



HIGHLAND CITY

HIGHLAND CITY COUNCIL MINUTES

Tuesday, March 17, 2020

Amended March 12, 2020*

APPROVED MINUTES

Highland City Council Chambers, 5400 West Civic Center Drive, Highland Utah 84003

~~**6:00 PM YOUTH COUNCIL AND CITY COUNCIL MEET AND GREET –
INFORMAL MEETING (EXECUTIVE CONFERENCE ROOM) Postponed***~~

PRESIDING: Mayor Rod Mann

COUNCIL MEMBERS

PRESENT: Timothy A. Ball, Brittney P. Bills, Kurt Ostler, Kim Rodela (attending electronically), Scott L. Smith

CITY STAFF

PRESENT: City Administrator / Community Development Director Nathan Crane, Assistant City Administrator Erin Wells, Finance Director Gary LeCheminant, City Recorder Stephannie Cottle

OTHERS: Reese DeMille, John Scott Hart

7:00 PM REGULAR SESSION (CITY COUNCIL CHAMBERS)

Call to Order – Mayor Rod Mann

Invocation – Council Member Kurt Ostler

Pledge of Allegiance – Council Member Brittney P. Bills

The meeting was called to order by Mayor Rod Mann as a regular session at **7:05 p.m.** The meeting agenda was posted on the *Utah State Public Meeting Website* at least 24 hours prior to the meeting. The prayer was offered by Council Member Kurt Ostler and those assembled were led in the Pledge of Allegiance by Council Member Brittney P. Bills.

1. UNSCHEDULED PUBLIC APPEARANCES

Time has been set aside for the public to express their ideas, concerns, and comments (Please limit comments to three minutes per person, and commenters should state their names and addresses).

No public appearances.

2. CONSENT ITEMS *(5 minutes)*

Items on the consent agenda are of a routine nature or have been previously studied by the City Council. They were intended to be acted upon in one motion. Council members may pull items from consent if they wanted them considered separately.

a. No Consent Items to Approve

3. PUBLIC HEARING: 2020 BOND SERIES PROPOSAL TO REFINANCE THE 2009 GENERAL OBLIGATION AND THE 2015 SALES AND FRANCHISE TAX BOND *Legislative (20 minutes)*

City Council held a public hearing to allow public input regarding (a) the issuance and sale by Highland City, Utah of not more than \$3,800,000 aggregate principal amount of sales and franchise tax revenue refunding bonds, series 2020; and (b) any potential economic impact that the project to be financed with the proceeds of the series 2020 bonds issued under the act may have on the private sector; and related matters.

Mayor Mann opened the public hearing at 7:12 p.m. and called for any citizens who wanted to speak on the item to come to the podium and state their name for the record. Citizens online were also invited to comment.

Assistant City Administrator Erin Wells discussed the current bonds which would expire in 2027. Originally, the bond was for roughly \$5 million, and there was about \$4.6 million left. The City Council attempted to combine the previous bond with the Pressurized Irrigation (PI) bond to refinance and get a better interest rate. If combined, the PI bond would still be paid off in the same timeframe as previously anticipated. The remaining bond would be paid out of the General Fund until 2026. They hoped to save \$100,000 over the life of the bond by refinancing.

Council Member Timothy A. Ball asked about the issuer of the bond, and Assistant City Administrator Erin Wells said Zions Bank was the broker. Council Member Tim Ball then asked what the anticipated interest rate was based on, and staff said that it was based on the interest rates from a few weeks ago. The deadline for bidding is tomorrow.

Council Member Kurt Ostler said the Federal Reserve did an “overnight lending” between banks. Since the City went to the bond market, which was fluctuating, his understanding was that it had to be lower than 3%. Zions Bank estimated the interest rate around 2%, and felt it would be wise to refinance now. The bid the City received looked like it met the parameters of the resolutions.

Council Member Scott L. Smith asked if the bond would not mature in more than 10 years. A resolution was set with broad parameters to encompass a longer length of time. Finance Director Gary LeCheminant would not push a refinanced bond beyond the original life of bond.

No public comments were made.

Mayor Mann closed the public hearing at 7:18 p.m.

