MEMORANDUM

TO: Michael G. Herring, City Administrator

FROM: Mike Geisel, Director of Public Services

SUBJECT: Planning & Public Works Committee Meeting Summary
Thursday, June 12, 2014

A meeting of the Planning and Public Works Committee of the Chesterfield City Council was held on Thursday, June 12, 2014 in Conference Room 101.

In attendance were: **Chair Dan Hurt** (Ward III), **Councilmember Connie Fults** (Ward IV), **Councilmember Nancy Greenwood** (Ward I), and **Councilmember Elliott Grissom** (Ward II).

Also in attendance were: Mayor Bob Nation; Councilmember Bruce DeGroot (Ward IV); Planning Commission Chair Mike Watson; Libbey Tucker, Community Services/ Economic Development Director; James Mello, Business Analyst; Mike Geisel, Director of Public Services; Jim Eckrich, Public Works Director/City Engineer; Aimee Nassif, Planning & Development Services Director; and Kathy Juergens, Recording Secretary.

The meeting was called to order at 5:31p.m.

I. APPROVAL OF MEETING SUMMARY

A. Approval of the May 22, 2014 Committee Meeting Summary.

Councilmember Elliot Grissom made a motion to approve the Meeting Summary of May 22, 2014. The motion was seconded by **Councilmember Nancy Greenwood** and **passed by a voice vote of 3-0.**

II. OLD BUSINESS - None

III. NEW BUSINESS

A. P.Z. 04-2014 Chesterfield Blue Valley (Simon Woodmont Development, LLC/Chesterfield Blue Valley, LLC): A request for an amendment to Ordinance 2612 to modify development criteria for 137.6 acres zoned "PC" Planned Commercial District located on the north side of Olive Street Road, west of its intersection with Chesterfield Airport Road (17W630058, 16W220010, 16W210044, 17W530190, 17W540111).

STAFF REPORT

Aimee Nassif, Planning & Development Services Director, stated that the request is to amend the parking setback from internal lot lines from 10 feet to 0 feet. The Public Hearing for this petition was held on April 28, 2014 at which time concerns were expressed by the Planning Commission regarding the 0-foot parking setback request. Questions were raised as to whether the requested setback would reduce the amount of greenspace/openspace; and whether it would increase the size of structures. The Planning Commission directed Staff to provide examples of other properties that maintain a 0-foot parking setback from internal lot lines, specifically in the Chesterfield Commons area. Ms. Nassif noted that there are approximately 15-20 developments throughout the City that maintain a 0-foot parking setback from internal lot lines, such as Monarch Center, Edison Crossing, Chesterfield Commons Six, Chesterfield Commons North, Tower Center, and Towne Centre.

Examples of 0-foot parking setbacks from internal lot lines were provided to the Commission at their May 28 Vote Meeting at which time the Commission recommended approval by a vote of 5-1.

Mr. Mike Geisel, Director of Public Services added that a 0-foot parking setback from internal lot lines is fairly common when there are shared parking facilities and shared driveways.

PLANNING COMMISSION REPORT

Councilmember Hurt noted that Planning Chair Mike Watson voted against the request and then asked Mr. Watson for his comments. Mr. Watson stated he did not have any concerns with the cross access but had concerns that the request could result in a "wall of asphalt". Examples provided from the petitioner showed that in one area the parking would be increased from 4 spaces to 20 spaces. Mr. Watson indicated that he did not have serious concern if the parking setback was limited to Lot 1 in the Blue Valley Development, but during the Planning Commission Meeting, the petitioner stated they were requesting the 0-foot parking setback on other lots as well.

DISCUSSION

Councilmember Greenwood noted that there is more greenspace and trees being shown on the proposed site than what is seen in Chesterfield Commons. Ms. Nassif replied that when Chesterfield Commons was being developed, the City's Tree Manual was not yet in place. The current requirements (1) better define where openspace and greenspace are required; (2) require that parking areas be broken up with landscape islands; (3) have minimum size requirements for the landscape islands; and (4) require parking stalls to be within 50 feet of a tree.

Councilmember Fults pointed out that these requirements were the reason why the other Commissioners voted in favor of the parking setback request.

Ms. Nassif then provided examples of lots with a 10-foot parking setback and 0-foot setback from internal lot lines. She stated that with a 0-foot setback, 32% greenspace is still attainable by having landscape islands surround a central parking area.

