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CITY OF NORTH CANTON, OHIO

IN RE:)
)
SPECIAL COMMITTEE OF)
THE WHOLE MEETING)
)
) **TRANSCRIPT OF PROCEEDINGS**
)

Transcript of Proceedings taken before the North
Canton City Council, taken by the undersigned, Shannon
Roberts, a Registered Professional Reporter and Notary
Public in and for the State of Ohio, at the offices of
North Canton City Hall, 145 North Main Street, North
Canton, Ohio, on Monday, the 13th day of May, 2019, at
6:15 p.m.

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APPEARANCES:

- Daniel Jeff Peters, Chairman
- Doug Foltz, Member
- Mark Cerreta, Member
- Daryl Revoldt, Member
- Marcia Kiesling, Member
- Stephanie Werren, Member
- Dominic Fonte, Member
- Patrick DeOrio, Director of Administration
- Laura Brown, Director of Finance
- Timothy Fox, Director of Law
- Robert Graham, PE

1 MR. PETERS: Okay. I'd like to call to
2 order the Special Committee of the Whole
3 meeting, Monday, May 13, 16 -- or 6:15 p.m.

4 Laura, will you please call the roll?

5 MS. BROWN: Peters.

6 MR. PETERS: Here.

7 MS. BROWN: Foltz.

8 MR. FOLTZ: Here.

9 MS. BROWN: Cerreta.

10 MR. CERRETA: Here.

11 MS. BROWN: Revoldt.

12 MR. REVOLDT: Here.

13 MS. BROWN: Kiesling.

14 MS. KIESLING: Here.

15 MS. BROWN: Werren.

16 MS. WERREN: Here.

17 MS. BROWN: Fonte.

18 MR. FONTE: Here.

19 MS. BROWN: Seven present.

20 MR. PETERS: All right. Thank you. One
21 item only; water, sewer, rubbish.

22 Chairman Cerreta.

23 MR. CERRETA: Yes. This was brought
24 forward to us at one point, and then we kind
25 of tabled it, I believe. But this is about

1 the -- really, bids for a new agreement for
2 our residents' garbage, rubbish, recycling,
3 and yard waste. So I'll let Pat take it from
4 here and explain where we are at and how we
5 got here.

6 MR. DEORIO: Thank you, Mr. Chairman. I
7 want to make sure I express my gratitude to
8 the Chairman for giving us the opportunity to
9 present this at a later date. We did have a
10 couple of false starts on this. The bid
11 specifications were not available earlier,
12 because I was in the process still of -- of
13 writing them.

14 And one of the things that I have had to
15 do is look at our processes, our bid
16 processes, and find in areas where they need
17 improvement, and areas where they don't. You
18 know, there are some that Tim has worked on,
19 that we'll get into down the road, on the
20 sludge lagoon.

21 But this set of bid documents that we
22 have been using for the solid waste have been
23 ones we have been using for several bid
24 cycles. And I don't feel that they properly
25 addressed what is going on in the

1 marketplace. So I made the effort to look at
2 approximately eight different communities
3 around Ohio that had just gone through a bid
4 process for their solid waste and recycling
5 within the last 12 months.

6 So I was concerned about making sure that
7 we had the proper processes completely
8 defined. So, for instance, just to give you
9 some of the color; laying out the timetable,
10 from the time that contract award is made to
11 the time that service is to begin, in the
12 previous documents, it really wasn't spelled
13 out as clearly, that process.

14 So, you know, ten days, you know, from
15 the time we do the notice of award to the --
16 to the -- the bidder can get documents back
17 to us that we can act upon. And if they
18 failed in that ten-day period, what is the
19 repercussion of that. And then, likewise,
20 once we have it back in our possession, how
21 many days do we have to execute on the
22 documents and turn it back around. And then
23 from there, how long do they have to get back
24 their performance bond.

25 So these were things that -- that needed

1 to be ironed out. And in our sludge lagoon
2 contract, we already had done that, but it
3 wasn't available in this one. So that was
4 one of the areas.

5 In addition, looking at what other
6 communities are doing regarding what was
7 required to bid, as far as, like, the bond,
8 two bonds. A bid bond, which we are most
9 familiar with, that if you give us a bid and
10 you back out on that bid, that there is a
11 bond that you have posted, or cash, that the
12 City can collect upon, because we are going
13 to be harmed by this process and we are going
14 to have to start again. And it may mess up
15 our timetable for when the contract expires,
16 and have to do a temporary agreement with our
17 current hauler to be able to bid it out
18 again.

19 So we have these bid bonds. And we do
20 this on all our contracts. But in the one
21 that we had with the City before, we were
22 only asking them to post a \$6,000 bond, or
23 cash, for that. In other communities, the
24 bond is 100 percent of the first year's cost.

