

CAPITAL OUTLAY AND INFRASTRUCTURE COMMITTEE MEETING
MONDAY, AUGUST 12, 2024
7:30PM

A Capital Outlay and Infrastructure Committee meeting was held on Monday, August 12, 2024, at Livonia City Hall in the City Council Chambers on the 2nd floor.

Committee Members Present: Rob Gjonaj-Donovic, Chair
Jim Jolly, Vice Chair
Carrie Budzinski, Member

Committee Members Absent: Brandon McCullough, Council President
Scott Morgan, City Councilman

City Council Members Present: Laura Toy, Council President
Martha Ptashnik, Council Vice President

**City Officials
and Others Present:** Maureen Miller Brosnan, Mayor
Dave Varga, Chief of Staff
Carter Fisher, City Attorney
Debra Lichtenberg, Finance Director
Don Rohraff, Director of Public Works
Doug Moore, Assistant Director of Public Works
Kristin Houchins, Communications Director
Jim Baringhaus, Chairman, Greenleaf Commission
Terry Cullum, Greenleaf Commission

Sam Caramagno, Priority Waste
Sam Caramagno Jr, Priority Waste

Additional Attendees: See attached list

1. The subject matter of the solid waste/recycling contract. (CR 57-15 and 932-98)
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The meeting convened at 8:22pm, led by Committee Chair, Rob Gjonaj-Donovic.

Mayor Brosnan started the meeting off on recapping the Solid Waste & Recycling contract, which expires November 30th of 2024. The city went out to bid in April of 2024, 4 vendors attended the pre bid meeting.

GFL, Waste Management, Priority Waste and Titan all attended, only GFL and Priority Waste submitted bids in May the following month. Waste Management notified the city they would not submit a bid and Titan did not bid as well.

Important to note, these bids were submitted prior to the private acquisition between GFL and Priority Waste in July which impacted some 74 communalities across Michigan.

Debra Lichtenberg, Finance Director, and Don Rohraff, DPW Director, gave a presentation to City Council on various bid requirements and program scenarios and options, based on approximately 39,900 homes:

Option 1: To continue as status quo, with traditional trash cans provided by residents and the existing 26-gallon orange recycle containers.

- GFL's bid was \$19.55 per stop, compared to Priority Wastes \$17.50 per stop

Option 2: No change in trash collection, but a citywide transition to 64-gallon recycling carts.

- Same cost. The city would purchase the recycling carts.

Option 3: Both carts for trash and recycling.

- 40,000 trash and 40,000 recycling carts purchased by the city for roughly \$4M from budgeted funds from the Refuse Fund of roughly \$8M.
- \$15.50 per stop, for a rough total of \$7.4M a year, up from our current contract of 13.85 per stop, or \$6.3M a year. That is roughly \$950,000 savings year one, a \$4.7M savings year five, and \$7.6M savings year eight.

Our current contract is \$13.85 per stop (home) for an annual cost of roughly \$6.3M a year. Under a new contract with Priority Waste, the new per stop cost would be \$17.50 per stop, or roughly \$8.4M a year, up from the roughly \$6.3M a year.

There were several reasons why the Administration and the waste contractor are recommending the City of Livonia switch to carts as opposed to traditional trash cans.

We discussed the various cart sizes offered, 95- and 64-gallon carts, the various pros and cons and real-world industry perspectives from the waste contractor.

A representative from Priority Waste, Mr. Sam Caramagno, gave the City Council a lot of important information from the industry standards, why most communities have switched to carts, and that Livonia being one of the last not to switch.

Mr. Caramagno explained various pros and cons and answered several questions and concerns from the City Council.

The administration received three bids from cart suppliers, all of which were similar in cost and warranty.

The City of Livonia currently levies a refuse mileage, which covers the cost of trash collection. Of which half of a mill is currently not being levied. The administration indicated it does not intend to levy the half mill and the existing fund balance would cover the cost of this proposed contract and transition to carts.

There was a continued discussion by the Committee Chair, Rob Gjonaj-Donovic, on the budget and confirming we can afford to cover the cost without going back to the residents for an increase.

There are also state grants available to purchase the recycling carts which could help offset the cost and save the city money.

Director of Communications, Kristin Houchins, gave a presentation on various marketing and creative ideas and methods to communicate the change to residents. Various social media, online engagement and direct mail ideas to explain the do's and don'ts, timelines, and other important information as this program is rolled out.

The proposed trash contract would be carts plus unlimited collection, with exception to specific unique situations like move outs, evictions, or clean outs. For those sorts of situations, the resident(s) would have to contact Priority Waste directly for a special pickup.

The administration recommended awarding a 5-year Solid Waste & Recycling contract to Priority Waste for **Option 3** and to switch from traditional trash cans and recycling bins to 95-gallon trash and 95-gallon recycling carts to be purchased from the cart supplier, Toter.

Councilwoman Laura Toy offered an approving motion to purchase the carts.

Vice Chairman of the Committee, Councilman Jim Jolly, offered an approving motion for the new contract.

A PowerPoint presentation was included in the packet and will be made available for all members of the public on the City's website. All meetings are open to the public and information is available on the city's website.

This item, the subject matter of solid waste and recycling will stay in committee.

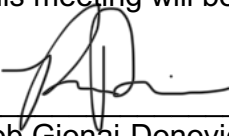
The meeting adjourned at 9:45pm.

The Committee recommends for the Law Department to draft approving resolutions of the following:

1. To purchase the carts.
2. To approve the new contract.

Note: This item will remain in Committee.

This meeting will be reported at the Regular Meeting of August 26, 2024.



Rob Gjonaj-Donovic, Chair

CAPITAL OUTLAY AND INFRASTRUCTURE COMMITTEE MEETING
MONDAY, AUGUST 12, 2024, 7:30PM*

***To begin after the adjournment of the Finance and Budget Committee Meeting**

NAME

DEPT OR CONTACT INFO FOR NOTIFICATIONS*

*PERTAINING TO THE SUBJECT MATTER OF THIS MEETING

Duke Miller DP-2
Dave Varga City
Tennie Curran ~~Carroll~~ LEAF