During the May 28 Vote Meeting, Chair Hurt stated he asked the petitioner, Mr. Wolfe, if he understands the spirit of what the City is trying to achieve and Mr. Wolfe assured the Commission he understands and is trying to address their concerns.

PETITIONER'S COMMENTS

Chairr Hurt then invited Mr. Wolfe to comment. Mr. Wolfe stated that the largest parcel at the site has already been developed as St. Louis Premium Outlets. The parking for that area has a lot more greenspace than what is seen at The Commons because of all the landscape requirements that have since been added. They are asking for the 0-foot setback because they have uses that are contiguous to each other and they feel they are being environmentally correct by not putting up barriers that would prohibit customers from walking from one business to another. Their motivation is to design a development where customers can park once and walk between the various uses. It is anticipated that when the development is complete, there will be over 1,750 trees planted along with bushes and grass. They have also agreed to build a half-acre park to save a 120-year-old pecan tree. Another area of the site will include a significantly-sized, kinetic-type sculpture.

Councilmember Fults made a motion to forward P.Z. 04-2014 Chesterfield Blue Valley (Simon Woodmont Development, LLC/Chesterfield Blue Valley, LLC) to City Council with a recommendation to approve. The motion was seconded by Chair Hurt and **passed by a voice vote of 3-1** with Councilmember Greenwood voting "no". Councilmember Greenwood stated she opposed the request "on principal, like Mr. Watson".

Note: One Bill, as recommended by the Planning Commission, will be needed for the July 21, 2014 City Council Meeting.
See Bill #

[Please see the attached report prepared by Aimee Nassif, Planning and Development Services Director, for additional information on P.Z. 04-2014 Chesterfield Blue Valley (Simon Woodmont Development, LLC/Chesterfield Blue Valley, LLC).]

B. Solid Waste Agreement Extension

STAFF REPORT

Jim Eckrich, Public Works Director/City Engineer stated that since 1990, solid waste service within Chesterfield has been provided by Republic Services. Base service includes pickup of solid waste and recycling only for 12,371 customers. Yard waste pickup is available on a voluntary basis and requires a three-month minimum

commitment. The current contract expires July 31, 2014. At the request of City Administrator Michael Herring, a Committee was formed to evaluate the quality of service being provided by Republic including the current rates, and determine whether the City should negotiate an extension with Republic Services or bid a new agreement. Along with himself, the Committee included Libbey Tucker, James Mello and Darcy Capstick.

Mr. Eckrich gave a PowerPoint presentation and stated the Committee reviewed the following points:

1. **Quality of service.** The Committee's first course of action was to study the quality of service. City staff receives very few complaints regarding Republic's service and any such complaints are resolved quickly and professionally. Based on past experience, this is not always the case with other providers. The Committee believes that Republic is providing excellent service to the City and their longevity and consistency in providing this service is a benefit to all the residents. Republic's drivers have learned the intricacies of routes and have worked to minimize service problems. A different company with different drivers would have to learn these things and start from scratch. Mr. Eckrich has personally been part of two service provider changes in another city and with both, there were numerous problems that took months to resolve.

2. **Additional services.** The Committee then looked at additional services provided by Republic. Republic provides solid waste and recycling collection services at no cost to the City at all facilities and for all City sponsored events; including Earth Day, Fourth of July, Amphitheater events and festivals. Additionally, Republic has worked with the City to provide dumpsters after severe storm events to help address storm debris. Republic has also partnered with the City to provide free educational material to residents regarding solid waste, recycling and yard waste. It is clear to the Committee that Republic truly values our business and has become a partner with the City.

3. **Commitment to the environment.** It is important to always consider the environment when making decisions which affect the City and solid waste services directly affects the environment. Since 1990, recycling has been part of Republic's basic service. Republic has provided free 65-gallon recycling carts to all residents. They have also assisted the City and Chesterfield Citizens Committee for the Environment (CEE) in their efforts to educate City officials and residents about the importance of better utilizing and preserving our natural resources. As a result, Chesterfield generates more tonnage of recycling than any other city serviced by Republic. Recycling not only benefits the environment, but it is a primary factor in keeping our solid waste removal costs low by not having to utilize landfills. Republic services Chesterfield entirely with Compressed Natural Gas (CNG) vehicles. CNG vehicles run quieter with fewer emissions than diesel vehicles.