25 So if they are saying that the first

1 year's cost in this is X amount per resident
2 for solid waste, plus recycling, plus
3 potential curbside service, let's just say
4 that totals, for conversational purposes, a
5 million dollars. Then they have to post a
6 million dollar bond, because that's the value
7 of it. So not the \$6,000 figure. So that
8 was an improvement.

9 And then, also, once you have the
10 agreement, once you have been selected and we
11 executed all the documents, the other thing
12 that was prevalent in other communities is
13 that we would have a performance bond, so
14 that during that first 12 months of the
15 contract, you have -- don't live up to the
16 contractual language that you are required
17 to, and we feel that we have to sever service
18 from you, you have a bonding agent that is
19 going to step in and make the City whole,
20 while we go out and rebid it again and pick a
21 different vendor.

22 So those were -- again, just another
23 couple examples of what we wanted to get in
24 here. And that just took time to do so. I
25 appreciate your indulgence on that. When I

1 looked at the existing bid documents, the
2 stuff that's in there, that was in there, is
3 in here. You know -- and there was just a
4 lot of other materials that needed to be in
5 here.

6 So the one thing that was taken out of
7 the -- from last time to this time was the
8 section that dealt with financial incentive
9 for recycling. And so I just want to make
10 you -- the Council aware of the difficulties
11 that are being experienced across the country
12 as it comes to recycling.

13 Recycling used to be a very easy market
14 to do. Most of the recyclables in this
15 country were shipped to China, and they were
16 taking all they could get, and so it made
17 recycling really easy. In fact, probably as
18 an editorial, as a nation, we have gotten
19 pretty lazy as it relates to making sure our
20 recyclables are pure.

21 So we don't exactly empty out that
22 2-liter Pepsi bottle. We just kind of throw
23 the whole thing in. And so what that has led
24 to is that the -- China has said no, we don't
25 want these recyclables, because there is too

1 much mixed stuff in it, and we can't process
2 it and it's too labor intensive; we don't
3 want it.

4 And now that's putting a push back
5 into -- into the US market everywhere with
6 regards to recycling, that it's getting
7 harder and harder to keep the recycling out
8 of the landfills. And so we have to pay
9 particular attention that -- if that's an
10 objective and goal we want, which I believe
11 it is, that we have to make sure that we try
12 to do something that doesn't cause us to
13 abandon that mission.

14 So I felt that the financial incentive
15 was -- from what I have seen in other
16 communities -- I have looked at the other --
17 the bid processes in a number of communities
18 and what the results were. And the financial
19 side of it on recycling is really coming
20 under duration -- under duress.

21 So what I substituted in its place was an
22 educational component on this, that we would
23 like the successful bidder to make part of
24 this process an educational program to all of
25 the residents in North Canton. What is it

1 that you want recycled? How is it that you
2 want it to be recycled? And that needs to be
3 going on on an annual basis. So for them to
4 reach out directly to our residents and say,
5 here is what you need to do, here is what we
6 want, here is what we don't want. I thought
7 that would be probably more helpful to drive
8 up our numbers in that.

9 MS. WERREN: So communities are not
10 getting the money anymore?

11 MR. DEORIO: Yeah, what's -- yeah,
12 because the recyclers can't get rid of the
13 recyclables --

14 MS. WERREN: Yeah.

15 MR. DEORIO: -- they are saying, we don't
16 even want to do recycling; we don't even want
17 to deal with it. We're just going to put it
18 in the trash and just take it to the
19 landfill. And so the market is definitely
20 shrinking with the number of firms that are
21 able to successfully process the recycling.

22 MR. FONTE: So I'm guilty of this, too.
23 Lack of education. So this is a good
24 component to add, the educational part,
25 because, like, I throw a pizza box away, and

1 it has some cheese and some stuff stuck in
2 it, like sauce. And I threw it in the
3 recycling. She goes, you can't throw it in
4 recycling. I go, why. She says, well, look,
5 there is, like, cheese on there. That has to
6 be totally clean.

7 So, honestly -- innocently, we are
8 throwing and thinking we are doing a good
9 thing by recycling, and they are throwing it
10 all in a landfill. So if I would have known
11 that's not the proper way to do it --

12 MS. WERREN: You would have eaten the
13 cheese.

14 MR. FONTE: -- I would have eaten the
15 cheese out of the box.

16 MS. KIESLING: Twenty-four hours later.

17 MR. CERRETA: Eaten all the cheese. Why
18 waste the cheese?

19 MS. WERREN: Eating the sauce, eating the
20 cheese --

21 MR. FONTE: One at a time here. No. But
22 what I'm saying is, like, what Pat said, the
23 2-liter bottle, there's just a little drip in
24 it. Really? But, yeah, they have to pitch
25 it. Because it's not pure enough. So that's

1 really all it is.