4. MAYOR/COUNCIL AND STAFF DISCUSSION AND COMMUNICATION ITEMS

a. City Garbage Services Contracts

Assistant City Administrator Erin Wells stated that the contract with Republic expired in July 2020 and the Council had elected to go to bid for this contract. The current contract was about \$522,000. This amount was simply for hauling costs, and did not include tipping fee, billing, or staff time. In Highland City, there were about 4,500 first garbage cans, 2,000 second garbage cans, and 2,800 recycling cans as of January 2020. All proposal received for a new contract showed an increase in costs. She reviewed each bid, as follows:

- Ace. Ace was a smaller local company. The City would be able to switch their garbage pickup day with this company. They utilized a transfer station in Pleasant Grove that charged less than North Pointe. Service calls were answered 24/7, and they offered monthly reports regarding missing cans, complaints, etc. They offered an eight-year contract with a 5% discount, and they would do curbside pickup for Christmas trees. The total cost of the eight-year contract was \$677,000. This was the highest bid they received.
- Republic Services: This company had serviced Highland for fifteen years. Their proposal emphasized safety. Their customer service center was located in Phoenix, AZ, and the residents of Highland had experienced some issues with the call center, although it had improved lately. The company was willing to work with the City on changing their pickup day from Friday. They would likely to have their own transfer station in the future. The total cost for a five-year contract was \$596,000.
- Waste Management: This was the largest company of all the bidders, which had its pro and cons. The company offered online chat, email, and phone customer service options, and they focused on training their customer service staff. There were computer systems on their trucks which provide real-time information. They also had their own recycling station. The total cost for the five-year contract was \$585,000.

Mayor Mann asked about recycling tipping fees. Assistant City Administrator Erin Well said that Republic Services and Ace had offered to pay the recycling tipping fees. Waste Management said that either the City or the company could pay the fee. Their proposal showed the costs with Waste Management paying the tipping fees.

Council Member Kurt Ostler asked if the recycling cost was included in these bids, or if it was separate. Assistant City Administrator Erin Wells said that Waste Management's bid was the number of cans multiplied by the weight per can, and the cost of Spring Cleanup. Republic Services was the same.

Council Member Kurt Ostler asked why Republic's bid was higher than the current contract, and if different services were being offered. He also asked if they could go back and renew their original contract. Reese DeMille, with Republic Services, said that they could negotiate the contract cost locally, which is why he tried to convince the Council to renew their contract without going to bid. City Administrator and Community Development Director Nathan Crane said that the City forfeited their ability to renew the contract when they went out to an open bid. Republic Services offered the City a deal to renew, but they did not like that offer and decided to see what other companies could offer. It was not legal or ethical to discard all bids and go with current contract if they matched the lowest bidder.

Council Member Scott L. Smith requested Reese DeMille explain the recycling process. He explained that Republic Services took recycling products to Rocky Mountain Recycling. They found a market who would buy the recycled materials. Republic had the largest recycling center west of the Mississippi.

Council Member Timothy A. Ball said that the City needed to choose between a 3% annual increase or the cost of doing business. He asked if that increase was revisited each year. Reese DeMille said that it was not. The increase was set in the contract. Over the past seven years, the costs had increased an average of 3.8% annually. The baseline cost of recycling was about \$95 per ton, and that amount was determined every year.

Assistant City Administrator Erin Wells said the Council needed to make a decision soon because the City's contract with Republic Services would expire in July. She noted that if they went with another company, they would have to provide new cans for the City.

Council Member Kurt Ostler was surprised at the large jump in cost, because other cities received lower costs.

City Administrator Nathan Crane questioned what would happen if they rejected all bids and went out for bid again. There was some discussion about timing and whether they needed to make a decision tonight.

Assistant City Administrator Erin Wells said overall, Ace had had the largest increase. Ultimately, the recommendation was between Republic Services and Waste Management. In theory, customer service should be comparable. There were more customer service tools offered by Waste Management. She presented a slide that showed a \$20 annual increase for homes with two garbage cans and one recycling can with Waste Management compared to a \$34 increase with Republic Services. This was not the amount residents would see because it did not factor in other fees, such as tipping costs.

Council Member Brittney P. Bills asked if each company had comparable can sizes. Assistant City Administrator Erin Wells said the cans range between 90 to 110 gallons. The cans they had from Republic Services were 95-gallon cans. Waste Management cans would be similar.

Reese DeMille said there was an \$11,000 difference for 4,900 homes, which came out to about \$2.41 per home. However, not every home would have a second garbage or recycling can. There was a \$2.40 increase for first garbage can, per year.

Council Member Kurt Ostler said residents were concerned that recycling was not really being recycled. There was a brief discussion regarding the percentage of recycled materials that were contaminated and consequently sent to the landfill.

Council Member Brittney P. Bills asked if Republic Services would keep the same transfer station. Assistant City Administrator Erin Wells said that they would like to change their transfer station when their contract was up for renewal with North Pointe. Until then, they were required to take their loads to North Pointe. Finance Director Gary LeCheminant and the utility billing clerk had reviewed the bids and recommended going with Waste Management.

Council Member Kurt Ostler commented that there had been struggles with Republic Services in the past, including cans not being picked up. He asked if there was any assurance that they would have better customer service with Waste Management. Assistant City Administrator Erin Wells said that other cities were satisfied with Waste Management, although every company missed cans occasionally. In theory, the two companies would be similar, but Waste Management emphasized their customer service abilities.

