



COUNTY BOARD OF PUBLIC WORKS

**May 2, 2013
MINUTES**

**Earl G. Woodworth Building
Meeting Room Chambers
1500 Scribner Avenue NW
Grand Rapids, Michigan 49504**

MEMBERS PRESENT: Commissioners Vonk, Shroll, Byl, Rolls, Bulkowski, Vander Molen, Groenleer

ABSENT:

OTHERS PRESENT: Douglas G. Wood, Director; Dennis Kmiecik, Solid Waste Division Director; Dan Kendall, Finance Division Director; Bill Allen, WTE Division Director; Ron Landis, Director of Engineering; Elissa Soto, Office Manager; Steve Achram, Civil Engineer; Tom Cizauskas, Purchasing Division; Joni Laming, Purchasing Division; Linda Howell, Assistant Corporate Counsel

I. Call to Order

Chair Vonk called the meeting to order at 8:00 a.m.

II. Public Comment

None

III. Review and Approval of Minutes

MOTION

It was moved by Commissioner Vander Molen and supported by Commissioner Byl to approve the minutes of the April 4, 2013 meeting.

Motion carried unanimously.

IV. Finance & Administration

A. Capital Improvement Program (CIP) 2014

Each year staff prepares a five year plan for upcoming Capital Improvement Program Budget (CIP) needs of the department. These include items ranging from replacement vehicles to pieces of equipment that can cost hundreds of thousands of dollars. This

year's estimate is approving 2014 expenditures with 2015 – 2018 shown in anticipation of future needs. Board members received details on the each request and explanation summaries. Rates per ton on the funding of the reserves are estimates and will be set at the operating budget approval stage of the budget process.

Director Wood added that all divisions have been moved to one fund for accounting purposes.

Materials Recovery Facility: Mr. Kmiecik began with the CIP for the MRF. He reported potential replacements for a forklift, snow plow, front end loader, boom lift and corrugated cardboard screen. All equipment will be monitored monthly and if necessary will be replaced.

North Kent Transfer Station: NKTS has a plan to replace the oldest or most costly transfer trailer. Staff plans to use some of the WTE's older trailers for the hauling of recyclables. The recyclables are compacted within these trailers which allows staff to haul them once a week to recycling facility. NKTS also has a front end loader scheduled for replacement and a radiation detector replacement, switch tractor replacement, vehicle replacement, trash compactor replacement. It is possible that the radiation detector will not need to be replaced, but rebuilt because of parts left over from old detectors at SKL and WTE. These parts are no longer available so when they run out the system will need to be replaced.

South Kent Landfill: SKL has scheduled replacements for a roll off truck, front end loader, landfill compactor, a vehicle and a GPS compactor. The pricing differs between the front end loaders at NKTS and SKL because of size. SKL needs a much larger machine which justifies the difference in price.

Waste-to-Energy: Mr. Allen reported on the CIP for the WTE facility. He added that replacements at the facility are only done when necessary. There is currently a front end loader due for replacement. The equipment will be inspected and if possible will perform a rebuild. The 2014 CIP includes the replacement of a truck with a lift gate which has been deferred from 2013. This truck may last one more year, staff will monitor it. The largest item in the CIP is refurbishment of the facility. There will be repairs to the roof and other onetime replacements necessary that are due to normal wear.

Mr. Vonk asked if there are back up machines at the facilities. Mr. Allen stated that they do not at the WTE but maintenance is scheduled during slower times and alternate machines can be used. Mr. Kmiecik stated that all three sites have back up loaders.

CIP Reserves: Mr. Kendall reviewed the Department's reserves. He explained that the Department builds up reserves so that when improvement projects are necessary the funds are available. A certain amount is put into each reserve account in accordance to the anticipated CIP projects. He explained that as improvements are completed at the facilities it becomes a negative balance, but the reserves become positive balances as funds grow. When improvements are planned staff must analyze closely at how to fund projects if reserve accounts are low. He added that this system was used at the WTE and worked well to monitor projects and does not affect the rate.

Mr. Allen explained that because of the reserve accounts, the WTE was able to begin replacing the WTE scales, which began to deteriorate and had to be replaced ahead of schedule. This reserve also allowed the WTE to accomplish an extensive storm water project without adversely affecting the rate structure.

