Call to Order: 6:00 p.m.
Pledge of Allegiance - Council Member Hamilton
Invocation - Mayor Pedro Martinez
Roll Call: West, Irish, Hamilton, Stadtherr, Martinez

ORAL COMMUNICATIONS
None

SCHEDULED MATTERS

1. REFUSE 101

The City Manager presented the item and stated that the Public Works Director would give the staff report.

Baldomero Rodriguez, Public Works Director, stated that Lori Thomas, Recycling Coordinator, would begin the presentation.

Lori Thomas, Recycling Coordinator, gave a presentation on the programs in the Solid Waste Division. Ms. Thomas reviewed the Enterprise Funds, including costs, personnel, equipment, fees, programs, services, waste reduction and diversion rates.

Mayor Pro Tem Irish questioned staff about fines for cities for non-compliance.

Jim Vagim stated that the presentation by Ms. Thomas spoke about the 215,000 miles a year for the refuse trucks, and he asked staff if a study had been done on how many miles a transfer station would eliminate. Ms. Thomas stated that the City had looked at a transfer station more than once, although the vast majority of the miles was within the City.

Bryan Styles, Field Services Manager, then reviewed some of the numbers in Solid Waste, and the projected numbers through 2008/2009 for revenue and expenditures. Mr. Styles reviewed the 14% increase in expenditures from the previous year, and its reasons, such as cost increases for PERS, vehicle maintenance, professional services, and the Municipal Franchise Fee. He stated that the fund balance at the end of this year would be $176,000; with the deficit spending, it will leave a fund balance of $32,000 next year. Subsequently, it will carry over to a negative fund balance. Mr. Styles stated that these figures took into account a scheduled rate increase for July 2004/2005-- in the residential sector 50¢ for a standard 90/90 services, which would raise revenues approximately 6% from the prior year. The scheduled commercial rate increase of .17¢ per cubic yard will be a 3.4% increase. He stated that in 2007/08 they anticipated a landfill closure at Teapot Dome, causing a significant expenditure which they had been building toward, but they would not have the reserve for that expenditure, and even removing that expenditure of $500,000, they would still need a rate
increase for solid waste in the 2005/06 Fiscal Year, providing the projects still hold true. He stated that with the scheduled rate increases, they could look at needs through next year. He stated that they were not looking at an additional rate increase at this time unless directed to do so by Council. He stated that they would be looking at an increase of $1.00 to $1.50 to bring them back into a fund balance of $175,000 to $200,000, on top of the scheduled .50¢ range. But that was not the recommendation at this time. Mr. Styles stated that they had tried to include the rising fuel costs into their projected figures.

Mayor Pro Tem Irish questioned what formula was used in the 1988 MSI Study to come up with the $250,000 Municipal Franchise Fee for Solid Waste.

The Deputy City Manager stated that he would provide a packet out of the MSI Binder that described the formula. He stated that calculations were done annually on street maintenance costs to account for the fees. Mr. Pyle stated that it was proposed that the increase in the Municipal Franchise Fee would allow for an update of the MSI Study City-wide.

Mayor Pro Tem Irish stated that his question was how much it cost damage-wise per truck, per mile. He stated that if they got in dire straits, it would not collapse the roads if they said they would only put in half the amount into the Franchise Fee, and put the rest to make it float.

City Manager Longley stated that they had used the Franchise Fee in the past to pay on the COPs, and it was a solid component of money factored into the Certificates of Participation. He stated that the additional monies derived would largely offset other General Fund expenditures towards the COPs. He stated that there were also Park Funds to cover that portion of the COPs that went to support the Sports Complex development. He stated that virtually everything else was streets in the COPs. He stated that what that would result in was actually a higher General Fund amount that would have to go towards COPs. The City Manager stated that the City paid $1.8 million per year in the General Fund, with an estimated $53 million balance.

Mayor Pro Tem Irish stated that he wanted a better correlation on the damage done by the trucks to the streets for that $250,000.

Council Member West asked what was involved in the professional services expenditures. Staff stated that landfill fees, the green waste recycling contractor, and temporary services fell into that category.

Cathy Capone spoke on the proposed 14% increase, and questioned whether that figure would change as the year progressed.

The Field Services Manager stated that they hoped the figure would decrease, but they put quite a bit of scrutiny into trying to pare the budget down as much as possible. He stated that the items over which they had no control, were the things affecting the increase. He then reviewed the projected revenues for commercial, and the actual revenues, to show the change in amounts.
Mayor Pro Tem Irish then spoke about projected PERS costs, and whether they allowed for a spike in costs every three to five years.