Council Member Scott L. Smith asked where the new Republic Services transfer station would be. Reese DeMille said that they would be using Ace Intermountain Regional Center (AIRC) transfer station. Ace partnered with Intermountain Regional Landfill and had a transfer station in Salt Lake and in Pleasant Grove. They might build a new transfer station in the future.

Council Member Scott L. Smith asked where Highland citizens would take green waste if they stayed with Republic Services, and Reese DeMille said that it would go to North Pointe.

Assistant City Administrator Erin Wells stated that the Council was not discussing the move to another transfer station. Council Member Scott L. Smith wanted to make the transfer station location a consideration in making this decision.

Mayor Mann asked about green waste costs between Republic Services and Waste Management. Assistant City Administrator Erin Wells said there were a lot of moving parts with TSSD and North Pointe. She would write summaries of these issues and the Council could have copies of the RFPs.

There was continued discussion regarding the customer service issues they had experienced. Council Member Brittney P. Bills said that staff was frustrated enough with the issues that they brought it up to the Council at the end of last year. They needed to look at the long-term benefits of a company rather than the inconvenience of changing out cans. Assistant City Administrator Erin Wells noted that the new cans from Waste Management would come with a ten-year warranty.

Mayor Mann requested that staff get information on the transfer station question. Assistant City Administrator Erin Wells wanted to pursue a contract as soon as possible. They needed to enter into a contract by the end of the month. They would need a decision before the next City Council meeting.

Council Member Brittney P. Bills wanted to make a decision on this. She asked the other Council Members what more information they needed. Council Member Scott L. Smith said that he would like to know the long-term plans for the transfer station. If they were going with cost, Waste Management was the better choice.

Council Member Kurt Ostler wanted to talk to staff about customer service issue. He discussed how the actual increase was formulated and said there were a lot of different scenarios he wanted to work out.

Mayor Mann said the Council would get back to Assistant City Administrator Erin Wells by Tuesday with their decision.

Staff Solutions due to COVID:

City Administrator Nathan Crane described some of the ways staff was responding to COVID-19, including splitting the Public Works staff, changing procedures at the front counter, library check-ins, and the IT Department implementing remote working options. They had several staff members that were considered high and moderate risk.

Council Member Kurt Ostler asked how many people were coming into the office and what services they sought. City Administrator Nathan Crane said that there were eight visitors to the office yesterday, and twelve visitors today. The primary reasons for their visits were utility payments and building permits. The City recently sent out shut off notices, so they did see a small spike in visits. Some cities are no longer taking cash payments and disinfecting credit cards as they are used. Alpine was getting ready to lock down their City facilities, and Eagle Mountain was already closed. Orem's facilities were close to the public, except for necessary activities.

Mayor Mann thanked City Administrator Nathan Crane and staff for their efforts. The Council would support whatever they felt was appropriate in this situation.

Council Member Scott L. Smith said that he had a Master's Degree in Public Health. He applauded the efforts people were making regarding social distancing, and he encouraged people not to panic. There were a lot of anxious patients at the health facilities but roughly 80% of people who contract the virus survive. The immunosuppressed and elderly were at the highest risk. The goal with social distancing and other actions taken so far was to blunt the rise of in the infection and not to overwhelm intensive care units. So far, there were only two cases in Utah County. He urged the Council to be positive, and reassure the citizens that they would get through this. It was anticipated that people would suffer more from financial effects of the closures and anxiety than from the virus itself. As a City, they needed to protect employees and provide necessary services.

Council Member Kurt Ostler asked if the City employees were able to practice social distancing and if they felt safe in the office. City Administrator Nathan Crane said there were varying levels of concern amongst the employees. It was important to check in with the employees to make sure they were comfortable.

Council Member Kurt Ostler said employees needed an opt-out clause if they were concerned about working. City Administrator Nathan Crane said there should be a way to communicate through email or text without peer-pressure.

b. Future Meetings

- March 24, Planning Commission Meeting, 7:00 p.m., City Hall
- March 31, City Council Meeting 7:00 p.m., City Hall

ADJOURNMENT

Mayor Rod Mann called for a motion to adjourn.

Council Member Scott L. Smith MOVED to adjourn the meeting and Council Member Timothy A. Ball SECONDED the motion. All voted in favor and the motion passed unanimously.

The meeting adjourned at 8:34 p.m.

I, Stephannie Cottle, City Recorder of Highland City, hereby certify that the foregoing minutes represent a true, accurate and complete record of the meeting held on March 17, 2020. This document constitutes the official minutes for the Highland City Council Meeting.



Stephannie Cottle
City Recorder