



Agenda Item #: _____





Staff Report

City of Manhattan Beach

TO: Honorable Mayor Montgomery and Members of the City Council

THROUGH:  David N. Carmany, City Manager

FROM: Liza Tamura, City Clerk 
Terri Aliabadi, Senior Deputy City Clerk 

DATE: April 19, 2011

SUBJECT: Approve Amended Minutes of the Regular City Council Meeting of March 1, 2011

RECOMMENDATION:

Staff recommends that the City Council adopt the minutes of the March 1, 2011 City Council Meeting as amended.

FISCAL IMPLICATION:

There are no fiscal implications associated with the recommended action.

BACKGROUND:

At the City Council Meeting of March 15, 2011, the City Council directed staff to amend the March 1, 2011 minutes regarding the solid waste contract item (*Consideration to Select a Solid Waste Hauler and Optional Services and Approve Award of the Solid Waste Contract*). Direction was given to add the City Council's comments as it pertained to the justification of their vote. The amendments are in red.

At the City Council Meeting of April 5, 2011, City Manager Carmany continued the amended March 1, 2011 City Council Meeting minutes to the April 19, 2011 City Council Meeting because there were only 2 Councilmembers present who were in attendance at the March 1, 2011 City Council Meeting and a majority of 3 Councilmembers are required for a vote.

DISCUSSION:

Attached for your approval are the amended minutes of the March 1, 2011 City Council meeting.

GENERAL BUSINESS

03/01/11-14. Consideration to Select a Solid Waste Hauler and Optional Services and Approve Award of the Solid Waste Contract (Continued From the February 15, 2011 City Council Meeting)

Public Works Director Jim Arndt introduced the subject item and provided a PowerPoint presentation.

RECESS AND RECONVENE

At 8:55 p.m. the Council recessed and reconvened at 9:14 p.m. with all Councilmembers present.

Gary Clifford provided a presentation on the services provided by **Athens Services**.

Tim Fry and **Karen Sandvig** provided a presentation on the services provided by **Crown Disposal**.

Vickie Wippel and **Doug Portman** provided a presentation on the services provided by **Waste Management Services**.

The following individuals spoke on this item:

- **Richard Strom, 800 Block of Pacific Avenue**
- **Colleen Real, 1500 Block of Ruin**
- **Helen Duncan, President & CEO of Manhattan Beach Chamber of Commerce**
- **Kasey Bernstein, 1200 Block of Fisher Avenue**
- **Shirley Stearns, No Address Provided**
- **Kami Havluciyani, 1200 Block of Fisher Avenue**
- **JJ Faulk, No Address Provided**
- **Oliver Schulster, No Address Provided**
- **Alice Neuhofer, 1400 Block of 11th Street**
- **Jan Dunbar, No Address Provided**
- **Cyndi Daugherty, 1800 Block of Ardmore**
- **Heidi O'Brien, No Address Provided**
- **Kim Castner, No Address Provided**
- **Lillian Light, No Address Provided**
- **Bess Doherty, 12th Street**
- **Stephanie McKeever, 1500 Block of 8th Street**
- **Kris Kimble, 2600 Block of Elm Avenue**
- **Carl Leach, No Address Provided**
- **Laura Kilcolin, 1100 Block of 38th Street**
- **Bill Victor, No Address Provided**
- **Richard Gise, Representative of Goodwill**
- **Kim Martin, 600 Block of Marine Avenue**
- **Audrey Judson, No Address Provided**

- **Suzanne Kretschmer, No Address Provided**
- **Chandra Shaw, Vice President of the Downtown Business & Professionals Association**
- **Laura Cipollari, 1100 Block of 2nd Street**
- **Peter Somberg, No Address Provided**
- **Robert Bush, No Address Provided**
- **Mary Ann Varni, Downtown Business & Professional Association Director**
- **Larry Greg, 27th Street & Manhattan Avenue**
- **Maria Kosanovich, No Address Provided**
- **Kaye Sherbak, VOICE President**
- **Diane Wallace, No Address Provided**
- **Alita Rethmeyer, 700 Block of Marine Avenue**
- **Michael Radke, 600 Block of 18th Street**
- **Dana Thorn, 600 Block of 27th Street**
- **Viet Ngo, No Address Provided**
- **Gerry O'Conner, No Address Provided**
- **Michael Keegan, Manhattan Bread & Bagel**
- **Martine Robles, Waste Management Driver**
- **Gilbert Ruiz, No Address Provided**
- **Mercedes Castro, No Address Provided**
- **Bert Ball, Executive Director of L.A. Shares**
- **Greg Good, Director of Los Angeles Alliance for a New Economy**
- **Stephanie Barger, Don't Waste LA Earth Resource Foundation**
- **Lisa Ryder Moore, Waste Management Consultant**
- **Hillary Gordon, Sierra Club**
- **Ken Spiker, Lobbyist for Athens**

Laith Ezzett, HF&H Consultant, responded to Council questions.

RECESS AND RECONVENE

At 11:55 p.m. the Council recessed and reconvened at 12:10 a.m. with all Councilmembers present.

