to isolate those individually but there are some programs they have that are presuming that they are residential. All of that will be receiving some attention. The specific information that Member Joyce might be looking for will actually be in the plan, either in the body of the work or in the appendix.

Vice Chair Ficek thought the presentation was good. He noted when Mr. Halsinger talked about the measures he wondered how exactly those things will be measured. He was also curious if the Commission will hear updates on this. He thought this looked great and he hoped it will be successful. He wondered if there will be opportunities, such as in five years, to revisit and figure out what worked and what did not.

Mr. Halsinger explained the relationship with Partners in Energy is one that is intended to continue for quite some time. There are resources that are available to what is called "graduate communities" which includes monthly updates and in-

person meetings on particular subject areas that communities are interested in. There is an ongoing relationship. Some communities have reapproached Partners in Energy asking for additional things to be done or to focus on one particular area or to pursue a different type of project and that is not an uncommon occurrence. As far as reporting is concerned, the City will receive semi-annual implementation reports. He reviewed what the reports consist of. He indicated Xcel Energy has a tremendous capability to be able to keep track of what is going on in communities.

Chair Wozniak asked if there were any comments from the public with none being offered.

Chair Wozniak explained he liked the presentation and it seemed well thought out. He thought there was lots of information. He wondered if there were any surprises with Roseville's plan and he wondered if any trends were seen emerging and what have the plan's goals been.

Mr. Halsinger indicated he was very proud to be working with the staff at Roseville. A lot of the workshops are really calibrated based on the energy of the members of the Energy Action Team. He thought the members of the Roseville Energy Action Team are really passionate, committed and really interested and there was great dialogue and discussions. One of the things that distinguished Roseville was the sense of energy and passion. He thought everyone did a great job. There was a real passion from everyone to do everything and get going on the work. He thought those were the things that distinguished the Roseville assignment from some others. It was a really engaged group. As far as trends are concerned, that is a more difficult question, partly because the Partners in Energy program is designed, not to hand every community a brochure of the available programs, but it is designed to be a reflection of what the community really wants. There is not a real set plan in place. The notion of energy burden is one that many communities are very concerned about and certainly, greenhouse gas reduction is a major issue. He thought those are two themes he has seen kind of growing in the sense of urgency. Different communities are going to have different priorities around business efficiency and residential, but for the most part each community tends to be fairly different.

Mr. Sedlacek explained he has worked on five different community plans and there is always conversation around lower income families and how the City can help them because they do not have the tools others might have. Other than that, each one of the plans he has worked on is so very different. He noted it sells him even more on the value of the program because each community has come up with something unique, which is fun to see.

Ms. Pfiefer thought this is really community-specific and driven by the community and is not something Xcel Energy runs, they provide guidance and information, but it really is a community effort.

Chair Wozniak thanked Xcel Energy for their presentation. He asked if the Commission would be supportive of this energy action plan as presented.

Member Joyce asked if there are any incentives or financing available, grant-wise or low interest loans for energy efficient homes and upgrades that the community could leverage to scaffold themselves into additional upgrades.

Mr. Halsinger explained there are a number of options that help to make a lot of these improvements more affordable. From a low-income standpoint, a low-income home energy squad visit is free and that also opens the door to access the home energy savings program which funds a tremendous number of improvements in a home. There are similar programs that are available in multi-family buildings. For more mainstream residential consumers, there are rebates available on high efficiency heating and cooling equipment. A home energy squad visit is one of the best bargains found. He reviewed what the home energy squad visit consists of, and the value is between \$650-\$700 worth of work. He also reviewed what consisted of a business energy visit.

Chair Wozniak suggested Mr. Halsinger and his team be prepared to go into detail on what assistance is available when presenting to the City Council.

Vice Chair Ficek indicated he is encouraged by what he has seen in the presentation. He would be curious to see what the MOU entails with some details that go into it. He looks forward to seeing this be implemented.

Member Misra thought it would be valuable for the Commission to endorse the plan. She thought it has some value and given the Commission's role, it would be helpful to say that this was a well-run process with a lot of different people involved.

Motion

Member Misra moved, Member Joyce seconded, to support this plan as presented to go forward to the City Council.

