

Roseville Public Works, Environment and Transportation Commission Meeting Minutes

Tuesday, August 27, 2019, at 6:30 p.m.
City Council Chambers, 2660 Civic Center Drive
Roseville, Minnesota 55113

1. Introduction / Roll Call

Chair Cihacek 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 Brian Cihacek; Vice Chair Joe Wozniak; and Members Shane Spencer, Michael Joyce

Absent: Member Stephanie Hammer (Excused), Karen Huiett, Nancy Misra

Staff Present: Public Works Director Marc Culver

2. Public Comments

None

3. Approval of July 23, 2019 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.

Motion

Member Joyce moved, Member Spencer seconded, approval of the July 23, 2019 meeting minutes as presented.

Ayes: 4

Nays: 0

Motion carried.

4. Communication Items

Public Works Director Marc Culver provided a brief review and update on projects and maintenance activities listed in the staff report dated August 27, 2019.

Member Wozniak asked what the roll out plan was for the Organics Drop off.

Mr. Culver thought the County will do some social media blasts and also in the recycling newsletter and the city will do the same.

Chair Cihacek asked if Eureka will replicate that copy into some of their publications.

Mr. Culver indicated staff will make sure there is information put into Eureka's publications.

Mr. Culver explained the Tiered Water Rate schedule was presented to the city Council and the Council was interested and understood to some extent what the PWETC was trying to do as far as water conservation but did not feel, at this point, that a new tier would necessarily accomplish that.

Chair Cihacek indicated he would be interested if Mr. Miller could model out the utility rates so the Commission can recommend a proposal and represent that to the Council. He noted the Commission would like to see the new tier implemented in the next year.

Mr. Culver noted he could mention that. Mr. Miller's last day with the City of Roseville will be September 5th and will not be presenting the utility rates to the Council in November. The utility rate recommendation is already set and does not include an additional tier at this point. He presumed the city's Assistant Finance Director will be the Acting Finance Director until a new Finance Director can be hired, Jason Schirmacher will be making that presentation in November.

Chair Cihacek thought adding a tier sooner than later will be wanted due to education and the time it will take to implement it.

Member Wozniak thought the Council indicated there was not any value in this approach. He wondered if the Council had any other suggestions other than trying to coach people on being more conservative with their water.

Mr. Culver explained there was talk about rebates and the city is making an application for a Met Council grant for water conservation rebate program so the city can use their dollars to provide rebates for water smart appliances and fixtures and included with that are smart water irrigation controllers and he thought that is really what he wants to push for those high irrigation users. He indicated the city did not need to just focus on people over fifty thousand. That is a program that he felt will be very effective if the city can get people to use those controllers and that technology. The goal is to get people to use less water and not to necessarily bring in more revenue.

Chair Cihacek agreed. He thought there would not be incentive to act if there is not consequences for failure to act as well. Education is good but people seem to be ok with the rate that is already being paid and no incentive for change beyond good

will. He thought it is important to bring this forward to the Council again to get their attention on how important it is to try to get people to use less water.

Mr. Culver continued with his review on project and maintenance activities in the city including State Fair park and ride lots.

Chair Cihacek asked if the Council was looking to expand the park and ride options for the State Fair.

Mr. Culver explained that is up to the State Fair. He thought there were eleven to twelve State Fair lots within the city limits. Seven or nine of those have to get an interim use permit because those lots are within residential zoning such as a church or school. He was not sure what the State Fair's budget was to add more lots and he thought it was a bit frustrating that the State Fair has turned a blind eye to the parking demand issue that is created around any park and ride lot. He thought this is something that will continue to evolve over time.

Mr. Culver indicated the city is actively soliciting youth members for the Commissions. He noted the positions are not generally filled until the school year starts. He asked the Commission to help pass out information to family and friends.

Member Spencer asked if it is ok to post where he works the position for a Youth Commissioner.

Mr. Culver thought that was fine and the student can go to any school but needed to be a resident of Roseville.

Member Spencer indicated he was looking over the list in the packet and he did not see anything for Glenwood Avenue, and it looked there was a house being built there or a fairly large addition to a house.

Mr. Culver explained he did not know at what level it would be triggered on the map but thought it would be a larger remodel such as a business remodel or brand new home construction. He noted staff could look into that.

Member Spencer explained another thing he was asked to find out is who is responsible for trimming the trees around Lake McCarrons on the walking path that hang over the fence. He wondered if it was the homeowner's responsibility or the city's responsibility.

Mr. Culver explained it depends on where the lot is located.

Member Wozniak noticed along the pathway on County Road C there is some pavement irregularities and also some shrubbery encroaching on the pathway right of way close to the pullout from City Hall on the south side.

Mr. Culver noted staff will take a look at that.

5. Recycling Update

Public Works Director Marc Culver provided a brief review and update on recycling and costs listed in the staff report dated August 27, 2019. He noted the city is not getting any revenue for mixed paper that is being collected and recycling revenue has been declining through the years.

Member Joyce asked how the city absorbs the loss in the budget.

Mr. Culver explained the city had built up a surplus over the years in the recycling fund. He anticipates the balance of the fund to be near zero by the end of the year and did ask Ramsey County for some help in absorbing additional costs and Ramsey County did have some funds set aside for this type of thing.

Member Spencer asked if this a one-time aid.

Mr. Culver indicated it was.

Chair Cihacek thought the more people that recycle the bigger the problem becomes.

Mr. Culver stated that was right. He said there are a number of cities in the Nation that have stopped recycling because of the costs. No one is asking Roseville to stop recycling. He explained that going forward the city is going to have to find out how to manage this. He indicated staff has asked Eureka what it would cost if revenue sharing were removed. Eureka came up with a proposed rate chart. He reviewed the chart with the Commission.