2 And I don't read the top of the box, of
3 the recycling container that shows the
4 picture. That gets confusing, I think. But
5 if there was a little component -- you know,
6 I think, really, that would make a --
7 probably 40 percent increase in good clean
8 recycling. That's my two cents.

9 MR. CERRETA: So are you saying that they
10 don't do the recycling now then? I mean, do
11 we still have the green containers going
12 forward?

13 MR. DEORIO: We do here presently.
14 Kimble still has the ability to process the
15 recycling, and they have a competitive
16 advantage over others. And what I'm saying
17 is that others may come in here and bid on
18 this, and you may find that they may give you
19 a number, and it may be -- may or may not be
20 an attractive number, but it probably won't
21 include the recycling, because there is just
22 less and less players in that -- in that
23 arena.

24 MR. CERRETA: But they'll let us know at
25 that time whether they do or not?

1 MR. DEORIO: Oh, yeah.

2 MR. CERRETA: Yeah.

3 MR. DEORIO: It's spec'd out in here.

4 The bid tabs ask for the price for recycling,
5 the price for solid waste and yard waste, and
6 the price for leaf recycling. And then as
7 part of that, we are requiring them to
8 provide services to the City of North Canton
9 government at no additional cost. So
10 servicing all of our buildings and our parks
11 with dumpsters and collection vehicles and
12 that. That is not an additional cost. But
13 we specify in here what times and dates we
14 want things picked up.

15 MR. CERRETA: Okay.

16 MS. KIESLING: Thank you. Sounds --

17 MR. CERRETA: So I did notice this
18 five-year period. This four one-year
19 renewable options, is that -- is that normal,
20 four one-year?

21 MR. DEORIO: Uh-huh. Yeah. What I found
22 is that -- first of all, three-year contracts
23 are -- they don't do them anymore. A
24 five-year is really where you need to be.
25 That's the sweet spot. And then as many

1 options for renewal as possible.

2 Now, I had talked with the County
3 Administrator about this subject, and, you
4 know, one of the things that -- the advice
5 that he had given to us in this -- getting
6 the renewals and extensions and that kind of
7 thing is what they follow at the County is
8 when they want a renewal, they do it in this
9 fashion that we have laid out here, where
10 they have to bid that price now. They have
11 to tell us what that number is.

12 Now, what that does is that gives us
13 something in our tool belt, that we have
14 already competitively bid this out, granted
15 this -- we do five years, and then we get --
16 in the sixth year is our first, you know,
17 renewal. But we'll know through this process
18 what that price is going to be.

19 And as we get closer to that, we can
20 decide, you know, is that a good number or
21 that's not a good number, because we are able
22 to go around to the other communities, is it
23 done -- and ask what did -- you just let
24 yours out this year; what was the price that
25 you got.

1 And if we feel that it's good, we've
2 already done the competitive bidding on it,
3 and, you know, hopefully there is -- you
4 know, whatever other logistics that we would
5 have to do, we could just go along and enter
6 into that.

7 The idea was to try to get as much of
8 that pricing done upfront now and see what
9 that looks like. And, granted, you know,
10 they -- they indicated that that's hard to
11 predict the future, you know, what it is.
12 But I appreciate that, but this is what other
13 communities are doing. You're giving prices
14 for beyond the period. We need to know what
15 ours is.

16 MR. CERRETA: Any questions?

17 Daryl.

18 MR. REVOLDT: You done?

19 MR. CERRETA: Yeah. You've got any
20 questions?

21 MR. REVOLDT: I would encourage --

22 MR. DEORIO: And before you -- I feel
23 like I'm in, like, a Senate sub-committee
24 meeting, and I'm the only one here on my
25 side. I got the whole panel over here --

1 MS. KIESLING: Staring at you.

2 MR. REVOLDT: You are not under subpoena.
3 You are not in contempt.

4 I would encourage us to consider
5 extending the existing contract. The current
6 contract that we have has a provision in the
7 document to extend it. If you look at the
8 language of the enabling ordinance, the dates
9 of -- effective are incorrect. It was
10 41-2016.

11 My suggestion is that we amend that
12 ordinance, provided with the correct
13 effective dates, A; and B, add the language
14 that's contained in the proposed 41-19 at
15 your desk, regarding contract extensions.

16 We have already got a pretty good rate.
17 If we authorize the administration to extend
18 the existing contract, we'll have an idea
19 whether we are in the ballpark or not. But
20 I'm pretty confident that if we bid it out,
21 our taxpayers will pay more -- our residents
22 will pay more for collection. I just don't
23 think it's necessary.

24 I would like to have a hard number on
25 extending the existing contract for a year.

1 I believe we can do it. I believe it's
2 allowed under law. I know the Law Director
3 and I may have a little disagreement on what
4 the charter provides, but the bottom line is,
5 I think we can do it.

