



Taxation, Revenue, and Utilization of Expenditures (TRUE) Commission

John Palombi, Chair

Wes Benwick, Vice Chair

Greg Anderson, Secretary

Meeting Minutes

Special Called Meeting – Trail Ridge Landfill Contract

April 20, 2009

4:00 p.m.

Attendance: John Palombi (Chair), Joe Andrews, Marcella Lowe, Randy Deen, Nicole Lester, Jason Fischer Ron Mallett, Steve Jarecki

Excused: Robert Jones, Ruth Arnold, Greg Anderson, Mark Cowart, Wes Benwick

Guests: Ebenezer Gujjarlapudi, Chris Pearson and Fred Forbes – Solid Waste Division; Sherry Hall – Mayor’s Office; Tia Mitchell and Joe Adams – *Florida Times-Union*, Tom Martin – TRUE Commissioner nominee

The meeting convened at 4:12 p.m. with a quorum present.

Chairman Palombi distributed a proposed order of business which included several sequential steps:

- 1) Take an initial vote on whether the Commission intends to take a formal stand on pending ordinance 2008-538 which would waive the City’s procurement code to permit a no-bid, negotiated extension of the current Trail Ridge Landfill operational contract with Waste Management Inc. for the life of the Trail Ridge site capacity (25-30 years).
- 2) If the commission votes not to take a formal position at this time, then adjourn the meeting.
- 3) If the commission decides to take a position, then consider the following options:
 - Support the Mayor’s requested waiver and the negotiated contract extension;
 - Support the requested waiver with additional recommendations, including incorporation of some or all of the Council Auditor’s recommended changes to the negotiated extension or other changes;
 - Recommend that City Council deny the request for the procurement code waiver and cite reasons;
 - Recommend some other course of action.

The commissioners discussed the reasons why the TRUE Commission might want to take an official position and whether or not the group possessed sufficient information to take an informed stand.

MOTION: The TRUE Commission should debate the issues and adopt a formal position on the proposed procurement code waiver and contract extension today – **approved 7-2.**

The group having expressed its intention to debate and adopt a formal position, Chairman Palombi distributed a document listing pro and con arguments/points for three potential courses of action:

- 1) Support waiving the procurement code and the negotiated contract extension as proposed by the Mayor;
- 2) Support waiving the procurement code and a negotiated contract extension IF additional changes can be made to the contract (Council Auditor's recommendations or others);
- 3) Recommend denying the requested waiver and suggest that the City obtain clarification of potential legal issues while developing alternative landfill expansion/operation plans to implement when the current contract expires in 5-7 years when the capacity of the existing landfill cell is reached.

The commission engaged in considerable discussion about the merits of accepting the package of immediate savings offered by the extension of the existing contract with Waste Management vs. the possibility of obtaining more favorable terms and potentially greater savings on the future operation of the landfill through a competitive bidding process for the next phase of operations after the existing contract is concluded. The commissioners asked several questions of City Solid Waste Division staff in attendance about the practicality and potential pitfalls of having a different company take over operation of the landfill after the initial contract with Waste Management concludes, including the possibilities for a new operator to connect a new cell directly to the existing waste cell so as to maximize the disposal capacity of the site.

The commission considered the possibility that either course of action could result in a lawsuit from one or the other of the interested companies and discussed the General Counsel's legal opinion on the subject. The commission discussed who should be tasked with beginning the permitting for the next phase of operations at Trail Ridge – the City or Waste Management. Ebenezer Gujjarlapudi, Director of the Environmental and Compliance Department, stated that the City will be careful not to ask Waste Management to be involved in the permitting of the landfill's second phase so as not to indicate that the company has any rights to operate the remainder of the site after its current contract is completed.

The commission engaged in considerable discussion about the ability to and wisdom of waiving the procurement code to permit the negotiated extension of the current contract. Several members worried about the precedent that might set, particularly with a contract of the length and potential value of this one, and expressed their preference for a competitive bidding process, even at the cost of losing short-term verifiable savings under the current contract that only Waste Management can offer. Several members were of the opinion that transparency and public faith in the procurement process were paramount considerations, and should take precedence over short term financial considerations.

MOTION: the TRUE Commission recommends to the Mayor and City Council that the procurement code waiver requested in pending Ordinance 2008-538 be denied; that the City undertake efforts to obtain settlement (to the degree possible) of all the legal issues surrounding landfill operations contract and extension proposal; and that the City begin developing alternative waste disposal strategies for implementation after the existing landfill contract is concluded, including consideration of the City taking over operation of the landfill in-house – **approved 9-0.**

Chairman Palombi and staff will craft a document encompassing the commission's recommendations for circulation to the Mayor and City Council.

There being no further business, the meeting was adjourned at 5:13 p.m.

Posted 4.30.09
11:35 a.m.

c.c. cityc@coj.net
City Council electronic files
Media box