The Field Services Manager stated that additional program implementation was factored into the budget, but only standard increases in expenditures based on CPI increases were factored in yearly—no direct spike was put in for a third year for a PERS increase.

Mayor Pro Tem Irish questioned whether the taxpayers would benefit from a PERS rate reduction, and staff stated that it would be factored in.

2. RESIDENTIAL CURBSIDE RECYCLING PROGRAM

Recommendation: City Council adopt Option 1 as stated and direct staff to complete a detailed program analysis and schedule a public hearing for consideration of implementing a mandatory residential curbside recycling program.

The Field Services Manager presented the staff report which presented three options to Council:

1. City Council direct staff to complete a detailed program analysis and schedule a public hearing for consideration of implementing a mandatory residential curbside recycling program.
2. City Council direct staff to contract with Sunset Waste Systems for a 90-day pilot curbside recycling program.
3. City Council determines current residential recycling programs meet the requirements of AB939 and the needs of City residents and no curbside recycling program is necessary at this time.

The Field Services Manager stated that adding the curbside recycling service would move the solid waste rate increase to 2006/07. He stated that the proposed rate for recycling would be $2.00 per month.

Cathy Capone, 806 W. Westfield, clarified that the rate would be the same for everyone for one sixty gallon container for residential customers. Multi-family containers would be separate.

John Mohoff, 1707 E. Goshen, Visalia, Sunset Waste Paper, stated that markets for recycling differed year to year, and he questioned whether the staff projected for the next 12 to 15 years that they would receive revenues from curbside materials.

The Field Services Manager stated that staff would put out RFP’s to recycling facilities, including Sunset Waste Paper, and look for what kind of numbers they were talking about. The presentation that evening was purely informational for the Council, with no action requested on a fee or to implement the recycling program. He stated that initial indication was that they would receive revenue from the recycled products they would take to a recovery facility. Mr. Mohoff discussed with the Field Services Manager whether any cities were getting paid for curbside residential recyclables.
The Field Services Manager then reviewed the proposal from Sunset Waste Systems for a 90-day pilot curbside recycling program, and the staff analysis of the proposal.

Council Member Stadtherr asked about landfill cost and the costs for hauling. He stated that the $31 per ton would be saved by the City if that ton was given to a recycler.

Staff stated that they looked at that, but their figures were straight revenue versus expense, so there would be an additional savings to the solid waste fund of the $31 per ton; but because the ton was recycled, was not a hard number–basically they were looking at the recycling program self supporting itself, and not the effect it would have on the solid waste program.

Council stated that it was not a fair analysis then. Council Stadtherr also asked about the capital financing costs for 15 years, which staff estimated to be $500,000 and which would come from equipment replacement. Council Member Stadtherr asked about the proposed tonnage from recycling, and the number of pickups per week and the effect on the Municipal Franchise Fee. He also asked about other cities in the county that have curbside recycling and the types of containers.

Jim Vagim, Visalia, property owner Porterville, stated that Sunset Waste Paper has done other pilot programs for Delano, Merced, Sanger and Reedley, and in all four cases they now have the contract. He complimented the staff for the creative curbside recycling program, but he would have to see the numbers from the revenue streams from the recycling.

Council Member Stadtherr asked about customers going to smaller cans when they reduced their solid waste by recycling, and dropping the rates they were paying. Did the staff expect a shift of people turning in the 90 gallon black cans for smaller cans. Staff stated that they did not expect a big switch.

Cathy Capone, 806 West Westfield, stated that with the change to curbside recycling, she felt there would be a decrease in the drop-off box use in tonnage. So they may save money on that service. Staff stated that was calculated in. Ms. Capone stated that some larger cities co-mingled all the trash and then it was separated mechanically at the tipping place, and she questioned if the City was looking at that possibility. Staff stated that there were significant processing fees for a co-mingled waste stream, so a single stream recyclable seemed to be the logical choice, where the recyclable could be sold and revenue made instead of paying processing fees.

Felipe Martinez, 195 West Putnam, asked if staff had asked Fresno about their eight year use of a third trash can for recycling. Staff stated that they had reviewed curbside service from cities throughout the State, and the most common was the separate third container.

Mayor Martinez spoke about recycling inside the home.

Council took a break from 7:42 to 7:48 p.m.

Jim Vagim spoke about the split can system in Visalia where he lives. He stated that the question here tonight was about the future, and recycling would not be an option in the future.
April Tolson stated that the children would be taught recycling and it will be a way of life as they grow. She stated that parents need to take the responsibility to teach their children, and it would definitely be easier if the recycling was done at the home.

Felipe Martinez stated that he came from Fresno, and it becomes second nature about what goes where.