6 And I have looked at the code, which is a
7 little vague. But I took a look today at
8 Mahoning County's contracting guide. Clear
9 references to extending contracts. We do it
10 on -- in effect, on change orders right now.
11 We don't send projects out to rebid. I think
12 it would be -- I think it would be worthwhile
13 to see where we are in the marketplace before
14 we go to a newer and potentially much higher
15 price.

16 MR. DEORIO: One of the difficulties you
17 are going to have is getting somebody to tell
18 us what that number is, and then, ultimately,
19 it goes out to bid. Because once the number
20 is known, what it is --

21 MR. REVOLDT: The extension?

22 MR. DEORIO: Yeah -- then, you know, you
23 are kind of -- you -- they are kind of at a
24 competitive disadvantage via the others that
25 come in here to bid, because the price is out

1 there.

2 MR. REVOLDT: Yeah.

3 MR. CERRETA: Tim, what do you've got to
4 say about that?

5 MR. FOX: I -- I believe because in the
6 original contract, because we didn't set an
7 increase, what that indicator would be, if
8 consumer price index or something along those
9 lines, that we didn't include that amount,
10 that it would be unfair to the other bidders
11 to offer to Kimble the opportunity to extend,
12 where they would -- we would negotiate a
13 price increase. Because, you know,
14 competitive bidding requires that in that
15 notice that you sent in your bid, if we are
16 going to extend that, we needed to have a
17 price indicator.

18 And because we didn't have this, I
19 believe the only way that we would be able to
20 extend this is if Kimble was willing to
21 extend at the current price. Beyond that,
22 the others that would want to participate in
23 the bidding process likely would cry foul and
24 say, you know, we should have the opportunity
25 to participate in this, in the competitive

1 bidding process.

2 MR. PETERS: So it's possible legal
3 exposure for the City?

4 MR. FOX: I believe so, yes.

5 MR. CERRETA: Did you have something?
6 Well, you know, with the --

7 MR. FOX: And there is always exposure,
8 but I think, essentially, the history that we
9 have had with this contract, that if you go
10 two periods ago, it was quite acrimonious
11 with Republic and Kimble, where Republic came
12 in, and it was just slightly higher than
13 Kimble. But in the overall package, when we
14 look at lowest and best, price is one of the
15 factors; and there are several other factors
16 which detail customer service, the issue that
17 Kimble, all of its collection vehicles use
18 compressed natural gas instead of diesel.
19 There were a variety of factors that put
20 Kimble above Republic, and Republic came in a
21 couple times and let us know of their -- of
22 their disappointment in -- in not being
23 selected.

24 But I think overall, in that competitive
25 bidding process, it was the correct choice

1 for the Board of Control, looking at all the
2 factors, not the least of which was there was
3 quite a few errors in the bidding package,
4 even in their own pricing, that came from
5 Republic, and it wasn't in their -- their
6 favor.

7 And so, you know, putting all those
8 factors together, we selected Kimble two
9 cycles ago. In the last cycle, there was
10 quite a disparity. Kimble was much lower
11 than Republic. And it was the three-year.
12 It did have that clause in there, the ability
13 to extend.

14 But without having the ability to
15 determine what that additional cost would be,
16 I think that -- unless Kimble was willing to
17 do it for the same price, that because we
18 don't have that indicator listed, that we'd
19 likely hear from, you know, one of the
20 competing sanitation companies.

21 MR. CERRETA: Okay. With all of that
22 said, are we able to do as Daryl was somewhat
23 recommending about getting another year out
24 of this?

25 MR. FOX: You are always able to do that.

1 It's just whether or not you are going to --
2 is there a likelihood that you will face, you
3 know, someone crying foul. And I think there
4 is a strong likelihood that you would from
5 Republic.

6 MR. CERRETA: I know the bidding process
7 is an important thing, as far as not only
8 pricing, but service. I mean, that's why
9 it's there, and I guess it depends on --

10 MR. FOX: Correct.

11 MR. CERRETA: -- you know, we are taking
12 advantage of something that might happen and
13 face some legal issues or -- you know, what
14 kind of organization do we want to be, I
15 guess, when it comes down to it.

16 MR. REVOLDT: Here's -- let me -- let me
17 respond to this in this way: Our
18 responsibility is not to the competing
19 companies. Our job is to put money in our
20 constituents' pockets, or try to keep it
21 there.

22 I think if you -- if we look at the
23 language, the administration is authorized to
24 reach out to Kimble and ask for a price.
25 It's going to know at that time whether that

1 price is acceptable. And it can bring it
2 back to Council, and should bring it back to
3 Council.

