



Zero Waste Advisory Commission

Special Called Meeting Minutes March 9, 2016

The Zero Waste Advisory Commission convened in a special called meeting on March 9, 2016, in Council Chambers in City Hall in Austin, Texas.

CALL TO ORDER

Chair Acuna called the Commission Meeting to order at 6:37 p.m.

Board Members in Attendance: Gerry Acuna, Shana Joyce, Heather-Nicole Hoffman, Stacy Guidry, Amanda Masino, Kendra Bones, Joshua Blaine, Kaiba White, Jose Valera

Staff in attendance: Bob Gedert, Michael Sullivan, Erin Benoit, Richard McHale, Jessica Frazier, Ron Romero

CALL TO ORDER

1. CITIZEN COMMUNICATION: GENERAL

The first ten speakers signed up prior to the meeting being called to order will each be allowed a three-minute allotment to address their concerns regarding items not posted on the agenda.

Two citizens signed up to speak on this item.

Jason Quinerto, Texas Public Policy Foundation addressed the commission regarding government regulations and how they impact housing affordability for Austinites and asked that as proposals are considered that affordability be considered.

Andrew Dobbs, Texas Campaign for the Environment spoke about how not doing certain these things has a cost too. Mr. Dobbs noted for example, not diverting waste material and instead putting things into landfill has an impact, and that organic material rotting in landfills produces greenhouse gases, which contributes to negative climate impacts. Mr. Dobbs asked the committee to request City Council take action in the future on curbside composting of organic material.

Chair Acuna asked when was bi-weekly (every other week) curbside trash collection presented to commission? Mr. Dobbs noted that it hasn't been.

Bob Gedert, Austin Resource Recovery noted that there is no direct commitment made by ARR to bi-weekly collection, that he has discussed the issue with Texas Commission on Environmental Quality but hasn't made a formal request.

Commissioner Guidry noted the topic of Conversation Corps for the month of March is Zero Waste.

Commissioner Joyce expressed concern about education for composting, and expressed support for weekly recycling as a first step before the larger step of curbside composting. Mr. Dobbs noted that new programs are a

form of education and a community outreach position posted by the department is a crucial if the outreach is done properly and with creativity.

Commissioner Joyce agreed that education was important and noted that cost is crucial as well, and looked forward to seeing data on the current organics pilot program of the department.

2. APPROVAL OF JANUARY 2016 MEETING MINUTES

Commissioner Hoffman made a motion to approve minutes for the regular meeting of January 13, 2015, Commissioner Blaine second. The minutes were approved 9-0-1-0, Commissioner Guidry abstaining.

3. OLD BUSINESS

a. Discussion and Action – Approve Council-adopted changes to bylaws

The Commissioners discussed the item and Commissioner Guidry made a motion to approve the item, Commissioner Hoffman second, and the bylaws were unanimously approved.

b. Discussion and Action – Committee assignments

No citizens signed up to speak on this item.

The Commission discussed the item and Mr. Gedert noted that the Commission may want to consider dissolving the URO and Construction and Demolition committees, unless an ongoing purpose is seen, as there is legal obligation to meet quarterly and to produce an annual report, and committees should not be static and requested that their purpose and mission should be discussed.

Chair Acuna noted that he considered the committees vital and requested to retain the committees and if needed, put an item on a future agenda to address dissolving them.

Commissioner Bones noted that meeting as a committee before deciding was her recommendation.

Commissioner White noted that implementation was an important factor to review and felt it critical to maintain all of the committees in that regard.

Chair Acuna assigned Jose Valera as a member of the Organics Management committee, and Mr. Valera accepted the appointment to no objection from the commission.

Commissioner Gattuso made a motion to approve the assignment, Commissioner Masino second, and the item was unanimously approved.

4. NEW BUSINESS

4a. Discussion and Action – Agreement for purchase of trash and recycling carts to replace existing broken carts and to issue new carts to new customers on an as-needed basis.

This item was taken up out of order. No citizens signed up to speak on this item.

Richard McHale, ARR, requested a favorable recommendation on the item, and the commissioners discussed the item. Commissioner Gattuso motioned to recommend approval of the item, Commissioner White seconded and the item was unanimously approved.

5. STAFF BRIEFINGS (this item was taken up out of order)

Director's Report - Organics/Weekly Recycling Community Input Update, Travis County Interlocal Agreement, [re]Manufacturing Hub update, City Council Actions, Staff Hires and Promotions, Current and Upcoming Job Postings, Statistical Reports and Performance Measures.

Bob Gedert, ARR, provided an update to the commission on the above items.

Shaun Auckland, Travis County, took questions from the commission on the Travis County Interlocal agreement update given by Mr. Gedert.

Commissioners discussed enforcement, diversion, and "green team" efforts in the 47 departments of Travis County. Commissioner Guidry thanked Travis County for the "T-shirts for Hunger" upcycling program, where female inmates of correctional facilities turned previously used textiles into new useable items like bags.