Ayes: 5

Nays: 0

Motion carried.

7. Review of Recycling Proposals

Mr. Johnson updated the Commission on the recycling proposals. He made a presentation to the Commission.

Chair Wozniak asked for April 2021, the processing fee is \$58, what would the revenue share have been at \$75/ton.

Mr. Johnson reviewed the April Revenue Share reports from 2017 to 2021. He explained the tonnage was very similar with very good collection and a good recycling program. Staff did not see a huge fluctuation with that. What the City has actually collected at \$58/ton, 2021 was \$5,700 and assuming the market is exactly the same, when it is \$75/ton the revenue share would go down to approximately \$1,400.

Mr. Johnson continued his presentation on City-owned carts versus contractor-owned carts.

Member Joyce wondered about the 5.5 year versus 3.5. He asked if staff is leaning toward 3.5 years in the contract or is it still a two percent increase for the additional two years.

Mr. Johnson explained the contract is basically a two percent increase per year from 2022 on.

Chair Wozniak thought Mr. Johnson pointed it out in his presentation, when talking about those numbers, that that was the lowest cost in the base price proposal per household.

Mr. Johnson indicated that was correct. He reviewed the 2021 recycling RFP proposals with the Commission.

Chair Wozniak thought Mr. Johnson did an excellent job of compiling the information and presenting the information to the Commission. He thought it was nice in a way that there are only two vendors to reflect on because it makes the discussion and decision a little more straight forward.

Member Cicha commented regarding the revenue sharing and did not think it would be a good idea for a 5.5-year contract, given the volatility the City has been seeing. He thought with the recent volatility, revenue sharing beyond 3.5 years would not be a good idea.

Member Joyce echoed what Member Cicha stated and he thought the vendors were doing a general cost of living increase. They are hoping it will go up and will keep the base price low enough to entice and lock into 5.5 years because they are not really showing what the market is going to do. He thought the shorter term would be less risk for the City.

Chair Wozniak indicated the \$75/ton processing fee is a big jump from the current \$58/ton and he did not see anything in the proposals to indicate that they have made any massive expenditures in processing equipment to justify such a big raise in their processing fee. He stated \$75/ton gets very close to what it costs Washington and Ramsey Counties to process trash at the resource recovery facility, which is in the low 80's. He wanted the Commission to keep in mind that around \$21/ton of that

processing fee is money the City pays Xcel Energy to take their refuse derived fuel and burn it for electricity. The real processing costs at the facility is in the low \$60/ton and the recycler is going from \$58/ton to \$75/ton for recyclables that have revenue and have value and yet not explaining perhaps why they are increasing the processing fee. To him, that huge increase in the processing fee really removes the incentive for revenue sharing. He did not see supporting a revenue sharing plan based on a \$75/ton processing fee.

Member Misra thought the processing fee seemed like a big jump and she was not sure why. She indicated she would also support the shorter term for the contract. To complicate things further, she wondered if the City has looked at the potential for changes that might come about as a result of the Federal Infrastructure Bill because there is a lot of pressure to include sustainability and some recycling programs in that. That would also potentially speak at keeping the contract to a shorter term. She recalled that their current recycler mentioned at a presentation a few years ago that was when China first put the ban on taking their recyclables and did reflect this period of costs going up, but they did way over time there would be some stabilization and there would be more domestic markets for this. She wondered if they are starting to see that now or if there has been any ability to take a look at the possibility. She wondered if the US is rounding the corner and creating markets.

Mr. Johnson indicated staff works pretty closely with Ramsey County because they have someone that is watching the markets. The City sends Ramsey County its revenue sharing data monthly so Ramsey County can compile it and look at it. The most recent talks, staff knows that there is more processing coming up in the US. He indicated no one knows for sure if the US is rounding the corner at this point and, going forward, it looks really nice where the City sits right now. But when they start looking at the additional processing fee on top of that, it does take away a lot of the benefit. It is too early to tell where this is coming from.