Commenting that the bid process worked and the City has great choices, Mayor Pro Tem Tell stated that he believes that the three most important factors are customer service, cost and diversion. He said that, in his opinion, Waste Management is number one in customer service; Athens Services is number one in cost; and Crown Disposal is number one in diversion; and in regard to diversion, he considers it somewhat of a tie between Waste Management and Athens Services. He stated that because Waste Management focuses on public outreach and recycling, even though their diversion plan is just a pilot program, he would prefer Waste Management over Athens who focuses more on new technology. Given the various factors between residential and commercial prices, Mayor Pro Tem Tell considered costs to be a tie between Waste Management and Crown Disposal. He said he would rank Waste Management first on customer service because there is a level of uncertainty with Athens Services; because Crown Disposal does not have a lot of residential experience; and because of the risk that a transition may bring.

Councilmember Powell concurred with Mayor Pro Tem Tell adding that part of customer service is community outreach and partnering with the City on green sustainable services. He stated that each of the three companies excel in one area but he gives the tie breaker to Waste Management because of the many programs they already offer and their proven track record. He spoke of the many e-mails from residents who, even during these challenging economic times, said that they would rather pay the extra money because they are very satisfied with the service they are currently receiving from Waste Management. Councilmember Powell added that there would be no cost to the City if Waste Management continues on as the City's waste hauler, but there would be a cost if a transition to another waste hauler occurs.

Councilmember Ward stated that he learned a lot while Co-chair on the Environmental Task Force and especially from the Solid Waste and Recycling Sub-committee. He acknowledged that the information from this Committee was the basis by which the Council put out the Request for Proposals. Stressing that the overall goal is to reduce waste, he remarked that the Council thought that they would get the "biggest bang for their bucks" with the big commercial entities. He pointed out that the current haulers diversion rate is 38%, but the Council was seeking a diversion rate of between 45 – 70%. He reported that there is a \$3.3 million difference between Waste Management and Crown Disposal and an even bigger difference between Waste Management and Athens Services; and that while the differences don't show that the City did go out to bid, money was saved by this bid process. He stated that he was surprised at the overwhelming support for Waste Management from the community and that he believes that Waste Management has the resources to mitigate future financial impacts that may come about during a seven year contract with the City. He explained that he inquired about the salaries of the Chief Executive Officer and the lowest level worker because it is time to start looking at the financial environmental aspect as well. Councilmember Ward concluded that for all of these reasons, he will support staying with Waste Management.

Councilmember Cohen expressed her frustration over this process stating that on the face of it the City was going to get a higher diversion rate; however because customer service is critical and the core service is waste hauling, it comes before environmental stewardship. Acknowledging that to the community, customer service is number one, she pointed out that Crown Disposal does not have much residential experience and the residents overwhelmingly want Waste Management. She talked about long term environmental needs and that she doesn't feel Council has compromised too much because Waste Management has guaranteed to improve their diversion rate from 38% to 50% and then up to 58% over time. Councilmember Cohen acknowledged that she gave Waste Management a hard time but emphasized that as a Fortune 500 company they need to invest more in alternative clean renewable diversion and own more than landfills. She added that she understands that they may have to move slowly because they are a publicly held entity and have to answer to shareholders, but she voiced her disappointment with Waste Management because she believes it is driven by numbers (dollars). She conveyed that she will vote for Waste Management because they are increasing diversion levels but asked the Waste Management representatives to put pressure on the corporate office. She concluded by thanking Athens Services and Crown Disposal for their level of effort commenting that this has been one of the hardest decisions that this Council ever made.

Mayor Montgomery stressed that this contract is not about past; that Waste Management's community involvement is great; that he would never say that Waste Management didn't do a good job; that bids were sought in order to save residents money; and that he is looking forward to the future. He acknowledged that he was disappointed that, after all the work that staff and the consultant put in, Waste Management didn't come back with a lower offer and that while customer service is important, financial costs are just as important. He remarked that some will question the fact that after going through this process and spending \$213,000, the City is right back where it started. He added that while no one can answer what Crown Disposal and Athens Services could have done, he understands the fear of change and the majority of residents chose Waste Management because of their priority to customer service. Mayor Montgomery thanked Crown Disposal and Athens Services stating that their qualifications are not an issue and that everyone learned a lot about the two companies.

Councilmember Powell stated that he concurred with Councilmember Cohen's admonishment of Waste Management and added that he would like to see an efficiency audit performed in regard to the administration fee charged by the City.

MOTION: Councilmember Ward moved to approve selecting Waste Management as the City's next solid waste hauler; approved selecting the used carts option and the optional service programs: door to door hazardous waste and additional mixed waste bin processing; and directed staff to return to Council with customer rates at the March 15, 2011 City Council meeting. The motion was seconded by Councilmember Powell and passed by the following roll call vote:

Ayes: Powell, Cohen, Ward and Mayor Pro Tem Tell.
Noes: Mayor Montgomery.
Abstain: None.
Absent: None.