Chair Acuna left the dais at 7:14pm.

Mr. Gedert presented an update on the [re]Manufacturing Hub from the Director's Report.

Chair Acuna returned to the dais at 7:17pm.

The commission discussed costs to date on the project and an EDA grant for infrastructure of the property.

Commissioner Blaine pointed out that Mr. Gedert had mentioned that the idea for using a private developer for the project was discussed at Council and asked whose idea that was. Mr. Gedert noted that request came from Council.

3. OLD BUSINESS

c. Discussion and Action – Working Group Update on Efficiency and Cost of Service

Chair Acuna discussed memo from February 19th. Bob summarized the memo regarding requests from a commission working group being duplicative of a process currently being undertaken by Council.

Chair Acuna expressed concern and noted commission concern about where the department was today vs 5 years ago, noting previous surplus funds spent and a diversion rate that had moved only 5%.

Mr. Gedert discussed the reserve fund, stating that state and city rules and laws prohibited the department from having such a large reserve fund and that ARR was required to reduce it from 20 to 6 million. Mr. Gedert noted that over a five year period, to comply with City financial rules, the department did not raise rates, but as inflation increased the department drew from reserve and saved taxpayers money by not raising rates, and that a high reserve is not an indication of an efficient department, but rather the contrary was true.

Mr. Gedert noted that the working group requests were staff resource intensive, that working groups per bylaws don't receive staff support, and suggested that the commission work with Office of Performance Management (OPM) and Council on this process. Chair Acuna agreed that it was important to work with OPM and Council but the timeline was long before it would occur. He further noted the process for eliminating reserve funding, and said there were rate increases.

Mr. Gedert replied that ARR went years without an increase and the years ARR did it was muted and less than required because of a drawdown of reserves, and noted revenue must match expenses as required by City budget office. Mr. Gedert noted that in the years Chair Acuna referenced revenues were lower than expenses as they withdrew from the reserve fund and that another option was to draw down in one year the reserve and in each subsequent year have rate increases to support inflationary increases of service provision. Regarding this, Mr. Gedert noted that it didn't make sense to dramatically lower and then increase rates, it made more sense to offset rate increases by drawing down reserves.

Chair Acuna noted that at the January meeting of ZWAC, ARR presented a slideshow which showed budget projections, revenues and costs and revenues were less than what costs were. The chair noted that cost projections on organics rollout and weekly recycling cause concern that rates published aren't going to be enough.

Mr. Gedert noted that ARR will present a budget in the budgetary process in April or May to the ZWAC. He noted that new programs are presented separately, and staff presents true cost to Council and ZWAC on every new program and ask for "red or green light" before engaging in expenditures. Mr. Gedert stated that it's a value judgement whether new programs they are worth it, noting it is a Council decision, and he presents direct costs to them.

Chair Acuna stated concern with infrastructure and budget impacts for transportation and processing.

Mr. Gedert replied that ARR would issue a solicitation for services for organics processing for expansion of the household pilot, and he does believe the infrastructure is there to provide the service and the solicitation process will show that, and the commission is fully included in the decision making process.

Commissioner Blaine asked what the proposed action was on this item, and Chair Acuna noted it was posted for action in the event that one was chosen.

Commissioner Blaine asked if it was possible to just get an update from the working group.

Chair Acuna noted that the group only engaged in introductions at their first meeting.

Mr. Gedert noted that after agreeing to support the group he realized the work level and group rules made him reconsider and the February 19th memo titled *City Council and Auditor Plans for Departmental Review* was developed and sent to the commission in response. Mr. Gedert noted later that the motion made at the January meeting was that staff and city management take actions to initiate steps to perform a 3rd party audit, and upon further consideration, staff did not endorse the request.

The commissioners discussed OPM, long term goals, time constraints, expense tallying, and data interpretation variables. Commissioner White requested as much lead time as possible when financial items come before them and thinks Council and other bodies feel they need more time and info to address certain questions. Mr. Gedert noted that if any information was missing or not adequate, to please let him know, and welcomed open inquiry as to how he could help the body make their decisions, as their advice to Council was valuable.

Mr. Gedert described budget adoption and then the chance to review specific purchases and agreements as a second chance to weigh in on items. Commissioner Gattuso asked about using the reserve to lower rates, and Mr. Gedert described the rules regarding reserve for disaster and unintended circumstances, and cited two recent major storms that have incurred approximately 1 million dollars in expenses, much of which will be

reimbursed by FEMA at a later date, but that can be absorbed now because of the reserve until reimbursement occurs. Mr. Gedert considered the cash reserve of 6 million to be very adequate as a buffer.