Cell Construction Costs: One of the major construction elements of the landfill is cell construction. Mr. Landis prepares the current budget and projects but also forecasts future construction. Predicting future projects allows the Finance Division to prepare sufficiently for the impending costs. Cells are constructed every three years depending on intake of trash. There was a change in the construction of Cell 35 because it was discovered that the clay material under the landfill had changed and did not fulfill regulatory requirements. A double liner system is now required increasing construction costs by approximately 36 percent (\$611,000). Excavation costs have not increased

Mr. Wood pointed out the narrative of the CIP included in the Board agenda as a point of reference for more specific information. The Commissioners commended Department staff for utilizing Department resources wisely.

Commissioner Bulkowski wondered the increase in the rate per ton and how it impacts the rate that customers pay. Mr. Kendall replied that it shows in the operating budget as a contribution to the operating reserve. Mr. Kendall added that the costs are concrete and either rates or tonnage must increase in order to cover operating costs over time. This year the Department is planning on a rate increase. Mr. Wood added that there has not been a rate increase in four years. With the decreasing tonnage at the landfill, this rate is not sustainable.

MOTION

It was moved by Commissioner Groenleer and seconded by Commissioner Byl to approve the 2014 Capital Improvement Program Budget for the Department of Public Works and submit to the County Administrator.

Motion carried unanimously.

B. Department Re-organization

Director Wood reported that he and the Human Resources Department conducted a re-organization and staffing study for the purpose of aligning current Department resources taking into consideration reduced Department services and retirement eligibility status of four key members of the leadership team that include: Public Works Director, Engineering/Utility Services Division Director, Waste to Energy Division Director and Solid Waste Operations Division Director. Additionally, the elimination of the Utility Services component has resulted in the need to review future staffing.

- Currently the Department is organized into four Divisions: Engineering/Utility Services, Solid Waste Operations, Waste to Energy and Finance Accounting.
- The Proposed Organization reduced the number of divisions from four to two: Solid Waste Division and Finance Division.
- Under the Solid Waste Division Director are four operations managers: Solid Waste Operations (landfill and transfer station), Recycling and Resource Recovery, Environmental Compliance (closed landfills and permits) and Waste to Energy.
- The Finance Division has additional responsibilities: waste to energy budget, property management, contract management.

The proposed re-organization will make the following changes:

- Promotes the current Solid Waste Operations Division Director to Solid Waste

Division Director. This position also serves as Department Director, as necessary. This change does not provide a salary grade change, but it does give a slight pay increase due to added responsibilities.

- Promotes the Environmental Compliance Manager with revised responsibilities. There is currently an individual in this position, Molly Sherwood, who will have added supervisory responsibilities. This person will manage the closed landfills and all of the permits associated with them.
- Creates a Recycling and Resource Recovery Manager. The Director proposed to advertise the position internally. He believes that there is talent within the Department to fill the position.
- Creates a Waste to Energy Manager with revised responsibilities. This position will manage the Waste Regulation Specialist positions, the transfer station and scale house at the WTE but will not be responsible for the WTE budget. Budgetary responsibility will be shifted to the Finance Division Director.
- Creates Solid Waste Operations Manager with revised responsibilities. This position is responsible for the management of South Kent Landfill and the North Kent Transfer Station and the engineering components related to them. The Director proposed to advertise this position internally as he feels there are qualified individuals within the Department who can assume this role.
- Deletes Engineering/Utility Services Division Director position
- Deletes Engineer II position
- Deletes Waste to Energy Division Director
- Transfers certain responsibilities to the Finance Director
- Delete the Waste Regulation Inspector (full-time); adds two positions part-time. These positions will be implemented one at a time to ensure smooth transitions. Part-time staffers allow the Department to be more flexible with hours since it does not hold traditional hours of operations.
- Deletes one Resource Recovery Specialist position; adds two Resource Recovery Specialists (part-time). The addition of part-time staff will allow staff to be more available for tours and weekend hours and events.

Director Wood reviewed the current and the proposed organizational chart and highlighted the differences between them. He added that the re-organization plan over the course of a full year would approximately result in a savings of \$67,939-\$90,709.

Mr. Wood introduced Darius Quinn, Human Resources Manager, who has worked in depth with the Director on these proposed changes. Mr. Quinn stated that he had been working with the Director since last fall on a plan that looks to the future and achieving greater efficiencies. He added that there have been at least four revisions of the re-organization plan with hopes of avoiding the reduction in staff and have been unable to achieve that. He highlighted the savings the proposed changes the plan offers and the fact that additional savings will be realized in future years.