Member Spencer asked if Mr. Culver had a sense of what the collection costs are versus the processing fees.

Mr. Culver explained the current contract spells that out. Eureka funds their collection service with the \$2.46 per unit. In 2019 for \$465,000 that pays for them to collect the recycling. He indicated he ran the numbers himself and between 2006 and 2018 the city averaged 3,329 tons per year of recycled material collected. To process the material at \$58 a ton it costs \$193,082 per year. Over the 15,332 units it is \$12.60 per year, \$3.14 per quarter or \$1.05 per month and Eureka's proposal to get rid of the revenue sharing happened to be \$1.00 extra. He noted this works from a math perspective if worked backwards.

Mr. Culver indicated if the city were to take Eureka's current proposal and go to \$3.46, combined processing and collection and no revenue sharing or extra costs it would add up to be \$654,000 in 2019 which is \$114,000 more than staff thinks the city will end up paying Eureka in 2019. In 2020, staff thinks that number is

\$123,000 difference. He indicated staff does not know how much the city is actually going to end up paying Eureka in 2020 to process the materials.

Member Joyce thought glass is the big candidate to stop collecting because it is costing the city the most money.

Chair Cihacek noted glass is losing the same amount as the residual recycling right now.

Member Wozniak explained it is also a consistent twenty percent of the volume that is collected which is a lot.

Mr. Culver noted that is by ton and glass is going to weigh more than aluminum.

Chair Cihacek explained there is also a cost to re-educate people. He also did not think people would say it is ok to landfill the glass bottles. It does not make sense in today's environment.

Member Wozniak indicated the glass bottle would not go to a landfill it would go to the waste processing facility in New Port which is required by law.

Chair Cihacek explained he was ok with the \$58 as an estimate of actual cost.

Mr. Culver indicated that the city can assume that the glass that Eureka is collecting and processing will eventually get recycled and reused versus going to a landfill. A lot of people would say that even if it cost more to process that glass bottle and eventually end up using it in some other product or getting a second life that would be preferable over putting it in a landfill.

Member Spencer supported that thought.

Member Joyce thought Mr. Culver was right and people do not want to throw things of value or could be used in a landfill.

Member Wozniak noted the energy savings from recycling glass and making it into new glass versus creating it from scratch is tremendous.

Mr. Culver explained that philosophy or value does not help the city budget.

Member Wozniak asked if the goal is to try to address the budgetary deficits or to reduce risk.

Mr. Culver thought that was a good question and staff wants some input from the Commission on that. He indicated the Finance Department is going to recommend \$9.00, increasing the recycling fee from \$7.15 per quarter to \$9.00 per quarter in 2020. If the city goes with the proposal from Eureka, he imagined the city will

have to increase the fee to \$11 or more per quarter to recover this but then staff will know the budget will balance at the end of the year.

Chair Cihacek thought raising the fee now is a good plan and if the residual profit comes back and the city starts to see a turn for the better this can be revisited to discuss if the fee should be lowered.

Mr. Culver reviewed comparable cities and their RFP's with the Commission.

Chair Cihacek explained at some point the city has to start escalating to the market in response to the market versus what the city thinks is likely viable and the city can choose to do it progressively so a little bit each year until it gets closer to market proximation or set it at what the market is at now. He noted in his mind he would rather take the risk out and try to negotiate for better terms so the city does not have to worry about taking a deficit because if a deficit is taken, it still comes from somewhere and the city may end up paying more because the deficit will compound over time.

Chair Cihacek indicated it is a one dollar a month more charge and even though it is significant in terms of percentage it is not significant in terms of financial impact per person but the city will be able to sustain that rate for a longer period of time then if the city does not charge that right now. He stated he would ask for the \$3.46.

Member Wozniak thought the city should negotiate the cost.

Mr. Culver indicated as a part of the negotiation would the Commission be ok with extending the contract one or two years.

The Commission agreed.

Chair Cihacek thought the city should lock the rate in to the best rate possible with the assumption that the market will continue to decline.

Member Wozniak indicated he was not in favor of raising the fee a dollar.

Chair Wozniak thought it could be cut in half for fifty cents and waive revenue share for the time being and then negotiate the cost.

Member Wozniak thought one of the things the city could look at is to reduce the residuals and eliminate the black plastics in carryout containers. He thought the city Council had mentioned taking some action on carryout containers at the July meeting so there might be some interest there.

Chair Cihacek indicated he was ok with going with \$3.46 and work the cost down and see what the negotiation looks like. He would rather be prepared to pay the maximum amount.

Member Wozniak thought with the rate Roseville charges he would think the city should build in an additional buffer unless the city gets rid of the revenue risk, revenue sharing and then make sure there is a mechanism in there so that any surplus at the end of the year remains in a fund that can only be spent on recycling.

Mr. Culver summarized the discussion of the Commission and indicated the Commission recommended the city work with Eureka to see if there can be a reduced increased rate to remove the revenue share/cost share model.

Chair Cihacek thought the Commission is recommending that the city increase the utility fee equal to what the loss would be such as there would be no net deficit in the budget and see if the city can negotiate different terms to account for the loss of the revenue share and make it more consistent.

6. Items for Next Meeting – September 24, 2019

Discussion ensued regarding the September PWETC agenda:

- Community Development: Current Sustainability Requirements and Incentives
- Youth Member Update/Recommended Candidates
- Continue Discussion on recycling rates

Mr. Culver noted in July a Forestry Task Force was created to assemble and talk about forestry policy issues. It will comprise members of the Planning Commission, PWTEC and the Parks and Recreation Commissions. He indicated he is reaching out to the Commissions.

7. Adjourn

Motion

Member Wozniak moved, Member Joyce seconded, adjournment of the meeting at approximately 8:24 p.m.

Ayes: 4

Nays: 0

Motion carried.