Commissioner Blaine asked if we could receive budget numbers and data early and have more substantial conversations so by budget time we have a portion of the commission that is very solid on budgetary aspects by the time of the meeting where it is addressed. Chair Acuna noted that this was the goal of the working group.

Commissioner Blaine asked ARR if ZWAC can get budget data early, and Mr. Gedert described the process where departments form a proposed budget for FY16, and noted he could distribute a budget proposal document to the ZWAC approved by City Manager and budget office, but prior to City Council consideration, which happens in September.

Commissioner Blaine noted the ZWAC could look at last year's budget and recalled there was a document mentioned previously from 2009/10 that might be used as a checklist for what has been accomplished since then and use it as a jumping off point?

Mr. Gedert responded that he had updated the commission in January and that the report had 11 recommendations, none of which were budgetary related.

Chair Acuna noted that organics is a new program that has not been budgeted for and mentioned desiring an open and transparent relationship with staff to review it for an effective rate structure. Mr. Gedert noted that previously it had been presented and the organics program would be presented to ZWAC again. Commissioner Blaine noted that it was presented to the prior makeup of the current commission.

Commissioner Hoffman noted that it is the responsibility of the ZWAC to get public information, not to rely on staff to take care of requests, and that any public information staff could provide to please do so.

Mr. Gedert responded he would provide the commission with a copy of the "Bibby" report mentioned. Commissioner Guidry also stated the commissioners could email questions to the working group at any time.

Andrew Dobbs, Texas Campaign for the Environment (TCE), asked that members go to their respective Council member and ask for time to persuade them to endorse an independent review before the OPM process. Mr. Dobbs noted this was not because there was anything wrong with the department but because all agencies need a review. He mentioned that TCE brings in outside consultants to review and it is a beneficial effort. He noted that OPM and Auditor processes can be less reliable than independent action and that public info requests were helpful but he hoped it does not come to that.

Commissioner Guidry noted that ARR had to pay Austin Code Department at one point to enforce the Universal Recycling Ordinance, as an example of something that could be looked at during an audit, as no other department had to pay to have their standards enforced, although she noted this no longer is the case.

Eric Goff, Compost Peddlers also endorsed requesting an independent audit be recommended by Council and asked the commission to seek a Council resolution as soon as possible.

Mr. Gedert described the process and forms to use to produce a formal recommendation to Council, which was previously provided in training that all commissioners receive. The motion given at the January meeting was that staff and city management take actions to initiate steps to perform a 3rd party audit, since this was not endorsed by staff, the ZWAC opted to produce a formal document to Council requesting such.

A motion was made by Commissioner Hoffman to recommend to a City Council committee that the department pursue an independent 3rd party audit, seconded by Commissioner White. The motion passed unanimously. Commissioner Guidry developed the text of the recommendation with feedback from the Commission members and delivered it to the staff liaison.

4b. Discussion and Action – Cost/Benefit Analysis of Public/Private Partnership for Residential Curbside Services

Four members of the public signed up to speak on the item.

Rick Cofer, former ZWAC Chair and ACSME member, spoke on the item

Mr. Cofer noted that he felt there was no bad intent regarding the agenda item, but said there could be consequences at looking at privatization of collections, and noted a hazard pay recommendation was the last action taken by the previous commission. Mr. Cofer noted that the collection of waste and recyclables is serious work and is a profession, and that having it under the aegis of the city is valuable. Mr. Cofer stated that he doesn't endorse privatizing this type of essential city service which is a statutorily required service and asked that the commission consider rejecting recommendation of the item or tabling the item.

Andrew Dobbs, Texas Campaign for the Environment spoke on the item, noting that TCE was neutral on the idea of whether collection services should be done on the public or private side. He stated that he believed, but was not certain, that most cities in Texas had private companies performing collection. He noted other cities have good programs that are performed by private companies. Mr. Dobbs stated that poverty is a form of pollution and that this should not be a proposal about short changing the front line people. Mr. Dobbs noted that living wage and benefits, including secure retirement benefits, and the right to organize and collectively bargain are all points to consider in any cost benefit analysis performed related to this item. Mr. Dobbs noted that these are things that sanitation workers enjoy today and need to be kept in mind, and asked that the commission bear in mind how privatization could be done without reducing wages and limiting access to unions. Mr. Dobbs repeated that TCE is formally neutral on the issue of whether collection services should be done on the public or private side.

Carol Guthrie, American Federation of State, County and Municipal Employees, spoke on the item.

Ms. Guthrie noted that the concept of privatizing collection services arose 20 years ago, and referenced a study that was done and noted at that time that showed it was more cost effective to keep the services "in-house". Ms. Guthrie noted that in some cities that have privatized, the cities have had to return to providing the service after loss of accountability. Ms. Guthrie noted that the placement of this item on the agenda has had a huge impact on morale, and that employees have asked if they will lose retirement, job, and homes. Ms. Guthrie noted that privatization costs cities more money, has a severe impact and is a bad decision proven over and over again. Ms. Guthrie asked that the commission take the item off its agenda.