4 So if it's a -- if it goes from \$14 to
5 \$16, and we know that the bids that are
6 circulating out there are \$18, well, you
7 know, it's probably a pretty good deal. It's
8 not something that's necessarily going to be
9 public until it comes to our -- for our
10 consideration. I don't know. It's just a
11 question of how much do -- is it necessary?
12 Is there anything we can do to put -- keep a
13 little extra money in our constituents'
14 pockets?

15 MR. PETERS: Say we go that route and we
16 do that for one year. Are we right back here
17 next year?

18 MR. REVOLDT: Yeah, we probably will be
19 eventually.

20 MR. PETERS: So --

21 MR. CERRETA: That's a lawsuit that could
22 be impending at the same time.

23 MR. REVOLDT: You know, we get -- we are
24 going to get -- as our legal counsel said,
25 let the judge decide.

1 MR. PETERS: Yeah, but there is a cost to
2 that.

3 MS. WERREN: Yeah, that's --

4 MR. REVOLDT: Oh, I under -- I understand
5 that.

6 MR. PETERS: To the tax payer.

7 MR. REVOLDT: But the fact of the
8 matter -- the fact of the matter is, it's the
9 lowest and most responsive bid.

10 MR. PETERS: Yeah.

11 MR. REVOLDT: And the code clearly
12 includes a broad range of qualifications
13 for -- of which Tim has enumerated, some of
14 those enumerated, what constitutes the lowest
15 and most responsive bid. But, clearly, I'd
16 really like to know what that extra year
17 would cost us.

18 MR. FONTE: I like what Tim said. I
19 thought your idea sounded good, what you were
20 talking about. It makes sense.

21 MR. PETERS: I think eventually we are
22 going to have to bid -- it's going to come to
23 the point where we bid this out.

24 MR. REVOLDT: Oh, absolutely.

25 MR. PETERS: So that number is going to

1 be known, and if we -- like Tim said, we are
2 always -- we always have exposure at some
3 level or not. But this may be increased if
4 we --

5 MR. REVOLDT: I would argue that we
6 probably know where the numbers are. If you
7 were to put a list together of all the
8 communities over the last year that have bid
9 contracts, we can go down the list for
10 Republic and -- and Kimble and -- whatever,
11 and we will know the -- roughly where the
12 bids are.

13 MR. PETERS: I'm not arguing that point
14 at all. I think we have a pretty good idea.
15 I think we can pretty much get it --

16 MR. REVOLDT: Where do you think it is?
17 Where do you think it is, the new one?

18 MR. PETERS: I'm going to say \$18 or --
19 what was that -- what was the new one? We
20 talked about this. Maybe -- it was you and I
21 or Pat and I. Was it \$18, \$19, somewhere
22 around there?

23 MR. REVOLDT: I heard \$4, a \$4 increase.

24 MR. PETERS: Oh, increase. Total.

25 MR. FONTE: Is there a contingency in

1 there if the gas goes to \$4 a gallon, a fuel
2 charge, surcharge? Is there, like, a
3 contingency in the contract for those kinds
4 of things?

5 MR. DEORIO: There can be.

6 MR. FONTE: Right. What I'm saying is,
7 like, Republic always has a fuel charge
8 surplus -- or, I mean a surtax. And when the
9 gas went from \$4 to \$2.20, they never took
10 the tax -- the gas tax off, which upset me.
11 So I'm just saying, I don't -- you know, they
12 can back-end us that way, too, if there are
13 contingencies in there to allow that to go up
14 and not bring it back according to the
15 adjustments.

16 (Whereupon, Mr. Graham enters the room.)

17 MR. FOX: It would be unfair to label
18 Republic as, you know, a litigious company,
19 but they were very head strong in their -- in
20 their -- that their proposal was the lowest
21 and best bid, and that the City had an
22 obligation to select it.

23 The irony with that is that that was
24 their view, and through some legal research,
25 I discovered that Kimble has felt the same

1 way. And about a decade ago, it brought suit
2 against the City of Canton, unsuccessfully,
3 in an argument that it was the lowest and bid
4 bidder and should have been selected and was
5 not.

6 MR. DEORIO: In response, Member Fonte,
7 if you work that into the bid specs, where
8 you allow the fuel surcharge, I agree with
9 you -- I didn't put that in, you know,
10 because likely what the outcome is, if -- if
11 that changes to the lower side. But, in
12 there, though, is an allowance for if the
13 federal government or state government
14 imposes higher fees on the operators, that
15 they are allowed to pass that through to the
16 customers. That's what we do presently, so
17 that was continued. But not the fuel
18 surcharge.

19 MR. FONTE: Well, good.

20 MR. DEORIO: I would just like to say
21 that, you know, where I'm -- the
22 administration is at -- and it's really just
23 to try to give you guys more options and more
24 flexibility to do your job. What I want is
25 that whatever the reasons are that we can't

1 do it, to know what those are and to find a
2 way that -- if it is doable, that we find a
3 way that the other communities are doing it.