Cathy Capone stated that she recycled in her home. She also asked how the larger pieces of cardboard would be handled for recycling. It was stated that it would have to be cut down.

Mayor Pro Tem Irish thanked Sunset Sanitation for making the offer for the 90-day pilot curbside program. He stated that Council had three options in front of them, and he was in favor of a complete and detailed program analysis, but it needed to be done by an outside source. Mayor Pro Tem Irish stated that they needed an unbiased third party as a consultant giving that complete and detailed program analysis. He stated that he knew it would cost, but they were talking about a major change in people’s lifestyles. Council agreed that a third party would have more credibility, and it would be too big a step to be done lightly.

COUNCIL ACTION

MOVED by Mayor Pro Tem Irish, SECONDED by Council Member Stadtherr that staff proceed with a complete, detailed program analysis from an outside consultant, and expedite it as quickly as possible. The motion carried unanimously.

City Manager Longley clarified that at the June 15 meeting staff would put together a draft for the RFP process to retain a consultant to do the analysis. At least the initial outline so Council could give direction from that point.

Council Member Hamilton stated that he would like with that a list of people that would be receiving the RFP. He stated that he also didn’t see a solid proposal from Sunset Waste on the pilot program, because they might be able to do both things at one time. He stated that there were no costs.

Jim Vagim stated that they couldn’t give the City a number as long as Council had the creative program the staff came up with for $18.50 per ton for recyclables. He stated that the other cities were paying them, not making money.

Council Member Hamilton asked for a cost analysis of savings.

Mr. Vagim stated if the City had a recycling program and Sunset built a transfer station, which they were willing to do if the numbers are right, it would extend the life of the Teapot Dome landfill. He complimented the staff for getting an outside consultant.
The Public Works Director questioned if the consultant would be doing a thorough analysis of the City proposal and Sunset, or would it be whomever the consultant had a rapport with. Council stated that the consultant should be a general overseer for the best interests of the City.

Mr. Vagim asked Council Member Hamilton to tell Mr. Mohoff what he was looking for in the way of figures, and he would compile that. Mr. Vagim stated that if anyone wished to visit the recycling facility in Fresno, he would be happy to conduct a tour.

OTHER MATTERS

Council Member Stadtherr asked that picture signs be installed at the recycling center at the Corporation Yard for people that could not read, or not read English.

3. CONSIDERATION OF LEAGUE OF CALIFORNIA CITIES NEGOTIATION WITH GOVERNMENT AND LEGISLATURE REGARDING FUTURE STATE AND CITY BUDGETS

The City Manager presented the item and Darrel Pyle, Deputy City Manager, provided background information on the program outlined between the Governor and the League of Cities.

The City Manager then read the League Resolution ratifying certain actions of the Board of Directors of the League of California Cities and asking for the Council’s support. He stated that they were faced with two choices, support only the League’s Initiative or work with the Governor and support the Governor’s Initiative.

Council Member Hamilton expressed his opposition to giving up the fight to pass the League’s Initiative, and continuing the opposition to the Governor’s taking money from local government.

The City Manager then read the proposed League Resolution which the cities were being asked to vote on Thursday. He stated that after discussion with Mr. Pyle, rather than bet the farm, they recommended support for the opportunity to negotiate with the Governor.

Council discussed the possibility of not having the Governor’s support after his initiative was approved.

COUNCIL ACTION

MOVED by Council Member Stadtherr, SECONDED by Mayor Pro Tem Irish that Council give Council Member West clear instruction that he support the League’s resolution and support their position, which was to support their original proposition, but at the same time negotiate with the Governor.

M.O. 02-051104

AYES: West, Irish, Stadtherr, Martinez
NOES: Hamilton
ABSENT: None
ABSTAIN: None

Disposition: Approved.

OTHER MATTERS

Mayor Pro Tem Irish stated that he had received a letter, which he would copy to the other Council members, from Health and Human Services concerning the tobacco situation in town. The letter stated that on April 5, 2004, a 16 year old visited 27 retail outlets in Porterville that sell tobacco, and would have been able to purchase tobacco in 42% of the establishments, even though the State average is only 12.2%. He asked that an ordinance be drafted to get all tobacco products locked up. Mayor Pro Tem Irish gave a draft ordinance to the City Manager.

The City Manager stated that a draft ordinance would be prepared by the City Attorney for the June 15 Council Meeting.

ADJOURNMENT

The Council adjourned at 8:35 p.m. until May 18, 2004 at 6:00 p.m.

Georgia Hawley, Deputy City Clerk

SEAL

Pedro R. Martinez, Mayor