

MINUTES
HUNTINGTON PARK CITY COUNCIL
A Special Meeting held in the City Council Chambers,
6550 Miles Avenue, Huntington Park, California
Saturday – July 19, 2014 – 9:30 a.m.

CALL TO ORDER

Mayor Perez called the meeting to order at 9:53 a.m.

FLAG SALUTE

The Pledge of Allegiance to the Flag was led by Council Member Amezcuita

ROLL CALL

Present: Council Member Valentin Palos Amezcuita
Council Member Mario Gomez
Council Member Ofelia Hernandez
Vice Mayor Karina Macias
Mayor Rosa E. Perez

PUBLIC COMMENTS – CLOSED SESSION

Mayor Perez opened public comments on Closed Session items. Seeing and hearing no speakers, Mayor Perez closed public comments on Closed Session items.

Interim City Manager Julio Morales announced that City Council will recess into Closed Session at this time (9:55 a.m.) to discuss the items listed in the Closed Session agenda.

CLOSED SESSION

CONFERENCE WITH LEAGAL COUNSEL – ANTICIPATED LITIGATION, INITIATION OF LITIGATION pursuant to California Government Code paragraph (4) of Subdivision (c) of Section 54956.9: Number of potential cases: (2).

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION, Significant exposure to litigation pursuant to Government Code paragraph (2) or (3) of subdivision (d) of Section 54956.9: (1)

City Council reconvened at 10:12 a.m. with all Council Members present.

Interim City Manager Morales reported that, during Closed Session, no reportable action was taken.

END OF CLOSED SESSION

PUBLIC COMMENTS

Mayor Perez opened public comments, indicating that this was the time for anyone in the audience to address the City Council on any matter of City business.

Ron Saldano, Executive Director, Los Angeles Disposal Association, thanked the City for the open and transparent process and commented on efforts regarding recycling and reaching zero waste. He encouraged City Council to choose a company that meets the State's goals and reported that food and green waste will soon be recycled.

Mayor Perez called for any other public comments, and hearing none, declared oral communications closed.

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DISCUSSION AND POTENTIAL ACTION ITEM

Discussion and evaluation of proposals submitted in response to City's Solid Waste Handling Services Request for Proposals.

Laith Ezzet, Sr. Vice President, HF&H, the City's consultant, introduced Lisa Keating, Manager, commented on his company, noted the many proposals in the competitive RFP process and commended Council for putting together a good process. He provided a brief background and addressed the RFP process and schedule, key contract terms, key service enhancements, current annual rate revenue and billing unit count by customer category, current residential rate revenue calculation, select proposed rates, overall cost competitiveness estimated total customer cost over contract term, proposed first-year rate revenue compared to current rate revenues, Huntington Park rate revenue as a percentage of company's total revenue, regulatory considerations, commercial/multi-family recycling program, proposed hauler-collected recycling rate and impact on City-side diversion rate, summary of five lowest cost proposers, summary of proposers and a standardized rate revenue comparison. He encouraged City Council to focus on total costs and noted that all proposals would result in an overall decrease of rates to the City.

Discussion followed regarding residential/commercial experience of the responding companies, regulatory considerations and recycling.

It was noted that the State passed a law that commercial customers must have a recycling program. The City must make sure that this is available through the franchise agreement.

Brief discussion followed regarding commercial bins overflowing and the need to pass an ordinance prohibiting same.

It was noted that some customers do not have the space for two containers.

Mr. Ezzet reported that some companies provide both source-separated recycling collection and mixed-waste processing. He suggested negotiating a firm minimum recycling requirement in the agreement.

Council Member Gomez suggested re-opening public comments after Interim City Manager comments.

Ensuing discussion pertained to negotiating franchise fees.

Members of Council expressed appreciation for the thorough presentation and information provided therein.

It was noted that with increased franchise fees, haulers would more-than-likely increase fees. Discussion continued regarding commercial hauling subsidizing residential and allocation of overhead from operations. Additionally, it was noted that some cities have separate residential and commercial contracts.

Mr. Ezzet reiterated that all proposals offer rate decrease and commented on possible inequities in the existing rate structure, the economically efficient business process and benchmarking.

Interim City Manager Morales opined that there is enough of a sample, with ten (10) very good proposals, to make a fair assessment.

Mr. Ezzet suggesting selecting a company and negotiating further regarding the franchise fee.

Council Member Amezcua commented on providing the best rate for ratepayers while negotiating a higher franchise fee.

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Council Member Gomez noted that all bidders based their proposals on the same specifications.

Brief discussion followed regarding negotiating franchise fees.

Interim City Manager Morales stated that one fee will be at the expense of another and likened the process to squeezing two (2) sides of a balloon. Additionally, a 15% fee was selected as that is what the market bears.

Mayor Perez re-opened public comments.

Edgar Gordillo commented on the waste contract and recycling services and asked whether the City gets a percentage of recycling revenues.

Mr. Ezzet responded that the City does not but that it is taken into account within the rate structure.

Gary Clifford, Athens Services, commented on the company's competitive bid and pointed out the diversion rate offered by their proposal. He added that the company is offering the City a \$500,000 grant which needs to be taken into consideration in addition to their low rates and addressed their capacity and flexibility.

Discussion followed regarding discussing the proposals at face value.

Mayor Perez called for any other public comments, and hearing none, declared oral communications closed.

It was noted that there will be an in-depth review of all proposals. Brief discussion followed regarding the protocol for proceeding.

Members of Council thanked everyone for attending at this time and commented on the unique, open and transparent process.

Interim City Manager Morales asked for direction from Council as to the process.

It was noted that no interviews will be conducted today.

Ensuing discussion pertained to narrowing the choices to five (5) vendors and the need to proceed with the schedule.

Interim City Manager Morales noted that it is critical to award a contract by August 18, 2014, and suggested that one (1) or two (2) finalists be chosen for negotiations in order to allow time for transitioning the service. He added that the process must be open and in public meetings.

A suggestion was made to allow all ten (10) proposers to present during a special meeting, subject to approval by Legal Counsel.

Mayor Perez announced that a special meeting will be scheduled for July 23, 2014, were all proposers will be invited to present. Five (5) will be selected for interviews to be held July 28, 2014, at 6:00 p.m. and a hauler will be selected at that time.

ADJOURNMENT

There being no further business to come before the Huntington Park City Council, Mayor Perez adjourned the meeting at 11:49 a.m.

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NEXT REGULAR MEETING OF THE
CITY OF HUNTINGTON PARK CITY COUNCIL
MONDAY, JULY 21, 2014 at 6:00 p.m.

Rosa E. Perez, Mayor

Yesenia Gomez, Junior Deputy City Clerk