4. **Cost.** Chesterfield residents currently pay $13.51 per month (seniors receive a discounted rate of $12.16 per month). This is the same fee that residents paid in 2012. In 2013, Republic was eligible to receive a 3% increase; however, they voluntarily chose not to implement the increase. Republic is proposing to keep the cost at $13.51 per month for the next year. The Committee compared these costs to the costs of other municipalities in the St. Louis area and after reviewing this information, the City is receiving solid waste services at one of the lowest rates in the St. Louis area. It should be noted that the current contract does not allow for cost increases due to labor or fuel rates. The Committee believes that not only is the City receiving exceptional service, they are receiving one of the lowest rates in the St. Louis area.

5. **Contract extension/request for bids.** The Committee concluded that Republic is providing superior service in a responsible manner at an exceptional value. The Committee discussed whether to extend the current contract with Republic or bid this service on the open market. While there are some advantages to bidding a contract, the Committee felt it was in the best interest of the City not to bid this agreement but to negotiate an extension with Republic. If an agreement were to be publicly bid, the City would lose Republic and their institutional knowledge. A bidder could submit a low-ball bid and provide substandard service which has occurred in neighboring communities. If the City bids out the contract, we will lose the ability to negotiate with Republic, which could actually result in a higher cost to the residents with substandard service. Many other cities within St. Louis County see the value in maintaining consistency in solid waste service and have negotiated extensions. Exhibit C provided in the meeting packet delineates this information.

6. **Contract negotiation.** The Committee has determined that it would be in the City's best interest to negotiate a contract extension with Republic. The Committee met with Tony Lamantia from Republic Services to begin negotiations. Listed below are the details of the proposal:

- It is Republic's desire to become fully automated in order to keep their costs down. Republic will provide all residents with a 65-gallon cart at no cost. The 1,871 residents who are currently renting carts at $4.50/month, will now be receiving the cart for free.
- Republic will provide solid waste containers at all current and future bus shelters in the City and service those at no cost to the City.
- Republic will increase their pickup service at the Amphitheater and CVAC to include Saturday pickup at the CVAC.
- Republic will provide free solid waste and recycling carts to the City at locations as specified by the City.
- Provide free Jack-O-Lantern pickups along with Christmas tree pickups.
- Republic services the City completely with CNG vehicles. Their newest CNG vehicle, the Retriever Satellite Truck, is a light duty

truck that will primarily be utilized in small subdivisions which are difficult to access with a conventional truck.

- The current 2012 price will remain in place through July 31, 2015. Throughout the next five years, we have negotiated a cost increase of 1.5% per year, which is lower than the current extension which is 3% a year. Again, there is no allowance for labor or fuel increases. In the seventh year, there will be no cost increase. In July of 2021, residents will only see a price increase of $1.28 per month, from $13.51 to $14.79, which is less than 1% per year.

Mr. Eckrich stated Exhibit B shows a comparison of Chesterfield's current rate with other local cities including each city's solid waste provider and basic monthly cost. He also pointed out that there are differences in every contract so it is not exactly an "apples-to-apples" comparison but it does show unquestionably that Chesterfield has one of the lowest costs in the area.

In summary, Mr. Eckrich stated the Solid Waste Committee believes Republic is providing quality service at a low cost. The Committee enthusiastically recommends an extension with Republic Services.

DISCUSSION

Mike Geisel described the cooperation and coordination that Republic demonstrates during the City's street reconstruction projects as an example of quality service. During construction, many residents may not receive mail and in the past, trash collection has been interrupted. However, in the last 10 or more years, there have been no complaints of trash not being picked up because Republic has worked with the City in order to bring in different types of trucks in order to continue service in construction areas. He also stated that based on past experience, it would be a nightmare to have to pick up 12,000 waste containers and then redistribute them through another carrier.

Councilmember Elliot Grissom thanked the Committee for their efforts in reviewing the solid waste contract. He asked if there were any other services the City wanted that it is not currently receiving. Mr. Eckrich stated at one time residents could elect to have two pickups a week. This is no longer allowed, however, there is a provision in the agreement that allows for those residents to continue with two pickups. Ms. Capstick requested a method to deal with organics in the future but the industry does not provide for this currently. However, as the industry does progress towards this, Republic has committed to working with the City. Councilmember Grissom indicated that he cannot see the opportunity for another company to bid lower and provide the same quality of service as Republic.