4 So if it's because it's over \$50,000, it
5 has to be bid, and technically, this
6 extension isn't being bid, if that's the
7 rule, great. That's why I put it in here,
8 that I want that price bid now, so that we
9 know what that price is going to be. We'll
10 address that issue.

11 If there is another issue, I'm all for it
12 trying to find a way to give you guys more
13 options, you know, to guide the City. So
14 that's really all it is. It doesn't matter
15 to me what they are. I just want to not be
16 shooting, you know, fish in the dark here.

17 MS. KIESLING: I have a question, Mark.
18 What did we do last contract -- when the last
19 contract was up? Did we rebid it for three
20 or five years or did we give a contract
21 extension, a year extension?

22 MR. FOX: That was rebid.

23 MS. KIESLING: And what about the year --
24 the time before that?

25 MR. FOX: It was rebid.

1 MS. KIESLING: So I err on the side of
2 caution. I go with rebid. I'm thrilled that
3 Pat has put the performance bonds in it and
4 the other stuff it sounds like we could
5 really use, in case things go awry. But I'm
6 for rebidding it.

7 MR. REVOLDT: I'm not.

8 MS. KIESLING: That's okay.

9 MR. REVOLDT: And, you know, if this
10 thing goes up 4 bucks, times 12, we are
11 taking \$50 out of residents' pockets. And I
12 don't think we need to when we don't really
13 know what the -- what the cost for the
14 extension is. We are just simply saying,
15 well, we are going to rebid it. We have no
16 idea what the -- what a year's extension
17 costs.

18 I think that is really -- at the end of
19 the day, that does our constituents a real
20 disservice. We are going to ask them for
21 things like a fire sta -- a safety building
22 and some other things. Let's -- let's
23 save -- let's save the asking when we've
24 really got to dig in their pockets for that.
25 If we don't have to do it for trash, let's

1 not do it. That's all I'm saying.

2 MS. WERREN: Daryl, you said you have
3 other cities that have done extensions?

4 MR. REVOLDT: Yes.

5 MS. WERREN: Who?

6 MR. DEORIO: Pretty much every -- of the
7 eight communities I looked at, they all do
8 extensions. They are all in the bid specs.
9 They all extend.

10 MS. WERREN: For one year?

11 MR. DEORIO: They -- the most common is
12 one year, yes. And that's why I went with
13 the one year.

14 MR. FONTE: I think it's a good idea. I
15 really do.

16 MR. CERRETA: I'm not for it.

17 MS. KIESLING: Which one?

18 MR. FONTE: I think --

19 MR. CERRETA: I'm not -- oh, go ahead.

20 MR. FONTE: -- the way it's spelled out
21 here is good. You know, you have a one-year
22 contract. You have an option to work with
23 them. If you don't like -- for example, if
24 you have a one-year bid and you revisit that
25 in one year, if you don't like the specs, can

1 you renegotiate it? Can you cancel it?

2 MR. DEORIO: We have asked them to give
3 us a price for the first five years of this
4 contract, plus the price in year six, seven,
5 eight, and nine. So that we know today, in
6 2019, what the bid price is for six, seven,
7 eight, nine years from now.

8 MR. FONTE: If something happens that
9 there is -- in two years, we -- you know, the
10 market changes and it's way more competitive,
11 like natural gas was, could we break our
12 contract? Is there a clause in there to
13 renegotiate, or are we locked in for that
14 five-year spell no matter what?

15 MR. DEORIO: You are locked in for this
16 five-year service agreement.

17 MR. FONTE: There's no wiggle --

18 MR. FOX: Each --

19 MR. FONTE: -- room?

20 MR. FOX: Each side is taking a chance
21 on --

22 MR. FONTE: It's kind of like
23 aggregation.

24 MR. FOX: -- longer --

25 MR. FONTE: We are doing aggregation

1 basically.

2 MR. FOX: Longer term contracts, each
3 side is taking a chance.

4 MR. FONTE: Like in gas?

5 MR. DEORIO: Yeah, but what you have
6 here, though, different than aggregation --
7 aggregation is a commodity, and it's based on
8 what's happening in the commodities' markets
9 across the world, determining the prices of
10 those things.

11 Here, we are talking about their service.
12 So to ask yourself, are their labor costs
13 going to go up over the next five years? Are
14 there -- are there service costs? All these
15 other things that they do, I'd like to lock
16 them into a rate, that the community can
17 enjoy some stability there, rather than every
18 three years.

19 MR. FONTE: What's the rate from now, for
20 the seven-, eight-year span? Like, what's
21 the span? How many dollars per ton or
22 however you guys do it?