Vice Chair Ficek indicated on the base collection proposal, he was looking at the differences between the vendor owned or City owned cart and as he thought about it, if they are pushing that cost off to the City he would have thought the price would have gone down as proposer one did but he saw proposer two, when the cart moved to the City, there is a thirty-three cent add in but the base cost still went up even though the proposer is pushing off that part to the City. He wondered if there was any comment from staff on that difference.

Mr. Johnson explained under most circumstances a vendor owned cart will be more than a City owned cart, this happened with the last proposals as well where one vendor had a cheaper vendor owned cart than a City owned cart. The City is kind of at the situation again where staff is seeing the same couple of proposers and the same scenario. There was not a lot of detail in the proposals that would have added a lot more detail into that other than the pricing of it was passed onto the City within their proposals themselves.

Chair Wozniak opened up public comment. Seeing no one, public comment was closed. He indicated that he has heard comments against revenue sharing and in support of a 3.5-year contract. He indicated he would support continuation of the current arrangement with bi-weekly pickup for single family and weekly pickup for multi-family, which is base proposal B1, and A1 has the lowest cost.

Member Cicha was in favor of proposer 2, 1A. He noted this is lowest cost with proposer two scoring higher on a lot of the scoring systems that have been set up to help guide this decision. He thought the 3.5 term is right.

Motion

Member Cicha moved, Member Joyce seconded, to recommend the City Council approve proposer 2 with proposal A-1 with a 3.5-year term.

Vice Chair Ficek noted on the ranking system proposer 2 did have the higher score on the City's diversity, equity and inclusion which helped bring them to the top. He also thought this recommendation and motion made sense from that standpoint.

Chair Wozniak concurred. He wondered if there was anything in the contract that would allow the City to cancel the contract during the 3.5-year term.

Mr. Culver indicated there was not without cost. The City would have to identify something that the proposer is not doing per contract and give them an opportunity to remedy and if they do not then the contract could be cancelled.

Chair Wozniak indicated he cannot support revenue sharing at \$75/ton so that would take that off the table for him. If the City were able to negotiate a lower processing fee it might be something worth looking at. He would also support proposal A-1.

Ayes: 5

Nays: 0

Motion carried.

Mr. Culver asked if the Commission, given what is known now, support an increase in the recycling fee so that the City can build up capital so that in three years the City can buy their own carts and theoretically, at that point, have some more competitive pricing.

Vice Chair Ficek indicated given the two proposals the City had varied in how they approached the City owned cart; he did not know if he saw an advantage in it. If they stayed with the same company and proposals would have come in the same way the City would have had the advantage this round but given that it has not been consistent, he did not know if that were the way he would go with this.

Mr. Culver noted staff has not talked to the other two contractors on why proposals were not submitted. He noted there were four contractors at the meeting but only two companies submitted proposals. Staff was speculating on this, but he thought the reason is because the contractors felt they could not submit a competitive proposal given the advantage that the existing contractor may have with the carts on the street.

Vice Chair Ficek thought if there was additional information, other cities that have gone that route and the benefits, he would want to see more data. He indicated he was not opposed to that but based on what the Commission has seen so far, he did not see an inherent advantage.

Chair Wozniak agreed that City-owned carts would give the City an advantage to lure more vendors to provide service. This may also provide more competitive pricing.

Member Misra indicated on this particular front, her support for conservation, she did not see why City-owned carts would give them a huge advantage. This is speculation and remains to be seen. She continues to have the issue she had before which is more stuff is kind of antithetical to the idea of recycling. She would love to think that in a few years when this discussion comes up again, that the City will have reduced its waste streams and they will not even be talking about as much commodity as they are talking about now. She thought that is the only sustainable way around this question. She would not be in favor of City-owned carts.

8. Items for Next Meeting – June 22, 2021

Discussion ensued regarding the June PWETC agenda:

- MS4 Annual Report and Public Hearing
- Preparation for Joint City Council meeting on July 19, 2021.

Member Ficek stated he would like to get an update from staff on how the lower speed limit is going in St. Paul and Minneapolis.

9. Adjourn

Motion

Member Misra moved, Member Ficek seconded, adjournment of the meeting at approximately 9:11 p.m.

Ayes: 5

Nays: 0

Motion carried.