Councilmember Connie Fults pointed out when the City did switch to just one carrier, there was a transition period and problems with holiday pickups, but those were resolved. She is not aware of any current scheduling issues. She asked if there was another company that could even possibly take over the contract and provide all the

perks the City currently receives. Mr. Eckrich stated there are a few providers, but the question is whether they could match our price with the other service enhancements at the level we want. The Committee did not feel that it was a risk the City should take. In order to avoid having trash at the curb every day of the week and to limit damage to streets, cities have chosen to contract with one provider. Councilmember Fults thanked the Committee for their work.

Councilmember Nancy Greenwood stated she is aware of the time and work expended by the Committee. She has only the highest regard for the City's current trash service. However, she is uncomfortable with the seven year extension especially since the contract will not be going out to bid. She stated she believes seven years is a long timeframe and any contract being awarded for that length of time should be going to bid.

Chair Dan Hurt concurred and commented that in 2008, he was the only one who voted no because he would have preferred to receive bids. The Committee did a fine job but he felt that it would be due diligence to bid it out occasionally.

Mr. Geisel asked for confirmation in that year seven, the cost per resident would be 80 cents less than the current average cost being paid by residents in other local municipalities. Mr. Eckrich confirmed this. Mr. Geisel further stated that the capital investment to serve the City is high upfront and maybe the original contract should have been negotiated for 15 to 20 years as would be the case for a long-term land lease or bonding. Lastly, he stated that the contract allows the City to cancel at any time if the contractor is not performing.

Councilmember Hurt questioned why the City shouldn't go out for bid next year. Mr. Geisel explained that any time you go out for bid, you cannot negotiate the price. Whatever pricing comes in, you have to accept the lowest and best bid and run the risk of having an increase in cost or decrease in service. You could be forcing the entire community to switch vendors from someone they are comfortable with and who they have received good service from. Once you go out for bid, you could not renegotiate with Republic.

Chair Hurt, expressed concern that it will be a 14 year span where we have not gone to bid. He believes in competition. Mr. Geisel stated he fears competitive bidding could result in a low-ball bid from a vendor who may not be able to provide the level of expected performance that the City expects. He pointed out that neighboring cities have also gotten extensions while others have gone out to bid and have had problems. We know what the "market" has been doing and know that we have not been passed by or undercut. We do have real time evidence of what the market conditions are and they are favorable to the City.

Chair Hurt asked Mr. Eckrich if he had past experience with Meridian. Mr. Eckrich confirmed this and stated while at the City of Crestwood, there were problems with both provider changes including the conversion to Meridian. Mr. Eckrich stated that it would be unfair to make Republic retain the $13.51 fee while at the same time allow this to be

publicly bid. Republic's price has been made public. Other vendors will either not bid or they will bid slightly below that. If they are qualified and bid below Republic's established price, we would have to accept that bid. Chair Hurt asked why we would have to accept that bid. Mr. Geisel stated the lowest bid has to be accepted unless there is a legitimate reason to disqualify the low bidder.

Councilmember Fults stated she understands the reason for a seven year contract. If it was only a four year contract, she believes the prices would be higher. She agreed that Republic's price has been published and Meridian or another contractor could submit a lower bid. She has experience with the bidding process and many times vendors may be low bidder but they are not qualified or capable of doing the job. Due diligence is doing the best for our residents and this is a great deal. She is not concerned about not going out to bid because she feels that the City is already receiving a lot of extras at no cost. If this is bid out, she feels that we would run the risk of getting an inferior contractor and having to handle the residents' complaints again.

Mayor Nation stated he is in favor of the Committee's recommendation. He realizes that Republic has invested a lot of capital and needs seven years in order to justify recoupment of their additional capital investment. We have a solid, positive experience with them. He feels they have done an excellent job. He understands the preference to go out to bid, but in this situation it is clearly demonstrated that it is to the City's advantage to engage in a long-term contract with Republic. It is in the best interest of the City and our residents. He is very pleased with all the extras the City is receiving. He asked if we could bid the project later if the contractor was not performing to our expectations. Mr. Geisel advised that there would have to be a cause to justify terminating a contract. We could not simply decide halfway through the contract to go out for bid to see if we can get a better deal.

Councilmember Grissom stated that if Chesterfield was at the top of the pricing scale, we should probably bid the service. However, since we are so low, it would be pointless to go to bid. At $13.51 per month and with less than a $2 per year increase over seven years, he does not see any reason to bid this out.