23 MR. DEORIO: Well, I mean, the contract
24 price that we have presently is \$14.03.
25 That's for every resident that's getting

1 curbside service. It includes unlimited
2 solid waste and unlimited yard waste and then
3 unlimited recycling. So it's \$14.03 per unit
4 per month.

5 MR. FONTE: What will it be next year and
6 then the following year? Like, how much --

7 MR. DEORIO: That's the purpose --

8 MS. KIESLING: We don't know.

9 MR. DEORIO: -- of the bid, is to find
10 out.

11 MR. FONTE: Okay. So --

12 MR. DEORIO: If we look at -- as an
13 example, you know, if we were to -- you know,
14 take Doylestown, which just concluded theirs
15 last -- or two months ago, in March. You
16 know, they have some other competitors over
17 there that we don't have here yet. I don't
18 know if they'll get here. But they have a
19 current carrier over there called Rumpke,
20 R-u--m-p-k-e. They are out of Cincinnati.
21 And they were the current contract holder,
22 and the price that they -- that Doylestown
23 was paying was \$9.85.

24 Now, that was put out for bid, and there
25 were three bidders; Rumpke, Republic, and

1 Kimble. Republic came in at -- this is my
2 recollection. I could be off a penny or
3 two -- \$17.87. Kimble came in at \$15.13.
4 And Rumpke came in at \$13.15. So they
5 experienced almost a 50 percent increase.

6 And I looked at all kinds of other
7 communities in Northeast Ohio. I mean,
8 there -- it's legitimate that their costs are
9 going up.

10 MS. WERREN: Let me -- so a lot of times,
11 like, things I've seen, you can sign for a
12 one-year service plan, right, and you write
13 that into the plan. So we didn't do that,
14 correct? Did these other communities, when
15 they put their plan together, they said,
16 we'll do it for three years with the option
17 for a one-year extension?

18 MR. DEORIO: Yes.

19 MS. WERREN: Okay. So we didn't do that?

20 MR. DEORIO: The bid documents that we
21 have been using the last couple times, it
22 didn't specify, hey, we want you to give us
23 an alternate bid. What we -- what we have
24 allowed for is the -- is someone to submit
25 additional remarks to the bid documents, to

1 say, these are some things that we might do
2 different, that might save you money.

3 And one of the ones that -- I think it
4 was item number 6 in the list that Kimble
5 gave, was we would be able to come back, give
6 you an extension on your contract at a
7 mutually-agreed price, something to that
8 effect. Technically, that wasn't part of
9 the -- of the bid documents, but in the form
10 of agreement -- I'm not the attorney, so I'm
11 just going by what I read. But the agreement
12 says that all the things that are part of
13 this agreement are the bid documents and the
14 responses and that kind of thing. But -- so
15 we -- in our current one, we make that
16 better.

17 MS. WERREN: Right.

18 MR. DEORIO: Specifically asking for it.

19 MS. WERREN: And you have done that in
20 the new one?

21 MR. DEORIO: Yes.

22 MS. WERREN: Yeah.

23 MR. DEORIO: Yeah.

24 MS. WERREN: Yeah, I see it here in the
25 remarks. It just seems like we are a little

1 bit stuck, right? We didn't ask for the
2 extension. And it seems at this point, to go
3 back and be like, hey, we noticed prices are
4 going up; by the way, we'd like an
5 extension -- I don't know. I don't know.

6 MR. REVOLDT: It's not a bid. And the
7 point is --

8 MS. WERREN: But all the other places put
9 that extension in there.

10 MR. REVOLDT: I understand that. But
11 what we have is we have the language here
12 that allows us in the remarks, which is part
13 of the agreement -- if you look at the entire
14 packet, which I have --

15 MS. WERREN: Yeah.

16 MR. REVOLDT: -- I believe we are
17 authorized to pick up the phone and ask what
18 the cost would be for an extension. And
19 based upon that communication, then we have
20 an idea whether we want to bid it or accept
21 it.

22 MS. WERREN: I feel like those are
23 suggestions for the next time around.

24 MR. REVOLDT: They are not. They are in
25 the existing agreement. They are part of the

1 agreement which is part of the contract. I
2 think we can over-lawyer it. But it's there.
3 And if it costs somebody 50 bucks more a
4 year, I think we have an obligation to ask.

5 MS. WERREN: What does it cost the City
6 when we have a lawsuit again?

7 MR. REVOLDT: I'm not worried about a
8 lawsuit.

9 MR. CERRETA: Doug.

10 MS. WERREN: You're not worried about a
11 lawsuit? Daryl, you have been worried about
12 lawsuits the whole time. When you ran, you
13 were worried about lawsuits. Stop it.