Mr. Wood explained that this plan kept in mind the number of eligible retirees in the Department and was set up with a solid management structure. This way when key leaders in the Department choose to retire, individuals are in place to assume those responsibilities.

Chair Vonk stated that as part of a sub-committee he attended two lengthy meetings

addressing the changes. He opened the floor to the other Board members for comments and questions.

Commissioner Groenleer addressed the proposed changes and asked whether the positions slated for deletion presently have employees in them. Mr. Wood said they are and most of these individuals will be assuming new roles. Mr. Groenleer asked specifically about the Engineer II and Waste Regulation Specialist position. Mr. Wood replied that these positions will be eliminated and those individuals will be invited to apply for the positions that have been created. These positions must go through a job posting process per County policy. Mr. Groenleer asked how many people would lose their jobs with this new plan. Mr. Wood replied that one person would.

Commissioner Rolls expressed concerns with the proposed plan and the number of positions being eliminated and potential layoffs. He understands the need for succession planning but does not understand the need to eliminate positions. He feels that even though certain individuals are eligible to retire, it does not mean they are prepared to retire. He feels that the Department is in a stable financial position and the need for costs savings is not urgent. He expressed concerns with terminating positions when the Department is not struggling financially. He agrees that vacant positions should be eliminated but not those with individuals currently in them. He suggested tabling this Action Request until an alternative solution is developed.

Mr. Wood replied that cost savings were not the motive for the change; it is one of the outcomes. The main reason was to place key people in management positions in order to aid the transition when managers retire.

Mr. Wood added that the Department has had a number of layoffs throughout the years and in the elimination of the Utility Services Division. Had these not taken place, the Department's funds would be depleted.

Chair Vonk stated that succession planning is something that he had discussed with Mr. Wood a number of years ago. He discussed a number of options with the Director. This plan was not hastily thought out and will not be rushed.

Commissioner Byl stated that while in conversations about the change, a point was made to remove names from positions and focus more on the structure in order to analyze the plan objectively. Commissioner Groenleer responded that the subcommittee had more information about the suggested changes and who will assume certain roles. Commissioners that did not serve on the subcommittee are looking at the plan for the first time and due to the lack of information there is hesitation accepting the plan.

Subcommittee members assured the Board that there no decisions regarding personnel have been made. There was general discussion about current employees who have the ability to fill the open positions that are being created. Commissioner Shroll affirmed this and also pointed out that Mr. Quinn stated that the Department's plan is one of the smoothest transitions he has worked on. She believes the plan is very efficient and has been executed with very minimal reduction in employees.

Mr. Quinn suggested the Board move to a closed session in order to protect the privacy of certain individuals in the room.

Commissioners agreed that this matter should be tabled for further explanation and exploration. Commissioner Vonk proposed a closed sessions since specific individuals will

be discussed. Ms. Howell, Assistant Corporate Counsel stated that members can move to table the issue and convene at a later date. There can be a closed session if the Board is looking for the opinion of counsel. To go into a closed session with regard to a specific person, the employee must request it. The Board can go into closed session to with regard to discipline, suspension or termination of an employee.

Commissioner Bulkowski asked whether the Board was responsible for or involved in the hiring of Department staff. Staff replied that the Board is only responsible for the hiring of the Department director.

Commissioners agreed to hold a Special Board of Public Works meeting on Thursday, May 16, 2013 at 8:00 a.m.

Commissioners Byl and Groenleer excused themselves at 9:00 a.m.

MOTION

It was moved by Commissioner Rolls and supported by Commissioner Groenleer to table the discussion about the re-organization and to continue the discussion, in more detail, at a Special Board of Public Works meeting scheduled for Thursday, May 16, 2013 at 8:00 a.m.

Motion carried unanimously.

V. Solid Waste Operations

A. South Kent Landfill

1. Landfill Compactor

The Department has an approved 2013 Capital Improvement Project budget for the purchase of a new solid waste compactor for South Kent Landfill. The existing compactor is due for replacement in September.

Bids for a new compactor and Guaranteed Maintenance contract were solicited on March 25, 2013 by the Purchasing Division. Multiple firms were sent the bid notification and four sealed bids were received. Staff reviewed the bid tabulation at the April Board Meeting and received tentative approval for purchase pending satisfactory research of the machine and supplying company.

Staff has done extensive research on the Tana compactor and Humdinger Equipment, Ltd. who will supply the machine. Staff received positive feedback from all inquiries and is recommending awarding the bid to the low bidder Humdinger Equipment, Ltd.