Chair Hurt stated we are a capitalistic society. There are 16 out of 24 municipalities that currently use Republic, which is 2/3 of the market. In years past, there were 12 vendors which have now been pared down to four. Eventually, this may reduce to 2 and 0 and Republic would have the whole region. At that point, they will control the pricing sector. So from a capitalistic standpoint, we should be bidding this out. Councilmember Fults stated she understands Chair Hurt's point, but in a capitalistic society, if you can't compete, you go out of business. She questioned whether the other providers could handle the City's contract and whether they have the capital equipment.

Chair Hurt stated that a contractor could buy a market segment by pricing low and then later adjust prices upward.

Mr. Tony Lamantia stated large companies buy up smaller companies to raise prices. Meridian was just purchased by two gentlemen who were partners in Republic. They are a holding company and will probably be selling Meridian within the next five years. A larger company will probably purchase some of the smaller companies to gain a better market share and in turn raise landfill prices. He stated that the last thing Republic wants to do is have landfills which is why Republic encourages recycling. Their new trucks contain a lot more aluminum than steel which means less wear and tear on streets. These trucks can also compact more material. Again, it's all about recycling and keeping costs down. There will always be competition among the three largest companies, Progressive, Waste Management and Republic Services. In the last two years, there have been three accounts that have gone out to bid and Waste Management and Republic Services have been side-by-side. Progressive has been the much cheaper service because after purchasing the Fred Weber landfill for $180 million, they are looking at any way they can to bring in business. Mr. Lamantia went on to explain that the most difficult aspect of this business is finding drivers and buying trucks. In order to hire three drivers, he has to interview 29 people. He has some very good people working for him and Republic provides an incentive of higher yearly increases for those drivers who do not miss pickups on their routes.

Councilmember Greenwood asked if there were any other services where the City does not utilize the bidding process for extended periods of time. Mr. Geisel stated the City executes long-term contracts on services such as HVAC and elevator maintenance. We do not bid out services we obtain through governmental agencies or utilities. Waste management is not a service that the City receives so there may not be a comparative commodity.

In response to Councilmember Bruce DeGroot's question, Mr. Geisel stated there were 12,371 households in Chesterfield receiving solid waste services. Councilmember DeGroot stated that since the bid has already been published, he did not feel the City would receive a good bidding process at this point and he supported the contract extension with Republic.

Responding to Chair Hurt, Mr. Geisel stated the bidding process would take approximately four months.

Councilmember Greenwood stated that we have a great price and a great service but she was shocked that the City extended a seven year contract in the past without a bid and now we are doing another seven years without a bid. She agreed that it was too late now because the numbers have been published. She is disappointed that the proposed contract extension is for seven years due to the fact that it was extended for seven years last time.

Chair Hurt felt Staff should have approached the Council in the fall during the budget process to get direction on whether or not the contract should go out for bid and not a month before it is due.

Councilmember Elliot Grissom made a motion to forward to City Council a recommendation that the City enter into an Agreement Extension with Republic Services at the terms provided in Exhibit A from Republic Services. The motion was seconded by Councilmember Fults. The motion resulted in a 2-2 voice vote with Chair Hurt and Councilmember Greenwood voting nay. Mr. Geisel stated that the contract would move forward to Council without a recommendation from the Committee.

Chair Hurt stated the only reason he voted no was simply because of the bidding process. He feels Republic Services is going a great job.

Mr. Eckrich pointed out that tonight's meeting would have normally taken place on June 5 which would have allowed more time to place this on the Council agenda. There is also the abnormality that there is no Council meeting in early July. This is ready to be placed on the agenda for Monday, June 16, but Staff wanted to get the Committee's consensus before doing so. If not, it will be placed on the July 21 agenda which would also be acceptable to City Staff. However, the drawback is that Republic needs time to purchase the additional carts, which will not take place without having an agreement with City Council. Residents currently paying for the carts will continue to pay for them until the extension is implemented.

Councilmember Greenwood made a motion that the Agreement Extension with Republic Services be placed on the City Council agenda for June 16. The motion was seconded by Councilmember Grissom and **passed by a voice vote of 4-0.**

IV. PROJECT UPDATES – None.

V. OTHER – None.

VI. ADJOURNMENT

The meeting adjourned at 6:45 p.m.