14 MR. REVOLDT: I'm not worried.

15 MS. WERREN: Come on.

16 MR. CERRETA: Member Foltz.

17 MR. FONTE: As long as we've got Tim.

18 MR. FOLTZ: Yeah. My comment is if we
19 ask for an extension, obviously, they are not
20 going to replace our trash receptacles.
21 They're in pretty good shape. We know we're
22 going to get a better price when we bid it
23 out. Commonsense would say that's going to
24 happen.

25 What does it cost to replace everybody's

1 receptacles? Because if you write a whole
2 new contract, you're going to have to provide
3 new ones. You're not going to say, well,
4 Kimble can keep theirs in a new contract
5 and --

6 MS. KIESLING: Right.

7 MR. FOLTZ: -- these other companies have
8 to provide them.

9 MR. REVOLDT: They are the property of
10 Kimble.

11 MR. FOLTZ: They are the property of
12 Kimble. So I don't know what yours look
13 like. Mine is in pretty good shape. I think
14 most of the City's are. So I would agree
15 with Counselman Revoldt's assessment that
16 this price, if we ask for an extension, is
17 going to be lower than anything we bid out.
18 Food for thought.

19 MS. WERREN: It is. But --

20 MR. CERRETA: But that's not the point,
21 though. The point is, if we do it, it's only
22 for a year, and we might -- we might be going
23 up against some legal issues, from what the
24 Law Director has told us.

25 So from my point of view, I'm going to go

1 with the Law Director, who knows the laws and
2 reads these contracts. And let's follow the
3 process here and rebid this thing, in my
4 opinion.

5 MR. FOLTZ: Well, where is Council at on
6 it? I guess that's --

7 MS. KIESLING: I told you where I was.

8 MR. PETERS: Well, it is on the agenda
9 tonight for first reading. I'm in favor of
10 moving this -- this legislation forward.

11 MR. FOX: And because it's a franchise
12 contract, there is no emergency clause
13 permitted.

14 MR. DEORIO: And knowing that there was
15 no emergency clause, I kind of time tabled
16 this out that --

17 MS. WERREN: We are good ---

18 MR. DEORIO: -- we will get it approved
19 through City Council through, you know, three
20 readings, although I think we are going to
21 dovetail into some other meetings that may be
22 presently on the schedule. But get this then
23 in effect, so that we can advertise it during
24 the month of June.

25 And I have tentatively put a July 19th

1 bid opening date. But I actually have a
2 couple weeks yet more that I could do. So I
3 built a little bit more room into it. So I'm
4 not pressed for it if we follow the -- the --

5 MR. FOLTZ: Three reading --

6 MR. DEORIO: First reading tonight.

7 MR. FOLTZ: -- process.

8 MR. CERRETA: Okay. So it is on for this
9 evening.

10 MR. PETERS: It is.

11 MR. CERRETA: So we'll just let it flow
12 for that.

13 MS. KIESLING: First reading.

14 MR. CERRETA: Yep. And first reading
15 tonight for those of you who --

16 MR. FONTE: I'm in -- I'm in agreeance
17 with the Law Director's idea. I like that,
18 personally.

19 MR. CERRETA: So it's on for tonight. We
20 can either vote it up or down the way we want
21 to do it. That's the way the process should
22 work. Okay.

23 MS. WERREN: Sounds good.

24 MR. PETERS: Okay. That concludes that.
25 This -- motion to adjourn.

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MR. REVOLDT: So moved.

MS. KIESLING: Second.

MR. PETERS: All in favor?

MR. FOLTZ: Aye.

MR. PETERS: Aye.

MR. CERRETA: Aye.

MR. REVOLDT: Aye.

MS. KIESLING: Aye.

MS. WERREN: Aye.

MR. FONTE: Aye.

MR. PETERS: Opposed?

(No response.)

MR. PETERS: This meeting is adjourned,

6:55 p.m.

(This proceeding concluded at 6:55 p.m.)

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C E R T I F I C A T E

STATE OF OHIO,)
)
STARK COUNTY.)

I, Shannon Roberts, a Registered Professional Reporter and Notary Public in and for the State of Ohio, duly commissioned and qualified, do hereby certify that the within testimony so given was by me reduced to Stenotype, afterwards prepared and produced by means of Computer-Aided Transcription, and that the foregoing is a true and correct transcription of the testimony so given.

I further certify that this proceeding was taken at the time and place in the foregoing caption specified.

I further certify that I am not a relative of, employee of or attorney for any party or counsel, or otherwise financially interested in this action.

I do further certify that I am not, nor is the court reporting firm with which I am affiliated, under a contract as defined in Civil Rule 28(D).

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Canton, Ohio, this 17th day of May, 2019.

Shannon Roberts

Shannon Roberts, Notary Public
My commission expires February 2, 2023

Attest:

Laura Brown

Laura Brown
Director of Finance

Daniel Jeff Peters

Daniel Jeff Peters
City Council President