Mr. Kmiecik added that Humdinger Equipment had never participated in the County bid process. This is a company that the Department had never heard of before because they are new to North America. Mr. Kmiecik contacted a number of references and received positive reports.

This machine is larger than the compactor the landfill currently has and is believed to provide better compaction. Mr. Kmiecik believes that with the compaction rate, it has the potential to extend the life of the landfill by one year for every four.

Commissioner Rolls commended staff for doing research on the machine prior to its purchase.

MOTION

It was moved by Commissioner Rolls and seconded by Commissioner Bulkowski to award the purchase of a Tana E520 Compactor to Humdinger Equipment of Lubbock, Texas in the amount of \$795,000.00 and authorize the Director to execute the contract for Guaranteed Maintenance.

Motion carried unanimously.

B. Lawn Care Contract

Staff with the assistance of the purchasing department requested bids for the mowing of the lawn areas of North and South Kent Landfills. The work involves cutting the entrance area of the landfills as needed. Six quotes were received, of these staff is recommending awarding the contract to First Class Lawn Care and Plowing in the amount \$13,500. First Class has completed this work and the past and provided excellent service. Below is a summary of all the quotes received:

Name	Amount
First Class Lawn Care & Plowing	\$13,500.00
Real Green Lawn Care & Landscaping	\$16,700.00
Creative Property Solutions	\$21,291.37
Everett's Landscaping Management	\$23,627.00
The Ground Guys	\$34,255.24
D & N Landscape Maintenance	\$43,125.00

Commissioner Rolls wanted to confirm that the company had the proper liability insurance. Staff confirmed that it does. Commissioner Vander Molen asked about the terms of the contract. Tom Cizauskas, Purchasing Division responded that the contract is priced at an estimated per mow cost.

Commissioner Shroll wondered about the difference in price between the low and high bidders. Mr. Cizauskas commented that First Class Lawn Care is a local company and D & N Landscape is a company in Lansing. Mr. Landis added that First Class Lawn Care has provided lawn service at SKL for the past two years and are familiar with the site and have done the best job thus far.

MOTION

It was moved by Commissioner Vander Molen and seconded by Commissioner Shroll to award the lawn care for North and South Kent Landfills (RFQ 1197) to First Class Lawn Care and Plowing in the amount of \$13,500.

Motion carried unanimously.

VI. Conference/Education Travels

A. MRC Annual Conference

Approval is being requested for up to three staff members and any interested BPW members to attend the 2013 MRC Conference held in Bay City, Michigan, May 7-9, 2013 at a total estimated cost of \$700 per person for members and \$775 per person for non-members. One day attendance cost is \$150.

MOTION

It was moved by Commissioner Vander Molen and seconded by Commissioner Shroll to approve conference travel for up to three staff members and any interested Board members to attend the 2013 Michigan Recycling Coalition Conference being held in Bay City, Michigan, May 7-9, 2013 at a total estimated cost of \$700 per person (\$775 non-member).

Motion carried unanimously.

VII. Approval of Monetary Outlays

It was moved by Commissioner Vander Molen and supported by Commissioner Bulkowski to approve the monetary outlays for the month of May 2013.

Motion carried unanimously.

VIII. Director's Report

A. Flood/Solid Waste Facilities Use

Mr. Wood reported that that due to flood damage there has been an increase in the number of customers at the landfill and transfer station.

B. Computer System Upgrade

The Department is in the process of upgrading its computers in conjunction with the County.

C. Bill Allen Retirement

Mr. Allen has given notice of his retirement. He has been with the County 32 years and plans to retire June 28, 2013.

D. Operations Report

Mr. Wood had estimates to report. Operations reports will be mailed to Board members.

E. Performance Measurements

Mr. Wood will present the Department's Performance Measurements to the Legislative Committee on May 14, 2013. Board members were given a copy of the Performance Measures and are asked to contact him with any questions.

F. Solid Waste Plan Committee

The Committee met on April 25, 2013 for its organizational meeting. Committee members were updated on the stages of the approval process. Once the Department receives approval from the State, staff will begin work on the ordinance process.

G. T-Mobile Cell Tower

The Department has a cell tower located at the NKTS. The cell tower changes ownership often. Recently the lease was sold to Crown Castle who is requesting that the Department authorize the change. This contract is being reviewed by Corporate Counsel. Ms. Howell is reviewing the agreement along with outside counsel to determine whether the agreement is acceptable.

IX. Miscellaneous

X. Adjournment

The meeting was adjourned at 9:45 a.m.