Eric Goff signed up to speak on the item but passed.

Chair Acuna responded that the agenda item was never intended to put anyone out of work and noted that the commission absolutely respects the safety and challenges faced by front line employees every day and considers their safety and well-being a responsibility of the commission. Mr. Acuna asked the ARR Director to stand and directed his comments toward him. Mr. Acuna stated that regarding the budget issues being experienced, the commission is not receiving the information needed to make responsible decisions that impact employees.

Chair Acuna noted that the confidence level has not gone down with the 99% of hard working individuals who keep the city clean, rather with the 1% who "steer the wheel".

Chair Acuna noted that cost of living and merit raises are deserved, and if that we can work together transparently we can see what private sector has done, and what is missing. He noted that this item was only an effort directed at gathering information to make responsible decisions to keep employees happy and safe.

Mr. Gedert responded that he and the Chair disagree on the issue and that employees of the department should not be held hostage because of the disagreement. Mr. Gedert noted in response to requests for information, he has answered questions and supplied information and is not certain of what the Chair is further specifically requesting. Mr. Gedert noted that the commission has not identified any weakness in service that would cause a change in service provider and the City Manager's office and the department strongly oppose this action which would displace 400+ employees and cause a potential loss of retirement benefits and change in health insurance. Mr. Gedert noted that ARR employs disadvantaged "second chance" staff and pays a living wage as a value of the city consistent with City Council direction. Mr. Gedert stated that employee layoffs and poor customer service have been shown when similar changes of service have occurred in other cities. Mr. Gedert stated that customer satisfaction is high based on surveys, with only household hazardous waste services being considered as too far, a satisfaction point that the department is responding to by a proposed location in north Austin. Mr. Gedert noted that a cost/benefit analysis of each service was presented to the commission in January with no identified specific concern of weakness or dissatisfaction.

Mr. Gedert noted that the commission has presented general points without specific requests for service changes, that he constantly looks for cost efficiencies, and ARR rate comparisons with similar cities presented to ZWAC in January show Austin as mid-group and 10% higher than San Antonio, and stated ARR is looking at more direct comparisons to San Antonio currently for efficiency. Mr. Gedert asked that the commission reject the Chair's proposed action.

Chair Acuna responded that he would table the item if it is the will of the commission, and that the well-being of employees was the goal of the item being proposed. Chair Acuna noted that perhaps after next month and the working group is able to convene that he may then say ARR is running a wonderful program. Until then the commission requests transparency and accountability.

Mr. Gedert said he very consistently supports transparency in government and sees no information being withheld. In regard to his performance, he asked that anyone may see the City Manager about that, but for the department financial position a whole, there is a formal process in place to review over the budget each year where the commission has the opportunity to review the budget and that there is nothing being withheld.

Commissioner White recommended to the Chair that the idea of privatizing a public service was a dramatic step to take and asked that the entire body please first discuss the rationale for similar items, with potential for serious ramifications, more fully in the future before placing them on the agenda. Chair Acuna accepted the recommendation and thanked Commissioner White.

Commissioner Bones noted that she appreciates that this item has come to light because it shows that goals often encompass more than the commission is considering, and the commission is accountable for a department that deserves respect.

Commissioner Hoffman noted that she appreciates the efforts of the 99% and thanked Mr. Gedert.

Commissioner Guidry noted that deep core values of social justice and environmental sustainability are important to the commission and to staff, commended the commission for even considering the item in exploring every avenue available and stated that City employees should be protected.

Chair Acuna made a motion to table the item, Commissioner Hoffman seconded, and the item was tabled on a unanimous vote.

6. FUTURE AGENDA ITEMS

Commissioner Blaine asked how items can be placed on the agenda and Chair Acuna and Mr. Gedert described the process.

Diversion Rate Study – Mr. Gedert noted this could possibly be presented at April ZWAC meeting.

Citywide Organics Collection Update – (Commissioner Joyce's requested staff include pilot info as she is interested to know how well it has worked) Mr. Gedert noted this would be combined with and presented alongside the budget presentation.

Commissioner Blaine asked about the ZWAC choosing between weekly recycling vs organics collection expansion. Mr. Gedert said he could possibly present on the topic in April but might be May. The decision would be one or other (weekly or organics) and this decision would need to be made before end of May. He noted he may need to bring to ZWAC in April order to meet the timeline for Council. Chair Acuna requested it be posted as discussion and action.

Recycling Processing Agreements – Mr. Gedert noted that an update will be provided at the April ZWAC meeting.

Adjournment

A motion to adjourn the meeting was made by Commissioner Hoffman, seconded by Vice Chair Gattuso, and the meeting was adjourned by Chair Acuna at 9:31pm, to no objection.